

Memorandum

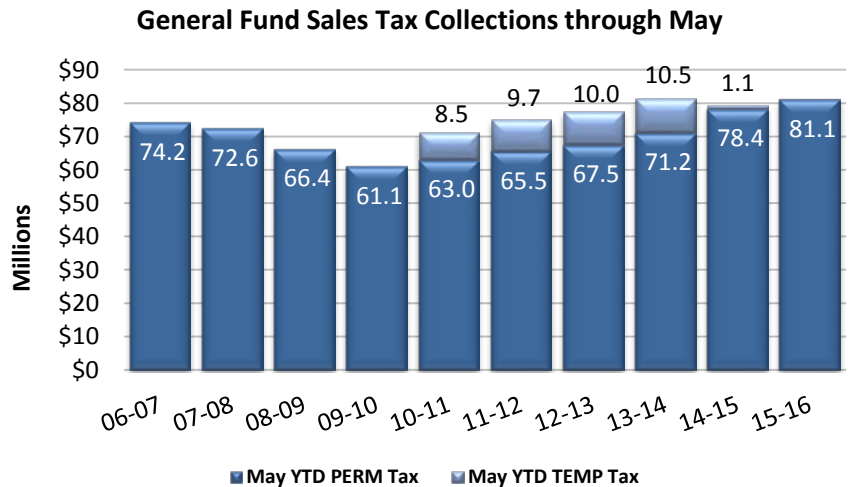


Municipal Budget Office

Date: June 22, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – May 2016

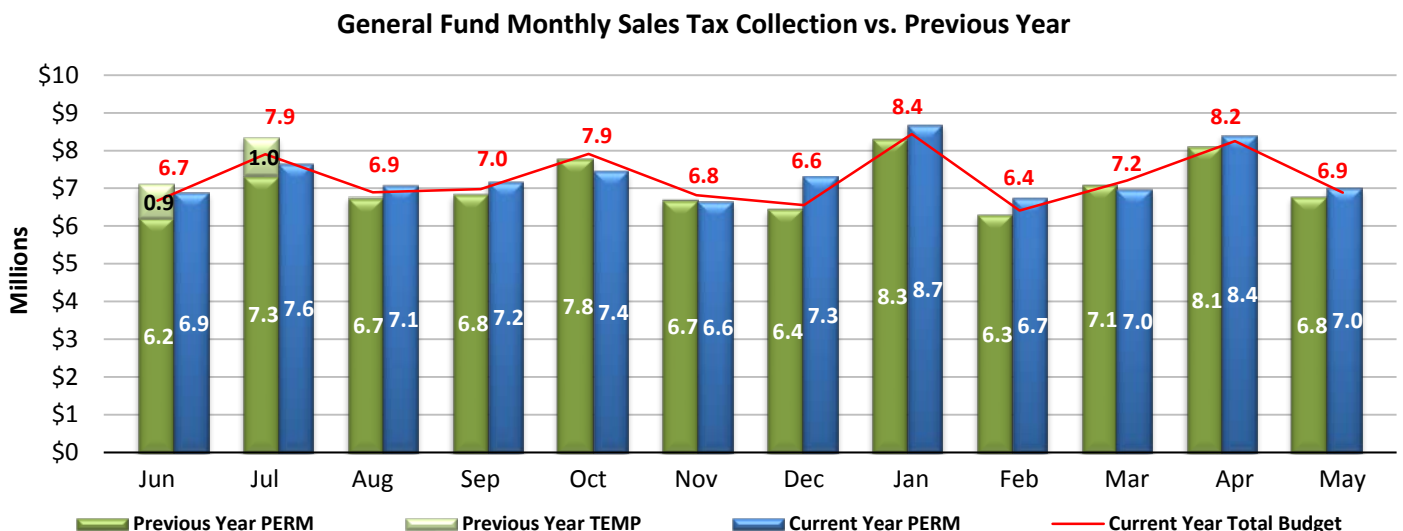
Attached is the Executive Summary of the Tax Revenue Statistical Report for May 2016 covering April sales activity reported to our Tax and License Division in May.

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, which included some temporary tax in the prior year, is also up 2.1% (\$1.7 million), as a result of strong retail, rentals and restaurant activity. The combined bed tax and hotel/motel tax revenue increases appear average at 3.3% (\$275 thousand). However, the Super Bowl was held in Arizona in 2015, and these revenues are up 17.8% (\$1.3 million) 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 \$909 thousand above budgeted projections through May.



Executive Summary

	Current Month - May								Fiscal Year to Date through May							
	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	533,149,000	-3.2%	546,493,000	2.5%	595,812,000	9.0%	617,006,000	3.6%	5,907,176,000	3.2%	6,229,064,000	5.4%	6,851,650,000	10.0%	7,078,367,000	3.3%
Retail Taxable Sales	270,970,000	-2.8%	278,205,000	2.7%	300,284,000	7.9%	314,112,000	4.6%	3,036,000,000	4.4%	3,195,737,000	5.3%	3,417,302,000	6.9%	3,574,311,000	4.6%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,058,000	-3.1%	6,176,000	1.9%	6,768,000	9.6%	7,001,000	3.4%	67,502,000	3.1%	71,200,000	5.5%	78,372,000	10.1%	81,112,000	3.5%
Temporary Privilege Tax - General Fund	897,000	-2.7%	907,000	1.1%	6,000	-99.3%	3,000	-50.0%	10,015,000	3.3%	10,469,000	4.5%	1,112,000	-89.4%	38,000	-96.6%
Transit Tax Fund (.5%)	2,534,000	-2.8%	2,577,000	1.7%	2,823,000	9.5%	2,920,000	3.4%	28,155,000	3.1%	29,706,000	5.5%	32,683,000	10.0%	33,837,000	3.5%
Arts Tax Fund (.1%)	523,000	-2.8%	533,000	1.9%	582,000	9.2%	608,000	4.5%	5,818,000	3.1%	6,134,000	5.4%	6,748,000	10.0%	6,982,000	3.5%
Privilege Tax - Rebates Fund	317,000	1.6%	322,000	1.6%	305,000	-5.3%	416,000	36.4%	3,609,000	3.1%	3,758,000	4.1%	3,689,000	-1.8%	3,749,000	1.6%
Bed Tax Fund	533,000	14.1%	527,000	-1.1%	543,000	3.0%	692,000	27.4%	4,330,000	4.2%	4,861,000	12.3%	5,764,000	18.6%	5,907,000	2.5%
Totals	10,862,000	-2.1%	11,042,000	1.7%	11,027,000	-0.1%	11,640,000	5.6%	119,429,000	3.1%	126,128,000	5.6%	128,368,000	1.8%	131,625,000	2.5%
Tax Revenues - Business Activities																
Retail	5,576,000	-1.1%	5,672,000	1.7%	5,519,000	-2.7%	6,016,000	9.0%	62,124,000	4.2%	65,588,000	5.6%	64,545,000	-1.6%	67,204,000	4.1%
Rentals	1,915,000	-5.6%	1,886,000	-1.5%	1,828,000	-3.1%	1,936,000	5.9%	22,150,000	2.3%	22,111,000	-0.2%	21,194,000	-4.1%	22,338,000	5.4%
Utilities/Communication	715,000	-2.3%	837,000	17.1%	712,000	-14.9%	663,000	-6.9%	9,764,000	2.3%	10,228,000	4.8%	9,710,000	-5.1%	9,045,000	-6.8%
Restaurants	957,000	-11.9%	998,000	4.3%	1,027,000	2.9%	1,044,000	1.7%	9,602,000	1.7%	10,505,000	9.4%	10,325,000	-1.7%	10,788,000	4.5%
Contracting	617,000	2.3%	626,000	1.5%	923,000	47.4%	753,000	-18.4%	6,239,000	-0.7%	7,472,000	19.8%	11,653,000	56.0%	10,849,000	-6.9%
Hotel/Motel	317,000	27.8%	272,000	-14.2%	282,000	3.7%	311,000	10.3%	2,283,000	0.0%	2,503,000	9.6%	2,634,000	5.2%	2,766,000	5.0%
Transient (Bed Tax)	532,000	13.9%	527,000	-0.9%	543,000	3.0%	692,000	27.4%	4,330,000	4.2%	4,861,000	12.3%	5,764,000	18.6%	5,907,000	2.5%
Amusements	130,000	15.0%	131,000	0.8%	112,000	-14.5%	114,000	1.8%	1,431,000	-10.1%	1,511,000	5.6%	1,355,000	-10.3%	1,464,000	8.0%
All Other	103,000	-44.3%	93,000	-9.7%	81,000	-12.9%	111,000	37.0%	1,506,000	23.8%	1,349,000	-10.4%	1,188,000	-11.9%	1,264,000	6.4%
Totals	10,862,000	-2.1%	11,042,000	1.7%	11,027,000	-0.1%	11,640,000	5.6%	119,429,000	3.1%	126,128,000	5.6%	128,368,000	1.8%	131,625,000	2.5%
Tax Revenues - Retail Activities Breakdown																
Automotive	938,000	-2.6%	1,039,000	10.8%	1,010,000	-2.8%	1,018,000	0.8%	9,849,000	10.2%	10,844,000	10.1%	11,073,000	2.1%	11,000,000	-0.7%
Furniture/Equipment/Electronics	1,233,000	14.9%	1,184,000	-4.0%	1,122,000	-5.2%	1,110,000	-1.1%	13,500,000	6.5%	15,117,000	12.0%	14,074,000	-6.9%	13,853,000	-1.6%
Department Stores	921,000	-8.5%	999,000	8.5%	901,000	-9.8%	942,000	4.6%	11,427,000	2.0%	11,409,000	-0.2%	10,843,000	-5.0%	10,959,000	1.1%
Grocery Stores	630,000	-7.4%	690,000	9.5%	703,000	1.9%	695,000	-1.1%	6,985,000	4.4%	7,322,000	4.8%	7,713,000	5.3%	7,898,000	2.4%
Drugs/Small Stores	558,000	-11.3%	570,000	2.2%	516,000	-9.5%	516,000	0.0%	6,560,000	0.0%	6,786,000	3.4%	6,403,000	-5.6%	6,296,000	-1.7%
Manufacturing Firms	325,000	12.1%	306,000	-5.8%	303,000	-1.0%	391,000	29.0%	3,852,000	0.9%	3,371,000	-12.5%	2,970,000	-11.9%	3,419,000	15.1%
Building Supply Stores	288,000	12.5%	215,000	-25.3%	220,000	2.3%	223,000	1.4%	2,065,000	3.2%	2,172,000	5.2%	2,059,000	-5.2%	2,317,000	12.5%
All Other Retail	683,000	-7.5%	669,000	-2.0%	744,000	11.2%	1,121,000	50.7%	7,886,000	2.0%	8,567,000	8.6%	9,410,000	9.8%	11,462,000	21.8%
Totals	5,576,000	-1.1%	5,672,000	1.7%	5,519,000	-2.7%	6,016,000	9.0%	62,124,000	4.2%	65,588,000	5.6%	64,545,000	-1.6%	67,204,000	4.1%
Tax Revenues - Business Districts																
Elliot Corridor	1,563,000	6.5%	1,532,000	-2.0%	1,451,000	-5.3%	1,525,000	5.1%	16,997,000	13.6%	17,773,000	4.6%	17,466,000	-1.7%	17,053,000	-2.4%
Autoplex (included in Elliot Corridor)	648,000	-3.0%	707,000	9.1%	678,000	-4.1%	702,000	3.5%	6,896,000	14.8%	7,432,000	7.8%	7,594,000	2.2%	7,419,000	-2.3%
Market Place	445,000	-3.5%	484,000	8.8%	456,000	-5.8%	629,000	37.9%	5,297,000	3.5%	5,513,000	4.1%	5,434,000	-1.4%	5,479,000	0.8%
Mills Mall	473,000	-17.7%	518,000	9.5%	452,000	-12.7%	502,000	11.1%	6,011,000	-3.0%	5,963,000	-0.8%	5,477,000	-8.2%	5,536,000	1.1%
Downtown Tempe	407,000	1.5%	452,000	11.1%	465,000	2.9%	453,000	-2.6%	3,625,000	0.7%	4,269,000	17.8%	4,579,000	7.3%	4,366,000	-4.7%
Apache Blvd.	288,000	4.0%	232,000	-19.4%	240,000	3.4%	209,000	-12.9%	2,294,000	1.4%	2,508,000	9.3%	2,462,000	-1.8%	2,358,000	-4.2%
ASU Properties	152,000	-23.2%	157,000	3.3%	161,000	2.5%	177,000	9.9%	2,011,000	1.4%	2,198,000	9.3%	2,040,000	-7.2%	2,012,000	-1.4%
Rio Salado	267,000	-7.3%	261,000	-2.2%	294,000	12.6%	421,000	43.2%	2,836,000	-0.6%	3,063,000	8.0%	3,264,000	6.6%	3,878,000	18.8%
All Other Areas	7,267,000	-2.2%	7,406,000	1.9%	7,508,000	1.4%	7,724,000	2.9%	80,358,000	1.9%	84,841,000	5.6%	87,646,000	3.3%	90,943,000	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
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	8,411,000	164,000	2.0%
May	7.9%	6,887,000	7,001,000	114,000	1.7%
Jun	7.9%	7,012,000			
Totals	100.0%	87,254,000	81,112,000	870,000	

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	74,111,000	756,000	1.0%
Jul-May	92.1%	80,242,000	81,112,000	870,000	1.1%
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	88,242,000	87,254,000	988,000	1.1%
Percentage Received	88,069,000	87,254,000	815,000	0.9%