

# Memorandum



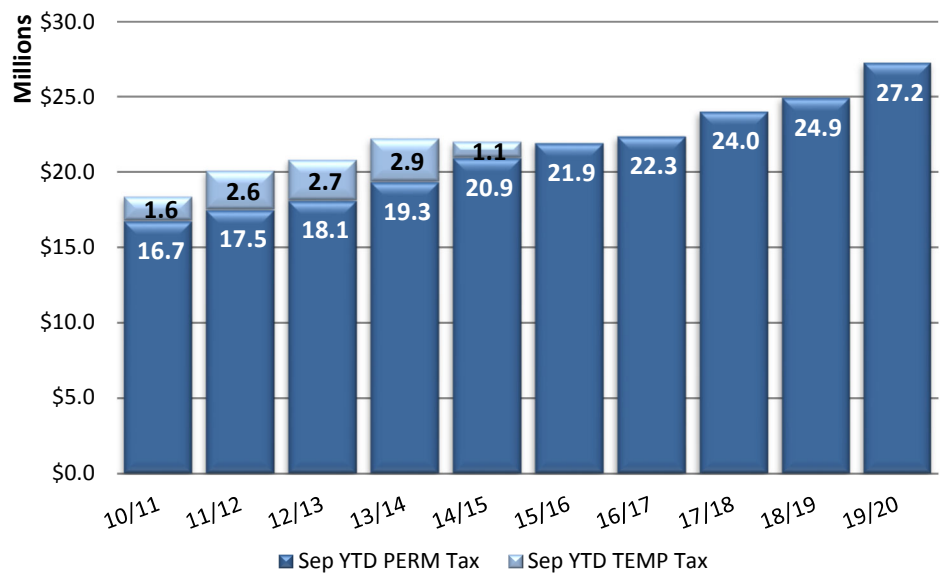
## Municipal Budget Office

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 – September 2019

Attached is the Executive Summary of the Tax Revenue Statistical Report for September 2019 covering August 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. Due to limitations in the type of data provided by ADOR, the Executive Summary will no longer include a summary of tax revenues by business districts.

Total taxable sales increased by 9.3% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 9.5% (\$3.8 million), as a result of strong growth in retail (\$1.0 million), combined hotel/motel and transient lodging (\$1.7 million), and rentals (\$752 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2010/11 through FY 2019/20. General Fund sales tax revenue is up 9.3% (\$2.3 million) over the prior year-to-date period.

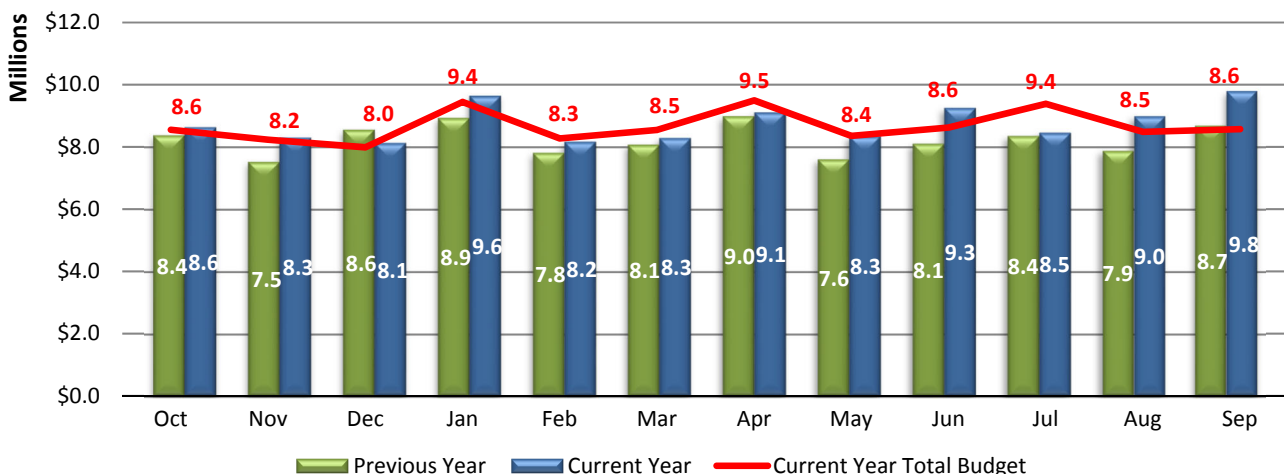
**General Fund Sales Tax Collections through September**



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 \$786 thousand above budgeted projections year to date.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

	Current Month - September								Fiscal Year to Date - September							
	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change
<b>Taxable Sales</b>																
Total Taxable Sales	647,534,000	3.7%	723,575,000	11.7%	753,787,000	4.2%	847,433,000	12.4%	1,947,058,000	2.8%	2,078,599,000	6.8%	2,162,660,000	4.0%	2,363,456,000	9.3%
Retail Taxable Sales	329,664,000	3.9%	405,405,000	23.0%	415,664,000	2.5%	432,649,000	4.1%	981,832,000	2.2%	1,161,652,000	18.3%	1,210,808,000	4.2%	1,269,041,000	4.8%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	7,372,000	2.8%	8,331,000	13.0%	8,679,000	4.2%	9,790,000	12.8%	22,349,000	2.0%	23,993,000	7.4%	24,912,000	3.8%	27,225,000	9.3%
Temporary Privilege Tax - General Fund (0.2%)	1,000	-66.7%	-	-100.0%	-	0.0%	-	0.0%	19,000	72.7%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	378,000	18.9%	409,000	8.2%	444,000	8.6%	506,000	14.0%	1,135,000	11.3%	1,153,000	1.6%	1,247,000	8.2%	1,505,000	20.7%
Privilege Tax Rebates - General Fund	346,000	1.2%	354,000	2.3%	368,000	4.0%	360,000	-2.2%	993,000	3.5%	947,000	-4.6%	1,049,000	10.8%	1,088,000	3.7%
Transit Tax Fund (0.5%)	3,077,000	2.9%	3,476,000	13.0%	3,616,000	4.0%	4,084,000	12.9%	9,322,000	2.1%	10,005,000	7.3%	10,380,000	3.7%	11,354,000	9.4%
Performing Arts Tax Fund (0.1%)	635,000	2.8%	715,000	12.6%	745,000	4.2%	837,000	12.3%	1,924,000	2.2%	2,056,000	6.9%	2,138,000	4.0%	2,333,000	9.1%
<b>Totals</b>	<b>11,809,000</b>	<b>3.2%</b>	<b>13,285,000</b>	<b>12.5%</b>	<b>13,852,000</b>	<b>4.3%</b>	<b>15,577,000</b>	<b>12.5%</b>	<b>35,742,000</b>	<b>2.4%</b>	<b>38,154,000</b>	<b>6.7%</b>	<b>39,726,000</b>	<b>4.1%</b>	<b>43,505,000</b>	<b>9.5%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	6,113,000	3.6%	7,297,000	19.4%	7,482,000	2.5%	7,788,000	4.1%	18,441,000	2.7%	20,910,000	13.4%	21,795,000	4.2%	22,843,000	4.8%
Rentals	1,833,000	-3.1%	1,963,000	7.1%	2,243,000	14.3%	2,466,000	9.9%	6,027,000	1.8%	6,258,000	3.8%	6,862,000	9.7%	7,614,000	11.0%
Utilities/Communication	1,135,000	6.0%	942,000	-17.0%	937,000	-0.5%	904,000	-3.5%	3,095,000	1.2%	2,617,000	-15.4%	2,575,000	-1.6%	2,420,000	-6.0%
Restaurants	935,000	2.1%	990,000	5.9%	1,006,000	1.6%	1,043,000	3.7%	2,735,000	4.2%	2,870,000	4.9%	2,975,000	3.7%	3,149,000	5.8%
Contracting	905,000	-1.5%	1,258,000	39.0%	1,272,000	1.1%	2,488,000	95.6%	2,982,000	-1.7%	3,262,000	9.4%	3,102,000	-4.9%	4,832,000	55.8%
Hotel/Motel	184,000	16.5%	158,000	-14.1%	169,000	7.0%	190,000	12.4%	565,000	19.7%	441,000	-21.9%	492,000	11.6%	567,000	15.2%
Transient (Bed Tax)	378,000	18.9%	409,000	8.2%	444,000	8.6%	506,000	14.0%	1,135,000	11.3%	1,153,000	1.6%	1,247,000	8.2%	1,505,000	20.7%
Amusements	118,000	13.5%	98,000	-16.9%	90,000	-8.2%	103,000	14.4%	410,000	-19.0%	346,000	-15.6%	337,000	-2.6%	378,000	12.2%
All Other	208,000	26.8%	170,000	-18.3%	209,000	22.9%	89,000	-57.4%	352,000	9.0%	297,000	-15.6%	341,000	14.8%	197,000	-42.2%
<b>Totals</b>	<b>11,809,000</b>	<b>3.2%</b>	<b>13,285,000</b>	<b>12.5%</b>	<b>13,852,000</b>	<b>4.3%</b>	<b>15,577,000</b>	<b>12.5%</b>	<b>35,742,000</b>	<b>2.4%</b>	<b>38,154,000</b>	<b>6.7%</b>	<b>39,726,000</b>	<b>4.1%</b>	<b>43,505,000</b>	<b>9.5%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	990,000	-6.5%	1,089,000	10.0%	1,156,000	6.2%	1,301,000	12.5%	2,964,000	-3.9%	3,266,000	10.2%	3,388,000	3.7%	3,632,000	7.2%
Building Supply Stores	182,000	-0.5%	265,000	45.6%	266,000	0.4%	298,000	12.0%	633,000	-1.2%	848,000	34.0%	851,000	0.4%	943,000	10.8%
Department Stores	1,111,000	3.2%	1,179,000	6.1%	1,115,000	-5.4%	1,154,000	3.5%	3,070,000	5.7%	3,004,000	-2.1%	3,005,000	0.0%	3,095,000	3.0%
Drug/Small Stores	599,000	2.6%	1,017,000	69.8%	1,117,000	9.8%	1,215,000	8.8%	1,724,000	7.7%	2,690,000	56.0%	3,122,000	16.1%	3,465,000	11.0%
Furniture/Equipment/Electronics	1,261,000	6.7%	697,000	-44.7%	559,000	-19.8%	491,000	-12.2%	3,882,000	1.6%	2,142,000	-44.8%	1,790,000	-16.4%	1,812,000	1.2%
Grocery Stores	694,000	3.0%	761,000	9.7%	794,000	4.3%	780,000	-1.8%	2,024,000	2.7%	2,187,000	8.1%	2,243,000	2.6%	2,266,000	1.0%
Manufacturing Firms	276,000	0.7%	655,000	137.3%	766,000	16.9%	783,000	2.2%	925,000	-8.1%	1,776,000	92.0%	2,254,000	26.9%	2,057,000	-8.7%
All Other Retail	1,000,000	15.5%	1,634,000	63.4%	1,709,000	4.6%	1,766,000	3.3%	3,219,000	10.2%	4,997,000	55.2%	5,142,000	2.9%	5,573,000	8.4%
<b>Totals</b>	<b>6,113,000</b>	<b>3.6%</b>	<b>7,297,000</b>	<b>19.4%</b>	<b>7,482,000</b>	<b>2.5%</b>	<b>7,788,000</b>	<b>4.1%</b>	<b>18,441,000</b>	<b>2.7%</b>	<b>20,910,000</b>	<b>13.4%</b>	<b>21,795,000</b>	<b>4.2%</b>	<b>22,843,000</b>	<b>4.8%</b>

**Privilege Tax Revenue - General Fund (1.2%)  
2019-20 Actual Compared to Budget**

**Monthly Amounts**

	2019-20 Budget		2019-20 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 9,384,000	\$ 8,451,000	\$ (933,000)	-9.9%
Aug	8.1%	8,485,000	8,984,000	499,000	5.9%
Sep	8.1%	8,570,000	9,790,000	1,220,000	14.2%
Oct	8.8%	9,304,000			
Nov	8.2%	8,650,000			
Dec	8.3%	8,764,000			
Jan	8.5%	8,946,000			
Feb	8.1%	8,519,000			
Mar	8.3%	8,707,000			
Apr	8.5%	8,925,000			
May	8.1%	8,504,000			
Jun	8.2%	8,622,000			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 105,380,000</b>	<b>\$ 27,225,000</b>	<b>\$ 786,000</b>	<b>2.9%</b>

**Cumulative Amounts**

	2019-20 Budget		2019-20 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 9,384,000	\$ 8,451,000	\$ (933,000)	-9.9%
Jul-Aug	17.0%	17,869,000	17,435,000	(434,000)	-2.4%
Jul-Sep	25.1%	26,439,000	27,225,000	786,000	3.0%
Jul-Oct	33.9%	35,743,000			
Jul-Nov	42.1%	44,393,000			
Jul-Dec	50.4%	53,157,000			
Jul-Jan	58.9%	62,103,000			
Jul-Feb	67.0%	70,622,000			
Jul-Mar	75.3%	79,329,000			
Jul-Apr	83.7%	88,254,000			
Jul-May	91.8%	96,758,000			
Jul-Jun	100.0%	105,380,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 112,314,000	\$ 105,380,000	\$ 6,934,000	6.6%
Percentage Received	\$ 108,513,000	\$ 105,380,000	\$ 3,133,000	3.0%