

Memorandum



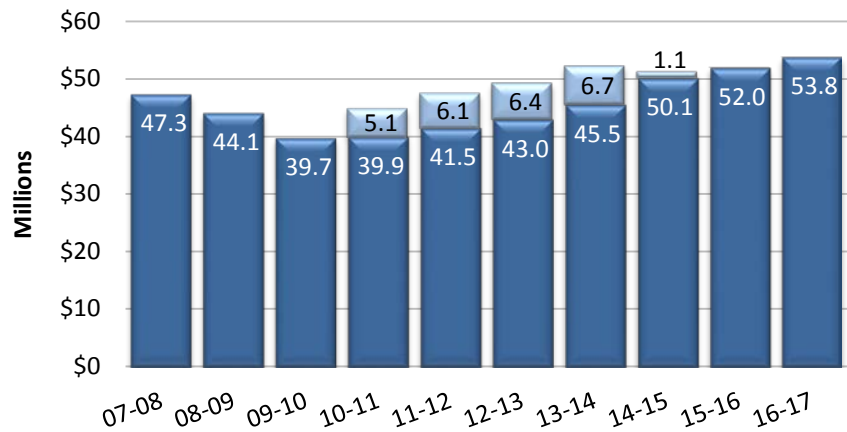
Municipal Budget Office

Date: February 14, 2017
 To: Mayor and Council
 From: Cecilia Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – January 2017

Attached is the Executive Summary of the Tax Revenue Statistical Report for January 2017 covering December sales activity reported to our Tax and License Division in January.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2007-08 through FY 2016-17. Total taxable sales increased by 4.1% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 3.4% (\$1.8 million), as a result of strong retail (\$2.1 million), rental (\$633 thousand), and combined bed tax and hotel/motel (\$490 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming nearly all business activities at 11.7% over the prior fiscal year.

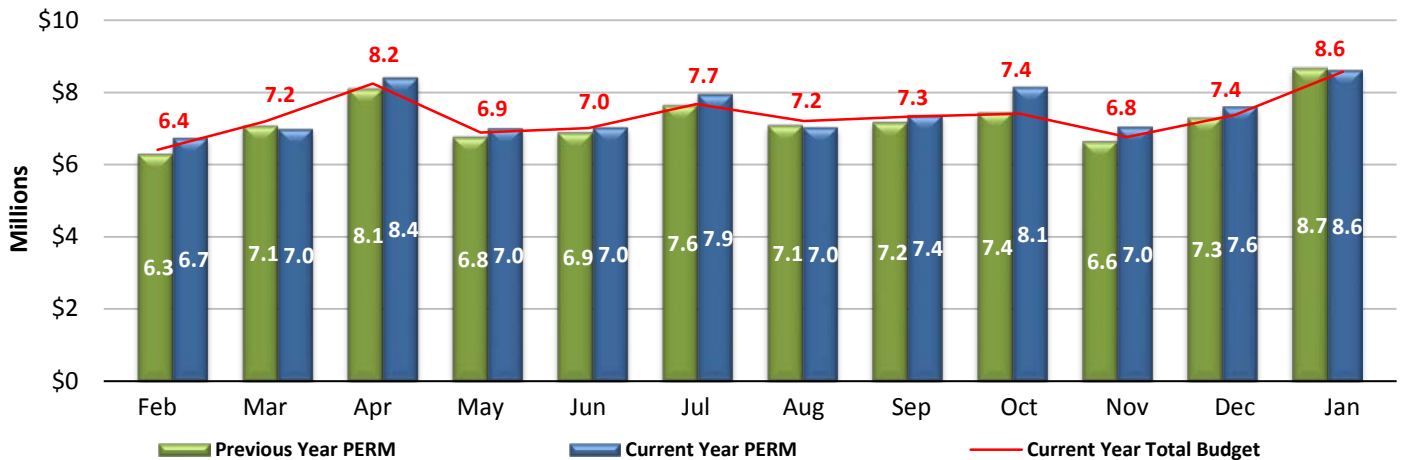
General Fund Sales Tax Collections through January



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 \$1.4 million above budgeted projections year to date, due to 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 -January								Fiscal Year to Date through January							
	2013-14	Change	2014-15	Change	2015-16	Change	2016-17	Change	2013-14	Change	2014-15	Change	2015-16	Change	2016-17	Change
Taxable Sales																
Total Taxable Sales	659,861,000	6.8%	732,663,000	11.0%	753,182,000	2.8%	754,364,000	0.2%	3,968,765,000	5.5%	4,359,047,000	9.8%	4,520,118,000	3.7%	4,706,817,000	4.1%
Retail Taxable Sales	366,800,000	7.8%	379,382,000	3.4%	410,123,000	8.1%	421,679,000	2.8%	2,050,075,000	6.2%	2,186,238,000	6.6%	2,292,811,000	4.9%	2,388,232,000	4.2%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,527,000	8.4%	8,293,000	10.2%	8,676,000	4.6%	8,606,000	-0.8%	45,543,000	6.0%	50,123,000	10.1%	51,975,000	3.7%	53,766,000	3.4%
Temporary Privilege Tax - General Fund	1,094,000	6.7%	4,000	-99.6%	5,000	25.0%	1,000	0.0%	6,705,000	5.3%	1,085,000	-83.8%	24,000	-97.8%	23,000	-4.2%
Transit Tax Fund (.5%)	3,146,000	8.6%	3,457,000	9.9%	3,617,000	4.6%	3,588,000	-0.8%	19,004,000	6.1%	20,902,000	10.0%	21,672,000	3.7%	22,423,000	3.5%
Arts Tax Fund (.1%)	652,000	7.9%	719,000	10.3%	750,000	4.3%	747,000	-0.4%	3,925,000	6.0%	4,315,000	9.9%	4,471,000	3.6%	4,632,000	3.6%
Privilege Tax - Rebates Fund	473,000	-3.1%	462,000	-2.3%	446,000	-3.5%	493,000	10.5%	2,435,000	4.2%	2,367,000	-2.8%	2,356,000	-0.5%	2,519,000	6.9%
Bed Tax Fund	308,000	-11.7%	360,000	16.9%	348,000	-3.3%	496,000	42.5%	2,278,000	7.8%	2,617,000	14.9%	2,791,000	6.6%	3,136,000	12.4%
Totals	13,200,000	7.3%	13,295,000	0.7%	13,842,000	4.1%	13,931,000	0.6%	79,890,000	6.0%	81,409,000	1.9%	83,289,000	2.3%	86,499,000	3.9%
Tax Revenues - Business Activities																
Retail	7,505,000	8.5%	7,078,000	-5.7%	7,688,000	8.6%	7,906,000	2.8%	42,057,000	6.7%	41,480,000	-1.4%	42,752,000	3.1%	44,896,000	5.0%
Rentals	2,324,000	2.9%	2,148,000	-7.6%	2,480,000	15.5%	2,420,000	-2.4%	14,255,000	0.4%	13,555,000	-4.9%	14,306,000	5.5%	14,939,000	4.4%
Utilities/Communication	814,000	5.3%	735,000	-9.7%	730,000	-0.7%	687,000	-5.9%	7,041,000	3.5%	6,978,000	-0.9%	6,423,000	-8.0%	6,468,000	0.7%
Restaurants	984,000	5.8%	884,000	-10.2%	1,007,000	13.9%	985,000	-2.2%	6,396,000	10.0%	6,163,000	-3.6%	6,511,000	5.6%	6,710,000	3.1%
Contracting	781,000	32.4%	1,697,000	117.3%	1,184,000	-30.2%	935,000	-21.0%	4,705,000	17.2%	7,643,000	62.4%	7,290,000	-4.6%	6,825,000	-6.4%
Hotel/Motel	179,000	-3.8%	167,000	-6.7%	184,000	10.2%	226,000	22.8%	1,235,000	10.2%	1,242,000	0.6%	1,410,000	13.5%	1,555,000	10.3%
Transient (Bed Tax)	308,000	-11.7%	360,000	16.9%	348,000	-3.3%	496,000	42.5%	2,278,000	7.8%	2,617,000	14.9%	2,792,000	6.7%	3,137,000	12.4%
Amusements	169,000	23.4%	133,000	-21.3%	139,000	4.5%	186,000	33.8%	1,012,000	10.1%	909,000	-10.2%	991,000	9.0%	1,042,000	5.1%
All Other	136,000	-19.0%	93,000	-31.6%	82,000	-11.8%	90,000	9.8%	911,000	-9.8%	822,000	-9.8%	814,000	-1.0%	927,000	13.9%
Totals	13,200,000	7.3%	13,295,000	0.7%	13,842,000	4.1%	13,931,000	0.6%	79,890,000	6.0%	81,409,000	1.9%	83,289,000	2.3%	86,499,000	3.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,084,000	11.6%	1,095,000	1.0%	1,085,000	-0.9%	1,083,000	-0.2%	6,777,000	8.7%	7,046,000	4.0%	7,070,000	0.3%	7,067,000	0.0%
Furniture/Equipment/Electronics	1,842,000	19.4%	1,510,000	-18.0%	1,651,000	9.3%	1,725,000	4.5%	10,110,000	18.2%	9,336,000	-7.7%	8,902,000	-4.6%	9,402,000	5.6%
Department Stores	1,447,000	-1.5%	1,371,000	-5.3%	1,413,000	3.1%	1,436,000	1.6%	7,383,000	-0.6%	7,039,000	-4.7%	7,137,000	1.4%	7,358,000	3.1%
Grocery Stores	915,000	5.2%	971,000	6.1%	966,000	-0.5%	1,017,000	5.3%	4,656,000	5.7%	4,959,000	6.5%	4,993,000	0.7%	5,177,000	3.7%
Drugs/Small Stores	847,000	6.7%	737,000	-13.0%	804,000	9.1%	763,000	-5.1%	4,352,000	5.0%	4,119,000	-5.4%	3,947,000	-4.2%	4,288,000	8.6%
Manufacturing Firms	352,000	-2.5%	272,000	-22.7%	330,000	21.3%	261,000	-20.9%	1,988,000	-17.1%	1,763,000	-11.3%	2,112,000	19.8%	2,038,000	-3.5%
Building Supply Stores	177,000	27.3%	163,000	-7.9%	159,000	-2.5%	196,000	23.3%	1,343,000	8.8%	1,255,000	-6.6%	1,414,000	12.7%	1,477,000	4.5%
All Other Retail	841,000	9.2%	959,000	14.0%	1,280,000	33.5%	1,425,000	11.3%	5,448,000	8.9%	5,963,000	9.5%	7,177,000	20.4%	8,089,000	12.7%
Totals	7,505,000	8.5%	7,078,000	-5.7%	7,688,000	8.6%	7,906,000	2.8%	42,057,000	6.7%	41,480,000	-1.4%	42,752,000	3.1%	44,896,000	5.0%
Tax Revenues - Business Districts																
Elliot Corridor	1,908,000	6.1%	1,756,000	-8.0%	1,883,000	7.2%	1,869,000	-0.7%	11,529,000	7.2%	11,352,000	-1.5%	11,070,000	-2.5%	11,215,000	1.3%
Autoplex (included in Elliot Corridor)	769,000	10.6%	736,000	-4.3%	748,000	1.6%	703,000	-6.0%	4,692,000	7.9%	4,849,000	3.3%	4,811,000	-0.8%	4,513,000	-6.2%
Market Place	700,000	-2.4%	683,000	-2.4%	658,000	-3.7%	733,000	11.4%	3,549,000	4.0%	3,469,000	-2.3%	3,426,000	-1.2%	3,690,000	7.7%
Mills Mall	790,000	1.5%	707,000	-10.5%	697,000	-1.4%	736,000	5.6%	3,821,000	-1.6%	3,479,000	-9.0%	3,561,000	2.4%	3,768,000	5.8%
Downtown Tempe	358,000	-7.3%	373,000	4.2%	389,000	4.3%	368,000	-5.4%	2,373,000	13.9%	2,571,000	8.3%	2,499,000	-2.8%	2,439,000	-2.4%
Apache Blvd.	197,000	2.1%	208,000	5.6%	192,000	-7.7%	225,000	17.2%	1,454,000	14.1%	1,510,000	3.9%	1,417,000	-6.2%	1,474,000	4.0%
ASU Properties	211,000	41.6%	140,000	-33.6%	140,000	0.0%	145,000	3.6%	1,386,000	11.8%	1,293,000	-6.7%	1,258,000	-2.7%	1,370,000	8.9%
Rio Salado	283,000	21.5%	277,000	-2.1%	365,000	31.8%	354,000	-3.0%	1,796,000	12.7%	1,861,000	3.6%	2,281,000	22.6%	2,486,000	9.0%
All Other Areas	8,753,000	8.7%	9,151,000	4.5%	9,518,000	4.0%	9,501,000	-0.2%	53,982,000	5.5%	55,874,000	3.5%	57,777,000	3.4%	60,057,000	3.9%

**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	7,949,000	272,000	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	8,149,000	732,129	9.9%
Nov	7.6%	6,765,000	7,049,000	283,756	4.2%
Dec	8.3%	7,374,000	7,613,000	239,242	3.2%
Jan	9.6%	8,572,000	8,606,000	34,456	0.4%
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	53,766,000	1,415,326	

Cumulative Amounts

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.6%	7,677,000	7,949,000	272,000	3.5%
Jul-Aug	16.7%	14,890,000	14,977,000	87,000	0.6%
Jul-Sep	24.9%	22,223,000	22,349,000	126,000	0.6%
Jul-Oct	33.2%	29,640,000	30,498,000	858,000	2.9%
Jul-Nov	40.8%	36,405,000	37,547,000	1,142,000	3.1%
Jul-Dec	49.1%	43,779,000	45,160,000	1,381,000	3.2%
Jul-Jan	58.7%	52,351,000	53,766,000	1,415,000	2.7%
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	91,177,000	89,244,000	1,933,000	2.2%
Percentage Received	91,595,000	89,244,000	2,351,000	2.6%