

Town of Prescott Valley  
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on November 20, 2014

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

**The Quarter Ended September 30, 2014**

Prepared by the Town of Prescott Valley Management Services Department

**Town of Prescott Valley  
Transaction Privilege/Use Tax Revenues  
September 30, 2014**

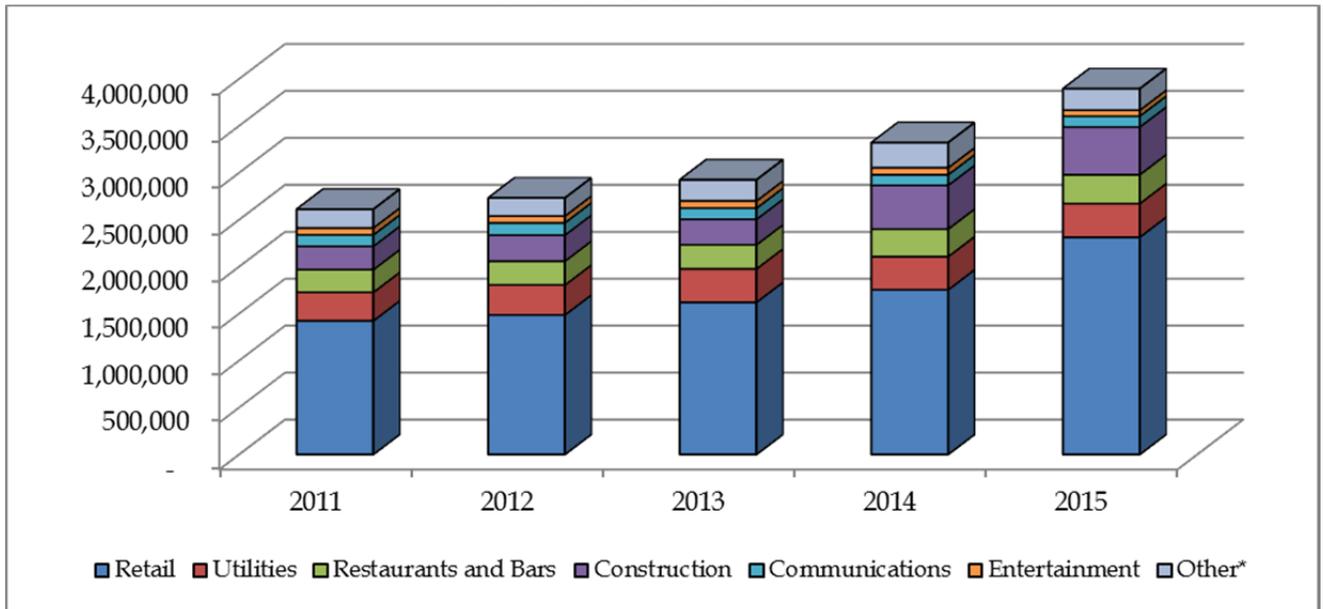
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the first quarter of fiscal year ending June 30, 2015. Total sales tax revenues are up by 17.27% compared to last fiscal year, 6.22% favorable to the current year budget and are up 49.17% compared to four years ago. Sales tax collections are showing a positive trend in many areas including retail, construction, 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	2011	2012	2013	2014	2015
Retail					
Stores	\$ 657,748	\$ 746,156	\$ 770,431	\$ 855,076	\$ 1,220,912
Grocery	494,113	454,557	517,715	540,034	637,817
Automotive	242,476	248,196	290,549	316,093	406,439
Other	28,919	36,883	42,155	42,628	48,687
Total Retail	1,423,256	1,485,792	1,620,850	1,753,831	2,313,854
Utilities	303,402	319,061	355,921	352,994	357,706
Restaurants and Bars	241,229	253,412	256,103	293,502	308,072
Construction	248,760	277,580	271,665	465,616	507,387
Communications	121,606	130,858	118,730	112,651	115,960
Entertainment	73,911	72,596	76,908	74,610	63,474
Other*	198,992	192,728	225,144	268,187	228,500
Total	\$ 2,611,156	\$ 2,732,027	\$ 2,925,321	\$ 3,321,391	\$ 3,894,952

\*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, Wal-Mart, 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 42.78%

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or \$365,836 and 85.62% or \$563,164 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. An increase of 18.11% or \$97,783 was seen over last year and an increase of 29.08% or \$143,704 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 28.58% or \$90,346 was seen over last year and an increase of 67.62% or \$163,963 compared to four years ago. New businesses in this category and an improved economy have led to the increase.

Utilities category contains tax collected on the sale of electricity, natural gas, water and sewer service. Collections are up by 1.33% or \$4,712 compared to last year and up by 17.90% or \$54,304 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 4.96% or \$14,570 and favorable to four years ago by 27.71% or \$66,843. 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 8.97% or \$41,771 and are favorable to four years ago by 103.97% or \$258,627. These tax revenues have increased over the past two years 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 favorable to last year by 2.94% or \$3,309 and unfavorable to four years ago by 4.64% or \$5,646.

**Sales Tax within Designated Boundaries**

Designated Boundary	2011	2012	2013	2014	2015
Secondary Credit Support Area	\$ 234,338	\$ 274,598	\$ 279,738	\$ 288,342	\$ 315,320
Entertainment District/ Area	184,969	205,077	205,475	180,467	173,444
Crossroads	**	**	393,400	436,391	575,275
Other*	419,244	443,822	495,073	115,769	464,599
<b>Total</b>	<b>\$ 838,551</b>	<b>\$ 923,497</b>	<b>\$ 1,373,686</b>	<b>\$ 1,020,969</b>	<b>\$ 1,528,638</b>

\*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 2011, tax revenue from the businesses within designated boundaries represented 32.11% of overall tax revenues collected. In the first quarter of 2015, tax revenues collected in designated boundaries represents 39.25% 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	2011	2012	2013	2014	2015
Retail	\$ 600,678	\$ 650,569	\$ 677,726	\$ 716,214	\$ 1,219,471
Restaurants and Bars	103,329	119,683	123,388	142,057	135,836
Other*	134,544	153,245	572,572	162,698	173,331
<b>Total</b>	<b>\$ 838,551</b>	<b>\$ 923,497</b>	<b>\$ 1,373,686</b>	<b>\$ 1,020,969</b>	<b>\$ 1,528,638</b>

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

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For the current fiscal year, retail within the designated boundaries represents 52.70% of total retail and restaurants and bars represents 44.09% 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 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**

