

Memorandum

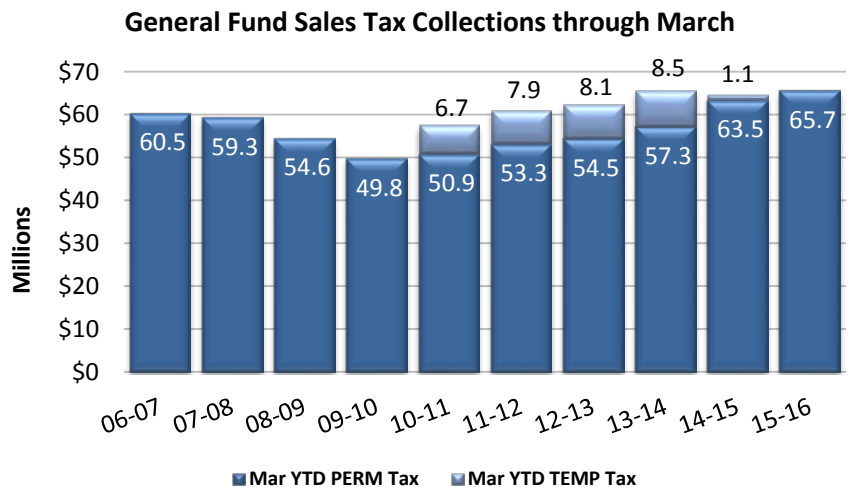


Municipal Budget Office

Date: April 14, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – March 2016

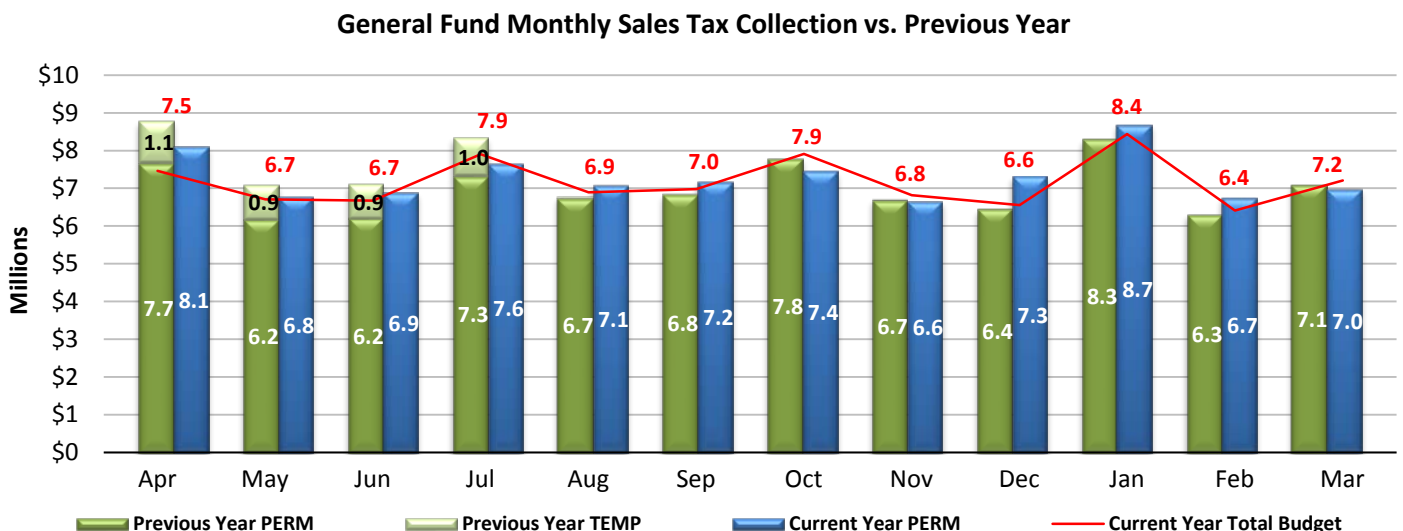
Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2016 covering February sales activity reported to our Tax and License Division in March.

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 3.5% 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 1.8% (\$1.1 million), as a result of strong rentals and restaurant activity. The combined bed tax and hotel/motel tax revenues appear weaker at 2.5% (\$150 thousand) due to the Super Bowl being held in Arizona in 2015. However, they are up 18.9% (\$992 thousand) versus the same year to date period in FY 2013-14.



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 \$627 thousand above budgeted projections through March.



Executive Summary

	Current Month - March						Fiscal Year to Date through March									
	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	495,625,000	-8.0%	514,642,000	3.8%	621,347,000	20.7%	610,534,000	-1.7%	4,756,208,000	2.4%	5,006,604,000	5.3%	5,533,455,000	10.5%	5,724,464,000	3.5%
Retail Taxable Sales	242,350,000	-11.3%	267,953,000	10.6%	306,299,000	14.3%	310,826,000	1.5%	2,443,374,000	3.5%	2,590,016,000	6.0%	2,770,689,000	7.0%	2,901,243,000	4.7%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,719,000	-6.4%	5,835,000	2.0%	7,078,000	21.3%	6,983,000	-1.3%	54,493,000	2.3%	57,347,000	5.2%	63,498,000	10.7%	65,700,000	3.5%
Temporary Privilege Tax - General Fund	865,000	-4.9%	862,000	-0.3%	8,000	-99.1%	1,000	-87.5%	8,091,000	2.8%	8,456,000	4.5%	1,101,000	-87.0%	35,000	-96.8%
Transit Tax Fund (.5%)	2,383,000	-6.5%	2,434,000	2.1%	2,951,000	21.2%	2,913,000	-1.3%	22,725,000	2.3%	23,928,000	5.3%	26,480,000	10.7%	27,410,000	3.5%
Arts Tax Fund (.1%)	492,000	-6.8%	502,000	2.0%	609,000	21.3%	601,000	-1.3%	4,697,000	2.4%	4,941,000	5.2%	5,467,000	10.6%	5,651,000	3.4%
Privilege Tax - Rebates Fund	299,000	-16.0%	318,000	6.4%	319,000	0.3%	289,000	-9.4%	2,938,000	3.6%	3,052,000	3.9%	2,999,000	-1.7%	2,950,000	-1.6%
Bed Tax Fund	536,000	-11.7%	624,000	16.4%	852,000	36.5%	727,000	-14.7%	3,131,000	3.9%	3,433,000	9.6%	4,168,000	21.4%	4,204,000	0.9%
Totals	10,294,000	-6.9%	10,575,000	2.7%	11,817,000	11.7%	11,514,000	-2.6%	96,075,000	2.5%	101,157,000	5.3%	103,713,000	2.5%	105,950,000	2.2%
Tax Revenues - Business Activities																
Retail	5,056,000	-9.4%	5,472,000	8.2%	5,691,000	4.0%	5,817,000	2.2%	49,955,000	3.0%	53,116,000	6.3%	52,557,000	-1.1%	54,304,000	3.3%
Rentals	1,970,000	-6.8%	1,740,000	-11.7%	1,891,000	8.7%	1,893,000	0.1%	17,945,000	2.4%	17,847,000	-0.5%	16,996,000	-4.8%	18,017,000	6.0%
Utilities/Communication	811,000	30.0%	730,000	-10.0%	634,000	-13.2%	601,000	-5.2%	8,345,000	2.8%	8,559,000	2.6%	8,284,000	-3.2%	7,685,000	-7.2%
Restaurants	917,000	-12.7%	963,000	5.0%	1,072,000	11.3%	1,052,000	-1.9%	7,585,000	1.8%	8,306,000	9.5%	8,149,000	-1.9%	8,525,000	4.6%
Contracting	520,000	1.0%	538,000	3.5%	1,091,000	102.8%	897,000	-17.8%	5,027,000	-3.0%	5,737,000	14.1%	9,509,000	65.7%	8,952,000	-5.9%
Hotel/Motel	266,000	-13.9%	311,000	16.9%	368,000	18.3%	321,000	-12.8%	1,644,000	-2.0%	1,811,000	10.2%	1,918,000	5.9%	2,032,000	5.9%
Transient (Bed Tax)	536,000	-11.7%	624,000	16.4%	852,000	36.5%	725,000	-14.9%	3,132,000	3.9%	3,433,000	9.6%	4,168,000	21.4%	4,204,000	0.9%
Amusements	106,000	-29.8%	109,000	2.8%	114,000	4.6%	103,000	-9.6%	1,166,000	-12.6%	1,242,000	6.5%	1,132,000	-8.9%	1,224,000	8.1%
All Other	112,000	8.7%	88,000	-21.4%	104,000	18.2%	105,000	1.0%	1,276,000	35.6%	1,106,000	-13.3%	1,000,000	-9.6%	1,007,000	0.7%
Totals	10,294,000	-6.9%	10,575,000	2.7%	11,817,000	11.7%	11,514,000	-2.6%	96,075,000	2.5%	101,157,000	5.3%	103,713,000	2.5%	105,950,000	2.2%
Tax Revenues - Retail Activities Breakdown																
Automotive	878,000	-6.8%	962,000	9.6%	977,000	1.6%	936,000	-4.2%	7,935,000	11.7%	8,691,000	9.5%	8,951,000	3.0%	8,936,000	-0.2%
Furniture/Equipment/Electronics	1,012,000	-13.4%	1,088,000	7.5%	1,212,000	11.4%	1,208,000	-0.3%	10,801,000	4.0%	12,388,000	14.7%	11,678,000	-5.7%	11,358,000	-2.7%
Department Stores	972,000	-4.1%	1,007,000	3.6%	958,000	-4.9%	973,000	1.6%	9,321,000	2.8%	9,257,000	-0.7%	8,848,000	-4.4%	8,929,000	0.9%
Grocery Stores	383,000	-44.8%	653,000	70.5%	682,000	4.4%	638,000	-6.5%	5,453,000	-0.3%	5,942,000	9.0%	6,294,000	5.9%	6,364,000	1.1%
Drugs/Small Stores	555,000	-8.9%	549,000	-1.1%	566,000	3.1%	658,000	16.3%	5,365,000	-0.3%	5,553,000	3.5%	5,239,000	-5.7%	5,110,000	-2.5%
Manufacturing Firms	343,000	-5.2%	338,000	-1.5%	262,000	-22.5%	327,000	24.8%	3,207,000	-1.6%	2,645,000	-17.5%	2,278,000	-13.9%	2,645,000	16.1%
Building Supply Stores	229,000	28.7%	190,000	-17.0%	203,000	6.8%	194,000	-4.4%	1,566,000	-2.5%	1,738,000	11.0%	1,621,000	-6.7%	1,863,000	14.9%
All Other Retail	684,000	11.2%	685,000	0.1%	831,000	21.3%	883,000	6.3%	6,307,000	1.1%	6,902,000	9.4%	7,648,000	10.8%	9,099,000	19.0%
Totals	5,056,000	-9.4%	5,472,000	8.2%	5,691,000	4.0%	5,817,000	2.2%	49,955,000	3.0%	53,116,000	6.3%	52,557,000	-1.1%	54,304,000	3.3%
Tax Revenues - Business Districts																
Elliot Corridor	1,446,000	-6.4%	1,483,000	2.6%	1,629,000	9.8%	1,425,000	-12.5%	13,652,000	13.5%	14,442,000	5.8%	14,369,000	-0.5%	13,940,000	-3.0%
Autoplex (included in Elliot Corridor)	611,000	-5.3%	655,000	7.2%	657,000	0.3%	622,000	-5.3%	5,570,000	17.6%	5,998,000	7.7%	6,164,000	2.8%	6,068,000	-1.6%
Market Place	451,000	-15.2%	472,000	4.7%	468,000	-0.8%	444,000	-5.1%	4,320,000	4.6%	4,459,000	3.2%	4,405,000	-1.2%	4,267,000	-3.1%
Mills Mall	530,000	-15.3%	527,000	-0.6%	588,000	11.6%	453,000	-23.0%	4,885,000	-1.4%	4,808,000	-1.6%	4,409,000	-8.3%	4,450,000	0.9%
Downtown Tempe	374,000	-6.7%	432,000	15.5%	532,000	23.1%	463,000	-13.0%	2,801,000	0.4%	3,256,000	16.2%	3,549,000	9.0%	3,383,000	-4.7%
Apache Blvd.	227,000	-36.2%	308,000	35.7%	210,000	-31.8%	196,000	-6.7%	1,717,000	-3.3%	1,973,000	14.9%	1,917,000	-2.8%	1,821,000	-5.0%
ASU Properties	141,000	-21.2%	145,000	2.8%	239,000	64.8%	253,000	5.9%	1,643,000	3.2%	1,789,000	8.9%	1,669,000	-6.7%	1,625,000	-2.6%
Rio Salado	334,000	7.7%	275,000	-17.7%	394,000	43.3%	366,000	-7.1%	2,207,000	-4.0%	2,387,000	8.2%	2,580,000	8.1%	3,076,000	19.2%
All Other Areas	6,791,000	-4.5%	6,933,000	2.1%	7,757,000	11.9%	7,914,000	2.0%	64,850,000	1.0%	68,043,000	4.9%	70,815,000	4.1%	73,388,000	3.6%

**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	6,742,000	331,000	5.2%
Mar	8.3%	7,204,000	6,983,000	(221,000)	-3.1%
Apr	9.5%	8,247,000			
May	7.9%	6,887,000			
Jun	7.9%	7,012,000			
Totals	100.0%	87,254,000	65,700,000	592,000	

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	58,717,000	813,000	1.4%
Jul-Mar	74.7%	65,108,000	65,700,000	592,000	0.9%
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	88,219,000	87,254,000	965,000	1.1%
Percentage Received	87,952,000	87,254,000	698,000	0.8%