

Memorandum



Municipal Budget Office

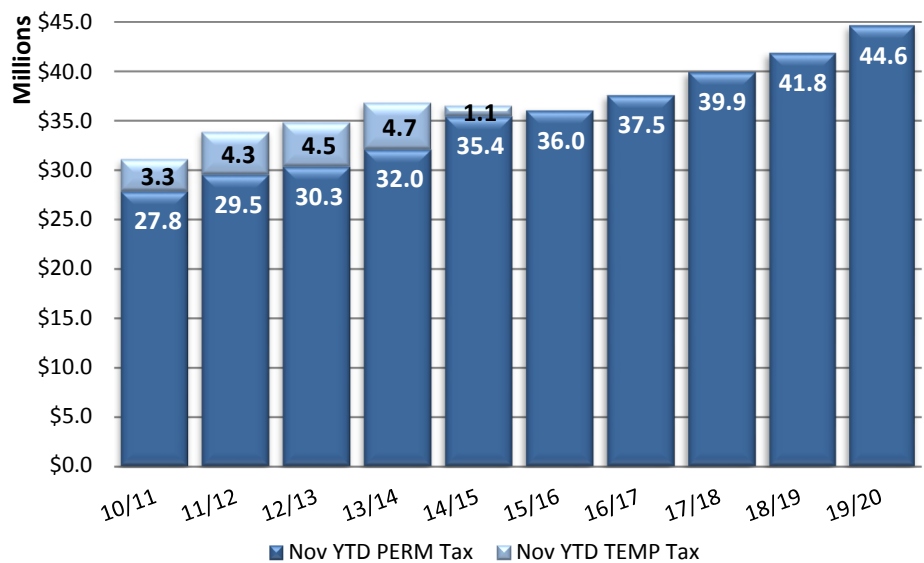
Date: January 10, 2020
 To: Mayor and Council
 Through: Mark Day, Municipal Budget Director (8697)
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)
 Subject: Tax Revenue Statistical Report – November 2019

Attached is the Executive Summary of the Tax Revenue Statistical Report for November 2019 covering October 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 6.8% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 7.2% (\$4.8 million), as a result of strong growth in contracting (\$1.9 million), retail (\$1.4 million), and rentals (\$907 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 6.7% (\$2.8 million) over the prior year-to-date period.

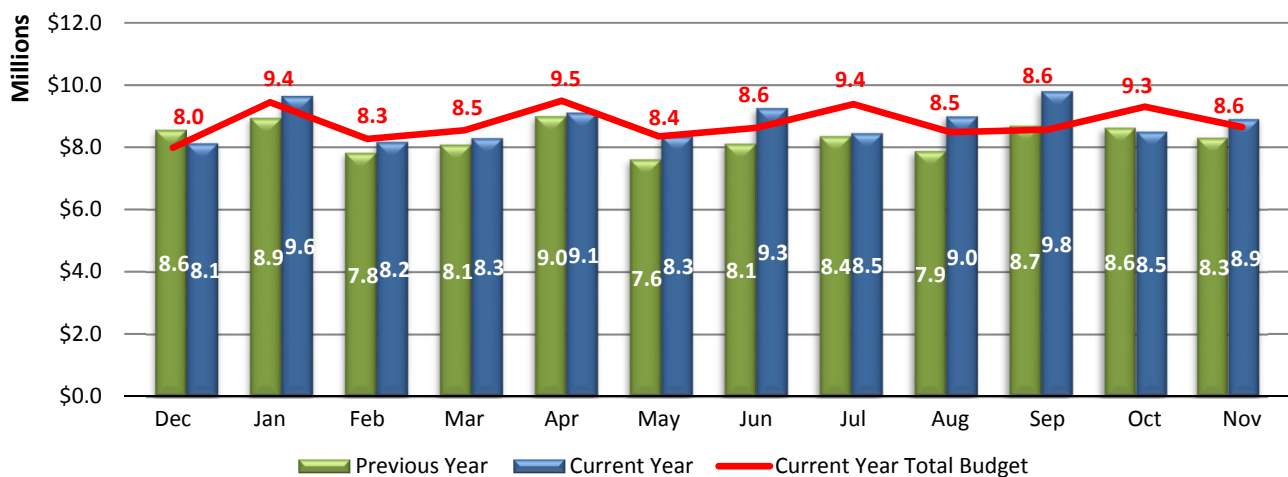
The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year.

General Fund Sales Tax Collections through November



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 \$230 thousand above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - November								Fiscal Year to Date - November							
	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change
Taxable Sales																
Total Taxable Sales	604,894,000	4.3%	658,441,000	8.9%	725,431,000	10.2%	777,781,000	7.2%	3,259,505,000	4.4%	3,463,483,000	6.3%	3,637,169,000	5.0%	3,885,487,000	6.8%
Retail Taxable Sales	293,448,000	4.2%	366,728,000	25.0%	379,800,000	3.6%	407,750,000	7.4%	1,624,824,000	4.2%	1,908,157,000	17.4%	1,985,835,000	4.1%	2,064,445,000	4.0%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,049,000	6.1%	7,524,000	6.7%	8,298,000	10.3%	8,895,000	7.2%	37,547,000	4.3%	39,892,000	6.2%	41,836,000	4.9%	44,623,000	6.7%
Temporary Privilege Tax - General Fund (0.2%)	1,000	-88.9%	-	-100.0%	-	0.0%	-	0.0%	22,000	15.8%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	465,000	-8.5%	661,000	42.2%	794,000	20.1%	790,000	-0.5%	2,071,000	7.5%	2,242,000	8.3%	2,508,000	11.9%	3,026,000	20.7%
Privilege Tax Rebates - General Fund	318,000	14.8%	306,000	-3.8%	307,000	0.3%	345,000	12.4%	1,650,000	6.4%	1,590,000	-3.6%	1,703,000	7.1%	1,788,000	5.0%
Transit Tax Fund (0.5%)	2,940,000	6.1%	3,138,000	6.7%	3,458,000	10.2%	3,714,000	7.4%	15,660,000	4.3%	16,635,000	6.2%	17,440,000	4.8%	18,614,000	6.7%
Performing Arts Tax Fund (0.1%)	606,000	6.3%	645,000	6.4%	710,000	10.1%	762,000	7.3%	3,229,000	4.4%	3,419,000	5.9%	3,587,000	4.9%	3,825,000	6.6%
Totals	11,379,000	5.6%	12,274,000	7.9%	13,567,000	10.5%	14,506,000	6.9%	60,179,000	4.5%	63,778,000	6.0%	67,074,000	5.2%	71,876,000	7.2%
Tax Revenues - Business Activities																
Retail	5,720,000	9.6%	6,601,000	15.4%	6,836,000	3.6%	7,340,000	7.4%	30,639,000	5.0%	34,347,000	12.1%	35,745,000	4.1%	37,160,000	4.0%
Rentals	2,072,000	13.2%	1,675,000	-19.2%	2,499,000	49.2%	2,617,000	4.7%	10,472,000	5.6%	10,618,000	1.4%	11,924,000	12.3%	12,831,000	7.6%
Utilities/Communication	800,000	-9.4%	745,000	-6.9%	727,000	-2.4%	718,000	-1.2%	4,935,000	-0.9%	4,175,000	-15.4%	4,119,000	-1.3%	3,999,000	-2.9%
Restaurants	993,000	10.2%	1,127,000	13.5%	1,132,000	0.4%	1,136,000	0.4%	4,698,000	5.3%	5,094,000	8.4%	5,184,000	1.8%	5,390,000	4.0%
Contracting	907,000	-8.0%	968,000	6.7%	1,104,000	14.0%	1,402,000	27.0%	4,962,000	0.2%	5,340,000	7.6%	5,534,000	3.6%	7,410,000	33.9%
Hotel/Motel	211,000	-25.4%	249,000	18.0%	297,000	19.3%	297,000	0.0%	1,067,000	12.2%	853,000	-20.1%	968,000	13.5%	1,093,000	12.9%
Transient (Bed Tax)	465,000	-8.5%	661,000	42.2%	794,000	20.1%	790,000	-0.5%	2,071,000	7.5%	2,242,000	8.3%	2,508,000	11.9%	3,026,000	20.7%
Amusements	102,000	75.9%	89,000	-12.7%	95,000	6.7%	101,000	6.3%	701,000	4.0%	547,000	-22.0%	541,000	-1.1%	584,000	7.9%
All Other	109,000	-0.9%	159,000	45.9%	83,000	-47.8%	105,000	26.5%	634,000	12.2%	562,000	-11.4%	551,000	-2.0%	383,000	-30.5%
Totals	11,379,000	5.6%	12,274,000	7.9%	13,567,000	10.5%	14,506,000	6.9%	60,179,000	4.5%	63,778,000	6.0%	67,074,000	5.2%	71,876,000	7.2%
Tax Revenues - Retail Activities Breakdown																
Automotive	827,000	-5.5%	1,127,000	36.3%	1,077,000	-4.4%	1,029,000	-4.5%	4,901,000	-0.7%	5,335,000	8.9%	5,641,000	5.7%	5,758,000	2.1%
Building Supply Stores	230,000	12.7%	269,000	17.0%	280,000	4.1%	398,000	42.1%	1,091,000	3.2%	1,387,000	27.1%	1,410,000	1.7%	1,526,000	8.2%
Department Stores	877,000	2.9%	875,000	-0.2%	884,000	1.0%	921,000	4.2%	4,867,000	5.0%	4,764,000	-2.1%	4,787,000	0.5%	4,939,000	3.2%
Drug/Small Stores	614,000	38.6%	878,000	43.0%	969,000	10.4%	1,129,000	16.5%	2,898,000	13.1%	4,413,000	52.3%	5,077,000	14.6%	5,690,000	12.5%
Furniture/Equipment/Electronics	1,532,000	44.4%	665,000	-56.6%	474,000	-28.7%	540,000	13.9%	6,551,000	7.8%	3,563,000	-45.6%	2,906,000	-18.4%	2,887,000	-0.7%
Grocery Stores	411,000	-37.2%	730,000	77.6%	792,000	8.5%	749,000	-5.4%	3,177,000	-4.2%	3,667,000	15.4%	3,840,000	4.7%	3,828,000	-0.3%
Manufacturing Firms	248,000	-2.0%	524,000	111.3%	585,000	11.6%	554,000	-5.3%	1,509,000	-1.9%	3,103,000	105.6%	3,480,000	12.1%	3,052,000	-12.3%
All Other Retail	981,000	11.7%	1,533,000	56.3%	1,775,000	15.8%	2,020,000	13.8%	5,645,000	11.9%	8,115,000	43.8%	8,624,000	6.3%	9,480,000	9.9%
Totals	5,720,000	9.6%	6,601,000	15.4%	6,836,000	3.6%	7,340,000	7.4%	30,639,000	5.0%	34,347,000	12.1%	35,745,000	4.1%	37,160,000	4.0%

**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	8,503,000	(801,000)	-8.6%
Nov	8.2%	8,650,000	8,895,000	245,000	2.8%
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			
Totals	100.0%	\$ 105,380,000	\$ 44,623,000	\$ 230,000	0.5%

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	35,728,000	(15,000)	0.0%
Jul-Nov	42.1%	44,393,000	44,623,000	230,000	0.5%
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	\$ 109,617,000	\$ 105,380,000	\$ 4,237,000	4.0%
Percentage Received	\$ 105,926,000	\$ 105,380,000	\$ 546,000	0.5%