

Town of Prescott Valley
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on August 27, 2015

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

The Quarter Ended June 30, 2015

Prepared by the Town of Prescott Valley Management Services Department

**Town of Prescott Valley
Transaction Privilege/Use Tax Revenues
June 30, 2015**

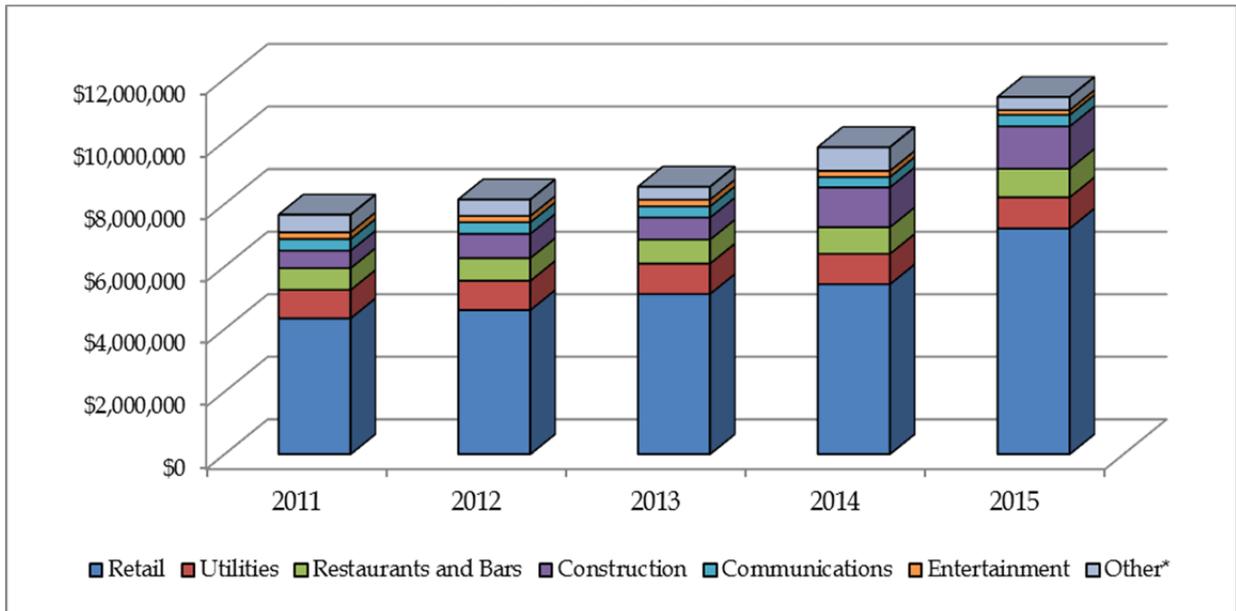
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the fourth quarter of fiscal year ending June 30, 2015. Total sales tax revenues are up by 15.10% compared to last fiscal year, 9.88% favorable to the current year budget and are up 51.46% compared 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	\$ 2,722,114	\$ 2,918,075	\$ 3,188,745	\$ 3,972,394	\$ 5,215,553
Grocery	2,032,835	2,123,198	2,165,889	2,093,719	2,416,781
Automotive	935,005	978,213	1,129,120	1,331,509	1,597,427
Other	139,569	161,157	434,625	198,417	253,448
Total Retail	5,829,523	6,180,643	6,918,379	7,596,039	9,483,209
Utilities	1,176,812	1,204,347	1,250,485	1,252,863	1,281,574
Restaurants and Bars	938,052	982,253	1,036,400	1,148,054	1,253,453
Construction	732,736	1,018,011	1,020,360	1,704,163	1,835,850
Communications	494,170	487,727	477,487	449,656	487,101
Entertainment	280,222	289,243	282,709	275,847	198,765
Other*	757,453	721,345	549,503	1,007,118	922,705
Total	\$ 10,208,968	\$ 10,883,569	\$ 11,535,323	\$ 13,433,740	\$ 15,462,656

*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 (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 31.29%

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or \$1,243,159 and 91.60% or \$2,493,439 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 15.43% or \$323,062 was seen over last year and an increase of 18.89% or \$383,946 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 19.97% or \$265,918 was seen over last year and an increase of 70.85% or \$662,422 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 2.29% or \$28,711 compared to last year and up by 8.90% or \$104,762 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 9.18% or \$105,399 and favorable to four years ago by 33.62% or \$315,401. 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 7.73% or \$131,687 and are favorable to four years ago by 150.55% or \$1,103,114. 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 8.33% or \$37,445 and unfavorable to four years ago by 1.43% or \$7,069.

Sales Tax within Designated Boundaries

Designated Boundary	2011	2012	2013	2014	2015
Crossroads	**	**	\$ 1,643,604	\$ 1,832,613	\$ 2,441,827
Glassford Hill	**	**	**	**	1,781,655
Secondary Credit Support Area	924,911	992,514	1,065,472	1,099,168	1,217,428
Entertainment District/ Area	707,161	769,177	634,352	663,403	658,244
Other*	1,785,886	1,820,070	466,412	1,072,992	156,264
Total	\$ 3,417,958	\$ 3,581,760	\$ 3,809,840	\$ 4,668,176	\$ 6,255,419

*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 year of 2011, tax revenue from the businesses within designated boundaries represented 33.48% of overall tax revenues collected. For the current fiscal year 2015, tax revenues collected in designated boundaries represents 40.46% 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.

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Sales Tax within Designated Boundaries by Category

Category	2011	2012	2013	2014	2015
Construction	**	**	**	\$ 101,678	\$ 112,467
Retail	2,304,731	2,412,646	2,688,699	3,442,053	4,896,058
Restaurants and Bars	425,849	459,731	496,051	544,085	553,725
Other*	687,378	709,384	625,090	580,360	693,168
Total	\$ 3,417,958	\$ 3,581,760	\$ 3,809,840	\$ 4,668,176	\$ 6,255,419

* 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 represents 6.13% of total construction, retail represents 51.63% of total retail, and restaurants and bars represents 44.18% 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.

Sales Tax Collections by Quarter

