

# Memorandum

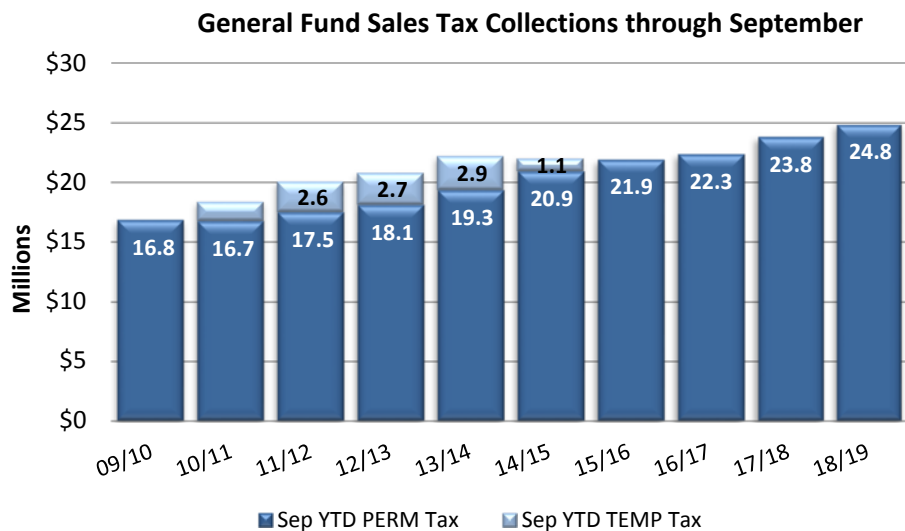


## Municipal Budget Office

Date: December 19, 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 – September 2018

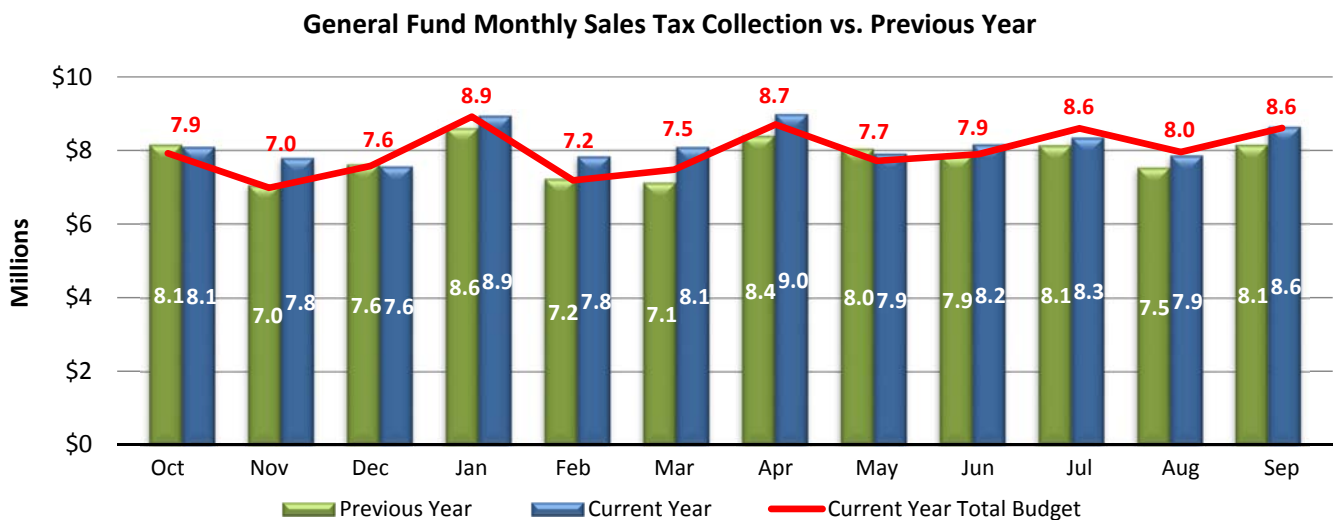
Attached is the Executive Summary of the Tax Revenue Statistical Report for September 2018 covering August sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

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 4.0% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.3% (\$1.0 million), as a result of strong retail (\$651 thousand), rentals (\$644 thousand), and combined bed tax and hotel/motel (\$176 thousand) activity.



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 \$339 thousand below budgeted projections year to date.



## Executive Summary

### Current Month - September

### Fiscal Year to Date - September

	2015-16		2016-17		2017-18		2018-19		2015-16		2016-17		2017-18		2018-19	
	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change
<b>Taxable Sales</b>																
Total Taxable Sales	624,607,000	6.0%	647,534,000	3.7%	708,424,000	9.4%	748,467,000	5.7%	1,894,635,000	4.9%	1,947,058,000	2.8%	2,067,107,000	6.2%	2,149,082,000	4.0%
Retail Taxable Sales	317,326,000	3.0%	329,664,000	3.9%	376,599,000	14.2%	381,595,000	1.3%	960,743,000	4.4%	981,832,000	2.2%	1,063,410,000	8.3%	1,107,545,000	4.2%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	7,169,000	4.7%	7,372,000	2.8%	8,144,000	10.5%	8,633,000	6.0%	21,904,000	4.7%	22,349,000	2.0%	23,803,000	6.5%	24,828,000	4.3%
Temporary Privilege Tax - General Fund	3,000	-78.6%	1,000	-66.7%	1,000	0.0%	-	0.0%	11,000	-99.0%	19,000	72.7%	9,000	-52.6%	-	-100.0%
Transit Tax Fund (0.5%)	2,990,000	4.7%	3,077,000	2.9%	3,401,000	10.5%	3,597,000	5.8%	9,132,000	4.7%	9,322,000	2.1%	9,928,000	6.5%	10,346,000	4.2%
Arts Tax Fund (0.1%)	618,000	4.9%	635,000	2.8%	700,000	10.2%	741,000	5.9%	1,882,000	4.8%	1,924,000	2.2%	2,040,000	6.0%	2,131,000	4.5%
Privilege Tax - Rebates Fund	342,000	8.9%	346,000	1.2%	352,000	1.7%	368,000	4.5%	959,000	4.1%	993,000	3.5%	944,000	-4.9%	1,049,000	11.1%
Bed Tax Fund	318,000	2.9%	378,000	18.9%	409,000	8.2%	460,000	12.5%	1,020,000	10.5%	1,135,000	11.3%	1,146,000	1.0%	1,262,000	10.1%
<b>Totals</b>	<b>11,440,000</b>	<b>4.7%</b>	<b>11,809,000</b>	<b>3.2%</b>	<b>13,007,000</b>	<b>10.1%</b>	<b>13,799,000</b>	<b>6.1%</b>	<b>34,908,000</b>	<b>1.6%</b>	<b>35,742,000</b>	<b>2.4%</b>	<b>37,870,000</b>	<b>6.0%</b>	<b>39,616,000</b>	<b>4.6%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,899,000	2.8%	6,113,000	3.6%	7,093,000	16.0%	7,036,000	-0.8%	17,950,000	1.2%	18,441,000	2.7%	19,987,000	8.4%	20,638,000	3.3%
Rentals	1,891,000	2.2%	1,833,000	-3.1%	2,012,000	9.8%	2,361,000	17.3%	5,919,000	2.6%	6,027,000	1.8%	6,489,000	7.7%	7,133,000	9.9%
Utilities/Communication	1,071,000	-2.4%	1,135,000	6.0%	1,103,000	-2.8%	1,064,000	-3.5%	3,059,000	-7.8%	3,095,000	1.2%	3,149,000	1.7%	3,079,000	-2.2%
Restaurants	916,000	15.2%	935,000	2.1%	977,000	4.5%	1,014,000	3.8%	2,624,000	5.3%	2,735,000	4.2%	2,824,000	3.3%	2,931,000	3.8%
Contracting	919,000	32.8%	905,000	-1.5%	1,022,000	12.9%	1,309,000	28.1%	3,035,000	6.2%	2,982,000	-1.7%	3,092,000	3.7%	3,188,000	3.1%
Hotel/Motel	158,000	12.1%	184,000	16.5%	198,000	7.6%	221,000	11.6%	472,000	6.1%	565,000	19.7%	538,000	-4.8%	598,000	11.2%
Transient (Bed Tax)	318,000	2.9%	378,000	18.9%	409,000	8.2%	460,000	12.5%	1,020,000	10.5%	1,135,000	11.3%	1,146,000	1.0%	1,262,000	10.1%
Amusements	104,000	-9.6%	118,000	13.5%	113,000	-4.2%	99,000	-12.4%	506,000	24.3%	410,000	-19.0%	415,000	1.2%	390,000	-6.0%
All Other	164,000	-13.7%	208,000	26.8%	80,000	-61.5%	235,000	193.8%	323,000	-19.0%	352,000	9.0%	230,000	-34.7%	397,000	72.6%
<b>Totals</b>	<b>11,440,000</b>	<b>4.7%</b>	<b>11,809,000</b>	<b>3.2%</b>	<b>13,007,000</b>	<b>10.1%</b>	<b>13,799,000</b>	<b>6.1%</b>	<b>34,908,000</b>	<b>1.6%</b>	<b>35,742,000</b>	<b>2.4%</b>	<b>37,870,000</b>	<b>6.0%</b>	<b>39,616,000</b>	<b>4.6%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	1,059,000	-2.8%	990,000	-6.5%	1,060,000	7.1%	1,144,000	7.9%	3,083,000	-0.7%	2,964,000	-3.9%	3,250,000	9.6%	3,304,000	1.7%
Furniture/Equipment/Electronics	1,182,000	2.5%	1,261,000	6.7%	1,328,000	5.3%	1,325,000	-0.2%	3,822,000	-10.1%	3,882,000	1.6%	3,933,000	1.3%	4,071,000	3.5%
Department Stores	1,077,000	3.4%	1,111,000	3.2%	1,186,000	6.8%	1,137,000	-4.1%	2,905,000	0.9%	3,070,000	5.7%	3,077,000	0.2%	3,095,000	0.6%
Grocery Stores	674,000	0.1%	694,000	3.0%	728,000	4.9%	770,000	5.8%	1,971,000	1.5%	2,024,000	2.7%	2,066,000	2.1%	2,148,000	4.0%
Drug/Small Stores	584,000	-6.3%	599,000	2.6%	681,000	13.7%	605,000	-11.2%	1,601,000	-8.6%	1,724,000	7.7%	1,622,000	-5.9%	1,807,000	11.4%
Manufacturing Firms	274,000	22.3%	276,000	0.7%	337,000	22.1%	322,000	-4.5%	1,007,000	15.9%	925,000	-8.1%	920,000	-0.5%	932,000	1.3%
Building Supply Stores	183,000	-2.7%	182,000	-0.5%	212,000	16.5%	210,000	-0.9%	641,000	19.1%	633,000	-1.2%	657,000	3.8%	669,000	1.8%
All Other Retail	866,000	16.1%	1,000,000	15.5%	1,561,000	56.1%	1,523,000	-2.4%	2,920,000	21.7%	3,219,000	10.2%	4,462,000	38.6%	4,612,000	3.4%
<b>Totals</b>	<b>5,899,000</b>	<b>2.8%</b>	<b>6,113,000</b>	<b>3.6%</b>	<b>7,093,000</b>	<b>16.0%</b>	<b>7,036,000</b>	<b>-0.8%</b>	<b>17,950,000</b>	<b>1.2%</b>	<b>18,441,000</b>	<b>2.7%</b>	<b>19,987,000</b>	<b>8.4%</b>	<b>20,638,000</b>	<b>3.3%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,672,000	-4.7%	1,658,000	-0.8%	1,826,000	10.1%	1,988,000	8.9%	4,835,000	-4.9%	4,798,000	-0.8%	5,068,000	5.6%	5,473,000	8.0%
Autoplex (included in Elliot Corridor)	731,000	-6.9%	635,000	-13.1%	701,000	10.4%	789,000	12.6%	2,085,000	-2.8%	1,892,000	-9.3%	2,187,000	15.6%	2,224,000	1.7%
Market Place	490,000	7.2%	506,000	3.3%	505,000	-0.2%	556,000	10.1%	1,417,000	4.5%	1,468,000	3.6%	1,391,000	-5.2%	1,586,000	14.0%
Mills Mall	444,000	3.3%	477,000	7.4%	440,000	-7.8%	404,000	-8.2%	1,475,000	3.1%	1,599,000	8.4%	1,396,000	-12.7%	1,391,000	-0.4%
Downtown Tempe	317,000	1.3%	327,000	3.2%	305,000	-6.7%	338,000	10.8%	915,000	-1.0%	913,000	-0.2%	904,000	-1.0%	972,000	7.5%
Apache Blvd.	226,000	6.1%	147,000	-35.0%	187,000	27.2%	240,000	28.3%	614,000	-2.4%	516,000	-16.0%	521,000	1.0%	646,000	24.0%
ASU Properties	330,000	12.2%	357,000	8.2%	334,000	-6.4%	333,000	-0.3%	554,000	-2.6%	572,000	3.2%	693,000	21.2%	578,000	-16.6%
Rio Salado	236,000	-3.3%	332,000	40.7%	362,000	9.0%	493,000	36.2%	750,000	0.9%	934,000	24.5%	1,063,000	13.8%	1,519,000	42.9%
All Other Areas	7,725,000	7.0%	8,005,000	3.6%	9,048,000	13.0%	9,447,000	4.4%	24,348,000	3.1%	24,942,000	2.4%	26,834,000	7.6%	27,451,000	2.3%

**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	8,633,000	24,000	0.3%
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			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 102,671,000</b>	<b>\$ 24,828,000</b>	<b>\$ (339,000)</b>	

**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	24,828,000	(339,000)	-1.3%
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	\$ 101,311,000	\$ 102,671,000	\$ (1,360,000)	-1.3%
Percentage Received	\$ 101,288,000	\$ 102,671,000	\$ (1,383,000)	-1.3%