

# Memorandum

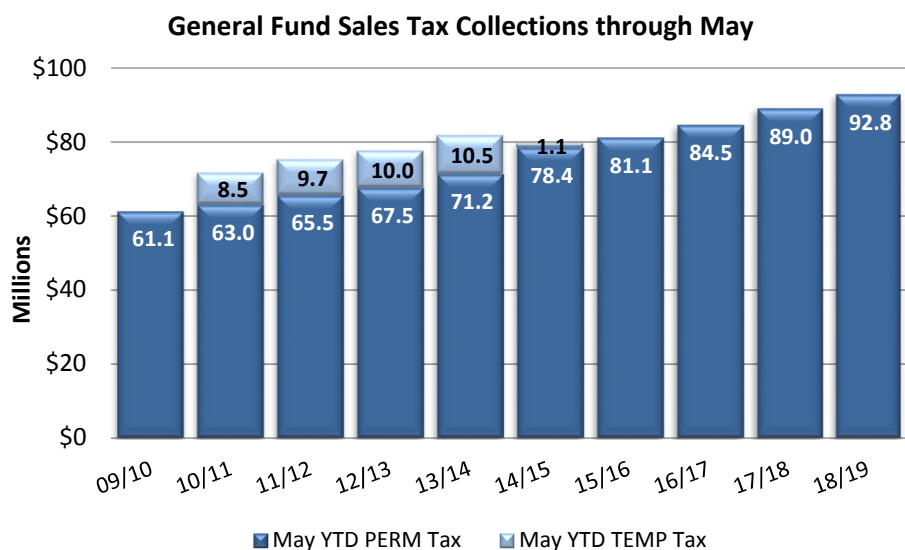


## Municipal Budget Office

Date: November 15, 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 – May 2019

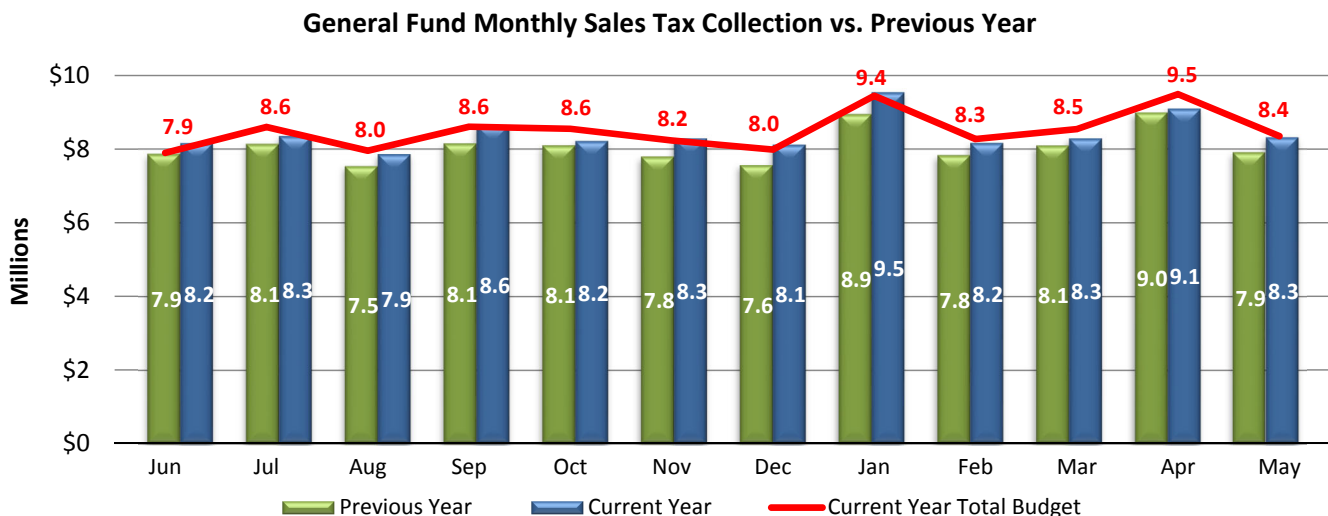
Attached is the Executive Summary of the Tax Revenue Statistical Report for May 2019 covering April sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR and processing.

Total taxable sales increased by 5.0% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 4.7% (\$6.9 million), as a result of strong retail (\$1.5 million), rentals (\$3.3 million), and combined bed tax and hotel/motel (\$991 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 4.3% (\$3.8 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 \$1.2 million below budgeted projections year to date.



## Executive Summary

	Current Month - May								Fiscal Year to Date - May							
	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change
<b>Taxable Sales</b>																
Total Taxable Sales	617,006,000	3.6%	705,270,000	14.3%	692,117,000	-1.9%	692,469,000	0.1%	7,078,366,000	3.3%	7,436,618,000	5.1%	7,858,152,000	5.7%	8,252,020,000	5.0%
Retail Taxable Sales	314,112,000	4.6%	373,055,000	18.8%	340,596,000	-8.7%	351,070,000	3.1%	3,574,311,000	4.6%	3,787,361,000	6.0%	3,957,654,000	4.5%	4,129,918,000	4.4%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	7,001,000	3.4%	8,036,000	14.8%	7,903,000	-1.7%	8,310,000	5.1%	81,113,000	3.5%	84,535,000	4.2%	88,976,000	5.3%	92,782,000	4.3%
Temporary Privilege Tax - General Fund	2,000	-60.0%	-	-100.0%	-	0.0%	-	0.0%	38,000	-96.6%	24,000	-36.8%	9,000	-62.5%	2,000	-77.8%
Transit Tax Fund (0.5%)	2,920,000	3.4%	3,351,000	14.8%	3,296,000	-1.6%	3,465,000	5.1%	33,837,000	3.5%	35,259,000	4.2%	37,111,000	5.3%	38,701,000	4.3%
Arts Tax Fund (0.1%)	608,000	4.5%	688,000	13.2%	676,000	-1.7%	714,000	5.6%	6,983,000	3.5%	7,253,000	3.9%	7,635,000	5.3%	7,980,000	4.5%
Privilege Tax - Rebates Fund	423,000	39.1%	314,000	-25.8%	295,000	-6.1%	360,000	22.0%	3,750,000	1.7%	3,811,000	1.6%	3,702,000	-2.9%	4,176,000	12.8%
Bed Tax Fund	692,000	27.4%	802,000	15.9%	851,000	6.1%	844,000	-0.8%	5,907,000	2.5%	6,597,000	11.7%	7,398,000	12.1%	8,057,000	8.9%
<b>Totals</b>	<b>11,646,000</b>	<b>5.6%</b>	<b>13,191,000</b>	<b>13.3%</b>	<b>13,021,000</b>	<b>-1.3%</b>	<b>13,693,000</b>	<b>5.2%</b>	<b>131,628,000</b>	<b>2.5%</b>	<b>137,479,000</b>	<b>4.4%</b>	<b>144,831,000</b>	<b>5.3%</b>	<b>151,698,000</b>	<b>4.7%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	6,015,000	9.0%	7,061,000	17.4%	6,417,000	-9.1%	6,805,000	6.0%	67,204,000	4.1%	70,989,000	5.6%	74,615,000	5.1%	76,141,000	2.0%
Rentals	1,936,000	6.0%	2,049,000	5.8%	2,398,000	17.0%	2,626,000	9.5%	22,338,000	5.4%	22,978,000	2.9%	25,121,000	9.3%	28,464,000	13.3%
Utilities/Communication	663,000	-6.9%	688,000	3.8%	659,000	-4.2%	706,000	7.1%	9,045,000	-6.8%	9,129,000	0.9%	9,172,000	0.5%	9,218,000	0.5%
Restaurants	1,044,000	1.8%	1,133,000	8.5%	1,077,000	-4.9%	1,217,000	13.0%	10,788,000	4.5%	11,171,000	3.6%	11,650,000	4.3%	12,101,000	3.9%
Contracting	753,000	-18.5%	891,000	18.3%	975,000	9.4%	1,084,000	12.8%	10,849,000	-6.9%	10,701,000	-1.4%	10,974,000	2.6%	11,230,000	2.3%
Hotel/Motel	310,000	9.9%	359,000	15.8%	404,000	12.5%	405,000	0.2%	2,766,000	5.0%	3,068,000	10.9%	3,465,000	12.9%	3,797,000	9.6%
Transient (Bed Tax)	692,000	27.4%	802,000	15.9%	851,000	6.1%	844,000	-0.8%	5,907,000	2.5%	6,597,000	11.7%	7,398,000	12.1%	8,057,000	8.9%
Amusements	115,000	1.8%	128,000	11.3%	142,000	10.9%	135,000	-4.9%	1,464,000	8.0%	1,567,000	7.0%	1,471,000	-6.1%	1,424,000	-3.2%
All Other	118,000	47.5%	80,000	-32.2%	98,000	22.5%	105,000	7.1%	1,267,000	6.8%	1,279,000	0.9%	965,000	-24.6%	1,266,000	31.2%
<b>Totals</b>	<b>11,646,000</b>	<b>5.6%</b>	<b>13,191,000</b>	<b>13.3%</b>	<b>13,021,000</b>	<b>-1.3%</b>	<b>13,693,000</b>	<b>5.2%</b>	<b>131,628,000</b>	<b>2.5%</b>	<b>137,479,000</b>	<b>4.4%</b>	<b>144,831,000</b>	<b>5.3%</b>	<b>151,698,000</b>	<b>4.7%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	1,017,000	0.7%	1,345,000	32.3%	1,056,000	-21.5%	1,038,000	-1.7%	11,000,000	-0.7%	11,474,000	4.3%	11,673,000	1.7%	11,790,000	1.0%
Furniture/Equipment/Electronics	1,110,000	-1.1%	1,335,000	20.3%	991,000	-25.8%	1,140,000	15.0%	13,853,000	-1.6%	14,179,000	2.4%	13,914,000	-1.9%	13,443,000	-3.4%
Department Stores	943,000	4.7%	980,000	3.9%	936,000	-4.5%	1,005,000	7.4%	10,959,000	1.1%	11,238,000	2.5%	11,212,000	-0.2%	11,343,000	1.2%
Grocery Stores	695,000	-1.1%	782,000	12.5%	759,000	-2.9%	795,000	4.7%	7,898,000	2.4%	8,008,000	1.4%	8,363,000	4.4%	8,654,000	3.5%
Drug/Small Stores	515,000	-0.2%	683,000	32.6%	760,000	11.3%	577,000	-24.1%	6,296,000	-1.7%	6,924,000	10.0%	7,430,000	7.3%	6,719,000	-9.6%
Manufacturing Firms	391,000	28.6%	244,000	-37.6%	258,000	5.7%	261,000	1.2%	3,419,000	15.1%	3,199,000	-6.4%	3,375,000	5.5%	3,556,000	5.4%
Building Supply Stores	223,000	1.4%	239,000	7.2%	251,000	5.0%	286,000	13.9%	2,317,000	12.5%	2,401,000	3.6%	2,522,000	5.0%	2,663,000	5.6%
All Other Retail	1,121,000	50.9%	1,453,000	29.6%	1,406,000	-3.2%	1,703,000	21.1%	11,462,000	21.8%	13,566,000	18.4%	16,126,000	18.9%	17,973,000	11.5%
<b>Totals</b>	<b>6,015,000</b>	<b>9.0%</b>	<b>7,061,000</b>	<b>17.4%</b>	<b>6,417,000</b>	<b>-9.1%</b>	<b>6,805,000</b>	<b>6.0%</b>	<b>67,204,000</b>	<b>4.1%</b>	<b>70,989,000</b>	<b>5.6%</b>	<b>74,615,000</b>	<b>5.1%</b>	<b>76,141,000</b>	<b>2.0%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,525,000	5.1%	2,028,000	33.0%	1,633,000	-19.5%	1,651,000	1.1%	17,053,000	-2.4%	17,583,000	3.1%	18,291,000	4.0%	18,575,000	1.6%
Market Place	629,000	37.9%	464,000	-26.2%	436,000	-6.0%	534,000	22.5%	5,480,000	0.8%	5,609,000	2.4%	5,462,000	-2.6%	5,951,000	9.0%
Mills Mall	502,000	11.1%	501,000	-0.2%	468,000	-6.6%	465,000	-0.6%	5,535,000	1.1%	5,896,000	6.5%	5,250,000	-11.0%	5,180,000	-1.3%
Downtown Tempe	453,000	-2.6%	464,000	2.4%	486,000	4.7%	484,000	-0.4%	4,366,000	-4.7%	4,351,000	-0.3%	4,386,000	0.8%	4,736,000	8.0%
Apache Blvd.	209,000	-12.9%	286,000	36.8%	334,000	16.8%	306,000	-8.4%	2,358,000	-4.2%	2,457,000	4.2%	2,757,000	12.2%	3,733,000	35.4%
ASU Properties	177,000	9.9%	150,000	-15.3%	219,000	46.0%	222,000	1.4%	2,012,000	-1.3%	2,214,000	10.0%	2,351,000	6.2%	2,199,000	-6.5%
Rio Salado	421,000	43.2%	533,000	26.6%	552,000	3.6%	634,000	14.9%	3,878,000	18.8%	4,354,000	12.3%	5,409,000	24.2%	7,532,000	39.2%
All Other Areas	7,730,000	3.0%	8,765,000	13.4%	8,893,000	1.5%	9,397,000	5.7%	90,946,000	3.8%	95,015,000	4.5%	100,925,000	6.2%	103,792,000	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	8,279,000	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	9,086,000	(409,000)	-4.3%
May	8.1%	8,352,000	8,350,000	(2,000)	0.0%
Jun	8.4%	8,623,000			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 102,671,000</b>	<b>\$ 92,822,000</b>	<b>\$ (1,226,000)</b>	<b>-1.3%</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	84,472,000	(1,224,000)	-1.4%
Jul-May	91.6%	94,048,000	92,822,000	(1,226,000)	-1.3%
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	\$ 101,326,000	\$ 102,671,000	\$ (1,345,000)	-1.3%
Percentage Received	\$ 101,333,000	\$ 102,671,000	\$ (1,338,000)	-1.3%