

# Memorandum



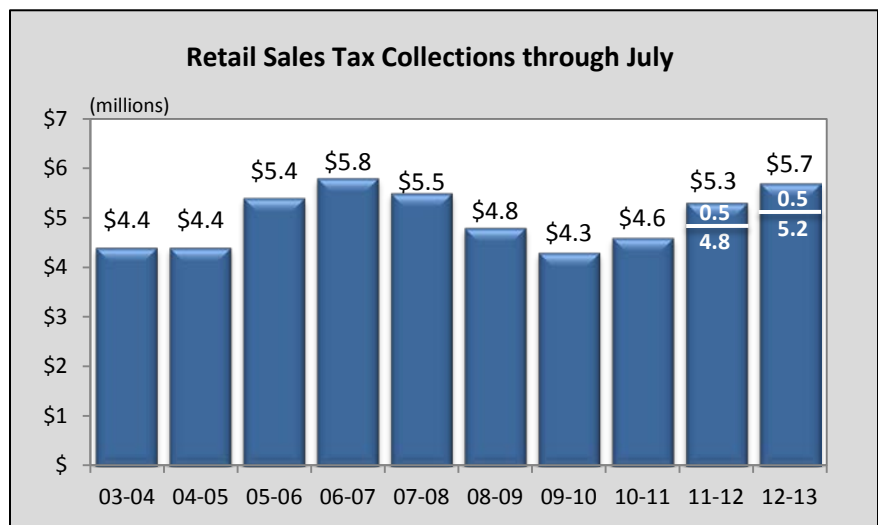
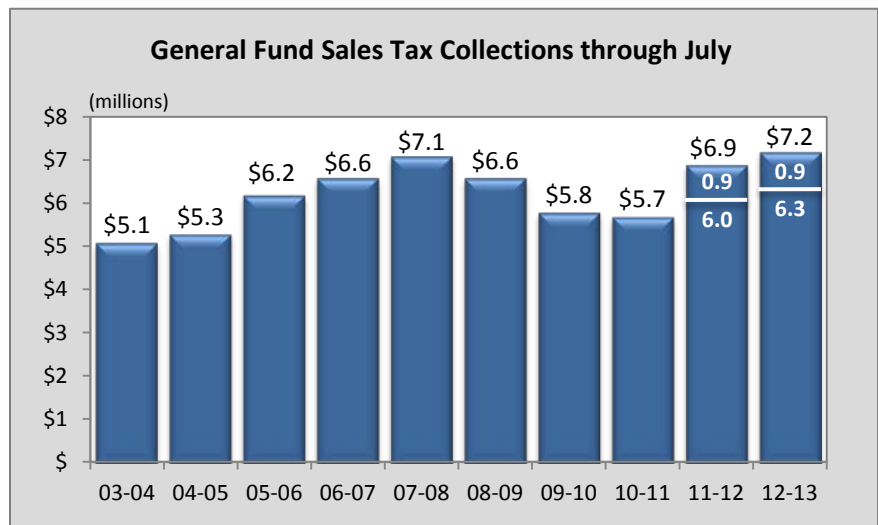
## Finance and Technology Department

Date: August 17, 2012  
To: Mayor and Council  
From: Ken Jones, Finance and Technology Director (350-8504)  
Subject: Tax Revenue Statistical Report – **July 2012**

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

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2003-04 through FY 2012-13. General Fund Sales Tax revenue collected for 2012-13 is up 4.8% from the same period in the prior fiscal year. In terms of actual dollars received (\$7.2 million), we are \$332 thousand ahead of last fiscal year (\$6.9 million). Of the total amount collected in July, \$934 thousand was from the temporary sales tax, which expires in June 2014. Leading categories of growth include Retail and Rentals, which grew by 7.8% and 8.5% respectively. These gains were partially offset by a 22.1% decline in Contracting sales tax collections in July.

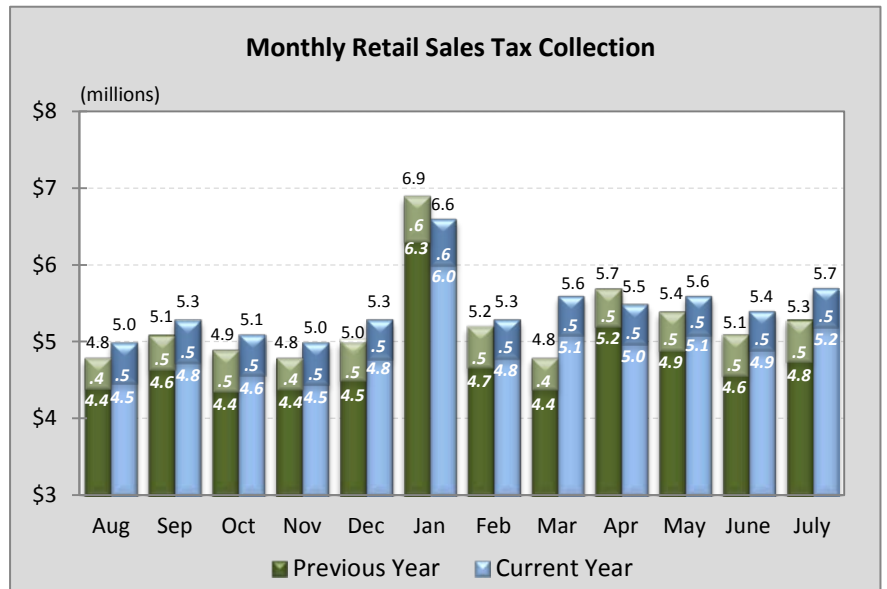
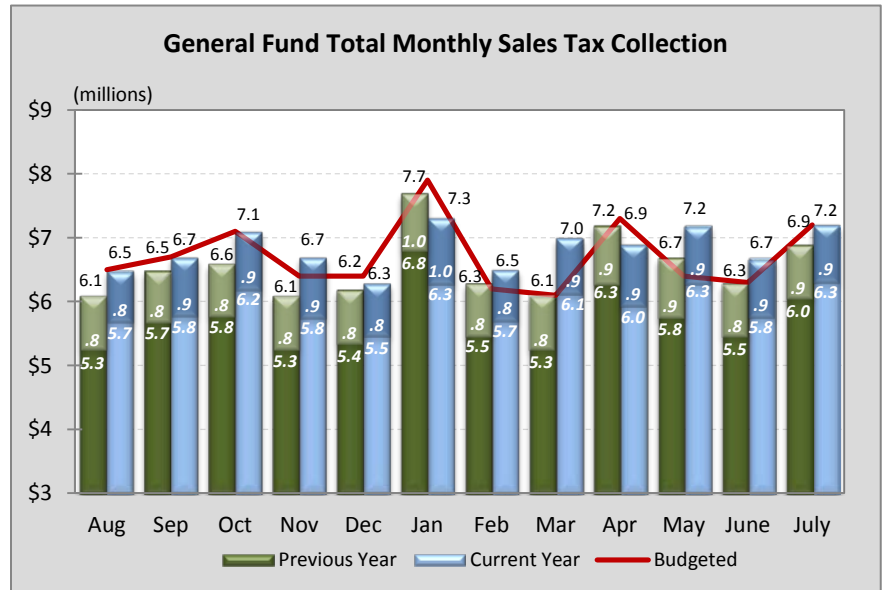
The Retail category represents roughly half of sales tax collections, and as such merits a more detailed discussion. Within the retail category, growth was led by gains in Automotive, Furniture/ Equipment/ Electronics, and All Other Retail, all of which posted double-digit increases. This represents solid performance in categories which comprise 'big-ticket' items and are typically associated with higher levels of consumer confidence in the economy.



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 0.4%, or \$26 thousand below forecast through July.

The final chart shows twelve months of collection activity comparing monthly retail sales tax from the current year to the prior year. For July, retail sales tax collections increased by 7.8% above the same month last year.



## Executive Summary

### Year-to-Date Comparison- July

	2009-10	Change	2010-11	Change	2011-12	Change	2012-13	Change
<b>Taxable Sales</b>								
Total Taxable Sales	519,359,000	-9.9%	499,494,000	-3.8%	520,450,000	4.2%	545,996,000	4.9%
Retail Taxable Sales	235,241,000	-9.6%	245,874,000	4.5%	250,367,000	1.8%	278,237,000	11.1%
<b>Tax Revenues by Funds</b>								
Privilege Tax - General Fund (1.2%)	5,835,000	-11.1%	5,689,000	-2.5%	6,008,000	5.6%	6,280,000	4.5%
Temporary Privilege Tax (.2%)					874,000		934,000	6.9%
Transit Tax Fund (.5%)	2,434,000	-11.5%	2,374,000	-2.5%	2,511,000	5.8%	2,619,000	4.3%
Arts Tax Fund (.1%)	502,000	-11.0%	490,000	-2.4%	516,000	5.3%	541,000	4.8%
Privilege Tax - Rebates Fund	349,000	-11.4%	361,000	3.4%	301,000	-16.6%	326,000	8.3%
Bed Tax Fund	142,000	-22.8%	140,000	-1.4%	245,000	75.0%	240,000	-2.0%
<b>Totals</b>	<b>9,262,000</b>	<b>-11.4%</b>	<b>9,054,000</b>	<b>-2.2%</b>	<b>10,455,000</b>	<b>15.5%</b>	<b>10,940,000</b>	<b>4.6%</b>

#### Tax Revenues - Business Activities

Retail	4,326,000	-10.5%	4,573,000	5.7%	5,263,000	15.1%	5,673,000	7.8%
Rentals	1,904,000	0.5%	1,814,000	-4.7%	2,055,000	13.3%	2,229,000	8.5%
Utilities/Communication	916,000	-11.2%	881,000	-3.8%	921,000	4.5%	967,000	5.0%
Restaurants	666,000	-5.3%	635,000	-4.7%	785,000	23.6%	808,000	2.9%
Contracting	941,000	-31.1%	633,000	-32.7%	789,000	24.6%	615,000	-22.1%
Hotel/Motel	113,000	-26.1%	117,000	3.5%	145,000	23.9%	139,000	-4.1%
Transient (Bed Tax)	142,000	-22.8%	140,000	-1.4%	245,000	75.0%	240,000	-2.0%
Amusements	150,000	9.5%	137,000	-8.7%	147,000	7.3%	153,000	4.1%
All Other	104,000	-32.9%	124,000	19.2%	105,000	-15.3%	116,000	10.5%
<b>Totals</b>	<b>9,262,000</b>	<b>-11.4%</b>	<b>9,054,000</b>	<b>-2.2%</b>	<b>10,455,000</b>	<b>15.5%</b>	<b>10,940,000</b>	<b>4.6%</b>

#### Tax Revenues - Retail Activities Breakdown

Automotive	606,000	-23.8%	592,000	-2.3%	749,000	26.5%	872,000	16.4%
Furniture/Equipment/Electronics	857,000	-27.2%	1,019,000	18.9%	1,140,000	11.9%	1,300,000	14.0%
Department Stores	752,000	-13.2%	787,000	4.7%	939,000	19.3%	972,000	3.5%
Grocery Stores	463,000	-13.6%	532,000	14.9%	583,000	9.6%	585,000	0.3%
Drugs/Small Stores	448,000	-13.7%	504,000	12.5%	578,000	14.7%	546,000	-5.5%
Manufacturing Firms	402,000	36.3%	262,000	-34.8%	323,000	23.3%	315,000	-2.5%
Building Supply Stores	159,000	-7.0%	189,000	18.9%	186,000	-1.6%	189,000	1.6%
All Other Retail	639,000	35.7%	688,000	7.7%	765,000	11.2%	894,000	16.9%
<b>Totals</b>	<b>4,326,000</b>	<b>-10.5%</b>	<b>4,573,000</b>	<b>5.7%</b>	<b>5,263,000</b>	<b>15.1%</b>	<b>5,673,000</b>	<b>7.8%</b>

#### Tax Revenues - Business Districts

Elliot Corridor	1,081,000	-19.3%	1,087,000	0.6%	1,197,000	10.1%	1,520,000	27.0%
Autoplex (included in Elliot Corridor)	383,000	-29.3%	372,000	-2.9%	473,000	27.2%	582,000	23.0%
Market Place	386,000	0.3%	383,000	-0.8%	428,000	11.7%	483,000	12.9%
Mills Mall	409,000	-14.4%	463,000	13.2%	525,000	13.4%	542,000	3.2%
Downtown Tempe	187,000	-14.2%	169,000	-9.6%	244,000	44.4%	265,000	8.6%
Apache Blvd.	148,000	25.4%	153,000	3.4%	179,000	17.0%	194,000	8.4%
ASU Properties	88,000	7.3%	63,000	-28.4%	108,000	71.4%	131,000	21.3%
Rio Salado	211,000	-38.5%	216,000	2.4%	230,000	6.5%	208,000	-9.6%
All Other Areas	6,752,000	-9.9%	6,520,000	-3.4%	7,544,000	15.7%	7,597,000	0.7%