

Memorandum

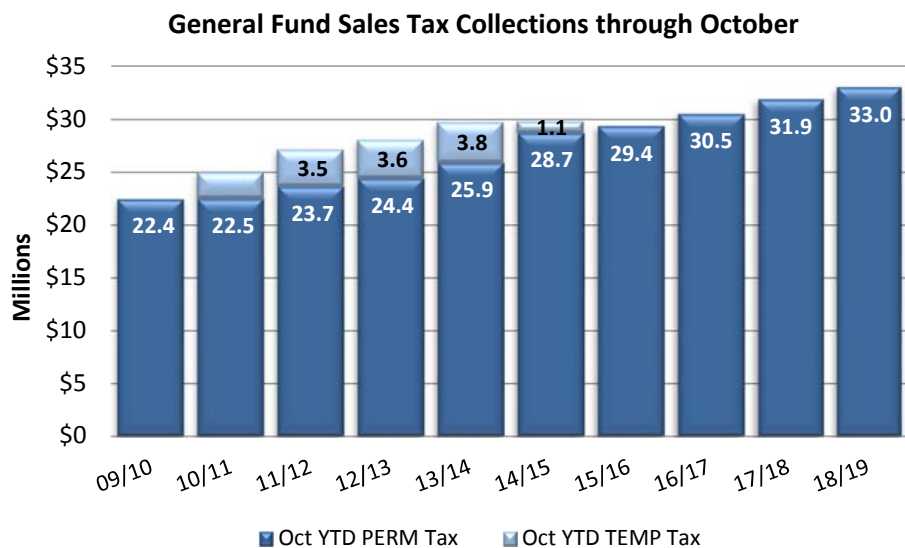


Municipal Budget Office

Date: January 17, 2019
 To: Mayor and Council
 Through: Mark Day, Municipal Budget Director (8697)
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)
 Subject: Tax Revenue Statistical Report – October 2018

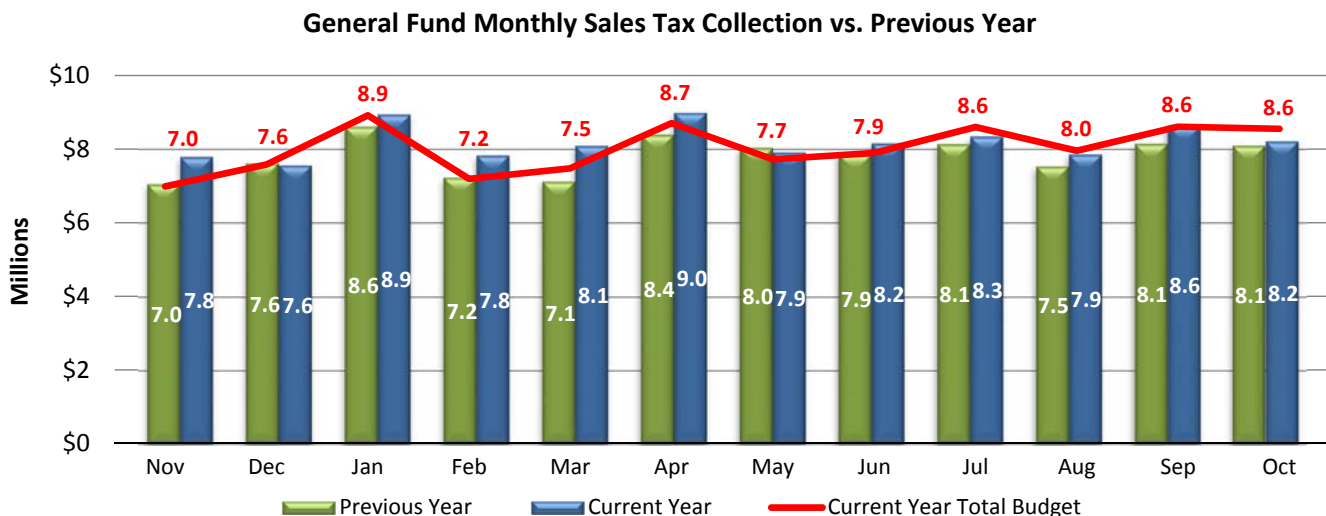
Attached is the Executive Summary of the Tax Revenue Statistical Report for October 2018 covering September sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

Total taxable sales increased by 3.6% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 3.9% (\$2.0 million), as a result of strong retail (\$929 thousand), rentals (\$801 thousand), and combined bed tax and hotel/motel (\$228 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2009/10 through FY 2018/19. General Fund sales tax revenue is up 3.6% (\$1.1 million) over the prior year-to-date period.



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year.

Although sales tax is 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 \$682 thousand below budgeted projections year to date.



Executive Summary

Current Month - October

Fiscal Year to Date - October

	2015-16		2016-17		2017-18		2018-19		2015-16		2016-17		2017-18		2018-19	
	Change		Change		Change		Change		Change		Change		Change		Change	
Taxable Sales																
Total Taxable Sales	648,245,000	-4.2%	707,553,000	9.1%	697,868,000	-1.4%	714,908,000	2.4%	2,542,880,000	2.4%	2,654,611,000	4.4%	2,764,975,000	4.2%	2,863,990,000	3.6%
Retail Taxable Sales	316,938,000	2.5%	349,544,000	10.3%	347,302,000	-0.6%	360,407,000	3.8%	1,277,681,000	3.9%	1,331,376,000	4.2%	1,410,712,000	6.0%	1,467,952,000	4.1%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,448,000	-4.3%	8,149,000	9.4%	8,090,000	-0.7%	8,208,000	1.5%	29,352,000	2.3%	30,498,000	3.9%	31,893,000	4.6%	33,036,000	3.6%
Temporary Privilege Tax - General Fund	-	-100.0%	2,000	#DIV/0!	1,000	-50.0%	-	0.0%	11,000	-99.0%	21,000	90.9%	10,000	-52.4%	1,000	-90.0%
Transit Tax Fund (0.5%)	3,105,000	-4.3%	3,399,000	9.5%	3,376,000	-0.7%	3,430,000	1.6%	12,237,000	2.2%	12,720,000	3.9%	13,304,000	4.6%	13,775,000	3.5%
Arts Tax Fund (0.1%)	639,000	-4.1%	699,000	9.4%	694,000	-0.7%	705,000	1.6%	2,522,000	2.4%	2,624,000	4.0%	2,734,000	4.2%	2,836,000	3.7%
Privilege Tax - Rebates Fund	314,000	5.7%	338,000	7.6%	334,000	-1.2%	345,000	3.3%	1,273,000	4.5%	1,331,000	4.6%	1,279,000	-3.9%	1,394,000	9.0%
Bed Tax Fund	398,000	9.9%	471,000	18.3%	428,000	-9.1%	472,000	10.3%	1,418,000	10.4%	1,606,000	13.3%	1,574,000	-2.0%	1,734,000	10.2%
Totals	11,904,000	-3.6%	13,058,000	9.7%	12,923,000	-1.0%	13,160,000	1.8%	46,813,000	0.2%	48,800,000	4.2%	50,794,000	4.1%	52,776,000	3.9%
Tax Revenues - Business Activities																
Retail	5,998,000	4.5%	6,479,000	8.0%	6,507,000	0.4%	6,785,000	4.3%	23,948,000	2.0%	24,919,000	4.1%	26,494,000	6.3%	27,423,000	3.5%
Rentals	2,166,000	-0.5%	2,373,000	9.6%	2,431,000	2.4%	2,589,000	6.5%	8,085,000	1.7%	8,400,000	3.9%	8,920,000	6.2%	9,721,000	9.0%
Utilities/Communication	1,037,000	-2.6%	1,040,000	0.3%	1,032,000	-0.8%	943,000	-8.6%	4,096,000	-6.5%	4,135,000	1.0%	4,181,000	1.1%	4,022,000	-3.8%
Restaurants	937,000	2.6%	970,000	3.5%	1,079,000	11.2%	1,073,000	-0.6%	3,560,000	4.6%	3,705,000	4.1%	3,903,000	5.3%	4,004,000	2.6%
Contracting	931,000	-43.9%	1,072,000	15.1%	994,000	-7.3%	784,000	-21.1%	3,966,000	-12.2%	4,055,000	2.2%	4,086,000	0.8%	3,972,000	-2.8%
Hotel/Motel	197,000	17.3%	291,000	47.7%	226,000	-22.3%	234,000	3.5%	669,000	9.1%	856,000	28.0%	764,000	-10.7%	832,000	8.9%
Transient (Bed Tax)	398,000	9.9%	471,000	18.3%	428,000	-9.1%	472,000	10.3%	1,418,000	10.4%	1,606,000	13.3%	1,574,000	-2.0%	1,734,000	10.2%
Amusements	110,000	-13.4%	189,000	71.8%	144,000	-23.8%	123,000	-14.6%	616,000	15.1%	598,000	-2.9%	560,000	-6.4%	513,000	-8.4%
All Other	130,000	-7.1%	173,000	33.1%	82,000	-52.6%	157,000	91.5%	455,000	-15.7%	526,000	15.6%	312,000	-40.7%	555,000	77.9%
Totals	11,904,000	-3.6%	13,058,000	9.7%	12,923,000	-1.0%	13,160,000	1.8%	46,813,000	0.2%	48,800,000	4.2%	50,794,000	4.1%	52,776,000	3.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	977,000	3.6%	1,110,000	13.6%	941,000	-15.2%	1,094,000	16.3%	4,060,000	0.3%	4,074,000	0.3%	4,191,000	2.9%	4,398,000	4.9%
Furniture/Equipment/Electronics	1,193,000	-4.3%	1,138,000	-4.6%	1,396,000	22.7%	1,279,000	-8.4%	5,015,000	-8.8%	5,019,000	0.1%	5,329,000	6.2%	5,350,000	0.4%
Department Stores	880,000	4.5%	920,000	4.5%	908,000	-1.3%	906,000	-0.2%	3,786,000	1.7%	3,990,000	5.4%	3,985,000	-0.1%	4,002,000	0.4%
Grocery Stores	692,000	5.6%	742,000	7.2%	715,000	-3.6%	778,000	8.8%	2,663,000	2.6%	2,766,000	3.9%	2,782,000	0.6%	2,926,000	5.2%
Drug/Small Stores	518,000	-10.1%	560,000	8.1%	580,000	3.6%	600,000	3.4%	2,119,000	-8.9%	2,284,000	7.8%	2,202,000	-3.6%	2,406,000	9.3%
Manufacturing Firms	279,000	3.3%	336,000	20.4%	270,000	-19.6%	275,000	1.9%	1,286,000	13.0%	1,261,000	-1.9%	1,190,000	-5.6%	1,207,000	1.4%
Building Supply Stores	212,000	14.0%	229,000	8.0%	248,000	8.3%	254,000	2.4%	853,000	17.7%	862,000	1.1%	905,000	5.0%	923,000	2.0%
All Other Retail	1,247,000	22.0%	1,444,000	15.8%	1,449,000	0.3%	1,599,000	10.4%	4,166,000	21.8%	4,663,000	11.9%	5,910,000	26.7%	6,211,000	5.1%
Totals	5,998,000	4.5%	6,479,000	8.0%	6,507,000	0.4%	6,785,000	4.3%	23,948,000	2.0%	24,919,000	4.1%	26,494,000	6.3%	27,423,000	3.5%
Tax Revenues - Business Districts																
Elliot Corridor	1,494,000	-3.5%	1,376,000	-7.9%	1,637,000	19.0%	1,721,000	5.1%	6,328,000	-4.6%	6,175,000	-2.4%	6,705,000	8.6%	7,194,000	7.3%
Market Place	461,000	6.7%	488,000	5.9%	487,000	-0.2%	486,000	-0.2%	1,878,000	5.0%	1,956,000	4.2%	1,878,000	-4.0%	2,072,000	10.3%
Mills Mall	360,000	-14.1%	439,000	21.9%	396,000	-9.8%	391,000	-1.3%	1,835,000	-0.8%	2,038,000	11.1%	1,792,000	-12.1%	1,782,000	-0.6%
Downtown Tempe	371,000	-0.3%	370,000	-0.3%	355,000	-4.1%	325,000	-8.5%	1,286,000	-0.8%	1,283,000	-0.2%	1,259,000	-1.9%	1,297,000	3.0%
Apache Blvd.	204,000	-12.1%	259,000	27.0%	184,000	-29.0%	263,000	42.9%	818,000	-5.0%	775,000	-5.3%	705,000	-9.0%	909,000	28.9%
ASU Properties	184,000	-18.6%	254,000	38.0%	226,000	-11.0%	223,000	-1.3%	738,000	-7.2%	826,000	11.9%	919,000	11.3%	801,000	-12.8%
Rio Salado	291,000	-10.7%	452,000	55.3%	449,000	-0.7%	502,000	11.8%	1,041,000	-2.5%	1,386,000	33.1%	1,512,000	9.1%	2,021,000	33.7%
All Other Areas	8,539,000	-2.9%	9,420,000	10.3%	9,189,000	-2.5%	9,249,000	0.7%	32,889,000	1.5%	34,361,000	4.5%	36,024,000	4.8%	36,700,000	1.9%

**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	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	8,208,000	(343,000)	-4.0%
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	\$ 33,036,000	\$ (682,000)	

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	24,828,000	(339,000)	-1.3%
Jul-Oct	32.8%	33,718,000	33,036,000	(682,000)	-2.0%
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	\$ 100,609,000	\$ 102,671,000	\$ (2,062,000)	-2.0%
Percentage Received	\$ 100,594,000	\$ 102,671,000	\$ (2,077,000)	-2.0%