

# Memorandum

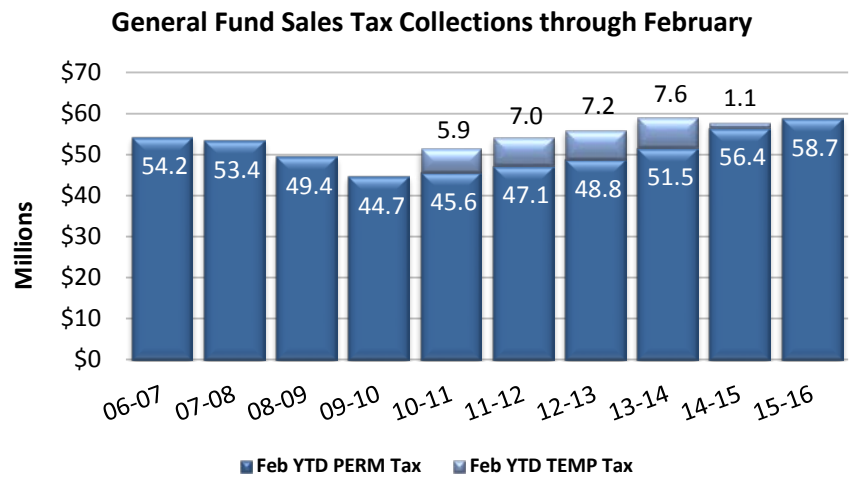


## Municipal Budget Office

Date: March 8, 2016  
 To: Mayor and Council  
 From: Cecilia Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – February 2016

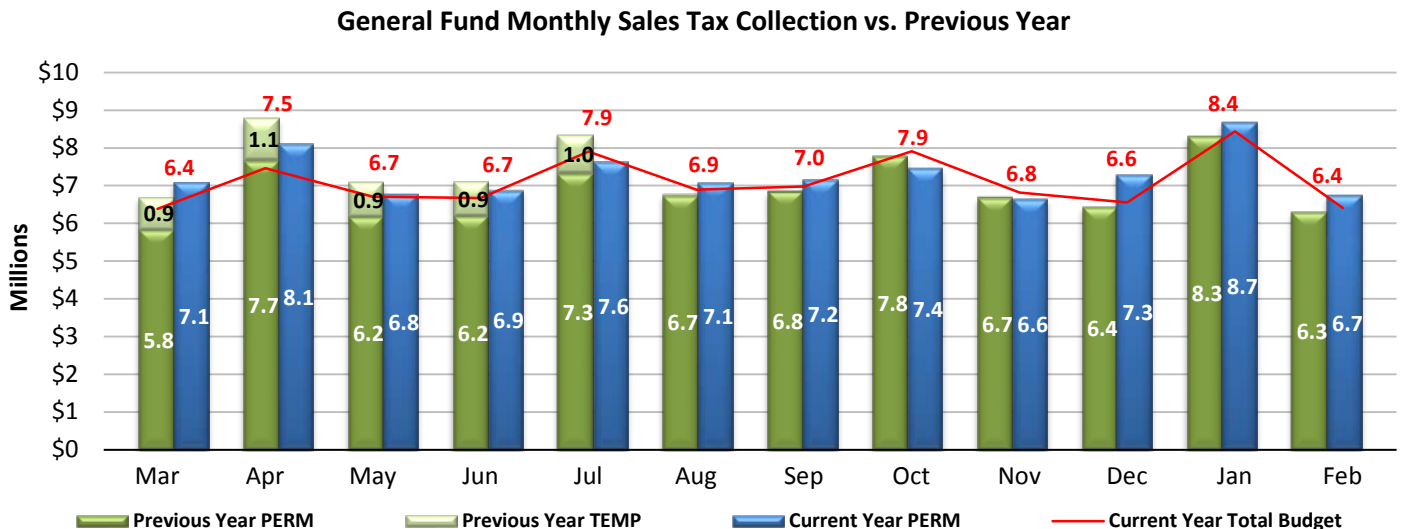
Attached is the Executive Summary of the Tax Revenue Statistical Report for February 2016 covering January sales activity reported to our Tax and License Division in February.

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 4.1% 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 2.2% (\$1.2 million), as a result of strong rentals and restaurant activity. The combined bed tax and hotel/motel tax revenues are still going strong at 6.7% (\$324 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 \$847 thousand above budgeted projections through February.



## Executive Summary

	Current Month - February								Fiscal Year to Date through February							
	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change	2012-13	Change	2013-14	Change	2014-15	Change	2015-16	Change
<b>Taxable Sales</b>																
Total Taxable Sales	497,903,000	1.1%	523,197,000	5.1%	553,061,000	5.7%	593,812,000	7.4%	4,260,583,000	3.8%	4,491,962,000	5.4%	4,912,108,000	9.4%	5,113,930,000	4.1%
Retail Taxable Sales	269,765,000	3.6%	271,988,000	0.8%	278,152,000	2.3%	297,606,000	7.0%	2,201,024,000	5.4%	2,322,063,000	5.5%	2,464,390,000	6.1%	2,590,417,000	5.1%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	5,815,000	2.4%	5,970,000	2.7%	6,298,000	5.5%	6,742,000	7.0%	48,774,000	3.5%	51,512,000	5.6%	56,420,000	9.5%	58,717,000	4.1%
Temporary Privilege Tax - General Fund	861,000	2.0%	890,000	3.4%	8,000	-99.1%	10,000	25.0%	7,226,000	3.8%	7,594,000	5.1%	1,093,000	-85.6%	34,000	-96.9%
Transit Tax Fund (.5%)	2,424,000	2.3%	2,490,000	2.7%	2,627,000	5.5%	2,825,000	7.5%	20,342,000	3.5%	21,494,000	5.7%	23,529,000	9.5%	24,497,000	4.1%
Arts Tax Fund (.1%)	501,000	2.9%	513,000	2.4%	544,000	6.0%	580,000	6.6%	4,205,000	3.6%	4,439,000	5.6%	4,858,000	9.4%	5,050,000	4.0%
Privilege Tax - Rebates Fund	304,000	19.7%	297,000	-2.3%	313,000	5.4%	297,000	-5.1%	2,639,000	6.4%	2,734,000	3.6%	2,680,000	-2.0%	2,661,000	-0.7%
Bed Tax Fund	483,000	13.4%	531,000	9.9%	699,000	31.6%	687,000	-1.7%	2,595,000	7.8%	2,809,000	8.2%	3,316,000	18.0%	3,477,000	4.9%
<b>Totals</b>	<b>10,388,000</b>	<b>3.3%</b>	<b>10,691,000</b>	<b>2.9%</b>	<b>10,489,000</b>	<b>-1.9%</b>	<b>11,141,000</b>	<b>6.2%</b>	<b>85,781,000</b>	<b>3.7%</b>	<b>90,582,000</b>	<b>5.6%</b>	<b>91,896,000</b>	<b>1.5%</b>	<b>94,436,000</b>	<b>2.8%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,499,000	3.7%	5,587,000	1.6%	5,387,000	-3.6%	5,733,000	6.4%	44,899,000	4.6%	47,644,000	6.1%	46,866,000	-1.6%	48,487,000	3.5%
Rentals	1,771,000	-3.9%	1,852,000	4.6%	1,550,000	-16.3%	1,818,000	17.3%	15,975,000	3.6%	16,107,000	0.8%	15,105,000	-6.2%	16,124,000	6.7%
Utilities/Communication	734,000	3.7%	788,000	7.4%	672,000	-14.7%	661,000	-1.6%	7,534,000	0.5%	7,829,000	3.9%	7,650,000	-2.3%	7,084,000	-7.4%
Restaurants	854,000	10.2%	947,000	10.9%	914,000	-3.5%	962,000	5.3%	6,668,000	4.2%	7,343,000	10.1%	7,077,000	-3.6%	7,473,000	5.6%
Contracting	491,000	-5.6%	494,000	0.6%	775,000	56.9%	765,000	-1.3%	4,507,000	-3.4%	5,199,000	15.4%	8,418,000	61.9%	8,055,000	-4.3%
Hotel/Motel	257,000	12.7%	265,000	3.1%	308,000	16.2%	301,000	-2.3%	1,378,000	0.7%	1,500,000	8.9%	1,550,000	3.3%	1,711,000	10.4%
Transient (Bed Tax)	483,000	13.4%	531,000	9.9%	699,000	31.6%	687,000	-1.7%	2,596,000	7.9%	2,809,000	8.2%	3,316,000	18.0%	3,479,000	4.9%
Amusements	141,000	-3.4%	121,000	-14.2%	109,000	-9.9%	130,000	19.3%	1,060,000	-10.4%	1,133,000	6.9%	1,018,000	-10.2%	1,121,000	10.1%
All Other	158,000	45.0%	106,000	-32.9%	75,000	-29.2%	84,000	12.0%	1,164,000	38.9%	1,018,000	-12.5%	896,000	-12.0%	902,000	0.7%
<b>Totals</b>	<b>10,388,000</b>	<b>3.3%</b>	<b>10,691,000</b>	<b>2.9%</b>	<b>10,489,000</b>	<b>-1.9%</b>	<b>11,141,000</b>	<b>6.2%</b>	<b>85,781,000</b>	<b>3.7%</b>	<b>90,582,000</b>	<b>5.6%</b>	<b>91,896,000</b>	<b>1.5%</b>	<b>94,436,000</b>	<b>2.8%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	821,000	12.8%	952,000	16.0%	928,000	-2.5%	930,000	0.2%	7,057,000	14.5%	7,729,000	9.5%	7,974,000	3.2%	8,000,000	0.3%
Furniture/Equipment/Electronics	1,234,000	2.6%	1,190,000	-3.6%	1,130,000	-5.0%	1,248,000	10.4%	9,789,000	6.2%	11,300,000	15.4%	10,466,000	-7.4%	10,150,000	-3.0%
Department Stores	921,000	7.3%	867,000	-5.9%	851,000	-1.8%	819,000	-3.8%	8,349,000	3.6%	8,250,000	-1.2%	7,890,000	-4.4%	7,956,000	0.8%
Grocery Stores	667,000	20.6%	633,000	-5.1%	653,000	3.2%	733,000	12.3%	5,070,000	6.1%	5,289,000	4.3%	5,612,000	6.1%	5,726,000	2.0%
Drugs/Small Stores	666,000	2.5%	652,000	-2.1%	554,000	-15.0%	505,000	-8.8%	4,810,000	0.8%	5,004,000	4.0%	4,673,000	-6.6%	4,452,000	-4.7%
Manufacturing Firms	467,000	-19.2%	319,000	-31.7%	253,000	-20.7%	206,000	-18.6%	2,864,000	-1.2%	2,307,000	-19.4%	2,016,000	-12.6%	2,318,000	15.0%
Building Supply Stores	103,000	-44.9%	205,000	99.0%	163,000	-20.5%	255,000	56.4%	1,337,000	-6.4%	1,548,000	15.8%	1,418,000	-8.4%	1,669,000	17.7%
All Other Retail	620,000	13.6%	769,000	24.0%	855,000	11.2%	1,037,000	21.3%	5,623,000	0.0%	6,217,000	10.6%	6,817,000	9.7%	8,216,000	20.5%
<b>Totals</b>	<b>5,499,000</b>	<b>3.7%</b>	<b>5,587,000</b>	<b>1.6%</b>	<b>5,387,000</b>	<b>-3.6%</b>	<b>5,733,000</b>	<b>6.4%</b>	<b>44,899,000</b>	<b>4.6%</b>	<b>47,644,000</b>	<b>6.1%</b>	<b>46,866,000</b>	<b>-1.6%</b>	<b>48,487,000</b>	<b>3.5%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,447,000	20.5%	1,430,000	-1.2%	1,388,000	-2.9%	1,445,000	4.1%	12,206,000	16.5%	12,959,000	6.2%	12,740,000	-1.7%	12,515,000	-1.8%
Autoplex (included in Elliot Corridor)	611,000	27.0%	651,000	6.5%	658,000	1.1%	635,000	-3.5%	4,959,000	21.2%	5,343,000	7.7%	5,507,000	3.1%	5,446,000	-1.1%
Market Place	455,000	21.0%	438,000	-3.7%	468,000	6.8%	397,000	-15.2%	3,869,000	7.5%	3,987,000	3.0%	3,937,000	-1.3%	3,823,000	-2.9%
Mills Mall	471,000	12.9%	460,000	-2.3%	342,000	-25.7%	436,000	27.5%	4,355,000	0.6%	4,281,000	-1.7%	3,821,000	-10.7%	3,997,000	4.6%
Downtown Tempe	343,000	6.2%	451,000	31.5%	446,000	-1.1%	421,000	-5.6%	2,427,000	1.6%	2,824,000	16.4%	3,017,000	6.8%	2,920,000	-3.2%
Apache Blvd.	216,000	20.7%	211,000	-2.3%	197,000	-6.6%	208,000	5.6%	1,490,000	5.0%	1,665,000	11.7%	1,707,000	2.5%	1,625,000	-4.8%
ASU Properties	262,000	-5.4%	258,000	-1.5%	137,000	-46.9%	114,000	-16.8%	1,502,000	6.3%	1,644,000	9.5%	1,430,000	-13.0%	1,372,000	-4.1%
Rio Salado	280,000	-7.3%	316,000	12.9%	325,000	2.8%	429,000	32.0%	1,873,000	-5.9%	2,112,000	12.8%	2,186,000	3.5%	2,710,000	24.0%
All Other Areas	6,914,000	-1.0%	7,127,000	3.1%	7,186,000	0.8%	7,691,000	7.0%	58,059,000	1.7%	61,110,000	5.3%	63,058,000	3.2%	65,474,000	3.8%

**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
<b>Jul</b>	9.1%	7,906,000	7,644,000	(262,000)	-3.3%
<b>Aug</b>	7.9%	6,892,000	7,091,000	199,000	2.9%
<b>Sep</b>	8.0%	6,976,000	7,169,000	193,000	2.8%
<b>Oct</b>	9.1%	7,914,000	7,448,000	(466,000)	-5.9%
<b>Nov</b>	7.8%	6,817,000	6,644,000	(173,000)	-2.5%
<b>Dec</b>	7.5%	6,554,000	7,303,000	749,000	11.4%
<b>Jan</b>	9.7%	8,434,000	8,676,000	242,000	2.9%
<b>Feb</b>	7.3%	6,411,000	6,742,000	331,000	5.2%
<b>Mar</b>	8.3%	7,204,000			
<b>Apr</b>	9.5%	8,247,000			
<b>May</b>	7.9%	6,887,000			
<b>Jun</b>	7.9%	7,012,000			
<b>Totals</b>	100.0%	87,254,000	58,717,000	813,000	

**Cumulative Amounts**

	2015-16 Budget		2015-16 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	9.1%	7,906,000	7,644,000	(262,000)	-3.3%
<b>Jul-Aug</b>	17.0%	14,798,000	14,735,000	(63,000)	-0.4%
<b>Jul-Sep</b>	25.0%	21,774,000	21,904,000	130,000	0.6%
<b>Jul-Oct</b>	34.1%	29,688,000	29,352,000	(336,000)	-1.1%
<b>Jul-Nov</b>	41.9%	36,505,000	35,996,000	(509,000)	-1.4%
<b>Jul-Dec</b>	49.4%	43,059,000	43,299,000	240,000	0.6%
<b>Jul-Jan</b>	59.1%	51,493,000	51,975,000	482,000	0.9%
<b>Jul-Feb</b>	66.4%	57,904,000	58,717,000	813,000	1.4%
<b>Jul-Mar</b>	74.7%	65,108,000			
<b>Jul-Apr</b>	84.2%	73,355,000			
<b>Jul-May</b>	92.1%	80,242,000			
<b>Jul-Jun</b>	100.0%	87,254,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percent of Increase</b>	88,732,000	87,254,000	1,478,000	1.7%
<b>Percentage Received</b>	88,429,000	87,254,000	1,175,000	1.3%