

# Memorandum

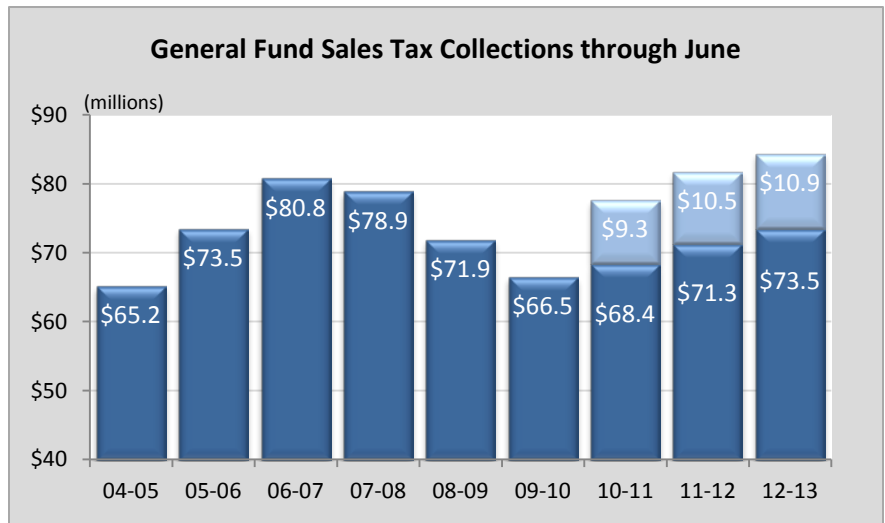


## Finance and Technology Department

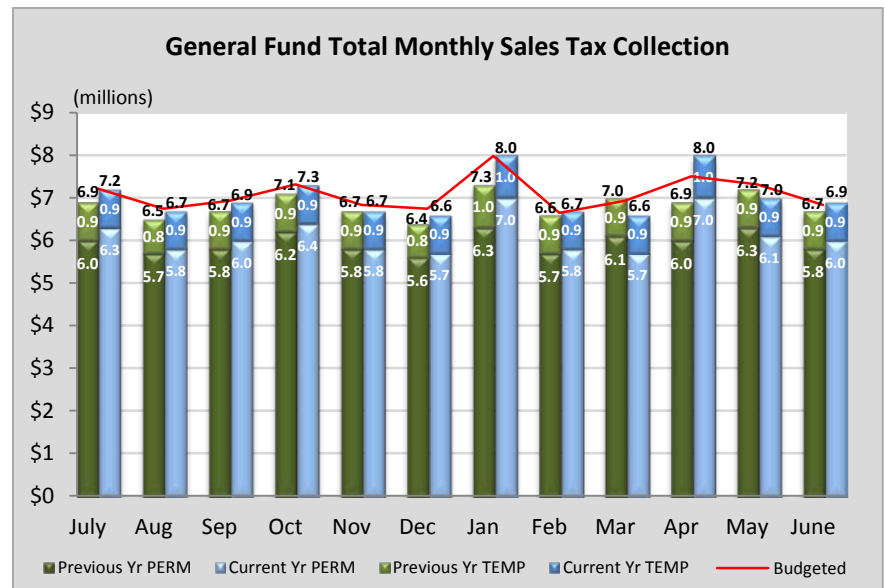
Date: July 10, 2013  
 To: Mayor and Council  
 From: Ken Jones, Finance and Technology Director (350-8504)  
 Subject: Tax Revenue Statistical Report – **June 2013**

Attached is the Executive Summary of the Tax Revenue Statistical Report for June 2013 covering May sales activity reported to our Tax and License Division in June.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2004-05 through FY 2012-13. General Fund Sales Tax revenue collected for 2012-13 is up 3.2% from the same period in the prior fiscal year. In terms of actual dollars received (\$84.4 million), we are \$2.6 million ahead of last fiscal year (\$81.8 million). Of the total amount collected through June, \$10.9 million was from the temporary sales tax, which expires in July 2014. The leading category of growth in terms of dollars received was Retail, which grew by 4.3%. Gains were partially offset by declines in Amusements, Hotel/Motel and Contracting sales tax collections through June.



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 in the General Fund are 0.8%, or \$648 thousand below forecast through June.

## Executive Summary

### Current Month -June

### Fiscal Year to Date through June

	2009-10		2010-11		2011-12		2012-13		2009-10		2010-11		2011-12		2012-13	
	Change		Change		Change		Change		Change		Change		Change		Change	
<b>Taxable Sales</b>																
Total Taxable Sales	469,501,000	-3.5%	467,796,000	-0.4%	504,325,000	7.8%	540,790,000	7.2%	5,919,478,000	-8.5%	6,040,937,000	2.1%	6,229,841,000	3.1%	6,447,966,000	3.5%
Retail Taxable Sales	243,283,000	2.1%	243,543,000	0.1%	259,137,000	6.4%	283,152,000	9.3%	2,892,852,000	-3.4%	3,105,854,000	7.4%	3,166,369,000	1.9%	3,319,152,000	4.8%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	5,333,000	-3.1%	5,439,000	2.0%	5,795,000	6.5%	6,049,000	4.4%	66,482,000	-7.5%	68,420,000	2.9%	71,287,000	4.2%	73,551,000	3.2%
Temporary Privilege Tax - General Fund	0,000		827,000		868,000	5.0%	904,000	4.1%			9,325,000		10,562,000	13.3%	10,918,000	3.4%
Transit Tax Fund (.5%)	2,238,000	-2.8%	2,266,000	1.3%	2,437,000	7.5%	2,520,000	3.4%	27,736,000	-8.0%	28,518,000	2.8%	29,749,000	4.3%	30,674,000	3.1%
Arts Tax Fund (.1%)	462,000	-2.9%	467,000	1.1%	503,000	7.7%	520,000	3.4%	5,731,000	-7.8%	5,885,000	2.7%	6,146,000	4.4%	6,337,000	3.1%
Privilege Tax - Rebates Fund	383,000	1.6%	271,000	-29.2%	352,000	29.9%	309,000	-12.2%	4,376,000	-8.4%	4,148,000	-5.2%	3,853,000	-7.1%	3,917,000	1.7%
Bed Tax Fund	194,000	4.3%	327,000	68.6%	371,000	13.5%	360,000	-3.0%	2,522,000	-11.6%	4,246,000	68.4%	4,527,000	6.6%	4,690,000	3.6%
<b>Totals</b>	<b>8,610,000</b>	<b>-2.7%</b>	<b>9,597,000</b>	<b>11.5%</b>	<b>10,326,000</b>	<b>7.6%</b>	<b>10,662,000</b>	<b>3.3%</b>	<b>106,847,000</b>	<b>-7.8%</b>	<b>120,542,000</b>	<b>12.8%</b>	<b>126,124,000</b>	<b>4.6%</b>	<b>130,087,000</b>	<b>3.1%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	4,459,000	2.8%	5,094,000	14.2%	5,354,000	5.1%	5,620,000	5.0%	53,575,000	-2.4%	62,373,000	16.4%	64,975,000	4.2%	67,744,000	4.3%
Rentals	1,529,000	-9.0%	1,759,000	15.0%	1,844,000	4.8%	1,869,000	1.4%	20,464,000	-5.6%	22,664,000	10.8%	23,504,000	3.7%	24,019,000	2.2%
Utilities/Communication	869,000	19.0%	799,000	-8.1%	897,000	12.3%	914,000	1.9%	9,659,000	-9.1%	10,300,000	6.6%	10,442,000	1.4%	10,678,000	2.3%
Restaurants	729,000	-4.0%	830,000	13.9%	845,000	1.8%	894,000	5.8%	8,508,000	-6.3%	9,583,000	12.6%	10,290,000	7.4%	10,496,000	2.0%
Contracting	446,000	-43.6%	391,000	-12.3%	548,000	40.2%	578,000	5.5%	7,200,000	-36.7%	5,969,000	-17.1%	6,831,000	14.4%	6,817,000	-0.2%
Hotel/Motel	157,000	12.1%	184,000	17.2%	198,000	7.6%	190,000	-4.0%	1,997,000	-10.2%	2,252,000	12.8%	2,480,000	10.1%	2,473,000	-0.3%
Transient (Bed Tax)	195,000	4.8%	328,000	68.2%	372,000	13.4%	361,000	-3.0%	2,523,000	-11.6%	4,247,000	68.3%	4,527,000	6.6%	4,690,000	3.6%
Amusements	135,000	6.3%	136,000	0.7%	163,000	19.9%	141,000	-13.5%	1,731,000	9.6%	1,797,000	3.8%	1,754,000	-2.4%	1,572,000	-10.4%
All Other	91,000	-4.2%	76,000	-16.5%	105,000	38.2%	95,000	-9.5%	1,190,000	-25.0%	1,357,000	14.0%	1,321,000	-2.7%	1,598,000	21.0%
<b>Totals</b>	<b>8,610,000</b>	<b>-2.7%</b>	<b>9,597,000</b>	<b>11.5%</b>	<b>10,326,000</b>	<b>7.6%</b>	<b>10,662,000</b>	<b>3.3%</b>	<b>106,847,000</b>	<b>-7.8%</b>	<b>120,542,000</b>	<b>12.8%</b>	<b>126,124,000</b>	<b>4.6%</b>	<b>130,087,000</b>	<b>3.1%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	700,000	8.9%	774,000	10.6%	1,006,000	30.0%	993,000	-1.3%	7,194,000	-5.4%	8,741,000	21.5%	9,946,000	13.8%	10,842,000	9.0%
Furniture/Equipment/Electronics	970,000	26.5%	1,038,000	7.0%	1,029,000	-0.9%	1,333,000	29.5%	11,221,000	-9.9%	13,078,000	16.5%	13,700,000	4.8%	14,833,000	8.3%
Department Stores	810,000	5.3%	926,000	14.3%	938,000	1.3%	932,000	-0.6%	10,077,000	-4.9%	11,517,000	14.3%	12,139,000	5.4%	12,359,000	1.8%
Grocery Stores	523,000	-1.5%	562,000	7.5%	612,000	8.9%	617,000	0.8%	6,436,000	-4.8%	6,914,000	7.4%	7,304,000	5.6%	7,602,000	4.1%
Drugs/Small Stores	468,000	10.1%	511,000	9.2%	556,000	8.8%	551,000	-0.9%	5,905,000	4.3%	6,622,000	12.1%	7,118,000	7.5%	7,111,000	-0.1%
Manufacturing Firms	213,000	-52.7%	262,000	23.0%	302,000	15.3%	281,000	-7.0%	3,582,000	-20.7%	3,756,000	4.9%	4,120,000	9.7%	4,133,000	0.3%
Building Supply Stores	173,000	-3.9%	180,000	4.0%	185,000	2.8%	202,000	9.2%	1,960,000	-1.0%	2,118,000	8.1%	2,186,000	3.2%	2,267,000	3.7%
All Other Retail	602,000	5.4%	841,000	39.7%	726,000	-13.7%	711,000	-2.1%	7,200,000	34.8%	9,627,000	33.7%	8,462,000	-12.1%	8,597,000	1.6%
<b>Totals</b>	<b>4,459,000</b>	<b>2.8%</b>	<b>5,094,000</b>	<b>14.2%</b>	<b>5,354,000</b>	<b>5.1%</b>	<b>5,620,000</b>	<b>5.0%</b>	<b>53,575,000</b>	<b>-2.4%</b>	<b>62,373,000</b>	<b>16.4%</b>	<b>64,975,000</b>	<b>4.2%</b>	<b>67,744,000</b>	<b>4.3%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,179,000	4.5%	1,268,000	7.5%	1,471,000	16.0%	1,761,000	19.7%	13,105,000	-5.8%	15,284,000	16.6%	16,433,000	7.5%	18,758,000	14.1%
Autoplex (included in Elliot Corridor)	476,000	11.7%	503,000	5.7%	697,000	38.6%	693,000	-0.6%	4,706,000	-8.2%	5,739,000	22.0%	6,706,000	16.8%	7,589,000	13.2%
Market Place	356,000	2.9%	428,000	20.2%	451,000	5.4%	464,000	2.9%	4,625,000	-0.2%	5,056,000	9.3%	5,569,000	10.1%	5,761,000	3.4%
Mills Mall	484,000	15.2%	490,000	1.2%	523,000	6.7%	484,000	-7.5%	5,474,000	-2.9%	6,355,000	16.1%	6,718,000	5.7%	6,495,000	-3.3%
Downtown Tempe	239,000	5.3%	281,000	17.6%	315,000	12.1%	318,000	1.0%	2,922,000	-9.0%	3,426,000	17.2%	3,916,000	14.3%	3,943,000	0.7%
Apache Blvd.	165,000	-18.3%	186,000	12.7%	245,000	31.7%	212,000	-13.5%	2,050,000	-4.4%	2,352,000	14.7%	2,507,000	6.6%	2,506,000	0.0%
ASU Properties	91,000	-11.7%	122,000	34.1%	135,000	10.7%	146,000	8.1%	1,288,000	-10.2%	1,714,000	33.1%	2,118,000	23.6%	2,157,000	1.8%
Rio Salado (1.8% and 3.0% Bed Tax)	206,000	-4.6%	236,000	14.6%	290,000	22.9%	299,000	3.1%	2,464,000	1.9%	2,982,000	21.0%	3,143,000	5.4%	3,135,000	-0.3%
All Other Areas	5,890,000	-5.0%	6,586,000	11.8%	6,896,000	4.7%	6,978,000	1.2%	74,919,000	-9.2%	83,373,000	11.3%	85,720,000	2.8%	87,332,000	1.9%

## Executive Summary

### Year-to-Date Comparison - June

	2009-10	Change	2010-11	Change	2011-12	Change	2012-13	Change
<b>Taxable Sales</b>								
Total Taxable Sales	5,919,478,000	-8.5%	6,040,937,000	2.1%	6,229,841,000	3.1%	6,447,966,000	3.5%
Retail Taxable Sales	2,892,852,000	-3.4%	3,105,854,000	7.4%	3,166,369,000	1.9%	3,319,152,000	4.8%
<b>Tax Revenues by Funds</b>								
Privilege Tax - General Fund (1.2%)	66,482,000	-7.5%	68,420,000	2.9%	71,287,000	4.2%	73,551,000	3.2%
Temporary Privilege Tax (.2%)			9,325,000		10,562,000	13.3%	10,918,000	3.4%
Transit Tax Fund (.5%)	27,736,000	-8.0%	28,518,000	2.8%	29,749,000	4.3%	30,674,000	3.1%
Arts Tax Fund (.1%)	5,731,000	-7.8%	5,885,000	2.7%	6,146,000	4.4%	6,337,000	3.1%
Privilege Tax - Rebates Fund	4,376,000	-8.4%	4,148,000	-5.2%	3,853,000	-7.1%	3,917,000	1.7%
Bed Tax Fund	2,522,000	-11.6%	4,246,000	68.4%	4,527,000	6.6%	4,690,000	3.6%
<b>Totals</b>	<b>106,847,000</b>	<b>-7.8%</b>	<b>120,542,000</b>	<b>12.8%</b>	<b>126,124,000</b>	<b>4.6%</b>	<b>130,087,000</b>	<b>3.1%</b>

#### Tax Revenues - Business Activities

Retail	53,575,000	-2.4%	62,373,000	16.4%	64,975,000	4.2%	67,744,000	4.3%
Rentals	20,464,000	-5.6%	22,664,000	10.8%	23,504,000	3.7%	24,019,000	2.2%
Utilities/Communication	9,659,000	-9.1%	10,300,000	6.6%	10,442,000	1.4%	10,678,000	2.3%
Restaurants	8,508,000	-6.3%	9,583,000	12.6%	10,290,000	7.4%	10,496,000	2.0%
Contracting	7,200,000	-36.7%	5,969,000	-17.1%	6,831,000	14.4%	6,817,000	-0.2%
Hotel/Motel	1,997,000	-10.2%	2,252,000	12.8%	2,480,000	10.1%	2,473,000	-0.3%
Transient (Bed Tax)	2,523,000	-11.6%	4,247,000	68.3%	4,527,000	6.6%	4,690,000	3.6%
Amusements	1,731,000	9.6%	1,797,000	3.8%	1,754,000	-2.4%	1,572,000	-10.4%
All Other	1,190,000	-25.0%	1,357,000	14.0%	1,321,000	-2.7%	1,598,000	21.0%
<b>Totals</b>	<b>106,847,000</b>	<b>-7.8%</b>	<b>120,542,000</b>	<b>12.8%</b>	<b>126,124,000</b>	<b>4.6%</b>	<b>130,087,000</b>	<b>3.1%</b>

#### Tax Revenues - Retail Activities Breakdown

Automotive	7,194,000	-5.4%	8,741,000	21.5%	9,946,000	13.8%	10,842,000	9.0%
Furniture/Equipment/Electronics	11,221,000	-9.9%	13,078,000	16.5%	13,700,000	4.8%	14,833,000	8.3%
Department Stores	10,077,000	-4.9%	11,517,000	14.3%	12,139,000	5.4%	12,359,000	1.8%
Grocery Stores	6,436,000	-4.8%	6,914,000	7.4%	7,304,000	5.6%	7,602,000	4.1%
Drugs/Small Stores	5,905,000	4.3%	6,622,000	12.1%	7,118,000	7.5%	7,111,000	-0.1%
Manufacturing Firms	3,582,000	-20.7%	3,756,000	4.9%	4,120,000	9.7%	4,133,000	0.3%
Building Supply Stores	1,960,000	-1.0%	2,118,000	8.1%	2,186,000	3.2%	2,267,000	3.7%
All Other Retail	7,200,000	34.8%	9,627,000	33.7%	8,462,000	-12.1%	8,597,000	1.6%
<b>Totals</b>	<b>53,575,000</b>	<b>-2.4%</b>	<b>62,373,000</b>	<b>16.4%</b>	<b>64,975,000</b>	<b>4.2%</b>	<b>67,744,000</b>	<b>4.3%</b>

#### Tax Revenues - Business Districts

Elliot Corridor	13,105,000	-5.8%	15,284,000	16.6%	16,433,000	7.5%	18,758,000	14.1%
Autoplex (included in Elliot Corridor)	4,706,000	-8.2%	5,739,000	22.0%	6,706,000	16.8%	7,589,000	13.2%
Market Place	4,625,000	-0.2%	5,056,000	9.3%	5,569,000	10.1%	5,761,000	3.4%
Mills Mall	5,474,000	-2.9%	6,355,000	16.1%	6,718,000	5.7%	6,495,000	-3.3%
Downtown Tempe	2,922,000	-9.0%	3,426,000	17.2%	3,916,000	14.3%	3,943,000	0.7%
Apache Blvd.	2,050,000	-4.4%	2,352,000	14.7%	2,507,000	6.6%	2,506,000	0.0%
ASU Properties	1,288,000	-10.2%	1,714,000	33.1%	2,118,000	23.6%	2,157,000	1.8%
Rio Salado	2,464,000	1.9%	2,982,000	21.0%	3,143,000	5.4%	3,135,000	-0.3%
All Other Areas	74,919,000	-9.2%	83,373,000	11.3%	85,720,000	2.8%	87,332,000	1.9%

## Temporary Privilege Tax Revenue - General Fund Year-to-Date Comparison - June

### Monthly Amounts

	2012-13 Budget		2012-13 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.7%	990,000	933,000	(57,000)	-5.8%
<b>Aug</b>	8.1%	922,000	868,000	(54,000)	-5.9%
<b>Sep</b>	8.3%	945,000	892,000	(53,000)	-5.6%
<b>Oct</b>	8.6%	979,000	928,000	(51,000)	-5.2%
<b>Nov</b>	8.0%	910,000	865,000	(45,000)	-4.9%
<b>Dec</b>	8.0%	910,000	853,000	(57,000)	-6.3%
<b>Jan</b>	9.8%	1,115,000	1,025,000	(90,000)	-8.1%
<b>Feb</b>	7.8%	888,000	861,000	(27,000)	-3.0%
<b>Mar</b>	7.8%	888,000	865,000	(23,000)	-2.6%
<b>Apr</b>	9.0%	1,024,000	1,027,000	3,000	0.3%
<b>May</b>	8.1%	922,000	897,000	(25,000)	-2.7%
<b>Jun</b>	7.8%	888,000	904,000	16,000	1.8%
<b>Totals</b>	100.0%	11,381,000	10,918,000	(463,000)	-4.1%

### Cumulative Amounts

	2012-13 Budget		2012-13 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.7%	990,000	933,000	(57,000)	-5.8%
<b>Jul-Aug</b>	16.8%	1,912,000	1,801,000	(111,000)	-5.8%
<b>Jul-Sep</b>	25.1%	2,857,000	2,693,000	(164,000)	-5.7%
<b>Jul-Oct</b>	33.7%	3,836,000	3,621,000	(215,000)	-5.6%
<b>Jul-Nov</b>	41.7%	4,746,000	4,486,000	(260,000)	-5.5%
<b>Jul-Dec</b>	49.7%	5,656,000	5,339,000	(317,000)	-5.6%
<b>Jul-Jan</b>	59.5%	6,771,000	6,364,000	(407,000)	-6.0%
<b>Jul-Feb</b>	67.3%	7,659,000	7,225,000	(434,000)	-5.7%
<b>Jul-Mar</b>	75.1%	8,547,000	8,090,000	(457,000)	-5.3%
<b>Jul-Apr</b>	84.1%	9,571,000	9,117,000	(454,000)	-4.7%
<b>Jul-May</b>	92.2%	10,493,000	10,014,000	(479,000)	-4.6%
<b>Jul-Jun</b>	100.0%	11,381,000	10,918,000	(463,000)	-4.1%

### Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percentage Increase</b>	10,918,000	11,381,000	(463,000)	-4.1%
<b>Percentage Received</b>	10,918,000	11,381,000	(463,000)	-4.1%