

Town of Prescott Valley
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on August 18, 2016

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

The Quarter Ended June 30, 2016

Prepared by the Town of Prescott Valley Management Services Department

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
June 30, 2016**

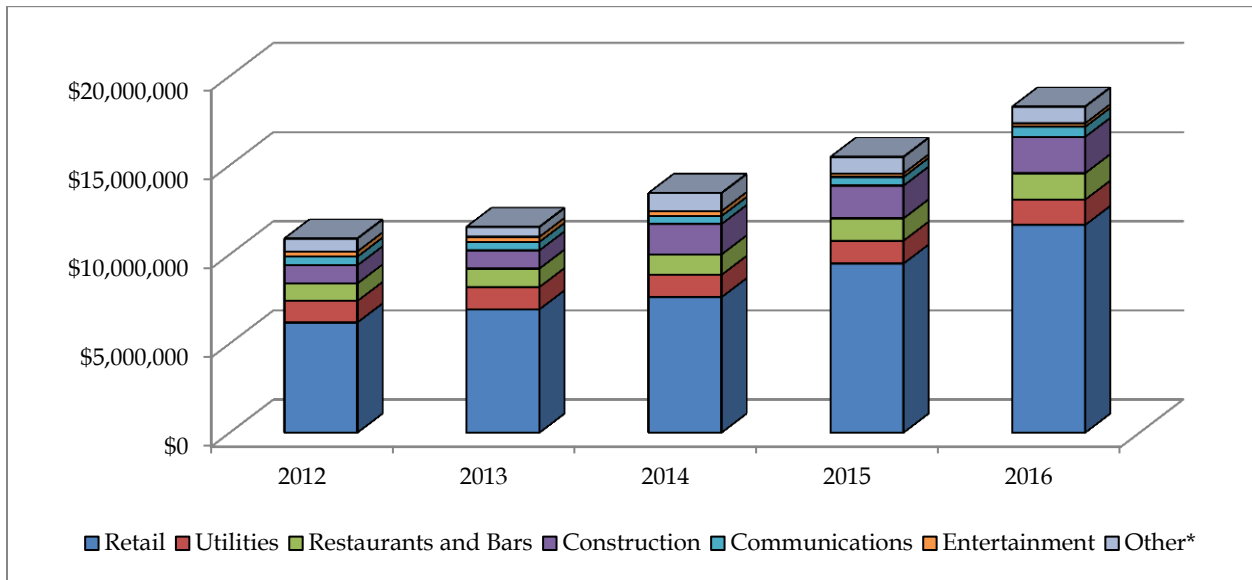
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the fourth quarter of fiscal year ending June 30, 2016. Total sales tax revenues are up by 18.24% compared to last fiscal year, 12.71% favorable to the 2016 budget and are up 67.99% compared to four years ago. Sales tax collections are showing a positive trend in many areas including retail, communications, and restaurants and bars. The increase in tax collections is partially due to 0.50% increase (from 2.33% to 2.83%) in transaction privilege tax rate within town limits that went into effect on January 1, 2016 as well as new businesses in the area and improvements to the local economy.

Sales Tax Collections

Category	2012	2013	2014	2015	2016
Retail					
Stores	\$ 2,918,075	\$ 3,188,745	\$ 3,972,394	\$ 5,215,553	\$ 6,429,089
Grocery	2,123,198	2,165,889	2,093,719	2,416,781	2,619,635
Automotive	978,213	1,129,120	1,331,509	1,597,427	2,000,560
Other	161,157	434,625	198,417	253,448	600,262
Total Retail	6,180,643	6,918,379	7,596,039	9,483,209	11,649,546
Utilities	1,204,347	1,250,485	1,252,863	1,281,574	1,420,694
Restaurants and Bars	982,253	1,036,400	1,148,054	1,253,453	1,482,623
Construction	1,018,011	1,020,360	1,704,163	1,835,850	2,037,814
Communications	487,727	477,487	449,656	487,101	565,278
Entertainment	289,243	282,709	275,847	198,765	199,408
Other*	721,345	549,503	1,007,118	922,705	927,736
Total	\$ 10,883,569	\$ 11,535,323	\$ 13,433,740	\$ 15,462,656	\$ 18,283,099

*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 23.27%

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
June 30, 2016**

or \$1,213,536 and 120.32% or \$3,511,014 compared to four years ago. New businesses and an improved economy have led the retail store category to increase each year over the last five years.

Retail - Grocery includes large food chains, small mom and pop stores and convenience stores. An increase of 8.39% or \$202,854 was seen over last year and an increase of 23.38% or \$496,437 compared to four years ago. With the increase in population, our retail grocery revenue continues to rise.

Retail - Automotive includes auto dealerships, automotive repair shops, tire stores and retail stores that sell automotive parts and accessories. An increase of 25.24% or \$403,133 was seen over last year and an increase of 104.51% or \$1,022,347 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 10.86% or \$139,120 compared to last year and up by 17.96% or \$216,347 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 18.28% or \$229,170 and favorable to four years ago by 50.94% or \$500,370. This favorability is mainly due to improved economic conditions as well as the opening of new businesses.

Construction tax revenues include residential and commercial projects. Construction tax revenues are favorable to last year by 11.00% or \$201,964 and are favorable to four years ago by 100.18% or \$1,019,803.

Communications include cell phone service providers, long distance providers, etc. This category is favorable to last year by 16.05% or \$78,177 and favorable to four years ago by 15.90% or \$77,551.

Sales Tax within Designated Boundaries

Designated Boundary	2012	2013	2014	2015	2016
Crossroads	**	\$ 1,643,604	\$ 1,832,613	\$ 2,441,827	\$ 2,846,770
Glassford Hill	**	**	**	1,781,655	1,929,431
Secondary Credit Support Area	992,514	1,065,472	1,099,168	1,217,428	1,557,359
Entertainment District/ Area	769,177	634,352	663,403	658,244	747,600
Other*	1,820,070	466,412	1,072,992	156,264	58,688
Total	\$ 3,581,760	\$ 3,809,840	\$ 4,668,176	\$ 6,255,419	\$ 7,139,848

* 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 fiscal year of 2012, tax revenue from the businesses within designated boundaries represented 32.91% of overall tax revenues collected. For the current fiscal year 2016, tax revenues collected in designated boundaries represents 39.05% 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.

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
June 30, 2016**

Sales Tax within Designated Boundaries by Category

Category	2012	2013	2014	2015	2016
Construction	**	**	\$ 101,678	\$ 112,467	\$ 145,913
Retail	2,412,646	2,688,699	3,442,053	4,896,058	5,898,900
Restaurants and Bars	459,731	496,051	544,085	553,725	670,481
Other*	709,384	625,090	580,360	693,168	424,554
Total	\$ 3,581,760	\$ 3,809,840	\$ 4,668,176	\$ 6,255,419	\$ 7,139,848

* 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 50.64% of total retail tax revenue. Construction within the designated boundaries represents 7.16% of the total tax revenue for construction. Restaurants and bars represent 45.22% of the total in that category.

The following graph illustrates sales tax collections for the current year as compared to the prior four fiscal years.

Sales Tax Collections by Quarter

