

# Memorandum



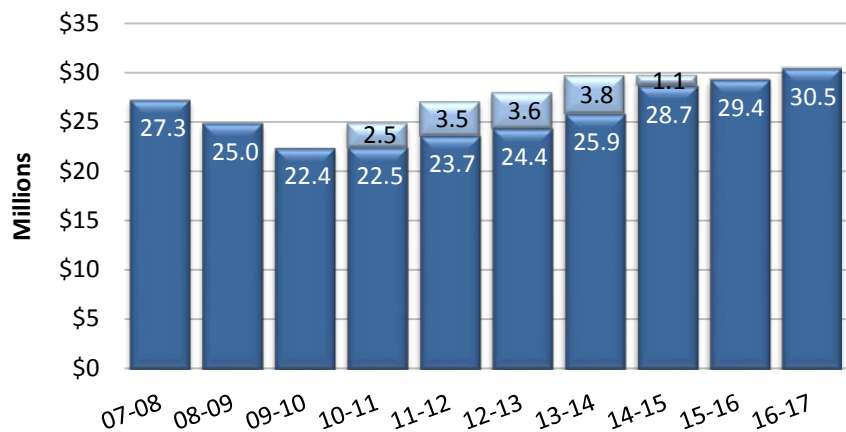
## Municipal Budget Office

Date: November 17, 2016  
 To: Mayor and Council  
 From: Cecilia Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – October 2016

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

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 4.4% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 3.9% (\$1.2 million), as a result of strong retail (\$970 thousand), combined bed tax and hotel/motel (\$375 thousand), and rental (\$315 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming all business activities at 18.0% over the prior fiscal year.

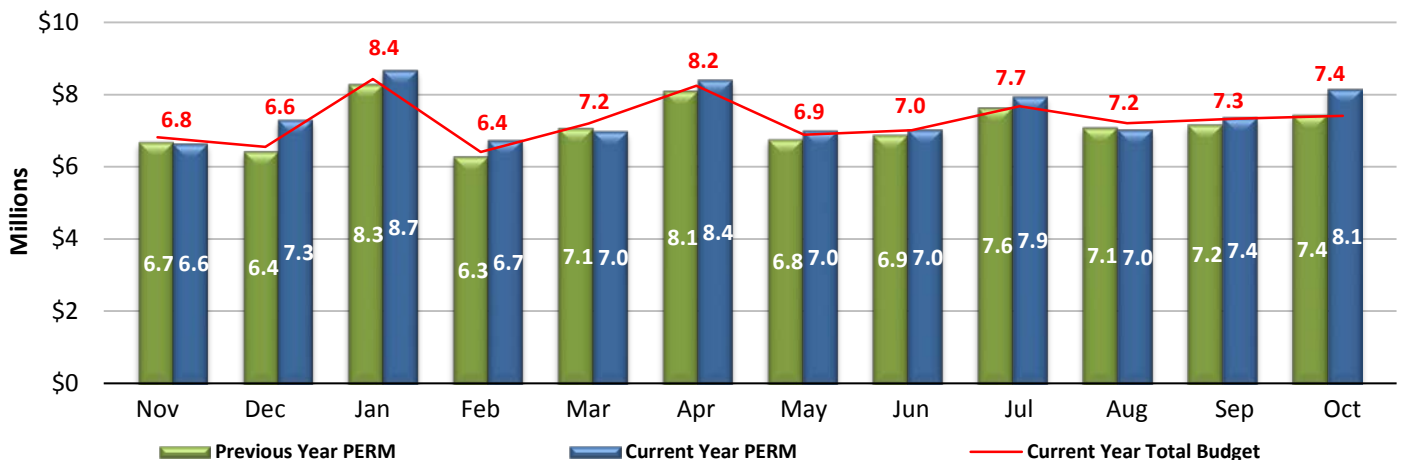
**General Fund Sales Tax Collections through October**



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 \$879 thousand above budgeted projections year to date, due to an unusually strong month of one-time Arizona Department of Revenue (ADOR) payments and taxpayers who caught up on their arrears.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

	Current Month -October								Fiscal Year to Date through October							
	2013-14	Change	2014-15	Change	2015-16	Change	2016-17	Change	2013-14	Change	2014-15	Change	2015-16	Change	2016-17	Change
<b>Taxable Sales</b>																
Total Taxable Sales	574,354,000	2.4%	676,788,000	17.8%	648,245,000	-4.2%	707,553,000	9.1%	2,248,198,000	5.2%	2,483,013,000	10.4%	2,542,880,000	2.4%	2,654,610,000	4.4%
Retail Taxable Sales	279,765,000	-0.7%	309,085,000	10.5%	316,938,000	2.5%	349,544,000	10.3%	1,144,137,000	5.1%	1,229,414,000	7.5%	1,277,681,000	3.9%	1,331,376,000	4.2%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,552,000	3.5%	7,785,000	18.8%	7,447,000	-4.3%	8,151,000	9.5%	25,887,000	6.0%	28,705,000	10.9%	29,351,000	2.3%	30,499,000	3.9%
Temporary Privilege Tax - General Fund	962,000	3.7%	1,000	-99.9%	-1,000	-200.0%	2,000	-300.0%	3,821,000	5.5%	1,059,000	-72.3%	10,000	-99.1%	20,000	100.0%
Transit Tax Fund (.5%)	2,732,000	3.4%	3,245,000	18.8%	3,106,000	-4.3%	3,401,000	9.5%	10,798,000	6.0%	11,969,000	10.8%	12,237,000	2.2%	12,720,000	3.9%
Arts Tax Fund (.1%)	564,000	3.7%	667,000	18.3%	639,000	-4.2%	699,000	9.4%	2,226,000	6.0%	2,462,000	10.6%	2,521,000	2.4%	2,623,000	4.0%
Privilege Tax - Rebates Fund	336,000	10.2%	297,000	-11.6%	315,000	6.1%	338,000	7.3%	1,286,000	6.1%	1,217,000	-5.4%	1,273,000	4.6%	1,334,000	4.8%
Bed Tax Fund	339,000	17.3%	362,000	6.8%	399,000	10.2%	471,000	18.0%	1,167,000	18.1%	1,284,000	10.0%	1,418,000	10.4%	1,606,000	13.3%
<b>Totals</b>	<b>11,485,000</b>	<b>4.0%</b>	<b>12,357,000</b>	<b>7.6%</b>	<b>11,905,000</b>	<b>-3.7%</b>	<b>13,062,000</b>	<b>9.7%</b>	<b>45,185,000</b>	<b>6.2%</b>	<b>46,696,000</b>	<b>3.3%</b>	<b>46,810,000</b>	<b>0.2%</b>	<b>48,802,000</b>	<b>4.3%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,701,000	2.0%	5,743,000	0.7%	5,998,000	4.4%	6,479,000	8.0%	23,565,000	6.5%	23,475,000	-0.4%	23,948,000	2.0%	24,918,000	4.1%
Rentals	2,212,000	5.3%	2,177,000	-1.6%	2,166,000	-0.5%	2,373,000	9.6%	8,161,000	2.3%	7,947,000	-2.6%	8,085,000	1.7%	8,400,000	3.9%
Utilities/Communication	1,112,000	5.0%	1,065,000	-4.2%	1,037,000	-2.6%	1,040,000	0.3%	4,450,000	3.6%	4,382,000	-1.5%	4,096,000	-6.5%	4,135,000	1.0%
Restaurants	930,000	9.5%	912,000	-1.9%	936,000	2.6%	970,000	3.6%	3,464,000	9.8%	3,404,000	-1.7%	3,560,000	4.6%	3,705,000	4.1%
Contracting	745,000	4.9%	1,660,000	122.8%	931,000	-43.9%	1,073,000	15.3%	2,715,000	13.8%	4,517,000	66.4%	3,966,000	-12.2%	4,055,000	2.2%
Hotel/Motel	177,000	12.7%	168,000	-5.1%	197,000	17.3%	291,000	47.7%	613,000	11.9%	613,000	0.0%	669,000	9.1%	856,000	28.0%
Transient (Bed Tax)	339,000	17.3%	362,000	6.8%	398,000	9.9%	471,000	18.3%	1,168,000	18.2%	1,285,000	10.0%	1,418,000	10.4%	1,606,000	13.3%
Amusements	132,000	4.8%	128,000	-3.0%	110,000	-14.1%	188,000	70.9%	579,000	9.2%	535,000	-7.6%	616,000	15.1%	598,000	-2.9%
All Other	137,000	-14.4%	142,000	3.6%	132,000	-7.0%	177,000	34.1%	470,000	-10.3%	538,000	14.5%	452,000	-16.0%	529,000	17.0%
<b>Totals</b>	<b>11,485,000</b>	<b>4.0%</b>	<b>12,357,000</b>	<b>7.6%</b>	<b>11,905,000</b>	<b>-3.7%</b>	<b>13,062,000</b>	<b>9.7%</b>	<b>45,185,000</b>	<b>6.2%</b>	<b>46,696,000</b>	<b>3.3%</b>	<b>46,810,000</b>	<b>0.2%</b>	<b>48,802,000</b>	<b>4.3%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	954,000	2.6%	944,000	-1.0%	977,000	3.5%	1,110,000	13.6%	3,823,000	7.2%	4,048,000	5.9%	4,060,000	0.3%	4,074,000	0.3%
Furniture/Equipment/Electronics	1,257,000	4.8%	1,247,000	-0.8%	1,193,000	-4.3%	1,137,000	-4.7%	5,903,000	20.8%	5,498,000	-6.9%	5,015,000	-8.8%	5,019,000	0.1%
Department Stores	903,000	-1.4%	842,000	-6.8%	881,000	4.6%	920,000	4.4%	3,896,000	-2.6%	3,722,000	-4.5%	3,786,000	1.7%	3,990,000	5.4%
Grocery Stores	642,000	0.3%	655,000	2.0%	692,000	5.6%	742,000	7.2%	2,467,000	5.7%	2,596,000	5.2%	2,663,000	2.6%	2,766,000	3.9%
Drugs/Small Stores	608,000	1.5%	576,000	-5.3%	518,000	-10.1%	560,000	8.1%	2,415,000	5.1%	2,327,000	-3.6%	2,119,000	-8.9%	2,284,000	7.8%
Manufacturing Firms	299,000	-15.5%	269,000	-10.0%	279,000	3.7%	336,000	20.4%	1,095,000	-18.7%	1,138,000	3.9%	1,286,000	13.0%	1,261,000	-1.9%
Building Supply Stores	200,000	9.3%	187,000	-6.5%	212,000	13.4%	229,000	8.0%	767,000	8.3%	725,000	-5.5%	853,000	17.7%	862,000	1.1%
All Other Retail	838,000	9.3%	1,023,000	22.1%	1,246,000	21.8%	1,445,000	16.0%	3,199,000	7.2%	3,421,000	6.9%	4,166,000	21.8%	4,662,000	11.9%
<b>Totals</b>	<b>5,701,000</b>	<b>2.0%</b>	<b>5,743,000</b>	<b>0.7%</b>	<b>5,998,000</b>	<b>4.4%</b>	<b>6,479,000</b>	<b>8.0%</b>	<b>23,565,000</b>	<b>6.5%</b>	<b>23,475,000</b>	<b>-0.4%</b>	<b>23,948,000</b>	<b>2.0%</b>	<b>24,918,000</b>	<b>4.1%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,495,000	-1.9%	1,548,000	3.5%	1,494,000	-3.5%	1,376,000	-7.9%	6,573,000	7.3%	6,631,000	0.9%	6,329,000	-4.6%	6,174,000	-2.4%
Autoplex (included in Elliot Corridor)	666,000	0.9%	631,000	-5.3%	676,000	7.1%	675,000	-0.1%	2,647,000	6.7%	2,775,000	4.8%	2,761,000	-0.5%	2,567,000	-7.0%
Market Place	486,000	13.3%	432,000	-11.1%	461,000	6.7%	488,000	5.9%	1,875,000	6.1%	1,788,000	-4.6%	1,878,000	5.0%	1,955,000	4.1%
Mills Mall	467,000	1.7%	419,000	-10.3%	360,000	-14.1%	439,000	21.9%	2,029,000	-2.3%	1,849,000	-8.9%	1,835,000	-0.8%	2,038,000	11.1%
Downtown Tempe	359,000	27.8%	372,000	3.6%	371,000	-0.3%	370,000	-0.3%	1,231,000	19.6%	1,296,000	5.3%	1,286,000	-0.8%	1,283,000	-0.2%
Apache Blvd.	232,000	28.2%	232,000	0.0%	204,000	-12.1%	204,000	-27.0%	844,000	18.0%	861,000	2.0%	818,000	-5.0%	775,000	-5.3%
ASU Properties	225,000	20.3%	226,000	0.4%	184,000	-18.6%	254,000	38.0%	808,000	19.9%	795,000	-1.6%	737,000	-7.3%	826,000	12.1%
Rio Salado	246,000	-3.9%	326,000	32.5%	291,000	-10.7%	452,000	55.3%	981,000	10.8%	1,069,000	9.0%	1,041,000	-2.6%	1,385,000	33.0%
All Other Areas	7,975,000	3.3%	8,802,000	10.4%	8,540,000	-3.0%	9,424,000	10.4%	30,844,000	5.4%	32,407,000	5.1%	32,886,000	1.5%	34,366,000	4.5%

**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
<b>Jul</b>	8.6%	7,677,000	7,950,000	273,000	3.6%
<b>Aug</b>	8.1%	7,213,000	7,028,000	(184,969)	-2.6%
<b>Sep</b>	8.2%	7,333,000	7,372,000	39,136	0.5%
<b>Oct</b>	8.3%	7,417,000	8,149,000	732,129	9.9%
<b>Nov</b>	7.6%	6,765,000			
<b>Dec</b>	8.3%	7,374,000			
<b>Jan</b>	9.6%	8,572,000			
<b>Feb</b>	7.8%	7,000,000			
<b>Mar</b>	8.0%	7,181,000			
<b>Apr</b>	9.4%	8,364,000			
<b>May</b>	8.0%	7,108,000			
<b>Jun</b>	8.1%	7,238,000			
<b>Totals</b>	100.0%	89,244,000	30,499,000	858,872	

**Cumulative Amounts**

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.6%	7,677,000	7,950,000	273,000	3.6%
<b>Jul-Aug</b>	16.7%	14,890,000	14,978,000	88,000	0.6%
<b>Jul-Sep</b>	24.9%	22,223,000	22,350,000	127,000	0.6%
<b>Jul-Oct</b>	33.2%	29,640,000	30,499,000	859,000	2.9%
<b>Jul-Nov</b>	40.8%	36,405,000			
<b>Jul-Dec</b>	49.1%	43,779,000			
<b>Jul-Jan</b>	58.7%	52,351,000			
<b>Jul-Feb</b>	66.5%	59,351,000			
<b>Jul-Mar</b>	74.5%	66,533,000			
<b>Jul-Apr</b>	83.9%	74,897,000			
<b>Jul-May</b>	91.9%	82,005,000			
<b>Jul-Jun</b>	100.0%	89,244,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percent of Increase</b>	91,586,000	89,244,000	2,342,000	2.6%
<b>Percentage Received</b>	91,864,000	89,244,000	2,620,000	2.9%