

Memorandum

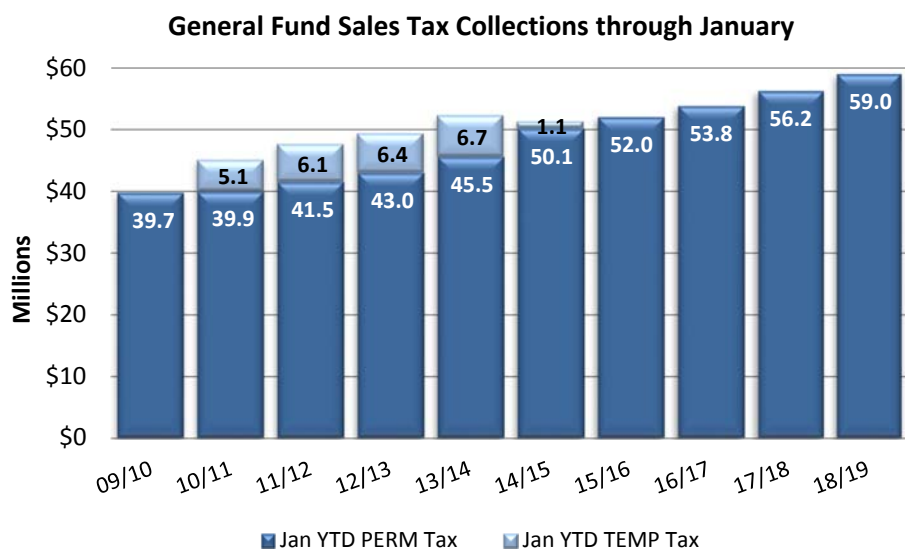


Municipal Budget Office

Date: May 24, 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 – January 2019

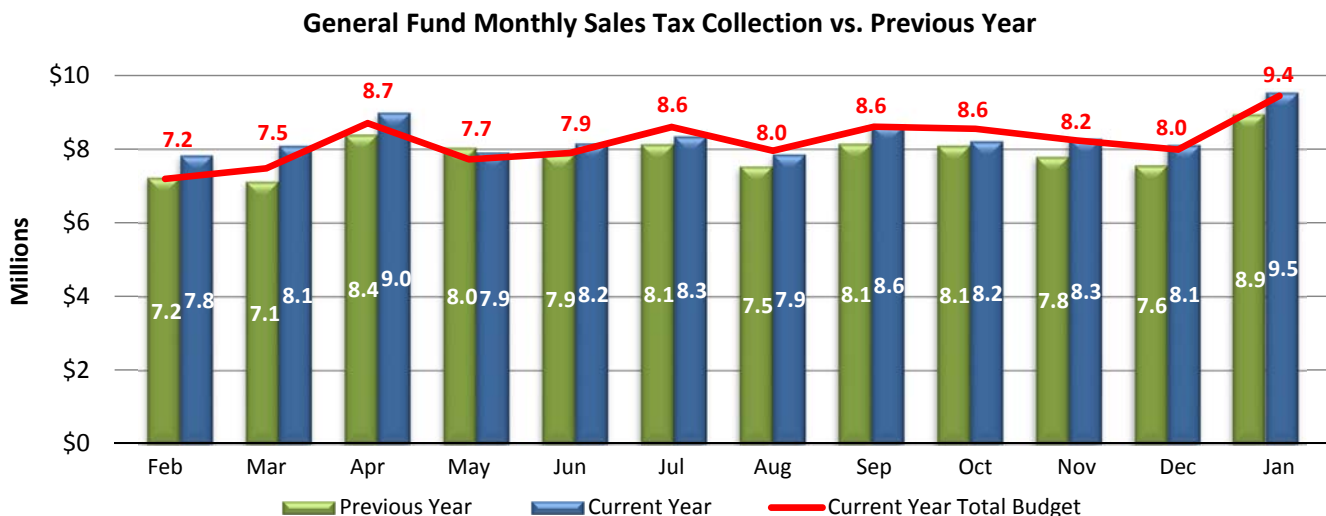
Attached is the Executive Summary of the Tax Revenue Statistical Report for January 2019 covering December sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

Total taxable sales increased by 3.1% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 5.2% (\$4.7 million), as a result of strong retail (\$1.5 million), rentals (\$2.1 million), and combined bed tax and hotel/motel (\$609 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 4.9% (\$2.8 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 \$429 thousand below budgeted projections year to date.



Executive Summary

Current Month - January

Fiscal Year to Date - January

	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	753,182,000	2.8%	754,364,000	0.2%	785,667,000	4.1%	834,863,000	6.3%	4,520,117,000	3.7%	4,706,819,000	4.1%	4,975,767,000	5.7%	5,130,469,000	3.1%
Retail Taxable Sales	410,123,000	8.1%	421,679,000	2.8%	425,555,000	0.9%	426,495,000	0.2%	2,292,811,000	4.9%	2,388,232,000	4.2%	2,511,072,000	5.1%	2,609,682,000	3.9%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,676,000	4.6%	8,606,000	-0.8%	8,938,000	3.9%	9,530,000	6.6%	51,976,000	3.7%	53,767,000	3.4%	56,177,000	4.5%	58,955,000	4.9%
Temporary Privilege Tax - General Fund	4,000	0.0%	1,000	-75.0%	-	-100.0%	1,000	0.0%	24,000	-97.8%	23,000	-4.2%	11,000	-52.2%	1,000	-90.9%
Transit Tax Fund (0.5%)	3,618,000	4.6%	3,589,000	-0.8%	3,728,000	3.9%	3,988,000	7.0%	21,673,000	3.7%	22,424,000	3.5%	23,436,000	4.5%	24,592,000	4.9%
Arts Tax Fund (0.1%)	749,000	4.3%	746,000	-0.4%	773,000	3.6%	822,000	6.3%	4,471,000	3.6%	4,632,000	3.6%	4,825,000	4.2%	5,061,000	4.9%
Privilege Tax - Rebates Fund	446,000	-3.0%	493,000	10.5%	473,000	-4.1%	464,000	-1.9%	2,357,000	-0.4%	2,517,000	6.8%	2,412,000	-4.2%	2,487,000	3.1%
Bed Tax Fund	348,000	-3.3%	496,000	42.5%	449,000	-9.5%	483,000	7.6%	2,792,000	6.7%	3,137,000	12.4%	3,304,000	5.3%	3,720,000	12.6%
Totals	13,841,000	4.1%	13,931,000	0.7%	14,361,000	3.1%	15,288,000	6.5%	83,293,000	2.3%	86,500,000	3.9%	90,165,000	4.2%	94,816,000	5.2%
Tax Revenues - Business Activities																
Retail	7,689,000	8.6%	7,905,000	2.8%	8,048,000	1.8%	8,137,000	1.1%	42,753,000	3.1%	44,898,000	5.0%	47,498,000	5.8%	48,957,000	3.1%
Rentals	2,480,000	15.4%	2,420,000	-2.4%	2,488,000	2.8%	2,956,000	18.8%	14,306,000	5.5%	14,939,000	4.4%	15,431,000	3.3%	17,569,000	13.9%
Utilities/Communication	729,000	-0.8%	687,000	-5.8%	722,000	5.1%	660,000	-8.6%	6,423,000	-8.0%	6,468,000	0.7%	6,505,000	0.6%	6,383,000	-1.9%
Restaurants	1,007,000	13.9%	984,000	-2.3%	1,127,000	14.5%	1,123,000	-0.4%	6,511,000	5.6%	6,710,000	3.1%	7,137,000	6.4%	7,270,000	1.9%
Contracting	1,184,000	-30.2%	935,000	-21.0%	1,045,000	11.8%	1,396,000	33.6%	7,290,000	-4.6%	6,825,000	-6.4%	7,079,000	3.7%	7,284,000	2.9%
Hotel/Motel	184,000	10.2%	225,000	22.3%	233,000	3.6%	234,000	0.4%	1,410,000	13.5%	1,555,000	10.3%	1,614,000	3.8%	1,807,000	12.0%
Transient (Bed Tax)	348,000	-3.3%	496,000	42.5%	449,000	-9.5%	483,000	7.6%	2,792,000	6.7%	3,137,000	12.4%	3,304,000	5.3%	3,720,000	12.6%
Amusements	140,000	5.3%	186,000	32.9%	164,000	-11.8%	192,000	17.1%	991,000	9.0%	1,042,000	5.1%	986,000	-5.4%	936,000	-5.1%
All Other	80,000	-10.1%	93,000	16.3%	85,000	-8.6%	107,000	25.9%	817,000	-0.6%	926,000	13.3%	611,000	-34.0%	890,000	45.7%
Totals	13,841,000	4.1%	13,931,000	0.7%	14,361,000	3.1%	15,288,000	6.5%	83,293,000	2.3%	86,500,000	3.9%	90,165,000	4.2%	94,816,000	5.2%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,085,000	-0.9%	1,083,000	-0.2%	1,156,000	6.7%	1,117,000	-3.4%	7,070,000	0.3%	7,067,000	0.0%	7,425,000	5.1%	7,594,000	2.3%
Furniture/Equipment/Electronics	1,652,000	9.4%	1,726,000	4.5%	1,534,000	-11.1%	1,314,000	-14.3%	8,902,000	-4.6%	9,402,000	5.6%	9,336,000	-0.7%	8,865,000	-5.0%
Department Stores	1,412,000	3.0%	1,435,000	1.6%	1,426,000	-0.6%	1,462,000	2.5%	7,137,000	1.4%	7,358,000	3.1%	7,320,000	-0.5%	7,508,000	2.6%
Grocery Stores	966,000	-0.6%	1,018,000	5.4%	1,040,000	2.2%	1,091,000	4.9%	4,993,000	0.7%	5,177,000	3.7%	5,289,000	2.2%	5,538,000	4.7%
Drug/Small Stores	805,000	9.1%	764,000	-5.1%	765,000	0.1%	775,000	1.3%	3,947,000	-4.2%	4,288,000	8.6%	4,140,000	-3.5%	4,318,000	4.3%
Manufacturing Firms	330,000	21.3%	261,000	-20.9%	332,000	27.2%	436,000	31.3%	2,112,000	19.8%	2,038,000	-3.5%	2,072,000	1.7%	2,449,000	18.2%
Building Supply Stores	159,000	-2.5%	196,000	23.3%	202,000	3.1%	226,000	11.9%	1,414,000	12.7%	1,477,000	4.5%	1,600,000	8.3%	1,664,000	4.0%
All Other Retail	1,280,000	33.8%	1,422,000	11.1%	1,593,000	12.0%	1,716,000	7.7%	7,178,000	20.4%	8,091,000	12.7%	10,316,000	27.5%	11,021,000	6.8%
Totals	7,689,000	8.6%	7,905,000	2.8%	8,048,000	1.8%	8,137,000	1.1%	42,753,000	3.1%	44,898,000	5.0%	47,498,000	5.8%	48,957,000	3.1%
Tax Revenues - Business Districts																
Elliot Corridor	1,883,000	7.2%	1,869,000	-0.7%	1,864,000	-0.3%	1,744,000	-6.4%	11,070,000	-2.5%	11,216,000	1.3%	11,780,000	5.0%	12,115,000	2.8%
Market Place	658,000	-3.7%	733,000	11.4%	703,000	-4.1%	639,000	-9.1%	3,426,000	-1.2%	3,690,000	7.7%	3,542,000	-4.0%	3,662,000	3.4%
Mills Mall	697,000	-1.4%	736,000	5.6%	693,000	-5.8%	695,000	0.3%	3,560,000	2.3%	3,769,000	5.9%	3,335,000	-11.5%	3,388,000	1.6%
Downtown Tempe	389,000	4.3%	368,000	-5.4%	390,000	6.0%	356,000	-8.7%	2,499,000	-2.8%	2,439,000	-2.4%	2,455,000	0.7%	2,649,000	7.9%
Apache Blvd.	192,000	-7.7%	225,000	17.2%	224,000	-0.4%	306,000	36.6%	1,417,000	-6.2%	1,474,000	4.0%	1,324,000	-10.2%	1,771,000	33.8%
ASU Properties	140,000	0.0%	145,000	3.6%	179,000	23.4%	168,000	-6.1%	1,259,000	-2.6%	1,369,000	8.7%	1,475,000	7.7%	1,348,000	-8.6%
Rio Salado	365,000	31.8%	354,000	-3.0%	444,000	25.4%	514,000	15.8%	2,281,000	22.6%	2,488,000	9.1%	2,768,000	11.3%	4,737,000	71.1%
All Other Areas	9,517,000	4.0%	9,501,000	-0.2%	9,864,000	3.8%	10,866,000	10.2%	57,781,000	3.4%	60,055,000	3.9%	63,486,000	5.7%	65,146,000	2.6%

**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	9,530,000	83,000	0.9%
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	\$ 58,955,000	\$ (429,000)	-0.7%

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	58,955,000	(429,000)	-0.7%
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	\$ 101,933,000	\$ 102,671,000	\$ (738,000)	-0.7%
Percentage Received	\$ 101,929,000	\$ 102,671,000	\$ (742,000)	-0.7%