

Memorandum



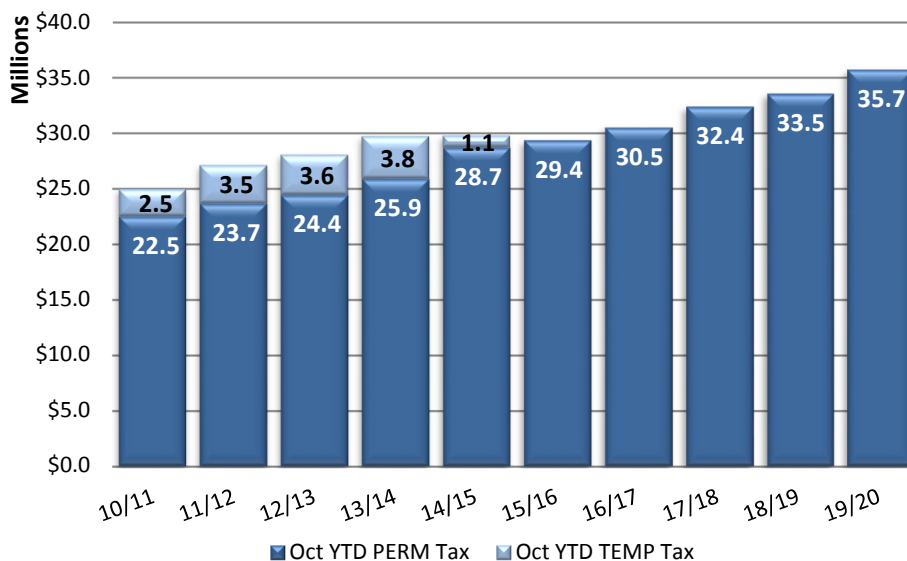
Municipal Budget Office

Date: January 10, 2020
 To: Mayor and Council
 Through: Mark Day, Municipal Budget Director (8697)
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)
 Subject: Tax Revenue Statistical Report – October 2019

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

Total taxable sales increased by 6.7% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 7.2% (\$3.9 million), as a result of strong growth in contracting (\$1.6 million), retail (\$1.0 million), and rentals (\$790 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 6.5% (\$2.2 million) over the prior year-to-date period.

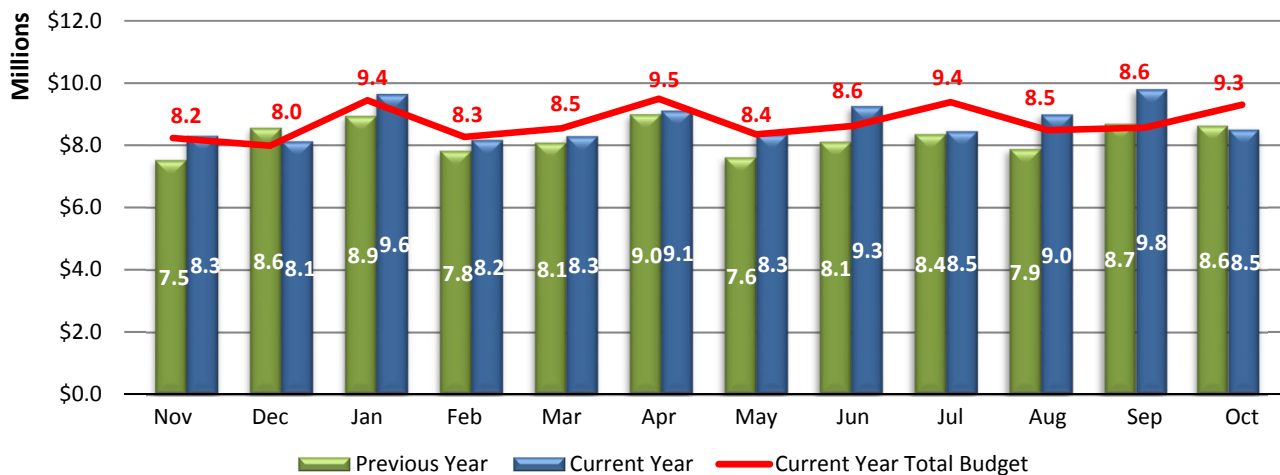
General Fund Sales Tax Collections through October



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 \$15 thousand below budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - October						Fiscal Year to Date - October									
	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	707,553,000	9.1%	726,442,000	2.7%	749,078,000	3.1%	744,250,000	-0.6%	2,654,611,000	4.4%	2,805,042,000	5.7%	2,911,738,000	3.8%	3,107,707,000	6.7%
Retail Taxable Sales	349,544,000	10.3%	379,777,000	8.6%	395,226,000	4.1%	387,654,000	-1.9%	1,331,376,000	4.2%	1,541,429,000	15.8%	1,606,035,000	4.2%	1,656,694,000	3.2%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	8,149,000	9.4%	8,375,000	2.8%	8,626,000	3.0%	8,503,000	-1.4%	30,498,000	3.9%	32,368,000	6.1%	33,538,000	3.6%	35,728,000	6.5%
Temporary Privilege Tax - General Fund (0.2%)	2,000	0.0%	-	-100.0%	-	0.0%	-	0.0%	21,000	90.9%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	471,000	18.3%	428,000	-9.1%	467,000	9.1%	732,000	56.7%	1,606,000	13.3%	1,581,000	-1.6%	1,714,000	8.4%	2,237,000	30.5%
Privilege Tax Rebates - General Fund	338,000	7.6%	337,000	-0.3%	347,000	3.0%	355,000	2.3%	1,331,000	4.6%	1,283,000	-3.6%	1,396,000	8.8%	1,443,000	3.4%
Transit Tax Fund (0.5%)	3,399,000	9.5%	3,492,000	2.7%	3,602,000	3.2%	3,546,000	-1.6%	12,720,000	3.9%	13,497,000	6.1%	13,982,000	3.6%	14,900,000	6.6%
Performing Arts Tax Fund (0.1%)	699,000	9.4%	718,000	2.7%	740,000	3.1%	730,000	-1.4%	2,624,000	4.0%	2,773,000	5.7%	2,877,000	3.8%	3,063,000	6.5%
Totals	13,058,000	9.7%	13,350,000	2.2%	13,782,000	3.2%	13,866,000	0.6%	48,800,000	4.2%	51,502,000	5.5%	53,507,000	3.9%	57,371,000	7.2%
Tax Revenues - Business Activities																
Retail	6,479,000	8.0%	6,836,000	5.5%	7,114,000	4.1%	6,978,000	-1.9%	24,919,000	4.1%	27,746,000	11.3%	28,909,000	4.2%	29,820,000	3.2%
Rentals	2,373,000	9.6%	2,684,000	13.1%	2,562,000	-4.5%	2,601,000	1.5%	8,400,000	3.9%	8,942,000	6.5%	9,424,000	5.4%	10,214,000	8.4%
Utilities/Communication	1,040,000	0.3%	813,000	-21.8%	817,000	0.5%	861,000	5.4%	4,135,000	1.0%	3,430,000	-17.0%	3,392,000	-1.1%	3,281,000	-3.3%
Restaurants	970,000	3.5%	1,097,000	13.1%	1,076,000	-1.9%	1,105,000	2.7%	3,705,000	4.1%	3,967,000	7.1%	4,051,000	2.1%	4,254,000	5.0%
Contracting	1,072,000	15.1%	1,110,000	3.5%	1,328,000	19.6%	1,177,000	-11.4%	4,055,000	2.2%	4,372,000	7.8%	4,431,000	1.3%	6,008,000	35.6%
Hotel/Motel	291,000	47.7%	163,000	-44.0%	178,000	9.2%	229,000	28.7%	856,000	28.0%	603,000	-29.6%	670,000	11.1%	797,000	19.0%
Transient (Bed Tax)	471,000	18.3%	428,000	-9.1%	467,000	9.1%	732,000	56.7%	1,606,000	13.3%	1,581,000	-1.6%	1,714,000	8.4%	2,237,000	30.5%
Amusements	189,000	71.8%	111,000	-41.3%	108,000	-2.7%	105,000	-2.8%	598,000	-2.9%	457,000	-23.6%	445,000	-2.6%	483,000	8.5%
All Other	173,000	33.1%	108,000	-37.6%	132,000	22.2%	78,000	-40.9%	526,000	15.6%	404,000	-23.2%	471,000	16.6%	277,000	-41.2%
Totals	13,058,000	9.7%	13,350,000	2.2%	13,782,000	3.2%	13,866,000	0.6%	48,800,000	4.2%	51,502,000	5.5%	53,507,000	3.9%	57,371,000	7.2%
Tax Revenues - Retail Activities Breakdown																
Automotive	1,110,000	13.6%	942,000	-15.1%	1,175,000	24.7%	1,096,000	-6.7%	4,074,000	0.3%	4,208,000	3.3%	4,564,000	8.5%	4,728,000	3.6%
Building Supply Stores	229,000	8.0%	270,000	17.9%	279,000	3.3%	185,000	-33.7%	862,000	1.1%	1,118,000	29.7%	1,130,000	1.1%	1,128,000	-0.2%
Department Stores	920,000	4.5%	885,000	-3.8%	897,000	1.4%	922,000	2.8%	3,990,000	5.4%	3,889,000	-2.5%	3,902,000	0.3%	4,017,000	2.9%
Drug/Small Stores	560,000	8.1%	845,000	50.9%	966,000	14.3%	1,096,000	13.5%	2,284,000	7.8%	3,535,000	54.8%	4,088,000	15.6%	4,561,000	11.6%
Furniture/Equipment/Electronics	1,138,000	-4.6%	756,000	-33.6%	643,000	-14.9%	535,000	-16.8%	5,019,000	0.1%	2,898,000	-42.3%	2,432,000	-16.1%	2,347,000	-3.5%
Grocery Stores	742,000	7.2%	750,000	1.1%	805,000	7.3%	813,000	1.0%	2,766,000	3.9%	2,937,000	6.2%	3,048,000	3.8%	3,079,000	1.0%
Manufacturing Firms	336,000	20.4%	803,000	139.0%	640,000	-20.3%	440,000	-31.3%	1,261,000	-1.9%	2,579,000	104.5%	2,895,000	12.3%	2,498,000	-13.7%
All Other Retail	1,444,000	15.8%	1,585,000	9.8%	1,709,000	7.8%	1,891,000	10.6%	4,663,000	11.9%	6,582,000	41.2%	6,850,000	4.1%	7,462,000	8.9%
Totals	6,479,000	8.0%	6,836,000	5.5%	7,114,000	4.1%	6,978,000	-1.9%	24,919,000	4.1%	27,746,000	11.3%	28,909,000	4.2%	29,820,000	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	8,984,000	499,000	5.9%
Sep	8.1%	8,570,000	9,790,000	1,220,000	14.2%
Oct	8.8%	9,304,000	8,503,000	(801,000)	-8.6%
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	\$ 35,728,000	\$ (15,000)	0.0%

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	17,435,000	(434,000)	-2.4%
Jul-Sep	25.1%	26,439,000	27,225,000	786,000	3.0%
Jul-Oct	33.9%	35,743,000	35,728,000	(15,000)	0.0%
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	\$ 109,481,000	\$ 105,380,000	\$ 4,101,000	3.9%
Percentage Received	\$ 105,336,000	\$ 105,380,000	\$ (44,000)	0.0%