

# Memorandum

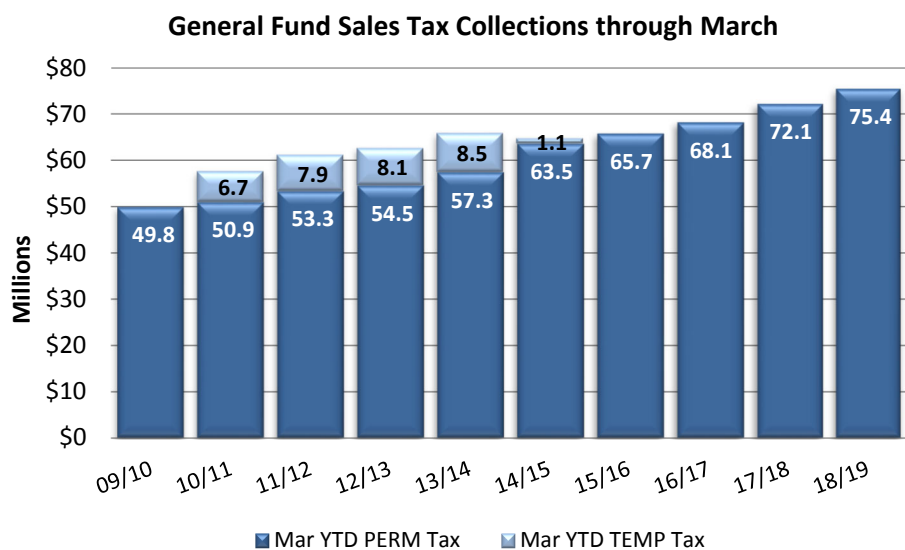


## Municipal Budget Office

Date: August 16, 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 – March 2019

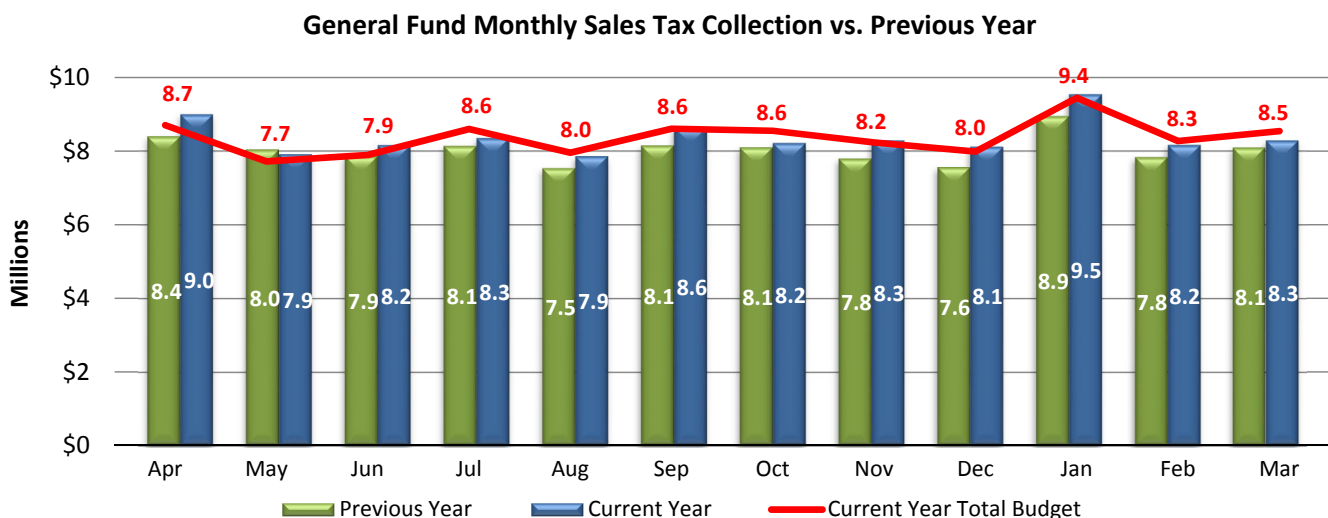
Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2019 covering February sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR.

Total taxable sales increased by 6.3% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 4.9% (\$5.7 million), as a result of strong retail (\$1.2 million), rentals (\$2.8 million), and combined bed tax and hotel/motel (\$787 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% (\$3.3 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 \$815 thousand below budgeted projections year to date.



## Executive Summary

### Current Month - March

### Fiscal Year to Date - March

	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	610,534,000	-1.7%	637,588,000	4.4%	713,325,000	11.9%	707,255,000	-0.9%	5,724,463,000	3.5%	5,976,609,000	4.4%	6,370,213,000	6.6%	6,769,246,000	6.3%
Retail Taxable Sales	310,826,000	1.5%	332,980,000	7.1%	350,689,000	5.3%	315,625,000	-10.0%	2,901,243,000	4.7%	3,057,167,000	5.4%	3,218,000,000	5.3%	3,399,311,000	5.6%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,983,000	-1.3%	7,119,000	1.9%	8,085,000	13.6%	8,277,000	2.4%	65,700,000	3.5%	68,109,000	3.7%	72,088,000	5.8%	75,386,000	4.6%
Temporary Privilege Tax - General Fund	1,000	-88.9%	1,000	0.0%	-	-100.0%	-	0.0%	35,000	-96.8%	24,000	-31.4%	12,000	-50.0%	1,000	-91.7%
Transit Tax Fund (0.5%)	2,912,000	-1.3%	2,970,000	2.0%	3,369,000	13.4%	3,452,000	2.5%	27,410,000	3.5%	28,406,000	3.6%	30,069,000	5.9%	31,447,000	4.6%
Arts Tax Fund (0.1%)	599,000	-1.5%	612,000	2.2%	692,000	13.1%	709,000	2.5%	5,651,000	3.4%	5,865,000	3.8%	6,189,000	5.5%	6,478,000	4.7%
Privilege Tax - Rebates Fund	294,000	-7.0%	319,000	8.5%	309,000	-3.1%	328,000	6.1%	2,950,000	-1.6%	3,134,000	6.2%	3,055,000	-2.5%	3,290,000	7.7%
Bed Tax Fund	725,000	-14.9%	886,000	22.2%	1,133,000	27.9%	1,160,000	2.4%	4,204,000	0.9%	4,659,000	10.8%	5,237,000	12.4%	5,758,000	9.9%
<b>Totals</b>	<b>11,514,000</b>	<b>-2.5%</b>	<b>11,907,000</b>	<b>3.4%</b>	<b>13,588,000</b>	<b>14.1%</b>	<b>13,926,000</b>	<b>2.5%</b>	<b>105,950,000</b>	<b>2.2%</b>	<b>110,197,000</b>	<b>4.0%</b>	<b>116,650,000</b>	<b>5.9%</b>	<b>122,360,000</b>	<b>4.9%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,817,000	2.2%	5,941,000	2.1%	6,617,000	11.4%	6,216,000	-6.1%	54,304,000	3.3%	57,224,000	5.4%	60,776,000	6.2%	61,946,000	1.9%
Rentals	1,893,000	0.1%	2,028,000	7.1%	2,639,000	30.1%	2,868,000	8.7%	18,017,000	6.0%	18,528,000	2.8%	20,190,000	9.0%	23,009,000	14.0%
Utilities/Communication	602,000	-5.0%	637,000	5.8%	667,000	4.7%	692,000	3.7%	7,685,000	-7.2%	7,807,000	1.6%	7,859,000	0.7%	7,792,000	-0.9%
Restaurants	1,051,000	-2.0%	1,056,000	0.5%	1,130,000	7.0%	1,107,000	-2.0%	8,525,000	4.6%	8,799,000	3.2%	9,269,000	5.3%	9,493,000	2.4%
Contracting	897,000	-17.8%	743,000	-17.2%	683,000	-8.1%	1,154,000	69.0%	8,952,000	-5.9%	8,560,000	-4.4%	8,812,000	2.9%	9,358,000	6.2%
Hotel/Motel	321,000	-12.8%	413,000	28.7%	508,000	23.0%	535,000	5.3%	2,032,000	5.9%	2,245,000	10.5%	2,495,000	11.1%	2,761,000	10.7%
Transient (Bed Tax)	725,000	-14.9%	886,000	22.2%	1,133,000	27.9%	1,160,000	2.4%	4,204,000	0.9%	4,659,000	10.8%	5,237,000	12.4%	5,758,000	9.9%
Amusements	103,000	-10.4%	118,000	14.6%	109,000	-7.6%	107,000	-1.8%	1,224,000	8.1%	1,291,000	5.5%	1,211,000	-6.2%	1,158,000	-4.4%
All Other	105,000	6.1%	85,000	-19.0%	102,000	20.0%	87,000	-14.7%	1,007,000	0.8%	1,084,000	7.6%	801,000	-26.1%	1,085,000	35.5%
<b>Totals</b>	<b>11,514,000</b>	<b>-2.5%</b>	<b>11,907,000</b>	<b>3.4%</b>	<b>13,588,000</b>	<b>14.1%</b>	<b>13,926,000</b>	<b>2.5%</b>	<b>105,950,000</b>	<b>2.2%</b>	<b>110,197,000</b>	<b>4.0%</b>	<b>116,650,000</b>	<b>5.9%</b>	<b>122,360,000</b>	<b>4.9%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	936,000	-4.2%	1,003,000	7.2%	1,001,000	-0.2%	981,000	-2.0%	8,936,000	-0.2%	9,193,000	2.9%	9,409,000	2.3%	9,559,000	1.6%
Furniture/Equipment/Electronics	1,207,000	-0.4%	895,000	-25.8%	1,109,000	23.9%	940,000	-15.2%	11,358,000	-2.7%	11,635,000	2.4%	11,594,000	-0.4%	11,102,000	-4.2%
Department Stores	973,000	1.6%	883,000	-9.2%	911,000	3.2%	931,000	2.2%	8,929,000	0.9%	9,061,000	1.5%	9,139,000	0.9%	9,294,000	1.7%
Grocery Stores	639,000	-6.4%	743,000	16.3%	725,000	-2.4%	755,000	4.1%	6,364,000	1.1%	6,565,000	3.2%	6,817,000	3.8%	7,051,000	3.4%
Drug/Small Stores	658,000	16.3%	615,000	-6.5%	739,000	20.2%	539,000	-27.1%	5,110,000	-2.5%	5,621,000	10.0%	5,774,000	2.7%	5,475,000	-5.2%
Manufacturing Firms	327,000	24.3%	354,000	8.3%	379,000	7.1%	236,000	-37.7%	2,645,000	16.1%	2,606,000	-1.5%	2,789,000	7.0%	2,957,000	6.0%
Building Supply Stores	194,000	-4.9%	208,000	7.2%	214,000	2.9%	210,000	-1.9%	1,863,000	14.9%	1,894,000	1.7%	2,025,000	6.9%	2,119,000	4.6%
All Other Retail	883,000	6.6%	1,240,000	40.4%	1,539,000	24.1%	1,624,000	5.5%	9,099,000	18.9%	10,649,000	17.0%	13,229,000	24.2%	14,389,000	8.8%
<b>Totals</b>	<b>5,817,000</b>	<b>2.2%</b>	<b>5,941,000</b>	<b>2.1%</b>	<b>6,617,000</b>	<b>11.4%</b>	<b>6,216,000</b>	<b>-6.1%</b>	<b>54,304,000</b>	<b>3.3%</b>	<b>57,224,000</b>	<b>5.4%</b>	<b>60,776,000</b>	<b>6.2%</b>	<b>61,946,000</b>	<b>1.9%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,425,000	-12.5%	1,413,000	-0.8%	1,568,000	11.0%	1,415,000	-9.8%	13,940,000	-3.0%	14,141,000	1.4%	14,829,000	4.9%	15,037,000	1.4%
Market Place	444,000	-5.1%	473,000	6.5%	468,000	-1.1%	483,000	3.2%	4,267,000	-3.2%	4,605,000	7.9%	4,504,000	-2.2%	4,798,000	6.5%
Mills Mall	453,000	-23.0%	475,000	4.9%	446,000	-6.1%	447,000	0.2%	4,449,000	0.9%	4,679,000	5.2%	4,212,000	-10.0%	4,209,000	-0.1%
Downtown Tempe	463,000	-13.0%	444,000	-4.1%	446,000	0.5%	487,000	9.2%	3,383,000	-4.7%	3,304,000	-2.3%	3,355,000	1.5%	3,633,000	8.3%
Apache Blvd.	196,000	-6.7%	283,000	44.4%	446,000	57.6%	888,000	99.1%	1,821,000	-5.0%	1,912,000	5.0%	1,994,000	4.3%	2,943,000	47.6%
ASU Properties	253,000	5.9%	173,000	-31.6%	199,000	15.0%	219,000	10.1%	1,625,000	-2.6%	1,779,000	9.5%	1,908,000	7.3%	1,777,000	-6.9%
Rio Salado	366,000	-7.1%	416,000	13.7%	923,000	121.9%	666,000	-27.8%	3,076,000	19.2%	3,306,000	7.5%	4,201,000	27.1%	6,142,000	46.2%
All Other Areas	7,914,000	2.1%	8,230,000	4.0%	9,092,000	10.5%	9,321,000	2.5%	73,389,000	3.6%	76,471,000	4.2%	81,647,000	6.8%	83,821,000	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	8,277,000	(268,000)	-3.1%
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>\$ 75,386,000</b>	<b>\$ (815,000)</b>	<b>-1.1%</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	75,386,000	(815,000)	-1.1%
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	\$ 101,573,000	\$ 102,671,000	\$ (1,098,000)	-1.1%
Percentage Received	\$ 101,573,000	\$ 102,671,000	\$ (1,098,000)	-1.1%