

Memorandum

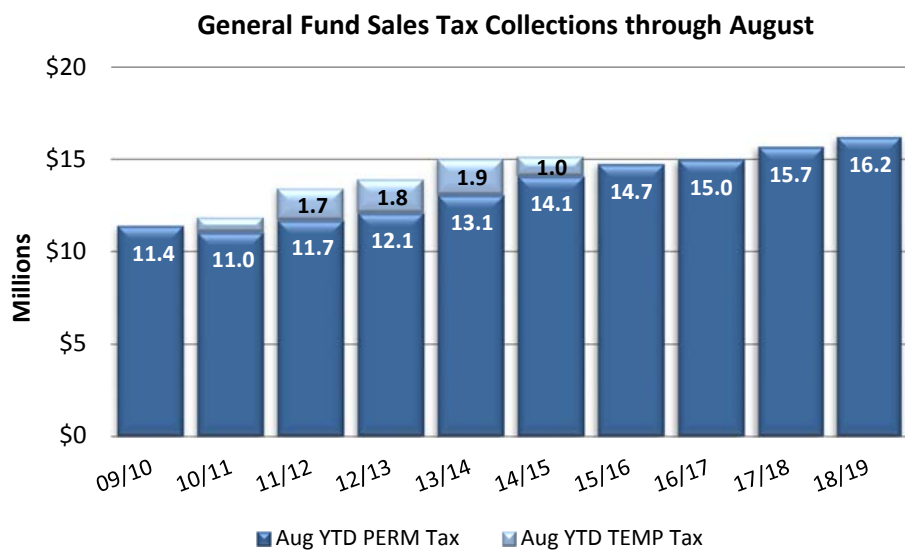


Municipal Budget Office

Date: November 29, 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 – August 2018

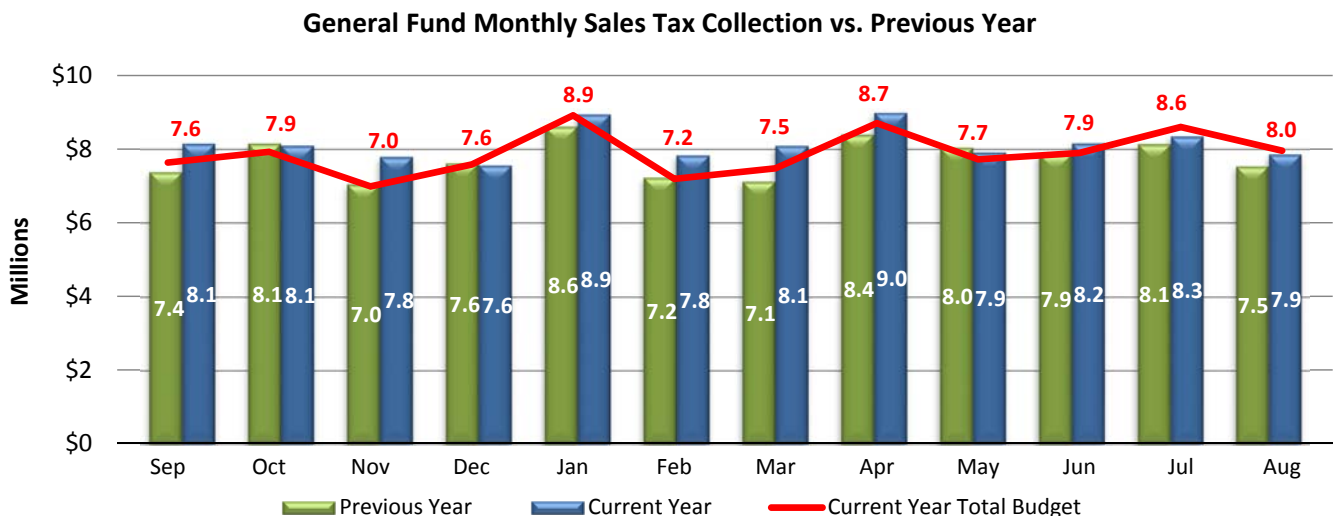
Attached is the Executive Summary of the Tax Revenue Statistical Report for August 2018 covering July sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 3.1% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 3.4% (\$529 thousand), as a result of strong retail (\$708 thousand), rentals (\$295 thousand), and combined bed tax and hotel/motel (\$103 thousand) activity. However, these gains were offset by a drop in contracting (\$189 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 \$362 thousand below budgeted projections year to date.



Executive Summary

Current Month - August

Fiscal Year to Date - August

	2015-16		2016-17		2017-18		2018-19		2015-16		2016-17		2017-18		2018-19	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Taxable Sales																
Total Taxable Sales	609,568,000	4.0%	607,767,000	-0.3%	650,466,000	7.0%	679,279,000	4.4%	1,270,028,000	4.4%	1,299,524,000	2.3%	1,358,682,000	4.6%	1,400,615,000	3.1%
Retail Taxable Sales	310,220,000	1.1%	308,069,000	-0.7%	328,895,000	6.8%	346,740,000	5.4%	643,417,000	5.1%	652,168,000	1.4%	686,811,000	5.3%	725,950,000	5.7%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,091,000	5.1%	7,028,000	-0.9%	7,529,000	7.1%	7,853,000	4.3%	14,735,000	4.7%	14,977,000	1.6%	15,659,000	4.6%	16,196,000	3.4%
Temporary Privilege Tax - General Fund	4,000	-87.1%	8,000	100.0%	-	-100.0%	-	0.0%	8,000	-99.2%	17,000	112.5%	8,000	-52.9%	-	-100.0%
Transit Tax Fund (0.5%)	2,955,000	5.0%	2,931,000	-0.8%	3,137,000	7.0%	3,272,000	4.3%	6,142,000	4.7%	6,245,000	1.7%	6,527,000	4.5%	6,748,000	3.4%
Arts Tax Fund (0.1%)	608,000	5.2%	607,000	-0.2%	643,000	5.9%	674,000	4.8%	1,265,000	4.8%	1,289,000	1.9%	1,340,000	4.0%	1,390,000	3.7%
Privilege Tax - Rebates Fund	284,000	8.0%	303,000	6.7%	268,000	-11.6%	340,000	26.9%	617,000	1.8%	648,000	5.0%	593,000	-8.5%	681,000	14.8%
Bed Tax Fund	313,000	8.7%	320,000	2.2%	347,000	8.4%	399,000	15.0%	702,000	14.3%	757,000	7.8%	737,000	-2.6%	803,000	9.0%
Totals	11,255,000	5.0%	11,197,000	-0.5%	11,924,000	6.5%	12,538,000	5.1%	23,469,000	0.2%	23,933,000	2.0%	24,864,000	3.9%	25,818,000	3.8%
Tax Revenues - Business Activities																
Retail	5,833,000	3.0%	5,772,000	-1.0%	6,184,000	7.1%	6,478,000	4.8%	12,051,000	0.5%	12,328,000	2.3%	12,894,000	4.6%	13,602,000	5.5%
Rentals	1,782,000	6.2%	1,851,000	3.9%	2,228,000	20.4%	2,408,000	8.1%	4,027,000	2.7%	4,195,000	4.2%	4,477,000	6.7%	4,772,000	6.6%
Utilities/Communication	1,066,000	-6.6%	1,064,000	-0.2%	1,060,000	-0.4%	1,019,000	-3.9%	1,988,000	-10.4%	1,959,000	-1.5%	2,046,000	4.4%	2,015,000	-1.5%
Restaurants	832,000	5.3%	899,000	8.1%	875,000	-2.7%	927,000	5.9%	1,708,000	0.7%	1,800,000	5.4%	1,847,000	2.6%	1,917,000	3.8%
Contracting	1,033,000	31.1%	941,000	-8.9%	886,000	-5.8%	914,000	3.2%	2,116,000	-2.3%	2,077,000	-1.8%	2,069,000	-0.4%	1,880,000	-9.1%
Hotel/Motel	154,000	9.2%	155,000	0.6%	158,000	1.9%	177,000	12.0%	314,000	3.3%	381,000	21.3%	340,000	-10.8%	377,000	10.9%
Transient (Bed Tax)	313,000	8.7%	320,000	2.2%	347,000	8.4%	399,000	15.0%	702,000	14.3%	757,000	7.8%	737,000	-2.6%	803,000	9.0%
Amusements	160,000	22.1%	125,000	-21.9%	137,000	9.6%	121,000	-11.7%	402,000	37.7%	291,000	-27.6%	302,000	3.8%	291,000	-3.6%
All Other	82,000	-18.8%	70,000	-14.6%	49,000	-30.0%	95,000	93.9%	161,000	-23.0%	145,000	-9.9%	152,000	4.8%	161,000	5.9%
Totals	11,255,000	5.0%	11,197,000	-0.5%	11,924,000	6.5%	12,538,000	5.1%	23,469,000	0.2%	23,933,000	2.0%	24,864,000	3.9%	25,818,000	3.8%
Tax Revenues - Retail Activities Breakdown																
Automotive	998,000	3.5%	1,030,000	3.2%	1,109,000	7.7%	1,076,000	-3.0%	2,023,000	0.4%	1,974,000	-2.4%	2,190,000	10.9%	2,160,000	-1.4%
Furniture/Equipment/Electronics	1,236,000	-21.9%	1,110,000	-10.2%	1,241,000	11.8%	1,277,000	2.9%	2,639,000	-14.8%	2,621,000	-0.7%	2,605,000	-0.6%	2,746,000	5.4%
Department Stores	918,000	4.8%	979,000	6.6%	913,000	-6.7%	929,000	1.8%	1,828,000	-0.5%	1,958,000	7.1%	1,891,000	-3.4%	1,959,000	3.6%
Grocery Stores	642,000	4.6%	641,000	-0.2%	661,000	3.1%	677,000	2.4%	1,297,000	2.2%	1,329,000	2.5%	1,339,000	0.8%	1,378,000	2.9%
Drug/Small Stores	485,000	-3.8%	584,000	20.4%	422,000	-27.7%	573,000	35.8%	1,017,000	-9.8%	1,125,000	10.6%	941,000	-16.4%	1,202,000	27.7%
Manufacturing Firms	354,000	9.3%	270,000	-23.7%	281,000	4.1%	235,000	-16.4%	733,000	13.6%	649,000	-11.5%	583,000	-10.2%	610,000	4.6%
Building Supply Stores	210,000	35.5%	210,000	0.0%	218,000	3.8%	227,000	4.1%	457,000	30.2%	451,000	-1.3%	445,000	-1.3%	459,000	3.1%
All Other Retail	990,000	53.5%	948,000	-4.2%	1,339,000	41.2%	1,484,000	10.8%	2,057,000	24.5%	2,221,000	8.0%	2,900,000	30.6%	3,088,000	6.5%
Totals	5,833,000	3.0%	5,772,000	-1.0%	6,184,000	7.1%	6,478,000	4.8%	12,051,000	0.5%	12,328,000	2.3%	12,894,000	4.6%	13,602,000	5.5%
Tax Revenues - Business Districts																
Elliot Corridor	1,568,000	0.8%	1,529,000	-2.5%	1,553,000	1.6%	1,644,000	5.9%	3,163,000	-5.0%	3,140,000	-0.7%	3,242,000	3.2%	3,485,000	7.5%
Autoplex (included in Elliot Corridor)	680,000	2.9%	692,000	1.8%	765,000	10.5%	743,000	-2.9%	1,354,000	-0.4%	1,257,000	-7.2%	1,486,000	18.2%	1,435,000	-3.4%
Market Place	430,000	9.7%	450,000	4.7%	404,000	-10.2%	514,000	27.2%	927,000	3.1%	962,000	3.8%	886,000	-7.9%	1,029,000	16.1%
Mills Mall	544,000	10.3%	544,000	0.0%	483,000	-11.2%	536,000	11.0%	1,031,000	3.0%	1,122,000	8.8%	956,000	-14.8%	987,000	3.2%
Downtown Tempe	268,000	0.4%	258,000	-3.7%	282,000	9.3%	288,000	2.1%	598,000	-2.1%	586,000	-2.0%	599,000	2.2%	634,000	5.8%
Apache Blvd.	190,000	12.4%	169,000	-11.1%	170,000	0.6%	195,000	14.7%	388,000	-6.7%	369,000	-4.9%	334,000	-9.5%	406,000	21.6%
ASU Properties	114,000	4.6%	107,000	-6.1%	178,000	66.4%	132,000	-25.8%	224,000	-18.5%	215,000	-4.0%	359,000	67.0%	245,000	-31.8%
Rio Salado	240,000	12.1%	296,000	23.3%	357,000	20.6%	595,000	66.7%	514,000	3.0%	602,000	17.1%	701,000	16.4%	1,026,000	46.4%
All Other Areas	7,901,000	5.0%	7,844,000	-0.7%	8,497,000	8.3%	8,634,000	1.6%	16,624,000	1.5%	16,937,000	1.9%	17,787,000	5.0%	18,006,000	1.2%

**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	8.4%	\$ 8,601,000	\$ 8,342,000	\$ (259,000)	-3.0%
Aug	7.7%	7,957,000	7,853,000	\$ (104,000)	-1.3%
Sep	8.4%	8,609,000			
Oct	8.3%	8,551,000			
Nov	8.0%	8,232,000			
Dec	7.8%	7,987,000			
Jan	9.2%	9,447,000			
Feb	8.1%	8,272,000			
Mar	8.3%	8,545,000			
Apr	9.2%	9,495,000			
May	8.1%	8,352,000			
Jun	8.4%	8,623,000			
Totals	100.0%	\$ 102,671,000	\$ 16,195,000	\$ (363,000)	

Cumulative Amounts

	2018-19 Budget		2018-19 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.4%	\$ 8,601,000	\$ 8,342,000	\$ (259,000)	-3.0%
Jul-Aug	16.1%	16,558,000	16,195,000	\$ (363,000)	-2.2%
Jul-Sep	24.5%	25,167,000			
Jul-Oct	32.8%	33,718,000			
Jul-Nov	40.9%	41,950,000			
Jul-Dec	48.6%	49,937,000			
Jul-Jan	57.8%	59,384,000			
Jul-Feb	65.9%	67,656,000			
Jul-Mar	74.2%	76,201,000			
Jul-Apr	83.5%	85,696,000			
Jul-May	91.6%	94,048,000			
Jul-Jun	100.0%	102,671,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 100,453,000	\$ 102,671,000	\$ (2,218,000)	-2.2%
Percentage Received	\$ 100,420,000	\$ 102,671,000	\$ (2,251,000)	-2.2%