

Memorandum

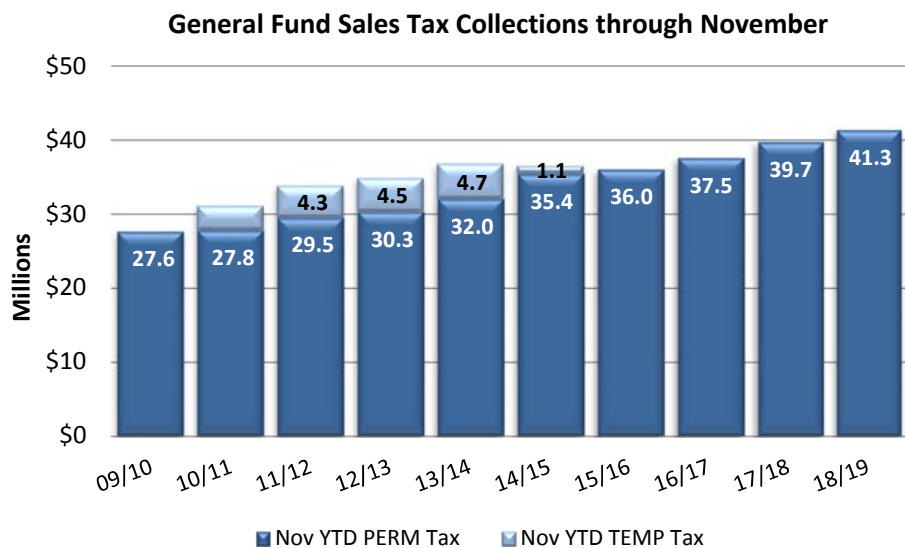


Municipal Budget Office

Date: March 1, 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 – November 2018

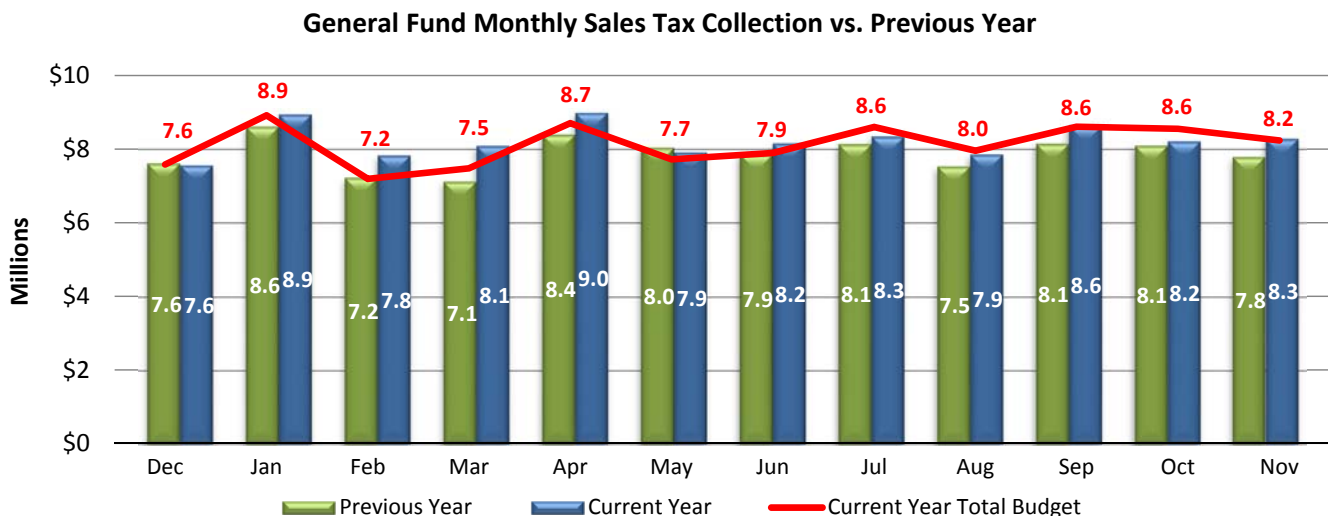
Attached is the Executive Summary of the Tax Revenue Statistical Report for November 2018 covering October sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

Total taxable sales increased by 4.2% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 4.5% (\$2.8 million), as a result of strong retail (\$943 thousand), rentals (\$1.3 million), and combined bed tax and hotel/motel (\$441 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 4.1% (\$1.6 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 \$634 thousand below budgeted projections year to date.



Executive Summary

Current Month - November

Fiscal Year to Date - November

	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	579,881,000	-0.1%	604,894,000	4.3%	678,866,000	12.2%	722,901,000	6.5%	3,122,761,000	1.9%	3,259,505,000	4.4%	3,443,841,000	5.7%	3,586,891,000	4.2%
Retail Taxable Sales	281,697,000	-0.9%	293,448,000	4.2%	340,438,000	16.0%	340,390,000	0.0%	1,559,378,000	3.0%	1,624,824,000	4.2%	1,751,149,000	7.8%	1,808,342,000	3.3%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,644,000	-0.7%	7,049,000	6.1%	7,789,000	10.5%	8,279,000	6.3%	35,996,000	1.7%	37,547,000	4.3%	39,682,000	5.7%	41,315,000	4.1%
Temporary Privilege Tax - General Fund	9,000	-35.7%	1,000	-88.9%	-	-100.0%	-	0.0%	19,000	-98.2%	22,000	15.8%	10,000	-54.5%	1,000	-90.0%
Transit Tax Fund (0.5%)	2,771,000	-0.7%	2,940,000	6.1%	3,251,000	10.6%	3,450,000	6.1%	15,008,000	1.7%	15,660,000	4.3%	16,555,000	5.7%	17,225,000	4.0%
Arts Tax Fund (0.1%)	570,000	-0.9%	606,000	6.3%	667,000	10.1%	708,000	6.1%	3,092,000	1.8%	3,229,000	4.4%	3,401,000	5.3%	3,544,000	4.2%
Privilege Tax - Rebates Fund	277,000	-3.1%	318,000	14.8%	304,000	-4.4%	307,000	1.0%	1,551,000	3.1%	1,650,000	6.4%	1,583,000	-4.1%	1,701,000	7.5%
Bed Tax Fund	508,000	4.3%	465,000	-8.5%	665,000	43.0%	787,000	18.3%	1,926,000	8.8%	2,071,000	7.5%	2,239,000	8.1%	2,521,000	12.6%
Totals	10,779,000	-0.6%	11,379,000	5.6%	12,676,000	11.4%	13,531,000	6.7%	57,592,000	0.1%	60,179,000	4.5%	63,470,000	5.5%	66,307,000	4.5%
Tax Revenues - Business Activities																
Retail	5,220,000	-2.9%	5,720,000	9.6%	6,384,000	11.6%	6,398,000	0.2%	29,168,000	1.1%	30,639,000	5.0%	32,878,000	7.3%	33,821,000	2.9%
Rentals	1,830,000	7.4%	2,072,000	13.2%	2,055,000	-0.8%	2,509,000	22.1%	9,915,000	2.7%	10,472,000	5.6%	10,975,000	4.8%	12,230,000	11.4%
Utilities/Communication	883,000	-21.3%	800,000	-9.4%	903,000	12.9%	993,000	10.0%	4,979,000	-9.5%	4,935,000	-0.9%	5,084,000	3.0%	5,015,000	-1.4%
Restaurants	901,000	-0.3%	993,000	10.2%	1,076,000	8.4%	1,075,000	-0.1%	4,461,000	3.6%	4,698,000	5.3%	4,980,000	6.0%	5,079,000	2.0%
Contracting	986,000	22.2%	907,000	-8.0%	1,043,000	15.0%	1,158,000	11.0%	4,953,000	-7.0%	4,962,000	0.2%	5,129,000	3.4%	5,130,000	0.0%
Hotel/Motel	283,000	17.4%	211,000	-25.4%	306,000	45.0%	398,000	30.1%	951,000	11.5%	1,067,000	12.2%	1,070,000	0.3%	1,229,000	14.9%
Transient (Bed Tax)	508,000	4.3%	465,000	-8.5%	665,000	43.0%	787,000	18.3%	1,926,000	8.8%	2,071,000	7.5%	2,239,000	8.1%	2,521,000	12.6%
Amusements	58,000	-43.7%	102,000	75.9%	113,000	10.8%	111,000	-1.8%	674,000	5.6%	701,000	4.0%	673,000	-4.0%	625,000	-7.1%
All Other	110,000	11.1%	109,000	-0.9%	131,000	20.2%	102,000	-22.1%	565,000	-11.7%	634,000	12.2%	442,000	-30.3%	657,000	48.6%
Totals	10,779,000	-0.6%	11,379,000	5.6%	12,676,000	11.4%	13,531,000	6.7%	57,592,000	0.1%	60,179,000	4.5%	63,470,000	5.5%	66,307,000	4.5%
Tax Revenues - Retail Activities Breakdown																
Automotive	875,000	-4.4%	827,000	-5.5%	1,117,000	35.1%	1,011,000	-9.5%	4,934,000	-0.6%	4,901,000	-0.7%	5,308,000	8.3%	5,410,000	1.9%
Furniture/Equipment/Electronics	1,061,000	-11.2%	1,532,000	44.4%	1,199,000	-21.7%	1,045,000	-12.8%	6,076,000	-9.2%	6,551,000	7.8%	6,528,000	-0.4%	6,396,000	-2.0%
Department Stores	852,000	-2.9%	877,000	2.9%	872,000	-0.6%	923,000	5.8%	4,637,000	0.8%	4,867,000	5.0%	4,857,000	-0.2%	4,925,000	1.4%
Grocery Stores	654,000	0.9%	411,000	-37.2%	698,000	69.8%	762,000	9.2%	3,317,000	2.3%	3,177,000	-4.2%	3,480,000	9.5%	3,688,000	6.0%
Drug/Small Stores	443,000	-16.6%	614,000	38.6%	604,000	-1.6%	532,000	-11.9%	2,562,000	-10.4%	2,898,000	13.1%	2,806,000	-3.2%	2,939,000	4.7%
Manufacturing Firms	253,000	33.2%	248,000	-2.0%	281,000	13.3%	342,000	21.7%	1,539,000	15.8%	1,509,000	-1.9%	1,471,000	-2.5%	1,549,000	5.3%
Building Supply Stores	204,000	-1.0%	230,000	12.7%	266,000	15.7%	268,000	0.8%	1,057,000	13.5%	1,091,000	3.2%	1,172,000	7.4%	1,190,000	1.5%
All Other Retail	878,000	7.9%	981,000	11.7%	1,347,000	37.3%	1,515,000	12.5%	5,046,000	19.2%	5,645,000	11.9%	7,256,000	28.5%	7,724,000	6.4%
Totals	5,220,000	-2.9%	5,720,000	9.6%	6,384,000	11.6%	6,398,000	0.2%	29,168,000	1.1%	30,639,000	5.0%	32,878,000	7.3%	33,821,000	2.9%
Tax Revenues - Business Districts																
Elliot Corridor	1,275,000	-8.7%	1,607,000	26.0%	1,651,000	2.7%	1,531,000	-7.3%	7,604,000	-5.3%	7,782,000	2.3%	8,356,000	7.4%	8,725,000	4.4%
Market Place	387,000	-17.0%	459,000	18.6%	441,000	-3.9%	464,000	5.2%	2,265,000	0.5%	2,414,000	6.6%	2,319,000	-3.9%	2,536,000	9.4%
Mills Mall	474,000	43.6%	472,000	-0.4%	389,000	-17.6%	396,000	1.8%	2,308,000	5.9%	2,511,000	8.8%	2,181,000	-13.1%	2,178,000	-0.1%
Downtown Tempe	405,000	-14.7%	402,000	-0.7%	405,000	0.7%	543,000	34.1%	1,691,000	-4.5%	1,685,000	-0.4%	1,684,000	-1.2%	1,840,000	10.6%
Apache Blvd.	167,000	-17.3%	246,000	47.3%	201,000	-18.3%	301,000	49.8%	985,000	-7.3%	1,021,000	3.7%	906,000	-11.3%	1,210,000	33.6%
ASU Properties	159,000	-10.7%	171,000	7.5%	215,000	25.7%	175,000	-18.6%	897,000	-7.7%	996,000	11.0%	1,134,000	13.9%	976,000	-13.9%
Rio Salado	279,000	3.7%	363,000	30.1%	411,000	13.2%	556,000	35.3%	1,320,000	-1.3%	1,749,000	32.5%	1,923,000	9.9%	2,577,000	34.0%
All Other Areas	7,633,000	1.4%	7,659,000	0.3%	8,963,000	17.0%	9,565,000	6.7%	40,522,000	1.5%	42,021,000	3.7%	44,987,000	7.1%	46,265,000	2.8%

**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	8,280,000	48,000	0.6%
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	\$ 41,316,000	\$ (634,000)	

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	41,316,000	(634,000)	-1.5%
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	\$ 101,127,000	\$ 102,671,000	\$ (1,544,000)	-1.5%
Percentage Received	\$ 101,119,000	\$ 102,671,000	\$ (1,552,000)	-1.5%