

# Memorandum

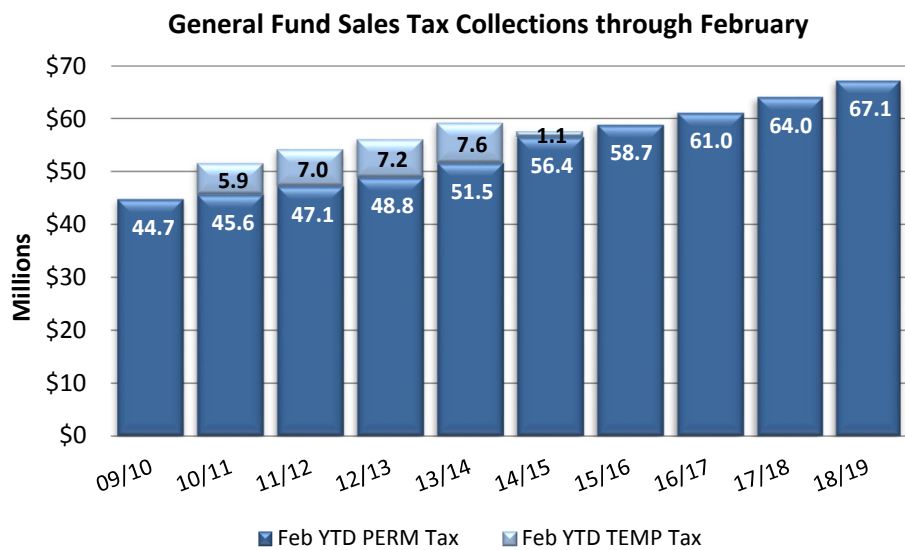


## Municipal Budget Office

Date: July 12, 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 – February 2019

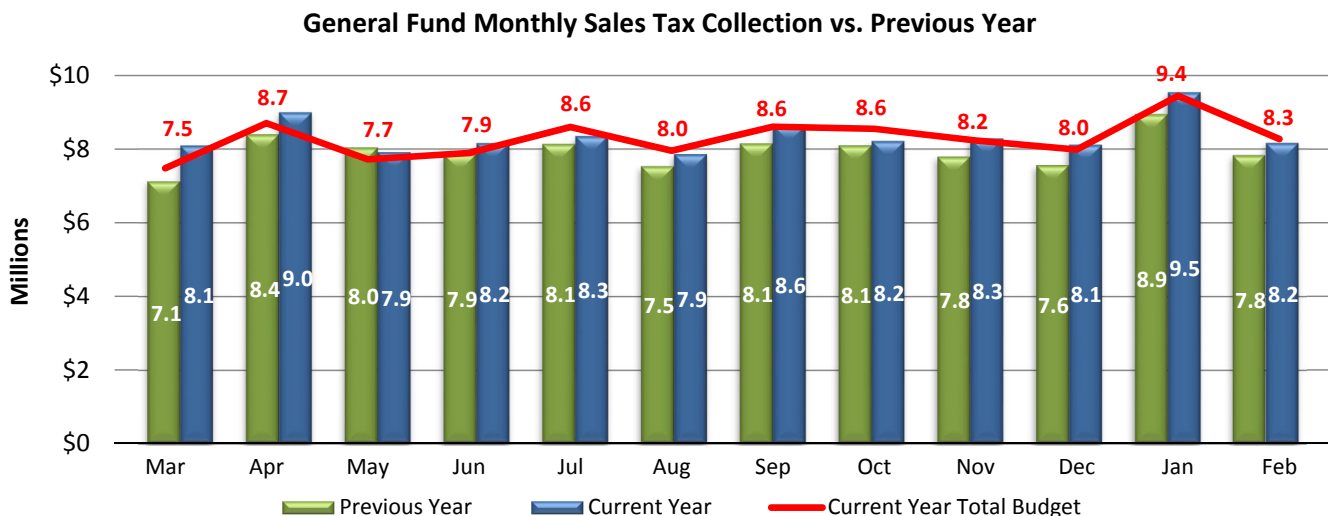
Attached is the Executive Summary of the Tax Revenue Statistical Report for February 2019 covering January sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

Total taxable sales increased by 7.2% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 5.2% (\$5.4 million), as a result of strong retail (\$1.6 million), rentals (\$2.6 million), and combined bed tax and hotel/motel (\$732 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% (\$3.1 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 \$547 thousand below budgeted projections year to date.



## Executive Summary

### Current Month - February

### Fiscal Year to Date - February

	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
<b>Taxable Sales</b>																
Total Taxable Sales	593,812,000	7.4%	632,202,000	6.5%	681,121,000	7.7%	931,522,000	36.8%	5,113,929,000	4.1%	5,339,021,000	4.4%	5,656,888,000	6.0%	6,061,991,000	7.2%
Retail Taxable Sales	297,606,000	7.0%	335,954,000	12.9%	356,240,000	6.0%	474,004,000	33.1%	2,590,416,000	5.1%	2,724,187,000	5.2%	2,867,312,000	5.3%	3,083,685,000	7.5%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,742,000	7.0%	7,224,000	7.1%	7,826,000	8.3%	8,155,000	4.2%	58,717,000	4.1%	60,990,000	3.9%	64,003,000	4.9%	67,109,000	4.9%
Temporary Privilege Tax - General Fund	10,000	25.0%	-	-100.0%	-	0.0%	-	0.0%	34,000	-96.9%	24,000	-29.4%	12,000	-50.0%	1,000	-91.7%
Transit Tax Fund (0.5%)	2,825,000	7.5%	3,013,000	6.7%	3,264,000	8.3%	3,403,000	4.3%	24,497,000	4.1%	25,437,000	3.8%	26,700,000	5.0%	27,995,000	4.9%
Arts Tax Fund (0.1%)	580,000	6.6%	620,000	6.9%	672,000	8.4%	708,000	5.4%	5,052,000	4.0%	5,252,000	4.0%	5,497,000	4.7%	5,769,000	4.9%
Privilege Tax - Rebates Fund	299,000	-5.1%	298,000	-0.3%	333,000	11.7%	474,000	42.3%	2,656,000	-0.9%	2,815,000	6.0%	2,745,000	-2.5%	2,962,000	7.9%
Bed Tax Fund	687,000	-1.7%	636,000	-7.4%	801,000	25.9%	878,000	9.6%	3,479,000	4.9%	3,773,000	8.5%	4,104,000	8.8%	4,598,000	12.0%
<b>Totals</b>	<b>11,143,000</b>	<b>6.2%</b>	<b>11,791,000</b>	<b>5.8%</b>	<b>12,896,000</b>	<b>9.4%</b>	<b>13,618,000</b>	<b>5.6%</b>	<b>94,435,000</b>	<b>2.8%</b>	<b>98,291,000</b>	<b>4.1%</b>	<b>103,061,000</b>	<b>4.9%</b>	<b>108,434,000</b>	<b>5.2%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,733,000	6.4%	6,386,000	11.4%	6,661,000	4.3%	6,774,000	1.7%	48,487,000	3.5%	51,284,000	5.8%	54,159,000	5.6%	55,730,000	2.9%
Rentals	1,818,000	17.3%	1,561,000	-14.1%	2,119,000	35.7%	2,572,000	21.4%	16,124,000	6.7%	16,500,000	2.3%	17,550,000	6.4%	20,141,000	14.8%
Utilities/Communication	661,000	-1.6%	702,000	6.2%	687,000	-2.1%	717,000	4.4%	7,084,000	-7.4%	7,171,000	1.2%	7,192,000	0.3%	7,100,000	-1.3%
Restaurants	963,000	5.4%	1,033,000	7.3%	1,002,000	-3.0%	1,115,000	11.3%	7,473,000	5.6%	7,742,000	3.6%	8,139,000	5.1%	8,386,000	3.0%
Contracting	765,000	-1.3%	991,000	29.5%	1,050,000	6.0%	920,000	-12.4%	8,055,000	-4.3%	7,816,000	-3.0%	8,128,000	4.0%	8,203,000	0.9%
Hotel/Motel	301,000	-2.3%	278,000	-7.6%	373,000	34.2%	419,000	12.3%	1,711,000	10.4%	1,832,000	7.1%	1,987,000	8.5%	2,225,000	12.0%
Transient (Bed Tax)	687,000	-1.7%	636,000	-7.4%	801,000	25.9%	878,000	9.6%	3,479,000	4.9%	3,773,000	8.5%	4,104,000	8.8%	4,598,000	12.0%
Amusements	130,000	20.4%	131,000	0.8%	116,000	-11.5%	115,000	-0.9%	1,121,000	10.1%	1,173,000	4.6%	1,101,000	-6.1%	1,051,000	-4.5%
All Other	85,000	9.0%	73,000	-14.1%	87,000	19.2%	108,000	24.1%	901,000	0.3%	1,000,000	11.0%	701,000	-29.9%	1,000,000	42.7%
<b>Totals</b>	<b>11,143,000</b>	<b>6.2%</b>	<b>11,791,000</b>	<b>5.8%</b>	<b>12,896,000</b>	<b>9.4%</b>	<b>13,618,000</b>	<b>5.6%</b>	<b>94,435,000</b>	<b>2.8%</b>	<b>98,291,000</b>	<b>4.1%</b>	<b>103,061,000</b>	<b>4.9%</b>	<b>108,434,000</b>	<b>5.2%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	929,000	0.2%	1,123,000	20.9%	983,000	-12.5%	984,000	0.1%	8,000,000	0.3%	8,190,000	2.4%	8,408,000	2.7%	8,578,000	2.0%
Furniture/Equipment/Electronics	1,248,000	10.4%	1,338,000	7.2%	1,149,000	-14.1%	1,296,000	12.8%	10,150,000	-3.0%	10,740,000	5.8%	10,485,000	-2.4%	10,161,000	-3.1%
Department Stores	819,000	-3.6%	820,000	0.1%	909,000	10.9%	855,000	-5.9%	7,956,000	0.8%	8,178,000	2.8%	8,229,000	0.6%	8,363,000	1.6%
Grocery Stores	732,000	12.3%	645,000	-11.9%	803,000	24.5%	759,000	-5.5%	5,726,000	2.0%	5,823,000	1.7%	6,092,000	4.6%	6,297,000	3.4%
Drug/Small Stores	505,000	-8.8%	718,000	42.2%	896,000	24.8%	619,000	-30.9%	4,452,000	-4.7%	5,006,000	12.4%	5,036,000	0.6%	4,936,000	-2.0%
Manufacturing Firms	206,000	-18.6%	214,000	3.9%	338,000	57.9%	273,000	-19.2%	2,318,000	15.0%	2,252,000	-2.8%	2,410,000	7.0%	2,721,000	12.9%
Building Supply Stores	255,000	57.4%	209,000	-18.0%	212,000	1.4%	245,000	15.6%	1,669,000	17.7%	1,686,000	1.0%	1,811,000	7.4%	1,909,000	5.4%
All Other Retail	1,039,000	21.0%	1,319,000	26.9%	1,371,000	3.9%	1,743,000	27.1%	8,216,000	20.5%	9,409,000	14.5%	11,688,000	24.2%	12,765,000	9.2%
<b>Totals</b>	<b>5,733,000</b>	<b>6.4%</b>	<b>6,386,000</b>	<b>11.4%</b>	<b>6,661,000</b>	<b>4.3%</b>	<b>6,774,000</b>	<b>1.7%</b>	<b>48,487,000</b>	<b>3.5%</b>	<b>51,284,000</b>	<b>5.8%</b>	<b>54,159,000</b>	<b>5.6%</b>	<b>55,730,000</b>	<b>2.9%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,445,000	4.1%	1,512,000	4.6%	1,481,000	-2.1%	1,507,000	1.8%	12,515,000	-1.8%	12,728,000	1.7%	13,261,000	4.2%	13,622,000	2.7%
Market Place	397,000	-15.2%	441,000	11.1%	494,000	12.0%	653,000	32.2%	3,823,000	-2.9%	4,132,000	8.1%	4,036,000	-2.3%	4,315,000	6.9%
Mills Mall	436,000	27.5%	435,000	-0.2%	431,000	-0.9%	374,000	-13.2%	3,996,000	4.6%	4,204,000	5.2%	3,766,000	-10.4%	3,762,000	-0.1%
Downtown Tempe	421,000	-5.6%	421,000	0.0%	454,000	7.8%	497,000	9.5%	2,920,000	-3.2%	2,860,000	-2.1%	2,909,000	1.7%	3,146,000	8.1%
Apache Blvd.	208,000	5.6%	155,000	-25.5%	224,000	44.5%	284,000	26.8%	1,625,000	-4.8%	1,629,000	0.2%	1,548,000	-5.0%	2,055,000	32.8%
ASU Properties	114,000	-16.8%	237,000	107.9%	234,000	-1.3%	210,000	-10.3%	1,373,000	-3.9%	1,606,000	17.0%	1,709,000	6.4%	1,558,000	-8.8%
Rio Salado	429,000	32.0%	403,000	-6.1%	510,000	26.6%	739,000	44.9%	2,710,000	24.0%	2,890,000	6.6%	3,278,000	13.4%	5,476,000	67.1%
All Other Areas	7,693,000	7.0%	8,187,000	6.4%	9,068,000	10.8%	9,354,000	3.2%	65,473,000	3.8%	68,242,000	4.2%	72,554,000	6.3%	74,500,000	2.7%

**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	8,279,000	47,000	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	8,155,000	(117,000)	-1.4%
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>\$ 67,109,000</b>	<b>\$ (547,000)</b>	<b>-0.8%</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	33,036,000	(682,000)	-2.0%
Jul-Nov	40.9%	41,950,000	41,315,000	(635,000)	-1.5%
Jul-Dec	48.6%	49,937,000	49,424,000	(513,000)	-1.0%
Jul-Jan	57.8%	59,384,000	58,954,000	(430,000)	-0.7%
Jul-Feb	65.9%	67,656,000	67,109,000	(547,000)	-0.8%
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	\$ 101,843,000	\$ 102,671,000	\$ (828,000)	-0.8%
Percentage Received	\$ 101,841,000	\$ 102,671,000	\$ (830,000)	-0.8%