

Memorandum

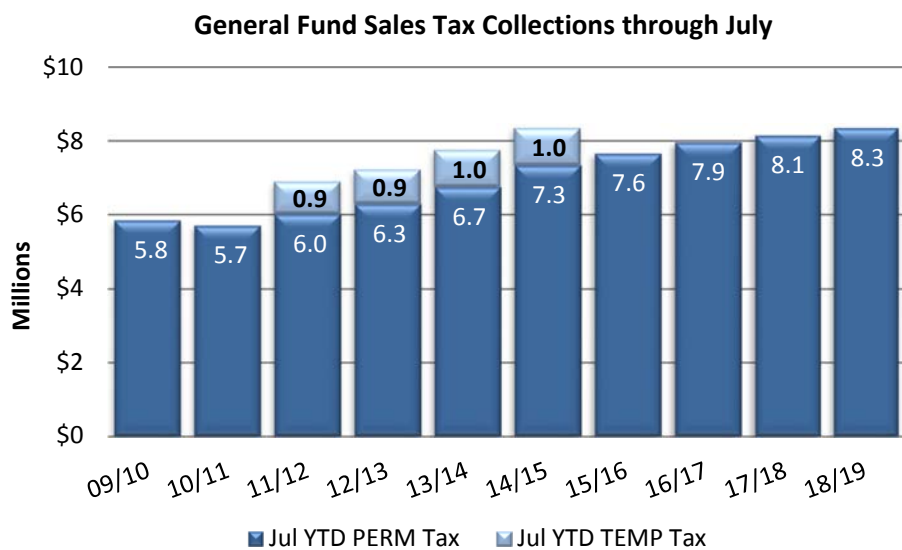


Municipal Budget Office

Date: October 24, 2018
 To: Mayor and Council
 Through: Mark Day, Interim Municipal Budget Director (8697)
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)
 Subject: Tax Revenue Statistical Report – July 2018

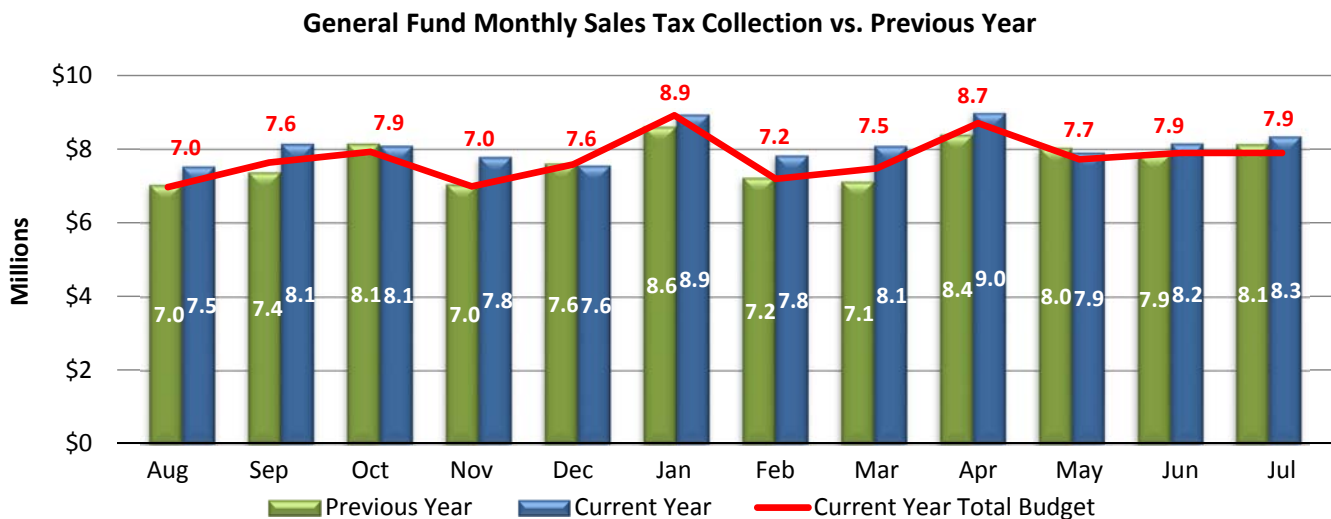
Attached is the Executive Summary of the Tax Revenue Statistical Report for July 2018 covering June sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2009-10 through FY 2018-19. Total taxable sales increased by 1.9% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 2.5% (\$205 thousand), as a result of strong retail (\$414 thousand), rentals (\$114 thousand), and combined bed tax and hotel/motel (\$31 thousand) activity. However, these gains were offset by a drop in contracting (\$217 thousand).



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 \$447 thousand above budgeted projections year to date.



Executive Summary

	Current Month - July						Fiscal Year to Date - July									
	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change
Taxable Sales																
Total Taxable Sales	660,460,000	4.7%	691,756,000	4.7%	708,217,000	2.4%	721,336,000	1.9%	660,460,000	4.7%	691,756,000	4.7%	708,217,000	2.4%	721,336,000	1.9%
Retail Taxable Sales	333,197,000	9.1%	344,099,000	3.3%	357,916,000	4.0%	379,210,000	5.9%	333,197,000	9.1%	344,099,000	3.3%	357,916,000	4.0%	379,210,000	5.9%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,644,000	4.3%	7,949,000	4.0%	8,130,000	2.3%	8,342,000	2.6%	7,644,000	4.3%	7,949,000	4.0%	8,130,000	2.3%	8,342,000	2.6%
Temporary Privilege Tax - General Fund	4,000	-99.6%	9,000	125.0%	8,000	-11.1%	-	0.0%	4,000	-99.6%	9,000	125.0%	8,000	-11.1%	-	-100.0%
Transit Tax Fund (0.5%)	3,188,000	4.4%	3,315,000	4.0%	3,390,000	2.3%	3,476,000	2.5%	3,188,000	4.4%	3,315,000	4.0%	3,390,000	2.3%	3,476,000	2.5%
Arts Tax Fund (0.1%)	657,000	4.5%	683,000	4.0%	697,000	2.0%	715,000	2.6%	657,000	4.5%	683,000	4.0%	697,000	2.0%	715,000	2.6%
Privilege Tax - Rebates Fund	333,000	-2.9%	344,000	3.3%	325,000	-5.5%	341,000	4.9%	333,000	-2.9%	344,000	3.3%	325,000	-5.5%	341,000	4.9%
Bed Tax Fund	389,000	19.3%	438,000	12.6%	391,000	-10.7%	404,000	3.3%	389,000	19.3%	438,000	12.6%	391,000	-10.7%	404,000	3.3%
Totals	12,215,000	-3.8%	12,738,000	4.3%	12,941,000	1.6%	13,278,000	2.6%	12,215,000	-3.8%	12,738,000	4.3%	12,941,000	1.6%	13,278,000	2.6%
Tax Revenues - Business Activities																
Retail	6,218,000	-1.8%	6,556,000	5.4%	6,710,000	2.3%	7,124,000	6.2%	6,218,000	-1.8%	6,556,000	5.4%	6,710,000	2.3%	7,124,000	6.2%
Rentals	2,246,000	0.2%	2,344,000	4.4%	2,249,000	-4.1%	2,363,000	5.1%	2,246,000	0.2%	2,344,000	4.4%	2,249,000	-4.1%	2,363,000	5.1%
Utilities/Communication	922,000	-14.5%	896,000	-2.8%	986,000	10.0%	996,000	1.0%	922,000	-14.5%	896,000	-2.8%	986,000	10.0%	996,000	1.0%
Restaurants	876,000	-3.3%	902,000	3.0%	971,000	7.6%	990,000	2.0%	876,000	-3.3%	902,000	3.0%	971,000	7.6%	990,000	2.0%
Contracting	1,083,000	-21.4%	1,136,000	4.9%	1,183,000	4.1%	966,000	-18.3%	1,083,000	-21.4%	1,136,000	4.9%	1,183,000	4.1%	966,000	-18.3%
Hotel/Motel	161,000	-1.8%	227,000	41.0%	182,000	-19.8%	200,000	9.9%	161,000	-1.8%	227,000	41.0%	182,000	-19.8%	200,000	9.9%
Transient (Bed Tax)	389,000	19.3%	438,000	12.6%	391,000	-10.7%	404,000	3.3%	389,000	19.3%	438,000	12.6%	391,000	-10.7%	404,000	3.3%
Amusements	242,000	49.4%	166,000	-31.4%	165,000	-0.6%	170,000	3.0%	242,000	49.4%	166,000	-31.4%	165,000	-0.6%	170,000	3.0%
All Other	78,000	-26.4%	73,000	-6.4%	104,000	42.5%	65,000	-37.5%	78,000	-26.4%	73,000	-6.4%	104,000	42.5%	65,000	-37.5%
Totals	12,215,000	-3.8%	12,738,000	4.3%	12,941,000	1.6%	13,278,000	2.6%	12,215,000	-3.8%	12,738,000	4.3%	12,941,000	1.6%	13,278,000	2.6%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,025,000	-2.4%	944,000	-7.9%	1,081,000	14.5%	1,085,000	0.4%	1,025,000	-2.4%	944,000	-7.9%	1,081,000	14.5%	1,085,000	0.4%
Furniture/Equipment/Electronics	1,403,000	-7.5%	1,511,000	7.7%	1,364,000	-9.7%	1,469,000	7.7%	1,403,000	-7.5%	1,511,000	7.7%	1,364,000	-9.7%	1,469,000	7.7%
Department Stores	910,000	-5.4%	979,000	7.6%	978,000	-0.1%	1,030,000	5.3%	910,000	-5.4%	979,000	7.6%	978,000	-0.1%	1,030,000	5.3%
Grocery Stores	655,000	0.2%	688,000	5.0%	678,000	-1.5%	700,000	3.2%	655,000	0.2%	688,000	5.0%	678,000	-1.5%	700,000	3.2%
Drug/Small Stores	532,000	-14.9%	540,000	1.5%	519,000	-3.9%	629,000	21.2%	532,000	-14.9%	540,000	1.5%	519,000	-3.9%	629,000	21.2%
Manufacturing Firms	379,000	18.4%	379,000	0.0%	302,000	-20.3%	375,000	24.2%	379,000	18.4%	379,000	0.0%	302,000	-20.3%	375,000	24.2%
Building Supply Stores	247,000	26.7%	241,000	-2.4%	227,000	-5.8%	231,000	1.8%	247,000	26.7%	241,000	-2.4%	227,000	-5.8%	231,000	1.8%
All Other Retail	1,067,000	5.7%	1,274,000	19.4%	1,561,000	22.5%	1,605,000	2.8%	1,067,000	5.7%	1,274,000	19.4%	1,561,000	22.5%	1,605,000	2.8%
Totals	6,218,000	-1.8%	6,556,000	5.4%	6,710,000	2.3%	7,124,000	6.2%	6,218,000	-1.8%	6,556,000	5.4%	6,710,000	2.3%	7,124,000	6.2%
Tax Revenues - Business Districts																
Elliot Corridor	1,595,000	-10.0%	1,611,000	1.0%	1,689,000	4.8%	1,841,000	9.0%	1,595,000	-10.0%	1,611,000	1.0%	1,689,000	4.8%	1,841,000	9.0%
Autoplex (included in Elliot Corridor)	674,000	-3.4%	565,000	-16.2%	721,000	27.6%	692,000	-4.0%	674,000	-3.4%	565,000	-16.2%	721,000	27.6%	692,000	-4.0%
Market Place	497,000	-2.0%	511,000	2.8%	482,000	-5.7%	515,000	6.8%	497,000	-2.0%	511,000	2.8%	482,000	-5.7%	515,000	6.8%
Mills Mall	487,000	-3.9%	473,000	-18.7%	473,000	-18.2%	451,000	-4.7%	487,000	-3.9%	473,000	-18.7%	473,000	-18.2%	451,000	-4.7%
Downtown Tempe	330,000	-4.1%	328,000	-0.6%	317,000	-3.4%	346,000	9.1%	330,000	-4.1%	328,000	-0.6%	317,000	-3.4%	346,000	9.1%
Apache Blvd.	198,000	-19.8%	200,000	1.0%	164,000	-18.0%	211,000	28.7%	198,000	-19.8%	200,000	1.0%	164,000	-18.0%	211,000	28.7%
ASU Properties	109,000	-34.3%	108,000	-0.9%	181,000	67.6%	113,000	-37.6%	109,000	-34.3%	108,000	-0.9%	181,000	67.6%	113,000	-37.6%
Rio Salado	274,000	-3.9%	305,000	11.3%	344,000	12.8%	431,000	25.3%	274,000	-3.9%	305,000	11.3%	344,000	12.8%	431,000	25.3%
All Other Areas	8,725,000	-1.6%	9,097,000	4.3%	9,291,000	2.1%	9,370,000	0.9%	8,725,000	-1.6%	9,097,000	4.3%	9,291,000	2.1%	9,370,000	0.9%

**Privilege Tax Revenue - General Fund (1.2%)
2018-19 Actual Compared to Budget**

Monthly Amounts

	2018-19 Budget		2018-19 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	7.7%	\$ 7,896,000	\$ 8,342,000	\$ 446,000	5.6%
Aug	8.6%	8,769,000			
Sep	7.7%	7,914,000			
Oct	8.0%	8,219,000			
Nov	8.5%	8,709,000			
Dec	7.8%	8,009,000			
Jan	8.0%	8,137,000			
Feb	9.5%	9,687,000			
Mar	7.9%	8,067,000			
Apr	8.2%	8,342,000			
May	9.8%	9,974,000			
Jun	8.3%	8,472,000			
Totals	100.0%	\$ 102,195,000	\$ 8,342,000	\$ 446,000	

Cumulative Amounts

	2018-19 Budget		2018-19 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	7.7%	\$ 7,896,000	\$ 8,342,000	\$ 446,000	5.6%
Jul-Aug	16.3%	16,665,000			
Jul-Sep	24.1%	24,579,000			
Jul-Oct	32.1%	32,798,000			
Jul-Nov	40.6%	41,507,000			
Jul-Dec	48.5%	49,516,000			
Jul-Jan	56.4%	57,653,000			
Jul-Feb	65.9%	67,340,000			
Jul-Mar	73.8%	75,407,000			
Jul-Apr	82.0%	83,749,000			
Jul-May	91.7%	93,723,000			
Jul-Jun	100.0%	102,195,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 99,661,000	\$ 102,195,000	\$ (2,534,000)	-2.5%
Percentage Received	\$ 107,967,000	\$ 102,195,000	\$ 5,772,000	5.6%