

Memorandum

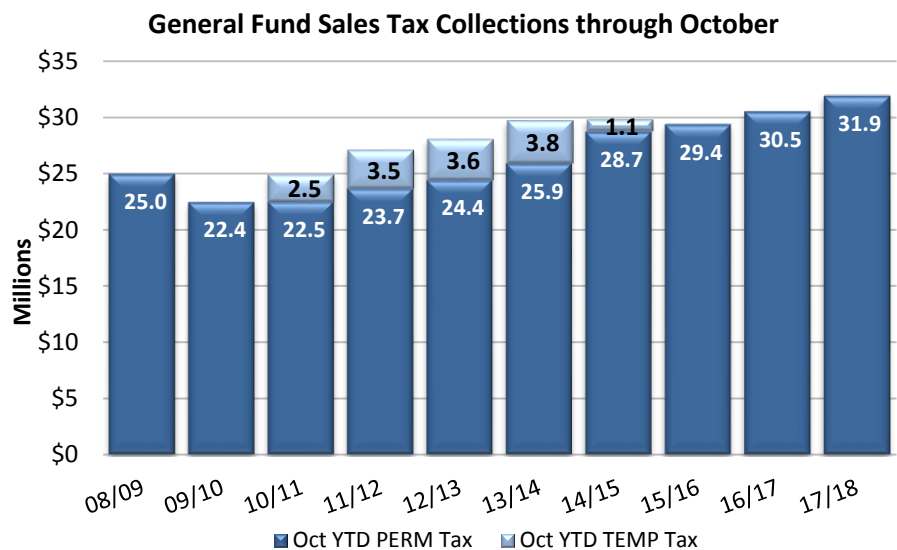


Municipal Budget Office

Date: January 9, 2018
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – October 2017

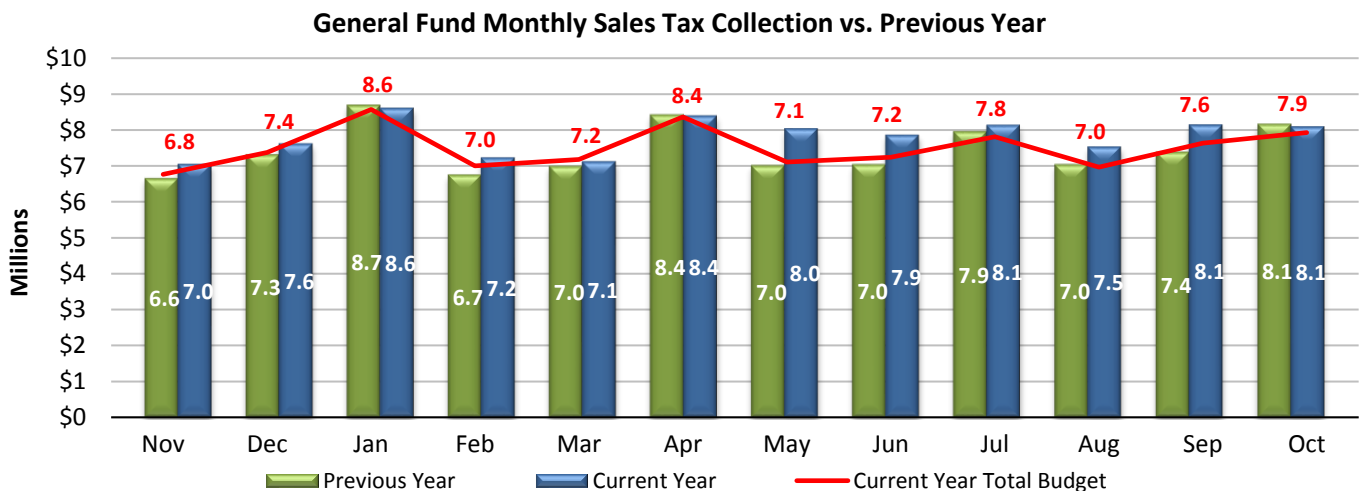
Attached is the Executive Summary of the Tax Revenue Statistical Report for October 2017 covering September sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 4.2% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.6% (\$1.4 million) because of strong retail (\$1.6 million), rentals (\$520 thousand), and restaurant (\$198 thousand) activity. The combined bed tax and hotel/motel tax revenue is down 5.0% due to more 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 \$1.6 million above budgeted projections year to date.



Executive Summary

	Current Month -October								Fiscal Year to Date through October							
	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	676,788,000	17.8%	648,245,000	-4.2%	707,553,000	9.1%	697,868,000	-1.4%	2,483,013,000	10.4%	2,542,880,000	2.4%	2,654,610,000	4.4%	2,764,975,000	4.2%
Retail Taxable Sales	309,085,000	10.5%	316,938,000	2.5%	349,544,000	10.3%	347,302,000	-0.6%	1,229,414,000	7.5%	1,277,681,000	3.9%	1,331,376,000	4.2%	1,410,712,000	6.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,783,000	18.8%	7,447,000	-4.3%	8,150,000	9.4%	8,079,000	-0.9%	28,703,000	10.9%	29,351,000	2.3%	30,498,000	3.9%	31,893,000	4.6%
Temporary Privilege Tax - General Fund	1,000	-99.9%	0,000	0.0%	2,000	100.0%	1,000	-50.0%	1,059,000	-72.3%	11,000	-99.0%	20,000	81.8%	9,000	-55.0%
Transit Tax Fund (.5%)	3,245,000	18.8%	3,106,000	-4.3%	3,399,000	9.4%	3,372,000	-0.8%	11,969,000	10.8%	12,237,000	2.2%	12,720,000	3.9%	13,304,000	4.6%
Arts Tax Fund (.1%)	667,000	18.3%	639,000	-4.2%	699,000	9.4%	694,000	-0.7%	2,462,000	10.7%	2,521,000	2.4%	2,623,000	4.0%	2,733,000	4.2%
Privilege Tax - Rebates Fund	297,000	-11.6%	315,000	6.1%	338,000	7.3%	353,000	4.4%	1,217,000	-5.4%	1,273,000	4.6%	1,334,000	4.8%	1,283,000	-3.8%
Bed Tax Fund	362,000	6.8%	399,000	10.2%	471,000	18.0%	428,000	-9.1%	1,284,000	9.9%	1,418,000	10.4%	1,606,000	13.3%	1,574,000	-2.0%
Totals	12,355,000	7.6%	11,906,000	-3.6%	13,059,000	9.7%	12,927,000	-1.0%	46,694,000	3.3%	46,811,000	0.3%	48,801,000	4.3%	50,796,000	4.1%
Tax Revenues - Business Activities																
Retail	5,741,000	0.7%	5,998,000	4.5%	6,478,000	8.0%	6,507,000	0.4%	23,474,000	-0.4%	23,948,000	2.0%	24,919,000	4.1%	26,494,000	6.3%
Rentals	2,177,000	-1.6%	2,166,000	-0.5%	2,373,000	9.6%	2,431,000	2.4%	7,947,000	-2.6%	8,085,000	1.7%	8,400,000	3.9%	8,920,000	6.2%
Utilities/Communication	1,065,000	-4.2%	1,037,000	-2.6%	1,040,000	0.3%	1,032,000	-0.8%	4,382,000	-1.5%	4,096,000	-6.5%	4,135,000	1.0%	4,181,000	1.1%
Restaurants	912,000	-1.9%	936,000	2.6%	970,000	3.6%	1,079,000	11.2%	3,404,000	-1.7%	3,560,000	4.6%	3,705,000	4.1%	3,903,000	5.3%
Contracting	1,660,000	122.8%	931,000	-43.9%	1,073,000	15.3%	994,000	-7.4%	4,517,000	66.4%	3,966,000	-12.2%	4,055,000	2.2%	4,086,000	0.8%
Hotel/Motel	168,000	-5.1%	197,000	17.3%	291,000	47.7%	226,000	-22.3%	613,000	0.0%	669,000	9.1%	856,000	28.0%	764,000	-10.7%
Transient (Bed Tax)	362,000	6.8%	398,000	9.9%	471,000	18.3%	428,000	-9.1%	1,285,000	10.0%	1,418,000	10.4%	1,606,000	13.3%	1,574,000	-2.0%
Amusements	128,000	-3.0%	110,000	-14.1%	188,000	70.9%	145,000	-22.9%	535,000	-7.6%	616,000	15.1%	598,000	-2.9%	560,000	-6.4%
All Other	142,000	3.6%	133,000	-6.3%	175,000	31.6%	85,000	-51.4%	537,000	14.3%	453,000	-15.6%	527,000	16.3%	314,000	-40.4%
Totals	12,355,000	7.6%	11,906,000	-3.6%	13,059,000	9.7%	12,927,000	-1.0%	46,694,000	3.3%	46,811,000	0.3%	48,801,000	4.3%	50,796,000	4.1%
Tax Revenues - Retail Activities Breakdown																
Automotive	944,000	-1.0%	977,000	3.5%	1,110,000	13.6%	941,000	-15.2%	4,048,000	5.9%	4,060,000	0.3%	4,074,000	0.3%	4,191,000	2.9%
Furniture/Equipment/Electronics	1,247,000	-0.8%	1,193,000	-4.3%	1,137,000	-4.7%	1,396,000	22.8%	5,498,000	-6.9%	5,015,000	-8.8%	5,019,000	0.1%	5,329,000	6.2%
Department Stores	842,000	-6.8%	881,000	4.6%	920,000	4.4%	908,000	-1.3%	3,722,000	-4.5%	3,786,000	1.7%	3,990,000	5.4%	3,985,000	-0.1%
Grocery Stores	655,000	2.0%	692,000	5.6%	742,000	7.2%	716,000	-3.5%	2,596,000	5.2%	2,663,000	2.6%	2,766,000	3.9%	2,782,000	0.6%
Drugs/Small Stores	576,000	-5.3%	518,000	-10.1%	560,000	8.1%	580,000	3.6%	2,327,000	-3.6%	2,119,000	-8.9%	2,284,000	7.8%	2,202,000	-3.6%
Manufacturing Firms	269,000	-10.0%	279,000	3.7%	336,000	20.4%	270,000	-19.6%	1,138,000	3.9%	1,286,000	13.0%	1,261,000	-1.9%	1,190,000	-5.6%
Building Supply Stores	187,000	-6.5%	212,000	13.4%	229,000	8.0%	248,000	8.3%	725,000	-5.5%	853,000	17.7%	862,000	1.1%	905,000	5.0%
All Other Retail	1,021,000	21.8%	1,246,000	22.0%	1,444,000	15.9%	1,449,000	0.3%	3,420,000	6.9%	4,166,000	21.8%	4,663,000	11.9%	5,910,000	26.7%
Totals	5,741,000	0.7%	5,998,000	4.5%	6,478,000	8.0%	6,508,000	0.5%	23,474,000	-0.4%	23,948,000	2.0%	24,919,000	4.1%	26,494,000	6.3%
Tax Revenues - Business Districts																
Elliot Corridor	1,548,000	3.5%	1,494,000	-3.5%	1,376,000	-7.9%	1,637,000	19.0%	6,631,000	0.9%	6,329,000	-4.6%	6,174,000	-2.4%	6,705,000	8.6%
Autoplex (included in Elliot Corridor)	631,000	-5.3%	676,000	7.1%	675,000	-0.1%	611,000	-9.5%	2,775,000	4.8%	2,761,000	-0.5%	2,567,000	-7.0%	2,798,000	9.0%
Market Place	432,000	-11.1%	461,000	6.7%	488,000	5.9%	487,000	-0.2%	1,788,000	-4.6%	1,878,000	5.0%	1,955,000	4.1%	1,878,000	-3.9%
Mills Mall	419,000	-10.3%	360,000	-14.1%	439,000	21.9%	396,000	-9.8%	1,849,000	-8.9%	1,835,000	-0.8%	2,038,000	11.1%	1,792,000	-12.1%
Downtown Tempe	372,000	3.6%	371,000	-0.3%	370,000	-0.3%	355,000	-4.1%	1,296,000	5.3%	1,286,000	-0.8%	1,283,000	-0.2%	1,259,000	-1.9%
Apache Blvd.	232,000	0.0%	204,000	-12.1%	259,000	27.0%	184,000	-29.0%	861,000	2.0%	818,000	-5.0%	775,000	-5.3%	705,000	-9.0%
ASU Properties	226,000	0.4%	184,000	-18.6%	254,000	38.0%	226,000	-11.0%	795,000	-1.6%	737,000	-7.3%	826,000	12.1%	919,000	11.3%
Rio Salado	326,000	32.5%	291,000	-10.7%	452,000	55.3%	449,000	-0.7%	1,069,000	9.0%	1,041,000	-2.6%	1,385,000	33.0%	1,512,000	9.2%
All Other Areas	8,800,000	10.3%	8,541,000	-2.9%	9,421,000	10.3%	9,193,000	-2.4%	32,405,000	5.1%	32,887,000	1.5%	34,365,000	4.5%	36,026,000	4.8%

**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	8,144,000	508,073	6.7%
Oct	8.5%	7,924,000	8,090,000	166,100	2.1%
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	31,892,000	1,552,086	

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	23,802,000	1,386,000	6.2%
Jul-Oct	32.6%	30,340,000	31,892,000	1,552,000	5.1%
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	96,619,000	92,812,000	3,807,000	4.1%
Percentage Received	97,828,000	92,812,000	5,016,000	5.4%