

Memorandum

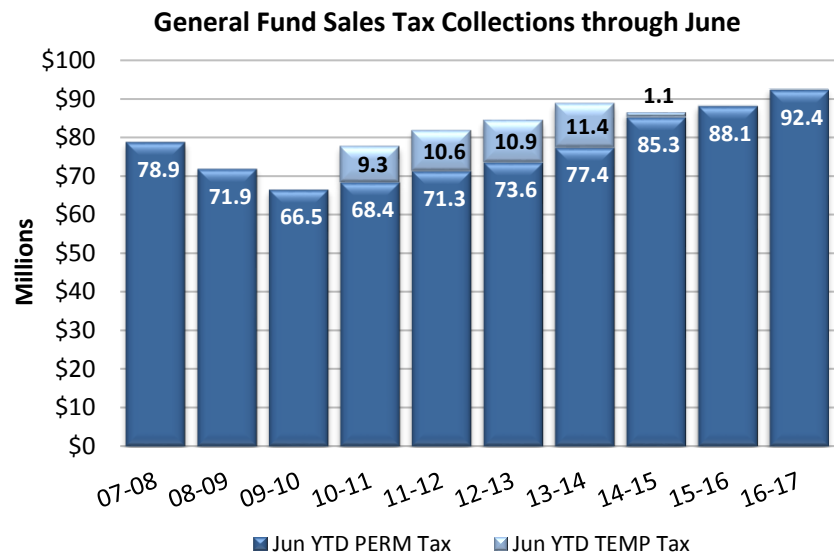


Municipal Budget Office

Date: September 11, 2017
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – June 2017

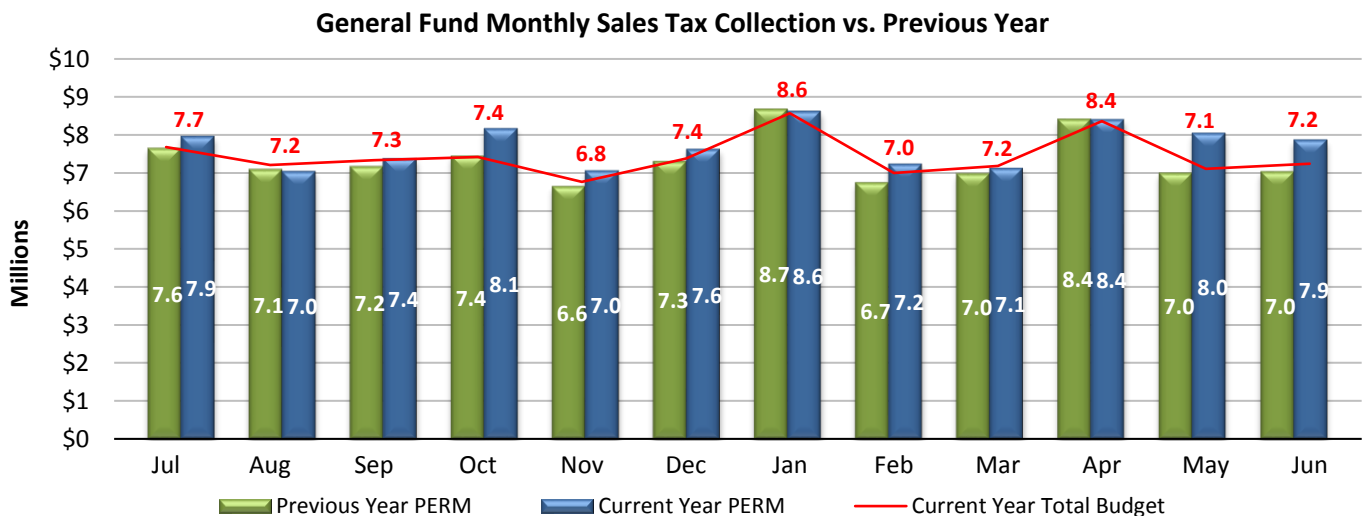
Attached is the Executive Summary of the Tax Revenue Statistical Report for June 2017 covering May sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 5.7% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.8% (\$4.2 million), as a result of strong retail (\$4.8 million), combined bed tax and hotel/motel (\$1.1 million), and rental (\$884 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming all of the other business activities at 11.6% 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 \$3.2 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 -June								Fiscal Year to Date through June							
	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	542,685,000	0.4%	596,622,000	9.9%	620,908,000	4.1%	708,474,000	14.1%	6,771,749,000	5.0%	7,448,272,000	10.0%	7,699,275,000	3.4%	8,174,104,000	6.2%
Retail Taxable Sales	280,016,000	-1.1%	298,434,000	6.6%	313,414,000	5.0%	356,288,000	13.7%	3,475,753,000	4.7%	3,715,736,000	6.9%	3,887,725,000	4.6%	4,143,648,000	6.6%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,192,000	2.4%	6,890,000	11.3%	7,028,000	2.0%	7,861,000	11.9%	77,392,000	5.2%	85,262,000	10.2%	88,140,000	3.4%	92,394,000	4.8%
Temporary Privilege Tax - General Fund	912,000	1.0%	7,000	-99.2%	2,000	-71.4%	-3,000	0.0%	11,380,000	4.2%	1,119,000	-90.2%	40,000	-96.4%	21,000	-47.5%
Transit Tax Fund (.5%)	2,583,000	2.5%	2,874,000	11.3%	2,931,000	2.0%	3,277,000	11.8%	32,288,000	5.3%	35,557,000	10.1%	36,768,000	3.4%	38,536,000	4.8%
Arts Tax Fund (.1%)	533,000	2.5%	594,000	11.4%	605,000	1.9%	674,000	11.4%	6,667,000	5.2%	7,341,000	10.1%	7,587,000	3.4%	7,926,000	4.5%
Privilege Tax - Rebates Fund	334,000	8.4%	324,000	-3.0%	324,000	0.0%	314,000	-3.1%	4,092,000	4.5%	4,012,000	-2.0%	4,073,000	1.5%	4,128,000	1.4%
Bed Tax Fund	394,000	9.1%	449,000	14.0%	471,000	4.9%	542,000	15.1%	5,254,000	12.0%	6,213,000	18.3%	6,378,000	2.7%	7,138,000	11.9%
Totals	10,948,000	2.7%	11,138,000	1.7%	11,361,000	2.0%	12,665,000	11.5%	137,073,000	5.4%	139,504,000	1.8%	142,986,000	2.5%	150,143,000	5.0%
Tax Revenues - Business Activities																
Retail	5,744,000	2.2%	5,616,000	-2.2%	5,822,000	3.7%	6,829,000	17.3%	71,332,000	5.3%	70,163,000	-1.6%	73,024,000	4.1%	77,815,000	6.6%
Rentals	1,835,000	-1.8%	1,795,000	-2.2%	1,819,000	1.3%	2,063,000	13.4%	23,946,000	-0.3%	22,989,000	-4.0%	24,157,000	5.1%	25,041,000	3.7%
Utilities/Communication	929,000	1.6%	798,000	-14.1%	835,000	4.6%	582,000	-30.3%	11,157,000	4.5%	10,508,000	-5.8%	9,880,000	-6.0%	9,711,000	-1.7%
Restaurants	993,000	11.1%	982,000	-1.1%	1,024,000	4.3%	1,067,000	4.2%	11,498,000	9.5%	11,307,000	-1.7%	11,812,000	4.5%	12,238,000	3.6%
Contracting	616,000	6.6%	971,000	57.6%	920,000	-5.3%	1,088,000	18.3%	8,088,000	18.6%	12,624,000	56.1%	11,769,000	-6.8%	11,789,000	0.2%
Hotel/Motel	208,000	9.5%	233,000	12.0%	225,000	-3.4%	251,000	11.6%	2,711,000	9.6%	2,867,000	5.8%	2,991,000	4.3%	3,319,000	11.0%
Transient (Bed Tax)	393,000	8.9%	450,000	14.5%	471,000	4.7%	542,000	15.1%	5,254,000	12.0%	6,214,000	18.3%	6,378,000	2.6%	7,139,000	11.9%
Amusements	148,000	5.0%	133,000	-10.1%	143,000	7.5%	162,000	13.3%	1,659,000	5.5%	1,488,000	-10.3%	1,607,000	8.0%	1,729,000	7.6%
All Other	82,000	-11.8%	160,000	95.1%	102,000	-36.3%	81,000	-20.6%	1,428,000	-10.8%	1,344,000	-5.9%	1,368,000	1.8%	1,362,000	-0.4%
Totals	10,948,000	2.7%	11,138,000	1.7%	11,361,000	2.0%	12,665,000	11.5%	137,073,000	5.4%	139,504,000	1.8%	142,986,000	2.5%	150,143,000	5.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,136,000	14.4%	1,109,000	-2.4%	1,074,000	-3.2%	1,207,000	12.4%	11,980,000	10.5%	12,182,000	1.7%	12,074,000	-0.9%	12,681,000	5.0%
Furniture/Equipment/Electronics	1,217,000	-8.7%	1,108,000	-9.0%	1,151,000	3.9%	1,246,000	8.3%	16,334,000	10.1%	15,182,000	-7.1%	15,004,000	-1.2%	15,425,000	2.8%
Department Stores	938,000	0.6%	912,000	-2.8%	946,000	3.7%	947,000	0.1%	12,347,000	-0.1%	11,755,000	-4.8%	11,905,000	1.3%	12,185,000	2.4%
Grocery Stores	656,000	6.3%	665,000	1.4%	680,000	2.3%	709,000	4.3%	7,978,000	4.9%	8,378,000	5.0%	8,578,000	2.4%	8,717,000	1.6%
Drugs/Small Stores	593,000	7.6%	609,000	2.7%	566,000	-7.1%	589,000	4.1%	7,379,000	3.8%	7,012,000	-5.0%	6,862,000	-2.1%	7,513,000	9.5%
Manufacturing Firms	271,000	-3.6%	254,000	-6.3%	309,000	21.7%	485,000	57.0%	3,642,000	-11.9%	3,224,000	-11.5%	3,728,000	15.6%	3,684,000	-1.2%
Building Supply Stores	202,000	0.0%	248,000	22.8%	190,000	-23.4%	217,000	14.2%	2,374,000	4.7%	2,307,000	-2.8%	2,507,000	8.7%	2,618,000	4.4%
All Other Retail	731,000	2.8%	711,000	-2.7%	906,000	27.4%	1,429,000	57.7%	9,298,000	8.2%	10,123,000	8.9%	12,366,000	22.2%	14,992,000	21.2%
Totals	5,744,000	2.2%	5,616,000	-2.2%	5,822,000	3.7%	6,829,000	17.3%	71,332,000	5.3%	70,163,000	-1.6%	73,024,000	4.1%	77,815,000	6.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,699,000	-3.5%	1,631,000	-4.0%	1,554,000	-4.7%	1,642,000	5.7%	19,472,000	3.8%	19,097,000	-1.9%	18,607,000	-2.6%	19,224,000	3.3%
Autoplex (included in Elliot Corridor)	761,000	9.8%	768,000	0.9%	726,000	-5.5%	811,000	11.7%	8,193,000	8.0%	8,362,000	2.1%	8,145,000	-2.6%	8,213,000	0.8%
Market Place	485,000	4.5%	481,000	-0.8%	480,000	-0.2%	466,000	-2.9%	5,998,000	4.1%	5,915,000	-1.4%	5,959,000	0.7%	6,074,000	1.9%
Mills Mall	478,000	-1.2%	481,000	0.6%	425,000	-11.6%	450,000	5.9%	6,441,000	-0.8%	5,958,000	-7.5%	5,961,000	0.1%	6,345,000	6.4%
Downtown Tempe	372,000	17.0%	421,000	13.2%	405,000	-3.8%	409,000	1.0%	4,641,000	17.7%	5,000,000	7.7%	4,771,000	-4.6%	4,760,000	-0.2%
Apache Blvd.	203,000	-4.2%	216,000	6.4%	219,000	1.4%	234,000	6.8%	2,711,000	8.2%	2,678,000	-1.2%	2,577,000	-3.8%	2,691,000	4.4%
ASU Properties	154,000	5.5%	152,000	-1.3%	149,000	-2.0%	146,000	-2.0%	2,352,000	9.0%	2,192,000	-6.8%	2,161,000	-1.4%	2,361,000	9.3%
Rio Salado	249,000	-16.7%	268,000	7.6%	325,000	21.3%	420,000	29.2%	3,312,000	5.6%	3,532,000	6.6%	4,203,000	19.0%	4,773,000	13.6%
All Other Areas	7,308,000	4.8%	7,488,000	2.5%	7,804,000	4.2%	8,898,000	14.0%	92,146,000	5.5%	95,132,000	3.2%	98,747,000	3.8%	103,915,000	5.2%

**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
Jul	8.6%	7,677,000	7,948,000	270,576	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	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	7,860,000	621,540	8.6%
Totals	100.0%	89,244,000	92,394,000	3,150,456	

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	14,976,000	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	76,498,000	1,601,000	2.1%
Jul-May	91.9%	82,005,000	84,534,000	2,529,000	3.1%
Jul-Jun	100.0%	89,244,000	92,394,000	3,150,000	3.5%

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	92,789,000	89,244,000	3,545,000	4.0%
Percentage Received	92,789,000	89,244,000	3,545,000	4.0%