

Town of Prescott Valley  
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on February 25, 2016

Covering the highlights of sales tax activities of the Town Government during

**The Quarter Ended December 31, 2015**

Prepared by the Town of Prescott Valley Management Services Department

**Town of Prescott Valley  
Transaction Privilege/Use Tax Revenues  
December 31, 2015**

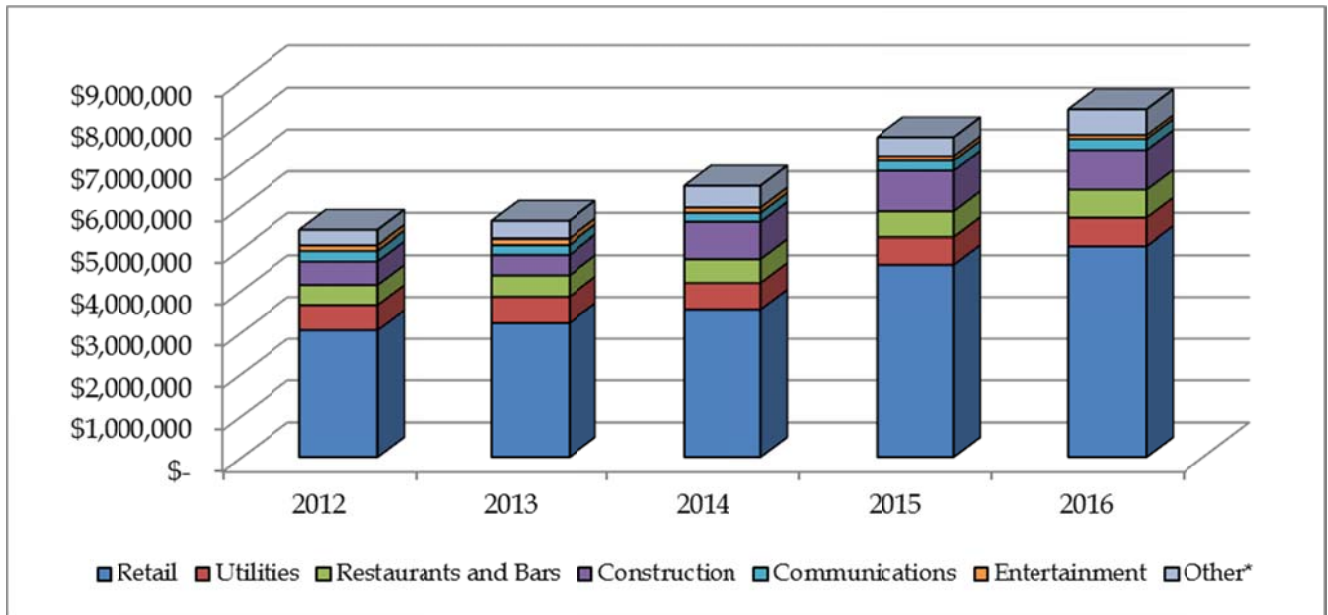
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the second quarter of fiscal year ending June 30, 2016. Total sales tax revenues are up by 8.79% compared to last fiscal year, 3.33% favorable to the current year budget and are up 53.12% compared to four years ago. Sales tax collections are showing a positive trend in many areas including retail, communications, and restaurants and bars. New businesses in the area and improvements to the local economy have led to improved sales tax collections for the Town.

**Sales Tax Collections**

Category	2012	2013	2014	2015	2016
Retail					
Stores	\$ 1,449,842	\$ 1,549,148	\$ 1,733,469	\$ 2,484,025	\$ 2,845,976
Grocery	1,027,871	1,025,577	1,081,554	1,201,845	1,168,619
Automotive	481,382	557,541	642,964	787,180	944,998
Other	81,734	80,822	80,368	136,692	93,269
Total Retail	3,040,829	3,213,088	3,538,355	4,609,742	5,052,862
Utilities	606,587	633,195	639,690	651,836	673,971
Restaurants and Bars	479,971	509,563	570,089	617,058	665,568
Construction	563,039	490,259	875,197	968,854	948,342
Communications	252,278	238,200	217,314	242,187	268,426
Entertainment	134,886	143,934	129,013	105,706	93,088
Other*	355,111	419,830	519,927	451,249	616,365
Total	\$ 5,432,701	\$ 5,648,069	\$ 6,489,585	\$ 7,646,632	\$ 8,318,621

\*Commercial Lease, Job Printing, Lodging, Mining, Personal Property Rental, Publication, Transportation and Use Tax

**Sales Tax Collections**



\* Commercial Lease, Job Printing, Lodging, Mining, Personal Property Rental, Publication, Transportation and Use Tax

Retail - Stores encompass a variety of businesses including big box stores (i.e., Home Depot, Wal-Mart, and Sam’s Club), department stores (i.e., Kohl’s), hardware (i.e., Ace Hardware), painting, furniture and service businesses that sell retail items. Retail stores tax collections are favorable to prior year by 14.57%

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or \$361,951 and 96.3% or \$1,396,134 compared to four years ago. New businesses and an improved economy have led the retail stores category to increase each year over the last five years.

Retail - Grocery includes large food chains, small mom and pop stores and convenience stores. A decrease of 2.76% or \$33,226 was seen over last year and an increase of 13.69% or \$140,748 compared to four years ago.

Retail - Automotive includes auto dealerships, automotive repair shops, tire stores and retail stores that sell automotive parts and accessories. An increase of 20.05% or \$157,818 was seen over last year and an increase of 96.31% or \$463,616 compared to four years ago. New businesses in this category and an improved economy have led to the increase.

Utilities category contains tax collected on the sale of electricity, natural gas, water and sewer service. Collections are up by 3.40% or \$22,135 compared to last year and up by 11.11% or \$67,384 compared to four years ago. The increase compared to four years ago is a result of various utility rate increases.

Restaurants and Bars include fast food chains, restaurants and bars. This category is favorable to last fiscal year by 7.86% or \$48,509 and favorable to four years ago by 38.67% or \$185,597. This favorability is mainly due to a slowly improving economy as well as the opening of new businesses.

Construction tax revenues include residential and commercial projects. Construction tax revenues are unfavorable to last year by 2.12% or \$20,512 and are favorable to four years ago by 68.43% or \$385,303. Construction Tax legislation changes have led to the decrease in construction tax revenues compared to last year despite greater permit activity.

Communications include cell phone service providers, long distance providers, etc. This category is favorable to last year by 10.83% or \$26,239 and favorable to four years ago by 6.40% or \$16,148.

**Sales Tax within Designated Boundaries**

Designated Boundary	2012	2013	2014	2015	2016
Crossroads	**	\$ 800,625	\$ 904,716	\$ 1,189,012	\$ 1,287,084
Glassford Hill	**	**	**	868,969	845,286
Secondary Credit Support Area	504,464	532,329	541,640	612,580	719,754
Entertainment District/ Area	382,359	389,157	349,403	324,935	336,402
Other*	890,465	216,749	250,049	69,677	23,548
Total	\$ 1,777,288	\$ 1,938,860	\$ 2,045,808	\$ 3,065,173	\$ 3,212,075

\* Eastridge, Multi-Purpose Event Center (MPEC) and Quailwood

\*\*Reported in other as the number of businesses within the designated boundary did not meet minimum reporting requirements

During the second quarter of 2012, tax revenue from the businesses within designated boundaries represented 32.71% of overall tax revenues collected. In the second quarter of 2016, tax revenues collected in designated boundaries represents 38.61% of overall tax revenues collected. This increase is primarily due to the increased number of retail businesses which have located within the designated boundary areas.

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**Sales Tax within Designated Boundaries by Category**

Category	2012	2013	2014	2015	2016
Construction	**	**	\$ 50,265	\$ 57,589	\$ 73,617
Retail	1,113,148	1,309,031	1,447,350	2,316,385	2,647,697
Restaurants and Bars	221,533	243,274	277,577	270,623	307,175
Other*	442,607	386,555	270,616	420,576	183,586
<b>Total</b>	<b>\$ 1,777,288</b>	<b>\$ 1,938,860</b>	<b>\$ 2,045,808</b>	<b>\$ 3,065,173</b>	<b>\$ 3,212,075</b>

\* Commercial Lease, Communications, Entertainment, Job Printing, Lodging, Mining, Personal Property Rental, Publication, Transportation, Use Tax and Utilities

For the current fiscal year, retail within the designated boundaries represents 52.4% of total retail tax revenue. Restaurants and bars within the designated boundaries represent 46.15% of the total tax revenue for restaurants and bars within the town.

The following graph illustrates sales tax collections for the current year as compared to the prior four fiscal years. Total sales tax collections for each fiscal year are represented by the line graph on the chart. For the current fiscal year, total sales tax collections are the amount budgeted for the fiscal year.

**Sales Tax Collections by Quarter**

