

Memorandum



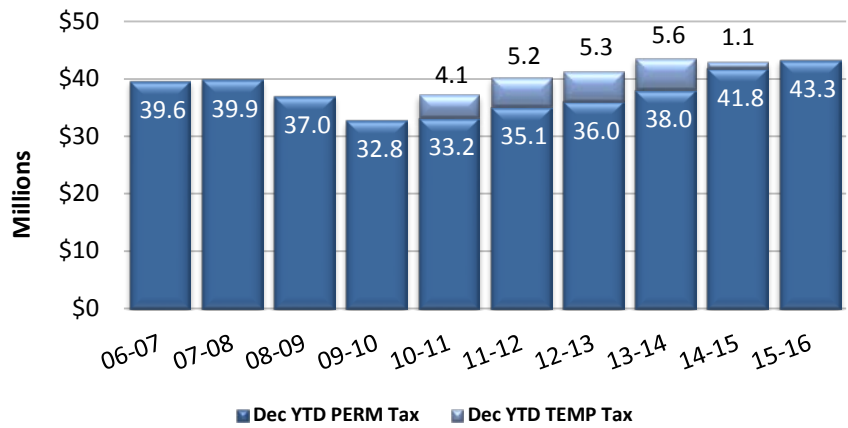
Municipal Budget Office

Date: January 12, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – December 2015

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

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. Taxable sales increased by 3.9% over the same year-to-date period in the prior fiscal year, General Fund Sales Tax revenue collected for FY 2015-16 is also up 0.9% (\$405 thousand), as a result of strong holiday sales and rentals. The combined bed tax and hotel/motel tax revenues are still going strong at 10.1% (\$338 thousand) over the prior fiscal year.

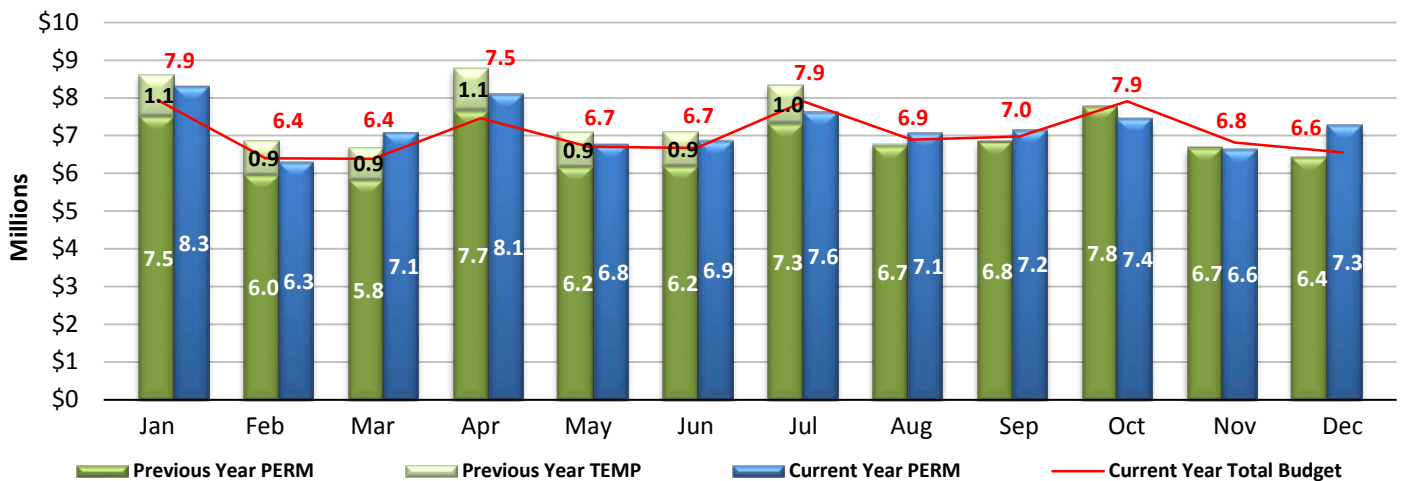
General Fund Sales Tax Collections through December



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 have rebounded to \$261 thousand above budgeted projections through December.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - December								Fiscal Year to Date through December							
	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	504,742,000	3.7%	526,913,000	4.4%	563,137,000	6.9%	644,175,000	14.4%	3,145,118,000	3.1%	3,308,904,000	5.2%	3,626,384,000	9.6%	3,766,936,000	3.9%
Retail Taxable Sales	260,096,000	2.4%	270,125,000	3.9%	293,076,000	8.5%	323,310,000	10.3%	1,590,870,000	5.7%	1,683,275,000	5.8%	1,806,856,000	7.3%	1,882,688,000	4.2%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,711,000	1.9%	5,978,000	4.7%	6,438,000	7.7%	7,303,000	13.4%	36,016,000	2.6%	38,017,000	5.6%	41,830,000	10.0%	43,299,000	3.5%
Temporary Privilege Tax - General Fund	854,000	1.9%	881,000	3.2%	9,000	-99.0%	-	-100.0%	5,341,000	3.5%	5,611,000	5.1%	1,082,000	-80.7%	20,000	-98.2%
Transit Tax Fund (.5%)	2,382,000	2.0%	2,494,000	4.7%	2,685,000	7.7%	3,047,000	13.5%	15,021,000	2.7%	15,858,000	5.6%	17,444,000	10.0%	18,054,000	3.5%
Arts Tax Fund (.1%)	495,000	2.5%	518,000	4.6%	560,000	8.1%	630,000	12.5%	3,099,000	2.7%	3,273,000	5.6%	3,596,000	9.9%	3,721,000	3.5%
Privilege Tax - Rebates Fund	349,000	11.9%	369,000	5.7%	404,000	9.5%	362,000	-10.4%	1,847,000	4.5%	1,964,000	6.3%	1,907,000	-2.9%	1,916,000	0.5%
Bed Tax Fund	390,000	5.7%	404,000	3.6%	486,000	20.3%	517,000	6.4%	1,763,000	4.6%	1,970,000	11.7%	2,257,000	14.6%	2,442,000	8.2%
Totals	10,181,000	2.4%	10,644,000	4.5%	10,582,000	-0.6%	11,859,000	12.1%	63,087,000	2.8%	66,693,000	5.7%	68,116,000	2.1%	69,452,000	2.0%
Tax Revenues - Business Activities																
Retail	5,301,000	0.4%	5,503,000	3.8%	5,553,000	0.9%	5,897,000	6.2%	32,485,000	4.8%	34,552,000	6.4%	34,401,000	-0.4%	35,065,000	1.9%
Rentals	1,892,000	0.4%	1,836,000	-3.0%	1,757,000	-4.3%	1,911,000	8.8%	11,946,000	2.5%	11,931,000	-0.1%	11,407,000	-4.4%	11,826,000	3.7%
Utilities/Communication	812,000	11.5%	826,000	1.7%	739,000	-10.5%	714,000	-3.4%	6,027,000	0.8%	6,227,000	3.3%	6,243,000	0.3%	5,693,000	-8.8%
Restaurants	856,000	5.5%	989,000	15.5%	971,000	-1.8%	1,043,000	7.4%	4,884,000	1.7%	5,412,000	10.8%	5,279,000	-2.5%	5,504,000	4.3%
Contracting	469,000	13.8%	608,000	29.6%	621,000	2.1%	1,153,000	85.7%	3,426,000	-8.5%	3,924,000	14.5%	5,946,000	51.5%	6,106,000	2.7%
Hotel/Motel	180,000	-9.1%	209,000	16.1%	222,000	6.2%	275,000	23.9%	935,000	-3.3%	1,056,000	12.9%	1,075,000	1.8%	1,226,000	14.0%
Transient (Bed Tax)	390,000	5.7%	403,000	3.3%	486,000	20.6%	518,000	6.6%	1,764,000	4.7%	1,970,000	11.7%	2,257,000	14.6%	2,444,000	8.3%
Amusements	134,000	-14.1%	144,000	7.5%	138,000	-4.2%	178,000	29.0%	782,000	-12.7%	843,000	7.8%	776,000	-7.9%	852,000	9.8%
All Other	147,000	45.5%	126,000	-14.3%	95,000	-24.6%	170,000	78.9%	838,000	35.8%	778,000	-7.2%	732,000	-5.9%	736,000	0.5%
Totals	10,181,000	2.4%	10,644,000	4.5%	10,582,000	-0.6%	11,859,000	12.1%	63,087,000	2.8%	66,693,000	5.7%	68,116,000	2.1%	69,452,000	2.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	852,000	11.5%	933,000	9.5%	988,000	5.9%	1,051,000	6.4%	5,265,000	14.7%	5,693,000	8.1%	5,951,000	4.5%	5,985,000	0.6%
Furniture/Equipment/Electronics	1,061,000	-7.6%	1,220,000	15.0%	1,134,000	-7.0%	1,175,000	3.6%	7,012,000	6.8%	8,268,000	17.9%	7,826,000	-5.3%	7,251,000	-7.3%
Department Stores	1,077,000	2.3%	1,104,000	2.5%	1,069,000	-3.2%	1,087,000	1.7%	5,959,000	3.6%	5,936,000	-0.4%	5,668,000	-4.5%	5,724,000	1.0%
Grocery Stores	606,000	3.6%	641,000	5.8%	744,000	16.1%	710,000	-4.6%	3,533,000	2.6%	3,741,000	5.9%	3,988,000	6.6%	4,027,000	1.0%
Drugs/Small Stores	532,000	-13.2%	522,000	-1.9%	524,000	0.4%	581,000	10.9%	3,350,000	-1.5%	3,505,000	4.6%	3,382,000	-3.5%	3,143,000	-7.1%
Manufacturing Firms	381,000	66.4%	249,000	-34.6%	162,000	-34.9%	243,000	50.0%	2,036,000	7.4%	1,636,000	-19.6%	1,491,000	-8.9%	1,782,000	19.5%
Building Supply Stores	174,000	8.7%	178,000	2.3%	161,000	-9.6%	198,000	23.0%	1,095,000	2.4%	1,166,000	6.5%	1,092,000	-6.3%	1,255,000	14.9%
All Other Retail	618,000	-15.1%	656,000	6.1%	771,000	17.5%	852,000	10.5%	4,235,000	-1.3%	4,607,000	8.8%	5,003,000	8.6%	5,898,000	17.9%
Totals	5,301,000	0.4%	5,503,000	3.8%	5,553,000	0.9%	5,897,000	6.2%	32,485,000	4.8%	34,552,000	6.4%	34,401,000	-0.4%	35,065,000	1.9%
Tax Revenues - Business Districts																
Elliot Corridor	1,456,000	8.2%	1,616,000	11.0%	1,568,000	-3.0%	1,583,000	1.0%	8,960,000	16.7%	9,621,000	7.4%	9,596,000	-0.3%	9,187,000	-4.3%
Autoplex (included in Elliot Corridor)	592,000	15.2%	642,000	8.4%	702,000	9.3%	735,000	4.7%	3,653,000	21.6%	3,923,000	7.4%	4,113,000	4.8%	4,063,000	-1.2%
Market Place	514,000	12.2%	536,000	4.3%	532,000	-0.7%	503,000	-5.5%	2,697,000	6.9%	2,849,000	5.6%	2,786,000	-2.2%	2,768,000	-0.6%
Mills Mall	578,000	-0.9%	547,000	-5.4%	593,000	8.4%	555,000	-6.4%	3,106,000	-0.1%	3,031,000	-2.4%	2,772,000	-8.5%	2,864,000	3.3%
Downtown Tempe	292,000	-22.5%	410,000	40.4%	427,000	4.1%	419,000	-1.9%	1,698,000	-1.1%	2,015,000	18.7%	2,198,000	9.1%	2,110,000	-4.0%
Apache Blvd.	185,000	10.8%	201,000	8.6%	239,000	18.9%	240,000	0.4%	1,081,000	0.5%	1,257,000	16.3%	1,302,000	3.6%	1,225,000	-5.9%
ASU Properties	199,000	13.7%	162,000	-18.6%	180,000	11.1%	222,000	23.3%	1,091,000	10.9%	1,175,000	7.7%	1,153,000	-1.9%	1,118,000	-3.0%
Rio Salado	233,000	-4.5%	266,000	14.2%	246,000	-7.5%	596,000	142.3%	1,360,000	-10.1%	1,513,000	11.3%	1,584,000	4.7%	1,916,000	21.0%
All Other Areas	6,724,000	2.0%	6,906,000	2.7%	6,797,000	-1.6%	7,741,000	13.9%	43,094,000	0.8%	45,232,000	5.0%	46,725,000	3.3%	48,264,000	3.3%

**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	7,303,000	749,000	11.4%
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	43,299,000	240,000	

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	43,299,000	240,000	0.6%
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	88,255,000	87,254,000	1,001,000	1.1%
Percentage Received	87,650,000	87,254,000	396,000	0.5%