

Memorandum



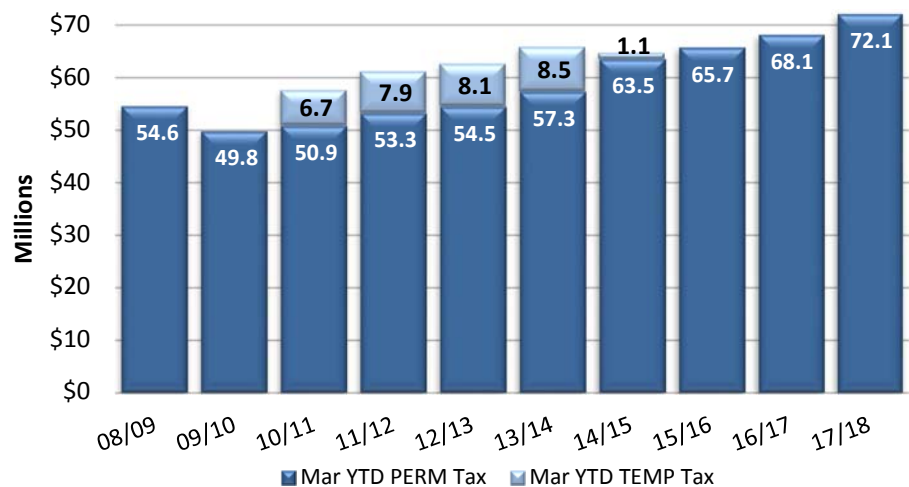
Municipal Budget Office

Date: June 13, 2018
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – March 2018

Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2018 covering February 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 5.8% (\$4.0 million) because of overall strong retail (\$3.6 million), rentals (\$1.7 million), and combined bed tax and hotel/motel (\$828 thousand) activity. The combined bed tax and hotel/motel tax revenue is up 12.0% as its trend has recovered from extra payments made during the prior year.

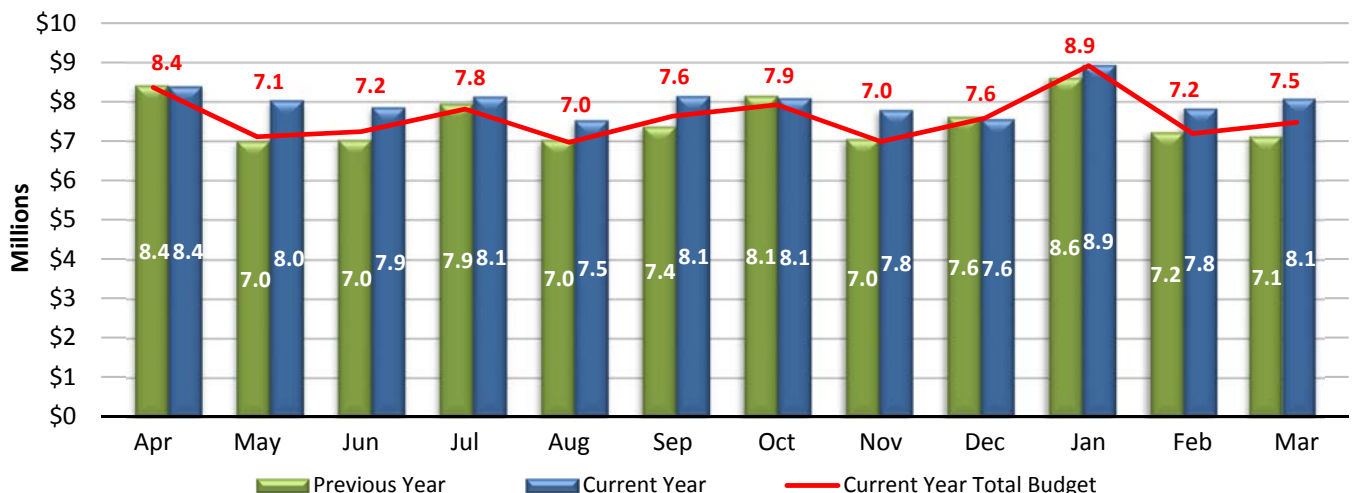
General Fund Sales Tax Collections through March



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 (excluding restricted bed taxes) are \$3.6 million above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Current Month - March

Fiscal Year to Date - March

	2014-15		2015-16		2016-17		2017-18		2014-15		2015-16		2016-17		2017-18	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Taxable Sales																
Total Taxable Sales	621,347,000	20.7%	610,534,000	-1.7%	667,197,000	9.3%	713,325,000	6.9%	5,533,454,000	10.5%	5,724,463,000	3.5%	6,027,399,000	5.3%	6,370,213,000	5.7%
Retail Taxable Sales	306,299,000	14.3%	310,826,000	1.5%	332,980,000	7.1%	350,689,000	5.3%	2,770,689,000	7.0%	2,901,243,000	4.7%	3,057,167,000	5.4%	3,218,000,000	5.3%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,077,000	21.3%	6,983,000	-1.3%	7,119,000	1.9%	8,078,000	13.5%	63,498,000	10.7%	65,700,000	3.5%	68,109,000	3.7%	72,081,000	5.8%
Temporary Privilege Tax - General Fund	9,000	-99.0%	1,000	-88.9%	1,000	0.0%	-	-100.0%	1,102,000	-87.0%	35,000	-96.8%	24,000	-31.4%	12,000	-50.0%
Transit Tax Fund (0.5%)	2,951,000	21.3%	2,912,000	-1.3%	2,970,000	2.0%	3,369,000	13.4%	26,481,000	10.7%	27,410,000	3.5%	28,406,000	3.6%	30,069,000	5.9%
Arts Tax Fund (0.1%)	608,000	20.9%	599,000	-1.5%	612,000	2.2%	612,000	0.0%	5,467,000	10.6%	5,651,000	3.4%	5,865,000	3.8%	6,189,000	5.5%
Privilege Tax - Rebates Fund	316,000	-1.3%	294,000	-7.0%	319,000	8.5%	316,000	-0.9%	2,998,000	-1.8%	2,949,000	-1.6%	3,134,000	6.3%	3,061,000	-2.3%
Bed Tax Fund	852,000	36.5%	725,000	-14.9%	886,000	22.2%	1,133,000	27.9%	4,168,000	21.4%	4,204,000	0.9%	4,659,000	10.8%	5,237,000	12.4%
Totals	11,813,000	11.7%	11,514,000	-2.5%	11,907,000	3.4%	13,588,000	14.1%	103,714,000	2.5%	105,949,000	2.2%	110,197,000	4.0%	116,649,000	5.9%
Tax Revenues - Business Activities																
Retail	5,691,000	4.0%	5,817,000	2.2%	5,941,000	2.1%	6,617,000	11.4%	52,559,000	-1.0%	54,304,000	3.3%	57,224,000	5.4%	60,776,000	6.2%
Rentals	1,891,000	8.7%	1,893,000	0.1%	2,028,000	7.1%	2,639,000	30.1%	16,996,000	-4.8%	18,017,000	6.0%	18,528,000	2.8%	20,190,000	9.0%
Utilities/Communication	634,000	-13.0%	602,000	-5.0%	637,000	5.8%	667,000	4.7%	8,284,000	-3.2%	7,685,000	-7.2%	7,807,000	1.6%	7,859,000	0.7%
Restaurants	1,072,000	11.3%	1,051,000	-2.0%	1,056,000	0.5%	1,130,000	7.0%	8,149,000	-1.9%	8,525,000	4.6%	8,799,000	3.2%	9,269,000	5.3%
Contracting	1,091,000	102.8%	897,000	-17.8%	743,000	-17.2%	683,000	-8.1%	9,509,000	65.7%	8,952,000	-5.9%	8,560,000	-4.4%	8,812,000	2.9%
Hotel/Motel	368,000	17.9%	321,000	-12.8%	413,000	28.7%	508,000	23.0%	1,918,000	5.9%	2,032,000	5.9%	2,245,000	10.5%	2,495,000	11.1%
Transient (Bed Tax)	852,000	36.5%	725,000	-14.9%	886,000	22.2%	1,133,000	27.9%	4,168,000	21.4%	4,204,000	0.9%	4,659,000	10.8%	5,237,000	12.4%
Amusements	115,000	4.5%	103,000	-10.4%	118,000	14.6%	109,000	-7.6%	1,132,000	-8.9%	1,224,000	8.1%	1,291,000	5.5%	1,211,000	-6.2%
All Other	99,000	13.8%	105,000	6.1%	85,000	-19.0%	102,000	20.0%	999,000	-9.9%	1,006,000	0.7%	1,084,000	7.8%	800,000	-26.2%
Totals	11,813,000	11.7%	11,514,000	-2.5%	11,907,000	3.4%	13,588,000	14.1%	103,714,000	2.5%	105,949,000	2.2%	110,197,000	4.0%	116,649,000	5.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	977,000	1.6%	936,000	-4.2%	1,003,000	7.2%	1,001,000	-0.2%	8,951,000	3.0%	8,936,000	-0.2%	9,193,000	2.9%	9,409,000	2.3%
Furniture/Equipment/Electronics	1,212,000	11.4%	1,207,000	-0.4%	895,000	-25.8%	1,109,000	23.9%	11,678,000	-5.7%	11,358,000	-2.7%	11,635,000	2.4%	11,594,000	-0.4%
Department Stores	958,000	-4.9%	973,000	1.6%	883,000	-9.2%	911,000	3.2%	8,848,000	-4.4%	8,929,000	0.9%	9,061,000	1.5%	9,139,000	0.9%
Grocery Stores	683,000	4.6%	639,000	-6.4%	743,000	16.3%	725,000	-2.4%	6,294,000	5.9%	6,364,000	1.1%	6,565,000	3.2%	6,817,000	3.8%
Drug/Small Stores	566,000	3.1%	658,000	16.3%	615,000	-6.5%	739,000	20.2%	5,239,000	-5.7%	5,110,000	-2.5%	5,621,000	10.0%	5,774,000	2.7%
Manufacturing Firms	263,000	-22.2%	327,000	24.3%	354,000	8.3%	379,000	7.1%	2,278,000	-13.9%	2,645,000	16.1%	2,606,000	-1.5%	2,789,000	7.0%
Building Supply Stores	204,000	7.4%	194,000	-4.9%	208,000	7.2%	214,000	2.9%	1,621,000	-6.7%	1,863,000	14.9%	1,894,000	1.7%	2,025,000	6.9%
All Other Retail	828,000	20.9%	883,000	6.6%	1,240,000	40.4%	1,539,000	24.1%	7,650,000	10.8%	9,099,000	18.9%	10,649,000	17.0%	13,229,000	24.2%
Totals	5,691,000	4.0%	5,817,000	2.2%	5,941,000	2.1%	6,617,000	11.4%	52,559,000	-1.0%	54,304,000	3.3%	57,224,000	5.4%	60,776,000	6.2%
Tax Revenues - Business Districts																
Elliot Corridor	1,629,000	9.8%	1,425,000	-12.5%	1,413,000	-0.8%	1,568,000	11.0%	14,368,000	-0.5%	13,940,000	-3.0%	14,141,000	1.4%	14,829,000	4.9%
Autoplex (included in Elliot Corridor)	657,000	0.3%	622,000	-5.3%	673,000	8.2%	661,000	-1.8%	6,164,000	2.8%	6,068,000	-1.6%	5,878,000	-3.1%	6,322,000	7.6%
Market Place	468,000	-0.8%	444,000	-5.1%	473,000	6.5%	468,000	-1.1%	4,406,000	-1.2%	4,267,000	-3.2%	4,605,000	7.9%	4,503,000	-2.2%
Mills Mall	588,000	11.6%	453,000	-23.0%	475,000	4.9%	446,000	-6.1%	4,410,000	-8.3%	4,449,000	0.9%	4,679,000	5.2%	4,212,000	-10.0%
Downtown Tempe	532,000	23.1%	463,000	-13.0%	444,000	-4.1%	446,000	0.5%	3,549,000	9.0%	3,383,000	-4.7%	3,304,000	-2.3%	3,355,000	1.5%
Apache Blvd.	210,000	-31.8%	196,000	-6.7%	283,000	44.4%	446,000	57.6%	1,917,000	-2.8%	1,821,000	-5.0%	1,912,000	5.0%	1,994,000	4.3%
ASU Properties	239,000	64.8%	253,000	5.9%	173,000	-31.6%	199,000	15.0%	1,669,000	-6.7%	1,625,000	-2.6%	1,779,000	9.5%	1,908,000	7.3%
Rio Salado	394,000	43.3%	366,000	-7.1%	416,000	13.7%	923,000	121.9%	2,580,000	8.1%	3,076,000	19.2%	3,306,000	7.5%	4,201,000	27.1%
All Other Areas	7,753,000	11.8%	7,914,000	2.1%	8,230,000	4.0%	9,092,000	10.5%	70,815,000	4.1%	73,388,000	3.6%	76,471,000	4.2%	81,647,000	6.8%

**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	\$ 8,130,000	\$ 317,000	4.1%
Aug	7.5%	6,967,000	7,529,000	562,000	8.1%
Sep	8.2%	7,636,000	8,144,000	508,000	6.7%
Oct	8.5%	7,924,000	8,090,000	166,000	2.1%
Nov	7.5%	6,986,000	7,789,000	803,000	11.5%
Dec	8.2%	7,580,000	7,557,000	(23,000)	-0.3%
Jan	9.6%	8,918,000	8,938,000	20,000	0.2%
Feb	7.7%	7,190,000	7,826,000	636,000	8.8%
Mar	8.1%	7,478,000	8,078,000	600,000	8.0%
Apr	9.4%	8,704,000			
May	8.3%	7,720,000			
Jun	8.5%	7,896,000			
Totals	100.0%	\$ 92,812,000	\$ 72,081,000	\$ 3,589,000	

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	24.2%	22,416,000	23,803,000	1,387,000	6.2%
Jul-Oct	32.7%	30,340,000	31,893,000	1,553,000	5.1%
Jul-Nov	40.2%	37,326,000	39,682,000	2,356,000	6.3%
Jul-Dec	48.4%	44,906,000	47,239,000	2,333,000	5.2%
Jul-Jan	58.0%	53,824,000	56,177,000	2,353,000	4.4%
Jul-Feb	65.7%	61,014,000	64,003,000	2,989,000	4.9%
Jul-Mar	73.8%	68,492,000	72,081,000	3,589,000	5.2%
Jul-Apr	83.2%	77,196,000			
Jul-May	91.5%	84,916,000			
Jul-Jun	100.0%	92,812,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 97,782,000	\$ 92,812,000	\$ 4,970,000	5.4%
Percentage Received	\$ 97,675,000	\$ 92,812,000	\$ 4,863,000	5.2%