

Town of Prescott Valley
Arizona

Quarterly Sales Tax Report



To The Town Council

Presented on November 19, 2015

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

The Quarter Ended September 30, 2015

Prepared by the Town of Prescott Valley Management Services Department

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

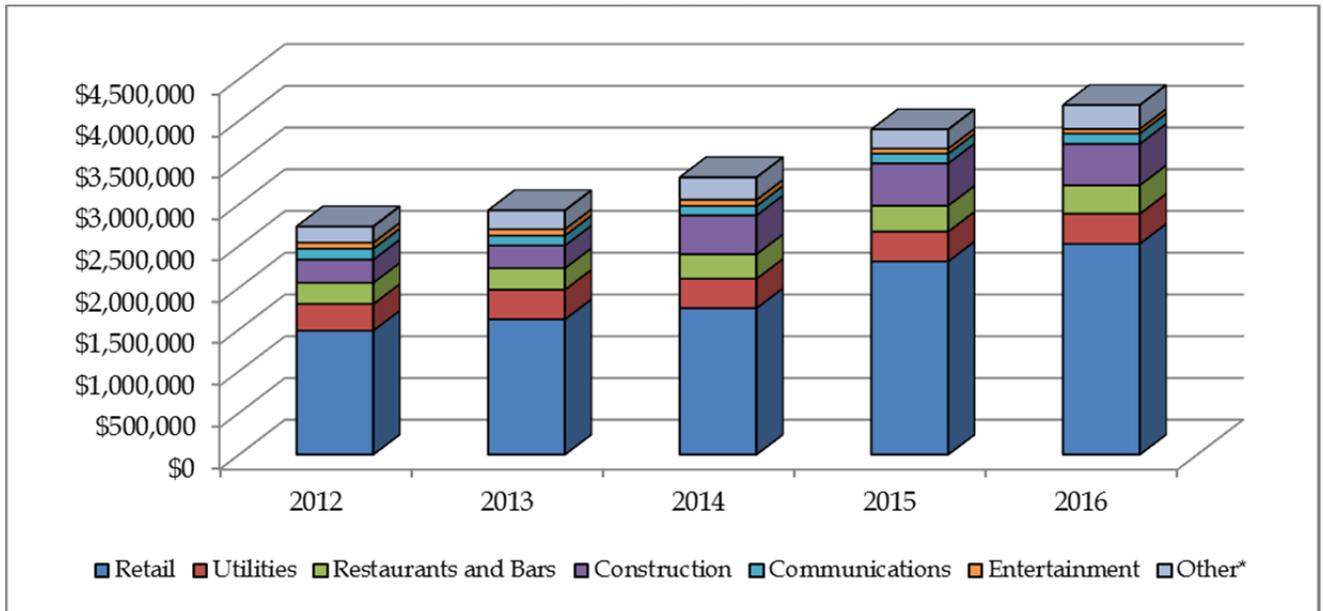
This report represents the transaction privilege/use tax revenues (sales tax) collected by the Town through the first quarter of fiscal year ending June 30, 2016. Total sales tax revenues are up by 7.49% compared to last fiscal year, 1.02% favorable to the current year budget and are up 53.25% compared 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	2012	2013	2014	2015	2016
Retail					
Stores	\$ 746,156	\$ 770,431	\$ 855,076	\$ 1,220,912	\$ 1,379,691
Grocery	454,557	517,715	540,034	637,817	591,761
Automotive	248,196	290,549	316,093	406,439	484,816
Other	36,883	42,155	42,628	48,687	68,890
Total Retail	1,485,792	1,620,850	1,753,830	2,313,854	2,525,158
Utilities	319,061	355,921	352,994	357,706	359,798
Restaurants and Bars	253,412	256,103	293,502	310,082	340,931
Construction	277,580	271,665	465,616	507,387	496,946
Communications	130,858	118,730	112,651	115,960	123,230
Entertainment	72,596	76,908	74,610	61,463	55,262
Other*	192,728	225,144	268,187	228,500	285,523
Total	\$ 2,732,027	\$ 2,925,321	\$ 3,321,391	\$ 3,894,952	\$ 4,186,847

*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 13.0% or

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\$158,779 and 84.91% or \$633,535 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 7.22% or \$46,056 was seen over last year and an increase of 30.18% or \$137,204 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 19.28% or \$78,377 was seen over last year and an increase of 95.34% or \$236,620 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 .58% or \$2,092 compared to last year and up by 12.77% or \$40,737 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 9.95% or \$30,849 and favorable to four years ago by 34.54% or \$87,519. 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 unfavorable to last year by 2.06% or \$10,441 and are favorable to four years ago by 79.03% or \$219,366. Construction Tax legislation changes have led to the decrease in construction tax revenues compared to last year.

Communications include cell phone service providers, long distance providers, etc. This category is favorable to last year by 6.27% or \$7,270 and unfavorable to four years ago by 5.83% or \$7,628.

Sales Tax within Designated Boundaries

Designated Boundary	2012	2013	2014	2015	2016
Crossroads	**	\$ 393,400	\$ 436,391	\$ 575,363	\$ 624,239
Glassford Hill	**	**	**	426,143	465,393
Secondary Credit Support Area	274,598	279,738	288,342	315,238	356,091
Entertainment District/ Area	205,077	205,475	180,467	173,444	181,078
Other*	443,822	495,073	115,769	38,457	14,546
Total	\$ 923,497	\$ 1,373,686	\$ 1,020,969	\$ 1,528,645	\$ 1,641,348

* 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 quarter of 2012, tax revenue from the businesses within designated boundaries represented 33.80% of overall tax revenues collected. In the first quarter of 2015, tax revenues collected in designated boundaries represents 39.20% 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	2012	2013	2014	2015	2016
Construction	**	**	**	\$ 31,750	\$ 34,450
Retail	\$ 650,569	\$ 677,726	\$ 716,214	1,095,082	1,297,401
Restaurants and Bars	119,683	123,388	142,057	135,836	156,200
Other*	153,245	572,572	162,698	265,977	153,297
Total	\$ 923,497	\$ 1,373,686	\$ 1,020,969	\$ 1,528,645	\$ 1,641,348

* Commercial Lease, Communications, 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 51.38% of total retail tax revenue. Restaurants and bars within the designated boundaries represent 45.82% of the total tax revenue for restaurants and bars within the town.

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

