

Memorandum



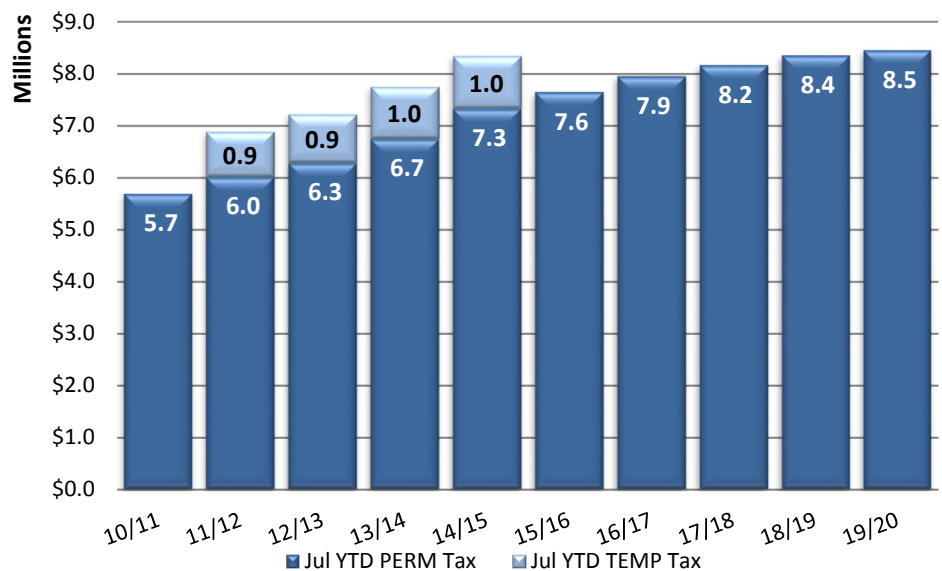
Municipal Budget Office

Date: December 20, 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 – July 2019

Attached is the Executive Summary of the Tax Revenue Statistical Report for July 2019 covering June 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. Due to limitations in the type of data provided by ADOR, the Executive Summary will no longer include a summary of tax revenues by business districts.

Total taxable sales increased by 1.8% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 2.5% (\$326 thousand), as a result of moderate growth in rentals (\$316 thousand), combined bed tax and hotel/motel (\$177 thousand) and contracting (\$98 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2010/11 through FY 2019/20. General Fund sales tax revenue is up 1.2% (\$98 thousand) over the prior year-to-date period.

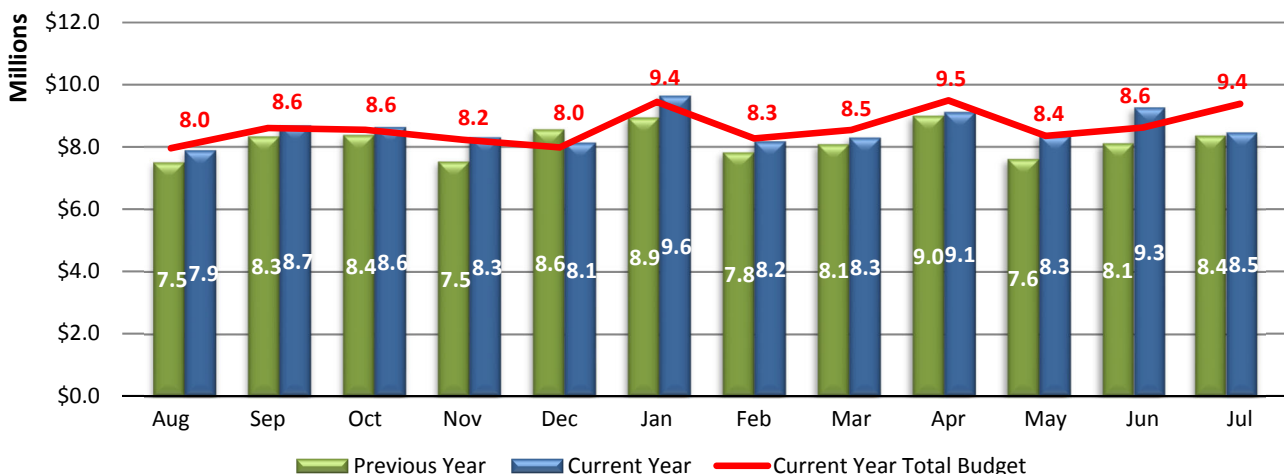
General Fund Sales Tax Collections through July



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 \$933 thousand below budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - July						Fiscal Year to Date - July									
	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change
Taxable Sales																
Total Taxable Sales	691,756,000	4.7%	707,263,000	2.2%	724,206,000	2.4%	737,363,000	1.8%	691,756,000	4.7%	707,263,000	2.2%	724,206,000	2.4%	737,363,000	1.8%
Retail Taxable Sales	344,099,000	3.3%	397,469,000	15.5%	415,049,000	4.4%	401,857,000	-3.2%	344,099,000	3.3%	397,469,000	15.5%	415,049,000	4.4%	401,857,000	-3.2%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,949,000	4.0%	8,162,000	2.7%	8,353,000	2.3%	8,451,000	1.2%	7,949,000	4.0%	8,162,000	2.7%	8,353,000	2.3%	8,451,000	1.2%
Temporary Privilege Tax - General Fund (0.2%)	9,000	125.0%	-	-100.0%	-	0.0%	-	0.0%	9,000	125.0%	-	-100.0%	-	0.0%	-	0.0%
Transit Tax Fund (0.5%)	3,315,000	4.0%	3,404,000	2.7%	3,481,000	2.3%	3,524,000	1.2%	3,315,000	4.0%	3,404,000	2.7%	3,481,000	2.3%	3,524,000	1.2%
Performing Arts Tax Fund (0.1%)	683,000	4.0%	699,000	2.3%	716,000	2.4%	726,000	1.4%	683,000	4.0%	699,000	2.3%	716,000	2.4%	726,000	1.4%
Privilege Tax - Rebates	344,000	3.3%	325,000	-5.5%	341,000	4.9%	375,000	10.0%	344,000	3.3%	325,000	-5.5%	341,000	4.9%	375,000	10.0%
Bed Tax - General Fund	438,000	12.6%	389,000	-11.2%	404,000	3.9%	545,000	34.9%	438,000	12.6%	389,000	-11.2%	404,000	3.9%	545,000	34.9%
Totals	12,738,000	4.3%	12,979,000	1.9%	13,295,000	2.4%	13,621,000	2.5%	12,738,000	4.3%	12,979,000	1.9%	13,295,000	2.4%	13,621,000	2.5%
Tax Revenues - Business Activities																
Retail	6,556,000	5.4%	7,154,000	9.1%	7,471,000	4.4%	7,233,000	-3.2%	6,556,000	5.4%	7,154,000	9.1%	7,471,000	4.4%	7,233,000	-3.2%
Rentals	2,344,000	4.4%	2,123,000	-9.4%	2,340,000	10.2%	2,656,000	13.5%	2,344,000	4.4%	2,123,000	-9.4%	2,340,000	10.2%	2,656,000	13.5%
Utilities/Communication	896,000	-2.8%	794,000	-11.4%	748,000	-5.8%	663,000	-11.4%	896,000	-2.8%	794,000	-11.4%	748,000	-5.8%	663,000	-11.4%
Restaurants	902,000	3.0%	981,000	8.8%	1,027,000	4.7%	1,078,000	5.0%	902,000	3.0%	981,000	8.8%	1,027,000	4.7%	1,078,000	5.0%
Contracting	1,136,000	4.9%	1,176,000	3.5%	938,000	-20.2%	1,036,000	10.4%	1,136,000	4.9%	1,176,000	3.5%	938,000	-20.2%	1,036,000	10.4%
Hotel/Motel	227,000	41.0%	148,000	-34.8%	169,000	14.2%	205,000	21.3%	227,000	41.0%	148,000	-34.8%	169,000	14.2%	205,000	21.3%
Transient (Bed Tax)	438,000	12.6%	389,000	-11.2%	404,000	3.9%	545,000	34.9%	438,000	12.6%	389,000	-11.2%	404,000	3.9%	545,000	34.9%
Amusements	166,000	-31.4%	141,000	-15.1%	140,000	-0.7%	148,000	5.7%	166,000	-31.4%	141,000	-15.1%	140,000	-0.7%	148,000	5.7%
All Other	73,000	-6.4%	73,000	0.0%	58,000	-20.5%	57,000	-1.7%	73,000	-6.4%	73,000	0.0%	58,000	-20.5%	57,000	-1.7%
Totals	12,738,000	4.3%	12,979,000	1.9%	13,295,000	2.4%	13,621,000	2.5%	12,738,000	4.3%	12,979,000	1.9%	13,295,000	2.4%	13,621,000	2.5%
Tax Revenues - Retail Activities Breakdown																
Automotive	944,000	-7.9%	1,067,000	13.0%	1,101,000	3.2%	1,201,000	9.1%	944,000	-7.9%	1,067,000	13.0%	1,101,000	3.2%	1,201,000	9.1%
Building Supply Stores	241,000	-2.4%	294,000	22.0%	296,000	0.7%	332,000	12.2%	241,000	-2.4%	294,000	22.0%	296,000	0.7%	332,000	12.2%
Department Stores	979,000	7.6%	945,000	-3.5%	1,006,000	6.5%	967,000	-3.9%	979,000	7.6%	945,000	-3.5%	1,006,000	6.5%	967,000	-3.9%
Drug/Small Stores	540,000	1.5%	853,000	58.0%	1,028,000	20.5%	1,058,000	2.9%	540,000	1.5%	853,000	58.0%	1,028,000	20.5%	1,058,000	2.9%
Furniture/Equipment/Electronics	1,511,000	7.7%	768,000	-49.2%	726,000	-5.5%	741,000	2.1%	1,511,000	7.7%	768,000	-49.2%	726,000	-5.5%	741,000	2.1%
Grocery Stores	688,000	5.0%	727,000	5.7%	724,000	-0.4%	728,000	0.6%	688,000	5.0%	727,000	5.7%	724,000	-0.4%	728,000	0.6%
Manufacturing Firms	379,000	0.0%	674,000	77.8%	877,000	30.1%	498,000	-43.2%	379,000	0.0%	674,000	77.8%	877,000	30.1%	498,000	-43.2%
All Other Retail	1,274,000	19.4%	1,826,000	43.3%	1,713,000	-6.2%	1,708,000	-0.3%	1,274,000	19.4%	1,826,000	43.3%	1,713,000	-6.2%	1,708,000	-0.3%
Totals	6,556,000	5.4%	7,154,000	9.1%	7,471,000	4.4%	7,233,000	-3.2%	6,556,000	5.4%	7,154,000	9.1%	7,471,000	4.4%	7,233,000	-3.2%

**Privilege Tax Revenue - General Fund (1.2%)
2019-20 Actual Compared to Budget**

Monthly Amounts

	2019-20 Budget		2019-20 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 9,384,000	\$ 8,451,000	\$ (933,000)	-9.9%
Aug	8.1%	8,485,000			
Sep	8.1%	8,570,000			
Oct	8.8%	9,304,000			
Nov	8.2%	8,650,000			
Dec	8.3%	8,764,000			
Jan	8.5%	8,946,000			
Feb	8.1%	8,519,000			
Mar	8.3%	8,707,000			
Apr	8.5%	8,925,000			
May	8.1%	8,504,000			
Jun	8.2%	8,622,000			
Totals	100.0%	\$ 105,380,000	\$ 8,451,000	\$ (933,000)	-11.0%

Cumulative Amounts

	2019-20 Budget		2019-20 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 9,384,000	\$ 8,451,000	\$ (933,000)	-9.9%
Jul-Aug	17.0%	17,869,000			
Jul-Sep	25.1%	26,439,000			
Jul-Oct	33.9%	35,743,000			
Jul-Nov	42.1%	44,393,000			
Jul-Dec	50.4%	53,157,000			
Jul-Jan	58.9%	62,103,000			
Jul-Feb	67.0%	70,622,000			
Jul-Mar	75.3%	79,329,000			
Jul-Apr	83.7%	88,254,000			
Jul-May	91.8%	96,758,000			
Jul-Jun	100.0%	105,380,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budgeted	Amount	Percent
Percent of Increase	\$ 103,977,000	\$ 105,380,000	\$ (1,403,000)	-1.3%
Percentage Received	\$ 94,903,000	\$ 105,380,000	\$ (10,477,000)	-9.9%