

Town of Prescott Valley
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on May 28, 2015

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, 2015**

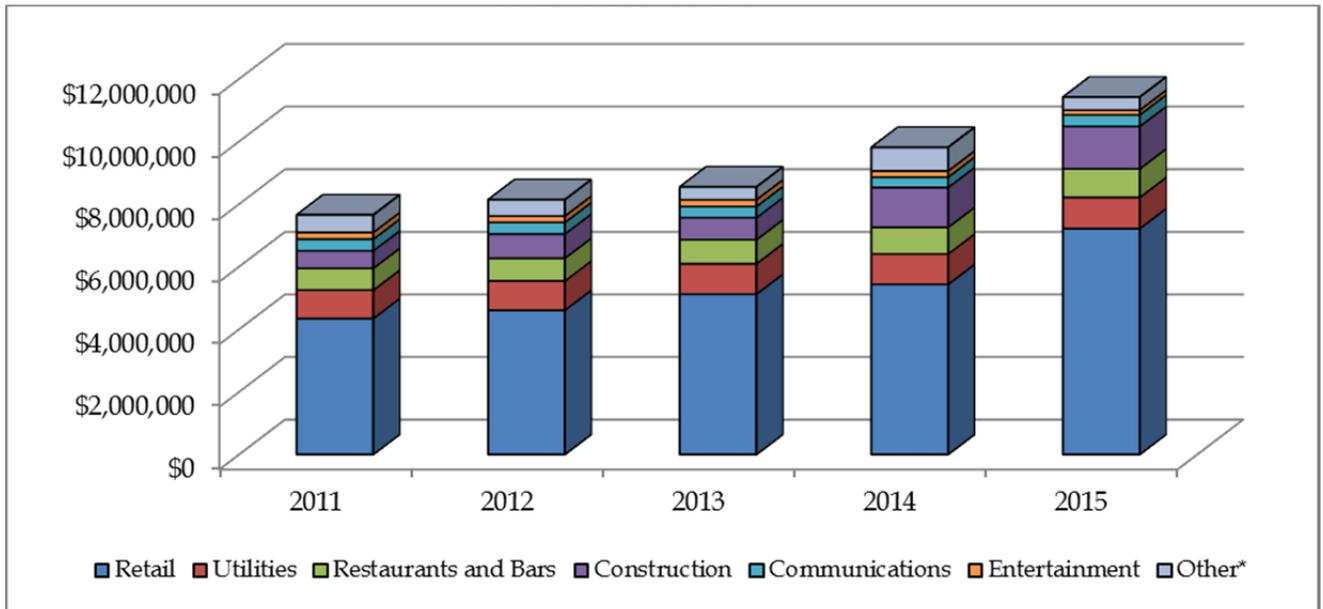
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the third quarter of fiscal year ending June 30, 2015. Total sales tax revenues are up by 16.36% compared to last fiscal year, 8.35% favorable to the current year budget and are up 49.18% compared 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	\$ 2,020,914	\$ 2,164,087	\$ 2,350,336	\$ 2,691,831	\$ 3,813,203
Grocery	1,538,375	1,618,903	1,637,906	1,632,859	1,838,873
Automotive	683,121	708,591	809,724	961,164	1,131,566
Other	100,872	117,205	325,987	148,877	433,891
Total Retail	4,343,282	4,608,786	5,123,953	5,434,731	7,217,533
Utilities	908,244	935,238	972,168	970,662	994,709
Restaurants and Bars	697,650	725,234	765,767	849,432	912,446
Construction	557,917	774,009	704,366	1,275,107	1,356,323
Communications	371,396	368,325	357,874	329,588	365,936
Entertainment	215,276	207,211	215,439	200,718	155,347
Other*	560,995	523,050	410,508	753,867	417,457
Total	\$ 7,654,760	\$ 8,141,853	\$ 8,550,075	\$ 9,814,105	\$ 11,419,751

*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, 2015**

Retail - Stores encompass a variety of businesses including big box stores (e.g., Home Depot, Wal-Mart, and Sam’s Club), department stores (e.g., Kohl’s), hardware (e.g., Ace Hardware), painting, furniture and service businesses that sell retail items. Retail stores tax collections are favorable to prior year by 41.66% or \$1,121,372 and 88.69% or \$1,792,289 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 12.62% or \$206,014 was seen over last year and an increase of 19.53% or \$300,498 compared to four years ago. New businesses and an improved economy have led to this increase.

Retail – Automotive includes auto dealerships, automotive repair shops, tire stores and retail stores that sell automotive parts and accessories. An increase of 17.73% or \$170,402 was seen over last year and an increase of 65.65% or \$448,445 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 2.48% or \$24,047 compared to last year and up by 9.52% or \$86,465 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 7.42% or \$63,014 and favorable to four years ago by 30.79% or \$214,796. 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 6.37% or \$81,216 and are favorable to four years ago by 143.10% or \$798,406. 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 11.03% or \$36,348 and unfavorable to four years ago by 1.47% or \$5,460.

Sales Tax within Designated Boundaries

Designated Boundary	2011	2012	2013	2014	2015
Crossroads	**	**	\$ 1,201,176	\$ 1,356,563	\$ 1,767,154
Glassford Hill	**	**	**	**	1,329,145
Secondary Credit Support Area	687,517	734,548	767,244	820,581	876,313
Entertainment District/ Area	540,132	573,181	579,307	504,570	485,181
Other*	1,323,001	1,344,394	353,875	505,619	104,566
Total	\$ 2,550,650	\$ 2,652,123	\$ 2,901,602	\$ 3,187,333	\$ 4,562,359

*Eastridge, 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 2011, tax revenue from the businesses within designated boundaries represented 33.32% of overall tax revenues collected. In the first three quarters of 2015, tax revenues collected in designated boundaries represents 39.95% 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, 2015**

Sales Tax within Designated Boundaries by Category

Category	2010	2011	2012	2013	2015
Construction	**	**	**	\$ 80,605	\$ 78,176
Retail	1,707,182	1,773,622	1,958,090	2,279,306	3,529,776
Restaurants and Bars	316,125	343,865	368,210	417,227	402,482
Other*	527,343	534,636	575,302	410,195	551,926
Total	\$ 2,550,650	\$ 2,652,123	\$ 2,901,602	\$ 3,187,333	\$ 4,562,359

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

For the current fiscal year, construction within the designated boundaries represent 5.76% of total construction, retail represents 48.91% of total retail, and restaurants and bars represents 44.11% 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

