

# Memorandum

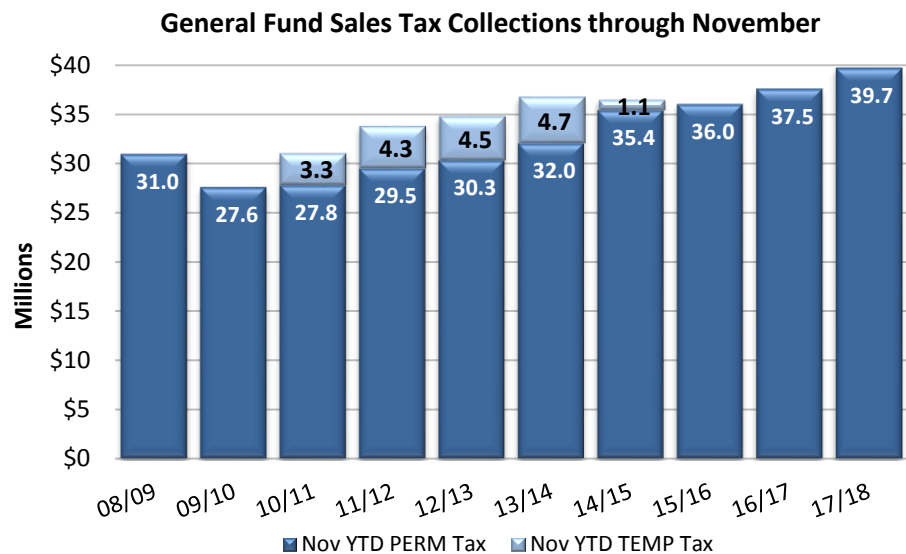


## Municipal Budget Office

Date: February 21, 2018  
 To: Mayor and Council  
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – November 2017

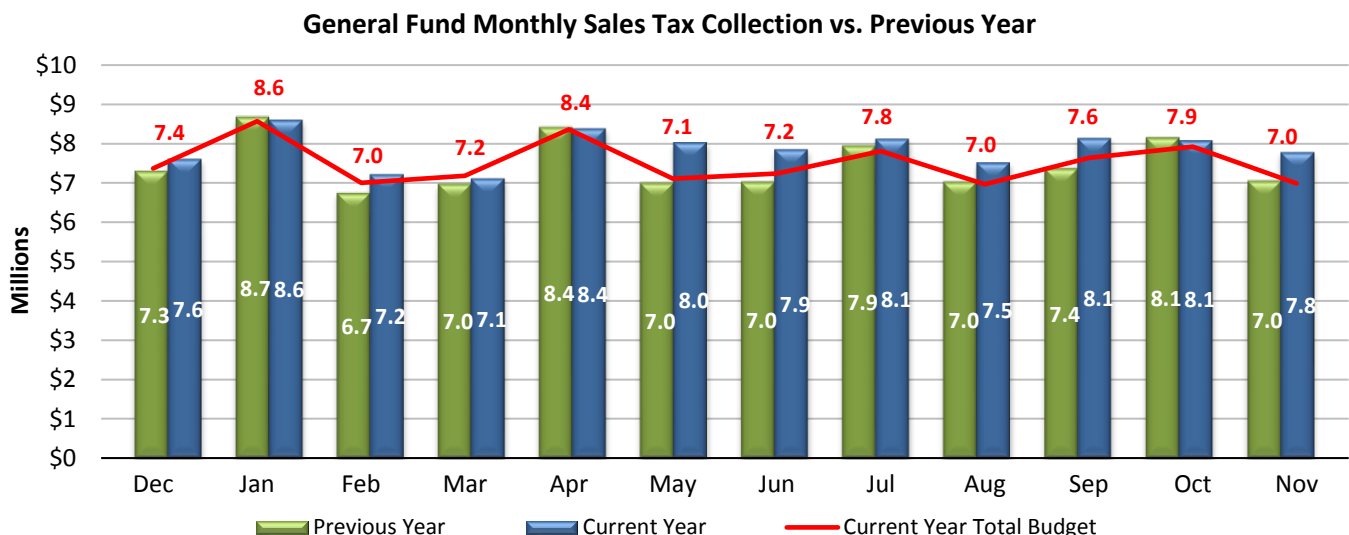
Attached is the Executive Summary of the Tax Revenue Statistical Report for November 2017 covering October sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 5.7% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 5.6% (\$2.1 million) because of strong retail (\$2.2 million), rentals (\$503 thousand), and restaurant (\$282 thousand) activity. The combined bed tax and hotel/motel tax revenue is up 5.4% as its trend recovers from the 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 \$2.4 million above budgeted projections year to date.



## Executive Summary

	Current Month -November								Fiscal Year to Date through November							
	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change
<b>Taxable Sales</b>																
Total Taxable Sales	580,234,000	8.7%	579,881,000	-0.1%	604,894,000	4.3%	678,866,000	12.2%	3,063,247,000	0.0%	3,122,761,000	0.0%	3,259,504,000	4.4%	3,443,841,000	5.7%
Retail Taxable Sales	284,366,000	5.7%	281,697,000	-0.9%	293,448,000	4.2%	340,438,000	16.0%	1,513,780,000	0.0%	1,559,378,000	0.0%	1,624,824,000	0.0%	1,751,150,000	7.8%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,691,000	8.8%	6,645,000	-0.7%	7,049,000	6.1%	7,788,000	10.5%	35,394,000	10.5%	35,996,000	1.7%	37,547,000	4.3%	39,681,000	5.7%
Temporary Privilege Tax - General Fund	14,000	-98.5%	8,000	0.0%	2,000	100.0%	1,000	-50.0%	1,073,000	-77.3%	19,000	-98.2%	22,000	15.8%	10,000	-54.5%
Transit Tax Fund (.5%)	2,791,000	8.8%	2,771,000	-0.7%	2,940,000	6.1%	3,251,000	10.6%	14,760,000	10.4%	15,008,000	1.7%	15,660,000	4.3%	16,555,000	5.7%
Arts Tax Fund (.1%)	574,000	8.5%	570,000	-0.7%	606,000	6.3%	668,000	10.2%	3,036,000	10.2%	3,091,000	1.8%	3,229,000	4.5%	3,401,000	5.3%
Privilege Tax - Rebates Fund	287,000	-5.9%	277,000	-3.5%	318,000	14.8%	306,000	-3.8%	1,504,000	-5.5%	1,550,000	3.1%	1,652,000	6.6%	1,589,000	-3.8%
Bed Tax Fund	487,000	22.1%	508,000	4.3%	465,000	-8.5%	665,000	43.0%	1,771,000	13.0%	1,926,000	8.8%	2,071,000	7.5%	2,239,000	8.1%
<b>Totals</b>	<b>10,844,000</b>	<b>-0.2%</b>	<b>10,779,000</b>	<b>-0.6%</b>	<b>11,380,000</b>	<b>5.6%</b>	<b>12,679,000</b>	<b>11.4%</b>	<b>57,538,000</b>	<b>2.7%</b>	<b>57,590,000</b>	<b>0.1%</b>	<b>60,181,000</b>	<b>4.5%</b>	<b>63,475,000</b>	<b>5.5%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,376,000	-2.0%	5,220,000	-2.9%	5,720,000	9.6%	6,384,000	11.6%	28,850,000	-0.7%	29,168,000	1.1%	30,639,000	5.0%	32,878,000	7.3%
Rentals	1,703,000	-11.9%	1,830,000	7.5%	2,072,000	13.2%	2,055,000	-0.8%	9,650,000	-4.4%	9,915,000	2.7%	10,472,000	5.6%	10,975,000	4.8%
Utilities/Communication	1,122,000	18.0%	883,000	-21.3%	800,000	-9.4%	903,000	12.9%	5,504,000	1.9%	4,979,000	-9.5%	4,935,000	-0.9%	5,084,000	3.0%
Restaurants	904,000	-5.7%	901,000	-0.3%	993,000	10.2%	1,077,000	8.5%	4,308,000	-2.6%	4,461,000	3.6%	4,698,000	5.3%	4,980,000	6.0%
Contracting	808,000	34.4%	987,000	22.2%	907,000	-8.1%	1,043,000	15.0%	5,325,000	60.6%	4,953,000	-7.0%	4,962,000	0.2%	5,129,000	3.4%
Hotel/Motel	240,000	2.6%	282,000	17.5%	211,000	-25.2%	306,000	45.0%	853,000	0.7%	951,000	11.5%	1,067,000	12.2%	1,070,000	0.3%
Transient (Bed Tax)	486,000	21.8%	508,000	4.5%	465,000	-8.5%	664,000	42.8%	1,771,000	13.0%	1,926,000	8.8%	2,071,000	7.5%	2,238,000	8.1%
Amusements	103,000	-14.2%	58,000	-43.7%	103,000	77.6%	113,000	9.7%	638,000	-8.7%	674,000	5.6%	701,000	4.0%	673,000	-4.0%
All Other	102,000	-42.7%	110,000	7.8%	109,000	-0.9%	134,000	22.9%	639,000	-1.5%	563,000	-11.9%	636,000	13.0%	448,000	-29.6%
<b>Totals</b>	<b>10,844,000</b>	<b>-0.2%</b>	<b>10,779,000</b>	<b>-0.6%</b>	<b>11,380,000</b>	<b>5.6%</b>	<b>12,679,000</b>	<b>11.4%</b>	<b>57,538,000</b>	<b>2.7%</b>	<b>57,590,000</b>	<b>0.1%</b>	<b>60,181,000</b>	<b>4.5%</b>	<b>63,475,000</b>	<b>5.5%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	915,000	-2.3%	874,000	-4.5%	827,000	-5.4%	1,117,000	35.1%	4,963,000	4.3%	4,934,000	-0.6%	4,901,000	-0.7%	5,308,000	8.3%
Furniture/Equipment/Electronics	1,194,000	4.3%	1,061,000	-11.1%	1,532,000	44.4%	1,199,000	-21.7%	6,692,000	-5.1%	6,076,000	-9.2%	6,551,000	7.8%	6,528,000	-0.4%
Department Stores	877,000	-6.3%	851,000	-3.0%	877,000	3.1%	872,000	-0.6%	4,599,000	-4.8%	4,637,000	0.8%	4,867,000	5.0%	4,857,000	-0.2%
Grocery Stores	648,000	2.4%	654,000	0.9%	411,000	-37.2%	698,000	69.8%	3,244,000	4.6%	3,317,000	2.3%	3,177,000	-4.2%	3,480,000	9.5%
Drugs/Small Stores	531,000	-6.5%	443,000	-16.6%	614,000	38.6%	604,000	-1.6%	2,858,000	-4.2%	2,562,000	-10.4%	2,898,000	13.1%	2,806,000	-3.2%
Manufacturing Firms	191,000	-34.6%	253,000	32.5%	248,000	-2.0%	281,000	13.3%	1,329,000	-4.2%	1,539,000	15.8%	1,509,000	-1.9%	1,471,000	-2.5%
Building Supply Stores	206,000	-6.8%	204,000	-1.0%	229,000	12.3%	267,000	16.6%	931,000	-5.8%	1,057,000	13.5%	1,091,000	3.2%	1,172,000	7.4%
All Other Retail	814,000	8.1%	880,000	8.1%	982,000	11.6%	1,346,000	37.1%	4,234,000	7.1%	5,046,000	19.2%	5,645,000	11.9%	7,256,000	28.5%
<b>Totals</b>	<b>5,376,000</b>	<b>-2.0%</b>	<b>5,220,000</b>	<b>-2.9%</b>	<b>5,720,000</b>	<b>9.6%</b>	<b>6,384,000</b>	<b>11.6%</b>	<b>28,850,000</b>	<b>-0.7%</b>	<b>29,168,000</b>	<b>1.1%</b>	<b>30,639,000</b>	<b>5.0%</b>	<b>32,878,000</b>	<b>7.3%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,397,000	-2.4%	1,275,000	-8.7%	1,607,000	26.0%	1,651,000	2.7%	8,028,000	0.3%	7,604,000	-5.3%	7,781,000	2.3%	8,356,000	7.4%
Autoplex (included in Elliot Corridor)	636,000	0.3%	567,000	-10.8%	503,000	-11.3%	782,000	55.5%	3,411,000	4.0%	3,328,000	-2.4%	3,070,000	-7.8%	3,580,000	16.6%
Market Place	466,000	6.4%	387,000	-17.0%	459,000	18.6%	441,000	-3.9%	2,254,000	-2.6%	2,265,000	0.5%	2,414,000	6.6%	2,319,000	-3.9%
Mills Mall	330,000	-27.5%	474,000	43.6%	472,000	-0.4%	389,000	-17.6%	2,179,000	-12.3%	2,309,000	6.0%	2,510,000	8.7%	2,181,000	-13.1%
Downtown Tempe	475,000	27.0%	405,000	-14.7%	402,000	-0.7%	405,000	0.7%	1,771,000	10.3%	1,691,000	-4.5%	1,685,000	-0.4%	1,664,000	-1.2%
Apache Blvd.	202,000	-4.7%	167,000	-17.3%	246,000	47.3%	201,000	-18.3%	1,063,000	0.7%	985,000	-7.3%	1,021,000	3.7%	906,000	-11.3%
ASU Properties	178,000	-13.2%	159,000	-10.7%	171,000	7.5%	215,000	25.7%	973,000	-3.9%	896,000	-7.9%	997,000	11.3%	1,134,000	13.7%
Rio Salado	269,000	1.1%	279,000	3.7%	363,000	30.1%	411,000	13.2%	1,338,000	7.3%	1,320,000	-1.3%	1,748,000	32.4%	1,923,000	10.0%
All Other Areas	7,527,000	0.6%	7,633,000	1.4%	7,660,000	0.4%	8,966,000	17.0%	39,932,000	4.2%	40,520,000	1.5%	42,025,000	3.7%	44,992,000	7.1%

**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
<b>Jul</b>	8.4%	7,813,000	8,129,000	316,000	4.0%
<b>Aug</b>	7.5%	6,967,000	7,529,000	561,913	8.1%
<b>Sep</b>	8.2%	7,636,000	8,144,000	508,073	6.7%
<b>Oct</b>	8.5%	7,924,000	8,090,000	166,100	2.1%
<b>Nov</b>	7.5%	6,986,000	7,789,000	803,334	11.5%
<b>Dec</b>	8.2%	7,580,000			
<b>Jan</b>	9.6%	8,918,000			
<b>Feb</b>	7.7%	7,190,000			
<b>Mar</b>	8.1%	7,478,000			
<b>Apr</b>	9.4%	8,704,000			
<b>May</b>	8.3%	7,720,000			
<b>Jun</b>	8.5%	7,896,000			
<b>Totals</b>	100.0%	92,812,000	39,681,000	2,355,420	

**Cumulative Amounts**

	2017-18 Budget		2017-18 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.4%	7,813,000	8,129,000	316,000	4.0%
<b>Jul-Aug</b>	15.9%	14,780,000	15,658,000	878,000	5.9%
<b>Jul-Sep</b>	24.1%	22,416,000	23,802,000	1,386,000	6.2%
<b>Jul-Oct</b>	32.6%	30,340,000	31,892,000	1,552,000	5.1%
<b>Jul-Nov</b>	40.1%	37,326,000	39,681,000	2,355,000	6.3%
<b>Jul-Dec</b>	48.3%	44,906,000			
<b>Jul-Jan</b>	57.9%	53,824,000			
<b>Jul-Feb</b>	65.6%	61,014,000			
<b>Jul-Mar</b>	73.7%	66,533,000			
<b>Jul-Apr</b>	83.1%	75,237,000			
<b>Jul-May</b>	91.4%	82,957,000			
<b>Jul-Jun</b>	100.0%	90,853,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percent of Increase</b>	97,647,000	92,812,000	4,835,000	5.2%
<b>Percentage Received</b>	98,955,000	92,812,000	6,143,000	6.6%