

Town of Prescott Valley  
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on September 13, 2018

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

**The Quarter Ended June 30, 2018**

Prepared by the Town of Prescott Valley Management Services Department

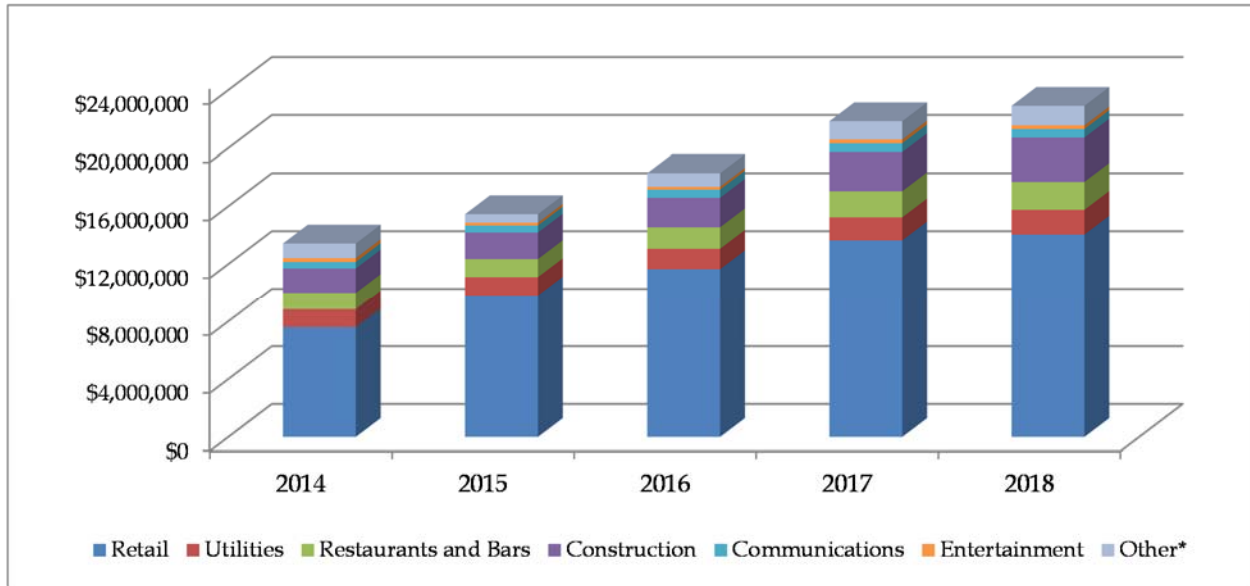
**Town of Prescott Valley  
Transaction Privilege/Use Tax Revenues  
June 30, 2018**

This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the final quarter of fiscal year ending June 30, 2018. Total sales tax revenues are up by 4.86% compared to last fiscal year and 70.54% compared to four years ago. 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 as well as new businesses that have opened in the area. The following graphs represent performance through the fourth quarter of 2018 as well as in the preceding four years.

**Sales Tax Collections**

Category	2014	2015	2016	2017	2018
Retail					
Stores	\$ 3,972,394	\$ 5,215,553	\$ 6,429,089	\$ 7,819,962	\$ 8,155,031
Grocery	2,093,719	2,416,781	2,619,635	2,928,396	3,015,942
Automotive	1,331,509	1,597,427	2,000,560	2,150,132	2,035,967
Other	198,417	589,450	600,262	747,414	841,106
Total Retail	7,596,039	9,819,211	11,649,546	13,645,904	14,048,046
Utilities	1,252,863	1,281,574	1,420,694	1,594,198	1,712,709
Restaurants and Bars	1,148,054	1,253,453	1,482,623	1,800,161	1,921,306
Construction	1,704,163	1,835,850	2,037,814	2,677,511	3,036,707
Communications	449,656	487,101	565,278	601,418	584,147
Entertainment	275,847	198,765	199,408	275,106	261,718
Other*	1,007,118	586,703	927,736	1,253,151	1,345,304
<b>Total</b>	<b>\$ 13,433,740</b>	<b>\$ 15,462,657</b>	<b>\$ 18,283,099</b>	<b>\$ 21,847,449</b>	<b>\$ 22,909,937</b>

**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), 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 4.28% or \$335,069 and 105.29% or \$4,182,637 compared to four years ago. New businesses within this category have contributed to the rise.

Retail - Grocery includes large food chains, small mom and pop stores and convenience stores. An increase of 2.99% or \$87,547 was seen over last year and an increase of 44.05% or \$922,223 compared to four years ago.

Retail - Automotive includes auto dealerships, automotive repair shops, tire stores and retail stores that sell automotive parts and accessories. A decrease of 5.31% or \$114,165 was seen over last year and an increase of 52.91% or \$704,458 compared to four years ago. The decrease for the current fiscal year is predominantly a result in the decline of new car sales which correspond to state and national trends.

Utilities category contains tax collected on the sale of electricity, natural gas, and water/sewer service. Collections are up by 7.43% or \$118,511 compared to last year and are up by 36.70% or \$459,846 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 6.73% or \$121,144 and is favorable to four years ago by 67.35% or \$773,252. This increase is due to improved economic conditions and the opening of new establishments within Prescott Valley.

Construction tax revenues include residential and commercial projects. Construction tax revenues are favorable to last year by 13.42% or \$359,196 and up by 78.19% or \$1,332,544 compared to four years ago. The expectation is this category will continue to trend favorably as construction projects are completed.

**Sales Tax Within Designated Boundaries**

Designated Boundary	2014	2015	2016	2017	2018
Crossroads	\$ 1,643,604	\$ 1,832,613	\$ 2,441,826	\$ 2,872,146	\$ 3,630,919
Glassford Hill	**	**	1,781,655	1,929,431	2,793,207
Secondary Credit Support Area	1,065,472	1,099,168	1,217,428	1,564,332	2,061,096
Entertainment District/ Area	634,352	663,403	654,231	747,217	902,405
Other*	466,412	1,072,992	160,278	59,070	164,207
Total	\$ 3,809,840	\$ 4,668,176	\$ 6,255,418	\$ 7,172,196	\$ 9,551,834

\*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

Through the fourth quarter of 2014, tax revenue from the businesses within designated boundaries represented 28.36% of overall tax revenues collected. Through the fourth quarter of 2018, tax revenues collected in designated boundaries represents 41.69% of overall tax revenues collected. The increase is a reflection of new business establishments opened within the designated boundaries.

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**Transaction Privilege Tax Within Designated Boundaries by Category**

Category	2014	2015	2016	2017	2018
Construction	**	\$ 101,678	\$ 112,467	\$ 145,913	\$ 226,643
Retail	2,688,699	3,442,053	4,896,058	5,898,900	7,688,440
Restaurants and Bars	496,051	544,085	553,725	670,481	922,025
Other*	625,090	580,360	693,168	456,902	714,726
Total	\$ 3,809,840	\$ 4,668,176	\$ 6,255,418	\$ 7,172,196	\$ 9,551,834

\*Communications, Entertainment, Job Printing, Lodging, Mining, Personal Property Rental, Publication, Transportation, Use Tax and Utilities reported in Other

For the current fiscal year, Retail within the designated boundaries represents 54.73% of total tax revenue. Construction within the designated boundaries represents 7.46% of the total tax revenue. Restaurants and bars represent 47.99% 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. Total sales tax collections are shown for each fiscal year. For fiscal year 2018, actual sales tax collections have been provided along with budget projections for illustrative purposes.

**Sales Tax Collections by Quarter**

