

Memorandum

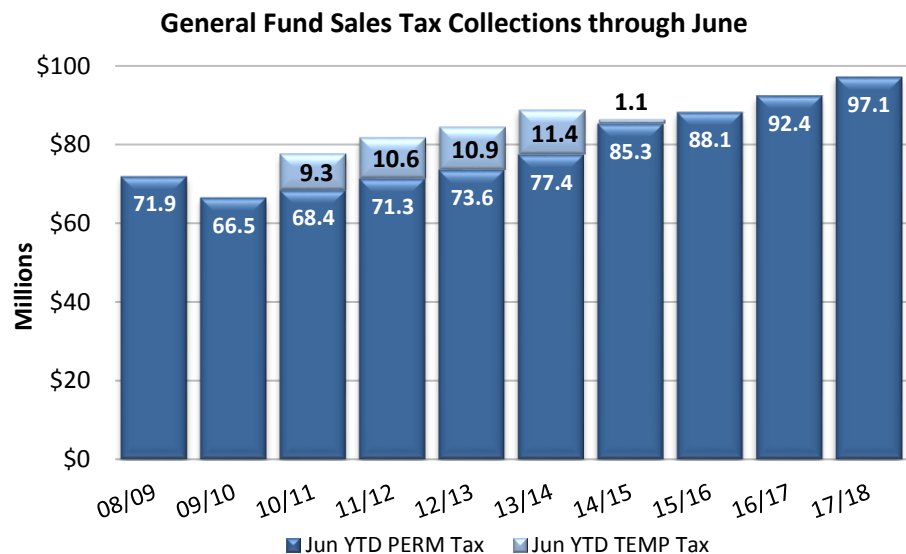


Municipal Budget Office

Date: September 27, 2018
 To: Mayor and Council
 From: Cecilia V. Robles, Municipal Budget Director (350-8881)
 Subject: Tax Revenue Statistical Report – June 2018

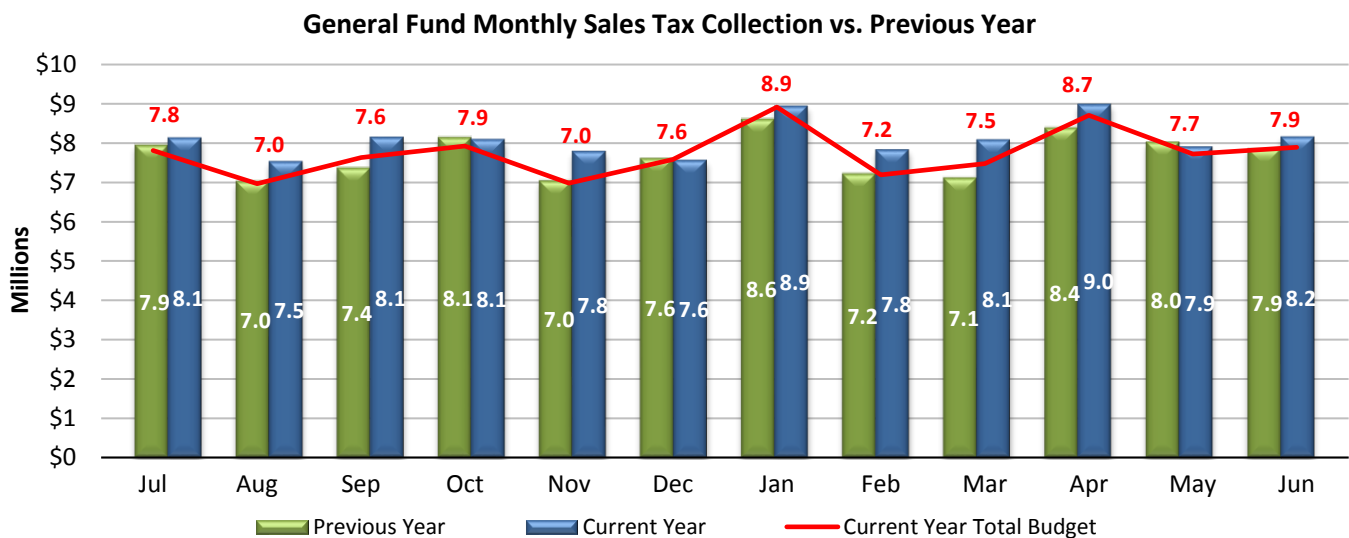
Attached is the Executive Summary of the Tax Revenue Statistical Report for June 2018 covering May sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 5.2% over the prior fiscal year. General Fund Sales Tax revenue is also up 5.1% (\$4.7 million) because of overall strong retail (\$3.7 million), rentals (\$2.4 million), and combined bed tax and hotel/motel (\$1.3 million) activity. The combined bed tax and hotel/motel tax revenue is up 12.8% as its trend has recovered from extra payments made during 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 (excluding restricted bed taxes) are \$4.3 million above budgeted projections for the year.



Executive Summary

	Current Month - June						Fiscal Year to Date - June									
	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	596,622,000	9.9%	620,908,000	4.1%	675,568,000	8.8%	704,988,000	4.4%	7,448,270,000	10.0%	7,699,274,000	3.4%	8,141,200,000	5.7%	8,563,140,000	5.2%
Retail Taxable Sales	298,434,000	6.6%	313,414,000	5.0%	356,288,000	13.7%	366,449,000	2.9%	3,715,736,000	6.9%	3,887,725,000	4.6%	4,143,649,000	6.6%	4,324,103,000	4.4%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,889,000	11.3%	7,028,000	2.0%	7,859,000	11.8%	8,152,000	3.7%	85,262,000	10.2%	88,141,000	3.4%	92,394,000	4.8%	97,127,000	5.1%
Temporary Privilege Tax - General Fund	7,000	-99.2%	2,000	-71.4%	(3,000)	-250.0%	7,000	0.0%	1,119,000	-90.2%	40,000	-96.4%	22,000	-45.0%	16,000	-27.3%
Transit Tax Fund (0.5%)	2,873,000	11.3%	2,931,000	2.0%	3,277,000	11.8%	3,399,000	3.7%	35,557,000	10.1%	36,768,000	3.4%	38,536,000	4.8%	40,511,000	5.1%
Arts Tax Fund (0.1%)	593,000	11.0%	605,000	2.0%	674,000	11.4%	697,000	3.4%	7,341,000	10.1%	7,588,000	3.4%	7,927,000	4.5%	8,332,000	5.1%
Privilege Tax - Rebates Fund	324,000	-3.3%	324,000	0.0%	315,000	-2.8%	306,000	-2.9%	4,011,000	-2.0%	4,073,000	1.5%	4,126,000	1.3%	4,008,000	-2.9%
Bed Tax Fund	450,000	14.2%	471,000	4.7%	542,000	15.1%	623,000	14.9%	6,214,000	18.3%	6,378,000	2.6%	7,139,000	11.9%	8,021,000	12.4%
Totals	11,136,000	1.7%	11,361,000	2.0%	12,664,000	11.5%	13,184,000	4.1%	139,504,000	1.8%	142,988,000	2.5%	150,144,000	5.0%	158,015,000	5.2%
Tax Revenues - Business Activities																
Retail	5,616,000	-2.2%	5,823,000	3.7%	6,826,000	17.2%	6,883,000	0.8%	70,163,000	-1.6%	73,026,000	4.1%	77,815,000	6.6%	81,498,000	4.7%
Rentals	1,795,000	-2.2%	1,819,000	1.3%	2,063,000	13.4%	2,356,000	14.2%	22,989,000	-4.0%	24,157,000	5.1%	25,041,000	3.7%	27,477,000	9.7%
Utilities/Communication	798,000	-14.1%	834,000	4.5%	582,000	-30.2%	771,000	32.5%	10,508,000	-5.8%	9,880,000	-6.0%	9,711,000	-1.7%	9,943,000	2.4%
Restaurants	982,000	-1.0%	1,024,000	4.3%	1,067,000	4.2%	1,056,000	-1.0%	11,307,000	-1.7%	11,812,000	4.5%	12,238,000	3.6%	12,707,000	3.8%
Contracting	970,000	57.5%	920,000	-5.2%	1,088,000	18.3%	945,000	-13.1%	12,624,000	56.1%	11,769,000	-6.8%	11,789,000	0.2%	11,920,000	1.1%
Hotel/Motel	232,000	12.1%	225,000	-3.0%	251,000	11.6%	314,000	25.1%	2,867,000	5.8%	2,991,000	4.3%	3,319,000	11.0%	3,779,000	13.9%
Transient (Bed Tax)	450,000	14.2%	471,000	4.7%	542,000	15.1%	623,000	14.9%	6,214,000	18.3%	6,378,000	2.6%	7,139,000	11.9%	8,021,000	12.4%
Amusements	133,000	-10.1%	142,000	6.8%	162,000	14.1%	136,000	-16.0%	1,488,000	-10.3%	1,607,000	8.0%	1,729,000	7.6%	1,607,000	-7.1%
All Other	160,000	92.8%	103,000	-35.6%	83,000	-19.4%	100,000	20.5%	1,344,000	-6.1%	1,368,000	1.8%	1,363,000	-0.4%	1,063,000	-22.0%
Totals	11,136,000	1.7%	11,361,000	2.0%	12,664,000	11.5%	13,184,000	4.1%	139,504,000	1.8%	142,988,000	2.5%	150,144,000	5.0%	158,015,000	5.2%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,109,000	-2.4%	1,074,000	-3.2%	1,207,000	12.4%	1,203,000	-0.3%	12,182,000	1.7%	12,074,000	-0.9%	12,681,000	5.0%	12,876,000	1.5%
Furniture/Equipment/Electronics	1,108,000	-9.0%	1,151,000	3.9%	1,246,000	8.3%	1,327,000	6.5%	15,182,000	-7.1%	15,004,000	-1.2%	15,425,000	2.8%	15,242,000	-1.2%
Department Stores	911,000	-3.0%	946,000	3.8%	947,000	0.1%	945,000	-0.2%	11,755,000	-4.8%	11,905,000	1.3%	12,185,000	2.4%	12,157,000	-0.2%
Grocery Stores	665,000	1.2%	680,000	2.3%	709,000	4.3%	781,000	10.2%	8,378,000	5.0%	8,578,000	2.4%	8,717,000	1.6%	9,144,000	4.9%
Drug/Small Stores	609,000	2.7%	566,000	-7.1%	589,000	4.1%	656,000	11.4%	7,012,000	-5.0%	6,862,000	-2.1%	7,513,000	9.5%	8,085,000	7.6%
Manufacturing Firms	254,000	-6.6%	309,000	21.7%	485,000	57.0%	263,000	-45.8%	3,224,000	-11.5%	3,728,000	15.6%	3,684,000	-1.2%	3,638,000	-1.2%
Building Supply Stores	248,000	22.8%	190,000	-23.4%	217,000	14.2%	234,000	7.8%	2,307,000	-2.8%	2,507,000	8.7%	2,618,000	4.4%	2,756,000	5.3%
All Other Retail	712,000	-2.2%	907,000	27.4%	1,426,000	57.2%	1,474,000	3.4%	10,123,000	8.9%	12,368,000	22.2%	14,992,000	21.2%	17,600,000	17.4%
Totals	5,616,000	-2.2%	5,823,000	3.7%	6,826,000	17.2%	6,883,000	0.8%	70,163,000	-1.6%	73,026,000	4.1%	77,815,000	6.6%	81,498,000	4.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,631,000	-4.0%	1,554,000	-4.7%	1,642,000	5.7%	1,791,000	9.1%	19,097,000	-1.9%	18,608,000	-2.6%	19,225,000	3.3%	20,082,000	4.5%
Autoplex (included in Elliot Corridor)	768,000	0.9%	726,000	-5.5%	811,000	11.7%	804,000	-0.9%	8,362,000	2.1%	8,145,000	-2.6%	8,213,000	0.8%	8,615,000	4.9%
Market Place	481,000	-0.8%	480,000	-0.2%	466,000	-2.9%	452,000	-3.0%	5,916,000	-1.4%	5,960,000	0.7%	6,075,000	1.9%	5,914,000	-2.7%
Mills Mall	481,000	0.6%	425,000	-11.6%	450,000	5.9%	471,000	4.7%	5,958,000	-7.5%	5,960,000	0.0%	6,346,000	6.5%	5,721,000	-9.8%
Downtown Tempe	421,000	13.2%	405,000	-3.8%	409,000	1.0%	398,000	-2.7%	5,000,000	7.7%	4,771,000	-4.6%	4,760,000	-0.2%	4,784,000	0.5%
Apache Blvd.	216,000	6.4%	219,000	1.4%	234,000	6.8%	276,000	17.9%	2,678,000	-1.2%	2,577,000	-3.8%	2,691,000	4.4%	3,033,000	12.7%
ASU Properties	152,000	-1.3%	149,000	-2.0%	146,000	-2.0%	191,000	30.8%	2,191,000	-6.8%	2,162,000	-1.3%	2,360,000	9.2%	2,542,000	7.7%
Rio Salado	268,000	7.6%	325,000	21.3%	420,000	29.2%	541,000	28.8%	3,532,000	6.6%	4,202,000	19.0%	4,774,000	13.6%	5,950,000	24.6%
All Other Areas	7,486,000	2.4%	7,804,000	4.2%	8,897,000	14.0%	9,064,000	1.9%	95,132,000	3.2%	98,748,000	3.8%	103,913,000	5.2%	109,989,000	5.8%

**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	7,556,000	(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	7,903,000	183,000	2.4%
Jun	8.5%	7,896,000	8,152,000	256,000	3.2%
Totals	100.0%	\$ 92,812,000	\$ 97,128,000	\$ 4,316,000	

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	88,976,000	4,060,000	4.8%
Jul-Jun	100.0%	92,812,000	97,128,000	4,316,000	4.7%

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 97,128,000	\$ 92,812,000	\$ 4,316,000	4.7%
Percentage Received	\$ 97,128,000	\$ 92,812,000	\$ 4,316,000	4.7%