

Town of Prescott Valley
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on September 14, 2017

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

The Quarter Ended June 30, 2017

Prepared by the Town of Prescott Valley Management Services Department

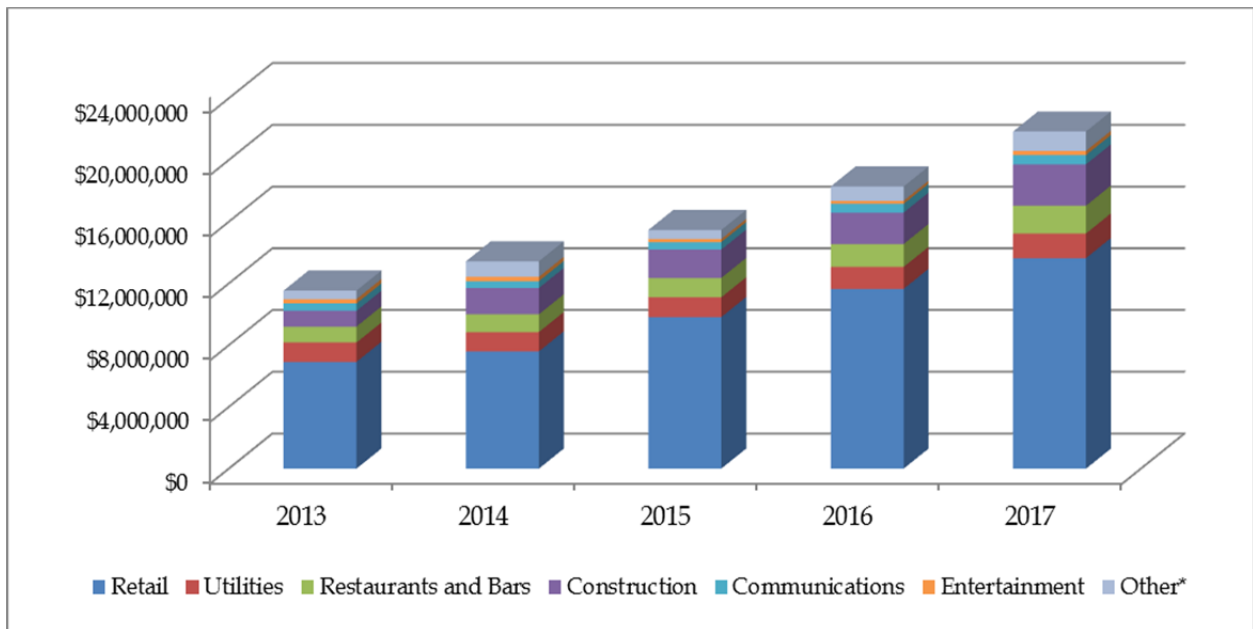
**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
June 30, 2017**

This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the fourth, and final quarter, of fiscal year 2017. Total sales tax revenues are up by 19.50% compared to last fiscal year, 89.40% compared to four years ago and are 1.50% favorable to the 2017 budget. The rise in sales tax collections is partially due to the 0.50% increase in transaction privilege tax that went into effect January 1, 2016. The sales tax increase, along with new businesses in the area and improvements to local economy, are representative of positive trends in many areas including retail, construction, and restaurants and bars.

Sales Tax Collections

Category	2013	2014	2015	2016	2017
Retail					
Stores	\$ 3,188,745	\$ 3,972,394	\$ 5,215,553	\$ 6,429,089	\$ 7,819,962
Grocery	2,165,889	2,093,719	2,416,781	2,619,635	2,928,396
Automotive	1,129,120	1,331,509	1,597,427	2,000,560	2,150,132
Other	434,625	198,417	589,450	600,262	747,414
Total Retail	6,918,379	7,596,039	9,819,211	11,649,546	13,645,904
Utilities	1,250,485	1,252,863	1,281,574	1,420,694	1,594,198
Restaurants and Bars	1,036,400	1,148,054	1,253,453	1,482,623	1,800,161
Construction	1,020,360	1,704,163	1,835,850	2,037,814	2,677,511
Communications	477,487	449,656	487,101	565,278	601,418
Entertainment	282,709	275,847	198,765	199,408	275,106
Other*	549,503	1,007,118	586,703	927,736	1,253,151
Total	\$ 11,535,323	\$ 13,433,740	\$ 15,462,657	\$ 18,283,099	\$ 21,847,449

Sales Tax Collections



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

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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 the prior year by 21.63% or \$1,390,873 and 145.24% or \$4,631,217 compared to four years ago. New businesses and an improved economy have led the retail store category trending upward.

Retail - Grocery includes large food chains, small mom and pop stores and convenience stores. An increase of 11.79% or \$308,761 was seen over last year and an increase of 35.21% or \$762,507 compared to four years ago. Corresponding to the increase in population, 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 7.48% or \$149,572 was seen over last year and an increase of 90.43% or \$1,021,012 compared to four years ago.

Utilities category contains tax collected on the sale of electricity, natural gas, water and sewer service. Collections are up by 12.21% or \$173,504 compared to last year and are up by 27.49% or \$343,713 compared to four years ago. The increase is a result of higher utility usage and various rate increases.

Restaurants and Bars include fast food chains, restaurants and bars. This category is favorable to last fiscal year by 21.42% or \$317,538 and favorable to four years ago by 73.69% or \$763,761. 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 31.39% or \$639,697 and are favorable to four years ago by 162.41% or \$1,657,151.

Communications include cell phone service providers, long distance providers, etc. This category is favorable to last year by 6.39% or \$36,140 and favorable to four years ago by 25.95% or \$123,931.

Designated Boundary	2013	2014	2015	2016	2017
Crossroads	\$ 1,643,604	\$ 1,832,613	\$ 2,441,826	\$ 2,872,146	\$ 3,649,032
Glassford Hill	**	**	1,781,655	1,929,431	2,659,592
Secondary Credit Support Area	1,065,472	1,099,168	1,217,428	1,564,332	1,908,094
Entertainment District/ Area	634,352	663,403	654,231	747,217	873,563
Other*	466,412	1,072,992	160,278	59,070	141,367
Total	\$ 3,809,840	\$ 4,668,176	\$ 6,255,418	\$ 7,172,196	\$ 9,231,648

*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 fiscal year 2013, tax revenue from the businesses within designated boundaries represented 33.03% of overall tax revenues collected. For the current fiscal year, tax revenues collected in designated boundaries represent 42.26% of overall tax revenues collected.

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Transaction Privilege Tax Within Designated Boundaries by Category

Category	2013	2014	2015	2016	2017
Construction	**	\$ 101,678	\$ 112,467	\$ 145,913	\$ 168,199
Retail	2,688,699	3,442,053	4,896,058	5,898,900	7,473,624
Restaurants and Bars	496,051	544,085	553,725	670,481	814,271
Other*	625,090	580,360	693,168	456,902	775,554
Total	\$ 3,809,840	\$ 4,668,176	\$ 6,255,418	\$ 7,172,196	\$ 9,231,648

*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 54.77% of total retail tax revenue. Construction within the designated boundaries represents 6.28% of the total tax revenue for construction. Restaurants and bars represent 45.23% of the total in that category.

The following graph illustrates sales tax collections, by quarter, for the current year compared to the prior four fiscal years. Collections for the year of \$21,847,449 exceeded budgeted amount of \$21,524,000 by \$323,449. The FY17 budget is provided in final column for basis of comparison.

Sales Tax Collections by Quarter

