

Memorandum

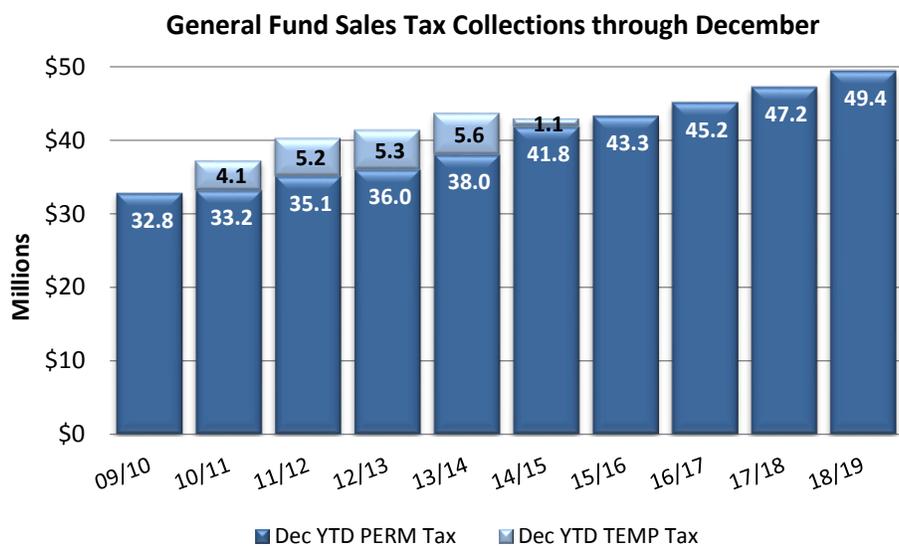


Municipal Budget Office

Date: April 19, 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 – December 2018

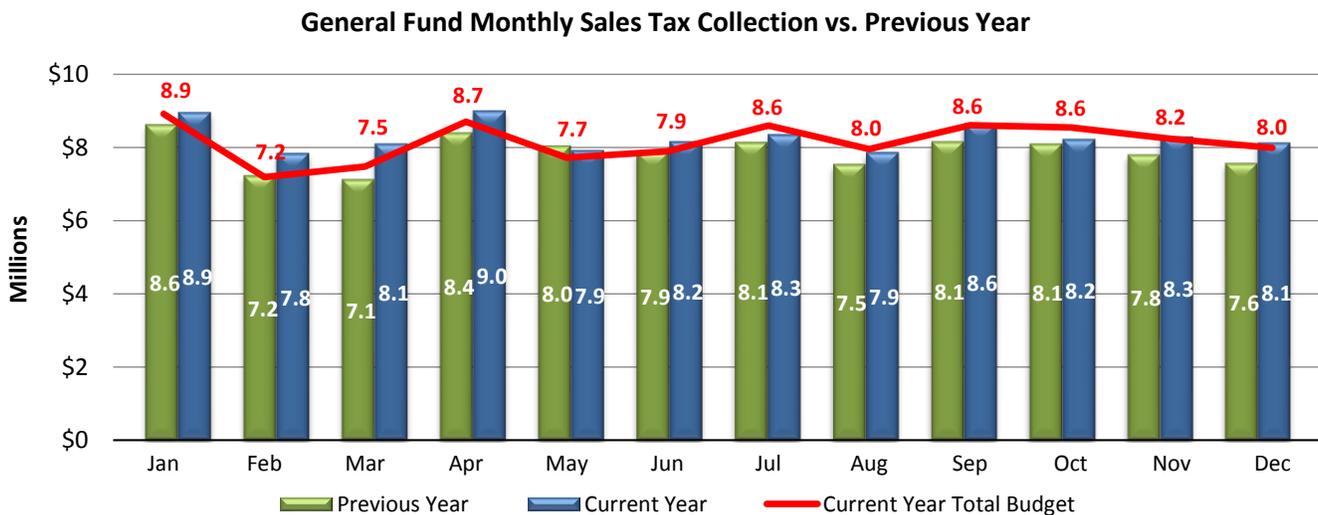
Attached is the Executive Summary of the Tax Revenue Statistical Report for December 2018 covering November sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

Total taxable sales increased by 2.5% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 4.9% (\$3.7 million), as a result of strong retail (\$1.4 million), rentals (\$1.7 million), and combined bed tax and hotel/motel (\$574 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 4.6% (\$2.2 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 \$512 thousand below budgeted projections year to date.



Executive Summary

Current Month - December

Fiscal Year to Date - December

	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	644,175,000	14.4%	692,949,000	7.6%	746,260,000	7.7%	708,715,000	-5.0%	3,766,936,000	3.9%	3,952,455,000	4.9%	4,190,100,000	6.0%	4,295,605,000	2.5%
Retail Taxable Sales	323,310,000	10.3%	341,729,000	5.7%	334,367,000	-2.2%	374,845,000	12.1%	1,882,688,000	4.2%	1,966,553,000	4.5%	2,085,517,000	6.0%	2,183,187,000	4.7%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,303,000	13.4%	7,613,000	4.2%	7,556,000	-0.7%	8,109,000	7.3%	43,300,000	3.5%	45,160,000	4.3%	47,238,000	4.6%	49,425,000	4.6%
Temporary Privilege Tax - General Fund	-	-100.0%	-	0.0%	-	0.0%	-	0.0%	19,000	-98.2%	22,000	15.8%	11,000	-50.0%	1,000	-90.9%
Transit Tax Fund (0.5%)	3,047,000	13.5%	3,175,000	4.2%	3,154,000	-0.7%	3,379,000	7.1%	18,055,000	3.5%	18,835,000	4.3%	19,709,000	4.6%	20,604,000	4.5%
Arts Tax Fund (0.1%)	630,000	12.5%	657,000	4.3%	651,000	-0.9%	695,000	6.8%	3,722,000	3.5%	3,886,000	4.4%	4,052,000	4.3%	4,238,000	4.6%
Privilege Tax - Rebates Fund	360,000	-10.4%	374,000	3.9%	356,000	-4.8%	322,000	-9.6%	1,911,000	0.3%	2,024,000	5.9%	1,939,000	-4.2%	2,023,000	4.3%
Bed Tax Fund	517,000	6.4%	570,000	10.3%	616,000	8.1%	715,000	16.1%	2,444,000	8.3%	2,641,000	8.1%	2,855,000	8.1%	3,237,000	13.4%
Totals	11,857,000	12.1%	12,389,000	4.5%	12,333,000	-0.5%	13,220,000	7.2%	69,451,000	2.0%	72,568,000	4.5%	75,804,000	4.5%	79,528,000	4.9%
Tax Revenues - Business Activities																
Retail	5,897,000	6.2%	6,353,000	7.7%	6,572,000	3.4%	6,999,000	6.5%	35,065,000	1.9%	36,992,000	5.5%	39,450,000	6.6%	40,820,000	3.5%
Rentals	1,911,000	8.8%	2,047,000	7.1%	1,968,000	-3.9%	2,382,000	21.0%	11,826,000	3.7%	12,519,000	5.9%	12,943,000	3.4%	14,613,000	12.9%
Utilities/Communication	714,000	-3.4%	846,000	18.5%	699,000	-17.4%	707,000	1.1%	5,693,000	-8.8%	5,781,000	1.5%	5,783,000	0.0%	5,722,000	-1.1%
Restaurants	1,042,000	7.4%	1,028,000	-1.3%	1,029,000	0.1%	1,068,000	3.8%	5,504,000	4.3%	5,725,000	4.0%	6,009,000	5.0%	6,147,000	2.3%
Contracting	1,153,000	85.7%	928,000	-19.5%	904,000	-2.6%	758,000	-16.2%	6,106,000	2.7%	5,890,000	-3.5%	6,033,000	2.4%	5,888,000	-2.4%
Hotel/Motel	275,000	24.4%	263,000	-4.4%	310,000	17.9%	343,000	10.6%	1,226,000	14.0%	1,329,000	8.4%	1,380,000	3.8%	1,572,000	13.9%
Transient (Bed Tax)	517,000	6.4%	570,000	10.3%	616,000	8.1%	715,000	16.1%	2,444,000	8.3%	2,641,000	8.1%	2,855,000	8.1%	3,237,000	13.4%
Amusements	177,000	28.3%	155,000	-12.4%	149,000	-3.9%	120,000	-19.5%	852,000	9.8%	856,000	0.5%	822,000	-4.0%	744,000	-9.5%
All Other	171,000	80.0%	199,000	16.4%	86,000	-56.8%	128,000	48.8%	735,000	0.3%	835,000	13.6%	529,000	-36.6%	785,000	48.4%
Totals	11,857,000	12.1%	12,389,000	4.5%	12,333,000	-0.5%	13,220,000	7.2%	69,451,000	2.0%	72,568,000	4.5%	75,804,000	4.5%	79,528,000	4.9%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,051,000	6.4%	1,083,000	3.0%	961,000	-11.3%	1,068,000	11.1%	5,985,000	0.6%	5,984,000	0.0%	6,269,000	4.8%	6,478,000	3.3%
Furniture/Equipment/Electronics	1,175,000	3.6%	1,126,000	-4.2%	1,274,000	13.1%	1,155,000	-9.3%	7,251,000	-7.3%	7,677,000	5.9%	7,801,000	1.6%	7,551,000	-3.2%
Department Stores	1,087,000	1.6%	1,056,000	-2.9%	1,036,000	-1.9%	1,122,000	8.3%	5,724,000	1.0%	5,922,000	3.5%	5,893,000	-0.5%	6,047,000	2.6%
Grocery Stores	711,000	-4.4%	982,000	38.1%	769,000	-21.7%	759,000	-1.3%	4,027,000	1.0%	4,160,000	3.3%	4,249,000	2.1%	4,447,000	4.7%
Drug/Small Stores	581,000	10.9%	627,000	7.9%	569,000	-9.3%	604,000	6.2%	3,143,000	-7.1%	3,525,000	12.2%	3,375,000	-4.3%	3,543,000	5.0%
Manufacturing Firms	243,000	50.0%	268,000	10.3%	269,000	0.4%	464,000	72.5%	1,782,000	19.5%	1,777,000	-0.3%	1,740,000	-2.1%	2,012,000	15.6%
Building Supply Stores	198,000	22.2%	189,000	-4.5%	226,000	19.6%	247,000	9.3%	1,255,000	14.9%	1,281,000	2.1%	1,398,000	9.1%	1,437,000	2.8%
All Other Retail	851,000	10.7%	1,022,000	20.1%	1,468,000	43.6%	1,580,000	7.6%	5,898,000	17.8%	6,666,000	13.0%	8,725,000	30.9%	9,305,000	6.6%
Totals	5,897,000	6.2%	6,353,000	7.7%	6,572,000	3.4%	6,999,000	6.5%	35,065,000	1.9%	36,992,000	5.5%	39,450,000	6.6%	40,820,000	3.5%
Tax Revenues - Business Districts																
Elliot Corridor	1,583,000	1.0%	1,565,000	-1.1%	1,560,000	-0.3%	1,646,000	5.5%	9,186,000	-4.3%	9,347,000	1.8%	9,916,000	6.1%	10,371,000	4.6%
Market Place	503,000	-5.5%	543,000	8.0%	520,000	-4.2%	487,000	-6.3%	2,768,000	-0.6%	2,958,000	6.9%	2,839,000	-4.0%	3,023,000	6.5%
Mills Mall	555,000	-6.4%	522,000	-5.9%	461,000	-11.7%	515,000	11.7%	2,864,000	3.3%	3,033,000	5.9%	2,642,000	-12.9%	2,693,000	1.9%
Downtown Tempe	419,000	-1.9%	386,000	-7.9%	401,000	3.9%	453,000	13.0%	2,110,000	-4.0%	2,071,000	-1.8%	2,065,000	-0.3%	2,293,000	11.0%
Apache Blvd.	240,000	0.4%	228,000	-5.0%	194,000	-14.9%	255,000	31.4%	1,225,000	-5.9%	1,249,000	2.0%	1,100,000	-11.9%	1,465,000	33.2%
ASU Properties	222,000	23.3%	228,000	2.7%	162,000	-28.9%	204,000	25.9%	1,119,000	-2.9%	1,225,000	9.5%	1,296,000	5.8%	1,180,000	-9.0%
Rio Salado	596,000	142.3%	384,000	-35.6%	401,000	4.4%	1,646,000	310.5%	1,916,000	21.0%	2,134,000	11.4%	2,324,000	8.9%	4,223,000	81.7%
All Other Areas	7,739,000	13.9%	8,533,000	10.3%	8,634,000	1.2%	8,014,000	-7.2%	48,263,000	3.3%	50,551,000	4.7%	53,622,000	6.1%	54,280,000	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	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	8,109,000	122,000	1.5%
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	\$ 49,425,000	\$ (512,000)	

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	49,425,000	(512,000)	-1.0%
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	\$ 101,625,000	\$ 102,671,000	\$ (1,046,000)	-1.0%
Percentage Received	\$ 101,618,000	\$ 102,671,000	\$ (1,053,000)	-1.0%