

Memorandum



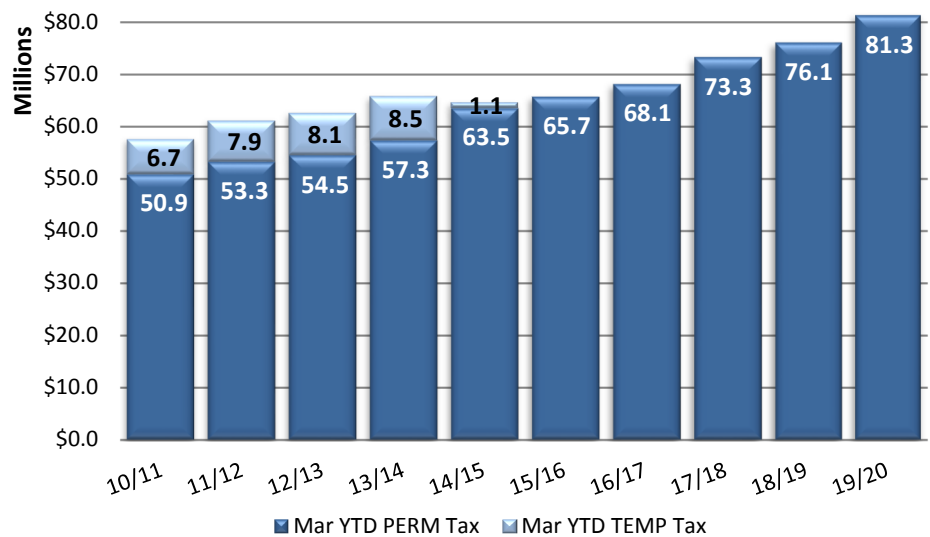
Municipal Budget Office

Date: April 17, 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 – March 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for March 2020 covering February 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 6.8% over the same year-to-date period in the prior fiscal year. Total sales tax revenue is also up 7% (\$8.6 million), as a result of strong growth in retail (\$4.3 million), contracting (\$1.8 million), and rentals (\$1.5 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 6.9% (\$5.3 million) over the prior year-to-date period.

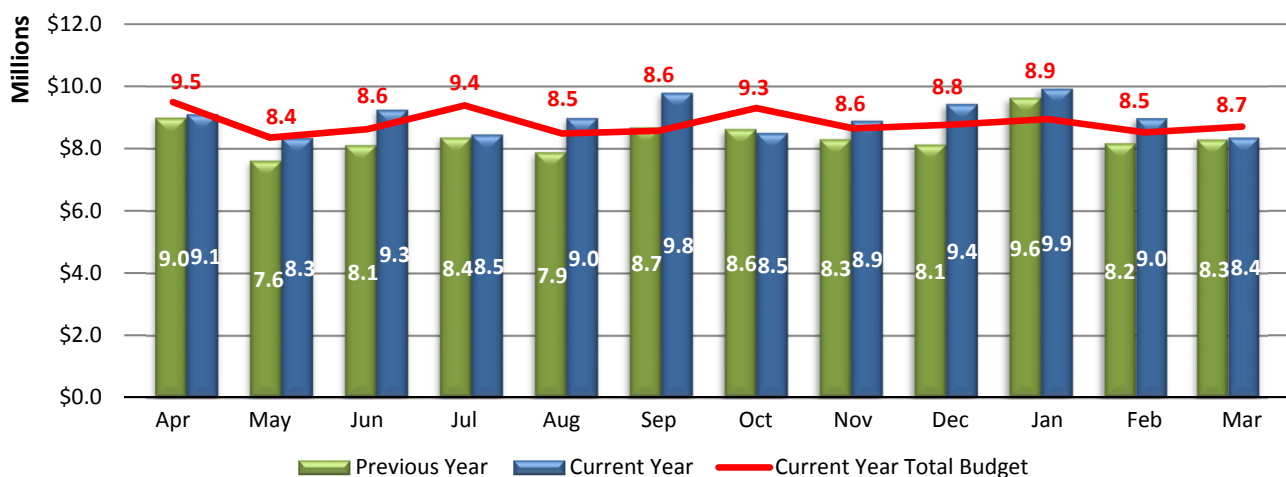
General Fund Sales Tax Collections through March



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 \$2.0 million above budgeted projections year to date.

General Fund Monthly Sales Tax Collection vs. Previous Year



Executive Summary

	Current Month - March						Fiscal Year to Date - March									
	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	637,588,000	4.4%	714,066,000	12.0%	733,567,000	2.7%	733,504,000	0.0%	5,976,609,000	4.4%	6,393,041,000	7.0%	6,649,068,000	4.0%	7,098,370,000	6.8%
Retail Taxable Sales	332,980,000	7.1%	382,294,000	14.8%	357,325,000	-6.5%	397,226,000	11.2%	3,057,167,000	5.4%	3,496,335,000	14.4%	3,601,632,000	3.0%	3,838,223,000	6.6%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	7,119,000	1.9%	8,078,000	13.5%	8,289,000	2.6%	8,359,000	0.8%	68,109,000	3.7%	73,279,000	7.6%	76,061,000	3.8%	81,322,000	6.9%
Temporary Privilege Tax - General Fund (0.2%)	1,000	0.0%	-	-100.0%	-	0.0%	-	0.0%	24,000	-31.4%	-	-100.0%	-	0.0%	-	0.0%
Bed Tax - General Fund	886,000	22.2%	1,133,000	27.9%	1,172,000	3.4%	982,000	-16.2%	4,659,000	10.8%	5,243,000	12.5%	5,760,000	9.9%	6,531,000	13.4%
Privilege Tax Rebates - General Fund	319,000	8.5%	309,000	-3.1%	326,000	5.5%	293,000	-10.1%	3,134,000	6.2%	3,065,000	-2.2%	3,298,000	7.6%	3,224,000	-2.2%
Transit Tax Fund (0.5%)	2,970,000	2.0%	3,366,000	13.3%	3,457,000	2.7%	3,483,000	0.8%	28,406,000	3.6%	30,555,000	7.6%	31,717,000	3.8%	33,906,000	6.9%
Performing Arts Tax Fund (0.1%)	612,000	2.2%	691,000	12.9%	710,000	2.7%	714,000	0.6%	5,865,000	3.8%	6,288,000	7.2%	6,534,000	3.9%	6,968,000	6.6%
Totals	11,907,000	3.4%	13,577,000	14.0%	13,954,000	2.8%	13,831,000	-0.9%	110,197,000	4.0%	118,430,000	7.5%	123,370,000	4.2%	131,951,000	7.0%
Tax Revenues by Business Activities																
Retail	5,941,000	2.1%	6,881,000	15.8%	6,432,000	-6.5%	7,150,000	11.2%	57,224,000	5.4%	62,934,000	10.0%	64,829,000	3.0%	69,088,000	6.6%
Rentals	2,028,000	7.1%	2,542,000	25.3%	2,568,000	1.0%	2,469,000	-3.9%	18,528,000	2.8%	19,724,000	6.5%	22,245,000	12.8%	23,715,000	6.6%
Utilities/Communication	637,000	5.8%	529,000	-17.0%	523,000	-1.1%	507,000	-3.1%	7,807,000	1.6%	6,372,000	-18.4%	6,280,000	-1.4%	6,103,000	-2.8%
Restaurants	1,056,000	0.5%	1,202,000	13.8%	1,148,000	-4.5%	1,014,000	-11.7%	8,799,000	3.2%	9,602,000	9.1%	9,712,000	1.1%	9,998,000	2.9%
Contracting	743,000	-17.2%	675,000	-9.2%	1,511,000	123.9%	1,169,000	-22.6%	8,560,000	-4.4%	10,670,000	24.6%	10,444,000	-2.1%	12,229,000	17.1%
Hotel/Motel	413,000	28.7%	419,000	1.5%	432,000	3.1%	368,000	-14.8%	2,245,000	10.5%	1,961,000	-12.7%	2,173,000	10.8%	2,403,000	10.6%
Transient (Bed Tax)	886,000	22.2%	1,133,000	27.9%	1,172,000	3.4%	982,000	-16.2%	4,659,000	10.8%	5,243,000	12.5%	5,760,000	9.9%	6,531,000	13.4%
Amusements	118,000	14.6%	106,000	-10.2%	112,000	5.7%	101,000	-9.8%	1,291,000	5.5%	1,007,000	-22.0%	1,053,000	4.6%	1,139,000	8.2%
All Other	85,000	-19.0%	90,000	5.9%	56,000	-37.8%	71,000	26.8%	1,084,000	7.6%	917,000	-15.4%	874,000	-4.7%	745,000	-14.8%
Totals	11,907,000	3.4%	13,577,000	14.0%	13,954,000	2.8%	13,831,000	-0.9%	110,197,000	4.0%	118,430,000	7.5%	123,370,000	4.2%	131,951,000	7.0%
Retail Tax Revenues by Activities																
Automotive	1,003,000	7.2%	1,032,000	2.9%	1,016,000	-1.6%	1,119,000	10.1%	9,193,000	2.9%	9,514,000	3.5%	9,967,000	4.8%	10,481,000	5.2%
Building Supply Stores	208,000	7.2%	232,000	11.5%	256,000	10.3%	287,000	12.1%	1,894,000	1.7%	2,364,000	24.8%	2,500,000	5.8%	2,683,000	7.3%
Department Stores	883,000	-9.2%	901,000	2.0%	918,000	1.9%	942,000	2.6%	9,061,000	1.5%	9,043,000	-0.2%	9,049,000	0.1%	9,365,000	3.5%
Drug/Small Stores	615,000	-6.5%	1,132,000	84.1%	989,000	-12.6%	1,061,000	7.3%	5,621,000	10.0%	8,851,000	57.5%	9,587,000	8.3%	10,591,000	10.5%
Furniture/Equipment/Electronics	895,000	-25.8%	485,000	-45.8%	434,000	-10.5%	445,000	2.5%	11,635,000	2.4%	6,037,000	-48.1%	5,073,000	-16.0%	4,961,000	-2.2%
Grocery Stores	743,000	16.3%	753,000	1.3%	771,000	2.4%	799,000	3.6%	6,565,000	3.2%	7,157,000	9.0%	7,347,000	2.7%	7,484,000	1.9%
Manufacturing Firms	354,000	8.3%	627,000	77.1%	513,000	-18.2%	521,000	1.6%	2,606,000	-1.5%	5,669,000	117.5%	5,916,000	4.4%	5,236,000	-11.5%
All Other Retail	1,240,000	40.4%	1,719,000	38.6%	1,535,000	-10.7%	1,976,000	28.7%	10,649,000	17.0%	14,299,000	34.3%	15,390,000	7.6%	18,287,000	18.8%
Totals	5,941,000	2.1%	6,881,000	15.8%	6,432,000	-6.5%	7,150,000	11.2%	57,224,000	5.4%	62,934,000	10.0%	64,829,000	3.0%	69,088,000	6.6%

**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	9,931,000	985,000	11.0%
Feb	8.1%	8,519,000	8,980,000	461,000	5.4%
Mar	8.3%	8,707,000	8,359,000	(348,000)	-4.0%
Apr	8.5%	8,925,000			
May	8.1%	8,504,000			
Jun	8.2%	8,622,000			
Totals	100.0%	\$ 105,380,000	\$ 81,322,000	\$ 1,993,000	2.5%

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	63,983,000	1,880,000	3.0%
Jul-Feb	67.0%	70,622,000	72,963,000	2,341,000	3.3%
Jul-Mar	75.3%	79,329,000	81,322,000	1,993,000	2.5%
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	\$ 109,879,000	\$ 105,380,000	\$ 4,499,000	4.3%
Percentage Received	\$ 108,027,000	\$ 105,380,000	\$ 2,647,000	2.5%