

Memorandum



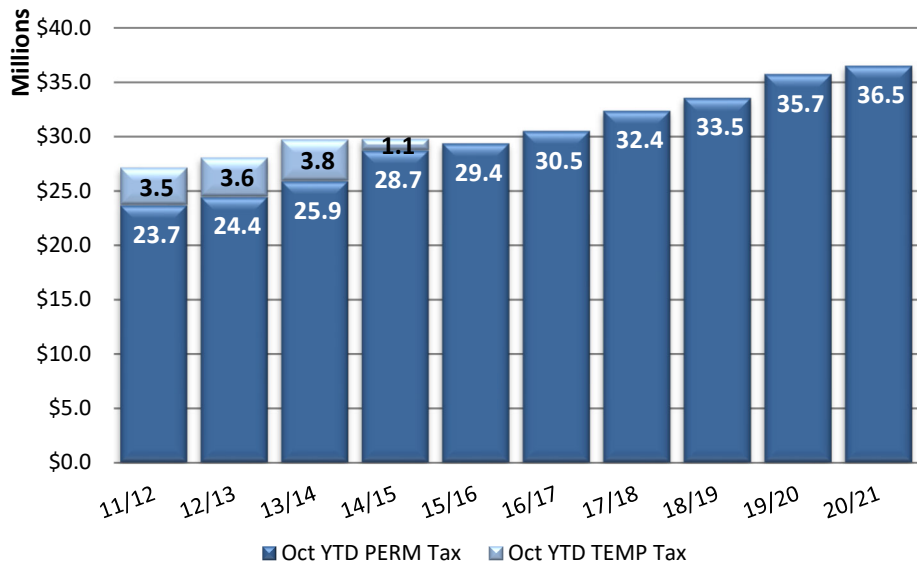
Municipal Budget Office

Date: December 4, 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 – October 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for October 2020 covering September sales activity reported to the Arizona Department of Revenue (ADOR).

Total fiscal year-to-date taxable *sales* increased by 0.6% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is down 0.6% or \$366 thousand, despite the growth in retail (\$2.5 million), rentals (\$636 thousand), and utilities (\$8 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2011/12 through FY 2020/21. General Fund sales tax revenue is up 2.2% or \$791 thousand over the prior year-to-date period.

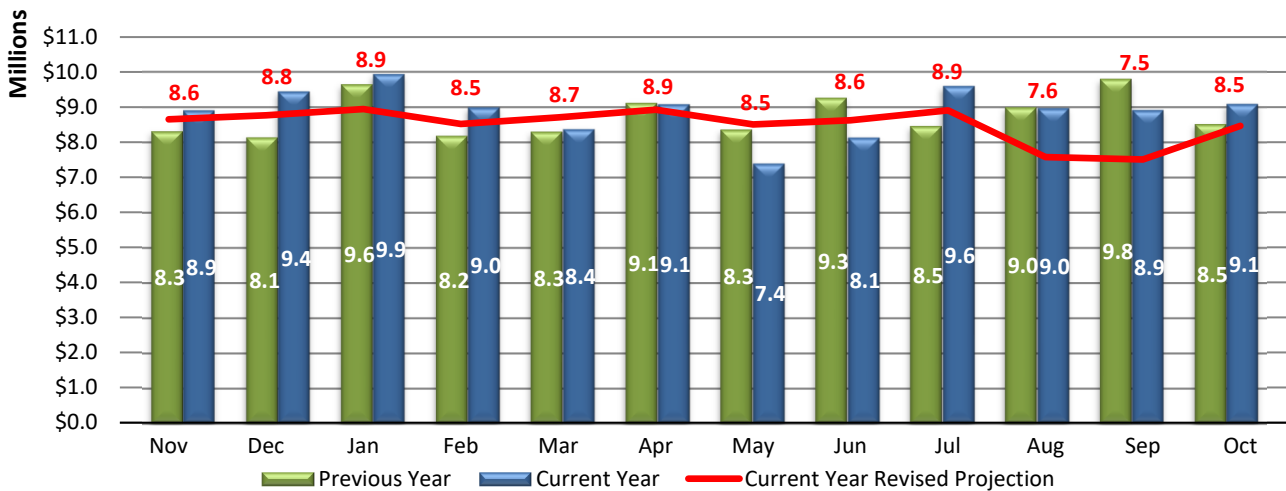
General Fund Sales Tax Collections through October



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 projected on a monthly basis, the graph below applies historical collection percentages to a revised revenue projection to gain insight into sales tax performance. The Municipal Budget Office developed a revised revenue projection for FY 2020-21 to reflect the anticipated economic impact of the COVID-19 pandemic. Using this approach, fiscal year-to-date sales tax collections in the General Fund are \$4.1 million above the revised revenue projection. Higher than anticipated activity in retail and a one-time revenue collection in July have contributed to revenues exceeding projections.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Current Month - October

Fiscal Year to Date - October

	2017-18		2018-19		2019-20		2020-21		2017-18		2018-19		2019-20		2020-21			
	Change		Change		Change		Change		Change		Change		Change		Change			
Taxable Sales																		
Total Taxable Sales	726,442,000	2.7%	749,078,000	3.1%	744,250,000	-0.6%	779,546,000	4.7%	2,805,042,000	5.7%	2,911,738,000	3.8%	3,107,707,000	6.7%	3,126,751,000	0.6%		
Retail Taxable Sales	379,777,000	8.6%	395,226,000	4.1%	387,654,000	-1.9%	448,439,000	15.7%	1,541,429,000	15.8%	1,606,035,000	4.2%	1,656,694,000	3.2%	1,798,199,000	8.5%		
Tax Revenues by Funds																		
Privilege Tax - General Fund (1.2%)	8,375,000	2.8%	8,626,000	3.0%	8,503,000	-1.4%	9,077,000	6.8%	32,368,000	6.1%	33,538,000	3.6%	35,728,000	6.5%	36,519,000	2.2%		
Bed Tax - General Fund	428,000	-9.1%	467,000	9.1%	732,000	56.7%	323,000	-55.9%	1,581,000	-1.6%	1,714,000	8.4%	2,237,000	30.5%	1,128,000	-49.6%		
Privilege Tax Rebates - General Fund	337,000	-0.3%	346,000	2.7%	354,000	2.3%	284,000	-19.8%	1,282,000	-3.7%	1,396,000	8.9%	1,442,000	3.3%	1,036,000	-28.2%		
Transit Tax Fund (0.5%)	3,492,000	2.7%	3,602,000	3.2%	3,546,000	-1.6%	3,782,000	6.7%	13,497,000	6.1%	13,982,000	3.6%	14,900,000	6.6%	15,217,000	2.1%		
Performing Arts Tax Fund (0.1%)	718,000	2.7%	740,000	3.1%	730,000	-1.4%	773,000	5.9%	2,773,000	5.7%	2,877,000	3.8%	3,063,000	6.5%	3,104,000	1.3%		
Totals	13,350,000	2.2%	13,781,000	3.2%	13,865,000	0.6%	14,239,000	2.7%	51,501,000	5.5%	53,507,000	3.9%	57,370,000	7.2%	57,004,000	-0.6%		
Tax Revenues by Business Activities																		
Retail	6,836,000	5.5%	7,114,000	4.1%	6,978,000	-1.9%	8,072,000	15.7%	27,638,000	10.9%	28,909,000	4.6%	29,820,000	3.2%	32,368,000	8.5%		
Rentals	2,684,000	13.1%	2,562,000	-4.5%	2,601,000	1.5%	2,911,000	11.9%	8,942,000	6.5%	9,424,000	5.4%	10,214,000	8.4%	10,850,000	6.2%		
Utilities/Communication	813,000	-21.8%	817,000	0.5%	861,000	5.4%	840,000	-2.4%	3,430,000	-17.0%	3,392,000	-1.1%	3,281,000	-3.3%	3,289,000	0.2%		
Restaurants	1,097,000	13.1%	1,076,000	-1.9%	1,105,000	2.7%	918,000	-16.9%	3,967,000	7.1%	4,051,000	2.1%	4,254,000	5.0%	3,347,000	-21.3%		
Contracting	870,000	-18.8%	725,000	-16.7%	1,175,000	62.1%	933,000	-20.6%	3,806,000	-6.1%	3,895,000	2.3%	4,412,000	13.3%	4,336,000	-1.7%		
Hotel/Motel	163,000	-44.0%	178,000	9.2%	229,000	28.7%	124,000	-45.9%	603,000	-29.6%	670,000	11.1%	797,000	19.0%	430,000	-46.0%		
Transient (Bed Tax)	428,000	-9.1%	467,000	9.1%	732,000	56.7%	323,000	-55.9%	1,581,000	-1.6%	1,714,000	8.4%	2,237,000	30.5%	1,128,000	-49.6%		
Non-Recurring Business Activities	240,000	100.0%	603,000	151.3%	2,000	-99.7%	1,000	-50.0%	674,000	100.0%	535,000	-20.6%	1,596,000	198.3%	864,000	-45.9%		
Amusements	111,000	-41.3%	108,000	-2.7%	105,000	-2.8%	65,000	-38.1%	457,000	-23.6%	445,000	-2.6%	483,000	8.5%	180,000	-62.7%		
All Other	108,000	-37.6%	131,000	21.3%	77,000	-41.2%	52,000	-32.5%	403,000	-23.4%	472,000	17.1%	276,000	-41.5%	212,000	-23.2%		
Totals	13,350,000	2.2%	13,781,000	3.2%	13,865,000	0.6%	14,239,000	2.7%	51,501,000	5.5%	53,507,000	3.9%	57,370,000	7.2%	57,004,000	-0.6%		
Retail Tax Revenues by Activities																		
Automotive	942,000	-15.1%	1,175,000	24.7%	1,096,000	-6.7%	1,192,000	8.8%	4,208,000	3.3%	4,564,000	8.5%	4,728,000	3.6%	4,626,000	-2.2%		
Building Supply Stores	270,000	17.9%	279,000	3.3%	185,000	-33.7%	335,000	81.1%	1,118,000	29.7%	1,130,000	1.1%	1,128,000	-0.2%	1,377,000	22.1%		
Department Stores	885,000	-3.8%	897,000	1.4%	922,000	2.8%	975,000	5.7%	3,889,000	-2.5%	3,902,000	0.3%	4,017,000	2.9%	4,027,000	0.2%		
Drug/Small Stores	845,000	50.9%	966,000	14.3%	1,096,000	13.5%	1,313,000	19.8%	3,535,000	54.8%	4,088,000	15.6%	4,561,000	11.6%	5,092,000	11.6%		
Furniture/Equipment/Electronics	756,000	-33.6%	643,000	-14.9%	535,000	-16.8%	612,000	14.4%	2,898,000	-42.3%	2,432,000	-16.1%	2,347,000	-3.5%	2,653,000	13.0%		
Grocery Stores	750,000	1.1%	805,000	7.3%	813,000	1.0%	867,000	6.6%	2,937,000	6.2%	3,048,000	3.8%	3,079,000	1.0%	3,365,000	9.3%		
Manufacturing Firms	803,000	139.0%	640,000	-20.3%	440,000	-31.3%	606,000	37.7%	2,579,000	104.5%	2,895,000	12.3%	2,498,000	-13.7%	2,447,000	-2.0%		
All Other Retail	1,585,000	9.8%	1,709,000	7.8%	1,891,000	10.6%	2,172,000	14.9%	6,474,000	38.8%	6,850,000	5.8%	7,462,000	8.9%	8,781,000	17.7%		
Totals	6,836,000	5.5%	7,114,000	4.1%	6,978,000	-1.9%	8,072,000	15.7%	27,638,000	10.9%	28,909,000	4.6%	29,820,000	3.2%	32,368,000	8.5%		

**Privilege Tax Revenue - General Fund (1.2%)
2020-21 Actual Compared to Revised Projection**

Monthly Amounts

	2020-21 Revised Projection		2020-21 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 8,906,000	\$ 9,587,000	\$ 681,000	7.6%
Aug	7.6%	7,575,000	8,955,000	1,380,000	18.2%
Sep	7.5%	7,509,000	8,900,000	1,391,000	18.5%
Oct	8.4%	8,464,000	9,077,000	613,000	7.2%
Nov	7.2%	7,246,000			
Dec	7.8%	7,803,000			
Jan	8.7%	8,756,000			
Feb	8.5%	8,488,000			
Mar	9.1%	9,140,000			
Apr	8.9%	8,898,000			
May	8.5%	8,542,000			
Jun	8.9%	8,919,000			
Totals	100.0%	\$ 100,246,000	\$ 36,519,000	\$ 4,065,000	4.1%

Cumulative Amounts

	2020-21 Revised Projection		2020-21 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 8,906,000	\$ 9,587,000	\$ 681,000	7.6%
Jul-Aug	16.4%	16,481,000	18,542,000	2,061,000	12.5%
Jul-Sep	23.9%	23,990,000	27,442,000	3,452,000	14.4%
Jul-Oct	32.4%	32,454,000	36,519,000	4,065,000	12.5%
Jul-Nov	39.6%	39,700,000			
Jul-Dec	47.4%	47,503,000			
Jul-Jan	56.1%	56,259,000			
Jul-Feb	64.6%	64,747,000			
Jul-Mar	73.7%	73,887,000			
Jul-Apr	82.6%	82,785,000			
Jul-May	91.1%	91,327,000			
Jul-Jun	100.0%	100,246,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
Percent of Increase	\$ 108,234,000	\$ 100,246,000	\$ 7,988,000	8.0%
Percentage Received	\$ 112,802,000	\$ 100,246,000	\$ 12,556,000	12.5%