

Memorandum

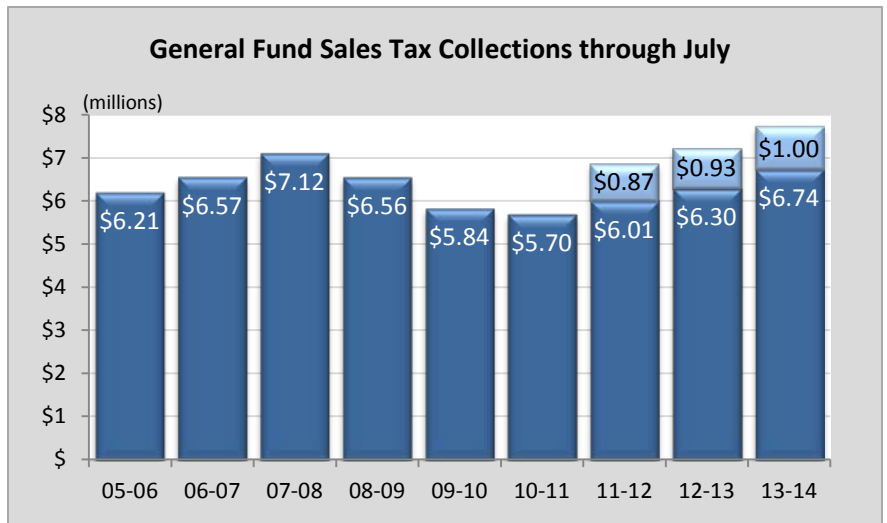


Finance and Technology Department

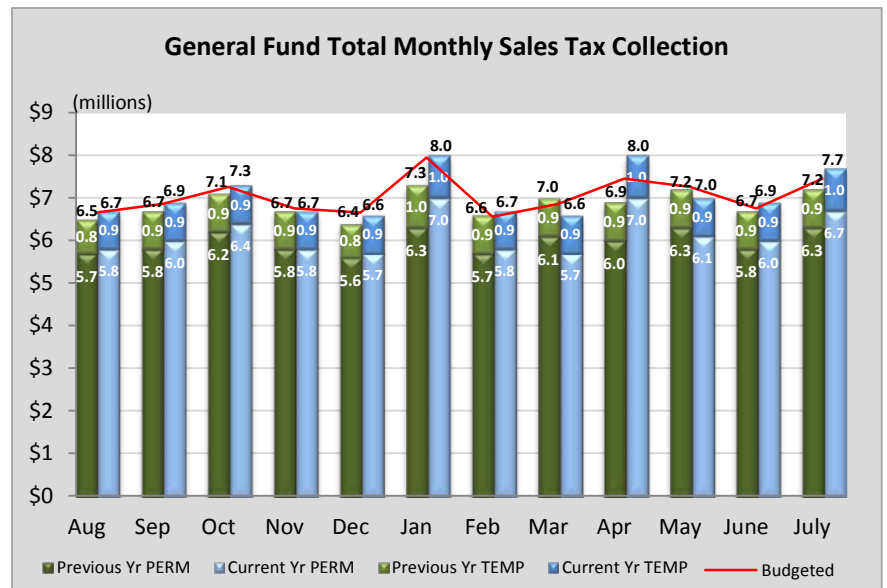
Date: August 13, 2013
 To: Mayor and Council
 From: Ken Jones, Finance and Technology Director (350-8504)
 Subject: Tax Revenue Statistical Report – July 2013

Attached is the Executive Summary of the Tax Revenue Statistical Report for July 2013 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 2005-06 through FY 2013-14. General Fund Sales Tax revenue collected for 2013-14 is up 7.3% from the same period in the prior fiscal year. In terms of actual dollars received (\$7.7 million), we are \$0.5 million ahead of last fiscal year (\$7.2 million). Of the total amount collected through July, \$1.0 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 9.6%. Gains were partially offset by declines in Utilities/Communication and All Other sales tax collections through July.



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 2.8%, or \$214 thousand above forecast through July.

Executive Summary

Year-to-Date Comparison - July

	2010-11	Change	2011-12	Change	2012-13	Change	2013-14	Change
Taxable Sales								
Total Taxable Sales	499,494,000	-3.8%	520,450,000	4.2%	545,996,000	4.9%	584,815,000	7.1%
Retail Taxable Sales	245,874,000	4.5%	250,367,000	1.8%	278,237,000	11.1%	296,411,000	6.5%
Tax Revenues by Funds								
Privilege Tax - General Fund (1.2%)	5,698,000	-2.4%	6,008,000	5.4%	6,280,000	4.5%	6,742,000	7.4%
Temporary Privilege Tax (.2%)			874,000		934,000	6.9%	1,001,000	7.2%
Transit Tax Fund (.5%)	2,373,000	-2.5%	2,511,000	5.8%	2,619,000	4.3%	2,814,000	7.4%
Arts Tax Fund (.1%)	489,000	-2.4%	516,000	5.5%	540,000	4.7%	579,000	7.2%
Privilege Tax - Rebates Fund	361,000	3.4%	301,000	-16.6%	326,000	8.3%	328,000	0.6%
Bed Tax Fund	140,000	-0.7%	244,000	74.3%	240,000	-1.6%	280,000	16.7%
Totals	9,061,000	-2.2%	10,454,000	15.4%	10,939,000	4.6%	11,744,000	7.4%

Tax Revenues - Business Activities

Retail	4,573,000	5.7%	5,263,000	15.1%	5,673,000	7.8%	6,219,000	9.6%
Rentals	1,814,000	-4.7%	2,055,000	13.3%	2,229,000	8.5%	2,236,000	0.3%
Utilities/Communication	881,000	-3.8%	921,000	4.5%	967,000	5.0%	964,000	-0.3%
Restaurants	635,000	-4.7%	785,000	23.6%	808,000	2.9%	880,000	8.9%
Contracting	633,000	-32.7%	789,000	24.6%	615,000	-22.1%	726,000	18.0%
Hotel/Motel	117,000	3.5%	145,000	23.9%	139,000	-4.1%	162,000	16.5%
Transient (Bed Tax)	140,000	-1.4%	244,000	74.3%	239,000	-2.0%	280,000	17.2%
Amusements	137,000	-8.7%	148,000	8.0%	153,000	3.4%	177,000	15.7%
All Other	131,000	21.3%	104,000	-20.6%	116,000	11.5%	100,000	-13.8%
Totals	9,061,000	-2.2%	10,454,000	15.4%	10,939,000	4.6%	11,744,000	7.4%

Tax Revenues - Retail Activities Breakdown

Automotive	592,000	-2.3%	749,000	26.5%	872,000	16.4%	951,000	9.1%
Furniture/Equipment/Electronics	1,019,000	18.9%	1,140,000	11.9%	1,300,000	14.0%	1,722,000	32.5%
Department Stores	787,000	4.7%	939,000	19.3%	972,000	3.5%	957,000	-1.5%
Grocery Stores	532,000	14.9%	583,000	9.6%	585,000	0.3%	610,000	4.3%
Drugs/Small Stores	504,000	12.5%	578,000	14.7%	546,000	-5.5%	573,000	4.9%
Manufacturing Firms	262,000	-34.8%	323,000	23.3%	315,000	-2.5%	292,000	-7.3%
Building Supply Stores	189,000	18.9%	186,000	-1.6%	189,000	1.6%	189,000	0.0%
All Other Retail	688,000	7.8%	765,000	11.2%	894,000	16.9%	925,000	3.5%
Totals	4,573,000	5.7%	5,263,000	15.1%	5,673,000	7.8%	6,219,000	9.6%

Tax Revenues - Business Districts

Elliot Corridor	1,087,000	0.6%	1,197,000	10.1%	1,520,000	27.0%	1,686,000	10.9%
Autoplex (included in Elliot Corridor)	372,000	-2.9%	473,000	27.2%	582,000	23.0%	650,000	11.7%
Market Place	383,000	-0.8%	428,000	11.7%	483,000	12.9%	476,000	-1.4%
Mills Mall	463,000	13.2%	525,000	13.4%	542,000	3.2%	529,000	-2.4%
Downtown Tempe	169,000	-9.6%	244,000	44.4%	265,000	8.6%	297,000	12.1%
Apache Blvd.	153,000	3.4%	179,000	17.0%	194,000	8.4%	204,000	5.2%
ASU Properties	63,000	-28.4%	108,000	71.4%	131,000	21.3%	139,000	6.1%
Rio Salado	216,000	2.4%	230,000	6.5%	211,000	-8.3%	288,000	36.5%
All Other Areas	6,527,000	-3.4%	7,543,000	15.6%	7,593,000	0.7%	8,125,000	7.0%

**Privilege Tax Revenue - General Fund (1.2%)
2013-14 Actual Compared to Budget**

Monthly Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	6,558,000	6,742,000	184,000	2.8%
Aug	8.0%	6,172,000			
Sep	8.1%	6,250,000			
Oct	8.5%	6,558,000			
Nov	7.9%	6,095,000			
Dec	7.8%	6,018,000			
Jan	9.7%	7,484,000			
Feb	7.9%	6,095,000			
Mar	8.0%	6,172,000			
Apr	9.1%	7,021,000			
May	8.4%	6,481,000			
Jun	8.1%	6,252,000			
Totals	100.0%	77,156,000	6,742,000	184,000	

Cumulative Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	6,558,000	6,742,000	184,000	2.8%
Jul-Aug	16.5%	12,730,000			
Jul-Sep	24.6%	18,980,000			
Jul-Oct	33.1%	25,538,000			
Jul-Nov	41.0%	31,633,000			
Jul-Dec	48.8%	37,651,000			
Jul-Jan	58.5%	45,135,000			
Jul-Feb	66.4%	51,230,000			
Jul-Mar	74.4%	57,402,000			
Jul-Apr	83.5%	64,423,000			
Jul-May	91.9%	70,904,000			
Jul-Jun	100.0%	77,156,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percent of Increase	78,962,000	77,156,000	1,806,000	2.3%
Percentage Received	79,318,000	77,156,000	2,162,000	2.8%

**Temporary Privilege Tax Revenue - General Fund
Year-to-Date Comparison - July**

Monthly Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	971,000	1,001,000	30,000	3.1%
Aug	8.0%	914,000			
Sep	8.1%	926,000			
Oct	8.5%	971,000			
Nov	7.9%	903,000			
Dec	7.8%	891,000			
Jan	9.7%	1,108,000			
Feb	7.9%	903,000			
Mar	8.0%	914,000			
Apr	9.1%	1,040,000			
May	8.4%	960,000			
Jun	8.1%	925,000			
Totals	100.0%	11,426,000	1,001,000	30,000	

Cumulative Amounts

	2013-14 Budget		2013-14 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
Jul	8.5%	971,000	1,001,000	30,000	3.1%
Jul-Aug	16.5%	1,885,000			
Jul-Sep	24.6%	2,811,000			
Jul-Oct	33.1%	3,782,000			
Jul-Nov	41.0%	4,685,000			
Jul-Dec	48.8%	5,576,000			
Jul-Jan	58.5%	6,684,000			
Jul-Feb	66.4%	7,587,000			
Jul-Mar	74.3%	8,501,000			
Jul-Apr	83.4%	9,541,000			
Jul-May	91.8%	10,501,000			
Jul-Jun	100.0%	11,426,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
Percentage Increase	11,702,000	11,426,000	276,000	2.4%
Percentage Received	11,776,000	11,426,000	350,000	3.1%