Memorandum

Finance and Technology Department

Tempe

Date: March 16, 2012

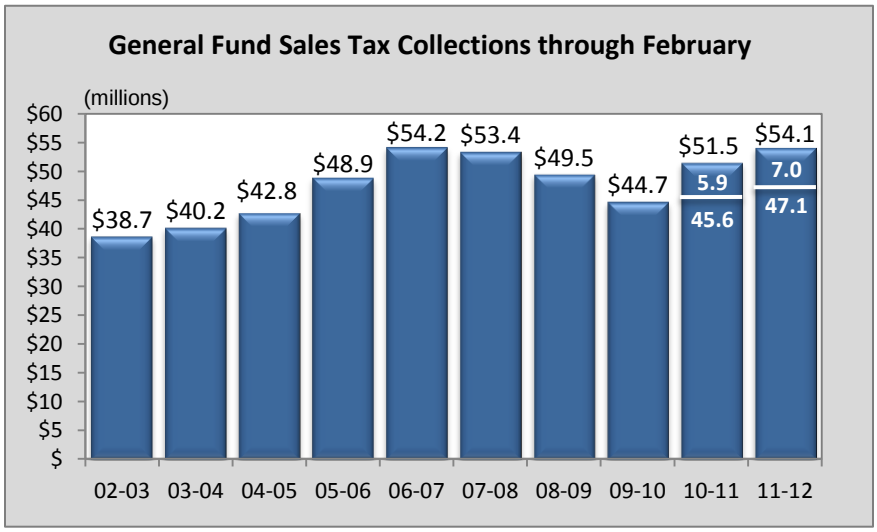
To: Mayor and Council

From: Ken Jones, Finance and Technology Director (350-8504)

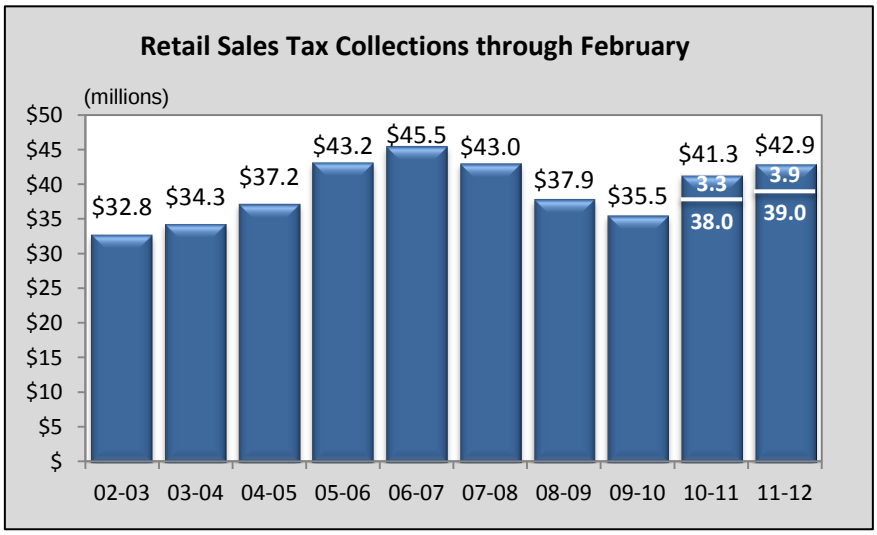
Subject: Tax Revenue Statistical Report – **February 2012**

Attached is the Executive Summary of the Tax Revenue Statistical Report for February 2012 covering January sales activity reported to our Tax and License Division in February.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2002-03 through FY 2011-12. Tax revenue collected for 2011-12 is up 5.1% from the same period in the prior fiscal year. In terms of actual dollars received ($54.1 million), we are $2.6 million ahead of last fiscal year ($51.5 million). However, the increase is due in part to the lag time between the implementation of the temporary sales tax and the first month in which revenues were received last year. If we account for the fact that there were no collections from this tax in August of last year, General Fund sales tax collections would be up 3.4% from the same period last year.



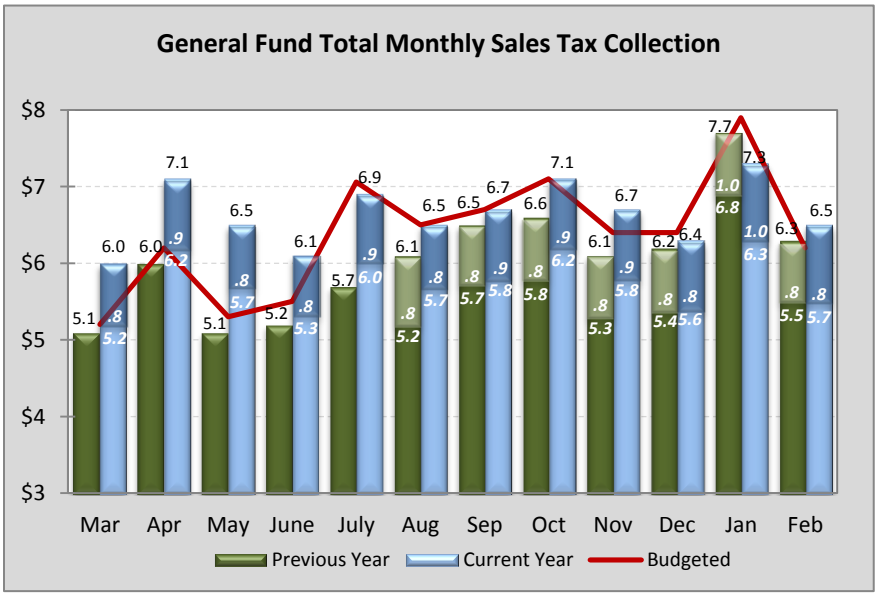
Retail sales tax collections through February are 3.9% higher than last year's year-to-date collections (including the temporary sales tax). If we account for last year's lag in collections of the temporary tax, the year-to-date growth is 2.7%. Within the retail category, the Automotive sector posted a 10.1% increase, (including the temporary sales tax).

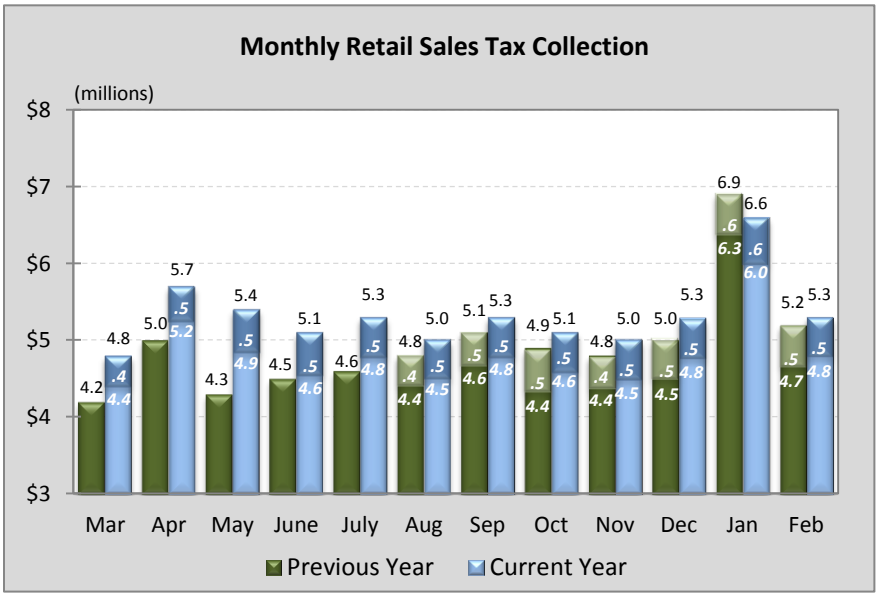


The graph to the right represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year. Current and previous years' collections are broken into two components: the 1.2% permanent tax and the 0.2% temporary tax.

Though sales taxes are not budgeted on a monthly basis, it is possible to apply historical collection percentages to the annual budget number to gain insight into sales tax performance. Using this approach, sales tax collections are $65 thousand below forecast through February.

The final chart shows twelve months of collection activity comparing monthly retail sales tax from the current year to the prior year. For February, retail sales collections increased by 1.6% over the same month last year (including the temporary tax increase).





Executive Summary

	Current Month -February								Fiscal Year to Date through February							
	2008-09	Change	2009-10	Change	2010-11	Change	2011-12	Change	2008-09	Change	2009-10	Change	2010-11	Change	2011-12	Change
Taxable Sales																
Total Taxable Sales	509,267,000	-7.9%	451,350,000	-11.4%	490,962,000	8.8%	492,561,000	0.3%	4,456,370,000	-6.8%	3,978,075,000	-10.7%	4,046,540,000	1.7%	4,104,751,000	1.4%
Retail Taxable Sales	221,194,000	-15.8%	211,782,000	-4.3%	253,093,000	19.5%	260,294,000	2.8%	2,071,530,000	-11.5%	1,918,967,000	-7.4%	2,065,317,000	7.6%	2,087,796,000	1.1%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	5,351,000	-11.7%	4,937,000	-7.7%	5,617,000	13.8%	5,680,000	1.1%	49,445,000	-7.4%	44,671,000	-9.7%	45,559,000	2.0%	47,141,000	3.5%
Temporary Privilege Tax - General Fund					851,000		845,000	-0.7%					5,906,000		6,964,000	17.9%
Transit Tax Fund (.5%)	2,238,000	-13.1%	2,058,000	-8.0%	2,341,000	13.8%	2,369,000	1.2%	20,753,000	-8.4%	18,623,000	-10.3%	18,992,000	2.0%	19,658,000	3.5%
Arts Tax Fund (.1%)	463,000	-12.8%	425,000	-8.2%	481,000	13.2%	487,000	1.2%	4,280,000	-8.1%	3,848,000	-10.1%	3,922,000	1.9%	4,060,000	3.5%
Privilege Tax - Rebates Fund	360,000	-8.6%	326,000	-9.4%	248,000	-23.9%	254,000	2.4%	3,311,000	4.6%	2,872,000	-13.3%	3,045,000	6.0%	2,482,000	-18.5%
Bed Tax Fund	286,000	-25.5%	246,000	-14.0%	483,000	96.3%	426,000	-11.8%	1,758,000	-10.7%	1,435,000	-18.4%	2,351,000	63.8%	2,407,000	2.4%
Totals	8,698,000	-12.5%	7,992,000	-8.1%	10,021,000	25.4%	10,061,000	0.4%	79,547,000	-7.3%	71,449,000	-10.2%	79,775,000	11.7%	82,712,000	3.7%
Tax Revenues - Business Activities																
Retail	4,122,000	-14.8%	3,986,000	-3.3%	5,219,000	30.9%	5,303,000	1.6%	37,908,000	-11.9%	35,540,000	-6.2%	41,331,000	16.3%	42,934,000	3.9%
Rentals	1,719,000	4.2%	1,507,000	-12.3%	1,776,000	17.9%	1,843,000	3.8%	14,590,000	4.7%	13,744,000	-5.8%	15,095,000	9.8%	15,419,000	2.1%
Utilities/Communication	755,000	-4.8%	676,000	-10.5%	763,000	12.9%	708,000	-7.2%	7,635,000	0.1%	6,830,000	-10.5%	7,350,000	7.6%	7,496,000	2.0%
Restaurants	710,000	-4.7%	650,000	-8.5%	789,000	21.4%	775,000	-1.8%	5,901,000	-1.5%	5,387,000	-8.7%	6,070,000	12.7%	6,401,000	5.5%
Contracting	619,000	-33.0%	435,000	-29.7%	389,000	-10.6%	520,000	33.7%	8,139,000	-13.6%	5,423,000	-33.4%	4,033,000	-25.6%	4,665,000	15.7%
Hotel/Motel	219,000	-23.4%	215,000	-1.8%	249,000	15.8%	228,000	-8.4%	1,403,000	-13.4%	1,172,000	-16.5%	1,295,000	10.5%	1,369,000	5.7%
Transient (Bed Tax)	286,000	-25.5%	246,000	-14.0%	482,000	95.9%	426,000	-11.6%	1,758,000	-10.7%	1,436,000	-18.3%	2,351,000	63.7%	2,408,000	2.4%
Amusements	122,000	-28.2%	165,000	35.2%	183,000	10.9%	146,000	-20.2%	1,045,000	0.7%	1,117,000	6.9%	1,265,000	13.2%	1,182,000	-6.6%
All Other	146,000	-7.0%	112,000	-23.3%	171,000	52.7%	112,000	-34.5%	1,168,000	-4.9%	800,000	-31.5%	985,000	23.1%	838,000	-14.9%
Totals	8,698,000	-12.5%	7,992,000	-8.1%	10,021,000	25.4%	10,061,000	0.4%	79,547,000	-7.3%	71,449,000	-10.2%	79,775,000	11.7%	82,712,000	3.7%
Tax Revenues - Retail Activities Breakdown																
Automotive	567,000	-32.6%	503,000	-11.3%	713,000	41.7%	728,000	2.1%	5,344,000	-36.4%	4,685,000	-12.3%	5,598,000	19.5%	6,164,000	10.1%
Furniture/Equipment/Electronics	929,000	-22.8%	922,000	-0.8%	908,000	-1.5%	1,203,000	32.5%	9,117,000	-10.5%	7,391,000	-18.9%	8,830,000	19.5%	9,214,000	4.3%
Department Stores	752,000	-5.4%	707,000	-6.0%	858,000	21.4%	858,000	0.0%	7,285,000	-3.3%	6,680,000	-8.3%	7,605,000	13.8%	8,055,000	5.9%
Grocery Stores	530,000	-6.7%	489,000	-7.7%	534,000	9.2%	553,000	3.6%	4,591,000	-3.7%	4,305,000	-6.2%	4,601,000	6.9%	4,777,000	3.8%
Drugs/Small Stores	493,000	-0.2%	512,000	3.9%	511,000	-0.2%	650,000	27.2%	3,883,000	-0.5%	3,897,000	0.4%	4,382,000	12.4%	4,772,000	8.9%
Manufacturing Firms	331,000	3.8%	205,000	-38.1%	643,000	213.7%	578,000	-10.1%	2,971,000	12.2%	2,533,000	-14.7%	2,607,000	2.9%	2,898,000	11.2%
Building Supply Stores	115,000	-49.8%	152,000	32.2%	161,000	5.9%	187,000	16.1%	1,276,000	-29.1%	1,272,000	-0.3%	1,399,000	10.0%	1,428,000	2.1%
All Other Retail	405,000	4.7%	496,000	22.5%	891,000	79.6%	546,000	-38.7%	3,441,000	-9.1%	4,777,000	38.8%	6,309,000	32.1%	5,626,000	-10.8%
Totals	4,122,000	-14.8%	3,986,000	-3.3%	5,219,000	30.9%	5,303,000	1.6%	37,908,000	-11.9%	35,540,000	-6.2%	41,331,000	16.3%	42,934,000	3.9%
Tax Revenues - Business Districts																
Elliot Corridor	1,098,000	-11.9%	917,000	-16.5%	1,118,000	21.9%	1,201,000	7.4%	9,748,000	-14.6%	8,631,000	-11.5%	10,193,000	18.1%	10,480,000	2.8%
Autoplex (included in Elliot Corridor)	392,000	-13.8%	324,000	-17.3%	455,000	40.4%	481,000	5.7%	3,659,000	-24.7%	3,064,000	-16.3%	3,680,000	20.1%	4,092,000	11.2%
Market Place	356,000	15.2%	324,000	-9.0%	362,000	11.7%	376,000	3.9%	3,161,000	66.0%	3,079,000	-2.6%	3,412,000	10.8%	3,599,000	5.5%
Mills Mall	399,000	-10.7%	383,000	-4.0%	473,000	23.5%	417,000	-11.8%	3,856,000	-11.2%	3,545,000	-8.1%	4,148,000	17.0%	4,330,000	4.4%
Downtown Tempe	322,000	-0.9%	261,000	-18.9%	325,000	24.5%	323,000	-0.6%	2,105,000	-7.6%	1,829,000	-13.1%	2,080,000	13.7%	2,388,000	14.8%
Apache Blvd.	196,000	18.1%	154,000	-21.4%	227,000	47.4%	179,000	-21.1%	1,378,000	-3.0%	1,289,000	-6.5%	1,505,000	16.8%	1,419,000	-5.7%
ASU Properties	89,000	-35.0%	85,000	-4.5%	189,000	122.4%	277,000	46.6%	1,007,000	3.3%	793,000	-21.3%	1,159,000	46.2%	1,413,000	21.9%
Rio Salado (1.8% and 3.0% Bed Tax)	164,000	-18.8%	170,000	3.7%	267,000	57.1%	302,000	13.1%	1,526,000	9.9%	1,601,000	4.9%	1,921,000	20.0%	1,990,000	3.6%
All Other Areas	6,074,000	-14.6%	5,698,000	-6.2%	7,060,000	23.9%	6,986,000	-1.0%	56,766,000	-8.6%	50,682,000	-10.7%	55,357,000	9.2%	57,093,000	3.1%