

Memorandum



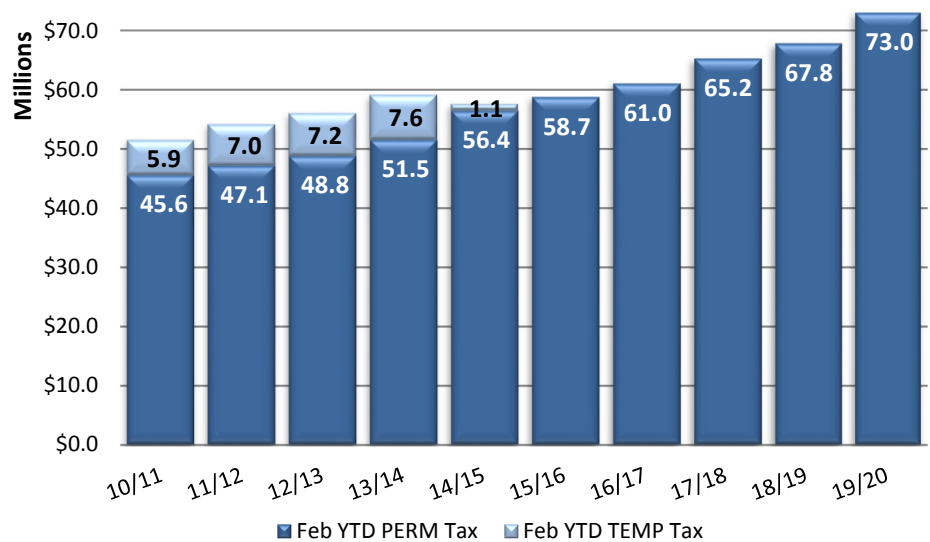
Municipal Budget Office

Date: April 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 – February 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for February 2020 covering January 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% (\$8.7 million), as a result of strong growth in retail (\$3.5 million), contracting (\$2.1 million), and rentals (\$1.6 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 7.7% (\$5.2 million) over the prior year-to-date period.

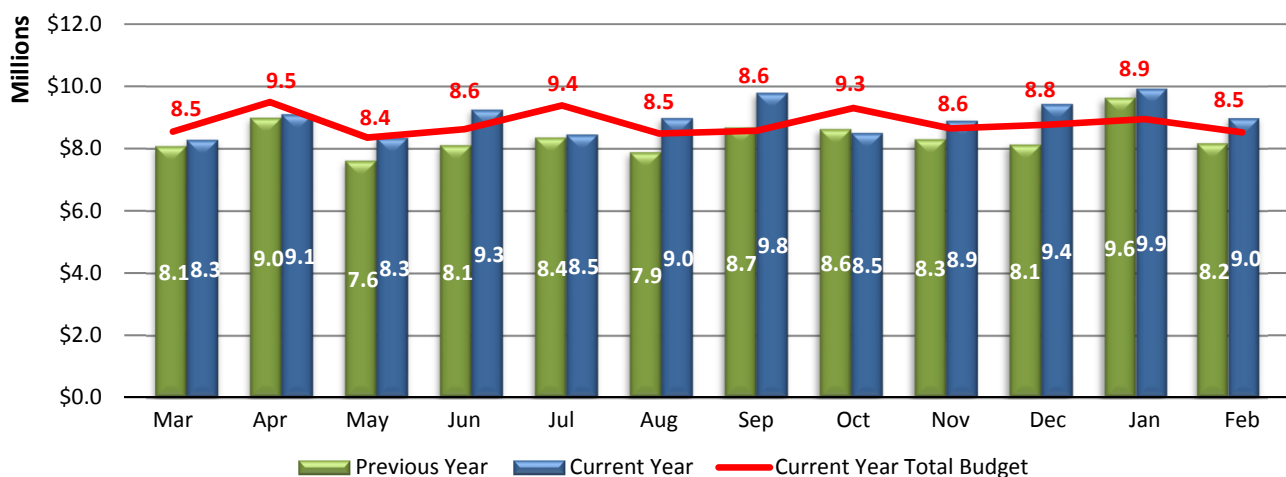
General Fund Sales Tax Collections through February



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 \$2.3 million above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - February						Fiscal Year to Date - February									
	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	632,202,000	6.5%	687,570,000	8.8%	726,717,000	5.7%	783,962,000	7.9%	5,339,021,000	4.4%	5,678,975,000	6.4%	5,915,501,000	4.2%	6,364,866,000	7.6%
Retail Taxable Sales	335,954,000	12.9%	375,907,000	11.9%	387,151,000	3.0%	427,132,000	10.3%	2,724,187,000	5.2%	3,114,041,000	14.3%	3,244,307,000	4.2%	3,440,997,000	6.1%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,224,000	7.1%	7,821,000	8.3%	8,171,000	4.5%	8,980,000	9.9%	60,990,000	3.9%	65,201,000	6.9%	67,772,000	3.9%	72,963,000	7.7%
Temporary Privilege Tax - General Fund (0.2%)	-	-100.0%	-	0.0%	-	0.0%	-	0.0%	24,000	-29.4%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	636,000	-7.4%	802,000	26.1%	881,000	9.9%	965,000	9.5%	3,773,000	8.5%	4,109,000	8.9%	4,588,000	11.7%	5,549,000	20.9%
Privilege Tax Rebates - General Fund	298,000	-0.3%	333,000	11.7%	476,000	42.9%	278,000	-41.6%	2,815,000	6.0%	2,756,000	-2.1%	2,971,000	7.8%	2,931,000	-1.3%
Transit Tax Fund (0.5%)	3,013,000	6.7%	3,262,000	8.3%	3,407,000	4.4%	3,742,000	9.8%	25,437,000	3.8%	27,189,000	6.9%	28,261,000	3.9%	30,423,000	7.7%
Performing Arts Tax Fund (0.1%)	620,000	6.9%	672,000	8.4%	709,000	5.5%	765,000	7.9%	5,252,000	4.0%	5,597,000	6.6%	5,824,000	4.1%	6,254,000	7.4%
Totals	11,791,000	5.8%	12,890,000	9.3%	13,644,000	5.8%	14,730,000	8.0%	98,291,000	4.1%	104,852,000	6.7%	109,416,000	4.4%	118,120,000	8.0%
Tax Revenues - Business Activities																
Retail	6,386,000	11.4%	6,766,000	6.0%	6,969,000	3.0%	7,688,000	10.3%	51,284,000	5.8%	56,053,000	9.3%	58,398,000	4.2%	61,938,000	6.1%
Rentals	1,561,000	-14.1%	2,149,000	37.7%	2,500,000	16.3%	2,583,000	3.3%	16,500,000	2.3%	17,181,000	4.1%	19,676,000	14.5%	21,246,000	8.0%
Utilities/Communication	702,000	6.2%	569,000	-18.9%	545,000	-4.2%	529,000	-2.9%	7,171,000	1.2%	5,843,000	-18.5%	5,757,000	-1.5%	5,597,000	-2.8%
Restaurants	1,033,000	7.3%	1,086,000	5.1%	1,147,000	5.6%	1,167,000	1.7%	7,742,000	3.6%	8,400,000	8.5%	8,565,000	2.0%	8,984,000	4.9%
Contracting	991,000	29.5%	1,057,000	6.7%	1,077,000	1.9%	1,151,000	6.9%	7,816,000	-3.0%	9,995,000	27.9%	8,933,000	-10.6%	11,059,000	23.8%
Hotel/Motel	278,000	-7.6%	290,000	4.3%	325,000	12.1%	361,000	11.1%	1,832,000	7.1%	1,542,000	-15.8%	1,742,000	13.0%	2,035,000	16.8%
Transient (Bed Tax)	636,000	-7.4%	802,000	26.1%	881,000	9.9%	965,000	9.5%	3,773,000	8.5%	4,109,000	8.9%	4,588,000	11.7%	5,549,000	20.9%
Amusements	131,000	0.8%	94,000	-28.2%	123,000	30.9%	133,000	8.1%	1,173,000	4.6%	901,000	-23.2%	942,000	4.6%	1,038,000	10.2%
All Other	73,000	-14.1%	77,000	5.5%	77,000	0.0%	153,000	98.7%	1,000,000	11.0%	828,000	-17.2%	815,000	-1.6%	674,000	-17.3%
Totals	11,791,000	5.8%	12,890,000	9.3%	13,644,000	5.8%	14,730,000	8.0%	98,291,000	4.1%	104,852,000	6.7%	109,416,000	4.4%	118,120,000	8.0%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,123,000	20.9%	1,008,000	-10.2%	1,049,000	4.1%	1,101,000	5.0%	8,190,000	2.4%	8,482,000	3.6%	8,951,000	5.5%	9,361,000	4.6%
Building Supply Stores	209,000	-18.0%	253,000	21.1%	299,000	18.2%	311,000	4.0%	1,686,000	1.0%	2,132,000	26.5%	2,243,000	5.2%	2,396,000	6.8%
Department Stores	820,000	0.1%	896,000	9.3%	833,000	-7.0%	865,000	3.8%	8,178,000	2.8%	8,142,000	-0.4%	8,131,000	-0.1%	8,423,000	3.6%
Drug/Small Stores	718,000	42.2%	1,118,000	55.7%	1,102,000	-1.4%	1,142,000	3.6%	5,006,000	12.4%	7,718,000	54.2%	8,598,000	11.4%	9,530,000	10.8%
Furniture/Equipment/Electronics	1,338,000	7.2%	542,000	-59.5%	500,000	-7.7%	461,000	-7.8%	10,740,000	5.8%	5,552,000	-48.3%	4,639,000	-16.4%	4,517,000	-2.6%
Grocery Stores	645,000	-11.9%	833,000	29.1%	792,000	-4.9%	793,000	0.1%	5,823,000	1.7%	6,404,000	10.0%	6,576,000	2.7%	6,686,000	1.7%
Manufacturing Firms	214,000	3.9%	576,000	169.2%	543,000	-5.7%	456,000	-16.0%	2,252,000	-2.8%	5,042,000	123.9%	5,403,000	7.2%	4,716,000	-12.7%
All Other Retail	1,319,000	26.9%	1,540,000	16.8%	1,851,000	20.2%	2,559,000	38.2%	9,409,000	14.5%	12,581,000	33.7%	13,857,000	10.1%	16,309,000	17.7%
Totals	6,386,000	11.4%	6,766,000	6.0%	6,969,000	3.0%	7,688,000	10.3%	51,284,000	5.8%	56,053,000	9.3%	58,398,000	4.2%	61,938,000	6.1%

**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	8,980,000	461,000	5.4%
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	\$ 72,963,000	\$ 2,341,000	3.2%

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	72,963,000	2,341,000	3.3%
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	\$ 110,643,000	\$ 105,380,000	\$ 5,263,000	5.0%
Percentage Received	\$ 108,873,000	\$ 105,380,000	\$ 3,493,000	3.3%