



**Sales and Use Tax  
Fiscal Year to Date as of December 2018**

General Fund	2017 Actual	2018 Actual	2019 Actual	Actual 2019 to 2018		2019 Budget	Actual to Budget 2019	
				\$ Variance	% Variance		\$ Variance	% Variance
Retail	7,720,999	8,196,692	8,818,071	621,379	8%	8,372,400	445,671	5%
Vehicles	3,120,081	3,765,656	3,696,221	(69,435)	-2%	3,845,800	(149,579)	-4%
Communications/Utilities	2,671,441	2,773,896	2,752,713	(21,183)	-1%	2,832,900	(80,187)	-3%
Contracting	1,250,000	1,250,000	1,250,000	(0)	0%	1,250,000	0	0%
Restaurant/Bar	3,161,167	3,504,367	3,779,953	275,586	8%	3,578,800	201,153	6%
Real Estate/Rental & Leasing	2,135,748	2,426,787	2,664,946	238,159	10%	2,478,300	186,646	8%
Arts/Entertainment	235,403	224,636	268,520	43,884	20%	229,400	39,120	17%
Hotel/Motel	221,985	243,245	253,982	10,738	4%	248,400	5,582	2%
Transient Lodging	59,431	64,326	64,618	292	0%	63,900	718	1%
Auditing	2,250	700	743	43	0%	0	743	0%
Use Tax	421,972	555,306	749,331	194,025	35%	567,100	182,231	32%
Other Tax Activity	188,186	113,802	142,479	28,677	25%	116,300	26,179	23%
<b>Total General Fund</b>	<b>21,188,663</b>	<b>23,119,413</b>	<b>24,441,577</b>	<b>1,322,164</b>	<b>6%</b>	<b>23,583,300</b>	<b>858,277</b>	<b>4%</b>
Percentage of change from prior period		9%	6%					
Transportation Improvement Fund (1.5% tax rate)	1,574,495	1,560,807	2,643,130	1,082,323	69%	1,081,800	1,561,330	144%
Percentage of change from prior period		-1%	69%					
General Capital Fund (2.2% tax rate)	1,059,259	1,039,184	2,626,590	1,587,406	153%	628,800	1,997,790	318%
Percentage of change from prior period		-2%	153%					
Tourism Fund - Bed Tax (3.52% tax rate)	209,197	226,428	227,456	1,028	0%	225,000	2,456	1%
Percentage of change from prior period		8%	0%					
<b>Total All Funds</b>	<b>24,031,614</b>	<b>25,945,833</b>	<b>29,938,753</b>	<b>3,992,921</b>	<b>15%</b>	<b>25,518,900</b>	<b>4,419,853</b>	<b>17%</b>

FY2017 amounts for General Fund categories, excluding contracting and transient lodging, were updated to include ADOR's implementation of location based and business code reporting.

## General Fund

**Retail** (2.2% tax rate) - tax collections from large and small retail stores, discount department stores, warehouse clubs, and supercenters.

**Vehicles** (2.2% tax rate) - tax collections from vehicle sales.

**Communication/Utilities** (2.2% tax rate) - tax collections from businesses that provide telecommunications (landlines and cellular), electricity, gas, and water services.

**Contracting** (2.2% of the 3.7% contracting tax rate is dedicated to the General Fund) - tax collections from businesses engaging in contracting activity, (e.g., landscaping, painting, flooring installation, siding, roofing, concrete, plumbing, heating, framing, drywall, infrastructure, masonry, finish carpentry). The first \$1.25 million received in revenues from the 2.2% transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in the General Capital Fund and will be used to fund the Capital Improvement Plan.

**Restaurant and Bar** (3.2% tax rate) - tax collections from restaurants, bars and caterers.

**Real Estate, Rental & Leasing** (2.2% tax rate) - tax collections from rental income of commercial and residential real property, and personal property rentals (e.g., rentals of formal wear, DVD's, home health equipment, recreational goods, electronics, appliances).

**Arts and Entertainment** (2.2% tax rate) - tax collections from businesses that charge admission for exhibition, amusement, or entertainment, (e.g., gym memberships, golf courses, athletic and dance instruction, movie theatres).

**Hotel/Motel** (2.2% tax rate) - tax collections from the activity of renting lodging space for any length of time and other activities provided at the hotel/motel.

**Transient Lodging** (1% of the 4.52% transient lodging tax rate is dedicated to the General Fund) - tax collections from the activity of charging for lodging and/or lodging space furnished to any transient for less than thirty consecutive days, and is in addition to the hotel/motel tax rate of 2.2%.

**Auditing** - payments from tax audits conducted by the Revenue Division of the City of Surprise Finance Department.

**Use Tax** (2.2% tax rate) - tax collections from goods and products that are used or stored in the City where sales tax was not paid when purchased.

**Other Tax Activity** (2.2% tax rate) - tax collections from business license fees, advertising, feed at wholesale, job printing, manufactured buildings, old business codes, and maintenance, repair, replacement or alteration projects (MRRA).

## Dedicated Funds

**Transportation Improvement** (1.5% of the 3.7% contracting tax rate is dedicated to the Transportation Improvement Fund)

The transportation improvement fund is established to provide for the collection and expenditure of the dedicated 1.5% local construction transaction tax adopted by the Mayor and Council through ordinance 05-13. This tax is dedicated for the improvement of existing roadway corridors and the related costs of the construction of new roadways.

**General Capital** (2.2% of the 3.7% contracting tax rate)

The first \$1.25 million received in revenues from the 2.2% transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in the General Capital Fund and will be used to fund the Capital Improvement Plan.

**Tourism** (3.52% of the 4.52% transient lodging tax rate is dedicated to the Tourism Fund)

Ordinance No. 2015-10 increased the tax rate to 4.52% with 3.52% recorded in the Tourism Fund. Mayor and City Council has designated that 75% will be allocated to Sports Tourism Facility Development/Facility Improvement and 25% will be allocated to Special Events/Marketing/Studies.



## Transaction Privilege Tax Report

### Hotel Motel

Tax Collected	Reported to State	Reported to City	FY2015	FY2016	*FY2017	FY2018	FY2019	5 YR Average FY2015 - FY2019
Jul	Aug	Sep	\$ 17,682	\$ 16,928	\$ 21,297	\$ 31,513	\$ 28,647	\$ 23,213
Aug	Sep	Oct	\$ 24,363	\$ 24,829	\$ 23,264	\$ 26,213	\$ 32,505	\$ 26,235
Sep	Oct	Nov	\$ 30,945	\$ 31,473	\$ 35,342	\$ 38,405	\$ 36,670	\$ 34,567
Oct	Nov	Dec	\$ 52,349	\$ 59,506	\$ 58,393	\$ 55,171	\$ 59,089	\$ 56,902
Nov	Dec	Jan	\$ 41,435	\$ 44,780	\$ 46,760	\$ 48,603	\$ 51,144	\$ 46,544
Dec	Jan	Feb	\$ 43,753	\$ 49,646	\$ 36,930	\$ 43,340	\$ 45,927	\$ 43,919
Jan	Feb	Mar	\$ 23,111	\$ 50,389	\$ 33,947	\$ 53,287		\$ 40,183
Feb	Mar	Apr	\$ 85,180	\$ 67,284	\$ 77,765	\$ 73,472		\$ 75,925
Mar	Apr	May	\$ 80,525	\$ 90,729	\$ 91,488	\$ 78,265		\$ 85,252
Apr	May	Jun	\$ 32,169	\$ 39,894	\$ 44,009	\$ 39,450		\$ 38,880
May	Jun	Jul	\$ 28,916	\$ 26,763	\$ 29,185	\$ 39,484		\$ 31,087
Jun	Jul	Aug	\$ 20,246	\$ 22,958	\$ 23,917	\$ 39,727		\$ 26,712
<b>TOTAL</b>			<b>\$ 480,674</b>	<b>\$ 525,179</b>	<b>\$ 522,296</b>	<b>\$ 566,929</b>	<b>\$ 253,982</b>	<b>\$ 529,420</b>

\*Hotel and Motel amounts for FY2017 were updated to include AZ Dept. of Revenue's implementation of location based and business code reporting

### Transient Lodging

Tax Collected	Reported to State	Reported to City	<sup>1</sup> FY2015	FY2016	FY2017	FY2018	FY2019	5 YR Average FY2015 - FY2019
Jul	Aug	Sep	\$ 11,744	\$ 31,002	\$ 35,321	\$ 50,396	\$ 39,965	\$ 33,686
Aug	Sep	Oct	\$ 16,747	\$ 9,222	\$ 24,356	\$ 37,041	\$ 43,679	\$ 26,209
Sep	Oct	Nov	\$ 17,452	\$ 18,222	\$ 38,396	\$ 44,062	\$ 42,573	\$ 32,141
Oct	Nov	Dec	\$ 25,420	\$ 29,903	\$ 71,136	\$ 52,360	\$ 54,808	\$ 46,726
Nov	Dec	Jan	\$ 24,210	\$ 42,957	\$ 56,159	\$ 55,496	\$ 56,805	\$ 47,125
Dec	Jan	Feb	\$ 23,112	\$ 52,789	\$ 43,260	\$ 51,399	\$ 54,244	\$ 44,961
Jan	Feb	Mar	\$ 55,130	\$ 63,003	\$ 67,301	\$ 78,493		\$ 65,982
Feb	Mar	Apr	\$ 53,564	\$ 86,084	\$ 98,560	\$ 104,735		\$ 85,736
Mar	Apr	May	\$ 65,790	\$ 131,787	\$ 150,918	\$ 119,914		\$ 117,102
Apr	May	Jun	\$ 22,092	\$ 55,825	\$ 69,245	\$ 56,034		\$ 50,799
May	Jun	Jul	\$ 24,125	\$ 35,250	\$ 47,870	\$ 60,163		\$ 41,852
Jun	Jul	Aug	\$ 21,607	\$ 41,187	\$ 36,092	\$ 62,355		\$ 40,310
<b>TOTAL</b>			<b>\$ 360,993</b>	<b>\$ 597,231</b>	<b>\$ 738,613</b>	<b>\$ 772,449</b>	<b>\$ 292,074</b>	<b>\$ 632,628</b>

<sup>1</sup>Transient Lodging tax rate increased from 2.52% to 4.52% effective 11/01/2015, Ordinance No. 2015-10 (3.52% of the 4.52% is recorded to the Tourism Fund)



## Transaction Privilege Tax Report

### Restaurant and Bar

Tax Collected	Reported to State	Reported to City	FY2015	FY2016	*FY2017	FY2018	FY2019	5 YR Average FY2015 - FY2019
Jul	Aug	Sep	\$ 370,435	\$ 402,510	\$ 502,873	\$ 517,688	\$ 602,501	\$ 479,202
Aug	Sep	Oct	\$ 393,533	\$ 430,056	\$ 482,560	\$ 551,570	\$ 595,999	\$ 490,744
Sep	Oct	Nov	\$ 433,656	\$ 434,876	\$ 496,508	\$ 588,019	\$ 568,700	\$ 504,352
Oct	Nov	Dec	\$ 410,955	\$ 481,198	\$ 531,487	\$ 595,474	\$ 673,244	\$ 538,472
Nov	Dec	Jan	\$ 473,106	\$ 487,777	\$ 545,694	\$ 600,545	\$ 635,982	\$ 548,621
Dec	Jan	Feb	\$ 469,465	\$ 522,687	\$ 602,045	\$ 651,071	\$ 703,527	\$ 589,759
Jan	Feb	Mar	\$ 460,847	\$ 491,380	\$ 621,598	\$ 676,521		\$ 562,587
Feb	Mar	Apr	\$ 532,431	\$ 547,841	\$ 614,354	\$ 681,549		\$ 594,044
Mar	Apr	May	\$ 607,926	\$ 675,027	\$ 800,846	\$ 860,495		\$ 736,074
Apr	May	Jun	\$ 506,791	\$ 545,300	\$ 650,128	\$ 673,602		\$ 593,955
May	Jun	Jul	\$ 510,135	\$ 481,777	\$ 597,185	\$ 649,784		\$ 559,720
Jun	Jul	Aug	\$ 431,220	\$ 436,037	\$ 540,675	\$ 626,876		\$ 508,702
<b>TOTAL</b>			\$ 5,600,500	\$ 5,936,467	\$ 6,985,953	\$ 7,673,195	\$ 3,779,953	\$ 6,706,230

\*Restaurant and Bar amounts for FY2017 were updated to include AZ Dept. of Revenue's implementation of location based and business code reporting