

# Memorandum



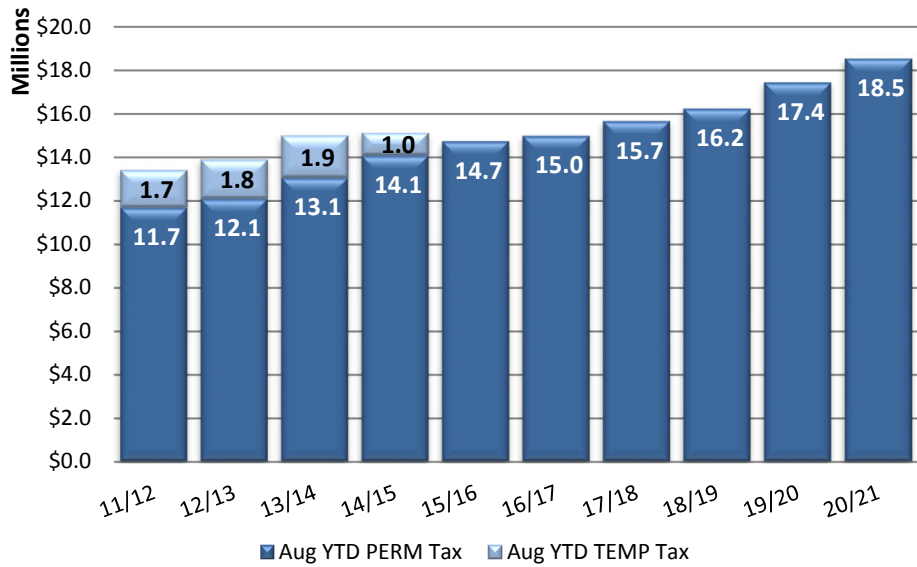
## Municipal Budget Office

Date: September 18, 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 – August 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for August 2020 covering July sales activity reported to the Arizona Department of Revenue (ADOR).

Total fiscal year-to-date taxable sales increased by 4.5% over the same year-to-date period in the prior fiscal year. A large portion of the increase is due to a one-time collection that occurred in July. Total sales tax revenue is also up 3.2% or \$906 thousand, as a result of growth in retail (\$1.2 million), contracting (\$757 thousand), and rentals (\$267 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2011/12 through FY 2020/21. General Fund sales tax revenue is up 6.3% or \$1.1 million over the prior year-to-date period.

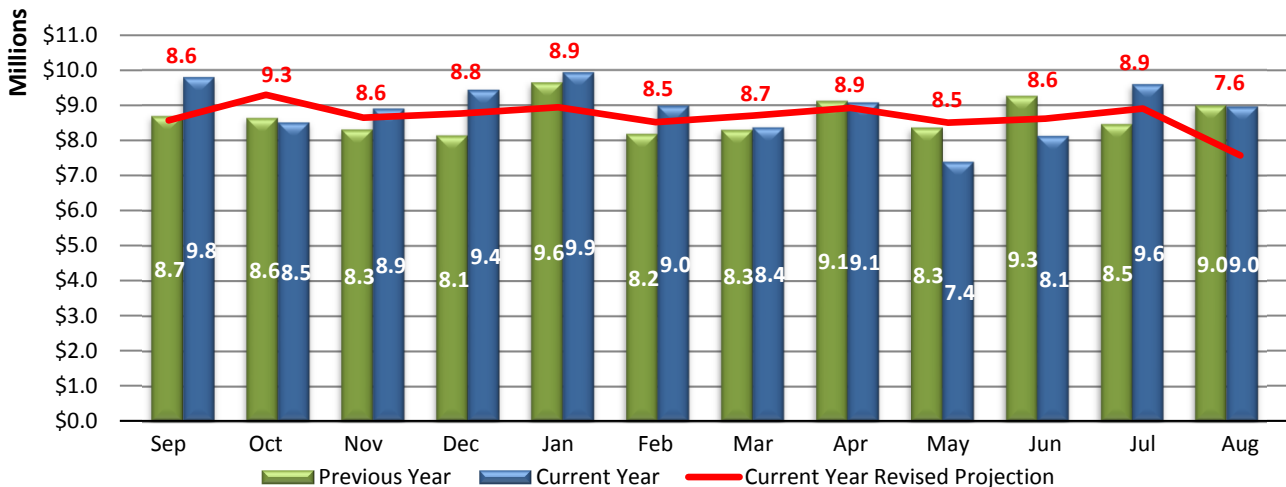
**General Fund Sales Tax Collections through August**



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 projected on a monthly basis, the graph below applies historical collection percentages to a revised revenue projection to gain insight into sales tax performance. The Municipal Budget Office developed a revised revenue projection for FY 2020-21 to reflect the anticipated economic impact of the COVID-19 pandemic. Using this approach, fiscal year-to-date sales tax collections in the General Fund are \$2.1 million above the revised revenue projection. Higher than anticipated activity in retail and construction and a one-time revenue collection in July have contributed to revenues exceeding projections.

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



## Executive Summary

### Current Month - August

### Fiscal Year to Date - August

	Current Month - August				Fiscal Year to Date - August											
	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change
<b>Taxable Sales</b>																
Total Taxable Sales	647,762,000	6.6%	684,667,000	5.7%	778,660,000	13.7%	764,007,000	-1.9%	1,355,024,000	4.3%	1,408,873,000	4.0%	1,516,024,000	7.6%	1,583,915,000	4.5%
Retail Taxable Sales	358,778,000	16.5%	380,095,000	5.9%	434,535,000	14.3%	444,050,000	2.2%	756,247,000	16.0%	795,144,000	5.1%	836,392,000	5.2%	904,791,000	8.2%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	7,499,000	6.7%	7,880,000	5.1%	8,984,000	14.0%	8,955,000	-0.3%	15,661,000	4.6%	16,233,000	3.7%	17,435,000	7.4%	18,542,000	6.3%
Bed Tax - General Fund	355,000	10.9%	399,000	12.4%	454,000	13.8%	236,000	-48.0%	744,000	-1.7%	803,000	7.9%	999,000	24.4%	505,000	-49.4%
Privilege Tax Rebates - General Fund	267,000	-11.9%	342,000	28.1%	353,000	3.2%	222,000	-37.1%	594,000	-8.3%	682,000	14.8%	728,000	6.7%	487,000	-33.1%
Transit Tax Fund (0.5%)	3,125,000	6.6%	3,283,000	5.1%	3,746,000	14.1%	3,731,000	-0.4%	6,528,000	4.5%	6,764,000	3.6%	7,270,000	7.5%	7,726,000	6.3%
Performing Arts Tax Fund (0.1%)	641,000	5.6%	677,000	5.6%	770,000	13.7%	759,000	-1.4%	1,340,000	4.0%	1,393,000	4.0%	1,496,000	7.4%	1,574,000	5.2%
<b>Totals</b>	<b>11,887,000</b>	<b>6.2%</b>	<b>12,581,000</b>	<b>5.8%</b>	<b>14,307,000</b>	<b>13.7%</b>	<b>13,903,000</b>	<b>-2.8%</b>	<b>24,867,000</b>	<b>3.9%</b>	<b>25,875,000</b>	<b>4.1%</b>	<b>27,928,000</b>	<b>7.9%</b>	<b>28,834,000</b>	<b>3.2%</b>
<b>Tax Revenues by Business Activities</b>																
Retail	6,458,000	11.9%	6,842,000	5.9%	7,822,000	14.3%	7,993,000	2.2%	13,612,000	10.4%	14,313,000	5.1%	15,055,000	5.2%	16,286,000	8.2%
Rentals	2,172,000	17.3%	2,279,000	4.9%	2,492,000	9.3%	2,716,000	9.0%	4,295,000	2.4%	4,619,000	7.5%	5,148,000	11.5%	5,415,000	5.2%
Utilities/Communication	881,000	-17.2%	890,000	1.0%	853,000	-4.2%	838,000	-1.8%	1,675,000	-14.5%	1,638,000	-2.2%	1,516,000	-7.4%	1,548,000	2.1%
Restaurants	899,000	0.0%	943,000	4.9%	1,027,000	8.9%	742,000	-27.8%	1,881,000	4.5%	1,970,000	4.7%	2,106,000	6.9%	1,582,000	-24.9%
Contracting	829,000	-11.9%	893,000	7.7%	1,307,000	46.4%	1,221,000	-6.6%	2,004,000	-3.5%	1,830,000	-8.7%	2,343,000	28.0%	3,100,000	32.3%
Hotel/Motel	135,000	-12.9%	154,000	14.1%	172,000	11.7%	89,000	-48.3%	283,000	-25.7%	323,000	14.1%	377,000	16.7%	192,000	-49.1%
Transient (Bed Tax)	355,000	10.9%	399,000	12.4%	454,000	13.8%	236,000	-48.0%	744,000	-1.7%	803,000	7.9%	999,000	24.4%	505,000	-49.4%
Amusements	107,000	-14.4%	108,000	0.9%	127,000	17.6%	17,000	-86.6%	248,000	-14.8%	247,000	-0.4%	275,000	11.3%	89,000	-67.6%
All Other	51,000	-27.1%	73,000	43.1%	53,000	-27.4%	51,000	-3.8%	125,000	-13.8%	132,000	5.6%	109,000	-17.4%	117,000	7.3%
<b>Totals</b>	<b>11,887,000</b>	<b>6.2%</b>	<b>12,581,000</b>	<b>5.8%</b>	<b>14,307,000</b>	<b>13.7%</b>	<b>13,903,000</b>	<b>-2.8%</b>	<b>24,867,000</b>	<b>3.9%</b>	<b>25,875,000</b>	<b>4.1%</b>	<b>27,928,000</b>	<b>7.9%</b>	<b>28,834,000</b>	<b>3.2%</b>
<b>Retail Tax Revenues by Activities</b>																
Automotive	1,110,000	7.8%	1,131,000	1.9%	1,130,000	-0.1%	1,102,000	-2.5%	2,178,000	10.3%	2,232,000	2.5%	2,331,000	4.4%	2,282,000	-2.1%
Building Supply Stores	289,000	37.6%	288,000	-0.3%	313,000	8.7%	361,000	15.3%	583,000	29.3%	585,000	0.3%	645,000	10.3%	714,000	10.7%
Department Stores	879,000	-10.2%	883,000	0.5%	975,000	10.4%	903,000	-7.4%	1,825,000	-6.8%	1,890,000	3.6%	1,941,000	2.7%	1,931,000	-0.5%
Drug/Small Stores	820,000	40.4%	977,000	19.1%	1,193,000	22.1%	1,243,000	4.2%	1,673,000	48.7%	2,005,000	19.8%	2,251,000	12.3%	2,558,000	13.6%
Furniture/Equipment/Electronics	677,000	-39.0%	505,000	-25.4%	580,000	14.9%	728,000	25.5%	1,445,000	-44.9%	1,231,000	-14.8%	1,321,000	7.3%	1,431,000	8.3%
Grocery Stores	699,000	9.0%	725,000	3.7%	758,000	4.6%	833,000	9.9%	1,425,000	7.2%	1,449,000	1.7%	1,486,000	2.6%	1,657,000	11.5%
Manufacturing Firms	447,000	65.6%	611,000	36.7%	777,000	27.2%	550,000	-29.2%	1,121,000	72.7%	1,488,000	32.7%	1,275,000	-14.3%	1,209,000	-5.2%
All Other Retail	1,537,000	62.1%	1,722,000	12.0%	2,096,000	21.7%	2,273,000	8.4%	3,362,000	51.4%	3,433,000	2.1%	3,805,000	10.8%	4,504,000	18.4%
<b>Totals</b>	<b>6,458,000</b>	<b>11.9%</b>	<b>6,842,000</b>	<b>5.9%</b>	<b>7,822,000</b>	<b>14.3%</b>	<b>7,993,000</b>	<b>2.2%</b>	<b>13,612,000</b>	<b>10.4%</b>	<b>14,313,000</b>	<b>5.1%</b>	<b>15,055,000</b>	<b>5.2%</b>	<b>16,286,000</b>	<b>8.2%</b>

**Privilege Tax Revenue - General Fund (1.2%)  
2020-21 Actual Compared to Revised Projection**

**Monthly Amounts**

	2020-21 Revised Projection		2020-21 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 8,906,000	\$ 9,587,000	\$ 681,000	7.6%
Aug	7.6%	7,575,000	8,955,000	1,380,000	18.2%
Sep	7.5%	7,509,000			
Oct	8.4%	8,464,000			
Nov	7.2%	7,246,000			
Dec	7.8%	7,803,000			
Jan	8.7%	8,756,000			
Feb	8.5%	8,488,000			
Mar	9.1%	9,140,000			
Apr	8.9%	8,898,000			
May	8.5%	8,542,000			
Jun	8.9%	8,919,000			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 100,246,000</b>	<b>\$ 18,542,000</b>	<b>\$ 2,061,000</b>	<b>2.1%</b>

**Cumulative Amounts**

	2020-21 Revised Projection		2020-21 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 8,906,000	\$ 9,587,000	\$ 681,000	7.6%
Jul-Aug	16.4%	16,481,000	18,542,000	2,061,000	12.5%
Jul-Sep	23.9%	23,990,000			
Jul-Oct	32.4%	32,454,000			
Jul-Nov	39.6%	39,700,000			
Jul-Dec	47.4%	47,503,000			
Jul-Jan	56.1%	56,259,000			
Jul-Feb	64.6%	64,747,000			
Jul-Mar	73.7%	73,887,000			
Jul-Apr	82.6%	82,785,000			
Jul-May	91.1%	91,327,000			
Jul-Jun	100.0%	100,246,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
Percent of Increase	\$ 112,614,000	\$ 100,246,000	\$ 12,368,000	12.3%
Percentage Received	\$ 112,782,000	\$ 100,246,000	\$ 12,536,000	12.5%