

Memorandum



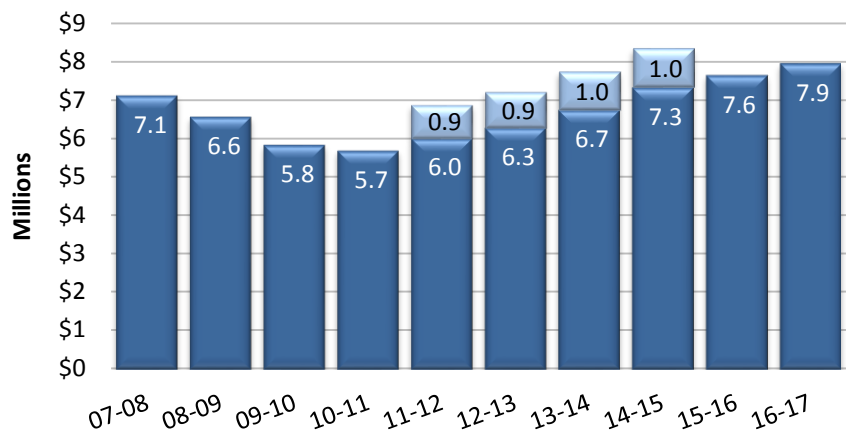
Municipal Budget Office

Date: August 19, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – July 2016

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

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2007-08 through FY 2016-17. Taxable sales increased by 4.7% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.0% (\$307 thousand), as a result of strong retail (\$340 thousand), combined bed tax and hotel/motel (\$115 thousand), and rentals (\$98 thousand) activity, although this may be slightly overstated due to a large account reporting two months of taxable sales. The combined bed tax and hotel/motel tax revenue growth rate is outperforming all business activities at 20.9% over the prior fiscal year.

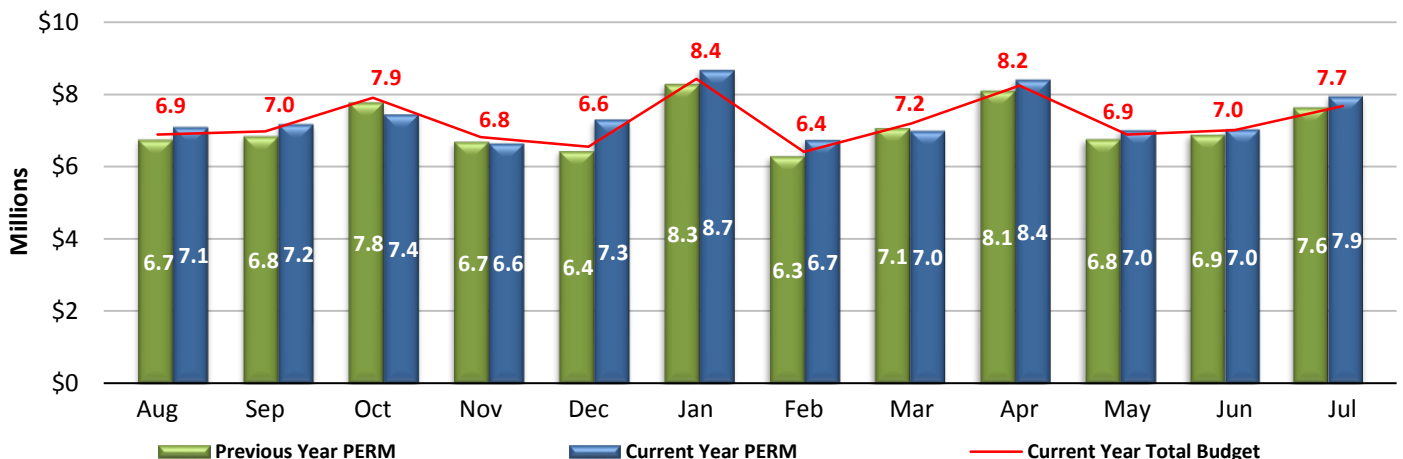
General Fund Sales Tax Collections through July



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year.

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 are \$280 thousand above budgeted projections for the month.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Year-to-Date Comparison - July

	2013-14	Change	2014-15	Change	2015-16	Change	2016-17	Change
Taxable Sales								
Total Taxable Sales	584,815,000	7.1%	630,586,000	7.8%	660,460,000	4.7%	691,756,000	4.7%
Retail Taxable Sales	296,411,000	6.5%	305,430,000	3.0%	333,197,000	9.1%	344,099,000	3.3%
Tax Revenues by Funds								
Privilege Tax - General Fund (1.2%)	6,742,000	7.3%	7,326,000	8.7%	7,642,000	4.3%	7,949,000	4.0%
Temporary Privilege Tax (.2%)	1,001,000	7.2%	1,013,000	1.2%	4,000	-99.6%	9,000	125.0%
Transit Tax Fund (.5%)	2,813,000	7.4%	3,055,000	8.6%	3,187,000	4.3%	3,314,000	4.0%
Arts Tax Fund (.1%)	579,000	7.0%	628,000	8.5%	656,000	4.5%	682,000	4.0%
Privilege Tax - Rebates Fund	327,000	0.3%	343,000	4.9%	333,000	-2.9%	344,000	3.3%
Bed Tax Fund	279,000	16.3%	325,000	16.5%	388,000	19.4%	437,000	12.6%
Totals	11,741,000	7.3%	12,690,000	8.1%	12,210,000	-3.8%	12,735,000	4.3%

Tax Revenues - Business Activities

Retail	6,220,000	9.6%	6,329,000	1.8%	6,216,000	-1.8%	6,556,000	5.5%
Rentals	2,236,000	0.3%	2,242,000	0.3%	2,246,000	0.2%	2,344,000	4.4%
Utilities/Communication	964,000	-0.3%	1,078,000	11.8%	922,000	-14.5%	896,000	-2.8%
Restaurants	880,000	8.9%	906,000	3.0%	876,000	-3.3%	902,000	3.0%
Contracting	726,000	18.0%	1,377,000	89.7%	1,083,000	-21.4%	1,136,000	4.9%
Hotel/Motel	162,000	16.5%	164,000	1.2%	161,000	-1.8%	227,000	41.0%
Transient (Bed Tax)	280,000	16.7%	326,000	16.4%	389,000	19.3%	438,000	12.6%
Amusements	177,000	15.7%	162,000	-8.5%	242,000	49.4%	166,000	-31.4%
All Other	96,000	-17.9%	106,000	10.4%	75,000	-29.2%	70,000	-6.7%
Totals	11,741,000	7.3%	12,690,000	8.1%	12,210,000	-3.8%	12,735,000	4.3%

Tax Revenues - Retail Activities Breakdown

Automotive	951,000	9.1%	1,050,000	10.4%	1,025,000	-2.4%	944,000	-7.9%
Furniture/Equipment/Electronics	1,722,000	32.5%	1,516,000	-12.0%	1,403,000	-7.5%	1,511,000	7.7%
Department Stores	957,000	-1.5%	962,000	0.5%	910,000	-5.4%	979,000	7.6%
Grocery Stores	610,000	4.3%	654,000	7.2%	655,000	0.2%	688,000	5.0%
Drugs/Small Stores	573,000	4.9%	625,000	9.1%	532,000	-14.9%	540,000	1.5%
Manufacturing Firms	292,000	-7.3%	320,000	9.6%	379,000	18.4%	379,000	0.0%
Building Supply Stores	189,000	0.0%	195,000	3.2%	247,000	26.7%	241,000	-2.4%
All Other Retail	926,000	3.7%	1,007,000	8.7%	1,065,000	5.8%	1,273,000	19.5%
Totals	6,220,000	9.7%	6,329,000	1.8%	6,216,000	-1.8%	6,555,000	5.5%

Tax Revenues - Business Districts

Elliot Corridor	1,686,000	10.9%	1,773,000	5.2%	1,595,000	-10.0%	1,611,000	1.0%
Autoplex (included in Elliot Corridor)	650,000	11.7%	698,000	7.4%	674,000	-3.4%	565,000	-16.2%
Market Place	476,000	-1.4%	507,000	6.5%	497,000	-2.0%	511,000	2.8%
Mills Mall	529,000	-2.4%	507,000	-4.2%	487,000	-3.9%	578,000	18.7%
Downtown Tempe	297,000	12.1%	344,000	15.8%	330,000	-4.1%	328,000	-0.6%
Apache Blvd.	204,000	5.2%	247,000	21.1%	198,000	-19.8%	200,000	1.0%
ASU Properties	139,000	6.1%	166,000	19.4%	109,000	-34.3%	108,000	-0.9%
Rio Salado	288,000	36.5%	285,000	-1.0%	274,000	-3.9%	305,000	11.3%
All Other Areas	8,122,000	6.9%	8,861,000	9.1%	8,720,000	-1.6%	9,094,000	4.3%

**Privilege Tax Revenue - General Fund (1.2%)
2016-17 Actual Compared to Budget**

Monthly Amounts

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.6%	7,677,000	7,948,000	271,000	3.5%
Aug	8.1%	7,213,000			
Sep	8.2%	7,333,000			
Oct	8.3%	7,417,000			
Nov	7.6%	6,765,000			
Dec	8.3%	7,374,000			
Jan	9.6%	8,572,000			
Feb	7.8%	7,000,000			
Mar	8.0%	7,181,000			
Apr	9.4%	8,364,000			
May	8.0%	7,108,000			
Jun	8.1%	7,238,000			
Totals	100.0%	89,244,000	7,948,000	270,576	

Cumulative Amounts

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.6%	7,677,000	7,948,000	271,000	3.5%
Jul-Aug	16.7%	14,890,000			
Jul-Sep	24.9%	22,223,000			
Jul-Oct	33.2%	29,640,000			
Jul-Nov	40.8%	36,405,000			
Jul-Dec	49.1%	43,779,000			
Jul-Jan	58.7%	52,351,000			
Jul-Feb	66.5%	59,351,000			
Jul-Mar	74.5%	66,532,000			
Jul-Apr	83.9%	74,896,000			
Jul-May	91.9%	82,004,000			
Jul-Jun	100.0%	89,242,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	91,667,000	89,244,000	2,423,000	2.7%
Percentage Received	92,419,000	89,244,000	3,175,000	3.6%