

# Memorandum



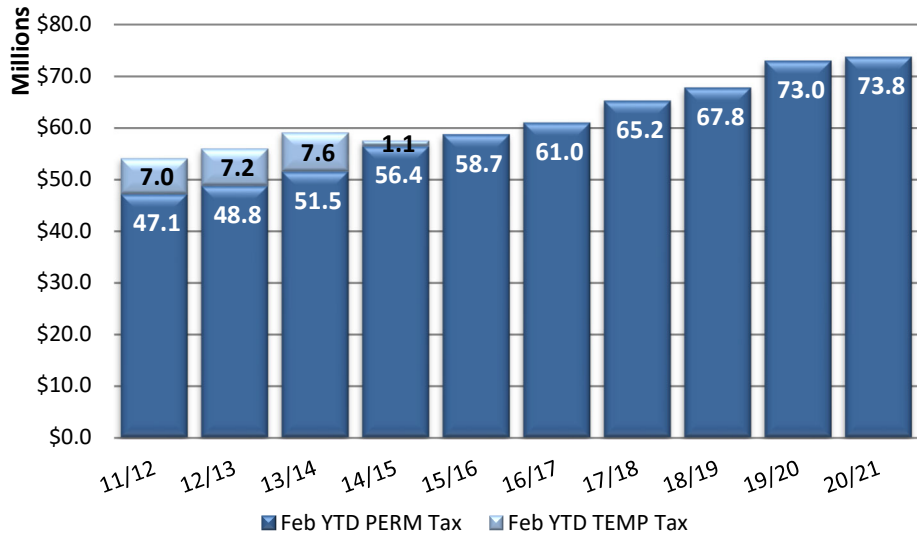
## Municipal Budget Office

Date: March 19, 2021  
 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 2021

Attached is the Executive Summary of the Tax Revenue Statistical Report for February 2021 covering January sales activity reported to the Arizona Department of Revenue (ADOR).

Total fiscal year-to-date taxable *sales* decreased by 0.5% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is down 2.0% or \$2.4 million, despite the growth in retail (\$4.7million) and rentals (\$578 thousand) activity. All other categories of taxable activity were down. 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 1.1% or \$835 thousand over the prior year-to-date period.

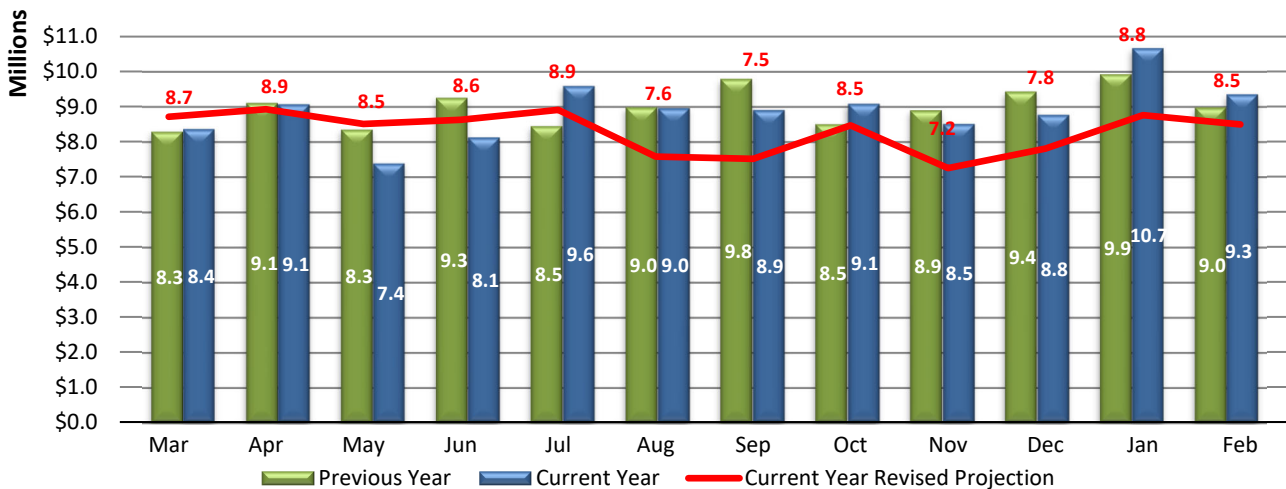
**General Fund Sales Tax Collections through February**



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 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 anticipate economic impact of the COVID-19 pandemic. Using this approach, fiscal year-to-date sales tax collections in the General Fund are \$9.0 million above the revised revenue projection. The increase in retail sales has been offsetting the decreases in almost every other taxable activity. The increases in retail sales includes the collection of sales tax on online sales since January 2019.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

### Current Month - February

### Fiscal Year to Date - February

	Current Month - February				Fiscal Year to Date - February												
	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change	
<b>Taxable Sales</b>																	
Total Taxable Sales	687,570,000	8.7%	726,717,000	5.7%	783,962,000	7.9%	804,197,000	2.6%	5,678,975,000	6.8%	5,915,501,000	4.2%	6,364,866,000	7.6%	6,335,689,000	-0.5%	
Retail Taxable Sales	375,907,000	11.9%	387,151,000	3.0%	427,132,000	10.3%	480,119,000	12.4%	3,114,041,000	14.3%	3,244,307,000	4.2%	3,440,997,000	6.1%	3,709,288,000	7.8%	
<b>Tax Revenues by Funds</b>																	
Privilege Tax - General Fund (1.2%)	7,821,000	8.3%	8,171,000	4.5%	8,980,000	9.9%	9,347,000	4.1%	65,201,000	6.9%	67,772,000	3.9%	72,963,000	7.7%	73,798,000	1.1%	
Bed Tax - General Fund	802,000	26.1%	881,000	9.9%	965,000	9.5%	490,000	-49.2%	4,109,000	8.9%	4,588,000	11.7%	5,549,000	20.9%	2,664,000	-52.0%	
Privilege Tax Rebates - General Fund	332,000	11.4%	477,000	43.7%	276,000	-42.1%	264,000	-4.3%	2,755,000	-2.1%	2,972,000	7.9%	2,931,000	-1.4%	2,254,000	-23.1%	
Transit Tax Fund (0.5%)	3,262,000	8.3%	3,407,000	4.4%	3,742,000	9.8%	3,895,000	4.1%	27,189,000	6.9%	28,261,000	3.9%	30,423,000	7.7%	30,750,000	1.1%	
Performing Arts Tax Fund (0.1%)	672,000	8.4%	709,000	5.5%	765,000	7.9%	794,000	3.8%	5,597,000	6.6%	5,824,000	4.1%	6,254,000	7.4%	6,282,000	0.4%	
<b>Totals</b>	<u>12,889,000</u>	<u>9.3%</u>	<u>13,645,000</u>	<u>5.9%</u>	<u>14,728,000</u>	<u>7.9%</u>	<u>14,790,000</u>	<u>0.4%</u>	<u>104,851,000</u>	<u>6.7%</u>	<u>109,417,000</u>	<u>4.4%</u>	<u>118,120,000</u>	<u>8.0%</u>	<u>115,748,000</u>	<u>-2.0%</u>	
<b>Tax Revenues by Business Activities</b>																	
Retail	6,766,000	6.0%	6,969,000	3.0%	7,688,000	10.3%	8,642,000	12.4%	55,945,000	9.1%	58,398,000	4.4%	61,938,000	6.1%	66,666,000	7.6%	
Rentals	2,149,000	37.7%	2,500,000	16.3%	2,583,000	3.3%	2,636,000	2.1%	17,181,000	4.1%	19,676,000	14.5%	21,246,000	8.0%	21,824,000	2.7%	
Utilities/Communication	569,000	-18.9%	545,000	-4.2%	529,000	-2.9%	513,000	-3.0%	5,843,000	-18.5%	5,757,000	-1.5%	5,597,000	-2.8%	5,518,000	-1.4%	
Restaurants	1,086,000	5.1%	1,147,000	5.6%	1,167,000	1.7%	1,014,000	-13.1%	8,400,000	8.5%	8,565,000	2.0%	8,984,000	4.9%	7,209,000	-19.8%	
Contracting	1,019,000	2.8%	904,000	-11.3%	1,151,000	27.3%	1,093,000	-5.0%	7,602,000	-2.7%	7,984,000	5.0%	9,025,000	13.0%	8,110,000	-10.1%	
Hotel/Motel	290,000	4.3%	325,000	12.1%	361,000	11.1%	187,000	-48.2%	1,542,000	-15.8%	1,742,000	13.0%	2,035,000	16.8%	1,033,000	-49.2%	
Transient (Bed Tax)	802,000	26.1%	881,000	9.9%	965,000	9.5%	490,000	-49.2%	4,109,000	8.9%	4,588,000	11.7%	5,549,000	20.9%	2,664,000	-52.0%	
Non-Recurring Business Activities	38,000	100.0%	173,000	355.3%	-	-100.0%	84,000	100.0%	2,501,000	100.0%	949,000	-62.1%	2,035,000	114.4%	1,736,000	-14.7%	
Amusements	94,000	-28.2%	123,000	30.9%	133,000	8.1%	77,000	-42.1%	901,000	-23.2%	942,000	4.6%	1,038,000	10.2%	464,000	-55.3%	
All Other	76,000	4.1%	78,000	2.6%	151,000	93.6%	54,000	-64.2%	827,000	-17.3%	816,000	-1.3%	673,000	-17.5%	524,000	-22.1%	
<b>Totals</b>	<u>12,889,000</u>	<u>9.3%</u>	<u>13,645,000</u>	<u>5.9%</u>	<u>14,728,000</u>	<u>7.9%</u>	<u>14,790,000</u>	<u>0.4%</u>	<u>104,851,000</u>	<u>6.7%</u>	<u>109,417,000</u>	<u>4.4%</u>	<u>118,120,000</u>	<u>8.0%</u>	<u>115,748,000</u>	<u>-2.0%</u>	
<b>Retail Tax Revenues by Activities</b>																	
Automotive	1,008,000	-10.2%	1,049,000	4.1%	1,101,000	5.0%	1,174,000	6.6%	8,482,000	3.6%	8,951,000	5.5%	9,361,000	4.6%	9,371,000	0.1%	
Building Supply Stores	253,000	21.1%	299,000	18.2%	311,000	4.0%	343,000	10.3%	2,132,000	26.5%	2,243,000	5.2%	2,396,000	6.8%	2,711,000	13.1%	
Department Stores	896,000	9.3%	833,000	-7.0%	865,000	3.8%	924,000	6.8%	8,142,000	-0.4%	8,131,000	-0.1%	8,423,000	3.6%	8,340,000	-1.0%	
Drug/Small Stores	1,118,000	55.7%	1,102,000	-1.4%	1,142,000	3.6%	1,329,000	16.4%	7,718,000	54.2%	8,598,000	11.4%	9,530,000	10.8%	10,538,000	10.6%	
Furniture/Equipment/Electronics	542,000	-59.5%	500,000	-7.7%	461,000	-7.8%	762,000	65.3%	5,552,000	-48.3%	4,639,000	-16.4%	4,517,000	-2.6%	5,241,000	16.0%	
Grocery Stores	833,000	29.1%	792,000	-4.9%	793,000	0.1%	759,000	-4.3%	6,404,000	10.0%	6,576,000	2.7%	6,686,000	1.7%	6,990,000	4.5%	
Manufacturing Firms	576,000	169.2%	543,000	-5.7%	456,000	-16.0%	786,000	72.4%	5,042,000	123.9%	5,403,000	7.2%	4,716,000	-12.7%	5,015,000	6.3%	
All Other Retail	1,540,000	16.8%	1,851,000	20.2%	2,559,000	38.2%	2,565,000	0.2%	12,473,000	32.6%	13,857,000	11.1%	16,309,000	17.7%	18,460,000	13.2%	
<b>Totals</b>	<u>6,766,000</u>	<u>6.0%</u>	<u>6,969,000</u>	<u>3.0%</u>	<u>7,688,000</u>	<u>10.3%</u>	<u>8,642,000</u>	<u>12.4%</u>	<u>55,945,000</u>	<u>9.1%</u>	<u>58,398,000</u>	<u>4.4%</u>	<u>61,938,000</u>	<u>6.1%</u>	<u>66,666,000</u>	<u>7.6%</u>	

**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	8,503,000	1,257,000	17.3%
Dec	7.8%	7,803,000	8,762,000	959,000	12.3%
Jan	8.7%	8,756,000	10,667,000	1,911,000	21.8%
Feb	8.5%	8,488,000	9,347,000	859,000	10.1%
Mar	9.1%	9,140,000			
Apr	8.9%	8,898,000			
May	8.5%	8,542,000			
Jun	8.9%	8,919,000			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 100,246,000</b>	<b>\$ 73,798,000</b>	<b>\$ 9,051,000</b>	<b>9.0%</b>

**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	45,022,000	5,322,000	13.4%
Jul-Dec	47.4%	47,503,000	53,784,000	6,281,000	13.2%
Jul-Jan	56.1%	56,259,000	64,451,000	8,192,000	14.6%
Jul-Feb	64.6%	64,747,000	73,798,000	9,051,000	14.0%
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	\$ 107,101,000	\$ 100,246,000	\$ 6,855,000	6.8%
Percentage Received	\$ 114,259,000	\$ 100,246,000	\$ 14,013,000	14.0%