

# Memorandum

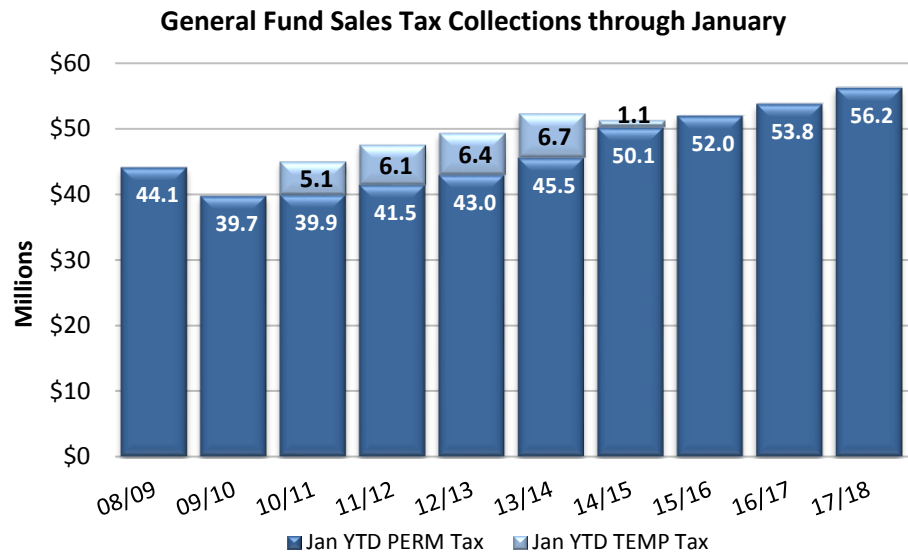


## Municipal Budget Office

Date: April 16, 2018  
 To: Mayor and Council  
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – January 2018

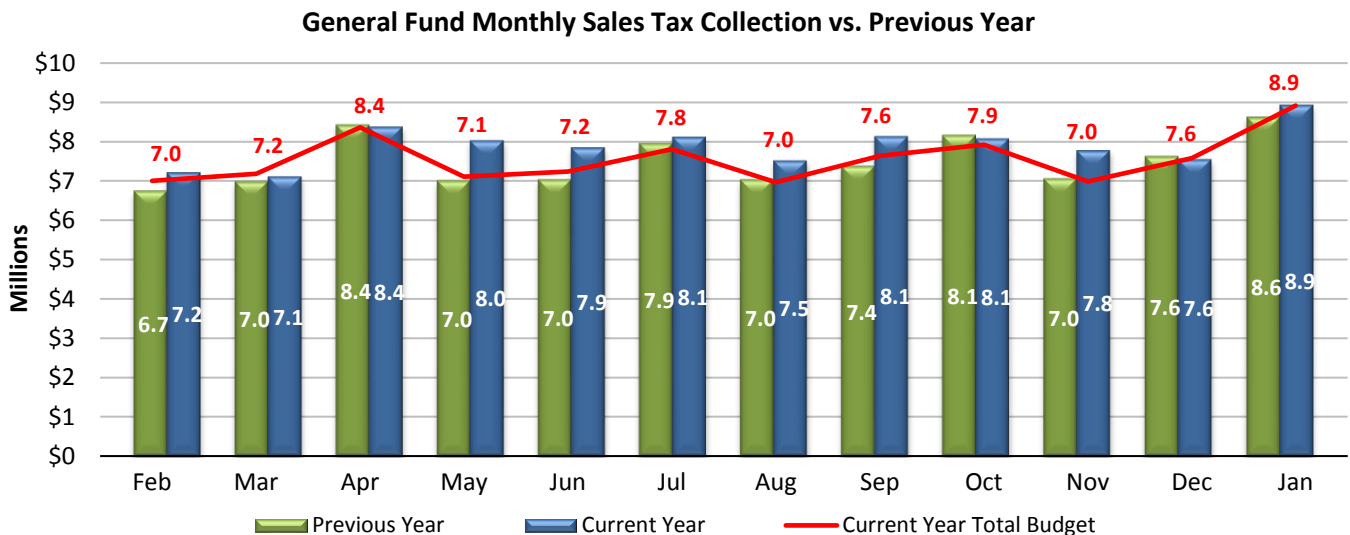
Attached is the Executive Summary of the Tax Revenue Statistical Report for January 2018 covering December sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 4.5% (\$2.4 million) because of overall strong retail (\$2.6 million), rentals (\$492 thousand), and restaurant (\$427 thousand) activity. The combined bed tax and hotel/motel tax revenue is up 4.8% 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 -January								Fiscal Year to Date through January							
	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	732,663,000	11.0%	753,182,000	2.8%	754,364,000	0.2%	785,667,000	4.1%	4,359,047,000	9.8%	4,520,118,000	3.7%	4,706,817,000	4.1%	4,975,768,000	5.7%
Retail Taxable Sales	379,382,000	3.4%	410,123,000	8.1%	421,679,000	2.8%	425,555,000	0.9%	2,186,238,000	6.6%	2,292,811,000	4.9%	2,388,232,000	4.2%	2,511,072,000	5.1%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	8,292,000	10.2%	8,676,000	4.6%	8,606,000	-0.8%	8,938,000	3.9%	50,123,000	10.1%	51,975,000	3.7%	53,766,000	3.4%	56,176,000	4.5%
Temporary Privilege Tax - General Fund	4,000	-99.6%	5,000	0.0%	1,000	0.0%	1,000	0.0%	1,085,000	-83.8%	24,000	-97.8%	23,000	-4.2%	11,000	-52.2%
Transit Tax Fund (.5%)	3,458,000	9.9%	3,618,000	4.6%	3,589,000	-0.8%	3,728,000	3.9%	20,903,000	10.0%	21,673,000	3.7%	22,424,000	3.5%	23,436,000	4.5%
Arts Tax Fund (.1%)	719,000	10.3%	750,000	4.3%	747,000	-0.4%	773,000	3.5%	4,315,000	10.0%	4,471,000	3.6%	4,632,000	3.6%	4,825,000	4.2%
Privilege Tax - Rebates Fund	463,000	-2.1%	447,000	-3.5%	494,000	10.5%	474,000	-4.0%	2,368,000	-2.7%	2,357,000	-0.5%	2,520,000	6.9%	2,422,000	-3.9%
Bed Tax Fund	360,000	16.9%	348,000	-3.3%	497,000	42.8%	450,000	-9.5%	2,617,000	14.9%	2,791,000	6.6%	3,137,000	12.4%	3,304,000	5.3%
<b>Totals</b>	<b>13,296,000</b>	<b>0.7%</b>	<b>13,844,000</b>	<b>4.1%</b>	<b>13,934,000</b>	<b>0.7%</b>	<b>14,364,000</b>	<b>3.1%</b>	<b>81,411,000</b>	<b>1.9%</b>	<b>83,291,000</b>	<b>2.3%</b>	<b>86,502,000</b>	<b>3.9%</b>	<b>90,174,000</b>	<b>4.2%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	7,078,000	-5.7%	7,688,000	8.6%	7,906,000	2.8%	8,048,000	1.8%	41,481,000	-1.4%	42,753,000	3.1%	44,898,000	5.0%	47,498,000	5.8%
Rentals	2,148,000	-7.6%	2,480,000	15.5%	2,420,000	-2.4%	2,488,000	2.8%	13,555,000	-4.9%	14,306,000	5.5%	14,939,000	4.4%	15,431,000	3.3%
Utilities/Communication	735,000	-9.7%	730,000	-0.7%	687,000	-5.9%	722,000	5.1%	6,978,000	-0.9%	6,423,000	-8.0%	6,468,000	0.7%	6,505,000	0.6%
Restaurants	884,000	-10.2%	1,007,000	13.9%	985,000	-2.2%	1,128,000	14.5%	6,163,000	-3.6%	6,511,000	5.6%	6,710,000	3.1%	7,137,000	6.4%
Contracting	1,697,000	117.3%	1,184,000	-30.2%	935,000	-21.0%	1,046,000	11.9%	7,643,000	62.4%	7,290,000	-4.6%	6,825,000	-6.4%	7,079,000	3.7%
Hotel/Motel	167,000	-6.7%	184,000	10.2%	226,000	22.8%	234,000	3.5%	1,242,000	0.6%	1,410,000	13.5%	1,555,000	10.3%	1,614,000	3.8%
Transient (Bed Tax)	360,000	16.9%	348,000	-3.3%	496,000	42.5%	449,000	-9.5%	2,617,000	14.9%	2,792,000	6.7%	3,137,000	12.4%	3,303,000	5.3%
Amusements	133,000	-21.3%	139,000	4.5%	186,000	33.8%	164,000	-11.8%	909,000	-10.2%	991,000	9.0%	1,042,000	5.1%	986,000	-5.4%
All Other	94,000	-30.9%	84,000	-10.6%	93,000	10.7%	85,000	-8.6%	823,000	-9.5%	815,000	-1.0%	928,000	13.9%	621,000	-33.1%
<b>Totals</b>	<b>13,296,000</b>	<b>0.7%</b>	<b>13,844,000</b>	<b>4.1%</b>	<b>13,934,000</b>	<b>0.7%</b>	<b>14,364,000</b>	<b>3.1%</b>	<b>81,411,000</b>	<b>1.9%</b>	<b>83,291,000</b>	<b>2.3%</b>	<b>86,502,000</b>	<b>3.9%</b>	<b>90,174,000</b>	<b>4.2%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	1,095,000	1.0%	1,085,000	-0.9%	1,083,000	-0.2%	1,156,000	6.7%	7,046,000	4.0%	7,070,000	0.3%	7,067,000	0.0%	7,425,000	5.1%
Furniture/Equipment/Electronics	1,510,000	-18.0%	1,651,000	9.3%	1,725,000	4.5%	1,535,000	-11.0%	9,336,000	-7.7%	8,902,000	-4.6%	9,402,000	5.6%	9,336,000	-0.7%
Department Stores	1,371,000	-5.3%	1,413,000	3.1%	1,436,000	1.6%	1,427,000	-0.6%	7,039,000	-4.7%	7,137,000	1.4%	7,358,000	3.1%	7,320,000	-0.5%
Grocery Stores	971,000	6.1%	966,000	-0.5%	1,017,000	5.3%	1,040,000	2.3%	4,959,000	6.5%	4,993,000	0.7%	5,177,000	3.7%	5,289,000	2.2%
Drugs/Small Stores	737,000	-13.0%	804,000	9.1%	763,000	-5.1%	765,000	0.3%	4,119,000	-5.4%	3,947,000	-4.2%	4,288,000	8.6%	4,140,000	-3.5%
Manufacturing Firms	272,000	-22.7%	330,000	21.3%	261,000	-20.9%	332,000	27.2%	1,763,000	-11.3%	2,112,000	19.8%	2,038,000	-3.5%	2,072,000	1.7%
Building Supply Stores	163,000	-7.9%	159,000	-2.5%	196,000	23.3%	202,000	3.1%	1,255,000	-6.6%	1,414,000	12.7%	1,477,000	4.5%	1,600,000	8.3%
All Other Retail	959,000	14.0%	1,280,000	33.5%	1,425,000	11.3%	1,591,000	11.6%	5,964,000	9.5%	7,178,000	20.4%	8,091,000	12.7%	10,316,000	27.5%
<b>Totals</b>	<b>7,078,000</b>	<b>-5.7%</b>	<b>7,688,000</b>	<b>8.6%</b>	<b>7,906,000</b>	<b>2.8%</b>	<b>8,048,000</b>	<b>1.8%</b>	<b>41,481,000</b>	<b>-1.4%</b>	<b>42,753,000</b>	<b>3.1%</b>	<b>44,898,000</b>	<b>5.0%</b>	<b>47,498,000</b>	<b>5.8%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,756,000	-8.0%	1,883,000	7.2%	1,869,000	-0.7%	1,864,000	-0.3%	11,352,000	-1.5%	11,070,000	-2.5%	11,215,000	1.3%	11,780,000	5.0%
Autoplex (included in Elliot Corridor)	736,000	-4.3%	748,000	1.6%	703,000	-6.0%	776,000	10.4%	4,849,000	3.3%	4,811,000	-0.8%	4,513,000	-6.2%	5,007,000	10.9%
Market Place	683,000	-2.4%	658,000	-3.7%	733,000	11.4%	703,000	-4.1%	3,469,000	-2.3%	3,426,000	-1.2%	3,690,000	7.7%	3,542,000	-4.0%
Mills Mall	707,000	-10.5%	697,000	-1.4%	736,000	5.6%	693,000	-5.8%	3,479,000	-9.0%	3,561,000	2.4%	3,768,000	5.8%	3,335,000	-11.5%
Downtown Tempe	373,000	4.2%	389,000	4.3%	368,000	-5.4%	390,000	6.0%	2,571,000	8.3%	2,499,000	-2.8%	2,439,000	-2.4%	2,455,000	0.7%
Apache Blvd.	208,000	5.6%	192,000	-7.7%	225,000	17.2%	224,000	-0.4%	1,510,000	3.9%	1,417,000	-6.2%	1,474,000	4.0%	1,324,000	-10.2%
ASU Properties	140,000	-33.6%	140,000	0.0%	145,000	3.6%	179,000	23.4%	1,293,000	-6.7%	1,258,000	-2.7%	1,370,000	8.9%	1,475,000	7.7%
Rio Salado	277,000	-2.1%	365,000	31.8%	354,000	-3.0%	444,000	25.4%	1,861,000	3.6%	2,281,000	22.6%	2,486,000	9.0%	2,768,000	11.3%
All Other Areas	9,152,000	4.6%	9,520,000	4.0%	9,504,000	-0.2%	9,867,000	3.8%	55,876,000	3.5%	57,779,000	3.4%	60,060,000	3.9%	63,495,000	5.7%

**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	8,130,000	317,000	4.1%
<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	7,556,000	(24,190)	-0.3%
<b>Jan</b>	9.6%	8,918,000	8,938,000	20,129	0.2%
<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	56,176,000	2,352,359	

**Cumulative Amounts**

	2017-18 Budget		2017-18 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.4%	7,813,000	8,130,000	317,000	4.1%
<b>Jul-Aug</b>	15.9%	14,780,000	15,659,000	879,000	5.9%
<b>Jul-Sep</b>	24.1%	22,416,000	23,803,000	1,387,000	6.2%
<b>Jul-Oct</b>	32.6%	30,340,000	31,893,000	1,553,000	5.1%
<b>Jul-Nov</b>	40.1%	37,326,000	39,682,000	2,356,000	6.3%
<b>Jul-Dec</b>	48.3%	44,906,000	47,238,000	2,332,000	5.2%
<b>Jul-Jan</b>	57.9%	53,824,000	56,176,000	2,352,000	4.4%
<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>	96,535,000	92,812,000	3,723,000	4.0%
<b>Percentage Received</b>	97,022,000	92,812,000	4,210,000	4.5%