

Memorandum

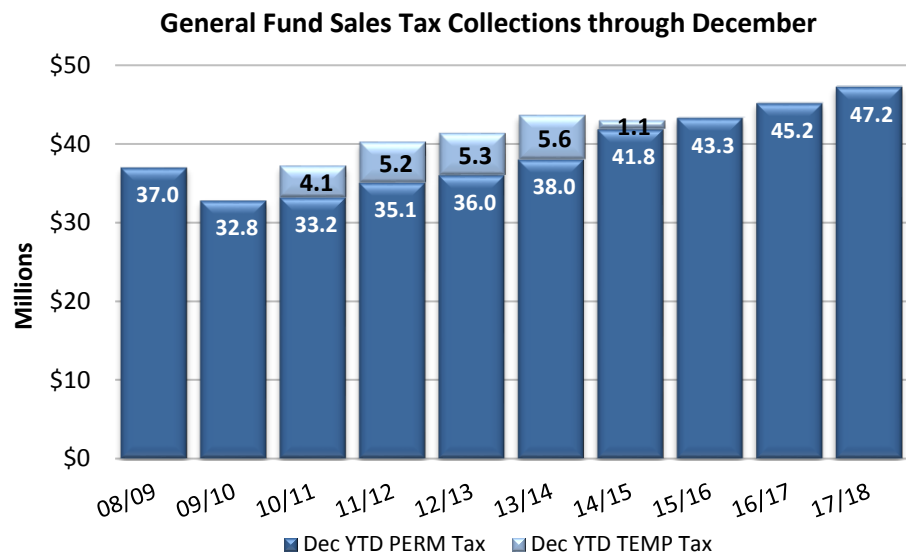


Municipal Budget Office

Date: March 12, 2018
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – December 2017

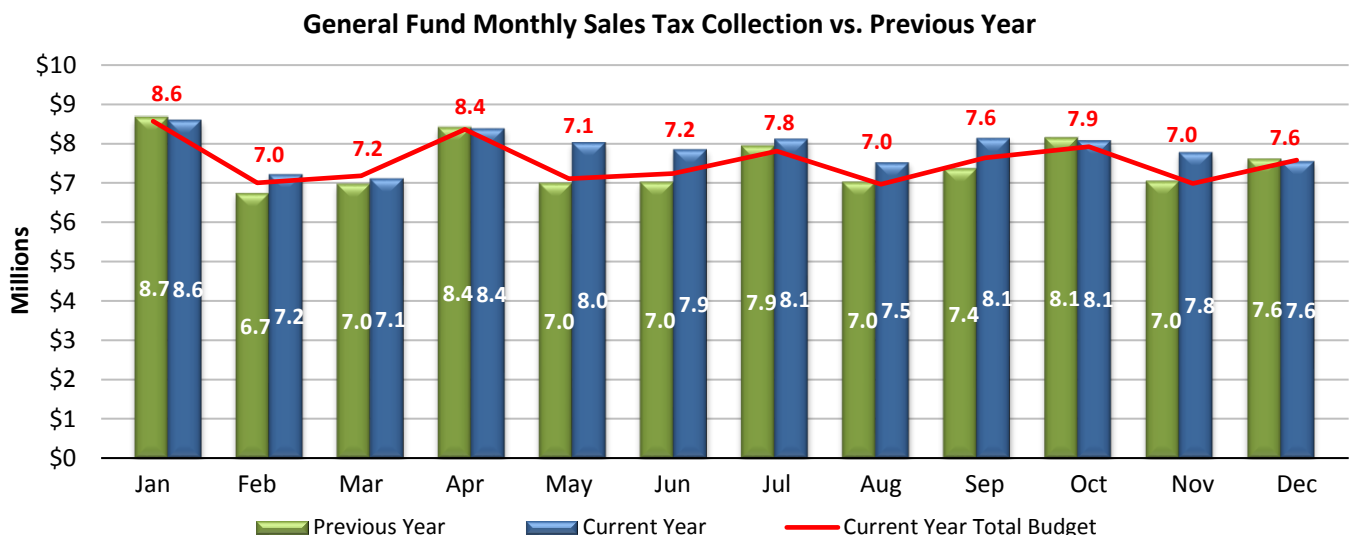
Attached is the Executive Summary of the Tax Revenue Statistical Report for December 2017 covering November sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 6.0% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.6% (\$2.1 million) because of overall strong retail (\$2.5 million), rentals (\$424 thousand), and restaurant (\$284 thousand) activity. The combined bed tax and hotel/motel tax revenue is up 6.6% 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 \$2.3 million above budgeted projections year to date.



Executive Summary

	Current Month -December								Fiscal Year to Date through December							
	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	563,137,000	6.9%	644,175,000	14.4%	692,949,000	7.6%	746,260,000	7.7%	3,626,384,000	9.6%	3,766,936,000	3.9%	3,952,453,000	4.9%	4,190,101,000	6.0%
Retail Taxable Sales	293,076,000	8.5%	323,310,000	10.3%	341,729,000	5.7%	334,367,000	-2.2%	1,806,856,000	7.3%	1,882,688,000	4.2%	1,966,553,000	4.5%	2,085,517,000	6.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,437,000	7.7%	7,303,000	13.5%	7,613,000	4.2%	7,557,000	-0.7%	41,831,000	10.0%	43,299,000	3.5%	45,160,000	4.3%	47,238,000	4.6%
Temporary Privilege Tax - General Fund	8,000	-99.1%	0,000	0.0%	0,000	0.0%	0,000	0.0%	1,081,000	-80.7%	19,000	-98.2%	22,000	15.8%	10,000	-54.5%
Transit Tax Fund (.5%)	2,685,000	7.7%	3,047,000	13.5%	3,175,000	4.2%	3,153,000	-0.7%	17,445,000	10.0%	18,055,000	3.5%	18,835,000	4.3%	19,708,000	4.6%
Arts Tax Fund (.1%)	560,000	8.1%	630,000	12.5%	656,000	4.1%	651,000	-0.8%	3,596,000	9.9%	3,721,000	3.5%	3,885,000	4.4%	4,052,000	4.3%
Privilege Tax - Rebates Fund	401,000	8.1%	360,000	-10.2%	374,000	3.9%	359,000	-4.0%	1,905,000	-2.9%	1,910,000	0.3%	2,026,000	6.1%	1,948,000	-3.8%
Bed Tax Fund	486,000	20.3%	517,000	6.4%	569,000	10.1%	615,000	8.1%	2,257,000	14.6%	2,443,000	8.2%	2,640,000	8.1%	2,854,000	8.1%
Totals	10,577,000	-0.6%	11,857,000	12.1%	12,387,000	4.5%	12,335,000	-0.4%	68,115,000	2.1%	69,447,000	2.0%	72,568,000	4.5%	75,810,000	4.5%
Tax Revenues - Business Activities																
Retail	5,553,000	0.9%	5,897,000	6.2%	6,353,000	7.7%	6,572,000	3.4%	34,403,000	-0.4%	35,065,000	1.9%	36,992,000	5.5%	39,450,000	6.6%
Rentals	1,757,000	-4.3%	1,911,000	8.8%	2,047,000	7.1%	1,968,000	-3.9%	11,407,000	-4.4%	11,826,000	3.7%	12,519,000	5.9%	12,943,000	3.4%
Utilities/Communication	739,000	-10.5%	714,000	-3.4%	846,000	18.5%	699,000	-17.4%	6,243,000	0.3%	5,693,000	-8.8%	5,781,000	1.5%	5,783,000	0.0%
Restaurants	971,000	-1.8%	1,043,000	7.4%	1,027,000	-1.5%	1,029,000	0.2%	5,279,000	-2.5%	5,504,000	4.3%	5,725,000	4.0%	6,009,000	5.0%
Contracting	621,000	2.1%	1,153,000	85.7%	928,000	-19.5%	904,000	-2.6%	5,946,000	51.5%	6,106,000	2.7%	5,890,000	-3.5%	6,033,000	2.4%
Hotel/Motel	222,000	6.2%	275,000	23.9%	262,000	-4.7%	310,000	18.3%	1,075,000	1.8%	1,226,000	14.0%	1,329,000	8.4%	1,380,000	3.8%
Transient (Bed Tax)	486,000	20.6%	518,000	6.6%	570,000	10.0%	616,000	8.1%	2,257,000	14.6%	2,444,000	8.3%	2,641,000	8.1%	2,854,000	8.1%
Amusements	138,000	-4.2%	178,000	29.0%	155,000	-12.9%	149,000	-3.9%	776,000	-7.9%	852,000	9.8%	856,000	0.5%	822,000	-4.0%
All Other	90,000	-29.1%	168,000	86.7%	199,000	18.5%	88,000	-55.8%	729,000	-5.9%	731,000	0.3%	835,000	14.2%	536,000	-35.8%
Totals	10,577,000	-0.6%	11,857,000	12.1%	12,387,000	4.5%	12,335,000	-0.4%	68,115,000	2.1%	69,447,000	2.0%	72,568,000	4.5%	75,810,000	4.5%
Tax Revenues - Retail Activities Breakdown																
Automotive	988,000	-104.2%	1,051,000	6.4%	1,083,000	3.0%	961,000	-11.3%	5,951,000	4.5%	5,985,000	0.6%	5,984,000	0.0%	6,269,000	4.8%
Furniture/Equipment/Electronics	1,134,000	-162.1%	1,175,000	3.6%	1,126,000	-4.2%	1,273,000	13.1%	7,826,000	-5.3%	7,251,000	-7.3%	7,677,000	5.9%	7,801,000	1.6%
Department Stores	1,069,000	99.8%	1,087,000	1.7%	1,055,000	-2.9%	1,036,000	-1.8%	5,668,000	-4.5%	5,724,000	1.0%	5,922,000	3.5%	5,893,000	-0.5%
Grocery Stores	744,000	-209.1%	710,000	-4.6%	983,000	38.5%	769,000	-21.8%	3,988,000	6.6%	4,027,000	1.0%	4,160,000	3.3%	4,249,000	2.1%
Drugs/Small Stores	524,000	177.2%	581,000	10.9%	627,000	7.9%	569,000	-9.3%	3,382,000	-3.5%	3,143,000	-7.1%	3,525,000	12.2%	3,375,000	-4.3%
Manufacturing Firms	162,000	-79.5%	243,000	50.0%	268,000	10.3%	269,000	0.4%	1,491,000	-8.9%	1,782,000	19.5%	1,777,000	-0.3%	1,740,000	-2.1%
Building Supply Stores	161,000	-140.1%	198,000	23.0%	190,000	-4.0%	226,000	18.9%	1,092,000	-6.3%	1,255,000	14.9%	1,281,000	2.1%	1,398,000	9.1%
All Other Retail	771,000	-80.3%	852,000	10.5%	1,021,000	19.8%	1,469,000	43.9%	5,005,000	8.6%	5,898,000	17.8%	6,666,000	13.0%	8,725,000	30.9%
Totals	5,553,000	-83.6%	5,897,000	6.2%	6,353,000	7.7%	6,572,000	3.4%	34,403,000	-0.4%	35,065,000	1.9%	36,992,000	5.5%	39,450,000	6.6%
Tax Revenues - Business Districts																
Elliot Corridor	1,568,000	-80.9%	1,583,000	1.0%	1,565,000	-1.1%	1,560,000	-0.3%	9,596,000	-0.3%	9,187,000	-4.3%	9,346,000	1.7%	9,916,000	6.1%
Autoplex (included in Elliot Corridor)	702,000	-78.6%	735,000	4.7%	740,000	0.7%	651,000	-12.0%	4,113,000	4.8%	4,063,000	-1.2%	3,810,000	-6.2%	4,231,000	11.0%
Market Place	532,000	-77.7%	503,000	-5.5%	543,000	8.0%	520,000	-4.2%	2,786,000	-2.2%	2,768,000	-0.6%	2,957,000	6.8%	2,839,000	-4.0%
Mills Mall	593,000	-78.0%	555,000	-6.4%	522,000	-5.9%	461,000	-11.7%	2,772,000	-8.5%	2,864,000	3.3%	3,032,000	5.9%	2,642,000	-12.9%
Downtown Tempe	427,000	-72.3%	419,000	-1.9%	386,000	-7.9%	401,000	3.9%	2,198,000	9.1%	2,110,000	-4.0%	2,071,000	-1.8%	2,065,000	-0.3%
Apache Blvd.	239,000	-77.3%	240,000	0.4%	228,000	-5.0%	194,000	-14.9%	1,302,000	3.6%	1,225,000	-5.9%	1,249,000	2.0%	1,100,000	-11.9%
ASU Properties	180,000	-81.9%	222,000	23.3%	228,000	2.7%	162,000	-28.9%	1,153,000	-1.9%	1,118,000	-3.0%	1,225,000	9.6%	1,296,000	5.8%
Rio Salado	246,000	-80.2%	596,000	142.3%	384,000	-35.6%	401,000	4.4%	1,584,000	4.7%	1,916,000	21.0%	2,132,000	11.3%	2,324,000	9.0%
All Other Areas	6,792,000	-82.0%	7,739,000	13.9%	8,531,000	10.2%	8,636,000	1.2%	46,724,000	3.3%	48,259,000	3.3%	50,556,000	4.8%	53,628,000	6.1%

**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	8,130,000	317,000	4.1%
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	7,789,000	803,334	11.5%
Dec	8.2%	7,580,000	7,556,000	(24,190)	-0.3%
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	47,238,000	2,332,230	

Cumulative Amounts

	2017-18 Budget		2017-18 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.4%	7,813,000	8,130,000	317,000	4.1%
Jul-Aug	15.9%	14,780,000	15,659,000	879,000	5.9%
Jul-Sep	24.1%	22,416,000	23,803,000	1,387,000	6.2%
Jul-Oct	32.6%	30,340,000	31,893,000	1,553,000	5.1%
Jul-Nov	40.1%	37,326,000	39,682,000	2,356,000	6.3%
Jul-Dec	48.3%	44,906,000	47,238,000	2,332,000	5.2%
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	96,645,000	92,812,000	3,833,000	4.1%
Percentage Received	97,801,000	92,812,000	4,989,000	5.4%