

Memorandum



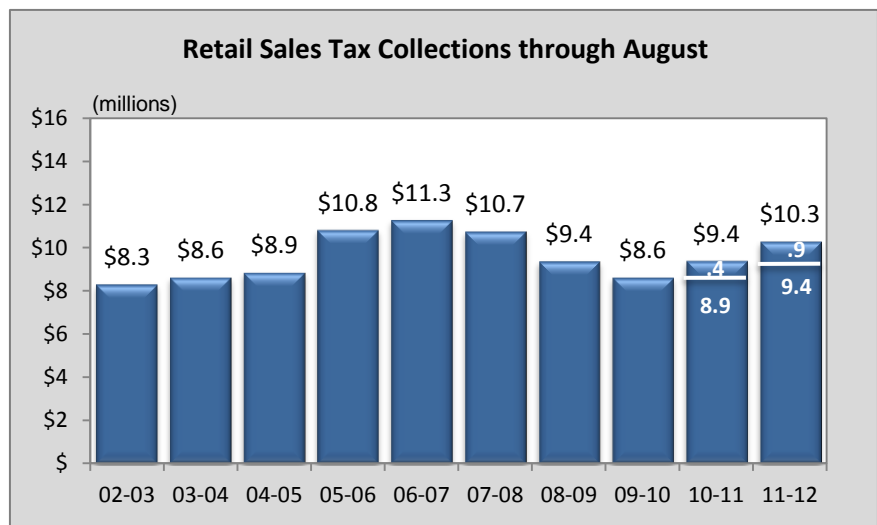
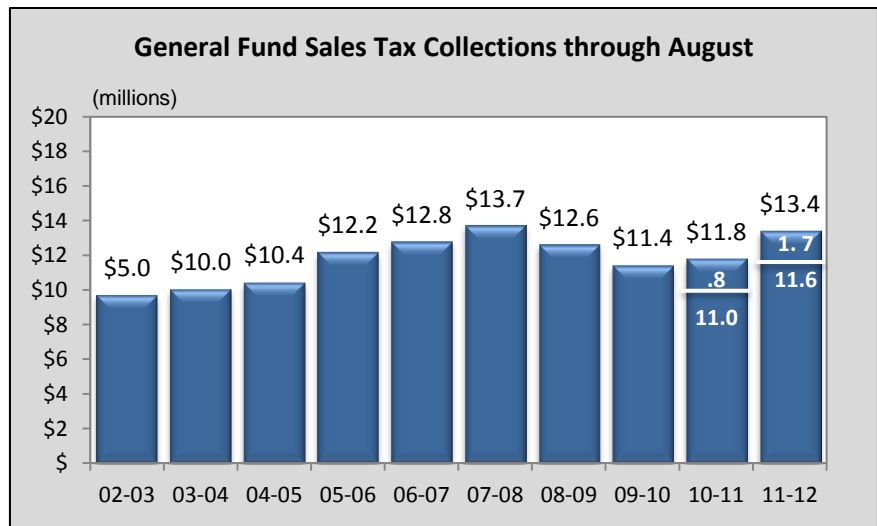
Finance and Technology Department

Date: September 16, 2011
To: Mayor and Council
From: Ken Jones, Finance and Technology Director (350-8504)
Subject: Tax Revenue Statistical Report – **August 2011**

Attached is the Executive Summary of the Tax Revenue Statistical Report for August 2011 covering July sales activity reported to our Tax and License Division in August.

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 13% from the same period in the prior fiscal year. In terms of actual dollars received (\$13.4 million), we are \$1.6 million ahead of last fiscal year (\$11.8 million). However, that increase is due in part, to the effect of the temporary sales tax increase that occurred in July 2010 and impacted August 2010 sales tax collections. If we account for the fact that there were no collections from this tax in July of last year, General Fund sales tax collections would be up 6% from the same period last year.

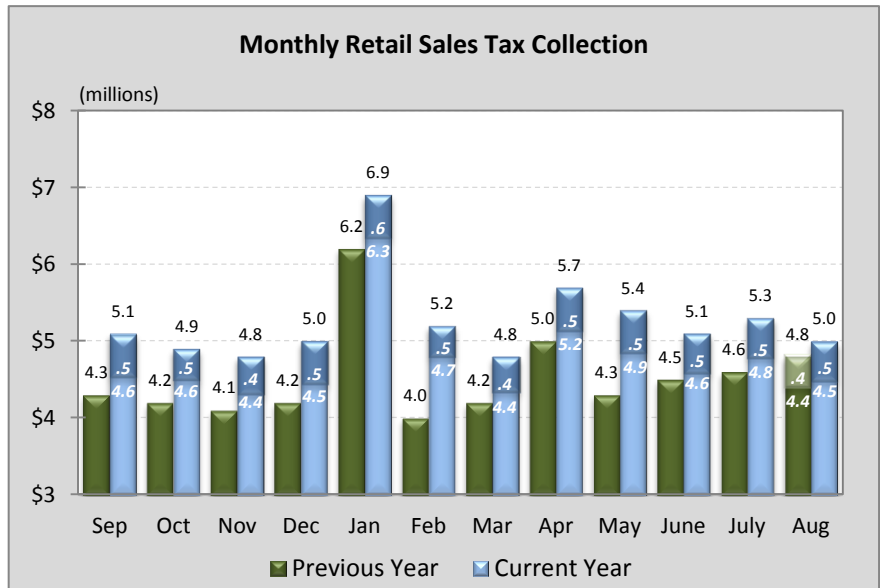
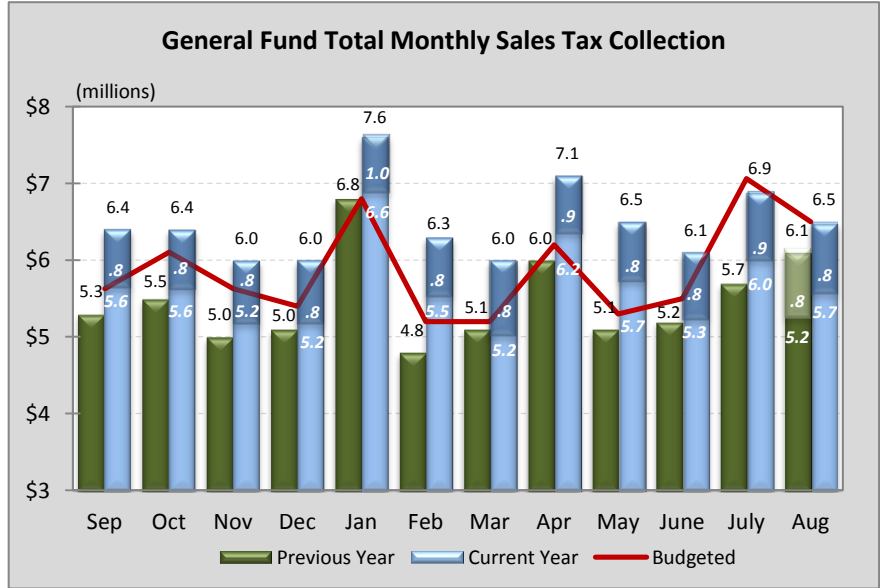
Retail, which historically represents 55% of total sales tax collections, is 9.4% over last year's year-to-date collections (including the temporary sales tax). Automobile dealers and department stores lead the way with 16.8% and 13.8% increases, respectively. Same month prior year growth was strong across all retail categories except for building supply stores.



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 \$239 thousand, below forecast through August. Of this amount, \$177 thousand is from the 1.2% rate and \$62 thousand is from the 0.2% temporary tax rate.

The final chart shows twelve months of collection activity comparing monthly retail sales tax from the current year to the prior year. For August, retail sales collections increased by 4.1% over the same month last year (including the temporary tax increase).



Executive Summary

Current Month - August

Fiscal Year to Date through August

	2008-09		2009-10		2010-11		2011-12		2008-09		2009-10		2010-11		2011-12	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Taxable Sales																
Total Taxable Sales	538,823,000	-10.1%	486,036,000	-9.8%	480,770,000	-1.1%	490,326,000	2.0%	1,114,942,000	-9.6%	1,005,395,000	-9.8%	980,264,000	-2.5%	1,010,776,000	3.1%
Retail Taxable Sales	248,892,000	-13.8%	231,046,000	-7.2%	236,987,000	2.6%	243,766,000	2.9%	509,189,000	-14.0%	466,287,000	-8.4%	482,861,000	3.6%	494,133,000	2.3%
Tax Revenues by Funds																
Privilege Tax - General Fund (1.2%)	6,045,000	-8.3%	5,566,000	-7.9%	5,351,000	-3.9%	5,675,000	6.1%	12,606,000	-8.0%	11,400,000	-9.6%	11,041,000	-3.1%	11,683,000	5.8%
Temporary Privilege Tax - General Fund					784,000		847,000	8.0%					784,000		1,721,000	119.5%
Transit Tax Fund (.5%)	2,525,000	-9.7%	2,321,000	-8.1%	2,232,000	-3.8%	2,365,000	6.0%	5,276,000	-9.1%	4,755,000	-9.9%	4,606,000	-3.1%	4,876,000	5.9%
Arts Tax Fund (.1%)	523,000	-8.9%	477,000	-8.8%	460,000	-3.6%	485,000	5.4%	1,088,000	-8.4%	979,000	-10.0%	950,000	-3.0%	1,002,000	5.5%
Privilege Tax - Rebates Fund	426,000	17.0%	317,000	-25.6%	374,000	18.0%	239,000	-36.1%	821,000	21.3%	666,000	-18.9%	736,000	10.5%	541,000	-26.5%
Bed Tax Fund	160,000	-4.8%	127,000	-20.6%	201,000	58.3%	214,000	6.5%	344,000	-2.3%	269,000	-21.8%	341,000	26.8%	459,000	34.6%
Totals	9,679,000	-7.7%	8,808,000	-9.0%	9,401,000	6.7%	9,825,000	4.5%	20,135,000	-7.3%	18,069,000	-10.3%	18,458,000	2.2%	20,282,000	9.9%

Tax Revenues - Business Activities

Retail	4,542,000	-14.2%	4,290,000	-5.5%	4,819,000	12.3%	5,018,000	4.1%	9,373,000	-12.8%	8,616,000	-8.1%	9,393,000	9.0%	10,280,000	9.4%
Rentals	1,727,000	1.6%	1,663,000	-3.7%	1,718,000	3.3%	1,824,000	6.2%	3,622,000	1.0%	3,568,000	-1.5%	3,532,000	-1.0%	3,879,000	9.8%
Utilities/Communication	1,206,000	13.1%	1,041,000	-13.7%	1,141,000	9.6%	1,146,000	0.4%	2,237,000	11.9%	1,957,000	-12.5%	2,022,000	3.3%	2,067,000	2.2%
Restaurants	683,000	6.2%	614,000	-10.1%	701,000	14.2%	742,000	5.8%	1,386,000	3.7%	1,280,000	-7.6%	1,336,000	4.4%	1,527,000	14.3%
Contracting	1,010,000	-17.2%	770,000	-23.8%	456,000	-40.8%	506,000	11.0%	2,375,000	-16.0%	1,711,000	-28.0%	1,089,000	-36.4%	1,295,000	18.9%
Hotel/Motel	123,000	-16.3%	100,000	-18.7%	108,000	8.0%	119,000	10.2%	276,000	-15.1%	213,000	-22.8%	225,000	5.6%	264,000	17.3%
Transient (Bed Tax)	160,000	-4.8%	127,000	-20.6%	201,000	58.3%	214,000	6.5%	344,000	-2.3%	269,000	-21.8%	341,000	26.8%	459,000	34.6%
Amusements	104,000	-16.1%	111,000	6.7%	157,000	41.4%	161,000	2.5%	241,000	-2.8%	261,000	8.3%	294,000	12.6%	308,000	4.8%
All Other	124,000	-3.9%	92,000	-25.8%	100,000	8.7%	95,000	-5.0%	281,000	-7.9%	194,000	-31.0%	226,000	16.5%	203,000	-10.2%
Totals	9,679,000	-7.7%	8,808,000	-9.0%	9,401,000	6.7%	9,825,000	4.5%	20,135,000	-7.3%	18,069,000	-10.3%	18,458,000	2.2%	20,282,000	9.9%

Tax Revenues - Retail Activities Breakdown

Automotive	783,000	-35.6%	636,000	-18.8%	732,000	15.1%	798,000	9.0%	1,578,000	-36.3%	1,242,000	-21.3%	1,324,000	6.6%	1,547,000	16.8%
Furniture/Equipment/Electronics	1,112,000	-13.6%	894,000	-19.6%	1,062,000	18.8%	1,062,000	0.0%	2,290,000	-11.1%	1,751,000	-23.5%	2,081,000	18.8%	2,202,000	5.8%
Department Stores	852,000	4.5%	725,000	-14.9%	837,000	15.4%	909,000	8.6%	1,718,000	5.8%	1,477,000	-14.0%	1,624,000	10.0%	1,848,000	13.8%
Grocery Stores	518,000	-2.8%	495,000	-4.4%	493,000	-0.4%	527,000	6.9%	1,054,000	-3.9%	958,000	-9.1%	1,025,000	7.0%	1,110,000	8.3%
Drugs/Small Stores	458,000	15.1%	424,000	-7.4%	533,000	25.7%	513,000	-3.8%	977,000	12.0%	872,000	-10.7%	1,037,000	18.9%	1,091,000	5.2%
Manufacturing Firms	237,000	-20.2%	399,000	68.4%	276,000	-30.8%	373,000	35.1%	532,000	-16.5%	801,000	50.6%	538,000	-32.8%	696,000	29.4%
Building Supply Stores	185,000	-19.9%	160,000	-13.5%	167,000	4.4%	179,000	7.2%	356,000	-24.9%	319,000	-10.4%	356,000	11.6%	365,000	2.5%
All Other Retail	397,000	-23.1%	557,000	40.3%	719,000	29.1%	657,000	-8.6%	868,000	-12.7%	1,196,000	37.8%	1,408,000	17.7%	1,421,000	0.9%
Totals	4,542,000	-14.2%	4,290,000	-5.5%	4,819,000	12.3%	5,018,000	4.1%	9,373,000	-12.8%	8,616,000	-8.1%	9,393,000	9.0%	10,280,000	9.4%

Tax Revenues - Business Districts

Elliot Corridor	1,253,000	-15.7%	1,070,000	-14.6%	1,210,000	13.1%	1,218,000	0.7%	2,593,000	-13.7%	2,151,000	-17.0%	2,297,000	6.8%	2,404,000	4.7%
Autoplex (included in Elliot Corridor)	565,000	-22.0%	419,000	-25.8%	495,000	18.1%	509,000	2.8%	1,107,000	-21.9%	802,000	-27.6%	867,000	8.1%	972,000	12.1%
Market Place	368,000	569.1%	333,000	-9.5%	376,000	12.9%	359,000	-4.5%	753,000	1040.9%	719,000	-4.5%	759,000	5.6%	787,000	3.7%
Mills Mall	463,000	-17.5%	441,000	-4.8%	539,000	22.2%	584,000	8.3%	941,000	-14.0%	850,000	-9.7%	1,002,000	17.9%	1,082,000	8.0%
Downtown Tempe	188,000	-21.0%	193,000	2.7%	205,000	6.2%	231,000	12.7%	406,000	-18.0%	380,000	-6.4%	374,000	-1.6%	472,000	26.2%
Apache Blvd.	162,000	-2.4%	144,000	-11.1%	177,000	22.9%	172,000	-2.8%	280,000	-20.7%	292,000	4.3%	330,000	13.0%	348,000	5.5%
ASU Properties	144,000	67.4%	60,000	-58.3%	70,000	16.7%	85,000	21.4%	226,000	27.0%	148,000	-34.5%	133,000	-10.1%	190,000	42.9%
Rio Salado (1.8% and 3.0% Bed Tax)	147,000	13.1%	244,000	66.0%	204,000	-16.4%	231,000	13.2%	490,000	61.7%	455,000	-7.1%	420,000	-7.7%	461,000	9.8%
All Other Areas	6,954,000	-10.5%	6,323,000	-9.1%	6,620,000	4.7%	6,945,000	4.9%	14,446,000	-11.0%	13,074,000	-9.5%	13,143,000	0.5%	14,538,000	10.6%