

Memorandum

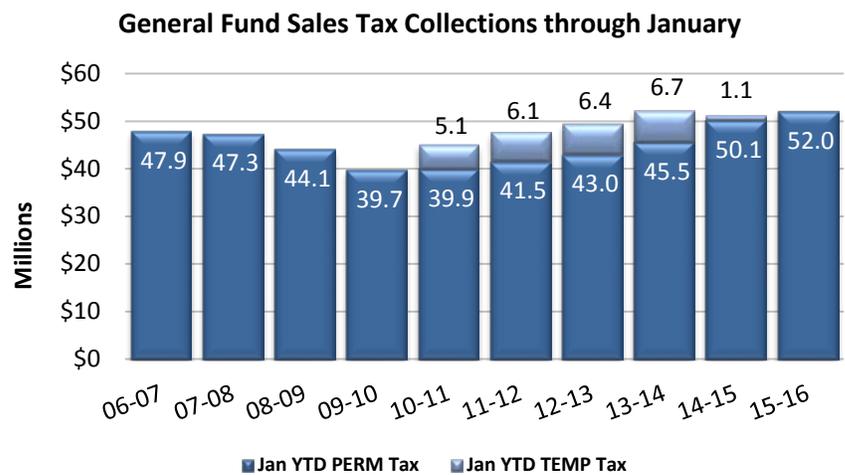


Municipal Budget Office

Date: February 10, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – January 2016

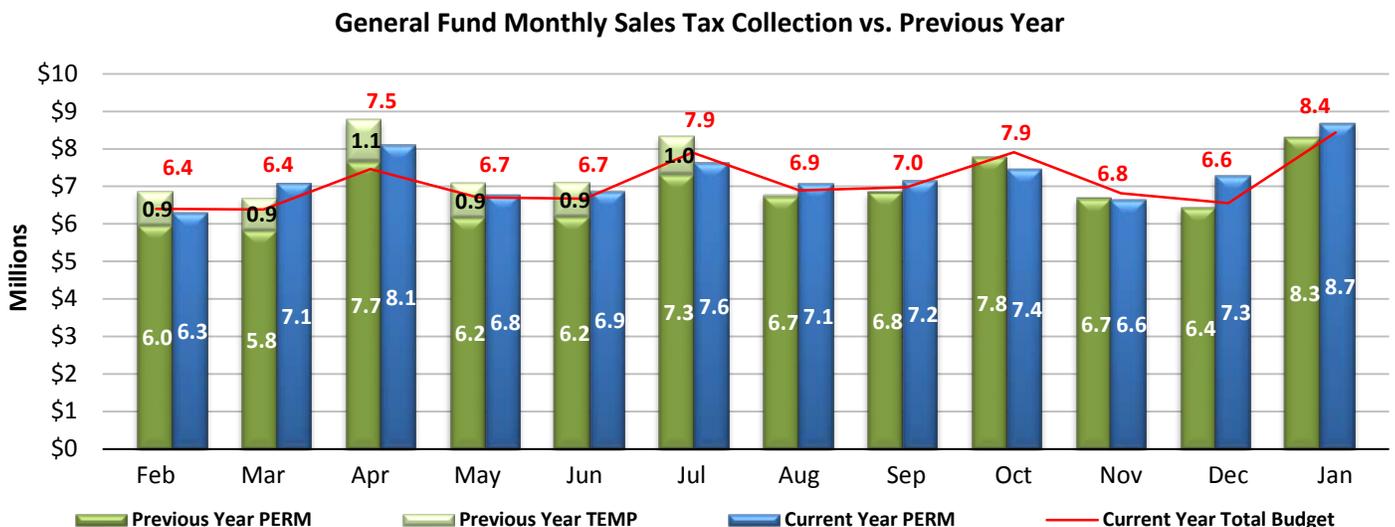
Attached is the Executive Summary of the Tax Revenue Statistical Report for January 2016 covering December sales activity reported to our Tax and License Division in January.

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 3.7% 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 1.5% (\$791 thousand), as a result of a strong holiday season and rentals. The combined bed tax and hotel/motel tax revenues are still going strong at 8.9% (\$343 thousand) over the prior fiscal year.



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 increased to \$507 thousand above budgeted projections through January.



Executive Summary

	Current Month - January								Fiscal Year to Date through January							
	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	617,562,000	9.7%	659,861,000	6.8%	732,663,000	11.0%	753,182,000	2.8%	3,762,680,000	4.2%	3,968,765,000	5.5%	4,359,047,000	9.8%	4,520,118,000	3.7%
Retail Taxable Sales	340,389,000	5.4%	366,800,000	7.8%	379,382,000	3.4%	410,123,000	8.1%	1,931,259,000	5.7%	2,050,075,000	6.2%	2,186,238,000	6.6%	2,292,811,000	4.9%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,943,000	9.0%	7,525,000	8.4%	8,292,000	10.2%	8,676,000	4.6%	42,959,000	3.6%	45,542,000	6.0%	50,122,000	10.1%	51,975,000	3.7%
Temporary Privilege Tax - General Fund	1,024,000	6.6%	1,093,000	6.7%	3,000	-99.7%	4,000	33.3%	6,365,000	4.0%	6,704,000	5.3%	1,085,000	-83.8%	24,000	-97.8%
Transit Tax Fund (.5%)	2,897,000	9.1%	3,146,000	8.6%	3,458,000	9.9%	3,618,000	4.6%	17,918,000	3.6%	19,004,000	6.1%	20,902,000	10.0%	21,672,000	3.7%
Arts Tax Fund (.1%)	605,000	9.0%	653,000	7.9%	718,000	10.0%	749,000	4.3%	3,704,000	3.7%	3,926,000	6.0%	4,314,000	9.9%	4,470,000	3.6%
Privilege Tax - Rebates Fund	488,000	6.3%	473,000	-3.1%	460,000	-2.7%	448,000	-2.6%	2,335,000	4.8%	2,437,000	4.4%	2,367,000	-2.9%	2,364,000	-0.1%
Bed Tax Fund	349,000	17.9%	308,000	-11.7%	360,000	16.9%	348,000	-3.3%	2,112,000	6.6%	2,278,000	7.9%	2,617,000	14.9%	2,790,000	6.6%
Totals	12,306,000	8.9%	13,198,000	7.2%	13,291,000	0.7%	13,843,000	4.2%	75,393,000	3.8%	79,891,000	6.0%	81,407,000	1.9%	83,295,000	2.3%
Tax Revenues - Business Activities																
Retail	6,915,000	4.5%	7,505,000	8.5%	7,078,000	-5.7%	7,689,000	8.6%	39,400,000	4.7%	42,057,000	6.7%	41,479,000	-1.4%	42,754,000	3.1%
Rentals	2,258,000	17.4%	2,324,000	2.9%	2,148,000	-7.6%	2,480,000	15.5%	14,204,000	4.6%	14,255,000	0.4%	13,555,000	-4.9%	14,306,000	5.5%
Utilities/Communication	773,000	-4.3%	814,000	5.3%	735,000	-9.7%	730,000	-0.7%	6,800,000	0.2%	7,041,000	3.5%	6,978,000	-0.9%	6,423,000	-8.0%
Restaurants	930,000	12.9%	984,000	5.8%	884,000	-10.2%	1,007,000	13.9%	5,814,000	3.3%	6,396,000	10.0%	6,163,000	-3.6%	6,511,000	5.6%
Contracting	590,000	47.1%	781,000	32.4%	1,697,000	117.3%	1,184,000	-30.2%	4,016,000	-3.1%	4,705,000	17.2%	7,643,000	62.4%	7,290,000	-4.6%
Hotel/Motel	186,000	6.9%	179,000	-3.8%	167,000	-6.7%	184,000	10.2%	1,121,000	-1.8%	1,235,000	10.2%	1,242,000	0.6%	1,410,000	13.5%
Transient (Bed Tax)	349,000	17.9%	308,000	-11.7%	360,000	16.9%	348,000	-3.3%	2,113,000	6.7%	2,278,000	7.8%	2,617,000	14.9%	2,792,000	6.7%
Amusements	137,000	-2.8%	169,000	23.4%	133,000	-21.3%	139,000	4.5%	919,000	-11.4%	1,012,000	10.1%	909,000	-10.2%	991,000	9.0%
All Other	168,000	50.0%	134,000	-20.2%	89,000	-33.6%	82,000	-7.9%	1,006,000	38.0%	912,000	-9.3%	821,000	-10.0%	818,000	-0.4%
Totals	12,306,000	8.9%	13,198,000	7.2%	13,291,000	0.7%	13,843,000	4.2%	75,393,000	3.8%	79,891,000	6.0%	81,407,000	1.9%	83,295,000	2.3%
Tax Revenues - Retail Activities Breakdown																
Automotive	971,000	15.0%	1,084,000	11.6%	1,095,000	1.0%	1,085,000	-0.9%	6,236,000	14.7%	6,777,000	8.7%	7,046,000	4.0%	7,070,000	0.3%
Furniture/Equipment/Electronics	1,543,000	6.9%	1,842,000	19.4%	1,510,000	-18.0%	1,651,000	9.3%	8,555,000	6.8%	10,110,000	18.2%	9,336,000	-7.7%	8,902,000	-4.6%
Department Stores	1,469,000	1.7%	1,447,000	-1.5%	1,371,000	-5.3%	1,413,000	3.1%	7,428,000	3.2%	7,383,000	-0.6%	7,039,000	-4.7%	7,137,000	1.4%
Grocery Stores	870,000	11.4%	915,000	5.2%	971,000	6.1%	966,000	-0.5%	4,403,000	4.2%	4,656,000	5.7%	4,959,000	6.5%	4,993,000	0.7%
Drugs/Small Stores	794,000	10.0%	847,000	6.7%	737,000	-13.0%	804,000	9.1%	4,144,000	0.5%	4,352,000	5.0%	4,119,000	-5.4%	3,947,000	-4.2%
Manufacturing Firms	361,000	-15.1%	352,000	-2.5%	272,000	-22.7%	330,000	21.3%	2,397,000	3.3%	1,988,000	-17.1%	1,763,000	-11.3%	2,112,000	19.8%
Building Supply Stores	139,000	-19.2%	177,000	27.3%	163,000	-7.9%	159,000	-2.5%	1,234,000	-0.6%	1,343,000	8.8%	1,255,000	-6.6%	1,414,000	12.7%
All Other Retail	768,000	-2.4%	841,000	9.5%	959,000	14.0%	1,281,000	33.6%	5,003,000	-1.5%	5,448,000	8.9%	5,962,000	9.4%	7,179,000	20.4%
Totals	6,915,000	4.5%	7,505,000	8.5%	7,078,000	-5.7%	7,689,000	8.6%	39,400,000	4.7%	42,057,000	6.7%	41,479,000	-1.4%	42,754,000	3.1%
Tax Revenues - Business Districts																
Elliot Corridor	1,799,000	12.6%	1,908,000	6.1%	1,756,000	-8.0%	1,883,000	7.2%	10,759,000	15.9%	11,529,000	7.2%	11,352,000	-1.5%	11,070,000	-2.5%
Autoplex (included in Elliot Corridor)	695,000	14.3%	769,000	10.6%	736,000	-4.3%	748,000	1.6%	4,348,000	20.4%	4,692,000	7.9%	4,849,000	3.3%	4,811,000	-0.8%
Market Place	717,000	2.6%	700,000	-2.4%	683,000	-2.4%	658,000	-3.7%	3,414,000	5.9%	3,549,000	4.0%	3,469,000	-2.3%	3,426,000	-1.2%
Mills Mall	778,000	-3.4%	790,000	1.5%	707,000	-10.5%	697,000	-1.4%	3,884,000	-0.7%	3,821,000	-1.6%	3,479,000	-9.0%	3,561,000	2.4%
Downtown Tempe	386,000	10.9%	358,000	-7.3%	373,000	4.2%	389,000	4.3%	2,084,000	0.9%	2,373,000	13.9%	2,571,000	8.3%	2,499,000	-2.8%
Apache Blvd.	193,000	17.7%	197,000	2.1%	208,000	5.6%	192,000	-7.7%	1,274,000	2.7%	1,454,000	14.1%	1,510,000	3.9%	1,417,000	-6.2%
ASU Properties	149,000	-2.0%	211,000	41.6%	140,000	-33.6%	140,000	0.0%	1,240,000	9.2%	1,386,000	11.8%	1,293,000	-6.7%	1,258,000	-2.7%
Rio Salado	233,000	33.1%	283,000	21.5%	277,000	-2.1%	365,000	31.8%	1,593,000	-5.6%	1,796,000	12.7%	1,861,000	3.6%	2,281,000	22.6%
All Other Areas	8,051,000	9.4%	8,751,000	8.7%	9,147,000	4.5%	9,519,000	4.1%	51,145,000	2.1%	53,983,000	5.5%	55,872,000	3.5%	57,783,000	3.4%

**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	8,676,000	242,000	2.9%
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	51,975,000	482,000	

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	51,975,000	482,000	0.9%
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	88,413,000	87,254,000	1,159,000	1.3%
Percentage Received	87,944,000	87,254,000	690,000	0.8%