

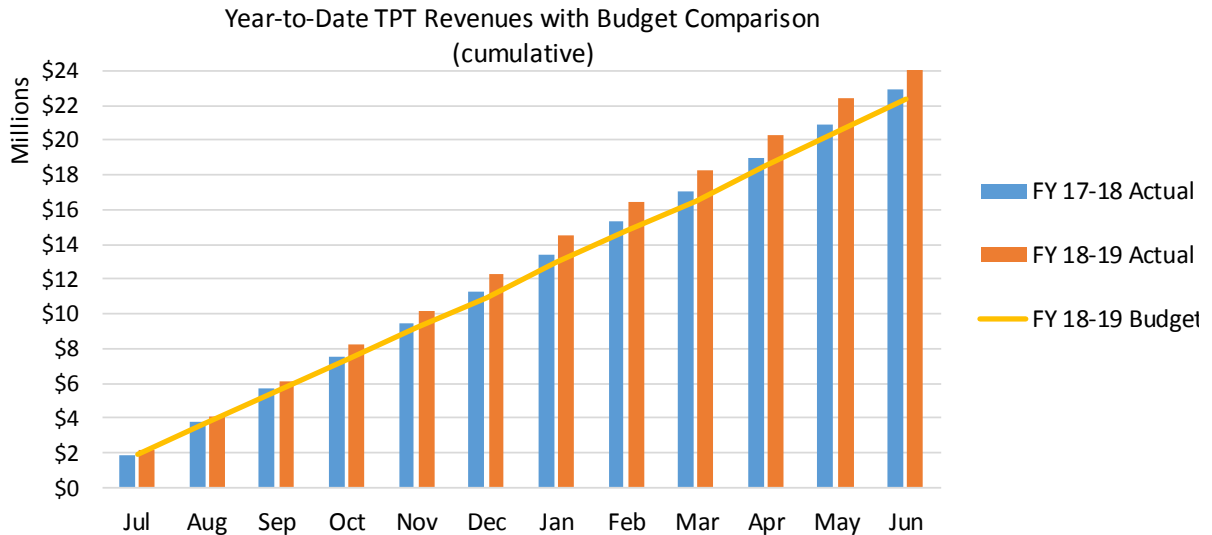
TOWN OF PRESCOTT VALLEY, ARIZONA
QUARTERLY SALES TAX REPORT

QUARTER ENDED:
June 30, 2019

TO THE TOWN COUNCIL
ON AUGUST 8, 2019

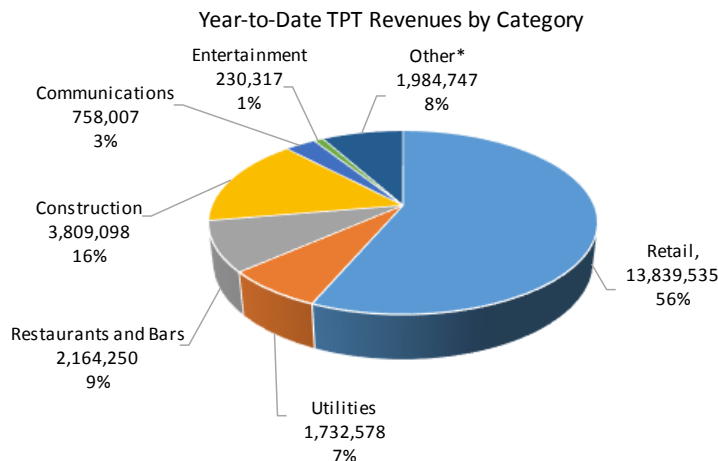
Transaction Privilege Tax Revenues

Total transaction privilege tax (TPT) revenues are up by 7.02% for the same period compared to last fiscal year and 9.49% compared to budget. The rise in sales tax collections is primarily due to significant increases in construction along with less significant growth in the areas of restaurant and communications. The following graph represents cumulative performance through the final quarter of fiscal year 2019 compared to budget, as well as to the prior year.



For the current fiscal year, the most significant changes are:

- ⇒ **Retail**— Largest tax category at 56% of total TPT revenues which includes big box stores, grocery, automotive, and all other retail, exhibiting an overall decrease of 1.48% compared to the prior year which is primarily associated with a drop in the auto sales category.
- ⇒ **Construction**— Represents 16% of total TPT revenues and consists of residential and commercial projects. Strong economic growth has caused this category to experience an increase of 25.44% compared to the prior year.
- ⇒ **Restaurants and Bars**— Comprise 9% of total TPT revenues and includes fast food chains, restaurants and bars. A wider variety of new restaurant establishments has contributed to the substantial 12.64% increase

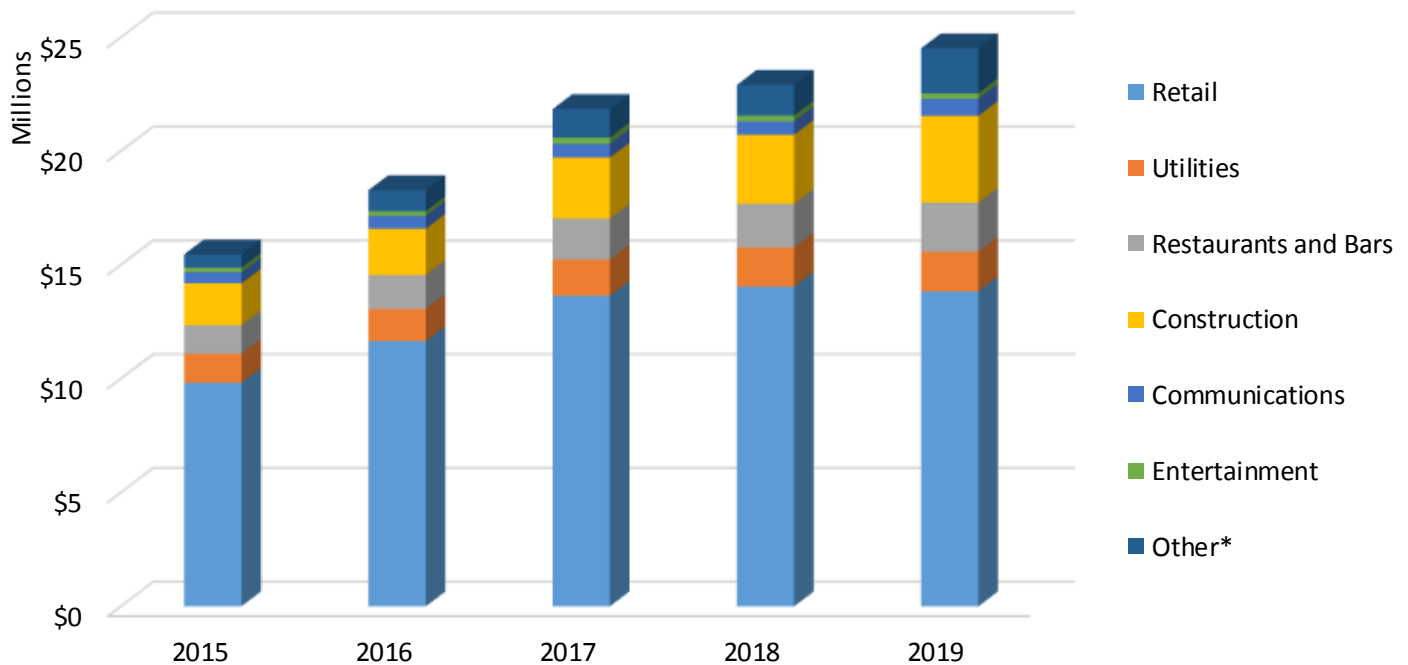


*Job Printing, Hotel/Motel, TPP Rental, Publication, Transportation, and Use Tax

5 Year Comparison

Total TPT revenues are up by 58.57% compared to the same period four years ago. The rise in sales tax collections is due to the 0.50% increase in transaction privilege tax that went into effect January 1, 2016, an increase in restaurant and communications, and a robust construction environment. The following graph compares the performance through the end of fiscal year 2019 compared to the four preceding years.

Year-to-Date TPT Collections by Category



Year-to-Date TPT Collections by Category

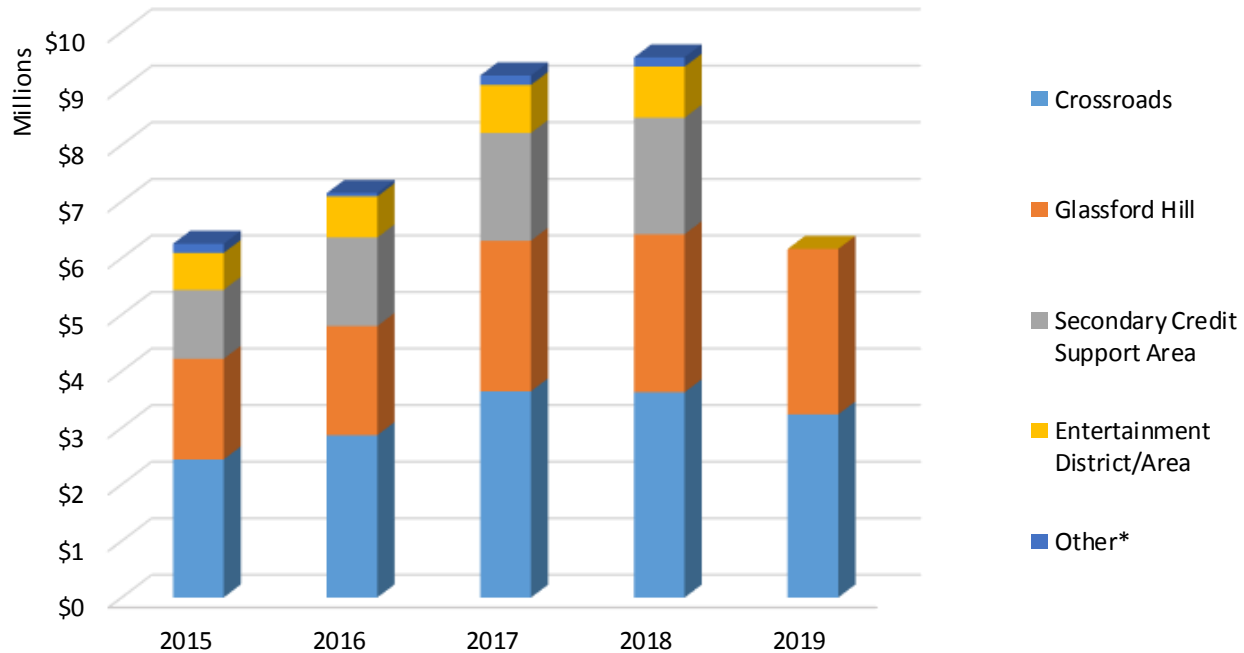
Category	2015	2016	2017	2018	2019
Retail					
Stores	\$ 5,215,553	\$ 6,429,089	\$ 7,819,962	\$ 8,155,031	\$ 8,437,728
Grocery	2,416,781	2,619,635	2,928,396	3,015,942	3,197,072
Automotive	1,597,427	2,000,560	2,150,132	2,035,967	1,855,611
Other	589,450	600,262	747,414	841,106	349,124
Total Retail	9,819,211	11,649,546	13,645,904	14,048,046	13,839,535
Utilities	1,281,574	1,420,694	1,594,198	1,712,709	1,732,578
Restaurants and Bars	1,253,453	1,482,623	1,800,161	1,921,306	2,164,250
Construction	1,835,850	2,037,814	2,677,511	3,036,707	3,809,098
Communications	487,101	565,278	601,418	584,147	758,007
Entertainment	198,765	199,408	275,106	261,718	230,317
Other*	586,703	927,736	1,253,151	1,345,304	1,984,747
Total	\$ 15,462,657	\$ 18,283,099	\$ 21,847,449	\$ 22,909,937	\$ 24,518,532

*Job Printing, Hotel/Motel, TPP Rental, Publication, Transportation, and Use Tax

TPT Within Designated Boundaries

For fiscal year 2019, tax revenue from the businesses within designated boundaries represent 25.14% of overall tax revenues collected compared to 41.69% the prior year. The decrease is primarily due to reclassification of development districts into non-development districts (Entertainment and Secondary Credit Support areas) and the removal of smaller development area information in order to protect proprietary taxpayer data. For the current fiscal year, retail within the designated boundaries represents 38.90% of total retail tax revenue; restaurants and bars represent 20.02% of the total restaurant and bar tax revenue.

Year-to-Date TPT Collections by Designated Boundaries



Year-to-Date TPT Within Designated Boundaries

Designated Boundary	2015	2016	2017	2018	2019
Crossroads	\$ 2,441,827	\$ 2,872,146	\$ 3,649,032	\$ 3,630,919	\$ 3,238,451
Glassford Hill	1,781,655	1,929,431	2,659,592	2,793,207	2,925,855
Secondary Credit Support Area	1,217,428	1,564,332	1,908,094	2,061,096	-
Entertainment District/Area	654,231	727,217	848,478	902,405	-
Other*	160,277	59,071	166,450	164,207	-
Total	\$ 6,255,418	\$ 7,152,197	\$ 9,231,646	\$ 9,551,834	\$ 6,164,306
% of Total Revenues	40.46%	39.12%	42.26%	41.69%	25.14%

Year-to-Date TPT Within Designated Boundaries by Category

Category	2015	2016	2017	2018	2019
Retail	\$ 4,896,058	\$ 5,929,178	\$ 7,473,623	\$ 7,688,440	\$ 5,384,248
Restaurants and Bars	553,725	670,481	814,270	922,025	433,175
Other**	805,635	552,538	943,753	941,369	346,883
Total	\$ 6,255,418	\$ 7,152,197	\$ 9,231,646	\$ 9,551,834	\$ 6,164,306

*Smaller development areas excluded in 2019 to preserve proprietary taxpayer information

**Includes Construction, Job Printing, Hotel/Motel, TPP Rental, Publication, Entertainment, Utilities, Transportation, and Use Tax