

# Memorandum



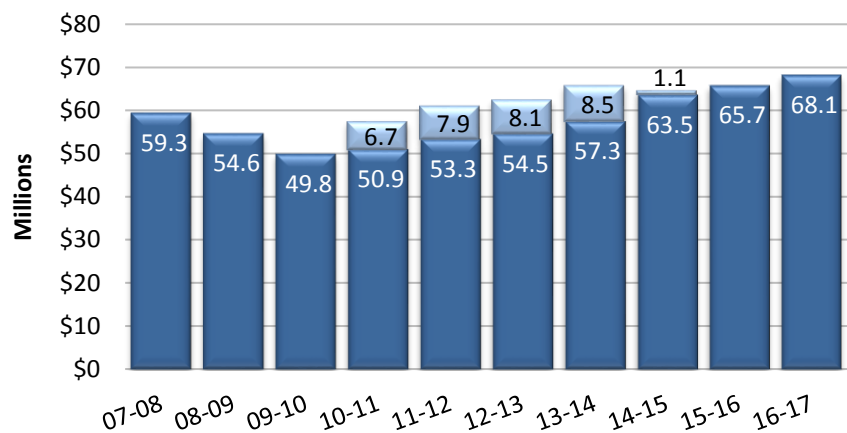
## Municipal Budget Office

Date: July 10, 2017  
 To: Mayor and Council  
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – March 2017

Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2017 covering February sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 5.3% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 3.7% (\$2.4 million), as a result of strong retail (\$2.9 million), combined bed tax and hotel/motel (\$668 thousand), and rental (\$511 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming nearly all business activities at 10.7% over the prior fiscal year.

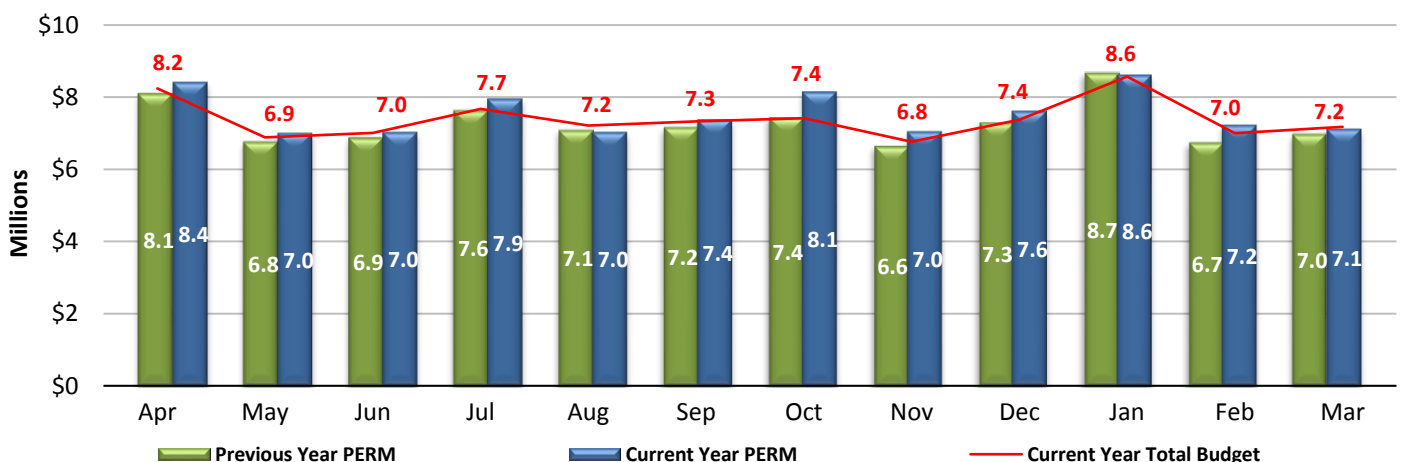
**General Fund Sales Tax Collections through March**



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 \$1.6 million above budgeted projections year to date, due to one-time ADOR payments and taxpayers who caught up on their arrears.

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



## Executive Summary

	Current Month -March								Fiscal Year to Date through March							
	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	514,642,000	3.8%	621,347,000	20.7%	610,534,000	-1.7%	667,197,000	9.3%	5,006,604,000	5.3%	5,533,455,000	10.5%	5,724,464,000	3.5%	6,027,397,000	5.3%
Retail Taxable Sales	267,953,000	10.6%	306,299,000	14.3%	310,826,000	1.5%	332,980,000	7.1%	2,590,016,000	6.0%	2,770,689,000	7.0%	2,901,243,000	4.7%	3,057,166,000	5.4%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	5,836,000	2.0%	7,078,000	21.3%	6,984,000	-1.3%	7,119,000	1.9%	57,347,000	5.2%	63,498,000	10.7%	65,700,000	3.5%	68,108,000	3.7%
Temporary Privilege Tax - General Fund	861,000	-0.5%	8,000	-99.1%	1,000	-87.5%	0,000	0.0%	8,456,000	4.5%	1,101,000	-87.0%	35,000	-96.8%	24,000	-31.4%
Transit Tax Fund (.5%)	2,434,000	2.1%	2,951,000	21.2%	2,913,000	-1.3%	2,970,000	2.0%	23,928,000	5.3%	26,480,000	10.7%	27,409,000	3.5%	28,406,000	3.6%
Arts Tax Fund (.1%)	502,000	2.0%	608,000	21.1%	599,000	-1.5%	612,000	2.2%	4,941,000	5.2%	5,467,000	10.6%	5,651,000	3.4%	5,864,000	3.8%
Privilege Tax - Rebates Fund	319,000	6.3%	317,000	-0.6%	294,000	-7.3%	320,000	8.8%	3,052,000	3.9%	2,999,000	-1.7%	2,949,000	-1.7%	3,137,000	6.4%
Bed Tax Fund	624,000	16.4%	852,000	36.5%	726,000	-14.8%	886,000	22.0%	3,433,000	9.6%	4,168,000	21.4%	4,204,000	0.9%	4,658,000	10.8%
<b>Totals</b>	<b>10,576,000</b>	<b>2.7%</b>	<b>11,814,000</b>	<b>11.7%</b>	<b>11,517,000</b>	<b>-2.5%</b>	<b>11,907,000</b>	<b>3.4%</b>	<b>101,157,000</b>	<b>5.3%</b>	<b>103,713,000</b>	<b>2.5%</b>	<b>105,948,000</b>	<b>2.2%</b>	<b>110,197,000</b>	<b>4.0%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,472,000	8.2%	5,691,000	4.0%	5,817,000	2.2%	5,940,000	2.1%	53,116,000	6.3%	52,559,000	-1.0%	54,303,000	3.3%	57,222,000	5.4%
Rentals	1,740,000	-11.7%	1,891,000	8.7%	1,893,000	0.1%	2,028,000	7.1%	17,847,000	-0.5%	16,996,000	-4.8%	18,017,000	6.0%	18,528,000	2.8%
Utilities/Communication	730,000	-10.0%	634,000	-13.2%	601,000	-5.2%	636,000	5.8%	8,559,000	2.6%	8,284,000	-3.2%	7,685,000	-7.2%	7,807,000	1.6%
Restaurants	963,000	5.0%	1,072,000	11.3%	1,052,000	-1.9%	1,057,000	0.5%	8,306,000	9.5%	8,149,000	-1.9%	8,525,000	4.6%	8,799,000	3.2%
Contracting	538,000	3.5%	1,091,000	102.8%	897,000	-17.8%	744,000	-17.1%	5,737,000	14.1%	9,509,000	65.7%	8,952,000	-5.9%	8,560,000	-4.4%
Hotel/Motel	311,000	16.9%	368,000	18.3%	321,000	-12.8%	413,000	28.7%	1,811,000	10.2%	1,918,000	5.9%	2,032,000	5.9%	2,245,000	10.5%
Transient (Bed Tax)	624,000	16.4%	852,000	36.5%	725,000	-14.9%	886,000	22.2%	3,433,000	9.6%	4,168,000	21.4%	4,204,000	0.9%	4,659,000	10.8%
Amusements	109,000	2.8%	114,000	4.6%	103,000	-9.6%	118,000	14.6%	1,242,000	6.5%	1,132,000	-8.9%	1,224,000	8.1%	1,291,000	5.5%
All Other	89,000	-21.2%	101,000	13.5%	108,000	6.9%	85,000	-21.3%	1,106,000	-13.7%	998,000	-9.8%	1,006,000	0.8%	1,086,000	8.0%
<b>Totals</b>	<b>10,576,000</b>	<b>2.7%</b>	<b>11,814,000</b>	<b>11.7%</b>	<b>11,517,000</b>	<b>-2.5%</b>	<b>11,907,000</b>	<b>3.4%</b>	<b>101,157,000</b>	<b>5.3%</b>	<b>103,713,000</b>	<b>2.5%</b>	<b>105,948,000</b>	<b>2.2%</b>	<b>110,197,000</b>	<b>4.0%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	962,000	9.6%	977,000	1.6%	936,000	-4.2%	1,003,000	7.2%	8,691,000	9.5%	8,951,000	3.0%	8,936,000	-0.2%	9,193,000	2.9%
Furniture/Equipment/Electronics	1,088,000	7.5%	1,212,000	11.4%	1,208,000	-0.3%	895,000	-25.9%	12,388,000	14.7%	11,678,000	-5.7%	11,358,000	-2.7%	11,635,000	2.4%
Department Stores	1,007,000	3.6%	958,000	-4.9%	973,000	1.6%	883,000	-9.2%	9,257,000	-0.7%	8,848,000	-4.4%	8,929,000	0.9%	9,061,000	1.5%
Grocery Stores	653,000	70.5%	682,000	4.4%	638,000	-6.5%	742,000	16.3%	5,942,000	9.0%	6,294,000	5.9%	6,364,000	1.1%	6,565,000	3.2%
Drugs/Small Stores	549,000	-1.1%	566,000	3.1%	658,000	16.3%	615,000	-6.5%	5,553,000	3.5%	5,239,000	-5.7%	5,110,000	-2.5%	5,621,000	10.0%
Manufacturing Firms	338,000	-1.5%	262,000	-22.5%	327,000	24.8%	354,000	8.3%	2,645,000	-17.5%	2,278,000	-13.9%	2,645,000	16.1%	2,606,000	-1.5%
Building Supply Stores	190,000	-17.0%	203,000	6.8%	194,000	-4.4%	208,000	7.2%	1,738,000	11.0%	1,621,000	-6.7%	1,863,000	14.9%	1,894,000	1.7%
All Other Retail	685,000	-0.1%	831,000	21.3%	883,000	6.3%	1,240,000	40.4%	6,902,000	9.5%	7,650,000	10.8%	9,098,000	18.9%	10,647,000	17.0%
<b>Totals</b>	<b>5,472,000</b>	<b>8.2%</b>	<b>5,691,000</b>	<b>4.0%</b>	<b>5,817,000</b>	<b>2.2%</b>	<b>5,940,000</b>	<b>2.1%</b>	<b>53,116,000</b>	<b>6.3%</b>	<b>52,559,000</b>	<b>-1.0%</b>	<b>54,303,000</b>	<b>3.3%</b>	<b>57,222,000</b>	<b>5.4%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,483,000	2.6%	1,629,000	9.8%	1,425,000	-12.5%	1,413,000	-0.8%	14,442,000	5.8%	14,369,000	-0.5%	13,940,000	-3.0%	14,140,000	1.4%
Autoplex (included in Elliot Corridor)	655,000	7.2%	657,000	0.3%	622,000	-5.3%	673,000	8.2%	5,998,000	7.7%	6,164,000	2.8%	6,068,000	-1.6%	5,878,000	-3.1%
Market Place	472,000	4.7%	468,000	-0.8%	444,000	-5.1%	473,000	6.5%	4,459,000	3.2%	4,405,000	-1.2%	4,267,000	-3.1%	4,604,000	7.9%
Mills Mall	527,000	-0.6%	588,000	11.6%	453,000	-23.0%	475,000	4.9%	4,808,000	-1.6%	4,409,000	-8.3%	4,450,000	0.9%	4,678,000	5.1%
Downtown Tempe	432,000	15.5%	532,000	23.1%	463,000	-13.0%	444,000	-4.1%	3,256,000	16.2%	3,549,000	9.0%	3,383,000	-4.7%	3,304,000	-2.3%
Apache Blvd.	308,000	35.7%	210,000	-31.8%	196,000	-6.7%	283,000	44.4%	1,973,000	14.9%	1,917,000	-2.8%	1,821,000	-5.0%	1,912,000	5.0%
ASU Properties	145,000	2.8%	239,000	64.8%	253,000	5.9%	173,000	-31.6%	1,789,000	8.9%	1,669,000	-6.7%	1,625,000	-2.6%	1,780,000	9.5%
Rio Salado	275,000	-17.7%	394,000	43.3%	366,000	-7.1%	416,000	13.7%	2,387,000	8.2%	2,580,000	8.1%	3,076,000	19.2%	3,305,000	7.4%
All Other Areas	6,934,000	2.1%	7,754,000	11.8%	7,917,000	2.1%	8,230,000	4.0%	68,043,000	4.9%	70,815,000	4.1%	73,386,000	3.6%	76,474,000	4.2%

**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	7,948,000	271,000	3.5%
<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	7,049,000	283,756	4.2%
<b>Dec</b>	8.3%	7,374,000	7,613,000	239,242	3.2%
<b>Jan</b>	9.6%	8,572,000	8,606,000	34,456	0.4%
<b>Feb</b>	7.8%	7,000,000	7,224,000	223,591	3.2%
<b>Mar</b>	8.0%	7,181,000	7,119,000	(62,490)	-0.9%
<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	68,108,000	1,575,427	

**Cumulative Amounts**

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.6%	7,677,000	7,948,000	271,000	3.5%
<b>Jul-Aug</b>	16.7%	14,890,000	14,976,000	86,000	0.6%
<b>Jul-Sep</b>	24.9%	22,223,000	22,348,000	125,000	0.6%
<b>Jul-Oct</b>	33.2%	29,640,000	30,497,000	857,000	2.9%
<b>Jul-Nov</b>	40.8%	36,405,000	37,546,000	1,141,000	3.1%
<b>Jul-Dec</b>	49.1%	43,779,000	45,159,000	1,380,000	3.2%
<b>Jul-Jan</b>	58.7%	52,351,000	53,765,000	1,414,000	2.7%
<b>Jul-Feb</b>	66.5%	59,351,000	60,989,000	1,638,000	2.8%
<b>Jul-Mar</b>	74.5%	66,533,000	68,108,000	1,575,000	2.4%
<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>	91,370,000	89,244,000	2,126,000	2.4%
<b>Percentage Received</b>	91,420,000	89,244,000	2,176,000	2.4%