

Memorandum



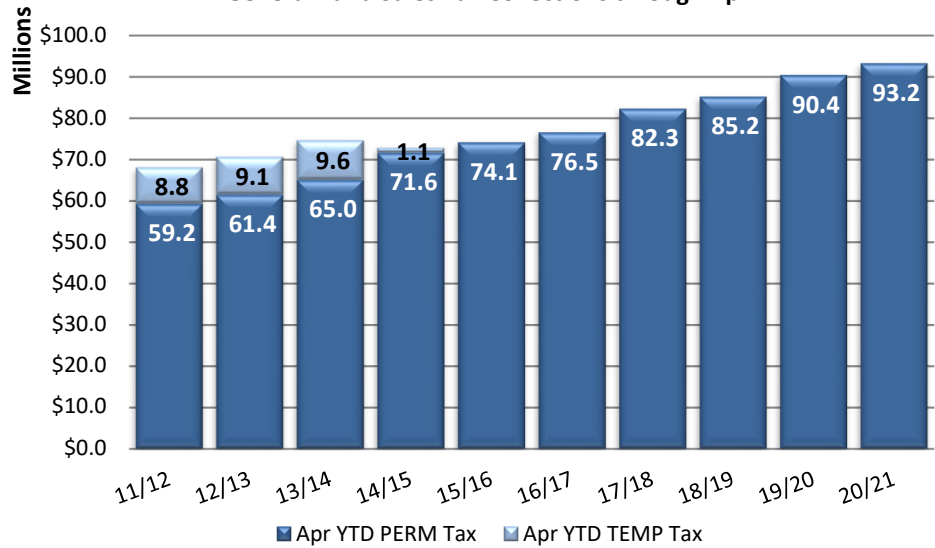
Municipal Budget Office

Date: May 21, 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 – April 2021

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

Total fiscal year-to-date taxable *sales* increased by 1.8% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is up 0.4% or \$539 thousand, due to growth in retail (\$7.3 million) and rentals (\$1.0 million) 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 3.2% or \$2.8 million over the prior year-to-date period.

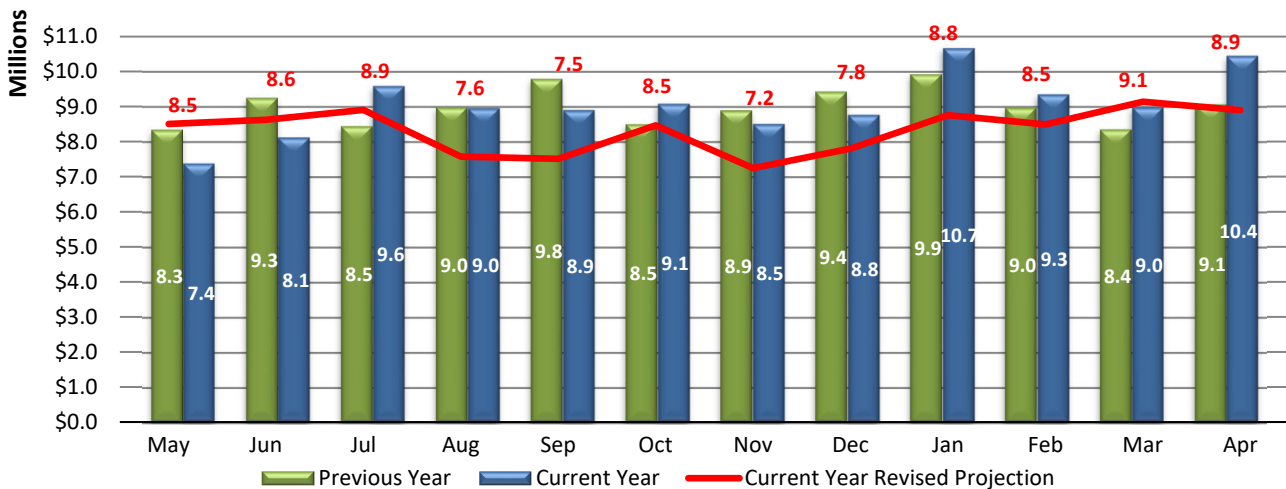
General Fund Sales Tax Collections through April



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 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 \$10.5 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 - April

Fiscal Year to Date - April

	Current Month - April				Fiscal Year to Date - April											
	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change
Taxable Sales																
Total Taxable Sales	796,071,000	5.4%	819,312,000	2.9%	781,168,000	-4.7%	909,327,000	16.4%	7,189,112,000	7.2%	7,468,380,000	3.9%	7,879,538,000	5.5%	8,020,615,000	1.8%
Retail Taxable Sales	427,047,000	19.6%	432,163,000	1.2%	463,492,000	7.2%	538,752,000	16.2%	3,923,381,000	14.9%	4,033,795,000	2.8%	4,301,714,000	6.6%	4,720,864,000	9.7%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,988,000	7.1%	9,108,000	1.3%	9,067,000	-0.5%	10,450,000	15.3%	82,267,000	7.5%	85,168,000	3.5%	90,388,000	6.1%	93,237,000	3.2%
Bed Tax - General Fund	1,310,000	15.3%	1,459,000	11.4%	587,000	-59.8%	801,000	36.5%	6,553,000	13.1%	7,219,000	10.2%	7,118,000	-1.4%	3,994,000	-43.9%
Privilege Tax Rebates - General Fund	351,000	-3.3%	528,000	50.4%	236,000	-55.3%	383,000	62.3%	3,417,000	-2.3%	3,823,000	11.9%	3,462,000	-9.4%	2,905,000	-16.1%
Transit Tax Fund (0.5%)	3,748,000	7.1%	3,798,000	1.3%	3,778,000	-0.5%	4,354,000	15.2%	34,303,000	7.5%	35,515,000	3.5%	37,683,000	6.1%	38,850,000	3.1%
Performing Arts Tax Fund (0.1%)	770,000	10.0%	790,000	2.6%	769,000	-2.7%	893,000	16.1%	7,058,000	7.5%	7,324,000	3.8%	7,737,000	5.6%	7,941,000	2.6%
Totals	<u>15,167,000</u>	<u>7.6%</u>	<u>15,683,000</u>	<u>3.4%</u>	<u>14,437,000</u>	<u>-7.9%</u>	<u>16,881,000</u>	<u>16.9%</u>	<u>133,598,000</u>	<u>7.5%</u>	<u>139,049,000</u>	<u>4.1%</u>	<u>146,388,000</u>	<u>5.3%</u>	<u>146,927,000</u>	<u>0.4%</u>
Tax Revenues by Business Activities																
Retail	7,687,000	14.7%	7,779,000	1.2%	8,343,000	7.3%	9,698,000	16.2%	70,513,000	10.3%	72,608,000	3.0%	77,431,000	6.6%	84,739,000	9.4%
Rentals	2,478,000	3.2%	2,752,000	11.1%	2,757,000	0.2%	3,061,000	11.0%	22,202,000	6.1%	24,996,000	12.6%	26,472,000	5.9%	27,509,000	3.9%
Utilities/Communication	541,000	-14.7%	516,000	-4.6%	501,000	-2.9%	497,000	-0.8%	6,913,000	-18.1%	6,795,000	-1.7%	6,605,000	-2.8%	6,486,000	-1.8%
Restaurants	1,367,000	10.2%	1,397,000	2.2%	837,000	-40.1%	1,299,000	55.2%	10,969,000	9.3%	11,109,000	1.3%	10,835,000	-2.5%	9,567,000	-11.7%
Contracting	955,000	-23.6%	1,031,000	8.0%	1,063,000	3.1%	927,000	-12.8%	9,158,000	-6.6%	10,139,000	10.7%	11,266,000	11.1%	9,743,000	-13.5%
Hotel/Motel	479,000	3.2%	541,000	12.9%	217,000	-59.9%	307,000	41.5%	2,440,000	-10.0%	2,714,000	11.2%	2,619,000	-3.5%	1,545,000	-41.0%
Transient (Bed Tax)	1,310,000	15.3%	1,459,000	11.4%	587,000	-59.8%	801,000	36.5%	6,553,000	13.1%	7,219,000	10.2%	7,118,000	-1.4%	3,994,000	-43.9%
Non-Recurring Business Activities	172,000	100.0%	9,000	-94.8%	-	-100.0%	67,000	100.0%	2,746,000	100.0%	1,345,000	-51.0%	2,026,000	50.6%	1,948,000	-3.8%
Amusements	139,000	-6.1%	136,000	-2.2%	75,000	-44.9%	92,000	22.7%	1,147,000	-20.3%	1,189,000	3.7%	1,215,000	2.2%	638,000	-47.5%
All Other	39,000	-65.5%	63,000	61.5%	57,000	-9.5%	132,000	131.6%	957,000	-20.1%	935,000	-2.3%	801,000	-14.3%	758,000	-5.4%
Totals	<u>15,167,000</u>	<u>7.6%</u>	<u>15,683,000</u>	<u>3.4%</u>	<u>14,437,000</u>	<u>-7.9%</u>	<u>16,881,000</u>	<u>16.9%</u>	<u>133,598,000</u>	<u>7.5%</u>	<u>139,049,000</u>	<u>4.1%</u>	<u>146,388,000</u>	<u>5.3%</u>	<u>146,927,000</u>	<u>0.4%</u>
Retail Tax Revenues by Activities																
Automotive	1,222,000	30.6%	1,252,000	2.5%	987,000	-21.2%	1,563,000	58.4%	10,736,000	6.0%	11,219,000	4.5%	11,467,000	2.2%	12,183,000	6.2%
Building Supply Stores	276,000	3.0%	319,000	15.6%	341,000	6.9%	396,000	16.1%	2,640,000	22.1%	2,819,000	6.8%	3,024,000	7.3%	3,447,000	14.0%
Department Stores	1,086,000	-9.3%	1,015,000	-6.5%	974,000	-4.0%	1,319,000	35.4%	10,129,000	-1.3%	10,064,000	-0.6%	10,339,000	2.7%	10,814,000	4.6%
Drug/Small Stores	1,210,000	95.2%	1,225,000	1.2%	1,295,000	5.7%	1,424,000	10.0%	10,061,000	61.2%	10,812,000	7.5%	11,886,000	9.9%	13,296,000	11.9%
Furniture/Equipment/Electronics	570,000	-52.9%	553,000	-3.0%	520,000	-6.0%	580,000	11.5%	6,607,000	-48.6%	5,626,000	-14.8%	5,481,000	-2.6%	6,529,000	19.1%
Grocery Stores	822,000	24.4%	839,000	2.1%	1,011,000	20.5%	880,000	-13.0%	7,979,000	10.4%	8,187,000	2.6%	8,495,000	3.8%	8,730,000	2.8%
Manufacturing Firms	719,000	106.0%	765,000	6.4%	713,000	-6.8%	708,000	-0.7%	6,388,000	116.2%	6,680,000	4.6%	5,949,000	-10.9%	6,389,000	7.4%
All Other Retail	1,782,000	21.7%	1,811,000	1.6%	2,502,000	38.2%	2,828,000	13.0%	15,973,000	31.9%	17,201,000	7.7%	20,790,000	20.9%	23,351,000	12.3%
Totals	<u>7,687,000</u>	<u>14.7%</u>	<u>7,779,000</u>	<u>1.2%</u>	<u>8,343,000</u>	<u>7.3%</u>	<u>9,698,000</u>	<u>16.2%</u>	<u>70,513,000</u>	<u>10.3%</u>	<u>72,608,000</u>	<u>3.0%</u>	<u>77,431,000</u>	<u>6.6%</u>	<u>84,739,000</u>	<u>9.4%</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	9,346,000	858,000	10.1%
Mar	9.1%	9,140,000	8,990,000	(150,000)	-1.6%
Apr	8.9%	8,898,000	10,450,000	1,552,000	17.4%
May	8.5%	8,542,000			
Jun	8.9%	8,919,000			
Totals	100.0%	\$ 100,246,000	\$ 93,237,000	\$ 10,452,000	10.4%

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	73,797,000	9,050,000	14.0%
Jul-Mar	73.7%	73,887,000	82,787,000	8,900,000	12.0%
Jul-Apr	82.6%	82,785,000	93,237,000	10,452,000	12.6%
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	\$ 109,226,000	\$ 100,246,000	\$ 8,980,000	9.0%
Percentage Received	\$ 112,903,000	\$ 100,246,000	\$ 12,657,000	12.6%