

Memorandum



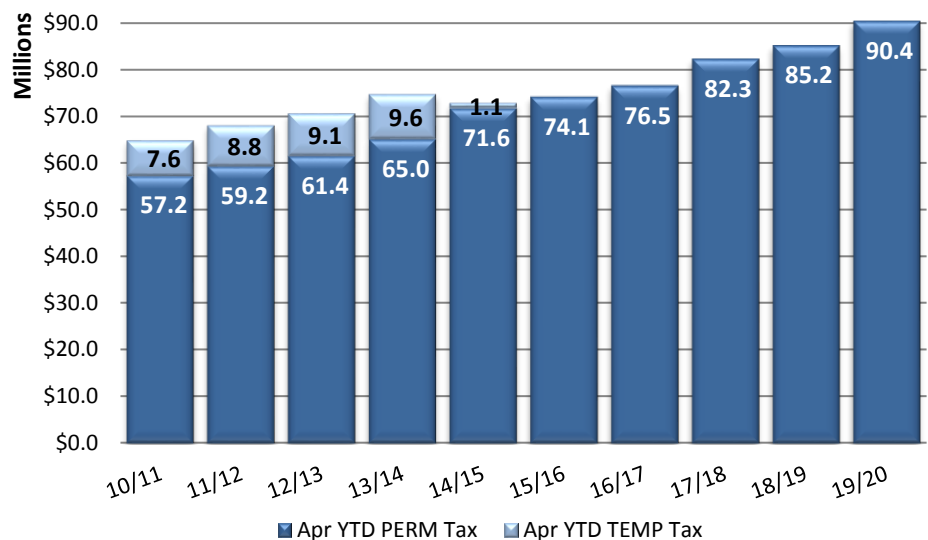
Municipal Budget Office

Date: May 22, 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 – April 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for April 2020 covering March 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 year-to-date taxable sales increased by 5.5% (down from 6.8% last month) over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 5.3% or \$7.3 million (down from 7.0% and \$8.6 million last month), as a result of growth in retail (\$4.8 million), contracting (\$1.8 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 6.1% or \$5.2 million (down from 6.9% and \$5.3 million last month) over the prior year-to-date period.

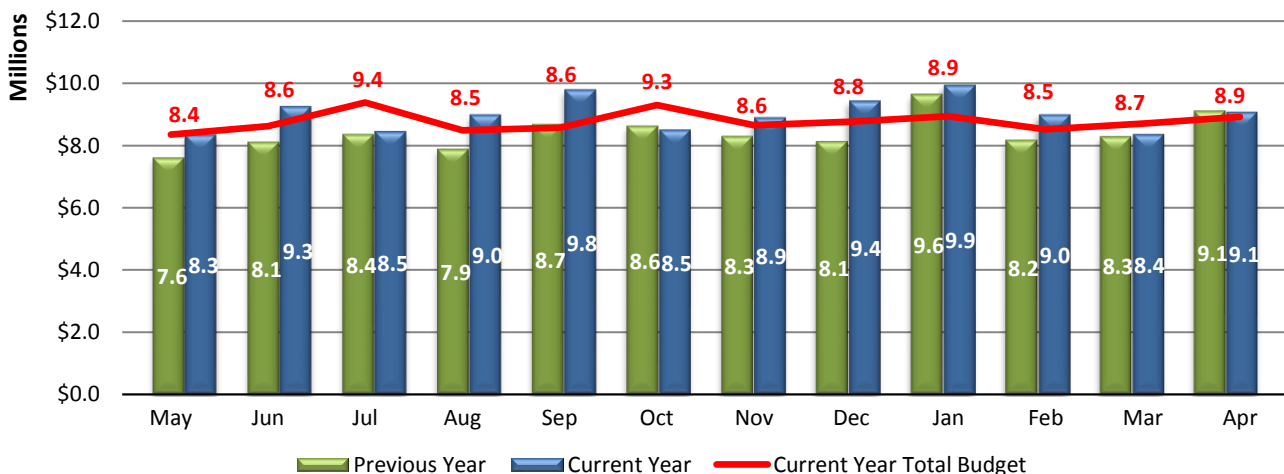
General Fund Sales Tax Collections through April



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 \$2.1 million (up from \$2.0 million last month) above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - April								Fiscal Year to Date - April							
	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	754,739,000	2.4%	796,071,000	5.5%	819,312,000	2.9%	781,168,000	-4.7%	6,731,348,000	4.2%	7,189,112,000	6.8%	7,468,380,000	3.9%	7,879,538,000	5.5%
Retail Taxable Sales	357,139,000	-0.5%	427,047,000	19.6%	432,163,000	1.2%	463,492,000	7.2%	3,414,306,000	4.7%	3,923,381,000	14.9%	4,033,795,000	2.8%	4,301,714,000	6.6%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,390,000	-0.2%	8,988,000	7.1%	9,108,000	1.3%	9,067,000	-0.5%	76,499,000	3.2%	82,267,000	7.5%	85,168,000	3.5%	90,388,000	6.1%
Temporary Privilege Tax - General Fund (0.2%)	-	-100.0%	-	0.0%	-	0.0%	-	0.0%	25,000	-30.6%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	1,136,000	12.4%	1,310,000	15.3%	1,459,000	11.4%	587,000	-59.8%	5,795,000	11.1%	6,553,000	13.1%	7,219,000	10.2%	7,118,000	-1.4%
Privilege Tax Rebates - General Fund	363,000	-3.7%	352,000	-3.0%	527,000	49.7%	236,000	-55.2%	3,497,000	5.1%	3,417,000	-2.3%	3,824,000	11.9%	3,460,000	-9.5%
Transit Tax Fund (0.5%)	3,501,000	-0.2%	3,748,000	7.1%	3,798,000	1.3%	3,778,000	-0.5%	31,907,000	3.2%	34,303,000	7.5%	35,515,000	3.5%	37,683,000	6.1%
Performing Arts Tax Fund (0.1%)	700,000	-3.2%	770,000	10.0%	790,000	2.6%	769,000	-2.7%	6,565,000	3.0%	7,058,000	7.5%	7,324,000	3.8%	7,737,000	5.6%
Totals	14,090,000	0.4%	15,168,000	7.7%	15,682,000	3.4%	14,437,000	-7.9%	124,288,000	3.6%	133,598,000	7.5%	139,050,000	4.1%	146,386,000	5.3%
Tax Revenues by Business Activities																
Retail	6,704,000	-2.6%	7,687,000	14.7%	7,779,000	1.2%	8,343,000	7.3%	63,928,000	4.5%	70,621,000	10.5%	72,608,000	2.8%	77,431,000	6.6%
Rentals	2,401,000	0.7%	2,478,000	3.2%	2,752,000	11.1%	2,757,000	0.2%	20,929,000	2.6%	22,202,000	6.1%	24,996,000	12.6%	26,472,000	5.9%
Utilities/Communication	634,000	-9.0%	541,000	-14.7%	516,000	-4.6%	501,000	-2.9%	8,441,000	0.7%	6,913,000	-18.1%	6,795,000	-1.7%	6,605,000	-2.8%
Restaurants	1,240,000	1.6%	1,367,000	10.2%	1,397,000	2.2%	837,000	-40.1%	10,039,000	3.0%	10,969,000	9.3%	11,109,000	1.3%	10,835,000	-2.5%
Contracting	1,250,000	9.3%	1,127,000	-9.8%	1,040,000	-7.7%	1,063,000	2.2%	9,810,000	-2.8%	11,797,000	20.3%	11,484,000	-2.7%	13,292,000	15.7%
Hotel/Motel	464,000	9.7%	479,000	3.2%	541,000	12.9%	217,000	-59.9%	2,710,000	10.4%	2,440,000	-10.0%	2,714,000	11.2%	2,619,000	-3.5%
Transient (Bed Tax)	1,136,000	12.4%	1,310,000	15.3%	1,459,000	11.4%	587,000	-59.8%	5,795,000	11.1%	6,553,000	13.1%	7,219,000	10.2%	7,118,000	-1.4%
Amusements	148,000	18.4%	139,000	-6.1%	136,000	-2.2%	75,000	-44.9%	1,439,000	6.6%	1,147,000	-20.3%	1,189,000	3.7%	1,215,000	2.2%
All Other	113,000	-19.9%	40,000	-64.6%	62,000	55.0%	57,000	-8.1%	1,197,000	4.3%	956,000	-20.1%	936,000	-2.1%	799,000	-14.6%
Totals	14,090,000	0.4%	15,168,000	7.7%	15,682,000	3.4%	14,437,000	-7.9%	124,288,000	3.6%	133,598,000	7.5%	139,050,000	4.1%	146,386,000	5.3%
Retail Tax Revenues by Activities																
Automotive	936,000	-10.6%	1,222,000	30.6%	1,252,000	2.5%	987,000	-21.2%	10,129,000	1.5%	10,736,000	6.0%	11,219,000	4.5%	11,467,000	2.2%
Building Supply Stores	268,000	16.0%	276,000	3.0%	319,000	15.6%	341,000	6.9%	2,162,000	3.2%	2,640,000	22.1%	2,819,000	6.8%	3,024,000	7.3%
Department Stores	1,197,000	10.0%	1,086,000	-9.3%	1,015,000	-6.5%	974,000	-4.0%	10,258,000	2.4%	10,129,000	-1.3%	10,064,000	-0.6%	10,339,000	2.7%
Drug/Small Stores	620,000	-7.5%	1,210,000	95.2%	1,225,000	1.2%	1,295,000	5.7%	6,240,000	8.0%	10,061,000	61.2%	10,812,000	7.5%	11,886,000	9.9%
Furniture/Equipment/Electronics	1,209,000	-12.8%	570,000	-52.9%	553,000	-3.0%	520,000	-6.0%	12,844,000	0.8%	6,607,000	-48.6%	5,626,000	-14.8%	5,481,000	-2.6%
Grocery Stores	661,000	-21.1%	822,000	24.4%	839,000	2.1%	1,011,000	20.5%	7,227,000	0.3%	7,979,000	10.4%	8,187,000	2.6%	8,495,000	3.8%
Manufacturing Firms	349,000	-8.9%	719,000	106.0%	765,000	6.4%	713,000	-6.8%	2,955,000	-2.4%	6,388,000	116.2%	6,680,000	4.6%	5,949,000	-10.9%
All Other Retail	1,464,000	18.0%	1,782,000	21.7%	1,811,000	1.6%	2,502,000	38.2%	12,113,000	17.1%	16,081,000	32.8%	17,201,000	7.0%	20,790,000	20.9%
Totals	6,704,000	-2.6%	7,687,000	14.7%	7,779,000	1.2%	8,343,000	7.3%	63,928,000	4.5%	70,621,000	10.5%	72,608,000	2.8%	77,431,000	6.6%

**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	9,930,000	984,000	11.0%
Feb	8.1%	8,519,000	8,980,000	461,000	5.4%
Mar	8.3%	8,707,000	8,359,000	(348,000)	-4.0%
Apr	8.5%	8,925,000	9,067,000	142,000	1.6%
May	8.1%	8,504,000			
Jun	8.2%	8,622,000			
Totals	100.0%	\$ 105,380,000	\$ 90,388,000	\$ 2,134,000	2.4%

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	63,982,000	1,879,000	3.0%
Jul-Feb	67.0%	70,622,000	72,962,000	2,340,000	3.3%
Jul-Mar	75.3%	79,329,000	81,321,000	1,992,000	2.5%
Jul-Apr	83.7%	88,254,000	90,388,000	2,134,000	2.4%
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	\$ 109,069,000	\$ 105,380,000	\$ 3,689,000	3.5%
Percentage Received	\$ 107,928,000	\$ 105,380,000	\$ 2,548,000	2.4%