

# Memorandum



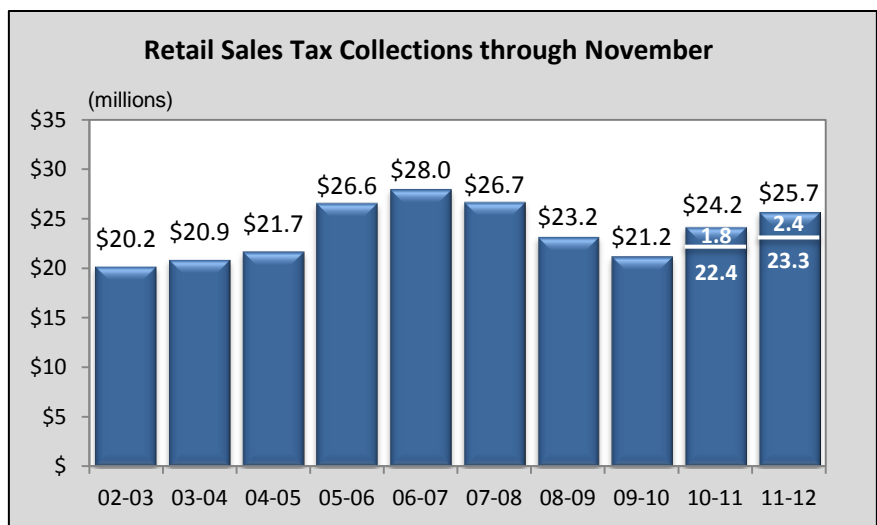
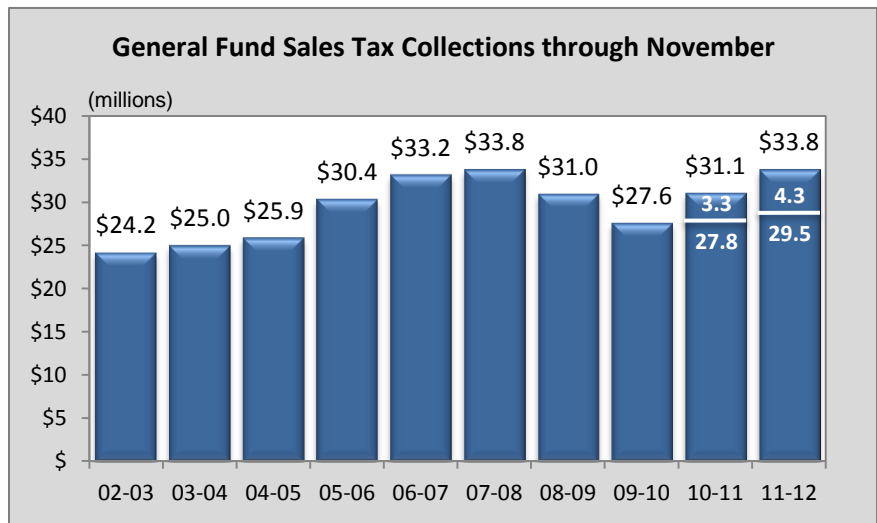
## Finance and Technology Department

Date: December 9, 2011  
To: Mayor and Council  
From: Ken Jones, Finance and Technology Director (350-8504)  
Subject: Tax Revenue Statistical Report – **November 2011**

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

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 8.9% from the same period in the prior fiscal year. In terms of actual dollars received (\$33.8 million), we are \$2.8 million ahead of last fiscal year (\$31.0 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 6.0% from the same period last year.

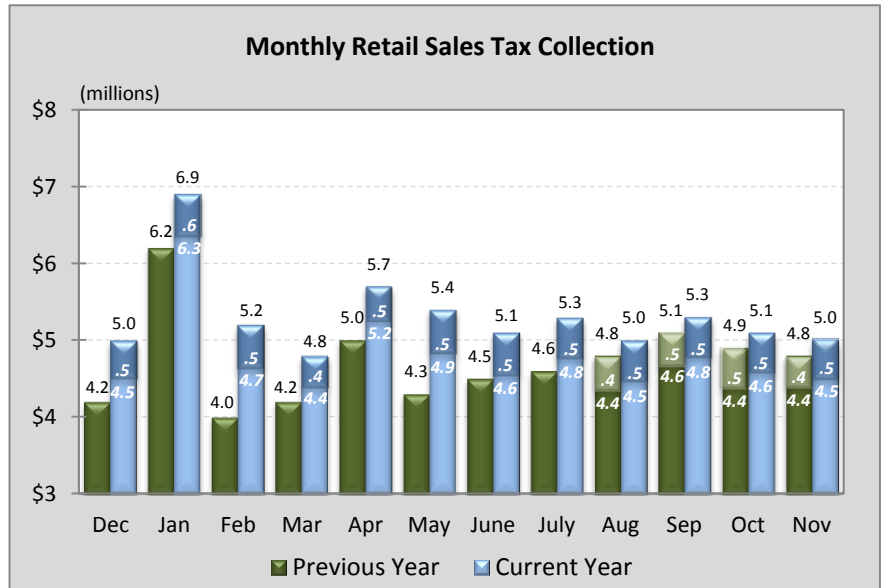
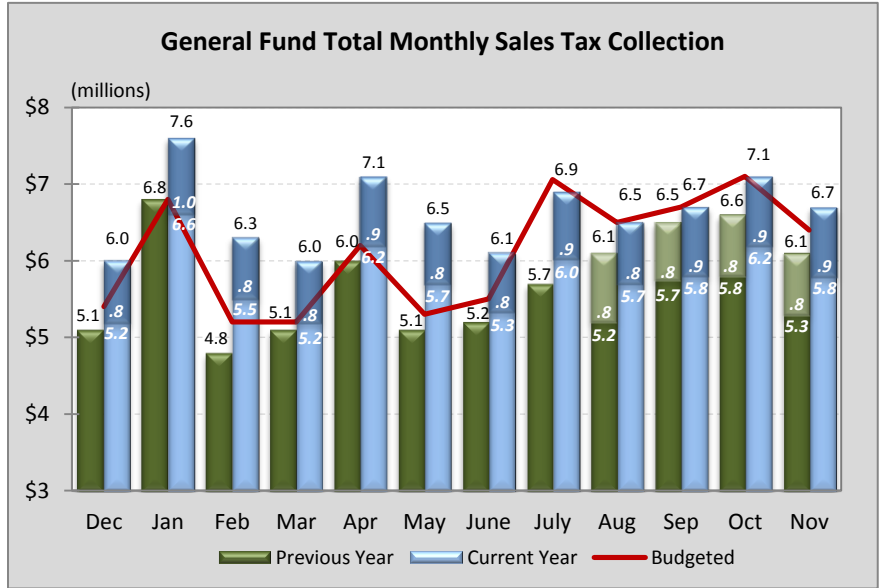
Retail, which historically represents 55% of total sales tax collections, is 6.4% higher than last year's year-to-date collections (including the temporary sales tax). Within the retail category, the Automotive sector posted a 12.4% increase, (including the temporary sales tax).



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 \$106 thousand above forecast through November.

The final chart shows twelve months of collection activity comparing monthly retail sales tax from the current year to the prior year. For November, retail sales collections increased by 5.9% over the same month last year (including the temporary tax increase).



## Executive Summary

	Current Month - November						Fiscal Year to Date through November									
	2008-09	Change	2009-10	Change	2010-11	Change	2011-12	Change	2008-09	Change	2009-10	Change	2010-11	Change	2011-12	Change
<b>Taxable Sales</b>																
Total Taxable Sales	528,070,000	-8.0%	459,345,000	-13.0%	473,251,000	3.0%	507,784,000	7.3%	2,770,881,000	-8.5%	2,444,979,000	-11.8%	2,481,757,000	1.5%	2,562,693,000	3.3%
Retail Taxable Sales	234,948,000	-14.6%	219,925,000	-6.4%	232,510,000	5.7%	249,120,000	7.1%	1,275,684,000	-12.6%	1,144,021,000	-10.3%	1,235,524,000	8.0%	1,250,537,000	1.2%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,009,000	-7.5%	5,166,000	-14.0%	5,301,000	2.6%	5,828,000	9.9%	30,968,000	-8.4%	27,610,000	-10.8%	27,806,000	0.7%	29,490,000	6.1%
Temporary Privilege Tax - General Fund					801,000		870,000	8.6%					3,254,000		4,321,000	32.8%
Transit Tax Fund (.5%)	2,510,000	-8.8%	2,153,000	-14.2%	2,209,000	2.6%	2,429,000	10.0%	12,948,000	-9.7%	11,512,000	-11.1%	11,594,000	0.7%	12,298,000	6.1%
Arts Tax Fund (.1%)	516,000	-8.7%	444,000	-14.0%	456,000	2.7%	499,000	9.4%	2,666,000	-9.3%	2,373,000	-11.0%	2,391,000	0.8%	2,534,000	6.0%
Privilege Tax - Rebates Fund	326,000	-9.9%	324,000	-0.6%	367,000	13.3%	261,000	-28.9%	1,884,000	2.8%	1,673,000	-11.2%	1,899,000	13.5%	1,457,000	-23.3%
Bed Tax Fund	255,000	-17.2%	217,000	-14.9%	359,000	65.4%	393,000	9.5%	1,004,000	-5.8%	766,000	-23.7%	1,197,000	56.3%	1,316,000	9.9%
<b>Totals</b>	<b>9,616,000</b>	<b>-8.3%</b>	<b>8,304,000</b>	<b>-13.6%</b>	<b>9,493,000</b>	<b>14.3%</b>	<b>10,280,000</b>	<b>8.3%</b>	<b>49,470,000</b>	<b>-8.4%</b>	<b>43,934,000</b>	<b>-11.2%</b>	<b>48,141,000</b>	<b>9.6%</b>	<b>51,416,000</b>	<b>6.8%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	4,477,000	-11.9%	4,076,000	-9.0%	4,758,000	16.7%	5,041,000	5.9%	23,214,000	-13.0%	21,168,000	-8.8%	24,188,000	14.3%	25,732,000	6.4%
Rentals	1,802,000	7.3%	1,616,000	-10.3%	1,839,000	13.8%	1,952,000	6.1%	8,950,000	3.4%	8,563,000	-4.3%	9,276,000	8.3%	9,767,000	5.3%
Utilities/Communication	838,000	-19.7%	788,000	-6.0%	888,000	12.7%	981,000	10.5%	5,237,000	-1.4%	4,699,000	-10.3%	5,119,000	8.9%	5,252,000	2.6%
Restaurants	741,000	-12.0%	710,000	-4.2%	835,000	17.6%	940,000	12.6%	3,621,000	-0.8%	3,312,000	-8.5%	3,671,000	10.8%	3,991,000	8.7%
Contracting	1,002,000	1.2%	524,000	-47.7%	381,000	-27.3%	501,000	31.5%	5,223,000	-17.6%	3,661,000	-29.9%	2,637,000	-28.0%	3,332,000	26.4%
Hotel/Motel	216,000	-18.5%	167,000	-22.7%	194,000	16.2%	232,000	19.6%	802,000	-13.5%	604,000	-24.7%	687,000	13.7%	769,000	11.9%
Transient (Bed Tax)	255,000	-17.2%	217,000	-14.9%	359,000	65.4%	394,000	9.7%	1,004,000	-5.8%	766,000	-23.7%	1,198,000	56.4%	1,317,000	9.9%
Amusements	133,000	17.7%	120,000	-9.8%	135,000	12.5%	131,000	-3.0%	681,000	13.9%	681,000	0.0%	763,000	12.0%	739,000	-3.1%
All Other	152,000	-5.6%	86,000	-43.4%	104,000	20.9%	108,000	3.8%	738,000	-4.0%	480,000	-35.0%	602,000	25.4%	517,000	-14.1%
<b>Totals</b>	<b>9,616,000</b>	<b>-8.3%</b>	<b>8,304,000</b>	<b>-13.6%</b>	<b>9,493,000</b>	<b>14.3%</b>	<b>10,280,000</b>	<b>8.3%</b>	<b>49,470,000</b>	<b>-8.4%</b>	<b>43,934,000</b>	<b>-11.2%</b>	<b>48,141,000</b>	<b>9.6%</b>	<b>51,416,000</b>	<b>6.8%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	598,000	-37.4%	511,000	-14.5%	691,000	35.2%	784,000	13.5%	3,635,000	-36.8%	3,026,000	-16.8%	3,406,000	12.6%	3,828,000	12.4%
Furniture/Equipment/Electronics	948,000	-23.5%	861,000	-9.2%	1,042,000	21.0%	1,045,000	0.3%	5,469,000	-13.2%	4,141,000	-24.3%	5,349,000	29.2%	5,420,000	1.3%
Department Stores	806,000	-6.6%	749,000	-7.1%	830,000	10.8%	881,000	6.1%	4,305,000	-0.2%	3,863,000	-10.3%	4,307,000	11.5%	4,699,000	9.1%
Grocery Stores	557,000	-7.3%	514,000	-7.7%	491,000	-4.5%	575,000	17.1%	2,696,000	-5.3%	2,516,000	-6.7%	2,630,000	4.5%	2,858,000	8.7%
Drugs/Small Stores	436,000	-5.2%	459,000	5.3%	491,000	7.0%	555,000	13.0%	2,366,000	2.9%	2,263,000	-4.4%	2,615,000	15.6%	2,787,000	6.6%
Manufacturing Firms	502,000	61.4%	267,000	-46.8%	300,000	12.4%	318,000	6.0%	1,701,000	2.3%	1,559,000	-8.3%	1,373,000	-11.9%	1,666,000	21.3%
Building Supply Stores	195,000	-19.4%	176,000	-9.7%	195,000	10.8%	200,000	2.6%	880,000	-23.6%	826,000	-6.1%	898,000	8.7%	909,000	1.2%
All Other Retail	435,000	5.8%	539,000	23.9%	718,000	33.2%	683,000	-4.9%	2,162,000	-8.2%	2,974,000	37.6%	3,610,000	21.4%	3,565,000	-1.2%
<b>Totals</b>	<b>4,477,000</b>	<b>-11.9%</b>	<b>4,076,000</b>	<b>-9.0%</b>	<b>4,758,000</b>	<b>16.7%</b>	<b>5,041,000</b>	<b>5.9%</b>	<b>23,214,000</b>	<b>-13.0%</b>	<b>21,168,000</b>	<b>-8.8%</b>	<b>24,188,000</b>	<b>14.3%</b>	<b>25,732,000</b>	<b>6.4%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,086,000	-17.0%	995,000	-8.4%	1,267,000	27.3%	1,290,000	1.8%	6,300,000	-15.1%	5,365,000	-14.8%	6,208,000	15.7%	6,242,000	0.5%
Autoplex (included in Elliot Corridor)	393,000	-30.6%	326,000	-17.0%	462,000	41.7%	519,000	12.3%	2,510,000	-25.0%	1,982,000	-21.0%	2,238,000	12.9%	2,414,000	7.9%
Market Place	340,000	24.5%	347,000	2.1%	387,000	11.5%	378,000	-2.3%	1,830,000	149.3%	1,778,000	-2.8%	1,975,000	11.1%	2,046,000	3.6%
Mills Mall	380,000	-14.6%	364,000	-4.2%	444,000	22.0%	440,000	-0.9%	2,215,000	-12.3%	1,986,000	-10.3%	2,343,000	18.0%	2,433,000	3.8%
Downtown Tempe	330,000	-4.1%	266,000	-19.4%	307,000	15.4%	387,000	26.1%	1,225,000	-9.1%	1,063,000	-13.2%	1,192,000	12.1%	1,296,000	8.7%
Apache Blvd.	174,000	-2.2%	176,000	1.1%	189,000	7.4%	189,000	0.0%	819,000	-8.5%	769,000	-6.1%	896,000	16.5%	895,000	-0.1%
ASU Properties	152,000	31.0%	116,000	-23.7%	155,000	33.6%	166,000	7.1%	678,000	17.7%	483,000	-28.8%	672,000	39.1%	757,000	12.6%
Rio Salado (1.8% and 3.0% Bed Tax)	159,000	-5.4%	209,000	31.4%	239,000	14.4%	270,000	13.0%	980,000	27.8%	1,021,000	4.2%	1,190,000	16.6%	1,262,000	6.1%
All Other Areas	6,995,000	-8.6%	5,831,000	-16.6%	6,505,000	11.6%	7,160,000	10.1%	35,423,000	-10.9%	31,469,000	-11.2%	33,665,000	7.0%	36,485,000	8.4%