

Memorandum



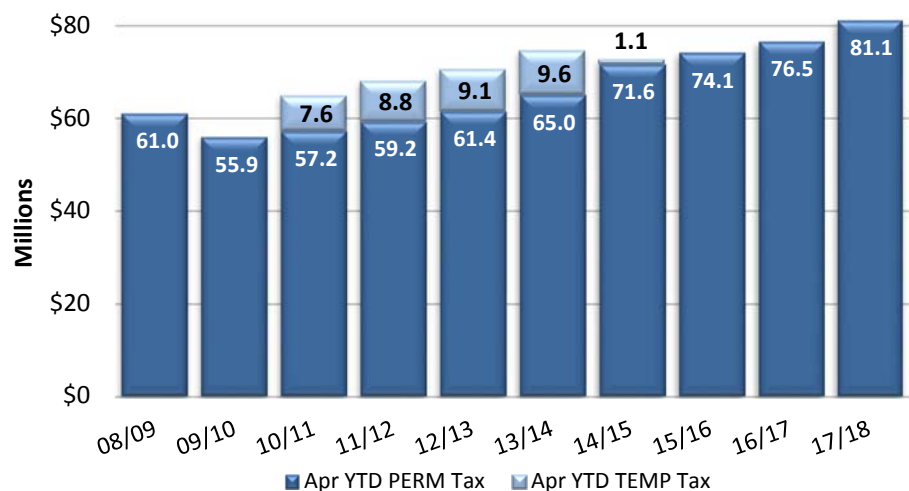
Municipal Budget Office

Date: July 11, 2018
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – April 2018

Attached is the Executive Summary of the Tax Revenue Statistical Report for April 2018 covering March 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 6.0% (\$4.6 million) because of overall strong retail (\$4.3 million), rentals (\$1.8 million), and combined bed tax and hotel/motel (\$1.1 million) activity. The combined bed tax and hotel/motel tax revenue is up 13.0% as its trend has recovered from extra payments made during the prior year.

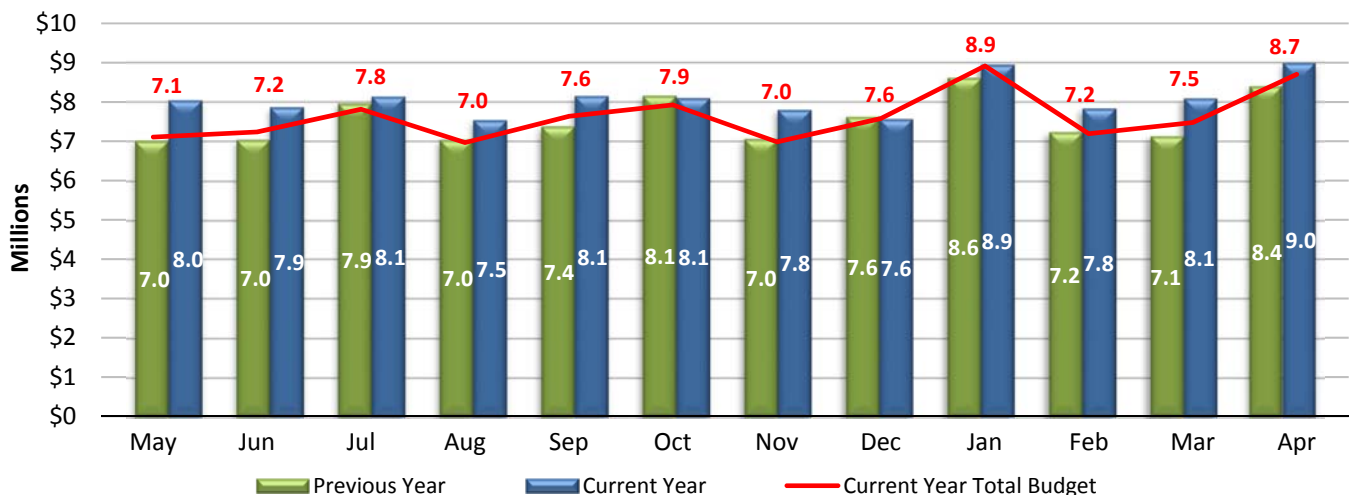
General Fund Sales Tax Collections through April



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 \$3.9 million above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Current Month - April

Fiscal Year to Date - April

	2014-15		2015-16		2016-17		2017-18		2014-15		2015-16		2016-17		2017-18	
		Change		Change		Change		Change		Change		Change		Change		Change
Taxable Sales																
Total Taxable Sales	722,383,000	6.9%	736,897,000	2.0%	733,241,000	-0.5%	795,823,000	8.5%	6,255,836,000	10.1%	6,461,360,000	3.3%	6,760,640,000	4.6%	7,166,036,000	6.0%
Retail Taxable Sales	346,329,000	5.7%	358,956,000	3.6%	357,139,000	-0.5%	399,058,000	11.7%	3,117,018,000	6.8%	3,260,199,000	4.6%	3,414,306,000	4.7%	3,617,058,000	5.9%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,106,000	5.6%	8,411,000	3.8%	8,390,000	-0.2%	8,986,000	7.1%	71,604,000	10.1%	74,111,000	3.5%	76,499,000	3.2%	81,073,000	6.0%
Temporary Privilege Tax - General Fund	6,000	-99.5%	1,000	-83.3%	-	-100.0%	(3,000)	0.0%	1,107,000	-88.4%	36,000	-96.7%	25,000	-30.6%	9,000	-64.0%
Transit Tax Fund (0.5%)	3,380,000	5.6%	3,507,000	3.8%	3,501,000	-0.2%	3,747,000	7.0%	29,861,000	10.1%	30,917,000	3.5%	31,907,000	3.2%	33,816,000	6.0%
Arts Tax Fund (0.1%)	698,000	5.8%	723,000	3.6%	700,000	-3.2%	770,000	10.0%	6,166,000	10.1%	6,374,000	3.4%	6,565,000	3.0%	6,959,000	6.0%
Privilege Tax - Rebates Fund	385,000	0.3%	377,000	-2.1%	363,000	-3.7%	352,000	-3.0%	3,382,000	-1.6%	3,327,000	-1.6%	3,497,000	5.1%	3,407,000	-2.6%
Bed Tax Fund	1,053,000	16.9%	1,011,000	-4.0%	1,136,000	12.4%	1,310,000	15.3%	5,221,000	20.5%	5,215,000	-0.1%	5,795,000	11.1%	6,547,000	13.0%
Totals	13,628,000	-2.2%	14,030,000	2.9%	14,090,000	0.4%	15,162,000	7.6%	117,341,000	2.0%	119,980,000	2.2%	124,288,000	3.6%	131,811,000	6.1%
Tax Revenues - Business Activities																
Retail	6,469,000	-4.9%	6,884,000	6.4%	6,704,000	-2.6%	7,422,000	10.7%	59,028,000	-1.5%	61,188,000	3.7%	63,928,000	4.5%	68,198,000	6.7%
Rentals	2,370,000	-0.3%	2,385,000	0.6%	2,401,000	0.7%	2,533,000	5.5%	19,366,000	-4.2%	20,402,000	5.3%	20,929,000	2.6%	22,723,000	8.6%
Utilities/Communication	714,000	-14.3%	697,000	-2.4%	634,000	-9.0%	654,000	3.2%	8,998,000	-4.2%	8,382,000	-6.8%	8,441,000	0.7%	8,513,000	0.9%
Restaurants	1,149,000	-4.3%	1,220,000	6.2%	1,240,000	1.6%	1,304,000	5.2%	9,298,000	-2.2%	9,744,000	4.8%	10,039,000	3.0%	10,573,000	5.3%
Contracting	1,221,000	10.1%	1,144,000	-6.3%	1,250,000	9.3%	1,188,000	-5.0%	10,730,000	56.7%	10,096,000	-5.9%	9,810,000	-2.8%	10,000,000	1.9%
Hotel/Motel	434,000	3.3%	423,000	-2.5%	464,000	9.7%	566,000	22.0%	2,352,000	5.4%	2,455,000	4.4%	2,710,000	10.4%	3,061,000	13.0%
Transient (Bed Tax)	1,053,000	16.9%	1,011,000	-4.0%	1,136,000	12.4%	1,310,000	15.3%	5,221,000	20.5%	5,215,000	-0.1%	5,795,000	11.1%	6,547,000	13.0%
Amusements	110,000	-20.3%	125,000	13.6%	148,000	18.4%	118,000	-20.3%	1,243,000	-9.9%	1,350,000	8.6%	1,439,000	6.6%	1,329,000	-7.6%
All Other	108,000	-27.5%	141,000	30.6%	113,000	-19.9%	67,000	-40.7%	1,105,000	-12.2%	1,148,000	3.9%	1,197,000	4.3%	867,000	-27.6%
Totals	13,628,000	-2.2%	14,030,000	2.9%	14,090,000	0.4%	15,162,000	7.6%	117,341,000	2.0%	119,980,000	2.2%	124,288,000	3.6%	131,811,000	6.1%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,112,000	-0.2%	1,047,000	-5.8%	936,000	-10.6%	1,208,000	29.1%	10,063,000	2.6%	9,982,000	-0.8%	10,129,000	1.5%	10,617,000	4.8%
Furniture/Equipment/Electronics	1,274,000	-17.5%	1,386,000	8.8%	1,209,000	-12.8%	1,329,000	9.9%	12,952,000	-7.0%	12,743,000	-1.6%	12,844,000	0.8%	12,923,000	0.6%
Department Stores	1,094,000	-5.1%	1,088,000	-0.5%	1,197,000	10.0%	1,136,000	-5.1%	9,942,000	-4.5%	10,017,000	0.8%	10,258,000	2.4%	10,276,000	0.2%
Grocery Stores	715,000	3.6%	838,000	17.2%	661,000	-21.1%	788,000	19.2%	7,010,000	5.7%	7,203,000	2.8%	7,227,000	0.3%	7,604,000	5.2%
Drug/Small Stores	649,000	-2.1%	670,000	3.2%	620,000	-7.5%	895,000	44.4%	5,887,000	-5.3%	5,780,000	-1.8%	6,240,000	8.0%	6,670,000	6.9%
Manufacturing Firms	389,000	-7.4%	383,000	-1.5%	349,000	-8.9%	327,000	-6.3%	2,667,000	-13.0%	3,028,000	13.5%	2,955,000	-2.4%	3,116,000	5.4%
Building Supply Stores	218,000	-0.5%	231,000	6.0%	268,000	16.0%	246,000	-8.2%	1,839,000	-6.0%	2,094,000	13.9%	2,162,000	3.2%	2,271,000	5.0%
All Other Retail	1,018,000	2.2%	1,241,000	21.9%	1,464,000	18.0%	1,493,000	2.0%	8,668,000	9.7%	10,341,000	19.3%	12,113,000	17.1%	14,721,000	21.5%
Totals	6,469,000	-4.9%	6,884,000	6.4%	6,704,000	-2.6%	7,422,000	10.7%	59,028,000	-1.5%	61,188,000	3.7%	63,928,000	4.5%	68,198,000	6.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,646,000	-8.5%	1,588,000	-3.5%	1,414,000	-11.0%	1,829,000	29.3%	16,015,000	-1.4%	15,528,000	-3.0%	15,555,000	0.2%	16,658,000	7.1%
Autoplex (included in Elliot Corridor)	752,000	3.4%	649,000	-13.7%	546,000	-15.9%	805,000	47.4%	6,916,000	2.8%	6,717,000	-2.9%	6,424,000	-4.4%	7,127,000	10.9%
Market Place	573,000	0.5%	583,000	1.7%	540,000	-7.4%	522,000	-3.3%	4,978,000	-1.0%	4,850,000	-2.6%	5,145,000	6.1%	5,025,000	-2.3%
Mills Mall	616,000	-3.3%	584,000	-5.2%	716,000	22.6%	570,000	-20.4%	5,025,000	-7.7%	5,033,000	0.2%	5,395,000	7.2%	4,782,000	-11.4%
Downtown Tempe	565,000	0.7%	530,000	-6.2%	583,000	10.0%	545,000	-6.5%	4,114,000	7.8%	3,913,000	-4.9%	3,887,000	-0.7%	3,900,000	0.3%
Apache Blvd.	305,000	0.7%	328,000	7.5%	259,000	-21.0%	429,000	65.6%	2,222,000	-2.4%	2,149,000	-3.3%	2,171,000	1.0%	2,423,000	11.6%
ASU Properties	210,000	-16.7%	210,000	0.0%	285,000	35.7%	224,000	-21.4%	1,878,000	-7.9%	1,836,000	-2.2%	2,064,000	12.4%	2,132,000	3.3%
Rio Salado	390,000	-6.0%	381,000	-2.3%	515,000	35.2%	656,000	27.4%	2,970,000	6.0%	3,457,000	16.4%	3,821,000	10.5%	4,857,000	27.1%
All Other Areas	9,323,000	-0.7%	9,826,000	5.4%	9,778,000	-0.5%	10,387,000	6.2%	80,139,000	3.5%	83,214,000	3.8%	86,250,000	3.6%	92,034,000	6.7%

**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
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	7,556,000	(24,000)	-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	8,085,000	607,000	8.1%
Apr	9.4%	8,704,000	8,986,000	282,000	3.2%
May	8.3%	7,720,000			
Jun	8.5%	7,896,000			
Totals	100.0%	\$ 92,812,000	\$ 81,073,000	\$ 3,877,000	

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	47,238,000	2,332,000	5.2%
Jul-Jan	58.0%	53,824,000	56,176,000	2,352,000	4.4%
Jul-Feb	65.7%	61,014,000	64,002,000	2,988,000	4.9%
Jul-Mar	73.8%	68,492,000	72,087,000	3,595,000	5.2%
Jul-Apr	83.2%	77,196,000	81,073,000	3,877,000	5.0%
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	\$ 97,918,000	\$ 92,812,000	\$ 5,106,000	5.5%
Percentage Received	\$ 97,473,000	\$ 92,812,000	\$ 4,661,000	5.0%