

# Memorandum



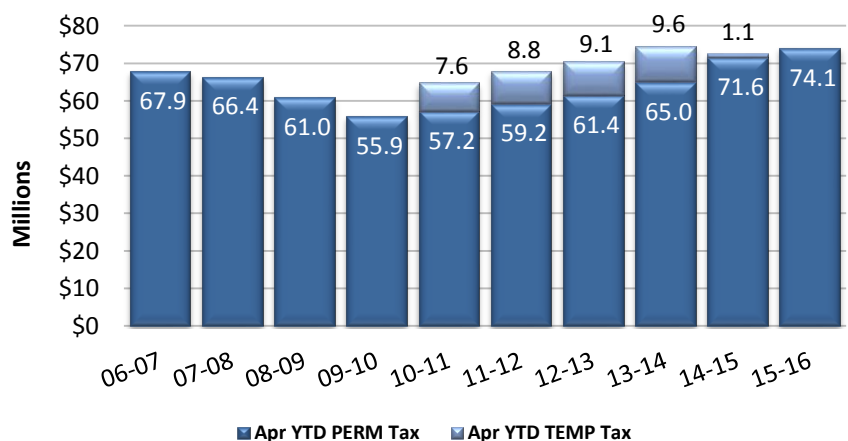
## Municipal Budget Office

Date: May 24, 2016  
 To: Mayor and Council  
 From: Cecilia Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – April 2016

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

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 3.3% 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 2.0% (\$1.4 million), as a result of strong rentals and restaurant activity. The combined bed tax and hotel/motel tax revenues appear weaker at 1.3% (\$97 thousand) due to the Super Bowl being held in Arizona in 2015. However, they are up 16.8% (\$1.1 million) versus the same year-to-date period in FY 2013-14.

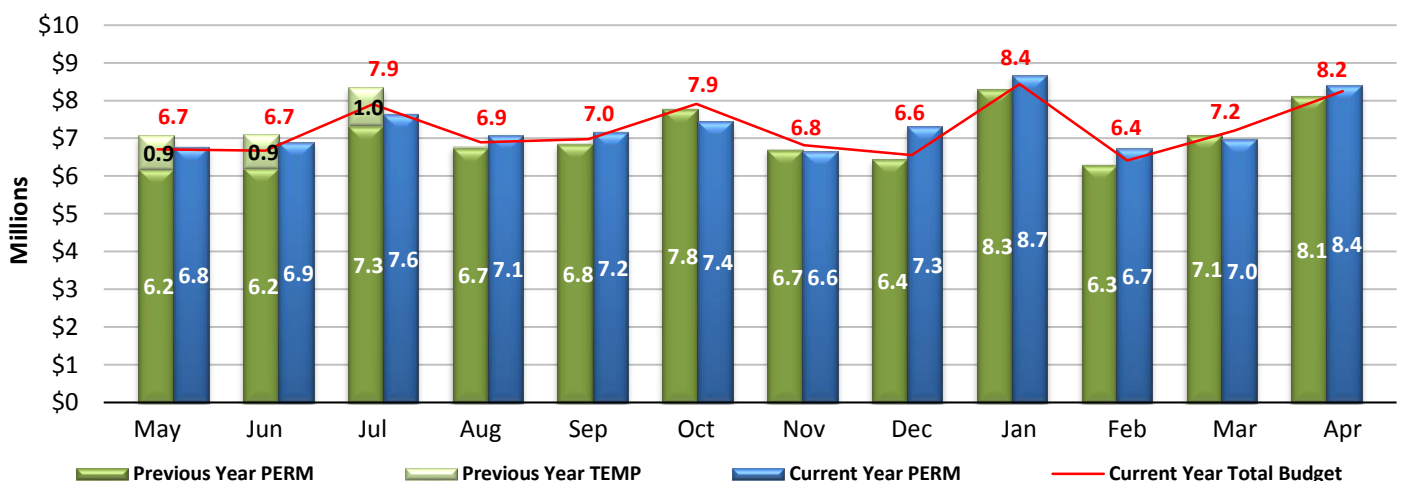
**General Fund Sales Tax Collections through April**



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 \$792 thousand above budgeted projections through April.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

	Current Month - April								Fiscal Year to Date through April							
	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	617,819,000	16.3%	675,967,000	9.4%	722,383,000	6.9%	736,897,000	2.0%	5,374,027,000	3.9%	5,682,571,000	5.7%	6,255,838,000	10.1%	6,461,361,000	3.3%
Retail Taxable Sales	321,656,000	20.3%	327,516,000	1.8%	346,329,000	5.7%	358,956,000	3.6%	2,765,030,000	5.2%	2,917,532,000	5.5%	3,117,018,000	6.8%	3,260,199,000	4.6%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,951,000	16.0%	7,677,000	10.4%	8,106,000	5.6%	8,411,000	3.8%	61,444,000	3.7%	65,024,000	5.8%	71,604,000	10.1%	74,111,000	3.5%
Temporary Privilege Tax - General Fund	1,027,000	14.4%	1,106,000	7.7%	5,000	-99.5%	0,000	-100.0%	9,118,000	3.9%	9,562,000	4.9%	1,106,000	-88.4%	35,000	-96.8%
Transit Tax Fund (.5%)	2,896,000	15.9%	3,201,000	10.5%	3,380,000	5.6%	3,507,000	3.8%	25,621,000	3.7%	27,129,000	5.9%	29,860,000	10.1%	30,917,000	3.5%
Arts Tax Fund (.1%)	598,000	15.4%	660,000	10.4%	699,000	5.9%	723,000	3.4%	5,295,000	3.7%	5,601,000	5.8%	6,166,000	10.1%	6,374,000	3.4%
Privilege Tax - Rebates Fund	354,000	0.6%	384,000	8.5%	385,000	0.3%	383,000	-0.5%	3,292,000	3.2%	3,436,000	4.4%	3,384,000	-1.5%	3,333,000	-1.5%
Bed Tax Fund	666,000	-1.2%	901,000	35.3%	1,053,000	16.9%	1,011,000	-4.0%	3,797,000	3.0%	4,334,000	14.1%	5,221,000	20.5%	5,215,000	-0.1%
<b>Totals</b>	<b>12,492,000</b>	<b>14.3%</b>	<b>13,929,000</b>	<b>11.5%</b>	<b>13,628,000</b>	<b>-2.2%</b>	<b>14,035,000</b>	<b>3.0%</b>	<b>108,567,000</b>	<b>3.7%</b>	<b>115,086,000</b>	<b>6.0%</b>	<b>117,341,000</b>	<b>2.0%</b>	<b>119,985,000</b>	<b>2.3%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	6,593,000	20.6%	6,800,000	3.1%	6,469,000	-4.9%	6,884,000	6.4%	56,548,000	4.7%	59,916,000	6.0%	59,026,000	-1.5%	61,188,000	3.7%
Rentals	2,290,000	9.0%	2,378,000	3.8%	2,370,000	-0.3%	2,385,000	0.6%	20,235,000	3.1%	20,225,000	0.0%	19,366,000	-4.2%	20,402,000	5.3%
Utilities/Communication	704,000	1.6%	832,000	18.2%	714,000	-14.2%	697,000	-2.4%	9,049,000	2.7%	9,391,000	3.8%	8,998,000	-4.2%	8,382,000	-6.8%
Restaurants	1,060,000	16.9%	1,201,000	13.3%	1,149,000	-4.3%	1,219,000	6.1%	8,645,000	3.4%	9,507,000	10.0%	9,298,000	-2.2%	9,744,000	4.8%
Contracting	595,000	19.0%	1,109,000	86.4%	1,221,000	10.1%	1,144,000	-6.3%	5,622,000	-1.0%	6,846,000	21.8%	10,730,000	56.7%	10,096,000	-5.9%
Hotel/Motel	322,000	-9.6%	420,000	30.4%	434,000	3.3%	423,000	-2.5%	1,966,000	-3.3%	2,231,000	13.5%	2,352,000	5.4%	2,455,000	4.4%
Transient (Bed Tax)	666,000	-1.2%	901,000	35.3%	1,053,000	16.9%	1,011,000	-4.0%	3,798,000	3.0%	4,334,000	14.1%	5,221,000	20.5%	5,215,000	-0.1%
Amusements	135,000	-6.3%	138,000	2.2%	111,000	-19.6%	126,000	13.5%	1,301,000	-12.0%	1,380,000	6.1%	1,243,000	-9.9%	1,350,000	8.6%
All Other	127,000	41.1%	150,000	18.1%	107,000	-28.7%	146,000	36.4%	1,403,000	36.1%	1,256,000	-10.5%	1,107,000	-11.9%	1,153,000	4.2%
<b>Totals</b>	<b>12,492,000</b>	<b>14.3%</b>	<b>13,929,000</b>	<b>11.5%</b>	<b>13,628,000</b>	<b>-2.2%</b>	<b>14,035,000</b>	<b>3.0%</b>	<b>108,567,000</b>	<b>3.7%</b>	<b>115,086,000</b>	<b>6.0%</b>	<b>117,341,000</b>	<b>2.0%</b>	<b>119,985,000</b>	<b>2.3%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	976,000	12.1%	1,114,000	14.1%	1,112,000	-0.2%	1,046,000	-5.9%	8,911,000	11.7%	9,805,000	10.0%	10,063,000	2.6%	9,982,000	-0.8%
Furniture/Equipment/Electronics	1,466,000	20.7%	1,545,000	5.4%	1,274,000	-17.5%	1,385,000	8.7%	12,267,000	5.8%	13,933,000	13.6%	12,952,000	-7.0%	12,743,000	-1.6%
Department Stores	1,185,000	5.3%	1,153,000	-2.7%	1,094,000	-5.1%	1,088,000	-0.5%	10,506,000	3.1%	10,410,000	-0.9%	9,942,000	-4.5%	10,017,000	0.8%
Grocery Stores	902,000	66.7%	690,000	-23.5%	716,000	3.8%	839,000	17.2%	6,355,000	5.7%	6,632,000	4.4%	7,010,000	5.7%	7,203,000	2.8%
Drugs/Small Stores	637,000	15.4%	663,000	4.1%	648,000	-2.3%	670,000	3.4%	6,002,000	1.2%	6,216,000	3.6%	5,887,000	-5.3%	5,780,000	-1.8%
Manufacturing Firms	320,000	19.4%	420,000	31.3%	389,000	-7.4%	383,000	-1.5%	3,527,000	0.0%	3,065,000	-13.1%	2,667,000	-13.0%	3,028,000	13.5%
Building Supply Stores	211,000	51.8%	219,000	3.8%	218,000	-0.5%	231,000	6.0%	1,777,000	1.8%	1,957,000	10.1%	1,839,000	-6.0%	2,094,000	13.9%
All Other Retail	896,000	18.4%	996,000	11.2%	1,018,000	2.2%	1,242,000	22.0%	7,203,000	2.9%	7,898,000	9.6%	8,666,000	9.7%	10,341,000	19.3%
<b>Totals</b>	<b>6,593,000</b>	<b>20.6%</b>	<b>6,800,000</b>	<b>3.1%</b>	<b>6,469,000</b>	<b>-4.9%</b>	<b>6,884,000</b>	<b>6.4%</b>	<b>56,548,000</b>	<b>4.7%</b>	<b>59,916,000</b>	<b>6.0%</b>	<b>59,026,000</b>	<b>-1.5%</b>	<b>61,188,000</b>	<b>3.7%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,782,000	21.2%	1,799,000	1.0%	1,646,000	-8.5%	1,588,000	-3.5%	15,434,000	14.4%	16,241,000	5.2%	16,015,000	-1.4%	15,528,000	-3.0%
Apotplex (included in Elliot Corridor)	678,000	12.3%	727,000	7.2%	752,000	3.4%	649,000	-13.7%	6,248,000	17.0%	6,725,000	7.6%	6,916,000	2.8%	6,717,000	-2.9%
Market Place	532,000	1.1%	570,000	7.1%	573,000	0.5%	583,000	1.7%	4,852,000	4.2%	5,029,000	3.6%	4,978,000	-1.0%	4,850,000	-2.6%
Mills Mall	653,000	-1.7%	637,000	-2.5%	616,000	-3.3%	584,000	-5.2%	5,538,000	-1.5%	5,445,000	-1.7%	5,025,000	-7.7%	5,034,000	0.2%
Downtown Tempe	417,000	1.5%	561,000	34.5%	565,000	0.7%	530,000	-6.2%	3,218,000	0.6%	3,817,000	18.6%	4,114,000	7.8%	3,913,000	-4.9%
Apache Blvd.	289,000	37.6%	303,000	4.8%	305,000	0.7%	328,000	7.5%	2,006,000	1.1%	2,276,000	13.5%	2,222,000	-2.4%	2,149,000	-3.3%
ASU Properties	216,000	11.9%	252,000	16.7%	210,000	-16.7%	210,000	0.0%	1,859,000	4.1%	2,041,000	9.8%	1,879,000	-7.9%	1,835,000	-2.3%
Rio Salado	362,000	36.6%	415,000	14.6%	390,000	-6.0%	381,000	-2.3%	2,569,000	0.2%	2,802,000	9.1%	2,970,000	6.0%	3,457,000	16.4%
All Other Areas	8,241,000	14.6%	9,392,000	14.0%	9,323,000	-0.7%	9,831,000	5.4%	73,091,000	2.4%	77,435,000	5.9%	80,138,000	3.5%	83,219,000	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	6,983,000	(221,000)	-3.1%
<b>Apr</b>	9.5%	8,247,000	8,411,000	164,000	2.0%
<b>May</b>	7.9%	6,887,000			
<b>Jun</b>	7.9%	7,012,000			
<b>Totals</b>	100.0%	87,254,000	74,111,000	756,000	

**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	65,700,000	592,000	0.9%
<b>Jul-Apr</b>	84.2%	73,355,000	74,111,000	756,000	1.0%
<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>	88,247,000	87,254,000	993,000	1.1%
<b>Percentage Received</b>	88,018,000	87,254,000	764,000	0.9%