

Memorandum

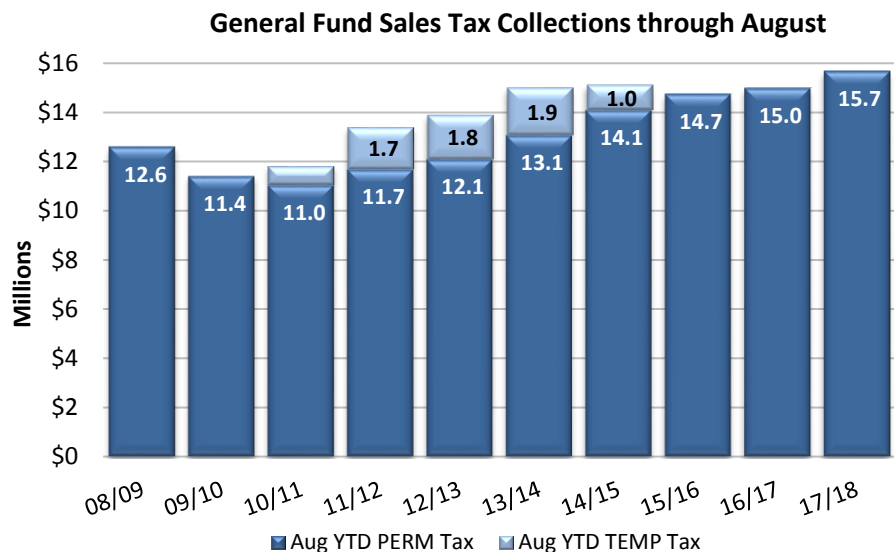


Municipal Budget Office

Date: December 6, 2017
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – August 2017

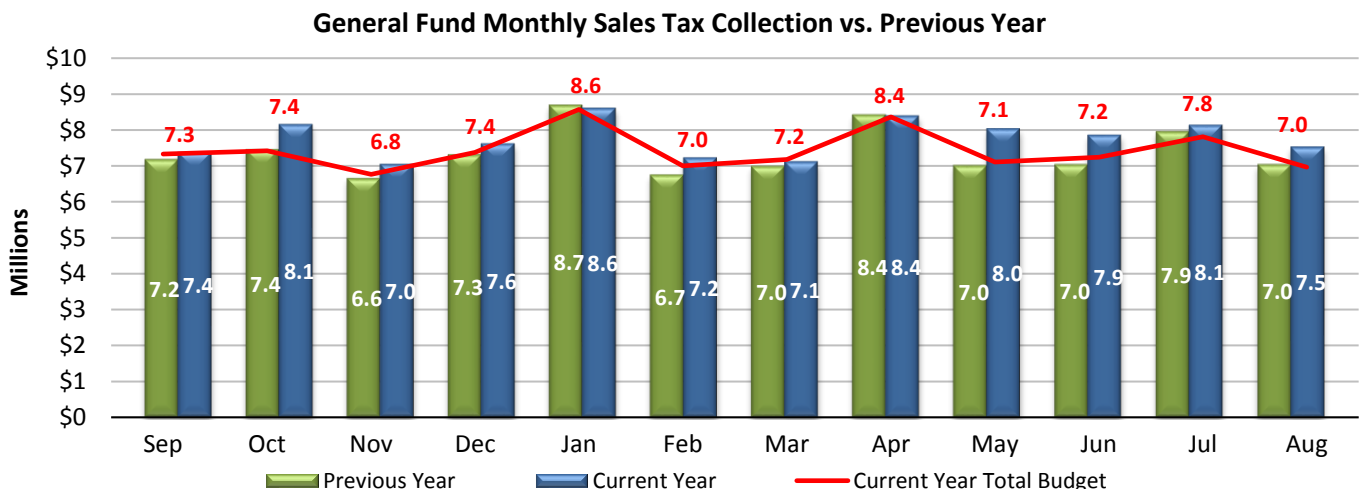
Attached is the Executive Summary of the Tax Revenue Statistical Report for August 2017 covering July sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 4.6% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.5% (\$673 thousand) because of strong retail (\$566 thousand), rentals (\$282 thousand), and utilities (\$87 thousand) activity. The combined bed tax and hotel/motel tax revenue is down 5.4% due to extra payments made during the same year-to-date 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 \$886 thousand above budgeted projections year to date.



Executive Summary

	Current Month -August								Fiscal Year to Date through August							
	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change
Taxable Sales																
Total Taxable Sales	586,267,000	-90.5%	609,568,000	4.0%	607,767,000	-0.3%	650,466,000	7.0%	1,216,853,000	8.1%	1,270,028,000	4.4%	#####	2.3%	1,358,683,000	4.6%
Retail Taxable Sales	306,889,000	-90.3%	310,220,000	1.1%	308,069,000	-0.7%	328,895,000	6.8%	612,319,000	5.3%	643,417,000	5.1%	652,168,000	1.4%	686,811,000	5.3%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,748,000	-90.4%	7,090,000	5.1%	7,028,000	-0.9%	7,529,000	7.1%	14,074,000	7.8%	14,734,000	4.7%	14,976,000	1.6%	15,658,000	4.6%
Temporary Privilege Tax - General Fund	31,000	-99.7%	4,000	-87.1%	8,000	100.0%	1,000	-87.5%	1,044,000	-46.3%	8,000	-99.2%	17,000	112.5%	8,000	-52.9%
Transit Tax Fund (.5%)	2,814,000	-90.5%	2,955,000	5.0%	2,931,000	-0.8%	3,137,000	7.0%	5,869,000	7.7%	6,142,000	4.7%	6,245,000	1.7%	6,527,000	4.5%
Arts Tax Fund (.1%)	578,000	-90.5%	608,000	5.2%	607,000	-0.2%	643,000	5.9%	1,206,000	7.7%	1,264,000	4.8%	1,289,000	2.0%	1,339,000	3.9%
Privilege Tax - Rebates Fund	263,000	-93.0%	284,000	8.0%	303,000	6.7%	267,000	-11.9%	606,000	-0.7%	617,000	1.8%	647,000	4.9%	592,000	-8.5%
Bed Tax Fund	289,000	-94.2%	313,000	8.3%	320,000	2.2%	347,000	8.4%	614,000	23.3%	701,000	14.2%	757,000	8.0%	737,000	-2.6%
Totals	10,723,000	-91.4%	11,254,000	5.0%	11,197,000	-0.5%	11,924,000	6.5%	23,413,000	3.3%	23,466,000	0.2%	23,931,000	2.0%	24,861,000	3.9%
Tax Revenues - Business Activities																
Retail	5,664,000	-91.3%	5,833,000	3.0%	5,772,000	-1.0%	6,184,000	7.1%	11,995,000	-0.6%	12,051,000	0.5%	12,328,000	2.3%	12,894,000	4.6%
Rentals	1,678,000	-92.3%	1,781,000	6.1%	1,851,000	3.9%	2,228,000	20.4%	3,920,000	-5.5%	4,027,000	2.7%	4,195,000	4.2%	4,477,000	6.7%
Utilities/Communication	1,141,000	-88.8%	1,066,000	-6.6%	1,063,000	-0.3%	1,060,000	-0.3%	2,219,000	1.8%	1,988,000	-10.4%	1,959,000	-1.5%	2,046,000	4.4%
Restaurants	790,000	-92.6%	832,000	5.3%	898,000	7.9%	876,000	-2.4%	1,696,000	1.7%	1,708,000	0.7%	1,800,000	5.4%	1,847,000	2.6%
Contracting	788,000	-89.3%	1,033,000	31.1%	941,000	-8.9%	886,000	-5.8%	2,165,000	63.0%	2,116,000	-2.3%	2,077,000	-1.8%	2,069,000	-0.4%
Hotel/Motel	140,000	-94.5%	153,000	9.3%	154,000	0.7%	158,000	2.6%	304,000	10.1%	314,000	3.3%	381,000	21.3%	340,000	-10.8%
Transient (Bed Tax)	288,000	-94.2%	313,000	8.7%	319,000	1.9%	346,000	8.5%	614,000	23.3%	702,000	14.3%	757,000	7.8%	737,000	-2.6%
Amusements	130,000	-91.2%	160,000	23.1%	125,000	-21.9%	137,000	9.6%	292,000	-9.9%	402,000	37.7%	291,000	-27.6%	302,000	3.8%
All Other	104,000	-92.2%	83,000	-20.2%	74,000	-10.8%	49,000	-33.8%	208,000	12.4%	158,000	-24.0%	143,000	-9.5%	149,000	4.2%
Totals	10,723,000	-91.4%	11,254,000	5.0%	11,197,000	-0.5%	11,924,000	6.5%	23,413,000	3.3%	23,466,000	0.2%	23,931,000	2.0%	24,861,000	3.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	964,000	-91.3%	998,000	3.5%	1,030,000	3.2%	1,109,000	7.7%	2,014,000	5.9%	2,023,000	0.4%	1,974,000	-2.4%	2,190,000	10.9%
Furniture/Equipment/Electronics	1,582,000	-89.2%	1,236,000	-21.9%	1,110,000	-10.2%	1,241,000	11.8%	3,098,000	-9.5%	2,639,000	-14.8%	2,621,000	-0.7%	2,605,000	-0.6%
Department Stores	876,000	-92.3%	918,000	4.8%	979,000	6.6%	913,000	-6.7%	1,838,000	-3.4%	1,828,000	-0.5%	1,958,000	7.1%	1,891,000	-3.4%
Grocery Stores	615,000	-91.7%	642,000	4.4%	641,000	-0.2%	661,000	3.1%	1,269,000	6.8%	1,297,000	2.2%	1,329,000	2.5%	1,339,000	0.8%
Drugs/Small Stores	503,000	-92.6%	485,000	-3.6%	585,000	20.6%	422,000	-27.9%	1,128,000	0.9%	1,017,000	-9.8%	1,125,000	10.6%	941,000	-16.4%
Manufacturing Firms	325,000	-90.3%	354,000	8.9%	270,000	-23.7%	281,000	4.1%	645,000	21.9%	733,000	13.6%	649,000	-11.5%	583,000	-10.2%
Building Supply Stores	156,000	-92.9%	210,000	34.6%	210,000	0.0%	218,000	3.8%	351,000	-8.8%	457,000	30.2%	451,000	-1.3%	445,000	-1.3%
All Other Retail	643,000	-92.3%	990,000	54.0%	947,000	-4.3%	1,339,000	41.4%	1,652,000	2.2%	2,057,000	24.5%	2,221,000	8.0%	2,900,000	30.6%
Totals	5,664,000	-91.3%	5,833,000	3.0%	5,772,000	-1.0%	6,184,000	7.1%	11,995,000	-0.6%	12,051,000	0.5%	12,328,000	2.3%	12,894,000	4.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,556,000	-91.3%	1,568,000	0.8%	1,529,000	-2.5%	1,553,000	1.6%	3,329,000	-1.4%	3,163,000	-5.0%	3,140,000	-0.7%	3,242,000	3.2%
Autoplex (included in Elliot Corridor)	661,000	-91.2%	680,000	2.9%	692,000	1.8%	765,000	10.5%	1,359,000	3.7%	1,354,000	-0.4%	1,257,000	-7.2%	1,486,000	18.2%
Market Place	392,000	-92.9%	430,000	9.7%	450,000	4.7%	404,000	-10.2%	899,000	0.6%	927,000	3.1%	961,000	3.7%	886,000	-7.8%
Mills Mall	493,000	-91.7%	544,000	10.3%	544,000	0.0%	483,000	-11.2%	1,000,000	-8.0%	1,031,000	3.1%	1,122,000	8.8%	956,000	-14.8%
Downtown Tempe	267,000	-93.9%	268,000	0.4%	258,000	-3.7%	282,000	9.3%	611,000	0.5%	598,000	-2.1%	586,000	-2.0%	599,000	2.2%
Apache Blvd.	169,000	-93.3%	190,000	12.4%	169,000	-11.1%	170,000	0.6%	416,000	4.0%	388,000	-6.7%	369,000	-4.9%	334,000	-9.5%
ASU Properties	109,000	-95.1%	114,000	4.6%	107,000	-6.1%	178,000	66.4%	275,000	-2.1%	223,000	-18.9%	215,000	-3.6%	359,000	67.0%
Rio Salado	214,000	-92.9%	240,000	12.1%	296,000	23.3%	357,000	20.6%	499,000	-4.2%	514,000	3.0%	601,000	16.9%	701,000	16.6%
All Other Areas	7,523,000	-91.0%	7,900,000	5.0%	7,844,000	-0.7%	8,497,000	8.3%	16,384,000	5.7%	16,622,000	1.5%	16,937,000	1.9%	17,784,000	5.0%

**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	7,529,000	561,913	8.1%
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	15,658,000	877,913	

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	15,658,000	878,000	5.9%
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	96,601,000	92,812,000	3,789,000	4.1%
Percentage Received	98,478,000	92,812,000	5,666,000	6.1%