

# Memorandum



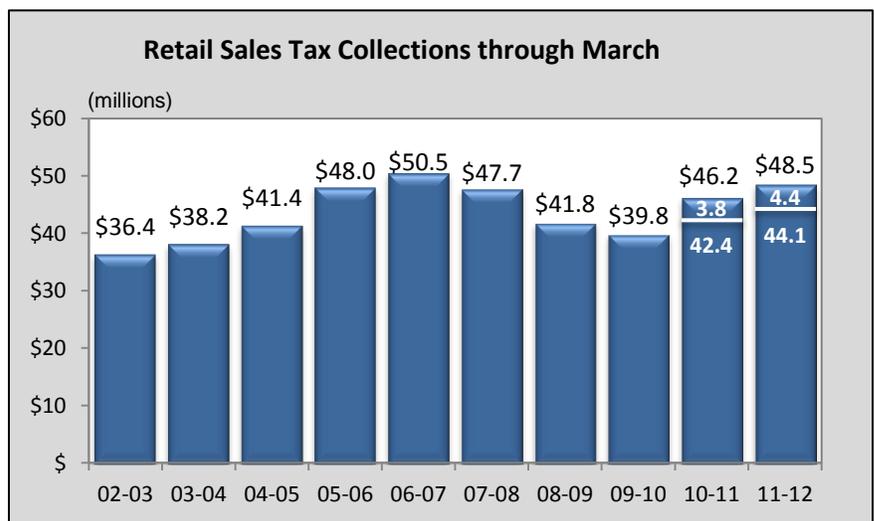
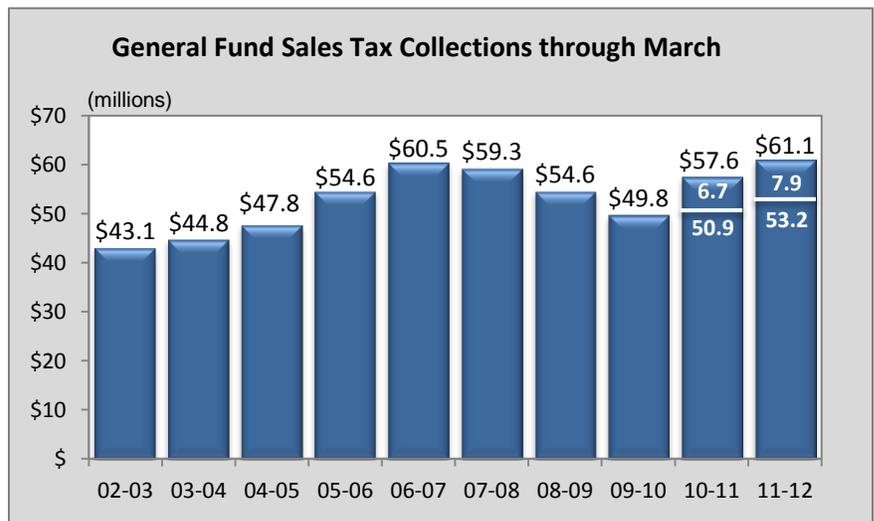
## Finance and Technology Department

Date: April 19, 2012  
To: Mayor and Council  
From: Ken Jones, Finance and Technology Director (350-8504)  
Subject: Tax Revenue Statistical Report – **March 2012**

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

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2002-03 through FY 2011-12. General Fund Sales Tax revenue collected for 2011-12 is up 6.2% from the same period in the prior fiscal year. In terms of actual dollars received (\$61.1 million), we are \$3.5 million ahead of last fiscal year (\$57.6 million). However, the increase is due in part to the lag time between the implementation of the temporary sales tax and the first month in which revenues were received last year. If we account for the fact that there were no collections from this tax in August of last year, General Fund sales tax collections would be up 4.5% from the same period last year.

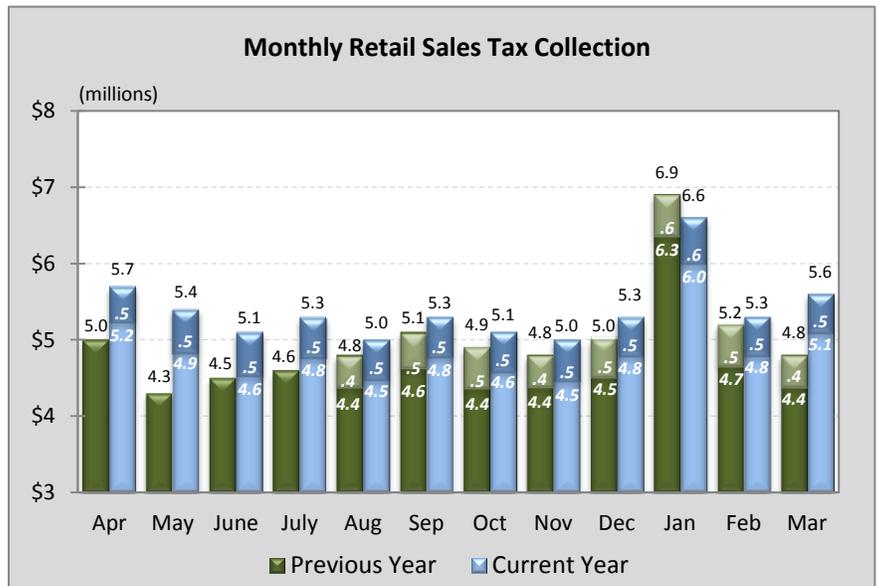
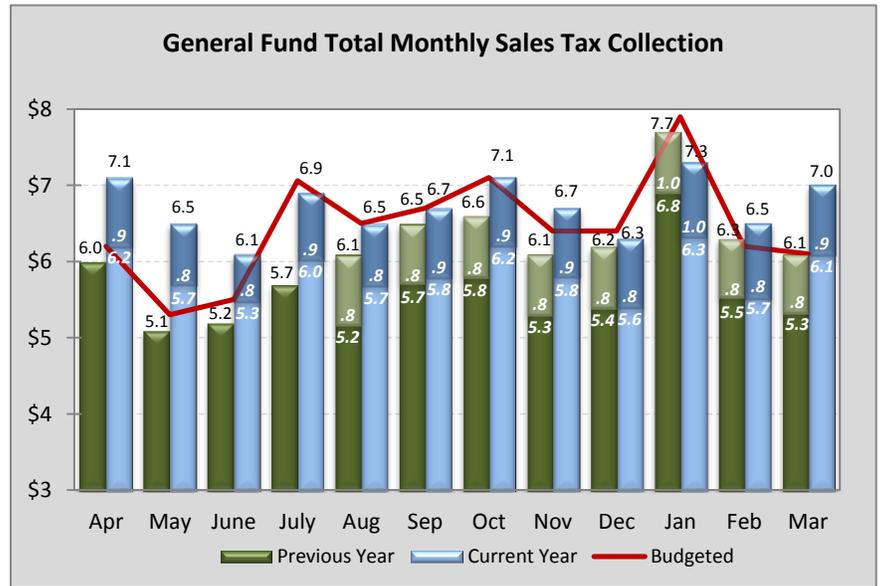
Retail sales tax collections through March are 5.1% higher than last year's year-to-date collections (including the temporary sales tax). Within the retail category, the Automotive sector posted a 11.9% increase, (including the temporary sales tax).



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 \$855 thousand above forecast through March.

The final chart shows twelve months of collection activity comparing monthly retail sales tax from the current year to the prior year. For March, retail sales collections increased by 15.9% over the same month last year (including the temporary tax increase).



## Executive Summary

	Current Month -March						Fiscal Year to Date through March									
	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	482,725,000	-10.2%	470,155,000	-2.6%	458,712,000	-2.4%	538,536,000	17.4%	4,939,095,000	-7.2%	4,448,230,000	-9.9%	4,505,252,000	1.3%	4,643,287,000	3.1%
Retail Taxable Sales	210,307,000	-17.4%	227,978,000	8.4%	246,205,000	8.0%	273,272,000	11.0%	2,281,837,000	-12.1%	2,146,945,000	-5.9%	2,311,522,000	7.7%	2,361,068,000	2.1%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	5,159,000	-13.1%	5,162,000	0.1%	5,301,000	2.7%	6,109,000	15.2%	54,604,000	-8.0%	49,833,000	-8.7%	50,860,000	2.1%	53,250,000	4.7%
Temporary Privilege Tax - General Fund					796,000		910,000	14.3%					6,702,000		7,874,000	17.5%
Transit Tax Fund (.5%)	2,152,000	-14.6%	2,151,000	0.0%	2,210,000	2.7%	2,547,000	15.2%	22,905,000	-9.0%	20,774,000	-9.3%	21,202,000	2.1%	22,205,000	4.7%
Arts Tax Fund (.1%)	443,000	-15.0%	444,000	0.2%	456,000	2.7%	528,000	15.8%	4,723,000	-8.8%	4,292,000	-9.1%	4,378,000	2.0%	4,588,000	4.8%
Privilege Tax - Rebates Fund	302,000	-24.1%	353,000	16.9%	263,000	-25.5%	355,000	35.0%	3,613,000	1.4%	3,225,000	-10.7%	3,308,000	2.6%	2,837,000	-14.2%
Bed Tax Fund	311,000	-32.8%	269,000	-13.5%	469,000	74.3%	608,000	29.6%	2,069,000	-14.9%	1,704,000	-17.6%	2,820,000	65.5%	3,015,000	6.9%
<b>Totals</b>	<b>8,367,000</b>	<b>-15.0%</b>	<b>8,379,000</b>	<b>0.1%</b>	<b>9,495,000</b>	<b>13.3%</b>	<b>11,057,000</b>	<b>16.5%</b>	<b>87,914,000</b>	<b>-8.1%</b>	<b>79,828,000</b>	<b>-9.2%</b>	<b>89,270,000</b>	<b>11.8%</b>	<b>93,769,000</b>	<b>5.0%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	3,938,000	-15.7%	4,238,000	7.6%	4,819,000	13.7%	5,583,000	15.9%	41,846,000	-12.3%	39,778,000	-4.9%	46,150,000	16.0%	48,517,000	5.1%
Rentals	1,562,000	-4.2%	1,673,000	7.1%	1,821,000	8.8%	2,114,000	16.1%	16,152,000	3.8%	15,417,000	-4.6%	16,916,000	9.7%	17,533,000	3.6%
Utilities/Communication	744,000	-12.5%	606,000	-18.5%	714,000	17.8%	624,000	-12.6%	8,379,000	-1.2%	7,436,000	-11.3%	8,064,000	8.4%	8,120,000	0.7%
Restaurants	743,000	-7.4%	768,000	3.4%	829,000	7.9%	1,051,000	26.8%	6,644,000	-2.2%	6,155,000	-7.4%	6,899,000	12.1%	7,452,000	8.0%
Contracting	605,000	-28.6%	419,000	-30.7%	400,000	-4.5%	515,000	28.8%	8,744,000	-14.8%	5,842,000	-33.2%	4,433,000	-24.1%	5,180,000	16.9%
Hotel/Motel	231,000	-29.1%	202,000	-12.6%	231,000	14.4%	309,000	33.8%	1,634,000	-16.1%	1,374,000	-15.9%	1,526,000	11.1%	1,678,000	10.0%
Transit (Bed Tax)	312,000	-32.6%	269,000	-13.8%	469,000	74.3%	607,000	29.4%	2,070,000	-14.8%	1,705,000	-17.6%	2,820,000	65.4%	3,015,000	6.9%
Amusements	140,000	21.7%	111,000	-20.7%	127,000	14.4%	151,000	18.9%	1,185,000	2.8%	1,228,000	3.6%	1,392,000	13.4%	1,333,000	-4.2%
All Other	92,000	-31.3%	93,000	1.1%	85,000	-8.6%	103,000	21.2%	1,260,000	-7.5%	893,000	-29.1%	1,070,000	19.8%	941,000	-12.1%
<b>Totals</b>	<b>8,367,000</b>	<b>-15.0%</b>	<b>8,379,000</b>	<b>0.1%</b>	<b>9,495,000</b>	<b>13.3%</b>	<b>11,057,000</b>	<b>16.5%</b>	<b>87,914,000</b>	<b>-8.1%</b>	<b>79,828,000</b>	<b>-9.2%</b>	<b>89,270,000</b>	<b>11.8%</b>	<b>93,769,000</b>	<b>5.0%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	491,000	-43.2%	526,000	7.1%	753,000	43.2%	942,000	25.1%	5,835,000	-37.1%	5,211,000	-10.7%	6,351,000	21.9%	7,106,000	11.9%
Furniture/Equipment/Electronics	832,000	-16.0%	956,000	14.9%	954,000	-0.2%	1,169,000	22.5%	9,949,000	-11.0%	8,347,000	-16.1%	9,784,000	17.2%	10,383,000	6.1%
Department Stores	825,000	-6.1%	824,000	-0.1%	953,000	15.7%	1,014,000	6.4%	8,110,000	-3.6%	7,504,000	-7.5%	8,558,000	14.0%	9,069,000	6.0%
Grocery Stores	521,000	-5.1%	513,000	-1.5%	539,000	5.1%	694,000	28.8%	5,112,000	-3.9%	4,818,000	-5.8%	5,140,000	6.7%	5,471,000	6.4%
Drugs/Small Stores	426,000	-11.3%	484,000	13.6%	528,000	9.1%	609,000	15.3%	4,309,000	-1.7%	4,381,000	1.7%	4,910,000	12.1%	5,381,000	9.6%
Manufacturing Firms	320,000	-8.6%	295,000	-7.8%	238,000	-19.3%	362,000	52.1%	3,291,000	9.8%	2,828,000	-14.1%	2,845,000	0.6%	3,260,000	14.6%
Building Supply Stores	176,000	-7.4%	147,000	-16.5%	149,000	1.4%	178,000	19.5%	1,452,000	-27.0%	1,419,000	-2.3%	1,548,000	9.1%	1,606,000	3.7%
All Other Retail	347,000	-6.7%	493,000	42.1%	705,000	43.0%	615,000	-12.8%	3,788,000	-8.9%	5,270,000	39.1%	7,014,000	33.1%	6,241,000	-11.0%
<b>Totals</b>	<b>3,938,000</b>	<b>-15.7%</b>	<b>4,238,000</b>	<b>7.6%</b>	<b>4,819,000</b>	<b>13.7%</b>	<b>5,583,000</b>	<b>15.9%</b>	<b>41,846,000</b>	<b>-12.3%</b>	<b>39,778,000</b>	<b>-4.9%</b>	<b>46,150,000</b>	<b>16.0%</b>	<b>48,517,000</b>	<b>5.1%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	955,000	-19.3%	990,000	3.7%	1,233,000	24.5%	1,545,000	25.3%	10,703,000	-15.1%	9,621,000	-10.1%	11,426,000	18.8%	12,025,000	5.2%
Autoplex (included in Elliot Corridor)	335,000	-24.0%	327,000	-2.4%	485,000	48.3%	645,000	33.0%	3,994,000	-24.6%	3,391,000	-15.1%	4,165,000	22.8%	4,737,000	13.7%
Market Place	307,000	-8.1%	381,000	24.1%	384,000	0.8%	532,000	38.5%	3,468,000	55.0%	3,460,000	-0.2%	3,796,000	9.7%	4,131,000	8.8%
Mills Mall	435,000	-15.7%	468,000	7.6%	547,000	16.9%	626,000	14.4%	4,291,000	-11.7%	4,013,000	-6.5%	4,695,000	17.0%	4,956,000	5.6%
Downtown Tempe	270,000	-21.7%	282,000	4.4%	317,000	12.4%	401,000	26.5%	2,375,000	-9.5%	2,111,000	-11.1%	2,397,000	13.5%	2,789,000	16.4%
Apache Blvd.	214,000	12.6%	198,000	-11.7%	198,000	4.8%	356,000	79.8%	1,592,000	-1.2%	1,478,000	-7.2%	1,703,000	15.2%	1,775,000	4.2%
ASU Properties	102,000	-30.6%	100,000	-2.0%	136,000	36.0%	179,000	31.6%	1,109,000	-1.2%	893,000	-19.5%	1,295,000	45.0%	1,592,000	22.9%
Rio Salado (1.8% and 3.0% Bed Tax)	181,000	1.1%	185,000	2.2%	225,000	21.6%	310,000	37.8%	1,707,000	8.9%	1,786,000	4.6%	2,146,000	20.2%	2,300,000	7.2%
All Other Areas	5,903,000	-15.0%	5,784,000	-2.0%	6,455,000	11.6%	7,108,000	10.1%	62,669,000	-9.3%	56,466,000	-9.9%	61,812,000	9.5%	64,201,000	3.9%