

Memorandum



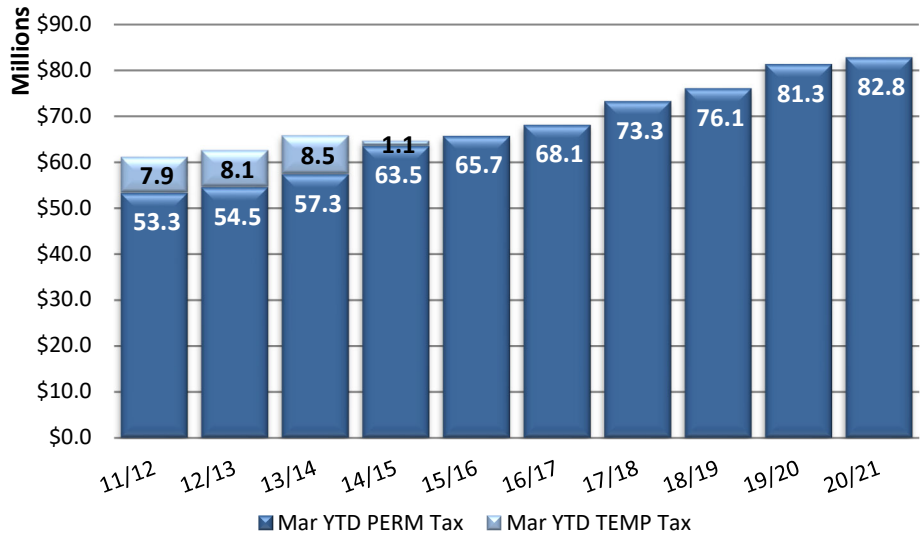
Municipal Budget Office

Date: April 23, 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 – March 2021

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

Total fiscal year-to-date taxable *sales* increased by 0.2% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is down 1.4% or \$1.9 million, despite the growth in retail (\$6.0 million) and rentals (\$732 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 1.8% or \$1.5 million over the prior year-to-date period.

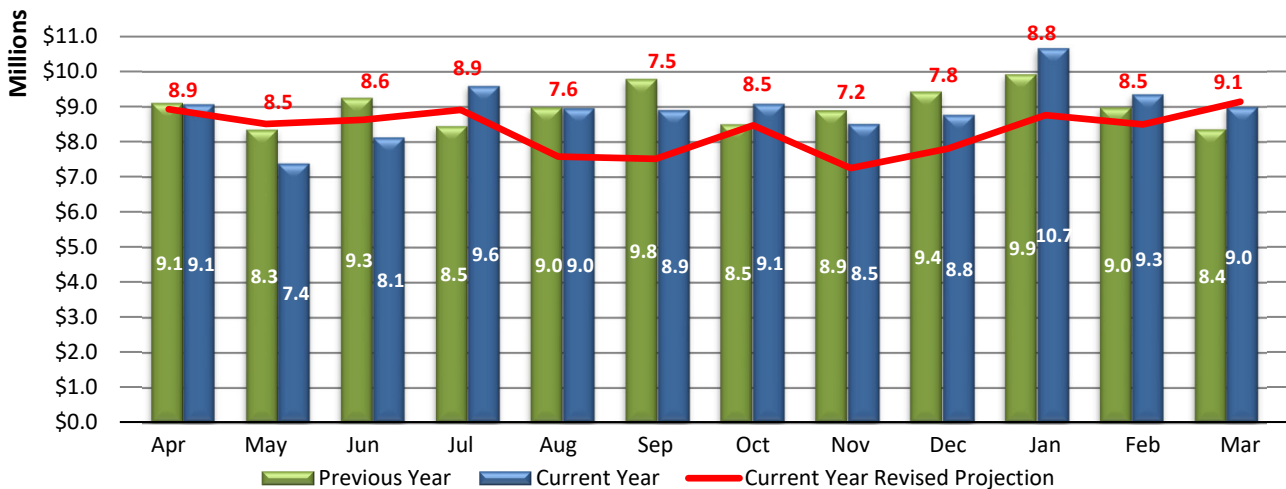
General Fund Sales Tax Collections through March



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 \$8.9 million above the revised revenue projection. The increase in retail sales has been offsetting the decreases in almost every other taxable activity, and includes the collection of sales tax on online retail sales since November 2019.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

Current Month - March

Fiscal Year to Date - March

	2017-18		2018-19		2019-20		2020-21		2017-18		2018-19		2019-20		2020-21			
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change		
Taxable Sales																		
Total Taxable Sales	714,066,000	12.0%	733,567,000	2.7%	733,504,000	0.0%	775,599,000	5.7%	6,393,041,000	7.4%	6,649,068,000	4.0%	7,098,370,000	6.8%	7,111,288,000	0.2%		
Retail Taxable Sales	382,294,000	14.8%	357,325,000	-6.5%	397,226,000	11.2%	472,824,000	19.0%	3,496,335,000	14.4%	3,601,632,000	3.0%	3,838,223,000	6.6%	4,182,112,000	9.0%		
Tax Revenues by Funds																		
Privilege Tax - General Fund (1.2%)	8,078,000	13.5%	8,289,000	2.6%	8,359,000	0.8%	8,990,000	7.5%	73,279,000	7.6%	76,061,000	3.8%	81,322,000	6.9%	82,788,000	1.8%		
Bed Tax - General Fund	1,133,000	27.9%	1,172,000	3.4%	982,000	-16.2%	529,000	-46.1%	5,243,000	12.5%	5,760,000	9.9%	6,531,000	13.4%	3,192,000	-51.1%		
Privilege Tax Rebates - General Fund	310,000	-2.8%	327,000	5.5%	294,000	-10.1%	269,000	-8.5%	3,065,000	-2.2%	3,297,000	7.6%	3,223,000	-2.2%	2,523,000	-21.7%		
Transit Tax Fund (0.5%)	3,366,000	13.3%	3,457,000	2.7%	3,483,000	0.8%	3,746,000	7.6%	30,555,000	7.6%	31,717,000	3.8%	33,906,000	6.9%	34,496,000	1.7%		
Performing Arts Tax Fund (0.1%)	691,000	12.9%	710,000	2.7%	714,000	0.6%	765,000	7.1%	6,288,000	7.2%	6,534,000	3.9%	6,968,000	6.6%	7,047,000	1.1%		
Totals	13,578,000	14.0%	13,955,000	2.8%	13,832,000	-0.9%	14,299,000	3.4%	118,430,000	7.5%	123,369,000	4.2%	131,950,000	7.0%	130,046,000	-1.4%		
Tax Revenues by Business Activities																		
Retail	6,881,000	15.8%	6,432,000	-6.5%	7,150,000	11.2%	8,375,000	17.1%	62,826,000	9.8%	64,829,000	3.2%	69,088,000	6.6%	75,041,000	8.6%		
Rentals	2,542,000	25.3%	2,568,000	1.0%	2,469,000	-3.9%	2,624,000	6.3%	19,724,000	6.5%	22,245,000	12.8%	23,715,000	6.6%	24,447,000	3.1%		
Utilities/Communication	529,000	-17.0%	523,000	-1.1%	507,000	-3.1%	471,000	-7.1%	6,372,000	-18.4%	6,280,000	-1.4%	6,103,000	-2.8%	5,989,000	-1.9%		
Restaurants	1,202,000	13.8%	1,148,000	-4.5%	1,014,000	-11.7%	1,059,000	4.4%	9,602,000	9.1%	9,712,000	1.1%	9,998,000	2.9%	8,268,000	-17.3%		
Contracting	602,000	-19.0%	1,124,000	86.7%	1,178,000	4.8%	707,000	-40.0%	8,203,000	-4.2%	9,108,000	11.0%	10,203,000	12.0%	8,817,000	-13.6%		
Hotel/Motel	419,000	1.5%	432,000	3.1%	368,000	-14.8%	205,000	-44.3%	1,961,000	-12.7%	2,173,000	10.8%	2,403,000	10.6%	1,238,000	-48.5%		
Transient (Bed Tax)	1,133,000	27.9%	1,172,000	3.4%	982,000	-16.2%	529,000	-46.1%	5,243,000	12.5%	5,760,000	9.9%	6,531,000	13.4%	3,192,000	-51.1%		
Non-Recurring Business Activities	73,000	100.0%	387,000	430.1%	(9,000)	-102.3%	145,000	-1711.1%	2,574,000	100.0%	1,336,000	-48.1%	2,026,000	51.6%	1,881,000	-7.2%		
Amusements	106,000	-10.2%	112,000	5.7%	101,000	-9.8%	82,000	-18.8%	1,007,000	-22.0%	1,053,000	4.6%	1,139,000	8.2%	546,000	-52.1%		
All Other	91,000	7.1%	57,000	-37.4%	72,000	26.3%	102,000	41.7%	918,000	-15.3%	873,000	-4.9%	744,000	-14.8%	627,000	-15.7%		
Totals	13,578,000	14.0%	13,955,000	2.8%	13,832,000	-0.9%	14,299,000	3.4%	118,430,000	7.5%	123,369,000	4.2%	131,950,000	7.0%	130,046,000	-1.4%		
Retail Tax Revenues by Activities																		
Automotive	1,032,000	2.9%	1,016,000	-1.6%	1,119,000	10.1%	1,249,000	11.6%	9,514,000	3.5%	9,967,000	4.8%	10,481,000	5.2%	10,620,000	1.3%		
Building Supply Stores	232,000	11.5%	256,000	10.3%	287,000	12.1%	340,000	18.5%	2,364,000	24.8%	2,500,000	5.8%	2,683,000	7.3%	3,051,000	13.7%		
Department Stores	901,000	2.0%	918,000	1.9%	942,000	2.6%	1,155,000	22.6%	9,043,000	-0.2%	9,049,000	0.1%	9,365,000	3.5%	9,495,000	1.4%		
Drug/Small Stores	1,132,000	84.1%	989,000	-12.6%	1,061,000	7.3%	1,334,000	25.7%	8,851,000	57.5%	9,587,000	8.3%	10,591,000	10.5%	11,872,000	12.1%		
Furniture/Equipment/Electronics	485,000	-45.8%	434,000	-10.5%	445,000	2.5%	708,000	59.1%	6,037,000	-48.1%	5,073,000	-16.0%	4,961,000	-2.2%	5,949,000	19.9%		
Grocery Stores	753,000	1.3%	771,000	2.4%	799,000	3.6%	859,000	7.5%	7,157,000	9.0%	7,347,000	2.7%	7,484,000	1.9%	7,850,000	4.9%		
Manufacturing Firms	627,000	77.1%	513,000	-18.2%	521,000	1.6%	665,000	27.6%	5,669,000	117.5%	5,916,000	4.4%	5,236,000	-11.5%	5,680,000	8.5%		
All Other Retail	1,719,000	38.6%	1,535,000	-10.7%	1,976,000	28.7%	2,065,000	4.5%	14,191,000	33.3%	15,390,000	8.4%	18,287,000	18.8%	20,524,000	12.2%		
Totals	6,881,000	15.8%	6,432,000	-6.5%	7,150,000	11.2%	8,375,000	17.1%	62,826,000	9.8%	64,829,000	3.2%	69,088,000	6.6%	75,041,000	8.6%		

**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	8,990,000	(150,000)	-1.6%
Apr	8.9%	8,898,000			
May	8.5%	8,542,000			
Jun	8.9%	8,919,000			
Totals	100.0%	\$ 100,246,000	\$ 82,788,000	\$ 8,901,000	8.9%

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	82,788,000	8,901,000	12.0%
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	\$ 107,798,000	\$ 100,246,000	\$ 7,552,000	7.5%
Percentage Received	\$ 112,322,000	\$ 100,246,000	\$ 12,076,000	12.0%