

Memorandum



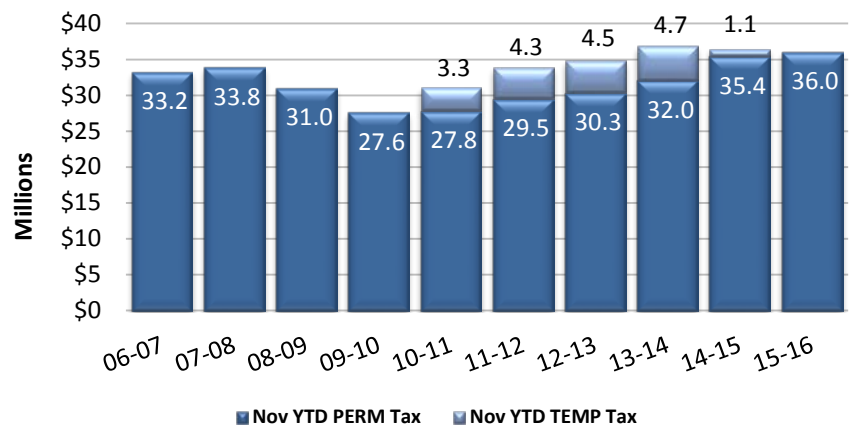
Municipal Budget Office

Date: December 8, 2015
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – November 2015

Attached is the Executive Summary of the Tax Revenue Statistical Report for November 2015 covering October sales activity reported to our Tax and License Division in November.

The graph to the right depicts year-to-date (YTD) General Fund historical privilege tax revenue, which includes the 1.2% permanent tax and the expired 0.2% temporary tax, from FY 2006-07 through FY 2015-16. While taxable sales increased by 1.9% over the same year-to-date period in the prior fiscal year, General Fund Sales Tax revenue collected for FY 2015-16 is down 1.2% (\$452 thousand), as a result of the expiration of the temporary tax. However, the combined bed tax and hotel/motel tax revenues are up by 9.6% (\$253 thousand) over the prior fiscal year.

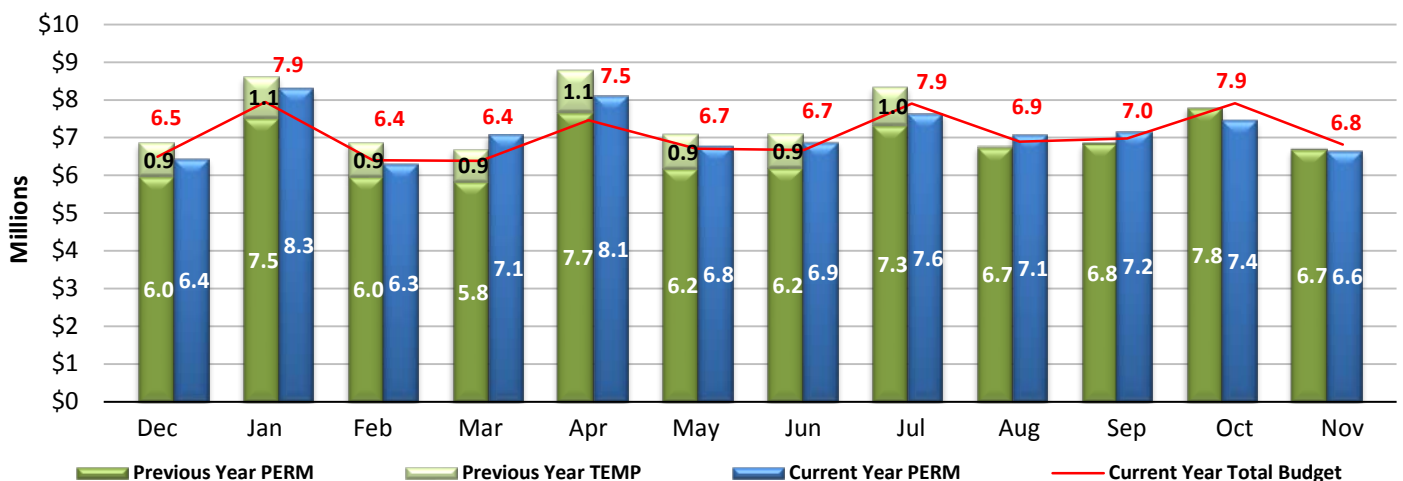
General Fund Sales Tax Collections through November



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year. The previous year's collections are broken into two components: the 1.2% permanent tax and the expired 0.2% temporary tax.

Although sales taxes are not budgeted on a monthly basis, the graph below applies historical collection percentages to the annual budget to gain insight into sales tax performance. Using this approach, sales tax collections in the General Fund are \$489 thousand below budgeted projections through November.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month -November								Fiscal Year to Date through November							
	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change
Taxable Sales																
Total Taxable Sales	503,970,000	-0.8%	533,793,000	5.9%	580,234,000	8.7%	579,881,000	-0.1%	2,640,376,000	3.0%	2,781,991,000	5.4%	3,063,247,000	10.1%	3,122,761,000	1.8%
Retail Taxable Sales	242,094,000	-2.8%	269,013,000	11.1%	284,366,000	5.7%	281,697,000	-0.9%	1,330,774,000	6.4%	1,413,150,000	6.2%	1,513,780,000	7.1%	1,559,378,000	3.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,883,000	1.0%	6,152,000	4.6%	6,690,000	8.7%	6,644,000	-0.7%	30,305,000	2.8%	32,039,000	5.7%	35,392,000	10.5%	35,996,000	1.6%
Temporary Privilege Tax - General Fund	865,000	-0.7%	909,000	5.1%	14,000	-98.5%	9,000	-35.7%	4,487,000	3.8%	4,730,000	5.4%	1,073,000	-77.3%	20,000	-98.1%
Transit Tax Fund (.5%)	2,453,000	1.0%	2,566,000	4.6%	2,790,000	8.7%	2,771,000	-0.7%	12,639,000	2.8%	13,364,000	5.7%	14,759,000	10.4%	15,007,000	1.6%
Arts Tax Fund (.1%)	505,000	1.2%	529,000	4.8%	575,000	8.7%	570,000	-0.9%	2,604,000	2.8%	2,755,000	5.8%	3,036,000	10.2%	3,091,000	1.7%
Privilege Tax - Rebates Fund	286,000	10.0%	307,000	7.3%	285,000	-7.2%	278,000	-2.5%	1,498,000	2.9%	1,595,000	6.5%	1,503,000	-5.8%	1,554,000	3.4%
Bed Tax Fund	385,000	-2.0%	399,000	3.6%	487,000	22.1%	508,000	4.3%	1,373,000	4.3%	1,566,000	14.1%	1,771,000	13.1%	1,925,000	8.7%
Totals	10,377,000	1.0%	10,862,000	4.7%	10,841,000	-0.2%	10,780,000	-0.6%	52,906,000	2.9%	56,049,000	5.9%	57,534,000	2.6%	57,593,000	0.0%
Tax Revenues - Business Activities																
Retail	5,060,000	0.4%	5,485,000	8.4%	5,375,000	-2.0%	5,219,000	-2.9%	27,184,000	5.6%	29,049,000	6.9%	28,848,000	-0.7%	29,168,000	1.1%
Rentals	2,074,000	6.3%	1,934,000	-6.8%	1,703,000	-11.9%	1,830,000	7.5%	10,054,000	2.9%	10,095,000	0.4%	9,650,000	-4.4%	9,915,000	2.7%
Utilities/Communication	921,000	-6.1%	951,000	3.3%	1,122,000	18.0%	883,000	-21.3%	5,215,000	-0.7%	5,401,000	3.6%	5,504,000	1.9%	4,979,000	-10.8%
Restaurants	872,000	-7.2%	959,000	10.0%	904,000	-5.7%	901,000	-0.3%	4,028,000	0.9%	4,423,000	9.8%	4,308,000	-2.6%	4,461,000	3.6%
Contracting	571,000	14.0%	601,000	5.3%	808,000	34.4%	987,000	22.2%	2,957,000	-11.3%	3,316,000	12.1%	5,325,000	60.6%	4,953,000	-7.0%
Hotel/Motel	207,000	-10.8%	234,000	13.0%	240,000	2.6%	282,000	17.5%	755,000	-1.8%	847,000	12.2%	853,000	0.7%	951,000	11.5%
Transient (Bed Tax)	386,000	-1.8%	399,000	3.4%	486,000	21.8%	508,000	4.5%	1,374,000	4.4%	1,567,000	14.0%	1,771,000	13.0%	1,926,000	8.8%
Amusements	118,000	-10.6%	120,000	1.7%	103,000	-14.2%	58,000	-43.7%	648,000	-12.4%	699,000	7.9%	638,000	-8.7%	674,000	5.6%
All Other	168,000	55.6%	179,000	6.5%	100,000	-44.1%	112,000	12.0%	691,000	33.9%	652,000	-5.6%	637,000	-2.3%	566,000	-11.1%
Totals	10,377,000	1.0%	10,862,000	4.7%	10,841,000	-0.2%	10,780,000	-0.6%	52,906,000	2.9%	56,049,000	5.9%	57,534,000	2.6%	57,593,000	0.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	848,000	8.2%	937,000	10.5%	915,000	-2.3%	874,000	-4.5%	4,413,000	15.3%	4,760,000	7.9%	4,963,000	4.3%	4,934,000	-0.6%
Furniture/Equipment/Electronics	1,064,000	1.8%	1,145,000	7.6%	1,194,000	4.3%	1,061,000	-11.1%	5,951,000	9.8%	7,048,000	18.4%	6,692,000	-5.1%	6,076,000	-9.2%
Department Stores	880,000	-0.1%	936,000	6.4%	877,000	-6.3%	851,000	-3.0%	4,882,000	3.9%	4,832,000	-1.0%	4,599,000	-4.8%	4,637,000	0.8%
Grocery Stores	593,000	3.1%	633,000	6.7%	648,000	2.4%	654,000	0.9%	2,927,000	2.4%	3,100,000	5.9%	3,244,000	4.6%	3,317,000	2.3%
Drugs/Small Stores	521,000	-6.1%	568,000	9.0%	531,000	-6.5%	443,000	-16.6%	2,818,000	1.1%	2,983,000	5.9%	2,858,000	-4.2%	2,562,000	-10.4%
Manufacturing Firms	308,000	-3.1%	292,000	-5.2%	191,000	-34.6%	253,000	32.5%	1,655,000	-0.7%	1,387,000	-16.2%	1,329,000	-4.2%	1,539,000	15.8%
Building Supply Stores	213,000	6.5%	221,000	3.8%	206,000	-6.8%	204,000	-1.0%	921,000	1.3%	988,000	7.3%	931,000	-5.8%	1,057,000	13.5%
All Other Retail	633,000	-7.2%	753,000	19.0%	813,000	8.0%	879,000	8.1%	3,617,000	1.5%	3,951,000	9.2%	4,232,000	7.1%	5,046,000	19.2%
Totals	5,060,000	0.4%	5,485,000	8.4%	5,375,000	-2.0%	5,219,000	-2.9%	27,184,000	5.6%	29,049,000	6.9%	28,848,000	-0.7%	29,168,000	1.1%
Tax Revenues - Business Districts																
Elliot Corridor	1,379,000	5.0%	1,432,000	3.8%	1,397,000	-2.4%	1,275,000	-8.7%	7,504,000	18.5%	8,005,000	6.7%	8,028,000	0.3%	7,604,000	-5.3%
Autoplex (included in Elliot Corridor)	580,000	8.6%	634,000	9.3%	636,000	0.3%	567,000	-10.8%	3,061,000	23.0%	3,281,000	7.2%	3,411,000	4.0%	3,328,000	-2.4%
Market Place	415,000	4.3%	438,000	5.5%	466,000	6.4%	387,000	-17.0%	2,183,000	5.7%	2,313,000	6.0%	2,254,000	-2.6%	2,265,000	0.5%
Mills Mall	451,000	-2.0%	455,000	0.9%	330,000	-27.5%	474,000	43.6%	2,528,000	0.1%	2,484,000	-1.7%	2,179,000	-12.3%	2,309,000	6.0%
Downtown Tempe	377,000	-6.0%	374,000	-0.8%	475,000	27.0%	405,000	-14.7%	1,406,000	4.9%	1,605,000	14.2%	1,771,000	10.3%	1,691,000	-4.5%
Apache Blvd.	181,000	-5.7%	212,000	17.1%	202,000	-4.7%	167,000	-17.3%	896,000	-1.4%	1,056,000	17.9%	1,063,000	0.7%	985,000	-7.3%
ASU Properties	218,000	1.4%	205,000	-6.0%	178,000	-13.2%	159,000	-10.7%	892,000	10.3%	1,013,000	13.6%	973,000	-3.9%	896,000	-7.9%
Rio Salado	242,000	-9.4%	266,000	9.9%	269,000	1.1%	279,000	3.7%	1,127,000	-11.2%	1,247,000	10.6%	1,338,000	7.3%	1,320,000	-1.3%
All Other Areas	7,114,000	1.2%	7,480,000	5.1%	7,524,000	0.6%	7,634,000	1.5%	36,370,000	0.6%	38,326,000	5.4%	39,928,000	4.2%	40,523,000	1.3%

**Privilege Tax Revenue - General Fund (1.2%)
2015-16 Actual Compared to Budget**

Monthly Amounts

	2015-16 Budget		2015-16 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	9.1%	7,906,000	7,644,000	(262,000)	-3.3%
Aug	7.9%	6,892,000	7,091,000	199,000	2.9%
Sep	8.0%	6,976,000	7,169,000	193,000	2.8%
Oct	9.1%	7,914,000	7,448,000	(466,000)	-5.9%
Nov	7.8%	6,817,000	6,644,000	(173,000)	-2.5%
Dec	7.5%	6,554,000			
Jan	9.7%	8,434,000			
Feb	7.3%	6,411,000			
Mar	8.3%	7,204,000			
Apr	9.5%	8,247,000			
May	7.9%	6,887,000			
Jun	7.9%	7,012,000			
Totals	100.0%	87,254,000	35,996,000	(509,000)	

Cumulative Amounts

	2015-16 Budget		2015-16 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	9.1%	7,906,000	7,644,000	(262,000)	-3.3%
Jul-Aug	17.0%	14,798,000	14,735,000	(63,000)	-0.4%
Jul-Sep	25.0%	21,774,000	21,904,000	130,000	0.6%
Jul-Oct	34.1%	29,688,000	29,352,000	(336,000)	-1.1%
Jul-Nov	41.9%	36,505,000	35,996,000	(509,000)	-1.4%
Jul-Dec	49.4%	43,059,000			
Jul-Jan	59.1%	51,493,000			
Jul-Feb	66.4%	57,904,000			
Jul-Mar	74.7%	65,108,000			
Jul-Apr	84.2%	73,355,000			
Jul-May	92.1%	80,242,000			
Jul-Jun	100.0%	87,254,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	86,716,000	87,254,000	(538,000)	-0.6%
Percentage Received	85,909,000	87,254,000	(1,345,000)	-1.5%