

Town of Prescott Valley
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on May 22, 2014

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

The Quarter Ended March 31, 2014

Prepared by the Town of Prescott Valley Management Services Department

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
March 31, 2014**

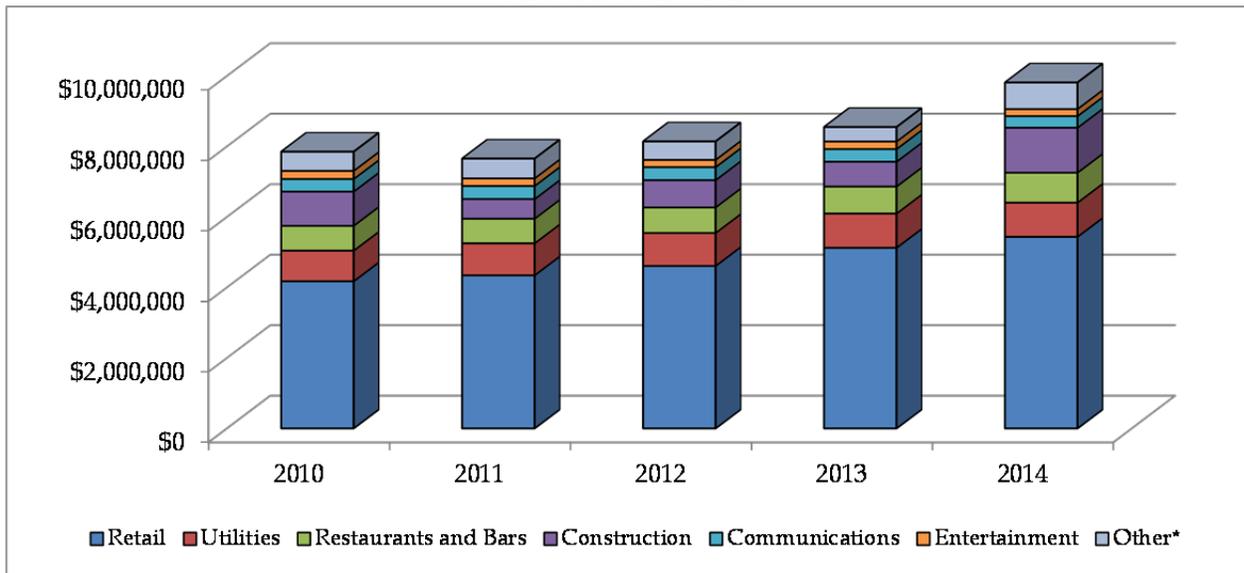
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the third quarter of fiscal year ending June 30, 2014. Total sales tax revenues are up by 14.78% compared to last fiscal year, 18.43% favorable to the current year budget and are up 25.01% compared to four years ago. Sales tax collections are showing a positive trend in many areas including retail, restaurants and bars and construction. 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	\$ 1,951,993	\$ 2,020,914	\$ 2,164,087	\$ 2,350,336	\$ 2,691,831
Grocery	1,483,799	1,538,375	1,618,903	1,637,906	1,632,859
Automotive	626,817	683,121	708,591	809,724	961,164
Other	111,601	100,872	117,205	325,987	148,877
Total Retail	4,174,210	4,343,282	4,608,786	5,123,953	5,434,731
Utilities	869,089	908,244	935,238	972,168	970,662
Restaurants and Bars	703,880	697,650	725,234	765,767	849,432
Construction	971,267	557,917	774,009	704,366	1,275,107
Communications	357,052	371,396	368,325	357,874	329,588
Entertainment	231,226	215,276	207,211	215,439	200,718
Other*	543,624	560,995	523,050	410,508	753,868
Total	\$ 7,850,348	\$ 7,654,760	\$ 8,141,853	\$ 8,550,075	\$ 9,814,106

*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

Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
March 31, 2014

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 and Dicks Sporting Goods), hardware (i.e., Ace Hardware), painting, furniture and service businesses that sell retail items. Retail stores tax collections are favorable to prior year by 14.53% or \$341,495 and 37.90% or \$739,838 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.

Retail - Grocery includes large food chains, small mom and pop stores and convenience stores. A decrease of 0.31% or \$5,047 was seen over last year and an increase of 10.05% or \$149,060 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 18.70% or \$151,440 was seen over last year and an increase of 53.34% or \$334,347 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 0.15% or \$1,506 compared to last year and up by 11.69% or \$101,573 compared to four years ago. The increase compared to four years ago is mainly the 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 10.93% or \$83,665 and favorable to four years ago by 20.68% or \$145,552. 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 81.03% or \$570,741 and are favorable to four years ago by 31.28% or \$303,840. These tax revenues have increased over the past year mainly due to the housing market showing signs of recovery as well as several large commercial projects including the new Walmart. Permit activity in residential developments continues to increase as well as commercial projects.

Communications include cell phone service providers, long distance providers, etc. This category is unfavorable to last year by 7.90% or \$28,286 and unfavorable to four years ago by 7.69% or \$27,464.

Sales Tax within Designated Boundaries

Designated Boundary	2010	2011	2012	2013	2014
Secondary Credit Support Area	\$ 840,751	\$ 687,517	\$ 734,548	\$ 767,244	\$ 820,581
Entertainment District/ Area	541,399	540,132	573,181	579,307	504,570
Crossroads	**	**	**	1,201,176	1,338,978
Other*	1,088,015	1,323,001	1,344,394	353,875	505,619
Total	\$ 2,470,165	\$ 2,550,650	\$ 2,652,123	\$ 2,901,602	\$ 3,169,748

*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 three quarters of 2010, tax revenue from the businesses within designated boundaries represented 31.47% of overall tax revenues collected. In the first three quarters of 2014, tax revenues collected in designated boundaries represents 32.30% 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.

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
March 31, 2014**

Sales Tax within Designated Boundaries by Category

Category	2010	2011	2012	2013	2014
Construction	**	**	**	**	\$ 80,605
Retail	1,638,212	1,707,182	1,773,622	1,958,090	2,279,306
Restaurants and Bars	327,471	316,125	343,865	368,210	399,643
Other*	504,482	527,343	534,636	575,302	410,194
Total	\$ 2,470,165	\$ 2,550,650	\$ 2,652,123	\$ 2,901,602	\$ 3,169,748

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

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

For the current fiscal year, retail within the designated boundaries represents 41.94% of total retail, restaurants and bars represents 47.05% of the total in that category and construction represents 6.32% of the total.

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.

Sales Tax Collections by Quarter

