

TOWN OF PRESCOTT VALLEY, ARIZONA QUARTERLY SALES TAX REPORT



QUARTER ENDED:

MARCH 31, 2020

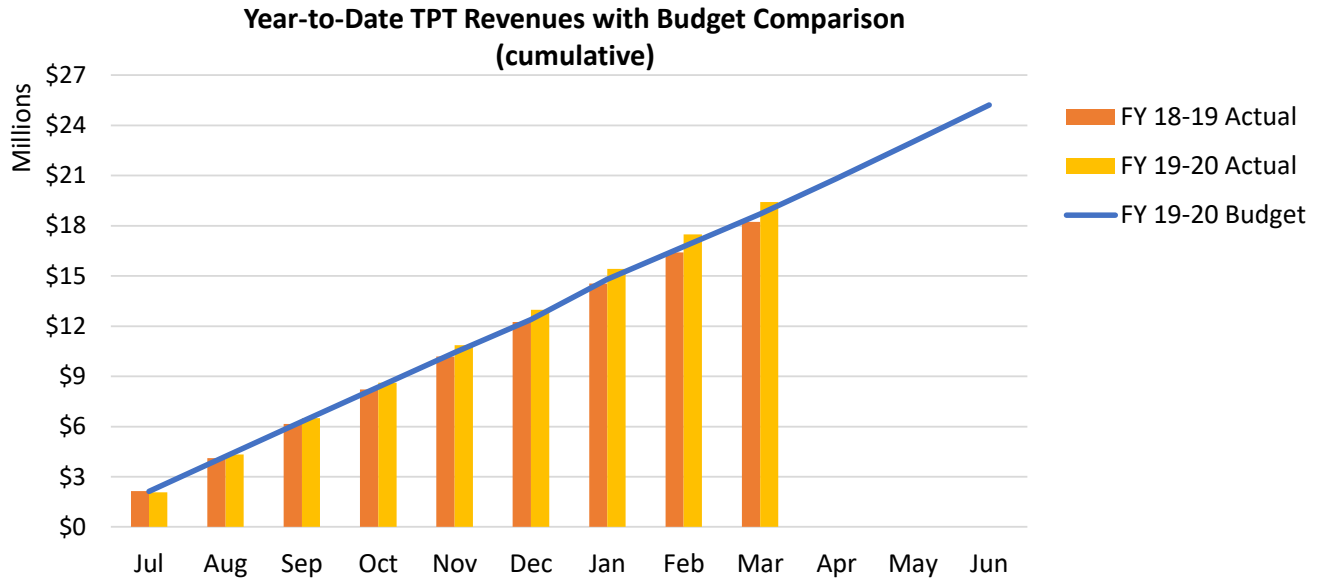
PRESENTED TO THE TOWN COUNCIL

ON MAY 14, 2020

PREPARED BY THE TOWN OF PRESCOTT VALLEY FINANCE DEPARTMENT

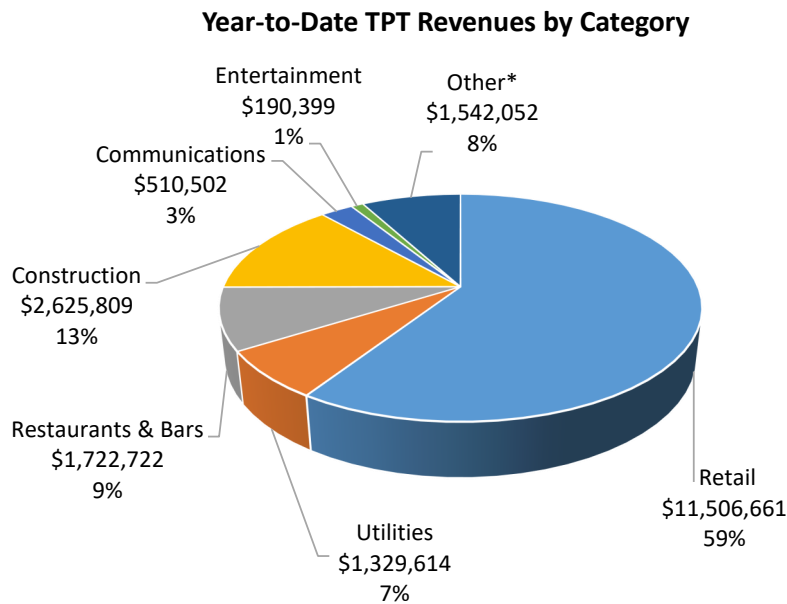
Transaction Privilege Tax Revenues

Total transaction privilege tax (TPT) revenues are up by 6.58% for the same period compared to last fiscal year and 3.66% compared to budget. The rise in sales tax collections is primarily due to retail and restaurant & bar revenue. The following graph represents cumulative performance through the third quarter of 2020 compared to the budget and to the prior year.



For the current fiscal year, the most significant changes are:

- ⇒ **Retail** — Largest tax category at 59% of total TPT revenues which includes big box stores, grocery, automotive and all other retail, exhibiting an overall increase of 13.27% compared to the prior year.
- ⇒ **Restaurants & Bars** — Comprises 9% of total TPT revenues and includes fast food chains, restaurants, and bars. An increasing variety of new restaurant establishments have contributed to the substantial 8.16% increase over the prior year.

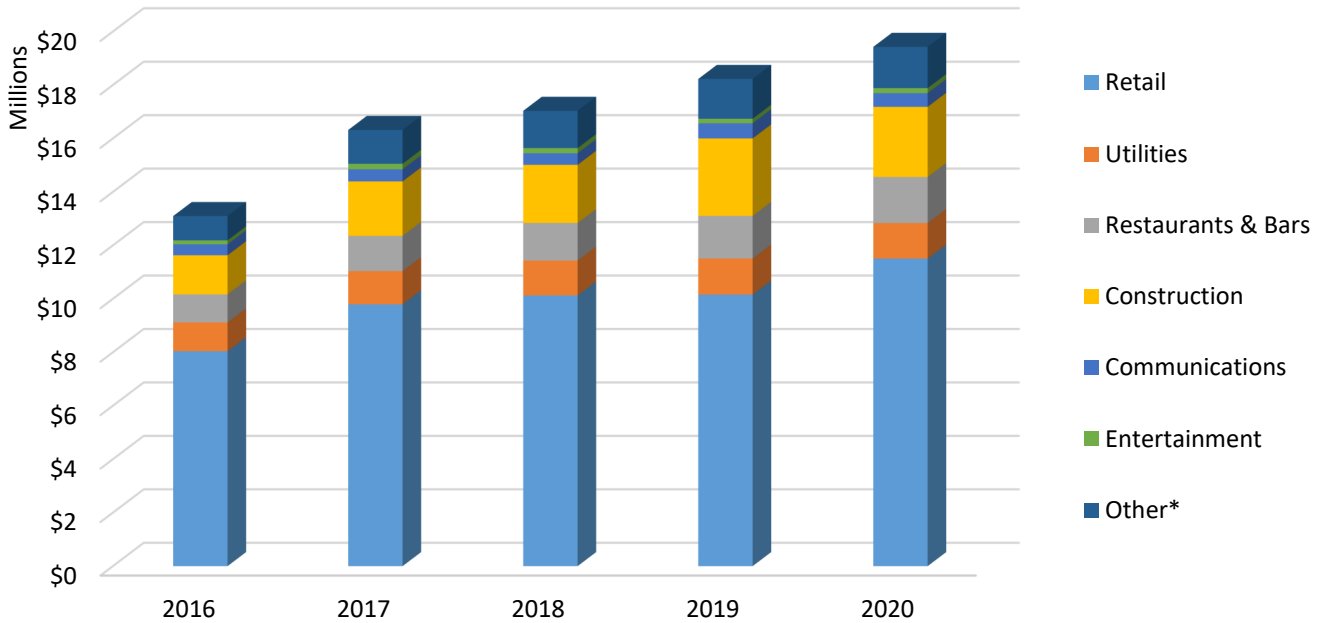


*Job Printing, Hotel/Motel, TPP Rental, Publication, Transportation and Use Tax

5 Year Comparison

Total TPT revenues are up by 48.33% compared to the same period 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 an increase in restaurant & bars and retail establishments. The following graph compares data through the third quarter of 2020 to performance through the third quarter of the four preceding years.

Year-to-Date TPT Collections by Category



Year-to-Date TPT Collections by Category

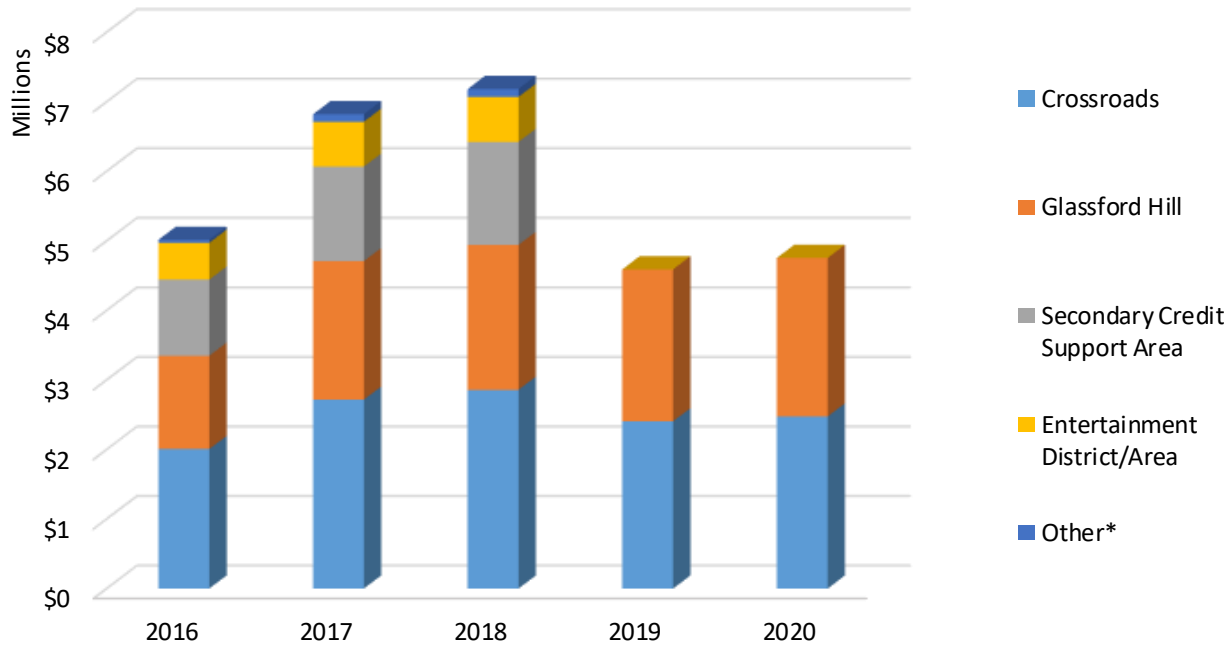
Category	2016	2017	2018	2019	2020
Retail					
Stores	\$ 4,588,327	\$ 5,809,374	\$ 6,199,171	\$ 6,144,857	\$ 7,373,542
Grocery	1,903,050	2,226,052	2,263,297	2,418,102	2,500,211
Automotive	1,401,944	1,555,692	1,438,841	1,339,841	1,335,057
Other	148,185	204,336	224,358	255,999	297,851
Retail	8,041,506	9,795,454	10,125,667	10,158,799	11,506,661
Utilities	1,076,804	1,242,168	1,308,352	1,351,435	1,329,614
Restaurants & Bars	1,050,303	1,317,753	1,403,600	1,592,720	1,722,722
Construction	1,461,894	2,038,772	2,176,780	2,899,092	2,625,809
Communications	409,587	451,630	432,210	566,098	510,502
Entertainment	148,546	208,333	193,965	171,341	190,399
Other*	908,716	1,264,377	1,394,563	1,488,038	1,542,052
Total	\$ 13,097,356	\$ 16,318,487	\$ 17,035,137	\$ 18,227,523	\$ 19,427,759

*Job Printing, Hotel/Motel, TPP Rental, Publication, Transportation and Use Tax

TPT Within Designated Boundaries

During the third quarter of 2020, tax revenue from the businesses within designated boundaries represent 24.48% of overall tax revenues collected compared to 25.18% the prior year. For the current fiscal year, retail within the designated boundaries represents 36.39% of total retail tax revenue and restaurants & bars represent 20.06% of the total restaurant & bar tax revenue.

Year-to-Date TPT Collections by Designated Boundaries



Year-to-Date TPT Within Designated Boundaries

Designated Boundary	2016	2017	2018	2019	2020
Crossroads	\$ 2,006,703	\$ 2,716,597	\$ 2,856,631	\$ 2,404,786	\$ 2,473,245
Glassford Hill	1,341,388	1,991,244	2,085,286	2,184,428	2,281,700
Secondary Credit Support Area	1,093,988	1,360,159	1,482,189	-	-
Entertainment District/Area	529,790	644,480	645,569	-	-
Other*	42,407	108,737	113,809	-	-
Total	\$ 5,014,276	\$ 6,821,217	\$ 7,183,484	\$ 4,589,214	\$ 4,754,945
% of Total Revenues	38.28%	41.80%	42.17%	25.18%	24.48%

Year-to-Date TPT Within Designated Boundaries by Category

Category	2016	2017	2018	2019	2020
Retail	\$ 4,158,111	\$ 5,536,445	\$ 5,879,793	\$ 3,991,621	\$ 4,187,304
Restaurants and Bars	482,007	587,520	659,917	339,389	345,517
Other**	374,158	697,252	643,774	258,204	222,124
Total	\$ 5,014,276	\$ 6,821,217	\$ 7,183,484	\$ 4,589,214	\$ 4,754,945

*Smaller development areas excluded in 2019 & 2020 to preserve proprietary taxpayer information