

Memorandum

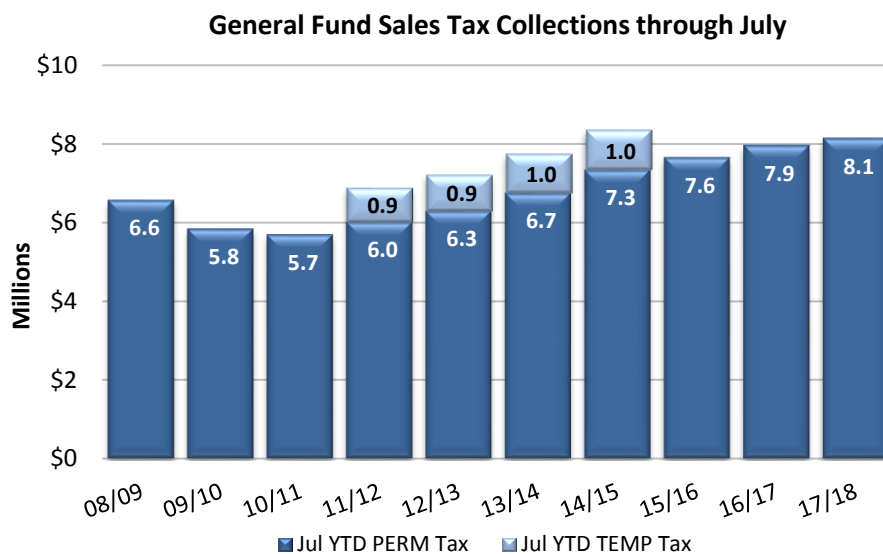


Municipal Budget Office

Date: October 3, 2017
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – July 2017

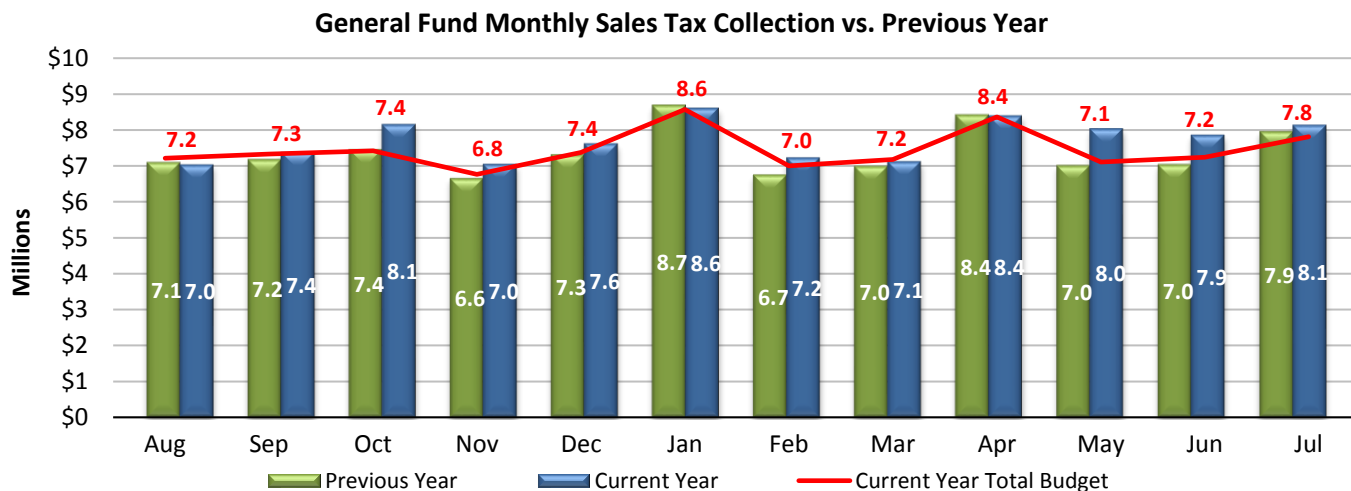
Attached is the Executive Summary of the Tax Revenue Statistical Report for July 2017 covering June sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2008-09 through FY 2017-18. Total taxable sales increased by 2.4% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 2.3% (\$180 thousand), as a result of strong retail (\$154 thousand), utility (\$90 thousand), and restaurant (\$69 thousand) activity. The combined bed tax and hotel/motel tax revenue is down 13.8% due to extra payments made during the same period in the prior 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 \$324 thousand above budgeted projections year to date.



Executive Summary Year-to-Date Comparison -July

	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change
Taxable Sales								
Total Taxable Sales	630,586,000	7.8%	660,460,000	4.7%	691,756,000	4.7%	708,217,000	2.4%
Retail Taxable Sales	305,430,000	3.0%	333,197,000	9.1%	344,099,000	3.3%	357,916,000	4.0%
Tax Revenues by Funds								
Privilege Tax - General Fund (1.2%)	7,326,000	8.7%	7,644,000	4.3%	7,948,000	4.0%	8,129,000	2.3%
Temporary Privilege Tax (.2%)	1,013,000	1.3%	4,000	-99.6%	9,000	125.0%	7,000	-22.2%
Transit Tax Fund (.5%)	3,055,000	8.6%	3,187,000	4.3%	3,314,000	4.0%	3,390,000	2.3%
Arts Tax Fund (.1%)	628,000	8.7%	656,000	4.5%	682,000	4.0%	696,000	2.1%
Privilege Tax - Rebates Fund	343,000	4.9%	333,000	-2.9%	344,000	3.0%	325,000	-5.5%
Bed Tax Fund	325,000	16.1%	388,000	19.4%	437,000	12.6%	390,000	-10.8%
Totals	12,690,000	8.1%	12,212,000	-3.8%	12,734,000	4.3%	12,937,000	1.6%

Tax Revenues - Business Activities

Retail	6,331,000	1.8%	6,218,000	-1.8%	6,556,000	5.4%	6,710,000	2.3%
Rentals	2,242,000	0.3%	2,246,000	0.2%	2,344,000	4.4%	2,249,000	-4.1%
Utilities/Communication	1,078,000	11.8%	922,000	-14.5%	896,000	-2.8%	986,000	10.0%
Restaurants	906,000	3.0%	876,000	-3.3%	902,000	3.0%	971,000	7.6%
Contracting	1,377,000	89.7%	1,083,000	-21.4%	1,136,000	4.9%	1,183,000	4.1%
Hotel/Motel	164,000	1.2%	161,000	-1.8%	227,000	41.0%	182,000	-19.8%
Transient (Bed Tax)	326,000	16.4%	389,000	19.3%	438,000	12.6%	391,000	-10.7%
Amusements	162,000	-8.5%	242,000	49.4%	166,000	-31.4%	165,000	-0.6%
All Other	104,000	10.6%	75,000	-27.9%	69,000	-8.0%	100,000	44.9%
Totals	12,690,000	8.1%	12,212,000	-3.8%	12,734,000	4.3%	12,937,000	1.6%

Tax Revenues - Retail Activities Breakdown

Automotive	1,050,000	10.4%	1,025,000	-2.4%	944,000	-7.9%	1,081,000	14.5%
Furniture/Equipment/Electronics	1,516,000	-12.0%	1,403,000	-7.5%	1,511,000	7.7%	1,364,000	-9.7%
Department Stores	962,000	0.5%	910,000	-5.4%	979,000	7.6%	978,000	-0.1%
Grocery Stores	654,000	7.2%	655,000	0.2%	688,000	5.0%	678,000	-1.5%
Drugs/Small Stores	625,000	9.1%	532,000	-14.9%	540,000	1.5%	519,000	-3.9%
Manufacturing Firms	320,000	9.6%	379,000	18.4%	379,000	0.0%	302,000	-20.3%
Building Supply Stores	195,000	3.2%	247,000	26.7%	241,000	-2.4%	227,000	-5.8%
All Other Retail	1,009,000	9.0%	1,067,000	5.7%	1,274,000	19.4%	1,561,000	22.5%
Totals	6,331,000	1.8%	6,218,000	-1.8%	6,556,000	5.4%	6,710,000	2.3%

Tax Revenues - Business Districts

Elliot Corridor	1,773,000	5.2%	1,595,000	-10.0%	1,611,000	1.0%	1,689,000	4.8%
Autoplex (included in Elliot Corridor)	698,000	7.4%	674,000	-3.4%	565,000	-16.2%	721,000	27.6%
Market Place	507,000	6.5%	497,000	-2.0%	511,000	2.8%	482,000	-5.7%
Mills Mall	507,000	-4.2%	487,000	-3.9%	578,000	18.7%	473,000	-18.2%
Downtown Tempe	344,000	15.8%	330,000	-4.1%	328,000	-0.6%	317,000	-3.4%
Apache Blvd.	247,000	21.1%	198,000	-19.8%	200,000	1.0%	164,000	-18.0%
ASU Properties	166,000	19.4%	109,000	-34.3%	108,000	-0.9%	181,000	67.6%
Rio Salado	285,000	-1.0%	274,000	-3.9%	305,000	11.3%	344,000	12.8%
All Other Areas	8,861,000	9.1%	8,722,000	-1.6%	9,093,000	4.3%	9,287,000	2.1%

**Privilege Tax Revenue - General Fund (1.2%)
2017-18 Actual Compared to Budget**

Monthly Amounts

	2017-18 Budget		2017-18 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.4%	7,813,000	8,129,000	316,000	4.0%
Aug	7.5%	6,967,000			
Sep	8.2%	7,636,000			
Oct	8.5%	7,924,000			
Nov	7.5%	6,986,000			
Dec	8.2%	7,580,000			
Jan	9.6%	8,918,000			
Feb	7.7%	7,190,000			
Mar	8.1%	7,478,000			
Apr	9.4%	8,704,000			
May	8.3%	7,720,000			
Jun	8.5%	7,896,000			
Totals	100.0%	92,812,000	8,129,000	316,000	

Cumulative Amounts

	2017-18 Budget		2017-18 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.4%	7,813,000	8,129,000	316,000	4.0%
Jul-Aug	15.9%	14,780,000			
Jul-Sep	24.1%	22,416,000			
Jul-Oct	32.6%	30,340,000			
Jul-Nov	40.1%	37,326,000			
Jul-Dec	48.3%	44,906,000			
Jul-Jan	57.9%	53,824,000			
Jul-Feb	65.6%	61,014,000			
Jul-Mar	73.7%	66,533,000			
Jul-Apr	83.1%	75,237,000			
Jul-May	91.4%	82,957,000			
Jul-Jun	100.0%	90,853,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	94,497,000	92,812,000	1,685,000	1.8%
Percentage Received	96,774,000	92,812,000	3,962,000	4.3%