

# Memorandum



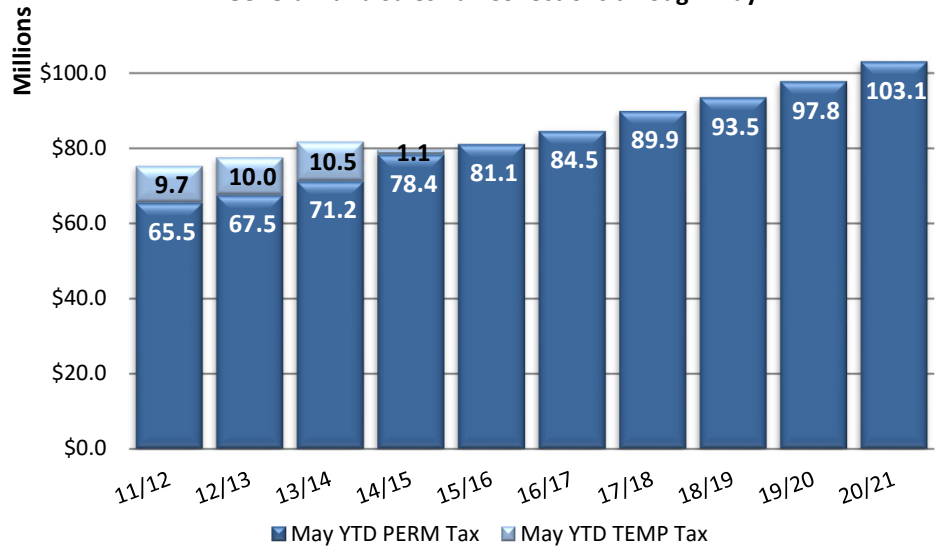
## Municipal Budget Office

Date: July 2, 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 – May 2021

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

Total fiscal year-to-date taxable *sales* increased by 4.3% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is up 3.1% or \$4.9 million, due to growth in retail (\$7.3 million) and rentals (\$1.4 million) activity. All other recurring 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 5.4% or \$5.3 million over the prior year-to-date period.

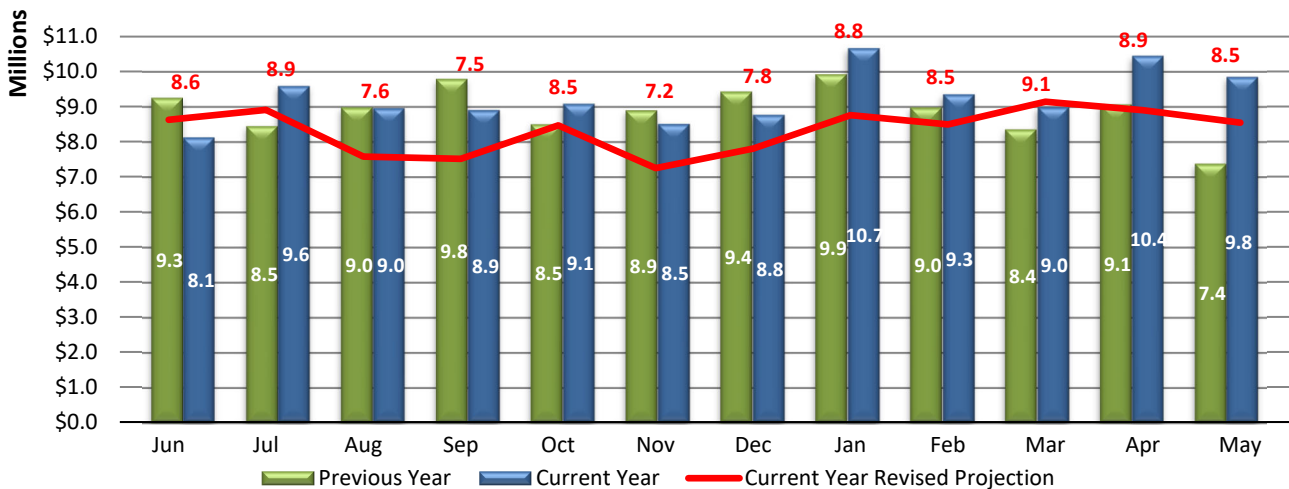
**General Fund Sales Tax Collections through May**



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 \$11.8 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 - May

### Fiscal Year to Date - May

	Current Month - May				Fiscal Year to Date - May												
	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	668,728,000	-5.3%	734,051,000	9.8%	626,249,000	-14.7%	852,387,000	36.1%	7,857,841,000	6.0%	8,202,430,000	4.4%	8,505,786,000	3.7%	8,873,002,000	4.3%	
Retail Taxable Sales	376,782,000	1.0%	397,750,000	5.6%	362,978,000	-8.7%	471,130,000	29.8%	4,300,164,000	13.5%	4,431,545,000	3.1%	4,664,693,000	5.3%	5,191,995,000	11.3%	
<b>Tax Revenues by Funds</b>																	
Privilege Tax - General Fund (1.2%)	7,610,000	-5.3%	8,350,000	9.7%	7,381,000	-11.6%	9,846,000	33.4%	89,877,000	6.3%	93,518,000	4.1%	97,769,000	4.5%	103,084,000	5.4%	
Bed Tax - General Fund	852,000	6.2%	845,000	-0.8%	196,000	-76.8%	631,000	221.9%	7,404,000	12.2%	8,063,000	8.9%	7,313,000	-9.3%	4,625,000	-36.8%	
Privilege Tax Rebates - General Fund	293,000	-6.7%	359,000	22.5%	123,000	-65.7%	327,000	165.9%	3,711,000	-2.6%	4,185,000	12.8%	3,583,000	-14.4%	3,231,000	-9.8%	
Transit Tax Fund (0.5%)	3,174,000	-5.3%	3,482,000	9.7%	3,076,000	-11.7%	4,103,000	33.4%	37,476,000	6.3%	38,997,000	4.1%	40,759,000	4.5%	42,953,000	5.4%	
Performing Arts Tax Fund (0.1%)	652,000	-5.2%	717,000	10.0%	622,000	-13.2%	840,000	35.0%	7,710,000	6.3%	8,041,000	4.3%	8,360,000	4.0%	8,781,000	5.0%	
<b>Totals</b>	<u>12,581,000</u>	<u>-4.6%</u>	<u>13,753,000</u>	<u>9.3%</u>	<u>11,398,000</u>	<u>-17.1%</u>	<u>15,747,000</u>	<u>38.2%</u>	<u>146,178,000</u>	<u>6.3%</u>	<u>152,804,000</u>	<u>4.5%</u>	<u>157,784,000</u>	<u>3.3%</u>	<u>162,674,000</u>	<u>3.1%</u>	
<b>Tax Revenues by Business Activities</b>																	
Retail	6,782,000	-4.0%	7,159,000	5.6%	6,534,000	-8.7%	6,571,000	0.6%	77,295,000	8.9%	79,768,000	3.2%	83,964,000	5.3%	91,309,000	8.7%	
Rentals	2,253,000	10.0%	2,543,000	12.9%	2,360,000	-7.2%	2,698,000	14.3%	24,455,000	6.4%	27,539,000	12.6%	28,832,000	4.7%	30,207,000	4.8%	
Utilities/Communication	558,000	-18.9%	532,000	-4.7%	480,000	-9.8%	507,000	5.6%	7,471,000	-18.2%	7,328,000	-1.9%	7,085,000	-3.3%	6,993,000	-1.3%	
Restaurants	1,182,000	4.3%	1,251,000	5.8%	609,000	-51.3%	1,292,000	112.2%	12,151,000	8.8%	12,360,000	1.7%	11,444,000	-7.4%	10,859,000	-5.1%	
Contracting	885,000	-0.7%	848,000	-4.2%	1,055,000	24.4%	695,000	-34.1%	10,043,000	-6.1%	10,987,000	9.4%	12,320,000	12.1%	10,439,000	-15.3%	
Hotel/Motel	326,000	-9.2%	315,000	-3.4%	74,000	-76.5%	241,000	225.7%	2,766,000	-9.8%	3,030,000	9.5%	2,694,000	-11.1%	1,786,000	-33.7%	
Transient (Bed Tax)	852,000	6.2%	845,000	-0.8%	196,000	-76.8%	631,000	221.9%	7,404,000	12.2%	8,063,000	8.9%	7,313,000	-9.3%	4,625,000	-36.8%	
Non-Recurring Business Activities	(430,000)	100.0%	51,000	-111.9%	30,000	-41.2%	2,957,000	9756.7%	2,316,000	100.0%	1,396,000	-39.7%	2,056,000	47.3%	4,905,000	138.6%	
Amusements	127,000	-0.8%	121,000	-4.7%	2,000	-98.3%	84,000	4100.0%	1,273,000	-18.8%	1,310,000	2.9%	1,217,000	-7.1%	722,000	-40.7%	
All Other	46,000	-42.5%	88,000	91.3%	58,000	-34.1%	71,000	22.4%	1,004,000	-21.5%	1,023,000	1.9%	859,000	-16.0%	829,000	-3.5%	
<b>Totals</b>	<u>12,581,000</u>	<u>-4.6%</u>	<u>13,753,000</u>	<u>9.3%</u>	<u>11,398,000</u>	<u>-17.1%</u>	<u>15,747,000</u>	<u>38.2%</u>	<u>146,178,000</u>	<u>6.3%</u>	<u>152,804,000</u>	<u>4.5%</u>	<u>157,784,000</u>	<u>3.3%</u>	<u>162,674,000</u>	<u>3.1%</u>	
<b>Retail Tax Revenues by Activities</b>																	
Automotive	1,075,000	-20.1%	1,111,000	3.3%	875,000	-21.2%	1,490,000	70.3%	11,811,000	2.9%	12,329,000	4.4%	12,342,000	0.1%	13,673,000	10.8%	
Building Supply Stores	301,000	25.9%	334,000	11.0%	355,000	6.3%	437,000	23.1%	2,941,000	22.5%	3,153,000	7.2%	3,379,000	7.2%	3,884,000	14.9%	
Department Stores	913,000	-6.8%	981,000	7.4%	758,000	-22.7%	1,139,000	50.3%	11,042,000	-1.7%	11,045,000	0.0%	11,097,000	0.5%	11,953,000	7.7%	
Drug/Small Stores	1,062,000	55.5%	1,106,000	4.1%	850,000	-23.1%	1,368,000	60.9%	11,123,000	60.6%	11,918,000	7.1%	12,735,000	6.9%	14,664,000	15.1%	
Furniture/Equipment/Electronics	420,000	-68.5%	515,000	22.6%	415,000	-19.4%	590,000	42.2%	7,027,000	-50.4%	6,140,000	-12.6%	5,897,000	-4.0%	7,118,000	20.7%	
Grocery Stores	779,000	-0.4%	817,000	4.9%	864,000	5.8%	837,000	-3.1%	8,757,000	9.4%	9,004,000	2.8%	9,359,000	3.9%	9,567,000	2.2%	
Manufacturing Firms	666,000	173.0%	536,000	-19.5%	517,000	-3.5%	317,000	-38.7%	7,054,000	120.5%	7,217,000	2.3%	6,466,000	-10.4%	6,705,000	3.7%	
All Other Retail	1,566,000	7.8%	1,759,000	12.3%	1,900,000	8.0%	393,000	-79.3%	17,540,000	29.3%	18,962,000	8.1%	22,689,000	19.7%	23,745,000	4.7%	
<b>Totals</b>	<u>6,782,000</u>	<u>-4.0%</u>	<u>7,159,000</u>	<u>5.6%</u>	<u>6,534,000</u>	<u>-8.7%</u>	<u>6,571,000</u>	<u>0.6%</u>	<u>77,295,000</u>	<u>8.9%</u>	<u>79,768,000</u>	<u>3.2%</u>	<u>83,964,000</u>	<u>5.3%</u>	<u>91,309,000</u>	<u>8.7%</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	9,847,000	1,305,000	15.3%
Jun	8.9%	8,919,000			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 100,246,000</b>	<b>\$ 103,084,000</b>	<b>\$ 11,757,000</b>	<b>11.7%</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	73,797,000	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	103,084,000	11,757,000	12.9%
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	\$ 111,645,000	\$ 100,246,000	\$ 11,399,000	11.4%
Percentage Received	\$ 113,151,000	\$ 100,246,000	\$ 12,905,000	12.9%