

Memorandum



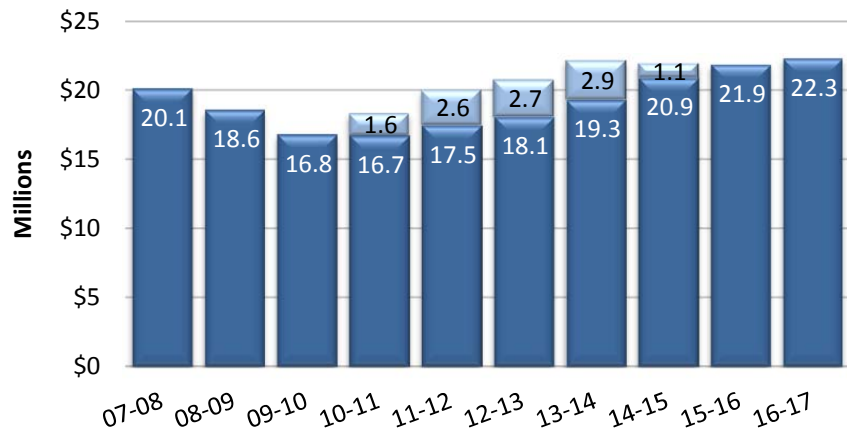
Municipal Budget Office

Date: October 12, 2016
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – September 2016

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

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 2.8% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 2.1% (\$451 thousand), as a result of strong retail (\$489 thousand), combined bed tax and hotel/motel (\$208 thousand), and restaurant (\$111 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming all business activities at 13.9% over the prior fiscal year.

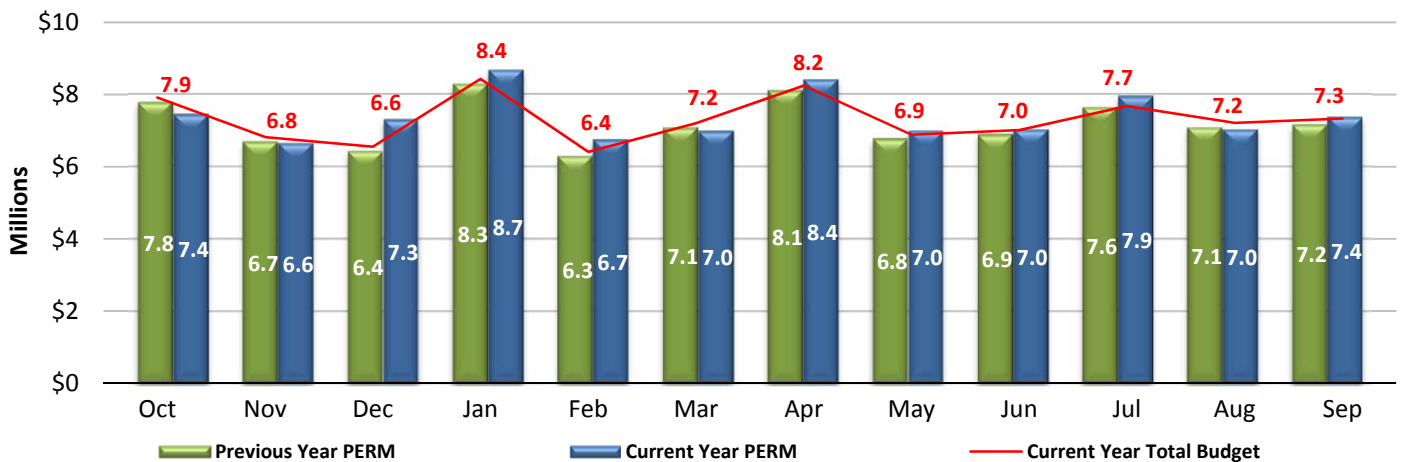
General Fund Sales Tax Collections through September



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 \$144 thousand above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Current Month -September

Fiscal Year to Date through September

	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	548,316,000	4.7%	589,372,000	7.5%	624,607,000	6.0%	647,534,000	3.7%	1,673,844,000	6.3%	1,806,225,000	7.9%	1,894,635,000	4.9%	1,947,057,000	2.8%
Retail Taxable Sales	282,623,000	2.6%	308,010,000	9.0%	317,326,000	3.0%	329,664,000	3.9%	864,372,000	7.1%	920,329,000	6.5%	960,743,000	4.4%	981,832,000	2.2%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,279,000	4.6%	6,845,000	9.0%	7,170,000	4.7%	7,372,000	2.8%	19,335,000	6.9%	20,920,000	8.2%	21,904,000	4.7%	22,348,000	2.0%
Temporary Privilege Tax - General Fund	916,000	2.7%	14,000	-98.5%	3,000	-78.6%	1,000	-66.7%	2,859,000	6.1%	1,058,000	-63.0%	11,000	-99.0%	18,000	63.6%
Transit Tax Fund (.5%)	2,619,000	4.6%	2,855,000	9.0%	2,989,000	4.7%	3,074,000	2.8%	8,066,000	6.9%	8,724,000	8.2%	9,131,000	4.7%	9,319,000	2.1%
Arts Tax Fund (.1%)	542,000	4.8%	589,000	8.7%	618,000	4.9%	635,000	2.8%	1,662,000	6.8%	1,795,000	8.0%	1,882,000	4.8%	1,924,000	2.2%
Privilege Tax - Rebates Fund	340,000	9.0%	314,000	-7.6%	341,000	8.6%	349,000	2.3%	950,000	4.7%	920,000	-3.2%	958,000	4.1%	996,000	4.0%
Bed Tax Fund	331,000	43.9%	308,000	-6.9%	318,000	3.2%	378,000	18.9%	828,000	18.5%	922,000	11.4%	1,019,000	10.5%	1,135,000	11.4%
Totals	11,027,000	5.4%	10,925,000	-0.9%	11,439,000	4.7%	11,809,000	3.2%	33,700,000	7.0%	34,339,000	1.9%	34,905,000	1.6%	35,740,000	2.4%
Tax Revenues - Business Activities																
Retail	5,801,000	2.9%	5,738,000	-1.1%	5,901,000	2.8%	6,114,000	3.6%	17,864,000	8.0%	17,732,000	-0.7%	17,950,000	1.2%	18,439,000	2.7%
Rentals	1,800,000	2.5%	1,850,000	2.8%	1,892,000	2.3%	1,832,000	-3.2%	5,949,000	1.2%	5,770,000	-3.0%	5,919,000	2.6%	6,027,000	1.8%
Utilities/Communication	1,158,000	2.4%	1,098,000	-5.2%	1,071,000	-2.5%	1,136,000	6.1%	3,338,000	3.2%	3,317,000	-0.6%	3,059,000	-7.8%	3,095,000	1.2%
Restaurants	866,000	11.6%	796,000	-8.1%	916,000	15.1%	935,000	2.1%	2,534,000	9.8%	2,492,000	-1.7%	2,624,000	5.3%	2,735,000	4.2%
Contracting	642,000	18.0%	692,000	7.8%	919,000	32.8%	905,000	-1.5%	1,970,000	17.5%	2,857,000	45.0%	3,035,000	6.2%	2,982,000	-1.7%
Hotel/Motel	160,000	28.0%	141,000	-11.9%	158,000	12.1%	184,000	16.5%	436,000	11.5%	445,000	2.1%	472,000	6.1%	565,000	19.7%
Transient (Bed Tax)	331,000	43.9%	309,000	-6.6%	318,000	2.9%	378,000	18.9%	829,000	18.6%	923,000	11.3%	1,020,000	10.5%	1,135,000	11.3%
Amusements	123,000	9.8%	115,000	-6.5%	104,000	-9.6%	119,000	14.4%	447,000	10.6%	407,000	-8.9%	506,000	24.3%	410,000	-19.0%
All Other	146,000	-2.7%	186,000	27.4%	160,000	-14.0%	206,000	28.8%	333,000	-8.5%	396,000	18.9%	320,000	-19.2%	352,000	10.0%
Totals	11,027,000	5.4%	10,925,000	-0.9%	11,439,000	4.7%	11,809,000	3.2%	33,700,000	7.0%	34,339,000	1.9%	34,905,000	1.6%	35,740,000	2.4%
Tax Revenues - Retail Activities																
Automotive	967,000	7.3%	1,090,000	12.7%	1,060,000	-2.8%	990,000	-6.6%	2,869,000	8.9%	3,104,000	8.2%	3,083,000	-0.7%	2,964,000	-3.9%
Furniture/Equipment/Electronics	1,224,000	-3.6%	1,153,000	-5.8%	1,183,000	2.6%	1,261,000	6.6%	4,646,000	26.0%	4,251,000	-8.5%	3,822,000	-10.1%	3,882,000	1.6%
Department Stores	1,091,000	-7.2%	1,042,000	-4.5%	1,077,000	3.4%	1,112,000	3.2%	2,993,000	-3.0%	2,880,000	-3.8%	2,905,000	0.9%	3,070,000	5.7%
Grocery Stores	637,000	8.7%	672,000	5.5%	674,000	0.3%	695,000	3.1%	1,825,000	7.7%	1,941,000	6.4%	1,971,000	1.5%	2,024,000	2.7%
Drugs/Small Stores	689,000	13.3%	623,000	-9.6%	584,000	-6.3%	599,000	2.6%	1,807,000	6.4%	1,751,000	-3.1%	1,601,000	-8.6%	1,724,000	7.7%
Manufacturing Firms	267,000	-5.0%	224,000	-16.1%	274,000	22.3%	276,000	0.7%	796,000	-19.8%	869,000	9.2%	1,007,000	15.9%	925,000	-8.1%
Building Supply Stores	182,000	19.7%	187,000	2.7%	184,000	-1.6%	182,000	-1.1%	567,000	8.0%	538,000	-5.1%	641,000	19.1%	633,000	-1.2%
All Other Retail	744,000	12.7%	747,000	0.4%	865,000	15.8%	999,000	15.5%	2,361,000	6.5%	2,398,000	1.6%	2,920,000	21.8%	3,217,000	10.2%
Totals	5,801,000	3.0%	5,738,000	-1.1%	5,901,000	2.8%	6,114,000	3.6%	17,864,000	8.0%	17,732,000	-0.7%	17,950,000	1.2%	18,439,000	2.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,702,000	-0.2%	1,754,000	3.1%	1,672,000	-4.7%	1,658,000	-0.8%	5,078,000	10.4%	5,083,000	0.1%	4,835,000	-4.9%	4,798,000	-0.8%
Autoplex (included in Elliot Corridor)	670,000	5.8%	785,000	17.2%	731,000	-6.9%	635,000	-13.1%	1,981,000	8.8%	2,144,000	8.2%	2,085,000	-2.8%	1,892,000	-9.3%
Market Place	495,000	7.4%	457,000	-7.7%	490,000	7.2%	506,000	3.3%	1,389,000	3.7%	1,356,000	-2.4%	1,417,000	4.5%	1,467,000	3.5%
Mills Mall	475,000	-5.8%	430,000	-9.5%	444,000	3.3%	477,000	7.4%	1,562,000	-3.5%	1,430,000	-8.5%	1,475,000	3.1%	1,599,000	8.4%
Downtown Tempe	264,000	3.9%	313,000	18.6%	317,000	1.3%	327,000	3.2%	872,000	16.6%	924,000	6.0%	915,000	-1.0%	913,000	-0.2%
Apache Blvd.	212,000	26.9%	213,000	0.5%	226,000	6.1%	147,000	-35.0%	612,000	14.6%	629,000	2.8%	614,000	-2.4%	516,000	-16.0%
ASU Properties	302,000	37.3%	294,000	-2.6%	330,000	12.2%	357,000	8.2%	583,000	19.7%	569,000	-2.4%	553,000	-2.8%	572,000	3.4%
Rio Salado	214,000	23.0%	244,000	14.0%	236,000	-3.3%	332,000	40.7%	735,000	16.9%	743,000	1.1%	750,000	0.9%	933,000	24.4%
All Other Areas	7,363,000	5.6%	7,220,000	-1.9%	7,724,000	7.0%	8,005,000	3.6%	22,869,000	6.2%	23,605,000	3.2%	24,346,000	3.1%	24,942,000	2.4%

**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	7,372,000	39,136	0.5%
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	22,348,000	124,743	

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	22,348,000	125,000	0.6%
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%	66,533,000			
Jul-Apr	83.9%	74,897,000			
Jul-May	91.9%	82,005,000			
Jul-Jun	100.0%	89,244,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	89,927,000	89,244,000	683,000	0.8%
Percentage Received	89,751,000	89,244,000	507,000	0.6%