

# Memorandum

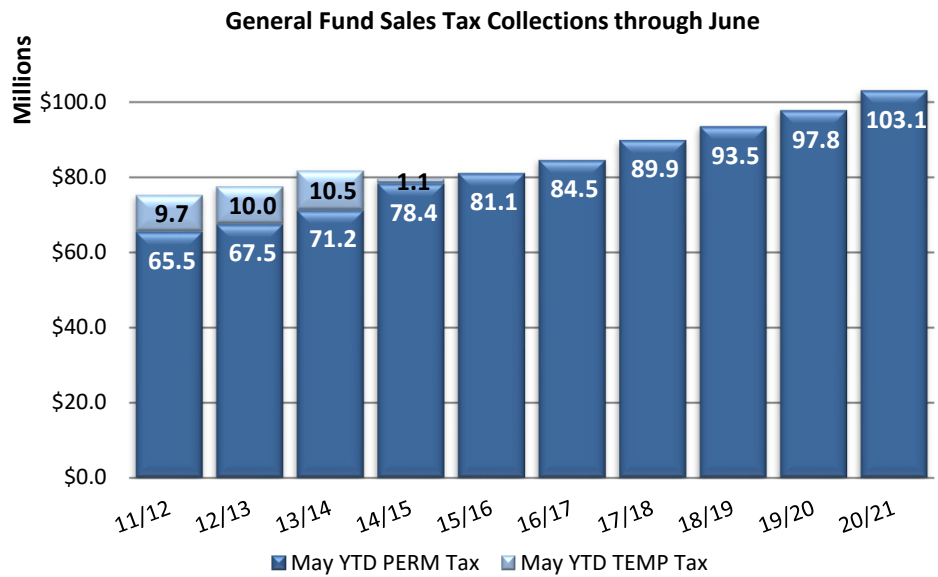


## Municipal Budget Office

Date: July 23, 2021  
 To: Mayor and Council  
 Through: Mark Day, Municipal Budget Director (8697)  
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)  
 Subject: Tax Revenue Statistical Report – June 2021

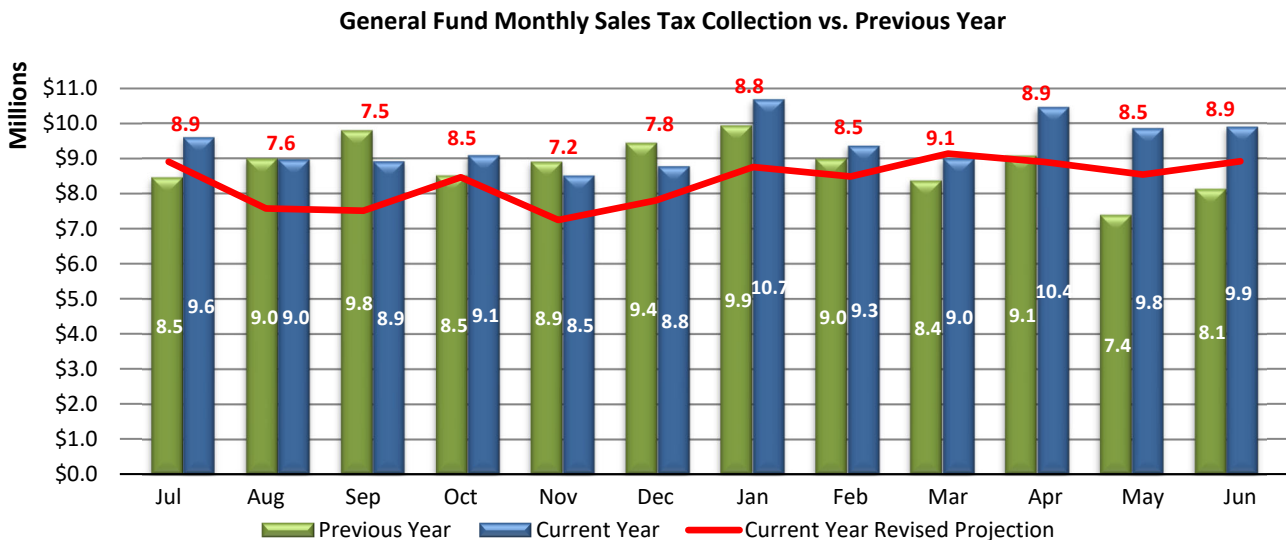
Attached is the Executive Summary of the Tax Revenue Statistical Report for June 2021 covering May sales activity reported to the Arizona Department of Revenue (ADOR).

Total fiscal year-to-date taxable *sales* increased by 5.7% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is up 4.7% or \$8.0 million, due to growth in retail (\$8.5 million), rentals (\$1.8 million) and non-recurring business (\$3.3 million) activity. All other recurring categories of taxable activity were down. 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 6.7% or \$7.1 million over the prior year-to-date period.



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 \$12.7 million above the revised revenue projection. The increase in retail sales has been offsetting the decreases in almost every other taxable activity, and includes the collection of sales tax on online retail sales since November 2019.



## Executive Summary

### Current Month - June

### Fiscal Year to Date - June

	Current Month - June				Fiscal Year to Date - June				Current Month - June				Fiscal Year to Date - June			
	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	706,536,000	4.6%	805,810,000	14.1%	692,854,000	-14.0%	854,405,000	23.3%	8,564,376,000	5.9%	9,008,240,000	5.2%	9,198,640,000	2.1%	9,727,407,000	5.7%
Retail Taxable Sales	393,769,000	10.5%	423,903,000	7.7%	410,367,000	-3.2%	494,818,000	20.6%	4,693,933,000	13.3%	4,855,447,000	3.4%	5,075,059,000	4.5%	5,686,812,000	12.1%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	8,110,000	3.2%	9,252,000	14.1%	8,120,000	-12.2%	9,889,000	21.8%	97,987,000	6.1%	102,770,000	4.9%	105,889,000	3.0%	112,973,000	6.7%
Bed Tax - General Fund	627,000	15.7%	652,000	4.0%	314,000	-51.8%	568,000	80.9%	8,032,000	12.5%	8,716,000	8.5%	7,628,000	-12.5%	5,193,000	-31.9%
Privilege Tax Rebates - General Fund	306,000	-2.9%	368,000	20.3%	169,000	-54.1%	322,000	90.5%	4,018,000	-2.6%	4,551,000	13.3%	3,752,000	-17.6%	3,553,000	-5.3%
Transit Tax Fund (0.5%)	3,382,000	3.2%	3,858,000	14.1%	3,383,000	-12.3%	4,121,000	21.8%	40,858,000	6.0%	42,855,000	4.9%	44,142,000	3.0%	47,074,000	6.6%
Performing Arts Tax Fund (0.1%)	694,000	3.0%	793,000	14.3%	687,000	-13.4%	843,000	22.7%	8,404,000	6.0%	8,834,000	5.1%	9,046,000	2.4%	9,624,000	6.4%
<b>Totals</b>	<b>13,119,000</b>	<b>3.6%</b>	<b>14,923,000</b>	<b>13.8%</b>	<b>12,673,000</b>	<b>-15.1%</b>	<b>15,743,000</b>	<b>24.2%</b>	<b>159,299,000</b>	<b>6.1%</b>	<b>167,726,000</b>	<b>5.3%</b>	<b>170,457,000</b>	<b>1.6%</b>	<b>178,417,000</b>	<b>4.7%</b>
<b>Tax Revenues by Business Activities</b>																
Retail	7,088,000	3.8%	7,630,000	7.6%	7,387,000	-3.2%	8,549,000	15.7%	84,383,000	8.4%	87,398,000	3.6%	91,351,000	4.5%	99,858,000	9.3%
Rentals	2,268,000	9.9%	2,508,000	10.6%	2,383,000	-5.0%	2,832,000	18.8%	26,723,000	6.7%	30,047,000	12.4%	31,214,000	3.9%	33,039,000	5.8%
Utilities/Communication	667,000	14.6%	634,000	-4.9%	601,000	-5.2%	573,000	-4.7%	8,139,000	-16.2%	7,961,000	-2.2%	7,686,000	-3.5%	7,566,000	-1.6%
Restaurants	1,134,000	6.3%	1,190,000	4.9%	776,000	-34.8%	1,322,000	70.4%	13,285,000	8.6%	13,550,000	2.0%	12,221,000	-9.8%	12,181,000	-0.3%
Contracting	903,000	-17.0%	998,000	10.5%	988,000	-1.0%	1,085,000	9.8%	10,946,000	-7.2%	11,985,000	9.5%	13,309,000	11.0%	11,524,000	-13.4%
Hotel/Motel	243,000	-3.2%	248,000	2.1%	118,000	-52.4%	219,000	85.6%	3,009,000	-9.3%	3,277,000	8.9%	2,812,000	-14.2%	2,005,000	-28.7%
Transient (Bed Tax)	627,000	15.7%	652,000	4.0%	314,000	-51.8%	568,000	80.9%	8,032,000	12.5%	8,716,000	8.5%	7,628,000	-12.5%	5,193,000	-31.9%
Non-Recurring Business Activities	9,000	100.0%	861,000	9466.7%	-	-100.0%	414,000	100.0%	2,326,000	100.0%	2,257,000	-3.0%	2,056,000	-8.9%	5,320,000	158.8%
Amusements	113,000	-30.2%	131,000	15.9%	22,000	-83.2%	123,000	459.1%	1,386,000	-19.8%	1,441,000	4.0%	1,238,000	-14.1%	844,000	-31.8%
All Other	67,000	-19.3%	71,000	6.0%	84,000	18.3%	58,000	-31.0%	1,070,000	-21.5%	1,094,000	2.2%	942,000	-13.9%	887,000	-5.8%
<b>Totals</b>	<b>13,119,000</b>	<b>3.6%</b>	<b>14,923,000</b>	<b>13.8%</b>	<b>12,673,000</b>	<b>-15.1%</b>	<b>15,743,000</b>	<b>24.2%</b>	<b>159,299,000</b>	<b>6.1%</b>	<b>167,726,000</b>	<b>5.3%</b>	<b>170,457,000</b>	<b>1.6%</b>	<b>178,417,000</b>	<b>4.7%</b>
<b>Retail Tax Revenues by Activities</b>																
Automotive	1,229,000	1.8%	1,213,000	-1.3%	1,289,000	6.3%	1,561,000	21.1%	13,040,000	2.8%	13,542,000	3.8%	13,631,000	0.7%	15,234,000	11.8%
Building Supply Stores	287,000	32.3%	311,000	8.4%	343,000	10.3%	375,000	9.3%	3,228,000	23.3%	3,464,000	7.3%	3,722,000	7.4%	4,259,000	14.4%
Department Stores	911,000	-3.8%	961,000	5.5%	953,000	-0.8%	1,117,000	17.2%	11,953,000	-1.9%	12,005,000	0.4%	12,050,000	0.4%	13,070,000	8.5%
Drug/Small Stores	1,050,000	78.3%	1,121,000	6.8%	1,040,000	-7.2%	1,270,000	22.1%	12,173,000	62.0%	13,038,000	7.1%	13,775,000	5.7%	15,934,000	15.7%
Furniture/Equipment/Electronics	564,000	-54.7%	561,000	-0.5%	411,000	-26.7%	717,000	74.5%	7,591,000	-50.8%	6,701,000	-11.7%	6,307,000	-5.9%	7,835,000	24.2%
Grocery Stores	849,000	19.7%	847,000	-0.2%	846,000	-0.1%	824,000	-2.6%	9,606,000	10.2%	9,850,000	2.5%	10,205,000	3.6%	10,391,000	1.8%
Manufacturing Firms	638,000	31.5%	970,000	52.0%	535,000	-44.8%	716,000	33.8%	7,692,000	108.8%	8,186,000	6.4%	7,000,000	-14.5%	7,421,000	6.0%
All Other Retail	1,560,000	9.4%	1,646,000	5.5%	1,970,000	19.7%	1,969,000	-0.1%	19,100,000	27.4%	20,612,000	7.9%	24,661,000	19.6%	25,714,000	4.3%
<b>Totals</b>	<b>7,088,000</b>	<b>3.8%</b>	<b>7,630,000</b>	<b>7.6%</b>	<b>7,387,000</b>	<b>-3.2%</b>	<b>8,549,000</b>	<b>15.7%</b>	<b>84,383,000</b>	<b>8.4%</b>	<b>87,398,000</b>	<b>3.6%</b>	<b>91,351,000</b>	<b>4.5%</b>	<b>99,858,000</b>	<b>9.3%</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	8,900,000	1,391,000	18.5%
Oct	8.4%	8,464,000	9,077,000	613,000	7.2%
Nov	7.2%	7,246,000	8,503,000	1,257,000	17.3%
Dec	7.8%	7,803,000	8,762,000	959,000	12.3%
Jan	8.7%	8,756,000	10,667,000	1,911,000	21.8%
Feb	8.5%	8,488,000	9,346,000	858,000	10.1%
Mar	9.1%	9,140,000	8,990,000	(150,000)	-1.6%
Apr	8.9%	8,898,000	10,450,000	1,552,000	17.4%
May	8.5%	8,542,000	9,847,000	1,305,000	15.3%
Jun	8.9%	8,919,000	9,889,000	970,000	10.9%
<b>Totals</b>	<b>100.0%</b>	<b>\$ 100,246,000</b>	<b>\$ 112,973,000</b>	<b>\$ 12,727,000</b>	<b>12.7%</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	27,442,000	3,452,000	14.4%
Jul-Oct	32.4%	32,454,000	36,519,000	4,065,000	12.5%
Jul-Nov	39.6%	39,700,000	45,022,000	5,322,000	13.4%
Jul-Dec	47.4%	47,503,000	53,784,000	6,281,000	13.2%
Jul-Jan	56.1%	56,259,000	64,451,000	8,192,000	14.6%
Jul-Feb	64.6%	64,747,000	73,797,000	9,050,000	14.0%
Jul-Mar	73.7%	73,887,000	82,787,000	8,900,000	12.0%
Jul-Apr	82.6%	82,785,000	93,237,000	10,452,000	12.6%
Jul-May	91.1%	91,327,000	103,084,000	11,757,000	12.9%
Jul-Jun	100.0%	100,246,000	112,973,000	12,727,000	12.7%

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

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
Percent of Increase	\$ 112,973,000	\$ 100,246,000	\$ 12,727,000	12.7%
Percentage Received	\$ 112,973,000	\$ 100,246,000	\$ 12,727,000	12.7%