

Memorandum

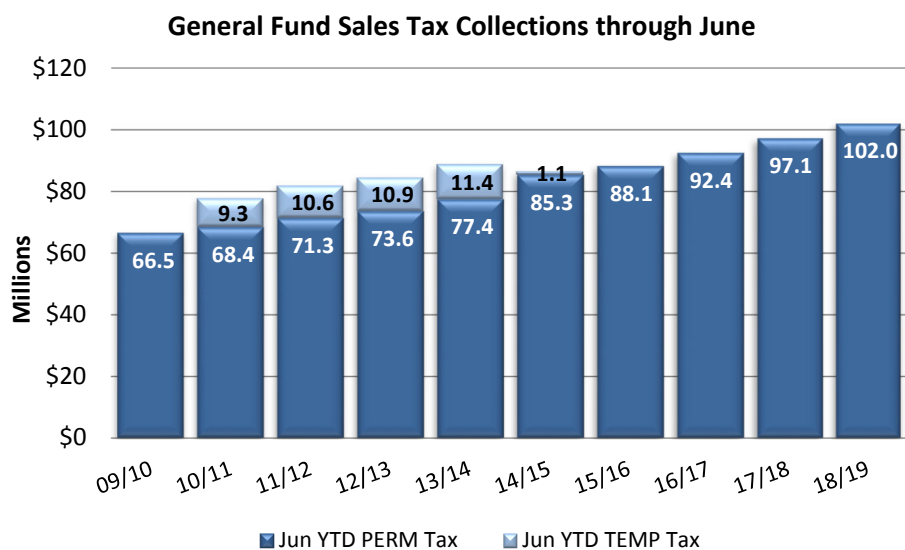


Municipal Budget Office

Date: December 20, 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 – June 2019

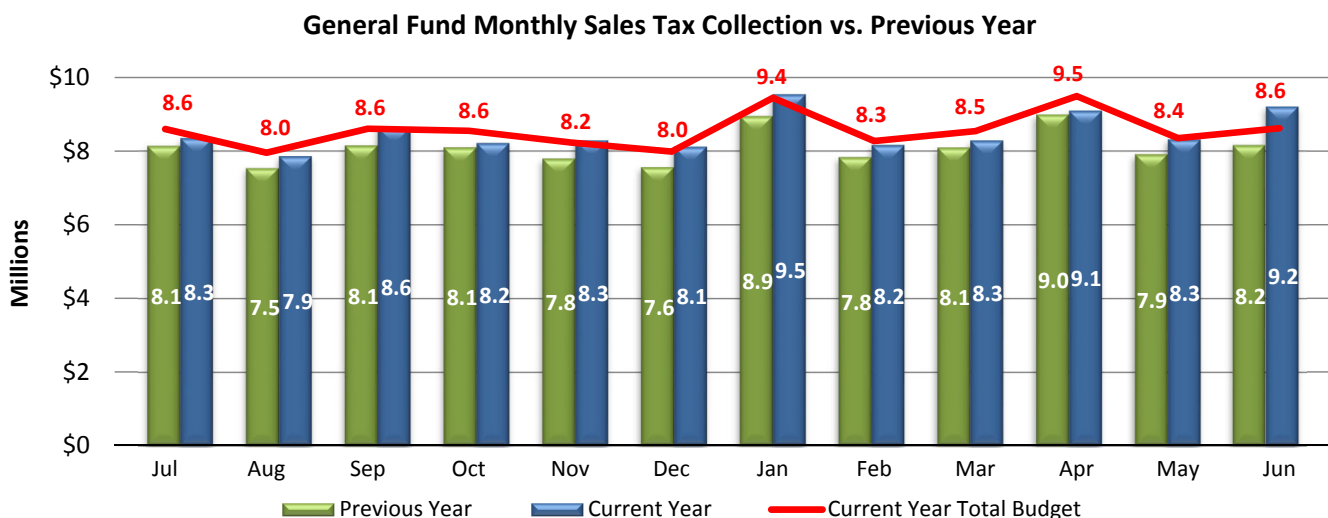
Attached is the Executive Summary of the Tax Revenue Statistical Report for June 2019 covering May sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR and processing.

Total taxable sales increased by 6.5% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 5.4% (\$8.5 million), as a result of strong retail (\$2.2 million), rentals (\$4.1 million), and combined bed tax and hotel/motel (\$1.0 million) 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 5.0% (\$4.8 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 \$696 thousand below budgeted projections year to date. For the fiscal year ending 6/30/19, the actual variance to budget was -0.7% which is within the target of a +/- 3% variance (Performance Measure 5.10).



Executive Summary

	Current Month - Jun						Fiscal Year to Date - Jun									
	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change	2015-16	Change	2016-17	Change	2017-18	Change	2018-19	Change
Taxable Sales																
Total Taxable Sales	620,908,000	4.1%	675,568,000	8.8%	704,988,000	4.4%	870,253,000	23.4%	7,699,274,000	3.4%	8,112,186,000	5.4%	8,563,140,000	5.6%	9,122,272,000	6.5%
Retail Taxable Sales	313,414,000	5.0%	356,288,000	13.7%	366,449,000	2.9%	413,059,000	12.7%	3,887,725,000	4.6%	4,143,649,000	6.6%	4,324,103,000	4.4%	4,542,977,000	5.1%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,028,000	2.0%	7,859,000	11.8%	8,152,000	-3.7%	9,193,000	12.8%	88,141,000	3.4%	92,394,000	4.8%	97,127,000	5.1%	101,975,000	5.0%
Temporary Privilege Tax - General Fund	2,000	-71.4%	(3,000)	-250.0%	7,000	-333.3%	8,000	14.3%	40,000	-96.4%	22,000	-45.0%	16,000	-27.3%	9,000	-43.8%
Transit Tax Fund (0.5%)	2,931,000	2.0%	3,277,000	11.8%	3,399,000	3.7%	3,833,000	12.8%	36,768,000	3.4%	38,536,000	4.8%	40,511,000	5.1%	42,534,000	5.0%
Arts Tax Fund (0.1%)	605,000	2.0%	674,000	11.4%	697,000	3.4%	788,000	13.1%	7,588,000	3.4%	7,927,000	4.5%	8,332,000	5.1%	8,768,000	5.2%
Privilege Tax - Rebates Fund	324,000	0.0%	315,000	-2.8%	306,000	-2.9%	370,000	20.9%	4,073,000	1.5%	4,126,000	1.3%	4,008,000	-2.9%	4,546,000	13.4%
Bed Tax Fund	471,000	4.7%	542,000	15.1%	623,000	14.9%	655,000	5.1%	6,378,000	2.6%	7,139,000	11.9%	8,021,000	12.4%	8,712,000	8.6%
Totals	11,361,000	2.0%	12,664,000	11.5%	13,184,000	4.1%	14,847,000	12.6%	142,988,000	2.5%	150,144,000	5.0%	158,015,000	5.2%	166,544,000	5.4%
Tax Revenues - Business Activities																
Retail	5,823,000	3.7%	6,826,000	17.2%	6,883,000	0.8%	7,543,000	9.6%	73,026,000	4.1%	77,815,000	6.6%	81,498,000	4.7%	83,684,000	2.7%
Rentals	1,819,000	1.3%	2,063,000	13.4%	2,356,000	14.2%	3,135,000	33.1%	24,157,000	5.1%	25,041,000	3.7%	27,477,000	9.7%	31,600,000	15.0%
Utilities/Communication	834,000	4.5%	582,000	-30.2%	771,000	32.5%	765,000	-0.8%	9,880,000	-6.0%	9,711,000	-1.7%	9,943,000	2.4%	9,983,000	0.4%
Restaurants	1,024,000	4.3%	1,067,000	4.2%	1,056,000	-1.0%	1,151,000	9.0%	11,812,000	4.5%	12,238,000	3.6%	12,707,000	3.8%	13,252,000	4.3%
Contracting	920,000	-5.2%	1,088,000	18.3%	945,000	-13.1%	1,179,000	-0.8%	11,789,000	-6.8%	937,000	0.2%	11,920,000	1.1%	12,167,000	2.1%
Hotel/Motel	225,000	-3.0%	251,000	11.6%	314,000	25.1%	321,000	2.2%	2,991,000	4.3%	3,319,000	11.0%	3,779,000	13.9%	4,118,000	9.0%
Transient (Bed Tax)	471,000	4.7%	542,000	15.1%	623,000	14.9%	655,000	5.1%	6,378,000	2.6%	7,139,000	11.9%	8,021,000	12.4%	8,712,000	8.6%
Amusements	142,000	6.8%	162,000	14.1%	136,000	-16.0%	270,000	98.5%	1,607,000	8.0%	1,729,000	7.6%	1,607,000	-7.1%	1,694,000	5.4%
All Other	103,000	-35.6%	83,000	-19.4%	100,000	20.5%	70,000	-30.0%	1,368,000	1.8%	1,363,000	-0.4%	1,063,000	-22.0%	1,334,000	25.5%
Totals	11,361,000	2.0%	12,664,000	11.5%	13,184,000	4.1%	14,847,000	12.6%	142,988,000	2.5%	150,144,000	5.0%	158,015,000	5.2%	166,544,000	5.4%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,074,000	-3.2%	1,207,000	12.4%	1,203,000	-0.3%	1,161,000	-3.5%	12,074,000	-0.9%	12,681,000	5.0%	12,876,000	1.5%	12,952,000	0.6%
Furniture/Equipment/Electronics	1,151,000	3.9%	1,246,000	8.3%	1,327,000	6.5%	1,208,000	-9.0%	15,004,000	-1.2%	15,425,000	2.8%	15,242,000	-1.2%	14,651,000	-3.9%
Department Stores	946,000	3.8%	947,000	0.1%	945,000	-0.2%	978,000	3.5%	11,905,000	1.3%	12,185,000	2.4%	12,157,000	-0.2%	12,321,000	1.3%
Grocery Stores	680,000	2.3%	709,000	4.3%	781,000	10.2%	856,000	9.6%	8,578,000	2.4%	8,717,000	1.6%	9,144,000	4.9%	9,510,000	4.0%
Drug/Small Stores	566,000	-7.1%	589,000	4.1%	656,000	11.4%	554,000	-15.5%	6,862,000	-2.1%	7,513,000	9.5%	8,085,000	7.6%	7,274,000	-10.0%
Manufacturing Firms	309,000	21.7%	485,000	57.0%	263,000	-45.8%	702,000	166.9%	3,728,000	15.6%	3,684,000	-1.2%	3,638,000	-1.2%	4,258,000	17.0%
Building Supply Stores	190,000	-23.4%	217,000	14.2%	234,000	7.8%	248,000	6.0%	2,507,000	8.7%	2,618,000	4.4%	2,756,000	5.3%	2,911,000	5.6%
All Other Retail	907,000	27.4%	1,426,000	57.2%	1,474,000	3.4%	1,836,000	24.6%	12,368,000	22.2%	14,992,000	21.2%	17,600,000	17.4%	19,807,000	12.5%
Totals	5,823,000	3.7%	6,826,000	17.2%	6,883,000	0.8%	7,543,000	9.6%	73,026,000	4.1%	77,815,000	6.6%	81,498,000	4.7%	83,684,000	2.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,554,000	-4.7%	1,642,000	5.7%	1,791,000	9.1%	1,830,000	2.2%	18,608,000	-2.6%	19,225,000	3.3%	20,082,000	4.5%	20,405,000	1.6%
Market Place	480,000	-0.2%	466,000	-2.9%	452,000	-3.0%	550,000	21.7%	5,960,000	0.7%	6,075,000	1.9%	5,914,000	-2.7%	6,501,000	9.9%
Mills Mall	425,000	-11.6%	450,000	5.9%	471,000	4.7%	457,000	-3.0%	5,960,000	0.0%	6,346,000	6.5%	5,721,000	-9.8%	5,637,000	-1.5%
Downtown Tempe	405,000	-3.8%	409,000	1.0%	398,000	-2.7%	435,000	9.3%	4,771,000	-4.6%	4,760,000	-0.2%	4,784,000	0.5%	5,171,000	8.1%
Apache Blvd.	219,000	1.4%	234,000	6.8%	276,000	17.9%	377,000	36.6%	2,577,000	-3.8%	2,691,000	4.4%	3,033,000	12.7%	4,110,000	35.5%
ASU Properties	149,000	-2.0%	146,000	-2.0%	191,000	30.8%	146,000	-23.6%	2,162,000	-1.3%	2,360,000	9.2%	2,542,000	7.7%	2,345,000	-7.7%
Rio Salado	325,000	21.3%	420,000	29.2%	541,000	28.8%	482,000	-10.9%	4,202,000	19.0%	4,774,000	13.6%	5,950,000	24.6%	8,014,000	34.7%
All Other Areas	7,804,000	4.2%	8,897,000	14.0%	9,064,000	1.9%	10,570,000	16.6%	98,748,000	3.8%	103,913,000	5.2%	109,989,000	5.8%	114,361,000	4.0%

**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	8,310,000	(42,000)	-0.5%
Jun	8.4%	8,623,000	9,193,000	570,000	6.6%
Totals	100.0%	\$ 102,671,000	\$ 101,975,000	\$ (696,000)	-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	41,315,000	(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	92,782,000	(1,266,000)	-1.3%
Jul-Jun	100.0%	102,671,000	101,975,000	(696,000)	-0.7%

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 101,975,000	\$ 102,671,000	\$ (696,000)	-0.7%
Percentage Received	\$ 101,975,000	\$ 102,671,000	\$ (696,000)	-0.7%