

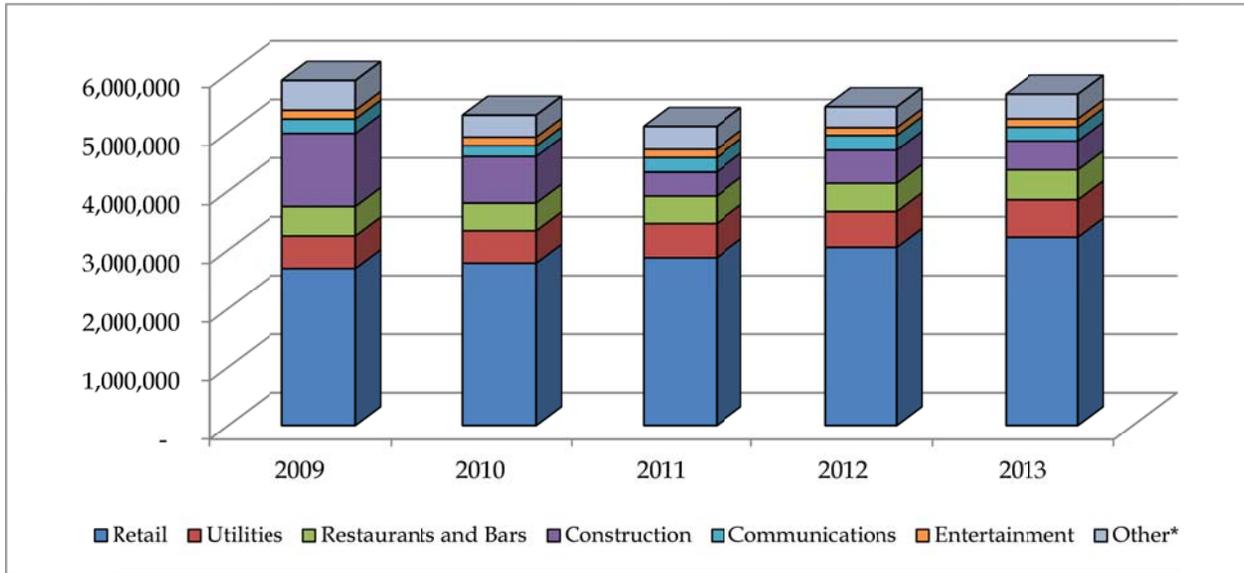
**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
December 31, 2012**

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, 2013. Total sales tax revenues are up by 3.96% compared to last fiscal year, 2.16% favorable to the current year budget and are down 3.98% compared to four years ago. Sales tax collections are showing a positive trend in many areas including retail, utilities, restaurants and bars and entertainment. New businesses in the area and improvements to the local economy have led to improved sales tax collections for the Town.

Category	2009	2010	2011	2012	2013
Retail					
Stores	\$ 1,051,474	\$ 1,310,083	\$ 1,345,838	\$ 1,449,842	\$ 1,549,148
Grocery	1,048,839	953,463	971,149	1,027,871	1,025,577
Automotive	496,462	439,858	484,147	481,382	557,541
Other	83,362	68,298	62,337	81,734	80,822
Total Retail	2,680,137	2,771,702	2,863,471	3,040,829	3,213,088
Utilities	552,467	549,306	579,455	606,587	633,195
Restaurants and Bars	499,576	470,764	466,474	479,971	509,563
Construction	1,244,243	790,838	408,088	563,039	490,259
Communications	247,484	179,253	245,533	252,278	238,200
Entertainment	150,746	152,192	142,385	134,886	143,934
Other*	507,540	376,073	391,121	355,111	419,830
Total	\$ 5,882,193	\$ 5,290,128	\$ 5,096,527	\$ 5,432,701	\$ 5,648,069

*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 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 6.85% or \$99,306 and 47.33% or \$497,674 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.

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Retail - Grocery includes large food chains, small mom and pop stores and convenience stores. A decrease of .22% or \$2,294 was seen over last year and a decrease of 2.22% or \$23,262 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 15.82% or \$76,159 was seen over last year and an increase of 12.30% or \$61,079 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 4.39% compared to last year and up by 14.61% compared to four years ago. These increases are a result, in part, of various utility rate increases.

Restaurants and Bars include fast food chains, restaurants and bars. This category is favorable to last fiscal year by 6.17% or \$29,592 and favorable to four years ago by 2.00% or \$9,987. 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 12.93% or \$72,780 and are unfavorable to four years ago by 60.60% or \$753,984. These tax revenues remain low as the economy continues to struggle to recover from the recent recession. Permit activity in residential developments are increasing, a promising sign of recovery.

Communications include cell phone service providers, long distance providers, etc. This category is favorable to last year by 6.71% or \$9,048 and unfavorable to four years ago by 4.52% or \$6,812.

Sales Tax within Designated Boundaries

Designated Boundary	2009	2010	2011	2012	2013
Secondary Credit Support Area	\$ 703,326	\$ 541,118	\$ 466,663	\$ 504,464	\$ 532,329
Entertainment District/ Area	340,987	354,712	352,728	382,359	389,157
Crossroads	**	**	**	**	800,625
Other*	357,700	713,106	871,109	890,465	216,749
Total	\$ 1,402,013	\$ 1,608,936	\$ 1,690,500	\$ 1,777,288	\$ 1,938,860

*Crossroads, Eastridge, Glassford Hill Marketplace, MPEC and Quailwood

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

During the first two quarters of 2009, tax revenue from the businesses within designated boundaries represented 23.83% of overall tax revenues collected. In the first two quarters of 2013, tax revenues collected in designated boundaries represents 34.33% 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.

Sales Tax within Designated Boundaries by Category

Category	2009	2010	2011	2012	2013
Retail	\$ 952,513	\$ 1,116,316	\$ 1,143,477	\$ 1,113,148	\$ 1,309,031
Restaurants and Bars	230,098	216,413	203,127	221,533	243,274
Other*	219,402	276,207	343,896	442,607	386,555
Total	\$ 1,402,013	\$ 1,608,936	\$ 1,690,500	\$ 1,777,288	\$ 1,938,860

* Commercial Lease, Communications, Construction, 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 40.74% of the total and restaurants and bars represents 47.74% of the total.

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The following graph illustrates sales tax collections for the last two quarters 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.

