

Memorandum



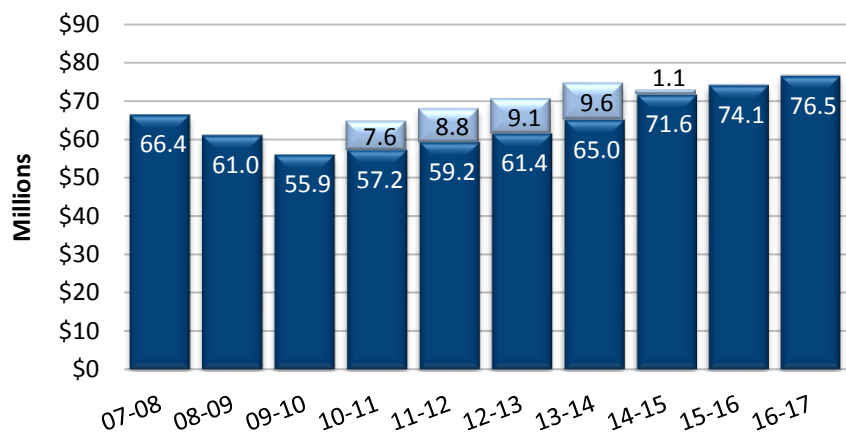
Municipal Budget Office

Date: July 31, 2017
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – April 2017

Attached is the Executive Summary of the Tax Revenue Statistical Report for April 2017 covering March 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 4.6% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 3.2% (\$2.4 million), as a result of strong retail (\$2.7 million), combined bed tax and hotel/motel (\$835 thousand), and rental (\$527 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming nearly all business activities at 10.9% over the prior fiscal year.

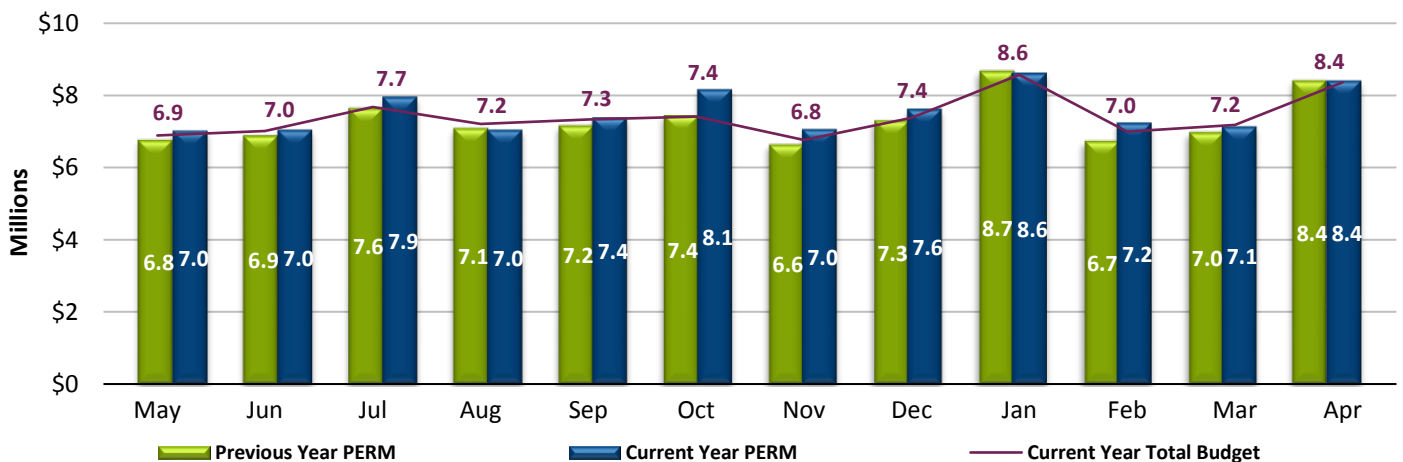
General Fund Sales Tax Collections through April



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 -April								Fiscal Year to Date through April							
	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	675,967,000	9.4%	722,383,000	6.9%	736,897,000	2.0%	733,241,000	-0.5%	5,682,571,000	5.7%	6,255,838,000	10.1%	6,461,361,000	3.3%	6,760,638,000	4.6%
Retail Taxable Sales	327,516,000	1.8%	346,329,000	5.7%	358,956,000	3.6%	357,139,000	-0.5%	2,917,532,000	5.5%	3,117,018,000	6.8%	3,260,199,000	4.6%	3,414,305,000	4.7%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,677,000	10.5%	8,105,000	5.6%	8,410,000	3.8%	8,390,000	-0.2%	65,024,000	5.8%	71,603,000	10.1%	74,110,000	3.5%	76,498,000	3.2%
Temporary Privilege Tax - General Fund	1,106,000	7.8%	6,000	-99.5%	1,000	-83.3%	1,000	0.0%	9,562,000	4.9%	1,107,000	-88.4%	36,000	-96.7%	25,000	-30.6%
Transit Tax Fund (.5%)	3,201,000	10.5%	3,381,000	5.6%	3,508,000	3.8%	3,501,000	-0.2%	27,129,000	5.9%	29,861,000	10.1%	30,917,000	3.5%	31,907,000	3.2%
Arts Tax Fund (.1%)	661,000	10.5%	698,000	5.6%	723,000	3.6%	700,000	-3.2%	5,602,000	5.8%	6,165,000	10.0%	6,374,000	3.4%	6,564,000	3.0%
Privilege Tax - Rebates Fund	384,000	8.5%	385,000	0.3%	377,000	-2.1%	363,000	-3.7%	3,436,000	4.4%	3,384,000	-1.5%	3,326,000	-1.7%	3,500,000	5.2%
Bed Tax Fund	900,000	35.1%	1,052,000	16.9%	1,011,000	-3.9%	1,136,000	12.4%	4,333,000	14.1%	5,220,000	20.5%	5,215,000	-0.1%	5,794,000	11.1%
Totals	13,929,000	11.5%	13,627,000	-2.2%	14,030,000	3.0%	14,091,000	0.4%	115,086,000	6.0%	117,340,000	2.0%	119,978,000	2.2%	124,288,000	3.6%
Tax Revenues - Business Activities																
Retail	6,800,000	3.1%	6,469,000	-4.9%	6,883,000	6.4%	6,703,000	-2.6%	59,916,000	6.0%	59,028,000	-1.5%	61,186,000	3.7%	63,925,000	4.5%
Rentals	2,378,000	3.8%	2,370,000	-0.3%	2,385,000	0.6%	2,401,000	0.7%	20,225,000	0.0%	19,366,000	-4.2%	20,402,000	5.3%	20,929,000	2.6%
Utilities/Communication	832,000	18.2%	714,000	-14.2%	697,000	-2.4%	634,000	-9.0%	9,391,000	3.8%	8,998,000	-4.2%	8,382,000	-6.8%	8,441,000	0.7%
Restaurants	1,201,000	13.3%	1,149,000	-4.3%	1,219,000	6.1%	1,240,000	1.7%	9,507,000	10.0%	9,298,000	-2.2%	9,744,000	4.8%	10,039,000	3.0%
Contracting	1,109,000	86.4%	1,221,000	10.1%	1,144,000	-6.3%	1,250,000	9.3%	6,846,000	21.8%	10,730,000	56.7%	10,096,000	-5.9%	9,810,000	-2.8%
Hotel/Motel	420,000	30.4%	434,000	3.3%	423,000	-2.5%	465,000	9.9%	2,231,000	13.5%	2,352,000	5.4%	2,455,000	4.4%	2,710,000	10.4%
Transient (Bed Tax)	901,000	35.3%	1,053,000	16.9%	1,011,000	-4.0%	1,136,000	12.4%	4,334,000	14.1%	5,221,000	20.5%	5,215,000	-0.1%	5,795,000	11.1%
Amusements	138,000	2.2%	111,000	-19.6%	126,000	13.5%	148,000	17.5%	1,380,000	6.1%	1,243,000	-9.9%	1,350,000	8.6%	1,439,000	6.6%
All Other	150,000	20.0%	106,000	-29.3%	142,000	34.0%	114,000	-19.7%	1,256,000	-10.7%	1,104,000	-12.1%	1,148,000	4.0%	1,200,000	4.5%
Totals	13,929,000	11.5%	13,627,000	-2.2%	14,030,000	3.0%	14,091,000	0.4%	115,086,000	6.0%	117,340,000	2.0%	119,978,000	2.2%	124,288,000	3.6%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,114,000	14.1%	1,112,000	-0.2%	1,046,000	-5.9%	936,000	-10.5%	9,805,000	10.0%	10,063,000	2.6%	9,982,000	-0.8%	10,129,000	1.5%
Furniture/Equipment/Electronics	1,545,000	5.4%	1,274,000	-17.5%	1,385,000	8.7%	1,209,000	-12.7%	13,933,000	13.6%	12,952,000	-7.0%	12,743,000	-1.6%	12,844,000	0.8%
Department Stores	1,153,000	-2.7%	1,094,000	-5.1%	1,088,000	-0.5%	1,197,000	10.0%	10,410,000	-0.9%	9,942,000	-4.5%	10,017,000	0.8%	10,258,000	2.4%
Grocery Stores	690,000	-23.5%	716,000	3.8%	839,000	17.2%	662,000	-21.1%	6,632,000	4.4%	7,010,000	5.7%	7,203,000	2.8%	7,227,000	0.3%
Drugs/Small Stores	663,000	4.1%	648,000	-2.3%	670,000	3.4%	619,000	-7.6%	6,216,000	3.6%	5,887,000	-5.3%	5,780,000	-1.8%	6,240,000	8.0%
Manufacturing Firms	420,000	31.3%	389,000	-7.4%	383,000	-1.5%	349,000	-8.9%	3,065,000	-13.1%	2,667,000	-13.0%	3,028,000	13.5%	2,955,000	-2.4%
Building Supply Stores	219,000	3.8%	218,000	-0.5%	231,000	6.0%	268,000	16.0%	1,957,000	10.1%	1,839,000	-6.0%	2,094,000	13.9%	2,162,000	3.2%
All Other Retail	996,000	11.0%	1,018,000	2.2%	1,241,000	21.9%	1,463,000	17.9%	7,898,000	9.6%	8,668,000	9.7%	10,339,000	19.3%	12,110,000	17.1%
Totals	6,800,000	3.1%	6,469,000	-4.9%	6,883,000	6.4%	6,703,000	-2.6%	59,916,000	6.0%	59,028,000	-1.5%	61,186,000	3.7%	63,925,000	4.5%
Tax Revenues - Business Districts																
Elliot Corridor	1,799,000	1.0%	1,646,000	-8.5%	1,588,000	-3.5%	1,414,000	-11.0%	16,241,000	5.2%	16,015,000	-1.4%	15,528,000	-3.0%	15,554,000	0.2%
Autoplex (included in Elliot Corridor)	727,000	7.2%	752,000	3.4%	649,000	-13.7%	546,000	-15.9%	6,725,000	7.6%	6,916,000	2.8%	6,717,000	-2.9%	6,424,000	-4.4%
Market Place	570,000	7.1%	573,000	0.5%	583,000	1.7%	540,000	-7.4%	5,029,000	3.6%	4,978,000	-1.0%	4,850,000	-2.6%	5,144,000	6.1%
Mills Mall	637,000	-2.5%	616,000	-3.3%	584,000	-5.2%	716,000	22.6%	5,445,000	-1.7%	5,025,000	-7.7%	5,034,000	0.2%	5,394,000	7.2%
Downtown Tempe	561,000	34.5%	565,000	0.7%	530,000	-6.2%	583,000	10.0%	3,817,000	18.6%	4,114,000	7.8%	3,913,000	-4.9%	3,887,000	-0.7%
Apache Blvd.	303,000	4.8%	305,000	0.7%	328,000	7.5%	259,000	-21.0%	2,276,000	13.5%	2,222,000	-2.4%	2,149,000	-3.3%	2,171,000	1.0%
ASU Properties	252,000	16.7%	210,000	-16.7%	210,000	0.0%	285,000	35.7%	2,041,000	9.8%	1,879,000	-7.9%	1,835,000	-2.3%	2,065,000	12.5%
Rio Salado	415,000	14.6%	390,000	-6.0%	381,000	-2.3%	515,000	35.2%	2,802,000	9.1%	2,970,000	6.0%	3,457,000	16.4%	3,820,000	10.5%
All Other Areas	9,392,000	14.0%	9,322,000	-0.7%	9,826,000	5.4%	9,779,000	-0.5%	77,435,000	5.9%	80,137,000	3.5%	83,212,000	3.8%	86,253,000	3.7%

**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	7,027,000	(185,969)	-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	7,224,000	223,591	3.2%
Mar	8.0%	7,181,000	7,119,000	(62,490)	-0.9%
Apr	9.4%	8,364,000	8,484,000	119,740	0.3%
May	8.0%	7,108,000			
Jun	8.1%	7,238,000			
Totals	100.0%	89,244,000	76,498,000	1,601,167	

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	14,976,000	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	30,497,000	857,000	2.9%
Jul-Nov	40.8%	36,405,000	37,546,000	1,141,000	3.1%
Jul-Dec	49.1%	43,779,000	45,159,000	1,380,000	3.2%
Jul-Jan	58.7%	52,351,000	53,765,000	1,414,000	2.7%
Jul-Feb	66.5%	59,351,000	60,989,000	1,638,000	2.8%
Jul-Mar	74.5%	66,533,000	68,108,000	1,575,000	2.4%
Jul-Apr	83.9%	74,897,000	76,591,000	1,601,000	2.1%
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	91,371,000	89,244,000	2,127,000	2.4%
Percentage Received	91,420,000	89,244,000	2,176,000	2.4%