

Memorandum



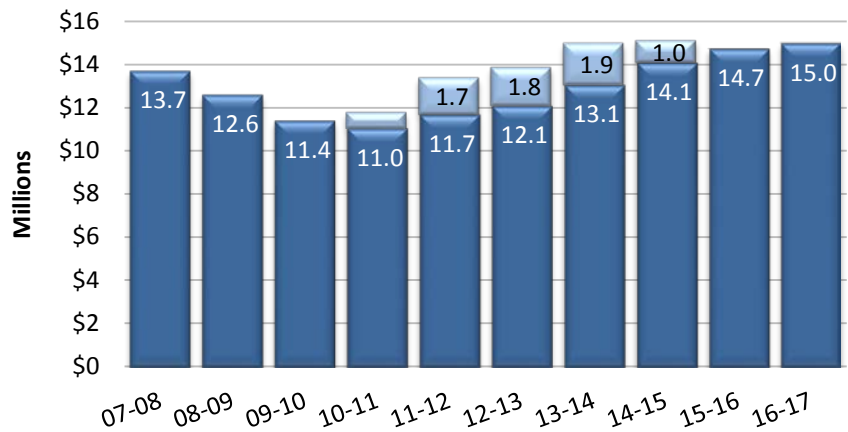
Municipal Budget Office

Date: September 27, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – August 2016

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

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 2.3% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 1.7% (\$251 thousand), as a result of strong retail (\$276 thousand), rentals (\$168 thousand), and combined bed tax and hotel/motel (\$122 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming all business activities at 12.0% over the prior fiscal year.

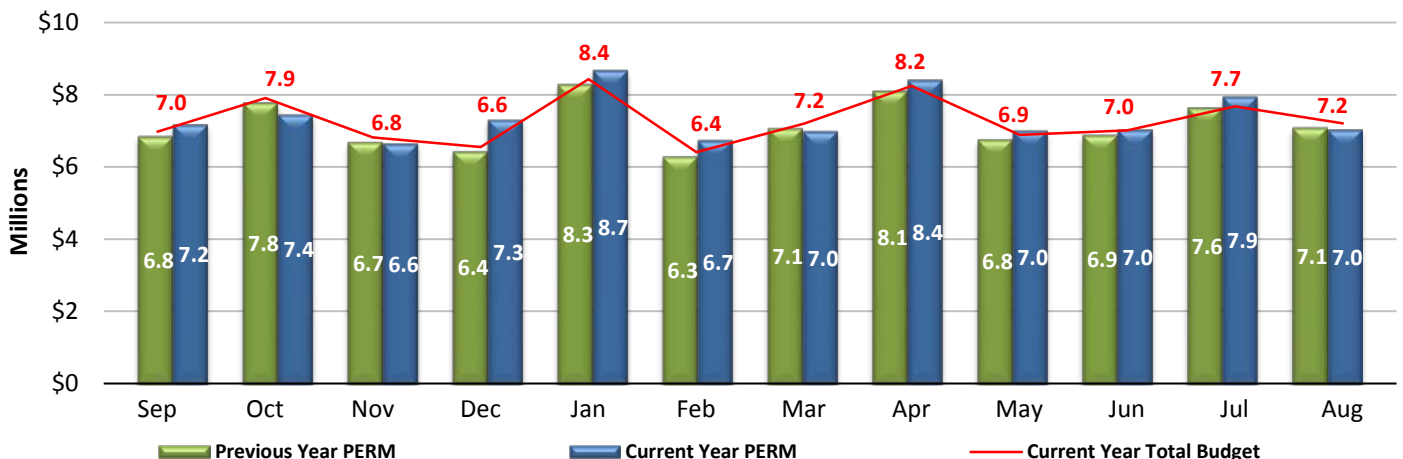
General Fund Sales Tax Collections through August



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 \$104 thousand above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Current Month -August

Fiscal Year to Date through August

	2013-14		2014-15		2015-16		2016-17		2013-14		2014-15		2015-16		2016-17	
		Change		Change		Change		Change		Change		Change		Change		Change
Taxable Sales																
Total Taxable Sales	540,713,000	6.9%	586,267,000	8.4%	609,568,000	4.0%	607,767,000	-0.3%	1,125,528,000	7.0%	1,216,853,000	8.1%	1,270,028,000	4.4%	1,299,523,000	2.3%
Retail Taxable Sales	285,338,000	12.7%	306,889,000	7.6%	310,220,000	1.1%	308,069,000	-0.7%	581,749,000	9.5%	612,319,000	5.3%	643,417,000	5.1%	652,168,000	1.4%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,314,000	8.7%	6,749,000	6.9%	7,092,000	5.1%	7,027,000	-0.9%	13,056,000	8.0%	14,075,000	7.8%	14,734,000	4.7%	14,976,000	1.6%
Temporary Privilege Tax - General Fund	942,000	8.5%	31,000	-96.7%	4,000	-87.1%	8,000	100.0%	1,943,000	7.8%	1,044,000	-46.3%	8,000	-99.2%	17,000	112.5%
Transit Tax Fund (.5%)	2,634,000	8.8%	2,814,000	6.8%	2,955,000	5.0%	2,931,000	-0.8%	5,447,000	8.1%	5,869,000	7.7%	6,142,000	4.7%	6,245,000	1.7%
Arts Tax Fund (.1%)	541,000	8.6%	578,000	6.8%	608,000	5.2%	607,000	-0.2%	1,120,000	7.8%	1,206,000	7.7%	1,264,000	4.8%	1,289,000	2.0%
Privilege Tax - Rebates Fund	283,000	5.2%	263,000	-7.1%	284,000	8.0%	303,000	6.7%	610,000	2.5%	606,000	-0.7%	617,000	1.8%	647,000	4.9%
Bed Tax Fund	218,000	-4.8%	289,000	32.6%	313,000	8.3%	320,000	2.2%	497,000	6.0%	614,000	23.5%	701,000	14.2%	757,000	8.0%
Totals	10,932,000	8.3%	10,724,000	-1.9%	11,256,000	5.0%	11,196,000	-0.5%	22,673,000	7.8%	23,414,000	3.3%	23,466,000	0.2%	23,931,000	2.0%

Tax Revenues - Business Activities

Retail	5,843,000	11.8%	5,665,000	-3.0%	5,833,000	3.0%	5,769,000	-1.1%	12,063,000	10.7%	11,994,000	-0.6%	12,049,000	0.5%	12,325,000	2.3%
Rentals	1,913,000	0.9%	1,678,000	-12.3%	1,781,000	6.1%	1,851,000	3.9%	4,149,000	0.6%	3,920,000	-5.5%	4,027,000	2.7%	4,195,000	4.2%
Utilities/Communication	1,216,000	6.9%	1,141,000	-6.2%	1,066,000	-6.6%	1,063,000	-0.3%	2,180,000	3.6%	2,219,000	1.8%	1,988,000	-10.4%	1,959,000	-1.5%
Restaurants	788,000	9.0%	790,000	0.3%	832,000	5.3%	898,000	7.9%	1,668,000	8.9%	1,696,000	1.7%	1,708,000	0.7%	1,800,000	5.4%
Contracting	602,000	16.4%	788,000	30.9%	1,033,000	31.1%	941,000	-8.9%	1,328,000	17.3%	2,165,000	63.0%	2,116,000	-2.3%	2,077,000	-1.8%
Hotel/Motel	114,000	-10.2%	140,000	22.8%	153,000	9.3%	154,000	0.7%	276,000	3.8%	304,000	10.1%	314,000	3.3%	381,000	21.3%
Transient (Bed Tax)	218,000	-4.8%	288,000	32.1%	313,000	8.7%	319,000	1.9%	498,000	6.2%	614,000	23.3%	702,000	14.3%	757,000	7.8%
Amusements	147,000	5.8%	130,000	-11.6%	160,000	23.1%	125,000	-21.9%	324,000	11.0%	292,000	-9.9%	402,000	37.7%	291,000	-27.6%
All Other	91,000	-6.2%	104,000	14.3%	85,000	-18.3%	76,000	-10.6%	187,000	-12.6%	210,000	12.3%	160,000	-23.8%	146,000	-8.8%
Totals	10,932,000	8.3%	10,724,000	-1.9%	11,256,000	5.0%	11,196,000	-0.5%	22,673,000	7.8%	23,414,000	3.3%	23,466,000	0.2%	23,931,000	2.0%

Tax Revenues - Retail Activities Breakdown

Automotive	951,000	10.3%	964,000	1.4%	998,000	3.5%	1,030,000	3.2%	1,902,000	9.7%	2,014,000	5.9%	2,023,000	0.4%	1,974,000	-2.4%
Furniture/Equipment/Electronics	1,700,000	52.1%	1,582,000	-6.9%	1,236,000	-21.9%	1,110,000	-10.2%	3,422,000	41.5%	3,098,000	-9.5%	2,639,000	-14.8%	2,621,000	-0.7%
Department Stores	945,000	0.7%	876,000	-7.3%	918,000	4.8%	979,000	6.6%	1,902,000	-0.4%	1,838,000	-3.4%	1,828,000	-0.5%	1,958,000	7.1%
Grocery Stores	578,000	10.5%	615,000	6.4%	642,000	4.4%	641,000	-0.2%	1,188,000	7.2%	1,269,000	6.8%	1,297,000	2.2%	1,329,000	2.5%
Drugs/Small Stores	545,000	0.2%	503,000	-7.7%	485,000	-3.6%	585,000	20.6%	1,118,000	2.6%	1,128,000	0.9%	1,017,000	-9.8%	1,125,000	10.6%
Manufacturing Firms	237,000	-40.3%	325,000	37.1%	354,000	8.9%	270,000	-23.7%	529,000	-25.7%	645,000	21.9%	733,000	13.6%	649,000	-11.5%
Building Supply Stores	196,000	6.5%	156,000	-20.4%	210,000	34.6%	210,000	0.0%	385,000	3.2%	351,000	-8.8%	457,000	30.2%	451,000	-1.3%
All Other Retail	691,000	4.1%	644,000	-6.8%	990,000	53.7%	945,000	-4.5%	1,617,000	3.9%	1,651,000	2.1%	2,055,000	24.5%	2,218,000	7.9%
Totals	5,843,000	11.7%	5,665,000	-3.0%	5,833,000	3.0%	5,770,000	-1.1%	12,063,000	10.6%	11,994,000	-0.6%	12,049,000	0.5%	12,325,000	2.3%

Tax Revenues - Business Districts

Elliot Corridor	1,690,000	22.9%	1,556,000	-7.9%	1,568,000	0.8%	1,529,000	-2.5%	3,376,000	16.6%	3,329,000	-1.4%	3,163,000	-5.0%	3,140,000	-0.7%
Autoplex (included in Elliot Corridor)	661,000	9.1%	661,000	0.0%	680,000	2.9%	692,000	1.8%	1,311,000	10.4%	1,359,000	3.7%	1,354,000	-0.4%	1,257,000	-7.2%
Market Place	418,000	5.8%	392,000	-6.2%	430,000	9.7%	450,000	4.7%	894,000	1.8%	899,000	0.6%	927,000	3.1%	961,000	3.7%
Mills Mall	558,000	-2.4%	493,000	-11.6%	544,000	10.3%	544,000	0.0%	1,087,000	-2.4%	1,000,000	-8.0%	1,031,000	3.1%	1,122,000	8.8%
Downtown Tempe	311,000	35.8%	267,000	-14.1%	268,000	0.4%	258,000	-3.7%	608,000	23.1%	611,000	0.5%	598,000	-2.1%	586,000	-2.0%
Apache Blvd.	196,000	13.3%	169,000	-13.8%	190,000	12.4%	190,000	-11.1%	400,000	9.0%	416,000	4.0%	388,000	-6.7%	369,000	-4.9%
ASU Properties	142,000	4.4%	109,000	-23.2%	114,000	4.6%	107,000	-6.1%	281,000	5.2%	275,000	-2.1%	223,000	-18.9%	215,000	-3.6%
Rio Salado	233,000	-4.5%	214,000	-8.2%	240,000	12.1%	296,000	23.3%	521,000	14.5%	499,000	-4.2%	514,000	3.0%	601,000	16.9%
All Other Areas	7,384,000	6.0%	7,524,000	1.9%	7,902,000	5.0%	7,843,000	-0.7%	15,506,000	6.5%	16,385,000	5.7%	16,622,000	1.4%	16,937,000	1.9%

**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	7,028,000	(184,969)	-2.6%
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	14,976,000	85,607	

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	14,976,000	86,000	0.6%
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	89,587,000	89,244,000	343,000	0.4%
Percentage Received	89,677,000	89,244,000	433,000	0.5%