Memorandum

Municipal Budget Office

Date:	May 15, 2018
То:	Mayor and Council
From:	Cecilia V. Robles, Municipal Budget Director (350-8881)
Subject:	Tax Revenue Statistical Report – February 2018

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

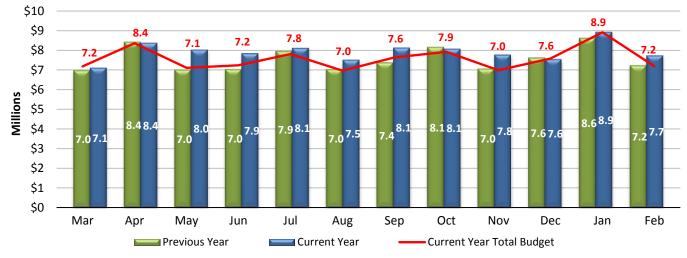
The graph to the right depicts year-todate General Fund historical privilege tax revenue from FY 2008-09 through FY 2017-18. Total taxable sales increased by 5.5% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.8% (\$2.9 million) because of overall strong retail (\$2.9 million), rentals (\$1.1 million), and combined bed tax and hotel/motel (\$485 thousand) activity. The combined bed tax and hotel/motel tax revenue is up 8.7% as its trend has recovered from extra payments made during prior year.

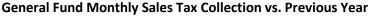
\$60 63.9 1.161.0 7.6 58.7 7.2 56.4 \$50 7.0 5.9 51.5 49.4 48.8 47.1 45.6 \$40 44.7 Millions \$30 \$20 \$10 \$0 08|09 09/20 10/22 12/23 13/24 14/25 15/26 16/27 17/28 ■ Feb YTD PERM Tax ■ Feb YTD TEMP Tax

General Fund Sales Tax Collections through February

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 \$2.9 million above budgeted projections year to date.







Executive Summary

	-	Current Month -February							Fiscal Year to Date through February									
	2013-14	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change	2013-14	2014-15	Change	2015-16	Change	2016-17	Change	2017-18	Change
Taxable Sales	•						<u> </u>		<u> </u>			<u> </u>		<u> </u>		<u> </u>		
Total Taxable Sales	523,197,000	553,061,000	5.7%	593,812,000	7.4%	653,383,000	10.0%	681,121,000	4.2%	4,491,962,000	4,912,108,000	9.4%	5,113,930,000	4.1%	5,360,200,000	4.8%	5,656,889,000	5.5%
Retail Taxable Sales	271,988,000	278,152,000	2.3%	297,606,000	7.0%	335,954,000	12.9%	356,240,000	6.0%	2,322,063,000	2,464,390,000	6.1%	2,590,417,000	5.1%	2,724,186,000	5.2%	2,867,312,000	5.3%
Tax Revenues by Funds																		
Privilege Tax - General Fund (1.2%)	5,968,000	6,296,000	5.5%	6,741,000	7.1%	7,223,000	7.2%	7,739,000	7.1%	51,511,000	56,419,000	9.5%	58,716,000	4.1%	60,989,000	3.9%	63,915,000	4.8%
Temporary Privilege Tax - General Fund	890,000	8,000	-99.1%	10,000	0.0%	1,000	0.0%	1,000	0.0%	7,595,000	1,093,000	-85.6%	34,000	-96.9%	24,000	-29.4%	12,000	-50.0%
Transit Tax Fund (.5%)	2,490,000	2,627,000	5.5%	2,824,000	7.5%	3,013,000	6.7%	3,230,000	7.2%	21,494,000	23,530,000	9.5%	24,497,000	4.1%	25,437,000	3.8%	26,666,000	4.8%
Arts Tax Fund (.1%)	514,000	544,000	5.8%	581,000	6.8%	620,000	6.7%	672,000	8.4%	4,439,000	4,859,000	9.5%	5,052,000	4.0%	5,252,000	4.0%	5,497,000	4.7%
Privilege Tax - Rebates Fund	298,000	315,000	5.7%	299,000	-5.1%	298,000	-0.3%	450,000	51.0%	2,733,000	2,683,000	-1.8%	2,656,000	-1.0%	2,818,000	6.1%	2,872,000	1.9%
Bed Tax Fund	531,000	699,000	31.6%	687,000	-1.7%	636,000	-7.4%	800,000	25.8%	2,809,000	3,316,000	18.0%	3,478,000	4.9%	3,773,000	8.5%	4,104,000	8.8%
Totals	10,691,000	10,489,000	-1.9%	11,142,000	6.2%	11,791,000	5.8%	12,892,000	9.3%	90,581,000	91,900,000	1.5%	94,433,000	2.8%	98,293,000	4.1%	103,066,000	4.9%
Tax Revenues - Business Activities																		
Retail	5,587,000	5,387,000	-3.6%	5,734,000	6.4%	6,386,000	11.4%	6,661,000	4.3%	47,644,000	46,868,000	-1.6%	48,487,000	3.5%	51,284,000	5.8%	54,159,000	5.6%
Rentals	1,852,000	1,550,000	-16.3%	1,818,000	17.3%	1,561,000	-14.1%	2,119,000	35.7%	16,107,000	15,105,000	-6.2%	16,124,000	6.7%	16,500,000	2.3%	17,550,000	6.4%
Utilities/Communication	788,000	672,000	-14.7%	661,000	-1.6%	703,000	6.4%	687,000	-2.3%	7,829,000	7,650,000	-2.3%	7,084,000	-7.4%	7,171,000	1.2%	7,192,000	0.3%
Restaurants	947,000	914,000	-3.5%	962,000	5.3%	1,032,000	7.3%	1,002,000	-2.9%	7,343,000	7,077,000	-3.6%	7,473,000	5.6%	7,742,000	3.6%	8,139,000	5.1%
Contracting	494,000	775,000	56.9%	765,000	-1.3%	991,000	29.5%	1,049,000	5.9%	5,199,000	8,418,000	61.9%	8,055,000	-4.3%	7,816,000	-3.0%	8,128,000	4.0%
Hotel/Motel	265,000	308,000	16.2%	301,000	-2.3%	277,000	-8.0%	373,000	34.7%	1,500,000	1,550,000	3.3%	1,711,000	10.4%	1,832,000	7.1%	1,987,000	8.5%
Transient (Bed Tax)	531,000	699,000	31.6%	687,000	-1.7%	636,000	-7.4%	800,000	25.8%	2,809,000	3,316,000	18.0%	3,479,000	4.9%	3,773,000	8.5%	4,103,000	8.7%
Amusements	121,000	109,000	-9.9%	130,000	19.3%	131,000	0.8%	115,000	-12.2%	1,133,000	1,018,000	-10.2%	1,121,000	10.1%	1,173,000	4.6%	1,101,000	-6.1%
All Other	106,000	75,000	-29.2%	84,000	12.0%	74,000	-11.9%	86,000	16.2%	1,017,000	898,000	-11.5%	899,000	0.1%	1,002,000	11.5%	707,000	
Totals =	10,691,000	10,489,000	-1.9%	11,142,000	6.2%	11,791,000	5.8%	12,892,000	9.3%	90,581,000	91,900,000	1.5%	94,433,000	2.8%	98,293,000	4.1%	103,066,000	4.9%
Tax Revenues - Retail Activities Breakdown																		
Automotive	952,000	928,000	-2.5%	930,000	0.2%	1,123,000	20.8%	983,000	-12.5%	7,729,000	7,974,000	3.2%	8,000,000	0.3%	8,190,000	2.4%	8,408,000	2.7%
Furniture/Equipment/Electronics	1,190,000	1,130,000	-5.0%	1,248,000	10.4%	1,338,000	7.2%	1,149,000	-14.1%	11,300,000	10,466,000	-7.4%	10,150,000	-3.0%	10,740,000	5.8%	10,485,000	
Department Stores	867,000	851,000	-1.8%	819,000	-3.8%	820,000	0.1%	909,000	10.9%	8,250,000	7,890,000	-4.4%	7,956,000	0.8%	8,178,000	2.8%	8,229,000	0.6%
Grocery Stores	633,000	653,000	3.2%	733,000	12.3%	646,000	-11.9%	803,000	24.3%	5,289,000	5,612,000	6.1%	5,726,000	2.0%	5,823,000	1.7%	6,092,000	4.6%
Drugs/Small Stores	652,000	554,000	-15.0%	505,000	-8.8%	718,000	42.2%	896,000	24.8%	5,004,000	4,673,000	-6.6%	4,452,000	-4.7%	5,006,000	12.4%	5,036,000	0.6%
Manufacturing Firms	319,000	253,000 163,000	-20.7%	206,000 255,000	-18.6%	214,000 209,000	3.9%	338,000	57.9%	2,307,000	2,016,000	-12.6% -8.4%	2,318,000	15.0%	2,252,000	-2.8%	2,410,000	7.0% 7.4%
Building Supply Stores All Other Retail	205,000 769,000	859,000	-20.5% 11.7%	1,040,000	56.4% 21.1%	1,318,000	-18.0% 26.7%	211,000 1,371,000	1.0% 4.0%	1,548,000 6,217,000	1,418,000 6,823,000	-8.4% 9.7%	1,669,000 8,218,000	17.7% 20.4%	1,686,000 9,409,000	1.0% 14.5%	1,811,000 11,687,000	7.4% 24.2%
Totals	5,587,000	5,391,000	-3.5%	5,736,000	6.4%	6,386,000	11.3%	6,660,000	4.0%	47,644,000	46,872,000	-1.6%	48,489,000	3.4%	51,284,000	5.8%	54,158,000	
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Tax Revenues - Business Districts																		
Elliot Corridor	1,430,000	1,388,000	-2.9%	1,445,000	4.1%	1,512,000	4.6%	1,481,000	-2.1%	12,959,000	12,740,000	-1.7%	12,515,000	-1.8%	12,727,000	1.7%	13,261,000	4.2%
Autoplex (included in Elliot Corridor)	651,000	658,000	1.1%	635,000	-3.5%	692,000	9.0%	654,000	-5.5%	5,343,000	5,507,000	3.1%	5,446,000	-1.1%	5,205,000	-4.4%	5,661,000	8.8%
Market Place	438,000	468,000	6.8%	397,000	-15.2%	441,000	11.1%	494,000	12.0%	3,987,000	3,937,000	-1.3%	3,823,000	-2.9%	4,131,000	8.1%	4,036,000	-2.3%
Mills Mall	460,000	342,000	-25.7%	436,000	27.5%	435,000	-0.2%	431,000	-0.9%	4,281,000	3,821,000	-10.7%	3,997,000	4.6%	4,203,000	5.2%	3,766,000	-10.4%
Downtown Tempe	451,000	446,000	-1.1%	421,000	-5.6%	421,000	0.0%	454,000	7.8%	2,824,000	3,017,000	6.8%	2,920,000	-3.2%	2,860,000	-2.1%	2,909,000	1.7%
Apache Blvd.	211,000	197,000	-6.6%	208,000	5.6%	155,000	-25.5%	224,000	44.5%	1,665,000	1,707,000	2.5%	1,625,000	-4.8%	1,629,000	0.2%	1,548,000	-5.0%
ASU Properties	258,000	137,000	-46.9%	114,000	-16.8%	237,000	107.9%	234,000	-1.3%	1,644,000	1,430,000	-13.0%	1,372,000	-4.1%	1,607,000	17.1%	1,709,000	6.3%
Rio Salado	316,000	325,000	2.8%	429,000	32.0%	403,000	-6.1%	510,000	26.6%	2,112,000	2,186,000	3.5%	2,710,000	24.0%	2,889,000	6.6%	3,278,000	13.5%
All Other Areas	7,127,000	7,186,000	0.8%	7,692,000	7.0%	8,187,000	6.4%	9,064,000	10.7%	61,109,000	63,062,000	3.2%	65,471,000	3.8%	68,247,000	4.2%	72,559,000	6.3%

Privilege Tax Revenue - General Fund (1.2%) 2017-18 Actual Compared to Budget

	2017-18	Budget	2017-18	Over(Under)			
	Percent	Amount	Actual	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	8,938,000	20,129	0.2%		
Feb	7.7%	7,190,000	7,744,000	\$553,966	7.7%		
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	63,920,000	2,906,325			

Monthly Amounts

Cumulative Amounts

	2017-18	Budget	2017-18	Over(Under)			
	Percent	Amount	Actual	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	56,176,000	2,352,000	4.4%		
Jul-Feb	65.6%	61,014,000	63,920,000	\$2,906,000	4.8%		
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

	<u>Privile</u>	<u>ge Tax</u>	Overage/Shortage				
Method	Projected	Budgeted	Amount	Percent			
Percent of Increase	96,535,000	92,812,000	3,723,000	4.0%			
Percentage Received	97,022,000	92,812,000	4,210,000	4.5%			