

Town of Prescott Valley Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on November 21, 2013

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

The Quarter Ended September 30, 2013

Prepared by the Town of Prescott Valley Management Services Department

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
September 30, 2013**

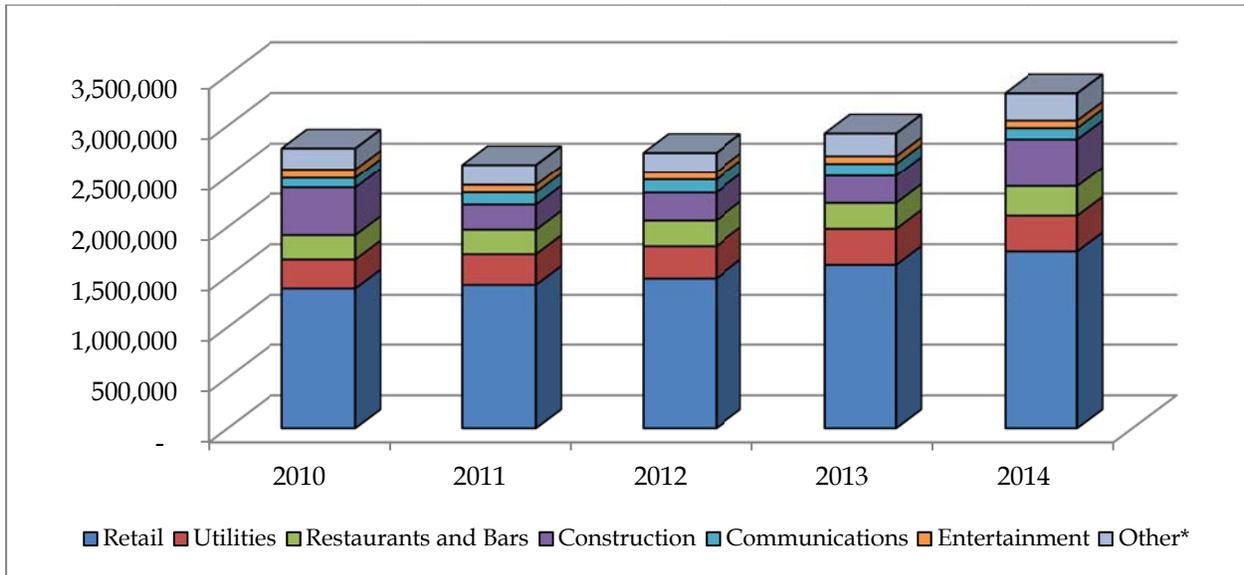
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the first quarter of fiscal year ending June 30, 2014. Total sales tax revenues are up by 13.54% compared to last fiscal year, 10.62% favorable to the current year budget and are up 19.64% compared to four years ago. Sales tax collections are showing a positive trend in many areas including retail, and restaurants and bars. New businesses in the area and improvements to the local economy have led to improved sales tax collections for the Town.

Sales Tax Collections

Category	2010	2011	2012	2013	2014
Retail					
Stores	\$ 643,315	\$ 657,748	\$ 746,156	\$ 770,431	\$ 854,967
Grocery	474,636	494,113	454,557	517,715	540,034
Automotive	237,387	242,476	248,196	290,549	316,102
Other	32,504	28,919	36,883	42,155	42,628
Total Retail	1,387,842	1,423,256	1,485,792	1,620,850	1,753,731
Utilities	286,729	303,402	319,061	355,921	352,994
Restaurants and Bars	240,404	241,229	253,412	256,103	293,502
Construction	471,286	248,760	277,580	271,665	465,738
Communications	96,437	121,606	130,858	118,730	112,651
Entertainment	83,835	73,911	72,596	76,908	74,610
Other*	209,623	198,992	192,728	225,144	268,165
Total	\$ 2,776,156	\$ 2,611,156	\$ 2,732,027	\$ 2,925,321	\$ 3,321,391

*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 10.97% or \$84,536 and 32.90% or \$211,652 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. An increase of 4.31% or \$22,319 was seen over last year and an increase of 13.78% or \$65,398 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 8.79% or \$25,553 was seen over last year and an increase of 33.16% or \$78,715 compared to four years ago.

Utilities category contains tax collected on the sale of electricity, natural gas, water and sewer service. Collections are down by .82% or \$2,927 compared to last year and up by 23.11% or 66,265 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 14.60% or \$37,399 and favorable to four years ago by 22.09% or \$53,098. 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 favorable to last year by 71.44% or \$194,073 and are unfavorable to four years ago by 1.18% or \$5,548. These tax revenues have increased over the past year due to the housing market showing significant signs of recovery. Permit activity in residential developments are increasing as well as commercial projects.

Communications include cell phone service providers, long distance providers, etc. This category is unfavorable to last year by 5.12% or \$6,079 and favorable to four years ago by 16.81% or \$16,214.

Sales Tax within Designated Boundaries

Designated Boundary	2010	2011	2012	2013	2014
Secondary Credit Support Area	\$ 294,384	\$ 234,338	\$ 274,598	\$ 279,738	\$ 289,080
Entertainment District/ Area	187,682	184,969	205,077	205,475	180,146
Crossroads	**	**	**	393,400	436,391
Other*	333,932	419,244	443,822	495,073	115,771
Total	\$ 815,998	\$ 838,551	\$ 923,497	\$ 1,373,686	\$ 1,021,387

*Crossroads, Eastridge, Glassford Hill Marketplace, 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 first quarter of 2010, tax revenue from the businesses within designated boundaries represented 29.39% of overall tax revenues collected. In the first quarter of 2014, tax revenues collected in designated boundaries represents 30.75% 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	2010	2011	2012	2013	2014
Retail	\$ 385,030	\$ 600,678	\$ 650,569	\$ 677,726	\$ 716,214
Restaurants and Bars	113,175	103,329	119,683	123,388	142,057
Other*	317,793	134,544	153,245	572,572	163,116
Total	\$ 815,998	\$ 838,551	\$ 923,497	\$ 1,373,686	\$ 1,021,387

* 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 40.84% of total retail and restaurants and bars represents 48.40% of the total in that category.

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The following graph illustrates sales tax collections for the current year 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.

