

Memorandum

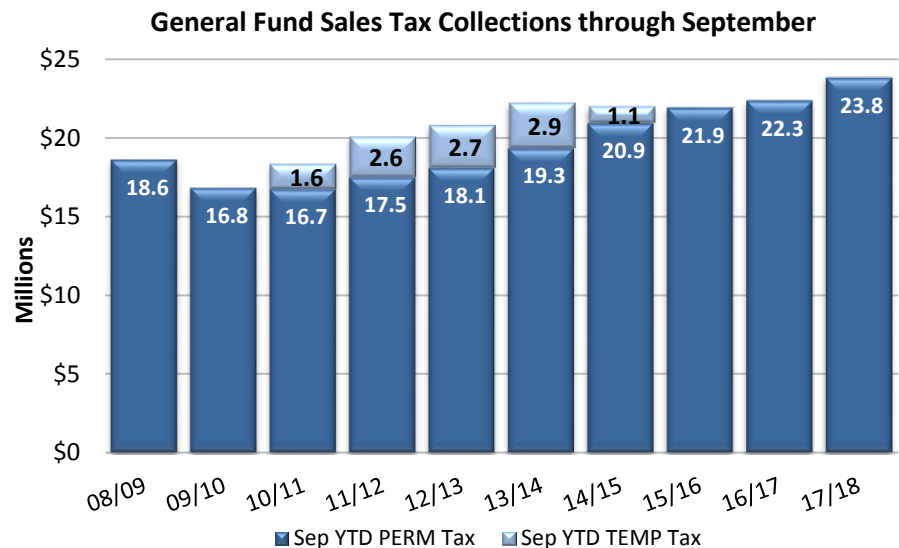


Municipal Budget Office

Date: December 27, 2017
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – September 2017

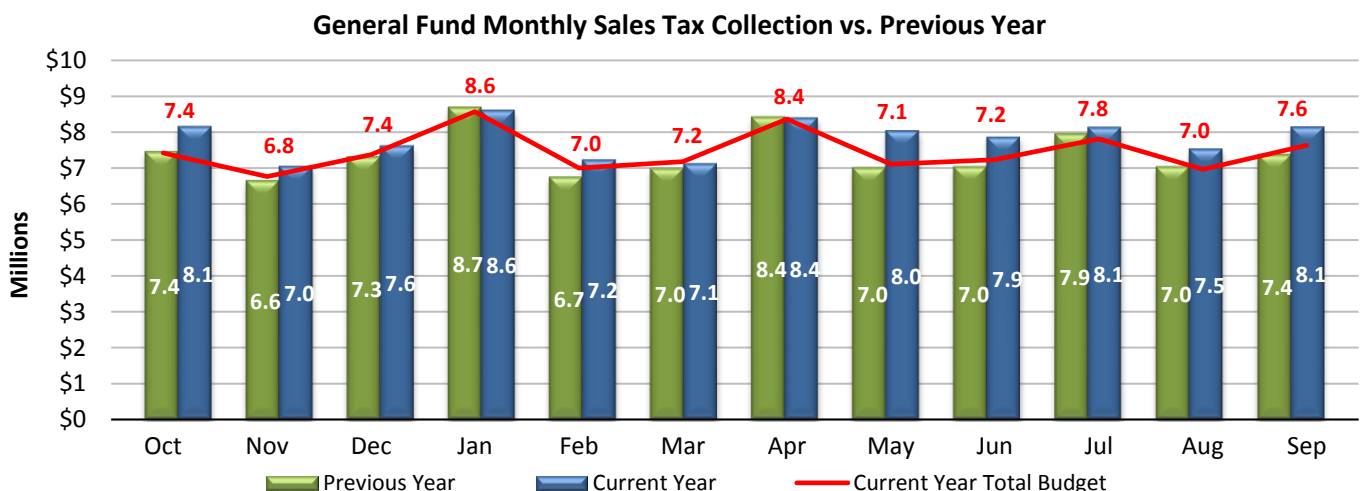
Attached is the Executive Summary of the Tax Revenue Statistical Report for September 2017 covering August sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 6.2% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 6.5% (\$1.4 million) because of strong retail (\$1.5 million), rentals (\$462 thousand), and contracting (\$110 thousand) activity. The combined bed tax and hotel/motel tax revenue is down 0.9% 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 \$1.4 million above budgeted projections year to date.



Executive Summary

	Current Month -September						Fiscal Year to Date through September									
	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	589,372,000	7.5%	624,607,000	6.0%	647,534,000	3.7%	708,424,000	9.4%	1,806,225,000	0.0%	1,894,635,000	4.9%	1,947,057,000	2.8%	2,067,107,000	6.2%
Retail Taxable Sales	308,010,000	9.0%	317,326,000	3.0%	329,664,000	3.9%	376,599,000	14.2%	920,329,000	6.5%	960,743,000	4.4%	981,832,000	2.2%	1,063,410,000	8.3%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,846,000	9.0%	7,170,000	4.7%	7,372,000	2.8%	8,156,000	10.6%	20,920,000	8.2%	21,904,000	4.7%	22,348,000	2.0%	23,814,000	6.6%
Temporary Privilege Tax - General Fund	14,000	-98.5%	3,000	-78.6%	1,000	-66.7%	0,000	-100.0%	1,058,000	-63.0%	11,000	-99.0%	18,000	63.6%	8,000	-55.6%
Transit Tax Fund (.5%)	2,855,000	9.0%	2,989,000	4.7%	3,076,000	2.9%	3,405,000	10.7%	8,724,000	8.2%	9,131,000	4.7%	9,321,000	2.1%	9,932,000	6.6%
Arts Tax Fund (.1%)	589,000	8.7%	618,000	4.9%	635,000	2.8%	700,000	10.2%	1,795,000	8.1%	1,882,000	4.8%	1,924,000	2.2%	2,039,000	6.0%
Privilege Tax - Rebates Fund	314,000	-7.6%	341,000	8.6%	349,000	2.3%	338,000	-3.2%	920,000	-3.1%	958,000	4.1%	996,000	4.0%	930,000	-6.6%
Bed Tax Fund	308,000	-6.9%	318,000	3.2%	378,000	18.9%	409,000	8.2%	922,000	11.2%	1,019,000	10.5%	1,135,000	11.4%	1,146,000	1.0%
Totals	10,926,000	-0.9%	11,439,000	4.7%	11,811,000	3.3%	13,008,000	10.1%	34,339,000	1.9%	34,905,000	1.6%	35,742,000	2.4%	37,869,000	6.0%
Tax Revenues - Business Activities																
Retail	5,738,000	-1.1%	5,899,000	2.8%	6,113,000	3.6%	7,093,000	16.0%	17,733,000	-0.7%	17,950,000	1.2%	18,441,000	2.7%	19,987,000	8.4%
Rentals	1,850,000	2.8%	1,892,000	2.3%	1,832,000	-3.2%	2,012,000	9.8%	5,770,000	-3.0%	5,919,000	2.6%	6,027,000	1.8%	6,489,000	7.7%
Utilities/Communication	1,098,000	-5.2%	1,071,000	-2.5%	1,136,000	6.1%	1,103,000	-2.9%	3,317,000	-0.6%	3,059,000	-7.8%	3,095,000	1.2%	3,149,000	1.7%
Restaurants	796,000	-8.1%	916,000	15.1%	935,000	2.1%	977,000	4.5%	2,492,000	-1.7%	2,624,000	5.3%	2,735,000	4.2%	2,824,000	3.3%
Contracting	692,000	7.8%	919,000	32.8%	905,000	-1.5%	1,023,000	13.0%	2,857,000	45.0%	3,035,000	6.2%	2,982,000	-1.7%	3,092,000	3.7%
Hotel/Motel	141,000	-11.9%	158,000	12.1%	184,000	16.5%	198,000	7.6%	445,000	2.1%	472,000	6.1%	565,000	19.7%	538,000	-4.8%
Transient (Bed Tax)	309,000	-6.6%	318,000	2.9%	378,000	18.9%	409,000	8.2%	923,000	11.3%	1,020,000	10.5%	1,135,000	11.3%	1,146,000	1.0%
Amusements	115,000	-6.5%	104,000	-9.6%	119,000	14.4%	113,000	-5.0%	407,000	-8.9%	506,000	24.3%	410,000	-19.0%	415,000	1.2%
All Other	187,000	28.1%	162,000	-13.4%	209,000	29.0%	80,000	-61.7%	395,000	19.3%	320,000	-19.0%	352,000	10.0%	229,000	-34.9%
Totals	10,926,000	-0.9%	11,439,000	4.7%	11,811,000	3.3%	13,008,000	10.1%	34,339,000	1.9%	34,905,000	1.6%	35,742,000	2.4%	37,869,000	6.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,090,000	12.7%	1,060,000	-2.8%	990,000	-6.6%	1,060,000	7.1%	3,104,000	8.2%	3,083,000	-0.7%	2,964,000	-3.9%	3,250,000	9.6%
Furniture/Equipment/Electronics	1,153,000	-5.8%	1,183,000	2.6%	1,261,000	6.6%	1,328,000	5.3%	4,251,000	-8.5%	3,822,000	-10.1%	3,882,000	1.6%	3,933,000	1.3%
Department Stores	1,042,000	-4.5%	1,077,000	3.4%	1,112,000	3.2%	1,186,000	6.7%	2,880,000	-3.8%	2,905,000	0.9%	3,070,000	5.7%	3,077,000	0.2%
Grocery Stores	672,000	5.5%	674,000	0.3%	695,000	3.1%	727,000	4.6%	1,941,000	6.4%	1,971,000	1.5%	2,024,000	2.7%	2,066,000	2.1%
Drugs/Small Stores	623,000	-9.6%	584,000	-6.3%	599,000	2.6%	681,000	13.7%	1,751,000	-3.1%	1,601,000	-8.6%	1,724,000	7.7%	1,622,000	-5.9%
Manufacturing Firms	224,000	-16.1%	274,000	22.3%	276,000	0.7%	337,000	22.1%	869,000	9.2%	1,007,000	15.9%	925,000	-8.1%	920,000	-0.5%
Building Supply Stores	187,000	2.7%	184,000	-1.6%	182,000	-1.1%	212,000	16.5%	538,000	-5.1%	641,000	19.1%	633,000	-1.2%	657,000	3.8%
All Other Retail	747,000	0.4%	863,000	15.5%	998,000	15.6%	1,561,000	56.4%	2,399,000	1.6%	2,920,000	21.7%	3,219,000	10.2%	4,461,000	38.6%
Totals	5,738,000	-1.1%	5,899,000	2.8%	6,113,000	3.6%	7,092,000	16.0%	17,733,000	-0.7%	17,950,000	1.2%	18,441,000	2.7%	19,986,000	8.4%
Tax Revenues - Business Districts																
Elliot Corridor	1,754,000	3.1%	1,672,000	-4.7%	1,658,000	-0.8%	1,826,000	10.1%	5,083,000	0.1%	4,835,000	-4.9%	4,798,000	-0.8%	5,068,000	5.6%
Autoplex (included in Elliot Corridor)	785,000	17.2%	731,000	-6.9%	635,000	-13.1%	701,000	10.4%	2,144,000	8.2%	2,085,000	-2.8%	1,892,000	-9.3%	2,187,000	15.6%
Market Place	457,000	-7.7%	490,000	7.2%	506,000	3.3%	505,000	-0.2%	1,356,000	-2.4%	1,417,000	4.5%	1,467,000	3.5%	1,391,000	-5.2%
Mills Mall	430,000	-9.5%	444,000	3.3%	477,000	7.4%	440,000	-7.8%	1,430,000	-8.5%	1,475,000	3.1%	1,599,000	8.4%	1,396,000	-12.7%
Downtown Tempe	313,000	18.6%	317,000	1.3%	327,000	3.2%	305,000	-6.7%	924,000	6.0%	915,000	-1.0%	913,000	-0.2%	904,000	-1.0%
Apache Blvd.	213,000	0.5%	226,000	6.1%	147,000	-35.0%	187,000	27.2%	629,000	2.8%	614,000	-2.4%	516,000	-16.0%	521,000	1.0%
ASU Properties	294,000	-2.6%	330,000	12.2%	357,000	8.2%	334,000	-6.4%	569,000	-2.4%	553,000	-2.8%	572,000	3.4%	693,000	21.2%
Rio Salado	244,000	14.0%	236,000	-3.3%	332,000	40.7%	362,000	9.0%	743,000	1.1%	750,000	0.9%	933,000	24.4%	1,063,000	13.9%
All Other Areas	7,221,000	-1.9%	7,724,000	7.0%	8,007,000	3.7%	9,049,000	13.0%	23,605,000	3.2%	24,346,000	3.1%	24,944,000	2.5%	26,833,000	7.6%

**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	8,156,000	520,073	6.8%
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	23,814,000	1,397,986	

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	23,814,000	1,398,000	6.2%
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	98,454,000	92,812,000	5,642,000	6.1%
Percentage Received	98,813,000	92,812,000	6,001,000	6.5%