

# Memorandum



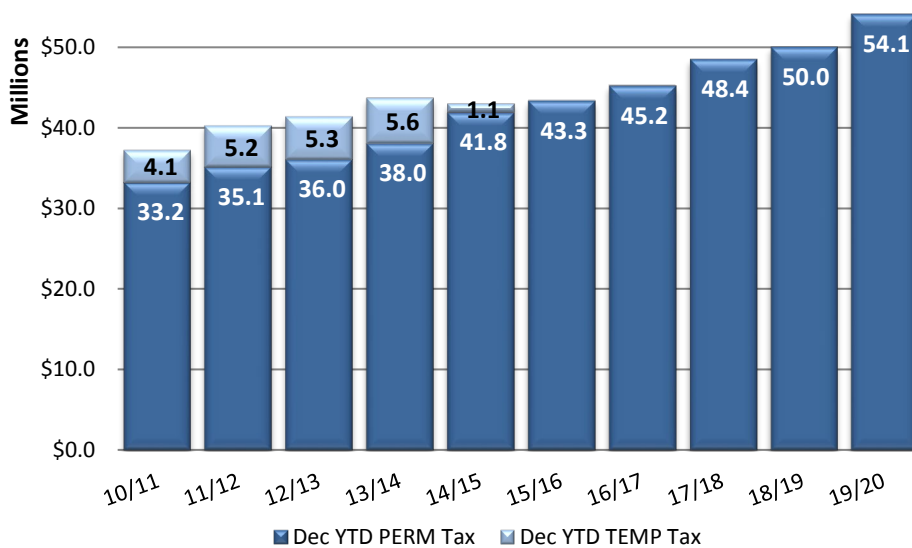
## Municipal Budget Office

Date: January 31, 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 – December 2019

Attached is the Executive Summary of the Tax Revenue Statistical Report for December 2019 covering November 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 8.4% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 8.7% (\$7.0 million), as a result of strong growth in contracting (\$2.6 million), retail (\$2.2 million), and rentals (\$1.3 million) 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 8.2% (\$4.1 million) over the prior year-to-date period.

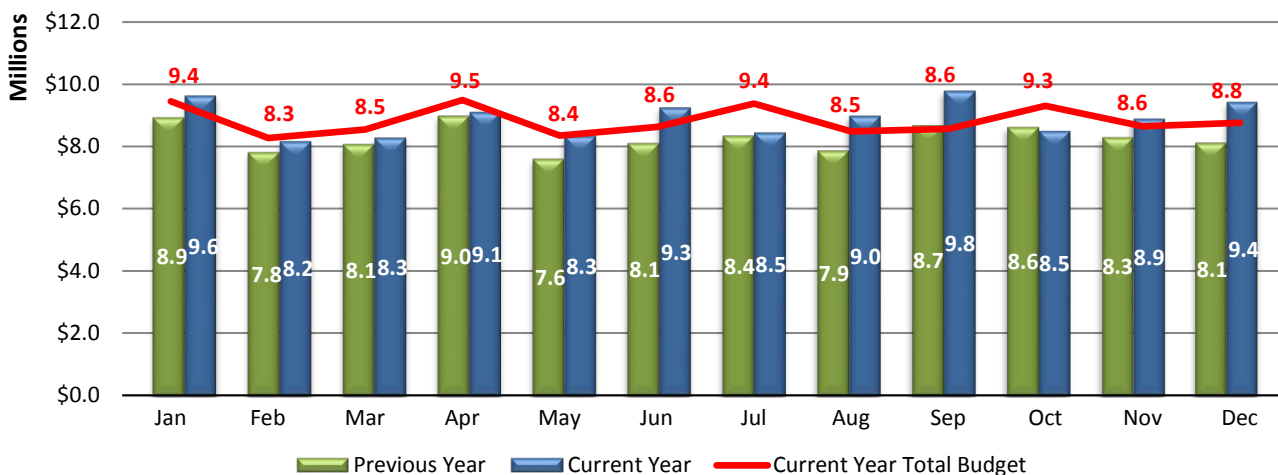
**General Fund Sales Tax Collections through December**



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 \$895 thousand above budgeted projections year to date.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

	Current Month - December						Fiscal Year to Date - December									
	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change	2016-17	Change	2017-18	Change	2018-19	Change	2019-20	Change
<b>Taxable Sales</b>																
Total Taxable Sales	692,949,000	7.6%	746,575,000	7.7%	710,492,000	-4.8%	826,634,000	16.3%	3,952,455,000	4.9%	4,210,058,000	6.5%	4,347,661,000	3.3%	4,712,121,000	8.4%
Retail Taxable Sales	341,729,000	5.7%	366,212,000	7.2%	406,862,000	11.1%	448,257,000	10.2%	1,966,553,000	4.5%	2,274,369,000	15.7%	2,392,697,000	5.2%	2,512,702,000	5.0%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	7,613,000	4.2%	8,556,000	12.4%	8,127,000	-5.0%	9,430,000	16.0%	45,160,000	4.3%	48,448,000	7.3%	49,963,000	3.1%	54,052,000	8.2%
Temporary Privilege Tax - General Fund (0.2%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	22,000	15.8%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	570,000	10.3%	616,000	8.1%	716,000	16.2%	890,000	24.3%	2,641,000	8.1%	2,858,000	8.2%	3,224,000	12.8%	3,917,000	21.5%
Privilege Tax Rebates - General Fund	374,000	3.9%	359,000	-4.0%	322,000	-10.3%	391,000	21.4%	2,024,000	5.9%	1,949,000	-3.7%	2,025,000	3.9%	2,179,000	7.6%
Transit Tax Fund (0.5%)	3,175,000	4.2%	3,568,000	12.4%	3,386,000	-5.1%	3,929,000	16.0%	18,835,000	4.3%	20,203,000	7.3%	20,826,000	3.1%	22,543,000	8.2%
Performing Arts Tax Fund (0.1%)	657,000	4.3%	734,000	11.7%	696,000	-5.2%	809,000	16.2%	3,886,000	4.4%	4,153,000	6.9%	4,283,000	3.1%	4,634,000	8.2%
<b>Totals</b>	<b>12,389,000</b>	<b>4.5%</b>	<b>13,833,000</b>	<b>11.7%</b>	<b>13,247,000</b>	<b>-4.2%</b>	<b>15,449,000</b>	<b>16.6%</b>	<b>72,568,000</b>	<b>4.5%</b>	<b>77,611,000</b>	<b>6.9%</b>	<b>80,321,000</b>	<b>3.5%</b>	<b>87,325,000</b>	<b>8.7%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	6,353,000	7.7%	6,592,000	3.8%	7,324,000	11.1%	8,069,000	10.2%	36,992,000	5.5%	40,939,000	10.7%	43,069,000	5.2%	45,229,000	5.0%
Rentals	2,047,000	7.1%	2,203,000	7.6%	2,355,000	6.9%	2,764,000	17.4%	12,519,000	5.9%	12,821,000	2.4%	14,279,000	11.4%	15,595,000	9.2%
Utilities/Communication	846,000	18.5%	567,000	-33.0%	560,000	-1.2%	537,000	-4.1%	5,781,000	1.5%	4,741,000	-18.0%	4,680,000	-1.3%	4,536,000	-3.1%
Restaurants	1,028,000	-1.3%	1,064,000	3.5%	1,100,000	3.4%	1,204,000	9.5%	5,725,000	4.0%	6,158,000	7.6%	6,284,000	2.0%	6,593,000	4.9%
Contracting	928,000	-19.5%	2,358,000	154.1%	716,000	-69.6%	1,434,000	100.3%	5,890,000	-3.5%	7,699,000	30.7%	6,250,000	-18.8%	8,844,000	41.5%
Hotel/Motel	263,000	-4.4%	229,000	-12.9%	267,000	16.6%	333,000	24.7%	1,329,000	8.4%	1,082,000	-18.6%	1,235,000	14.1%	1,426,000	15.5%
Transient (Bed Tax)	570,000	10.3%	616,000	8.1%	716,000	16.2%	890,000	24.3%	2,641,000	8.1%	2,858,000	8.2%	3,224,000	12.8%	3,917,000	21.5%
Amusements	155,000	-12.4%	109,000	-29.7%	100,000	-8.3%	129,000	29.0%	856,000	0.5%	656,000	-23.4%	641,000	-2.3%	713,000	11.2%
All Other	199,000	16.4%	95,000	-52.3%	109,000	14.7%	89,000	-18.3%	835,000	13.6%	657,000	-21.3%	659,000	0.3%	472,000	-28.4%
<b>Totals</b>	<b>12,389,000</b>	<b>4.5%</b>	<b>13,833,000</b>	<b>11.7%</b>	<b>13,247,000</b>	<b>-4.2%</b>	<b>15,449,000</b>	<b>16.6%</b>	<b>72,568,000</b>	<b>4.5%</b>	<b>77,611,000</b>	<b>6.9%</b>	<b>80,321,000</b>	<b>3.5%</b>	<b>87,325,000</b>	<b>8.7%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	1,083,000	3.0%	983,000	-9.2%	1,108,000	12.7%	1,221,000	10.2%	5,984,000	0.0%	6,318,000	5.6%	6,748,000	6.8%	6,979,000	3.4%
Building Supply Stores	189,000	-4.5%	258,000	36.5%	269,000	4.3%	271,000	0.7%	1,281,000	2.1%	1,645,000	28.4%	1,679,000	2.1%	1,797,000	7.0%
Department Stores	1,056,000	-2.9%	1,041,000	-1.4%	1,107,000	6.3%	1,123,000	1.4%	5,922,000	3.5%	5,805,000	-2.0%	5,894,000	1.5%	6,061,000	2.8%
Drug/Small Stores	627,000	7.9%	953,000	52.0%	1,112,000	16.7%	1,129,000	1.5%	3,525,000	12.2%	5,366,000	52.2%	6,169,000	15.0%	6,819,000	10.5%
Furniture/Equipment/Electronics	1,126,000	-4.2%	689,000	-38.8%	609,000	-11.6%	533,000	-12.5%	7,677,000	5.9%	4,252,000	-44.6%	3,516,000	-17.3%	3,419,000	-2.8%
Grocery Stores	982,000	38.1%	812,000	-17.3%	788,000	-3.0%	881,000	11.8%	4,160,000	3.3%	4,479,000	7.7%	4,628,000	3.3%	4,709,000	1.8%
Manufacturing Firms	268,000	10.3%	615,000	129.5%	709,000	15.3%	600,000	-15.4%	1,777,000	-0.3%	3,719,000	109.3%	4,189,000	12.6%	3,651,000	-12.8%
All Other Retail	1,022,000	20.1%	1,241,000	21.4%	1,622,000	30.7%	2,311,000	42.5%	6,666,000	13.0%	9,355,000	40.3%	10,246,000	9.5%	11,794,000	15.1%
<b>Totals</b>	<b>6,353,000</b>	<b>7.7%</b>	<b>6,592,000</b>	<b>3.8%</b>	<b>7,324,000</b>	<b>11.1%</b>	<b>8,069,000</b>	<b>10.2%</b>	<b>36,992,000</b>	<b>5.5%</b>	<b>40,939,000</b>	<b>10.7%</b>	<b>43,069,000</b>	<b>5.2%</b>	<b>45,229,000</b>	<b>5.0%</b>

**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	8,983,000	498,000	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	8,895,000	245,000	2.8%
Dec	8.3%	8,764,000	9,430,000	666,000	7.6%
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			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 105,380,000</b>	<b>\$ 54,052,000</b>	<b>\$ 895,000</b>	<b>1.7%</b>

**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	17,434,000	(435,000)	-2.4%
Jul-Sep	25.1%	26,439,000	27,224,000	785,000	3.0%
Jul-Oct	33.9%	35,743,000	35,727,000	(16,000)	0.0%
Jul-Nov	42.1%	44,393,000	44,622,000	229,000	0.5%
Jul-Dec	50.4%	53,157,000	54,052,000	895,000	1.7%
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	\$ 111,182,000	\$ 105,380,000	\$ 5,802,000	5.5%
Percentage Received	\$ 107,154,000	\$ 105,380,000	\$ 1,774,000	1.7%