

Memorandum

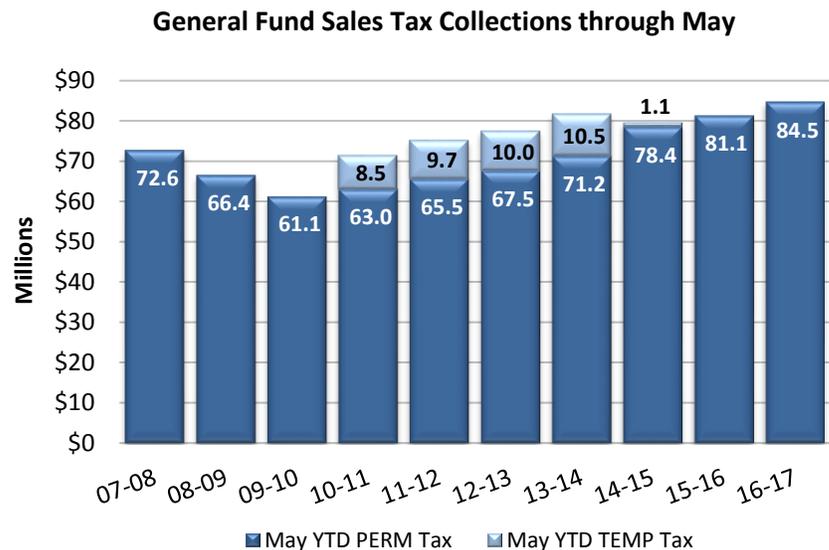


Municipal Budget Office

Date: August 30, 2017
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – May 2017

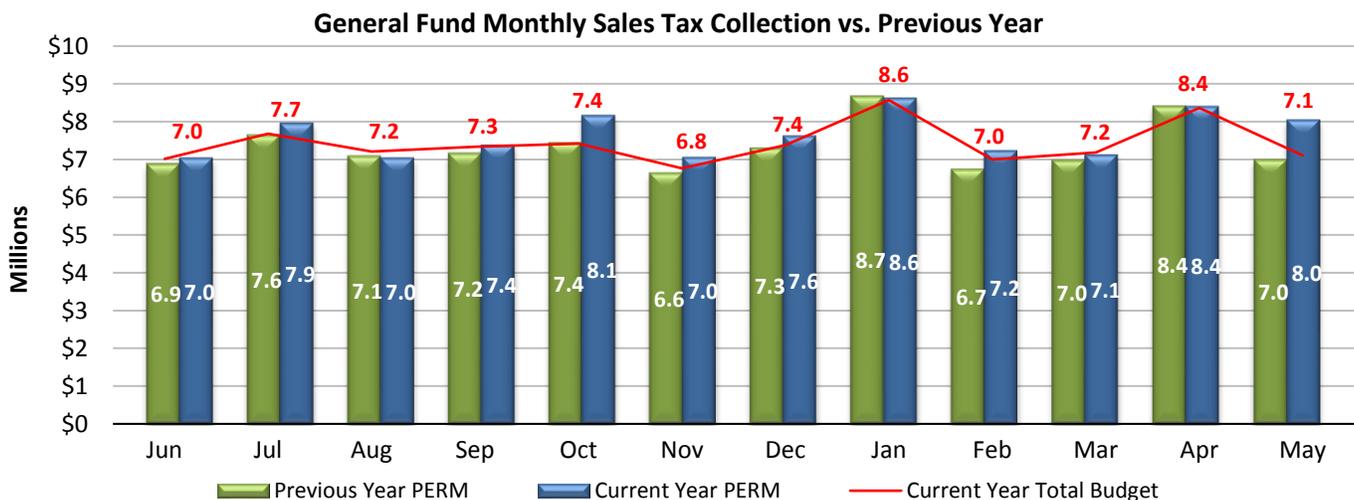
Attached is the Executive Summary of the Tax Revenue Statistical Report for May 2017 covering April sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 5.5% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.2% (\$3.4 million), as a result of strong retail (\$3.8 million), combined bed tax and hotel/motel (\$992 thousand), and rental (\$640 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming nearly all business activities at 11.4% over the prior fiscal year.



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 \$2.5 million above budgeted projections year to date, due to one-time ADOR payments and taxpayers who caught up on their arrears.



Executive Summary

	Current Month -May								Fiscal Year to Date through May							
	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	546,493,000	2.5%	595,812,000	9.0%	617,006,000	3.6%	704,992,000	14.3%	6,229,064,000	5.4%	6,851,650,000	10.0%	7,078,367,000	3.3%	7,465,630,000	5.5%
Retail Taxable Sales	278,205,000	2.7%	300,284,000	7.9%	314,112,000	4.6%	373,055,000	18.8%	3,195,737,000	5.3%	3,417,302,000	6.9%	3,574,311,000	4.6%	3,787,360,000	6.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,176,000	2.0%	6,769,000	9.6%	7,002,000	3.4%	8,035,000	14.8%	71,200,000	5.5%	78,372,000	10.1%	81,112,000	3.5%	84,533,000	4.2%
Temporary Privilege Tax - General Fund	906,000	1.0%	5,000	-99.4%	2,000	-60.0%	-1,000	0.0%	10,468,000	4.5%	1,112,000	-89.4%	38,000	-96.6%	24,000	-36.8%
Transit Tax Fund (.5%)	2,576,000	1.7%	2,822,000	9.5%	2,920,000	3.5%	3,352,000	14.8%	29,705,000	5.5%	32,683,000	10.0%	33,837,000	3.5%	35,259,000	4.2%
Arts Tax Fund (.1%)	532,000	1.7%	582,000	9.4%	608,000	4.5%	688,000	13.2%	6,134,000	5.4%	6,747,000	10.0%	6,982,000	3.5%	7,252,000	3.9%
Privilege Tax - Rebates Fund	322,000	1.6%	304,000	-5.6%	423,000	39.1%	314,000	-25.8%	3,758,000	4.1%	3,688,000	-1.9%	3,749,000	1.7%	3,814,000	1.7%
Bed Tax Fund	527,000	-0.9%	544,000	3.2%	692,000	27.2%	802,000	15.9%	4,860,000	12.2%	5,764,000	18.6%	5,907,000	2.5%	6,596,000	11.7%
Totals	11,039,000	1.6%	11,026,000	-0.1%	11,647,000	5.6%	13,190,000	13.2%	126,125,000	5.6%	128,366,000	1.8%	131,625,000	2.5%	137,478,000	4.4%
Tax Revenues - Business Activities																
Retail	5,672,000	1.7%	5,519,000	-2.7%	6,016,000	9.0%	7,061,000	17.4%	65,588,000	5.6%	64,547,000	-1.6%	67,202,000	4.1%	70,986,000	5.6%
Rentals	1,886,000	-1.5%	1,828,000	-3.1%	1,936,000	5.9%	2,049,000	5.8%	22,111,000	-0.2%	21,194,000	-4.1%	22,338,000	5.4%	22,978,000	2.9%
Utilities/Communication	837,000	17.1%	712,000	-14.9%	663,000	-6.9%	688,000	3.8%	10,228,000	4.8%	9,710,000	-5.1%	9,045,000	-6.8%	9,129,000	0.9%
Restaurants	998,000	4.3%	1,027,000	2.9%	1,044,000	1.7%	1,132,000	8.4%	10,505,000	9.4%	10,325,000	-1.7%	10,788,000	4.5%	11,171,000	3.6%
Contracting	626,000	1.5%	923,000	47.4%	753,000	-18.4%	891,000	18.3%	7,472,000	19.8%	11,653,000	56.0%	10,849,000	-6.9%	10,701,000	-1.4%
Hotel/Motel	272,000	-14.2%	282,000	3.7%	311,000	10.3%	358,000	15.1%	2,503,000	9.6%	2,634,000	5.2%	2,766,000	5.0%	3,068,000	10.9%
Transient (Bed Tax)	527,000	-0.9%	543,000	3.0%	692,000	27.4%	802,000	15.9%	4,861,000	12.3%	5,764,000	18.6%	5,907,000	2.5%	6,597,000	11.7%
Amusements	131,000	0.8%	112,000	-14.5%	114,000	1.8%	128,000	12.3%	1,511,000	5.6%	1,355,000	-10.3%	1,464,000	8.0%	1,567,000	7.0%
All Other	90,000	-10.9%	80,000	-11.1%	118,000	47.5%	81,000	-31.4%	1,346,000	-10.7%	1,184,000	-12.0%	1,266,000	6.9%	1,281,000	1.2%
Totals	11,039,000	1.6%	11,026,000	-0.1%	11,647,000	5.6%	13,190,000	13.2%	126,125,000	5.6%	128,366,000	1.8%	131,625,000	2.5%	137,478,000	4.4%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,039,000	10.8%	1,010,000	-2.8%	1,018,000	0.8%	1,345,000	32.1%	10,844,000	10.1%	11,073,000	2.1%	11,000,000	-0.7%	11,474,000	4.3%
Furniture/Equipment/Electronics	1,184,000	-4.0%	1,122,000	-5.2%	1,110,000	-1.1%	1,335,000	20.3%	15,117,000	12.0%	14,074,000	-6.9%	13,853,000	-1.6%	14,179,000	2.4%
Department Stores	999,000	8.5%	901,000	-9.8%	942,000	4.6%	980,000	4.0%	11,409,000	-0.2%	10,843,000	-5.0%	10,959,000	1.1%	11,238,000	2.5%
Grocery Stores	690,000	9.5%	703,000	1.9%	695,000	-1.1%	781,000	12.4%	7,322,000	4.8%	7,713,000	5.3%	7,898,000	2.4%	8,008,000	1.4%
Drugs/Small Stores	570,000	2.2%	516,000	-9.5%	516,000	0.0%	684,000	32.6%	6,786,000	3.4%	6,403,000	-5.6%	6,296,000	-1.7%	6,924,000	10.0%
Manufacturing Firms	306,000	-5.8%	303,000	-1.0%	391,000	29.0%	244,000	-37.6%	3,371,000	-12.5%	2,970,000	-11.9%	3,419,000	15.1%	3,199,000	-6.4%
Building Supply Stores	215,000	-25.3%	220,000	2.3%	223,000	1.4%	239,000	7.2%	2,172,000	5.2%	2,059,000	-5.2%	2,317,000	12.5%	2,401,000	3.6%
All Other Retail	669,000	-2.0%	744,000	11.2%	1,121,000	50.7%	1,453,000	29.6%	8,567,000	8.6%	9,412,000	9.9%	11,460,000	21.8%	13,563,000	18.4%
Totals	5,672,000	1.7%	5,519,000	-2.7%	6,016,000	9.0%	7,061,000	17.4%	65,588,000	5.6%	64,547,000	-1.6%	67,202,000	4.1%	70,986,000	5.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,532,000	-2.0%	1,451,000	-5.3%	1,525,000	5.1%	2,028,000	33.0%	17,773,000	4.6%	17,466,000	-1.7%	17,053,000	-2.4%	17,582,000	3.1%
Autoplex (included in Elliot Corridor)	707,000	9.1%	678,000	-4.1%	702,000	3.5%	978,000	39.3%	7,432,000	7.8%	7,594,000	2.2%	7,419,000	-2.3%	7,402,000	-0.2%
Market Place	484,000	8.8%	456,000	-5.8%	629,000	37.9%	464,000	-26.2%	5,513,000	4.1%	5,434,000	-1.4%	5,479,000	0.8%	5,608,000	2.4%
Mills Mall	518,000	9.5%	452,000	-12.7%	502,000	11.1%	501,000	-0.2%	5,963,000	-0.8%	5,477,000	-8.2%	5,536,000	1.1%	5,895,000	6.5%
Downtown Tempe	452,000	11.1%	465,000	2.9%	453,000	-2.6%	464,000	2.4%	4,269,000	17.8%	4,579,000	7.3%	4,366,000	-4.7%	4,351,000	-0.3%
Apache Blvd.	232,000	-19.4%	240,000	3.4%	209,000	-12.9%	286,000	36.8%	2,508,000	9.3%	2,462,000	-1.8%	2,358,000	-4.2%	2,457,000	4.2%
ASU Properties	157,000	3.3%	161,000	2.5%	177,000	9.9%	150,000	-15.3%	2,198,000	9.3%	2,040,000	-7.2%	2,012,000	-1.4%	2,215,000	10.1%
Rio Salado	261,000	-2.2%	294,000	12.6%	421,000	43.2%	533,000	26.6%	3,063,000	8.0%	3,264,000	6.6%	3,878,000	18.8%	4,353,000	12.2%
All Other Areas	7,403,000	1.9%	7,507,000	1.4%	7,731,000	3.0%	8,764,000	13.4%	84,838,000	5.6%	87,644,000	3.3%	90,943,000	3.8%	95,017,000	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
Jul	8.6%	7,677,000	7,948,000	271,000	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	8,390,000	25,740	0.3%
May	8.0%	7,108,000	8,036,000	927,749	13.1%
Jun	8.1%	7,238,000			
Totals	100.0%	89,244,000	84,533,000	2,527,916	

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	14,975,000	85,000	0.6%
Jul-Sep	24.9%	22,223,000	22,347,000	124,000	0.6%
Jul-Oct	33.2%	29,640,000	30,496,000	856,000	2.9%
Jul-Nov	40.8%	36,405,000	37,545,000	1,140,000	3.1%
Jul-Dec	49.1%	43,779,000	45,158,000	1,379,000	3.1%
Jul-Jan	58.7%	52,351,000	53,764,000	1,413,000	2.7%
Jul-Feb	66.5%	59,351,000	60,988,000	1,637,000	2.8%
Jul-Mar	74.5%	66,533,000	68,108,000	1,574,000	2.4%
Jul-Apr	83.9%	74,897,000	76,591,000	1,600,000	2.1%
Jul-May	91.9%	82,005,000	84,534,000	2,528,000	3.1%
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	91,857,000	89,244,000	2,613,000	2.9%
Percentage Received	91,984,000	89,244,000	2,740,000	3.1%