

Memorandum



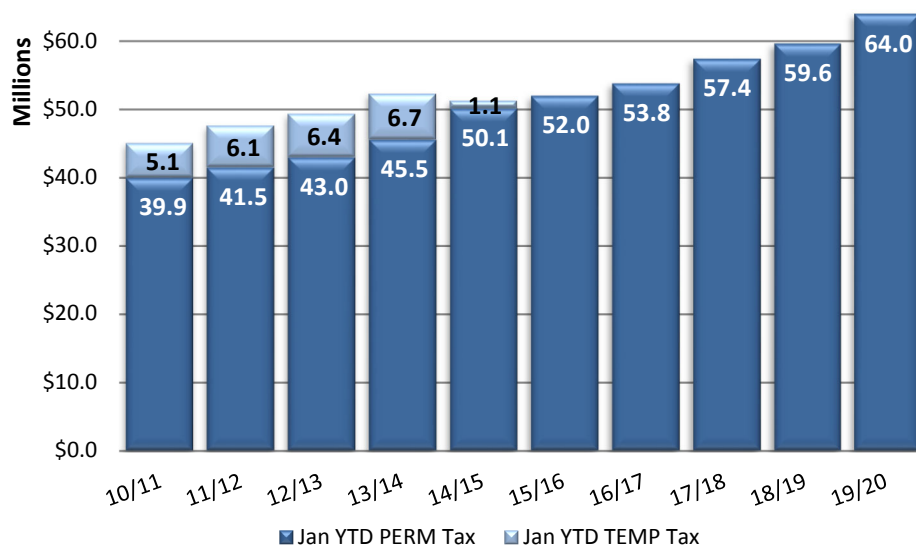
Municipal Budget Office

Date: February 28, 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 – January 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for January 2020 covering December 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 7.6% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 8.0% (\$7.6 million), as a result of strong growth in retail (\$2.8 million), contracting (\$2.1 million), and rentals (\$1.5 million) 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 7.4% (\$4.4 million) over the prior year-to-date period.

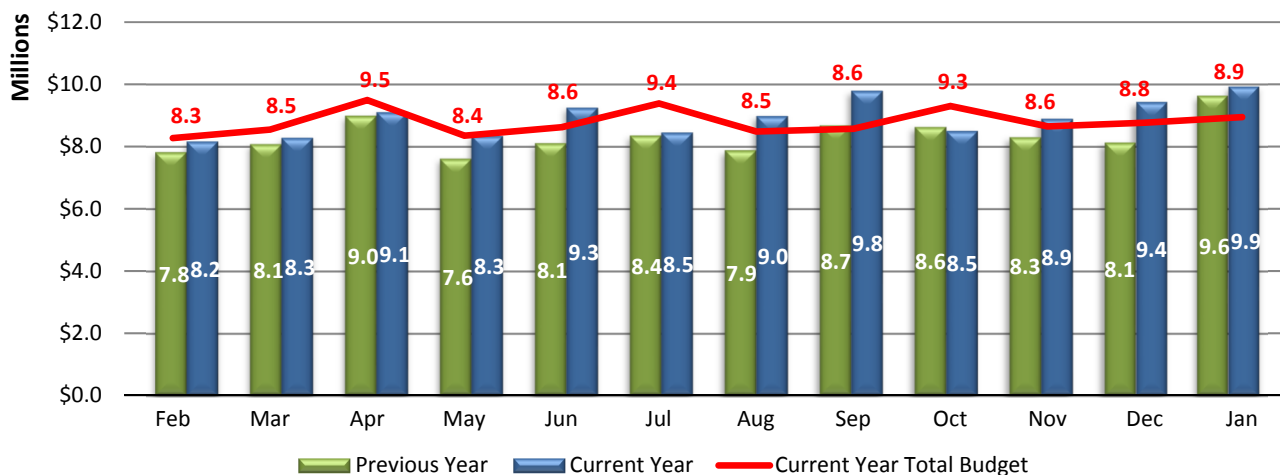
General Fund Sales Tax Collections through January



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 \$1.9 million above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - January								Fiscal Year to Date - January							
	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	754,364,000	0.2%	781,347,000	3.6%	841,124,000	7.7%	868,783,000	3.3%	4,706,819,000	4.1%	4,991,405,000	6.0%	5,188,785,000	4.0%	5,580,904,000	7.6%
Retail Taxable Sales	421,679,000	2.8%	463,765,000	10.0%	464,459,000	0.1%	501,163,000	7.9%	2,388,232,000	4.2%	2,738,134,000	14.7%	2,857,156,000	4.3%	3,013,865,000	5.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,606,000	-0.8%	8,932,000	3.8%	9,638,000	7.9%	9,931,000	3.0%	53,767,000	3.4%	57,380,000	6.7%	59,601,000	3.9%	63,983,000	7.4%
Temporary Privilege Tax - General Fund (0.2%)	1,000	-75.0%	-	-100.0%	-	0.0%	-	0.0%	23,000	-4.2%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	496,000	42.5%	449,000	-9.5%	483,000	7.6%	667,000	38.1%	3,137,000	12.4%	3,307,000	5.4%	3,707,000	12.1%	4,584,000	23.7%
Privilege Tax Rebates - General Fund	493,000	10.5%	474,000	-3.9%	470,000	-0.8%	474,000	0.9%	2,517,000	6.8%	2,422,000	-3.8%	2,495,000	3.0%	2,653,000	6.3%
Transit Tax Fund (0.5%)	3,589,000	-0.8%	3,725,000	3.8%	4,027,000	8.1%	4,138,000	2.8%	22,424,000	3.5%	23,927,000	6.7%	24,853,000	3.9%	26,681,000	7.4%
Performing Arts Tax Fund (0.1%)	746,000	-0.4%	772,000	3.5%	831,000	7.6%	855,000	2.9%	4,632,000	3.6%	4,925,000	6.3%	5,115,000	3.9%	5,489,000	7.3%
Totals	13,931,000	0.7%	14,352,000	3.0%	15,449,000	7.6%	16,065,000	4.0%	86,500,000	3.9%	91,961,000	6.3%	95,771,000	4.1%	103,390,000	8.0%
Tax Revenues - Business Activities																
Retail	7,905,000	2.8%	8,348,000	5.6%	8,360,000	0.1%	9,021,000	7.9%	44,898,000	5.0%	49,286,000	9.8%	51,429,000	4.3%	54,250,000	5.5%
Rentals	2,420,000	-2.4%	2,211,000	-8.6%	2,897,000	31.0%	3,068,000	5.9%	14,939,000	4.4%	15,032,000	0.6%	17,176,000	14.3%	18,664,000	8.7%
Utilities/Communication	687,000	-5.8%	533,000	-22.4%	532,000	-0.2%	532,000	0.0%	6,468,000	0.7%	5,274,000	-18.5%	5,212,000	-1.2%	5,068,000	-2.8%
Restaurants	984,000	-2.3%	1,156,000	17.5%	1,134,000	-1.9%	1,224,000	7.9%	6,710,000	3.1%	7,314,000	9.0%	7,418,000	1.4%	7,817,000	5.4%
Contracting	935,000	-21.0%	1,239,000	32.5%	1,606,000	29.6%	1,064,000	-33.7%	6,825,000	-6.4%	8,938,000	31.0%	7,856,000	-12.1%	9,908,000	26.1%
Hotel/Motel	225,000	22.3%	170,000	-24.4%	182,000	7.1%	247,000	35.7%	1,555,000	10.3%	1,252,000	-19.5%	1,417,000	13.2%	1,674,000	18.1%
Transient (Bed Tax)	496,000	42.5%	449,000	-9.5%	483,000	7.6%	667,000	38.1%	3,137,000	12.4%	3,307,000	5.4%	3,707,000	12.1%	4,584,000	23.7%
Amusements	186,000	32.9%	152,000	-18.3%	178,000	17.1%	192,000	7.9%	1,042,000	5.1%	808,000	-22.5%	819,000	1.4%	905,000	10.5%
All Other	93,000	16.3%	94,000	1.1%	77,000	-18.1%	50,000	-35.1%	926,000	13.3%	750,000	-19.0%	737,000	-1.7%	520,000	-29.4%
Totals	13,931,000	0.7%	14,352,000	3.0%	15,449,000	7.6%	16,065,000	4.0%	86,500,000	3.9%	91,961,000	6.3%	95,771,000	4.1%	103,390,000	8.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,083,000	-0.2%	1,156,000	6.7%	1,153,000	-0.3%	1,281,000	11.1%	7,067,000	0.0%	7,474,000	5.8%	7,902,000	5.7%	8,260,000	4.5%
Building Supply Stores	196,000	23.3%	234,000	19.4%	265,000	13.2%	287,000	8.3%	1,477,000	4.5%	1,878,000	27.1%	1,944,000	3.5%	2,085,000	7.3%
Department Stores	1,435,000	1.6%	1,440,000	0.3%	1,404,000	-2.5%	1,497,000	6.6%	7,358,000	3.1%	7,245,000	-1.5%	7,298,000	0.7%	7,558,000	3.6%
Drug/Small Stores	764,000	-5.1%	1,235,000	61.6%	1,327,000	7.4%	1,569,000	18.2%	4,288,000	8.6%	6,600,000	53.9%	7,496,000	13.6%	8,388,000	11.9%
Furniture/Equipment/Electronics	1,726,000	4.5%	758,000	-56.1%	623,000	-17.8%	636,000	2.1%	9,402,000	5.6%	5,010,000	-46.7%	4,139,000	-17.4%	4,056,000	-2.0%
Grocery Stores	1,018,000	5.4%	1,093,000	7.4%	1,157,000	5.9%	1,184,000	2.3%	5,177,000	3.7%	5,571,000	7.6%	5,785,000	3.8%	5,893,000	1.9%
Manufacturing Firms	261,000	-20.9%	747,000	186.2%	671,000	-10.2%	608,000	-9.4%	2,038,000	-3.5%	4,466,000	119.1%	4,860,000	8.8%	4,260,000	-12.3%
All Other Retail	1,422,000	11.1%	1,685,000	18.5%	1,760,000	4.5%	1,959,000	11.3%	8,091,000	12.7%	11,042,000	36.5%	12,005,000	8.7%	13,750,000	14.5%
Totals	7,905,000	2.8%	8,348,000	5.6%	8,360,000	0.1%	9,021,000	7.9%	44,898,000	5.0%	49,286,000	9.8%	51,429,000	4.3%	54,250,000	5.5%

**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	8,983,000	498,000	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	9,430,000	666,000	7.6%
Jan	8.5%	8,946,000	9,931,000	985,000	11.0%
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	\$ 63,983,000	\$ 1,880,000	2.9%

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	17,434,000	(435,000)	-2.4%
Jul-Sep	25.1%	26,439,000	27,224,000	785,000	3.0%
Jul-Oct	33.9%	35,743,000	35,727,000	(16,000)	0.0%
Jul-Nov	42.1%	44,393,000	44,622,000	229,000	0.5%
Jul-Dec	50.4%	53,157,000	54,052,000	895,000	1.7%
Jul-Jan	58.9%	62,103,000	63,983,000	1,880,000	3.0%
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	\$ 110,327,000	\$ 105,380,000	\$ 4,947,000	4.7%
Percentage Received	\$ 108,570,000	\$ 105,380,000	\$ 3,190,000	3.0%