

Memorandum

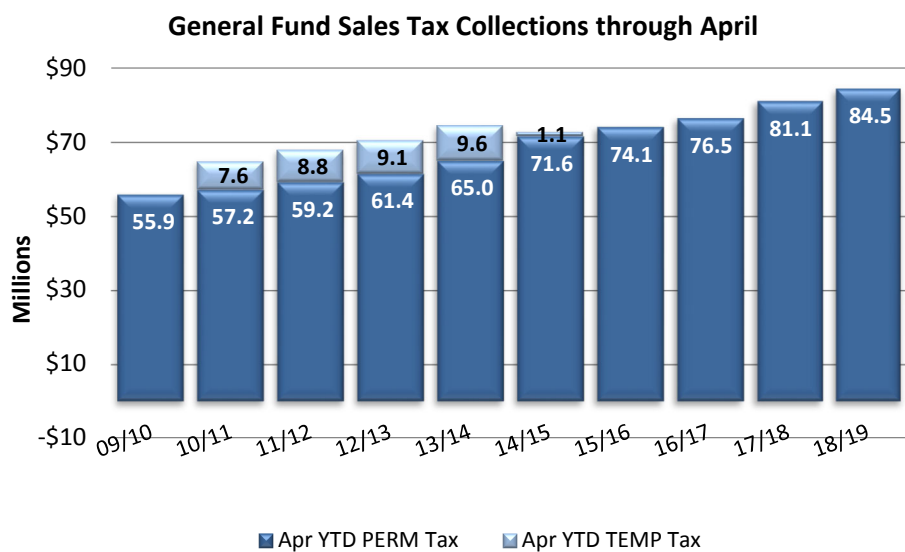


Municipal Budget Office

Date: November 15, 2019
 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 2019

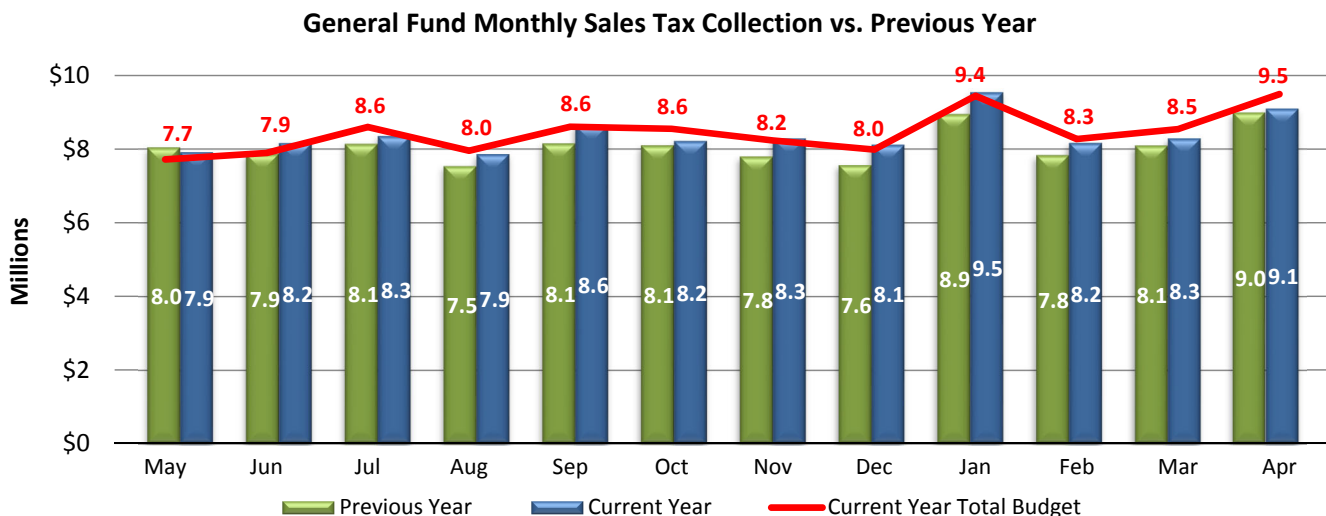
Attached is the Executive Summary of the Tax Revenue Statistical Report for April 2019 covering March sales activity reported to the Arizona Department of Revenue (ADOR). The lag in reporting is due to the delay in receiving information from ADOR and processing.

Total taxable sales increased by 5.5% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 4.7% (\$6.2 million), as a result of strong retail (\$1.1 million), rentals (\$3.1 million), and combined bed tax and hotel/motel (\$997 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2009/10 through FY 2018/19. General Fund sales tax revenue is up 4.2% (\$3.4 million) over the prior year-to-date period.



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 budgeted on a monthly basis, the graph below applies historical collection percentages to the annual budget to gain insight into sales tax performance. Using this approach, sales tax collections in the General Fund are \$1.2 million below budgeted projections year to date.



Executive Summary

Current Month - April

Fiscal Year to Date - April

	2015-16		2016-17		2017-18		2018-19		2015-16		2016-17		2017-18		2018-19	
		Change		Change		Change		Change		Change		Change		Change		Change
Taxable Sales																
Total Taxable Sales	736,897,000	2.0%	754,739,000	2.4%	795,823,000	5.4%	790,304,000	-0.7%	6,461,360,000	3.3%	6,731,348,000	4.2%	7,166,036,000	6.5%	7,559,550,000	5.5%
Retail Taxable Sales	358,956,000	3.6%	357,139,000	-0.5%	399,058,000	11.7%	379,538,000	-4.9%	3,260,199,000	4.6%	3,414,306,000	4.7%	3,617,058,000	5.9%	3,778,849,000	4.5%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,411,000	3.8%	8,390,000	-0.2%	8,986,000	7.1%	9,086,000	1.1%	74,111,000	3.5%	76,499,000	3.2%	81,073,000	6.0%	84,472,000	4.2%
Temporary Privilege Tax - General Fund	1,000	-83.3%	-	-100.0%	(3,000)	0.0%	-	-100.0%	36,000	-96.7%	25,000	-30.6%	9,000	-64.0%	1,000	-88.9%
Transit Tax Fund (0.5%)	3,507,000	3.8%	3,501,000	-0.2%	3,747,000	7.0%	3,789,000	1.1%	30,917,000	3.5%	31,907,000	3.2%	33,816,000	6.0%	35,235,000	4.2%
Arts Tax Fund (0.1%)	723,000	3.6%	700,000	-3.2%	770,000	10.0%	788,000	2.3%	6,374,000	3.4%	6,565,000	3.0%	6,959,000	6.0%	7,266,000	4.4%
Privilege Tax - Rebates Fund	377,000	-2.1%	363,000	-3.7%	352,000	-3.0%	527,000	49.7%	3,327,000	-1.6%	3,497,000	5.1%	3,407,000	-2.6%	3,816,000	12.0%
Bed Tax Fund	1,011,000	-4.0%	1,136,000	12.4%	1,310,000	15.3%	1,454,000	11.0%	5,215,000	-0.1%	5,795,000	11.1%	6,547,000	13.0%	7,212,000	10.2%
Totals	14,030,000	2.9%	14,090,000	0.4%	15,162,000	7.6%	15,644,000	3.2%	119,980,000	2.2%	124,288,000	3.6%	131,811,000	6.1%	138,002,000	4.7%
Tax Revenues - Business Activities																
Retail	6,884,000	6.4%	6,704,000	-2.6%	7,422,000	10.7%	7,389,000	-0.4%	61,188,000	3.7%	63,928,000	4.5%	68,198,000	6.7%	69,336,000	1.7%
Rentals	2,385,000	0.6%	2,401,000	0.7%	2,533,000	5.5%	2,829,000	11.7%	20,402,000	5.3%	20,929,000	2.6%	22,723,000	8.6%	25,838,000	13.7%
Utilities/Communication	697,000	-2.4%	634,000	-9.0%	654,000	3.2%	720,000	10.1%	8,382,000	-6.8%	8,441,000	0.7%	8,513,000	0.9%	8,512,000	0.0%
Restaurants	1,220,000	6.2%	1,240,000	1.6%	1,304,000	5.2%	1,391,000	6.7%	9,744,000	4.8%	10,039,000	3.0%	10,573,000	5.3%	10,884,000	2.9%
Contracting	1,144,000	-6.3%	1,250,000	9.3%	1,188,000	-5.0%	1,022,000	-14.0%	10,096,000	-5.9%	9,810,000	-2.8%	10,000,000	1.9%	10,380,000	3.8%
Hotel/Motel	423,000	-2.5%	464,000	9.7%	566,000	22.0%	632,000	11.7%	2,455,000	4.4%	2,710,000	10.4%	3,061,000	13.0%	3,393,000	10.8%
Transient (Bed Tax)	1,011,000	-4.0%	1,136,000	12.4%	1,310,000	15.3%	1,454,000	11.0%	5,215,000	-0.1%	5,795,000	11.1%	6,547,000	13.0%	7,212,000	10.2%
Amusements	125,000	13.6%	148,000	18.4%	118,000	-20.3%	131,000	11.0%	1,350,000	8.6%	1,439,000	6.6%	1,329,000	-7.6%	1,289,000	-3.0%
All Other	141,000	30.6%	113,000	-19.9%	67,000	-40.7%	76,000	13.4%	1,148,000	3.9%	1,197,000	4.3%	867,000	-27.6%	1,158,000	33.6%
Totals	14,030,000	2.9%	14,090,000	0.4%	15,162,000	7.6%	15,644,000	3.2%	119,980,000	2.2%	124,288,000	3.6%	131,811,000	6.1%	138,002,000	4.7%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,047,000	-5.8%	936,000	-10.6%	1,208,000	29.1%	1,193,000	-1.2%	9,982,000	-0.8%	10,129,000	1.5%	10,617,000	4.8%	10,753,000	1.3%
Furniture/Equipment/Electronics	1,386,000	8.8%	1,209,000	-12.8%	1,329,000	9.9%	1,201,000	-9.6%	12,743,000	-1.6%	12,844,000	0.8%	12,923,000	0.6%	12,303,000	-4.8%
Department Stores	1,088,000	-0.5%	1,197,000	10.0%	1,136,000	-5.1%	1,044,000	-8.1%	10,017,000	0.8%	10,258,000	2.4%	10,276,000	0.2%	10,338,000	0.6%
Grocery Stores	838,000	17.2%	661,000	-21.1%	788,000	19.2%	807,000	2.4%	7,203,000	2.8%	7,227,000	0.3%	7,604,000	5.2%	7,859,000	3.4%
Drug/Small Stores	670,000	3.2%	620,000	-7.5%	895,000	44.4%	667,000	-25.5%	5,780,000	-1.8%	6,240,000	8.0%	6,670,000	6.9%	6,142,000	-7.9%
Manufacturing Firms	383,000	-1.5%	349,000	-8.9%	327,000	-6.3%	338,000	3.4%	3,028,000	13.5%	2,955,000	-2.4%	3,116,000	5.4%	3,295,000	5.7%
Building Supply Stores	231,000	6.0%	268,000	16.0%	246,000	-8.2%	258,000	4.9%	2,094,000	13.9%	2,162,000	3.2%	2,271,000	5.0%	2,377,000	4.7%
All Other Retail	1,241,000	21.9%	1,464,000	18.0%	1,493,000	2.0%	1,881,000	26.0%	10,341,000	19.3%	12,113,000	17.1%	14,721,000	21.5%	16,269,000	10.5%
Totals	6,884,000	6.4%	6,704,000	-2.6%	7,422,000	10.7%	7,389,000	-0.4%	61,188,000	3.7%	63,928,000	4.5%	68,198,000	6.7%	69,336,000	1.7%
Tax Revenues - Business Districts																
Elliot Corridor	1,588,000	-3.5%	1,414,000	-11.0%	1,829,000	29.3%	1,887,000	3.2%	15,528,000	-3.0%	15,555,000	0.2%	16,658,000	7.1%	16,924,000	1.6%
Market Place	583,000	1.7%	540,000	-7.4%	522,000	-3.3%	619,000	18.6%	4,850,000	-2.6%	5,145,000	6.1%	5,026,000	-2.3%	5,417,000	7.8%
Mills Mall	584,000	-5.2%	716,000	22.6%	570,000	-20.4%	506,000	-11.2%	5,033,000	0.2%	5,395,000	7.2%	4,782,000	-11.4%	4,715,000	-1.4%
Downtown Tempe	530,000	-6.2%	583,000	10.0%	545,000	-6.5%	619,000	13.6%	3,913,000	-4.9%	3,887,000	-0.7%	3,900,000	0.3%	4,252,000	9.0%
Apache Blvd.	328,000	7.5%	259,000	-21.0%	429,000	65.6%	484,000	12.8%	2,149,000	-3.3%	2,171,000	1.0%	2,423,000	11.6%	3,427,000	41.4%
ASU Properties	210,000	0.0%	285,000	35.7%	224,000	-21.4%	200,000	-10.7%	1,836,000	-2.2%	2,064,000	12.4%	2,132,000	3.3%	1,977,000	-7.3%
Rio Salado	381,000	-2.3%	515,000	35.2%	656,000	27.4%	756,000	15.2%	3,457,000	16.4%	3,821,000	10.5%	4,875,000	27.1%	6,898,000	42.0%
All Other Areas	9,826,000	5.4%	9,778,000	-0.5%	10,387,000	6.2%	10,573,000	1.8%	83,214,000	3.8%	86,250,000	3.6%	92,033,000	6.7%	94,392,000	2.6%

**Privilege Tax Revenue - General Fund (1.2%)
2018-19 Actual Compared to Budget**

Monthly Amounts

	2018-19 Budget		2018-19 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.4%	\$ 8,601,000	\$ 8,342,000	\$ (259,000)	-3.0%
Aug	7.7%	7,957,000	7,853,000	(104,000)	-1.3%
Sep	8.4%	8,609,000	8,633,000	24,000	0.3%
Oct	8.3%	8,551,000	8,208,000	(343,000)	-4.0%
Nov	8.0%	8,232,000	8,279,000	47,000	0.6%
Dec	7.8%	7,987,000	8,109,000	122,000	1.5%
Jan	9.2%	9,447,000	9,530,000	83,000	0.9%
Feb	8.1%	8,272,000	8,155,000	(117,000)	-1.4%
Mar	8.3%	8,545,000	8,277,000	(268,000)	-3.1%
Apr	9.2%	9,495,000	9,086,000	(409,000)	-4.3%
May	8.1%	8,352,000			
Jun	8.4%	8,623,000			
Totals	100.0%	\$ 102,671,000	\$ 84,472,000	\$ (1,224,000)	-1.4%

Cumulative Amounts

	2018-19 Budget		2018-19 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.4%	\$ 8,601,000	\$ 8,342,000	\$ (259,000)	-3.0%
Jul-Aug	16.1%	16,558,000	16,195,000	(363,000)	-2.2%
Jul-Sep	24.5%	25,167,000	24,828,000	(339,000)	-1.3%
Jul-Oct	32.8%	33,718,000	33,036,000	(682,000)	-2.0%
Jul-Nov	40.9%	41,950,000	41,315,000	(635,000)	-1.5%
Jul-Dec	48.6%	49,937,000	49,424,000	(513,000)	-1.0%
Jul-Jan	57.8%	59,384,000	58,954,000	(430,000)	-0.7%
Jul-Feb	65.9%	67,656,000	67,109,000	(547,000)	-0.8%
Jul-Mar	74.2%	76,201,000	75,386,000	(815,000)	-1.1%
Jul-Apr	83.5%	85,696,000	84,472,000	(1,224,000)	-1.4%
Jul-May	91.6%	94,048,000			
Jul-Jun	100.0%	102,671,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 101,200,000	\$ 102,671,000	\$ (1,471,000)	-1.4%
Percentage Received	\$ 101,205,000	\$ 102,671,000	\$ (1,466,000)	-1.4%