



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: March 2, 2006

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

December 2005 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>December 2005</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$330,793,126	\$1,471,865,024
Percent Change	24.5%	24.8%
Corporate Income Tax		
Net Collections	\$135,236,728	\$ 407,503,651
Percent Change	(1.5%)	18.9%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$341,852,219	\$2,046,059,189
Change	18.9%	17.1%
Total Big Three Tax Types		
Net Collections	\$807,882,073	\$3,925,427,864
Percent Change	16.8%	19.9%

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be distributed.

TAX FACTS December 2005

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	December 2005	December 2004	% Change
Gross Collections	\$ 111,812,195	\$ 81,181,241	37.7
Withholding	\$ 275,574,553	\$ 233,620,890	18.0
Refunds	\$ (21,157,877)	\$ (18,033,413)	17.3
Urban Revenue Sharing	\$ (35,435,744)	\$ (31,089,382)	14.0
Net Collections	\$ 330,793,127	\$ 265,679,336	24.5

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% Change
Gross Collections	\$ 331,270,417	\$ 230,939,386	43.4
Withholding	\$ 1,451,799,777	\$ 1,219,209,691	19.1
Refunds	\$ (98,590,705)	\$ (84,641,410)	16.5
Urban Revenue Sharing	\$ (212,614,463)	\$ (186,536,289)	14.0
Net Collections	\$ 1,471,865,026	\$ 1,178,971,378	24.8

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In December 2005, the Department did not issue any individual or corporate income tax refunds alternative fuel-related credits.

Ladewig Refunds

In December 2005, the department issued 906 warrants totaling \$834,478 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 307,531 refunds have been issue for a total of \$43,177,872. Attorney payments are not included in the refund amount and total \$ \$4,853,277 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,106	1,575,957	88,795	102,431	3	44,198	297,353	13,315	197,269	2,625	13	2,368,223
%	1.8	66.5	3.7	4.3	0.0	1.9	12.6	0.6	8.3	0.1	0.0	

In calendar year 2005 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,957	1,675,324	99,248	115,957	12	45,036	279,787	12,873	188,966	3,161	8	2,467,329
%	1.9%	67.9%	4.0%	4.7%	0.0%	1.8%	11.3%	0.5%	7.7%	0.1%	0.0%	

The 2,467,329 returns, representing current and prior tax years, filed through December 2005 compares to 2,368,223 returns filed during the same period of time in 2004 for an annual increase of 4.2%. For tax year 2004 filed in 2005, 2,343,524 returns have been filed, a 4.2% increase over filings in December 2004 for tax year 2003.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,634,444 returns in calendar year 2005 for tax year 2004 from filers who also have returns on record from calendar year 2004 with the same marital status. On average, these filers experienced a 10.7% increase in FAGI and a 19.0% increase in tax liability. More specifically, 32.4% of these filers experienced a decrease in tax liability; on average a decrease of 21.3% with a corresponding average decrease in FAGI of 37.7%. Filers with an increase in tax liability totaled 896,698 or 54.9% with an average FAGI increase of 34.5% and an average tax liability increase of 67.5%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2005 CYTD	\$ 513.10	1,492,106
2004 CYTD	\$ 515.15	1,506,740
% Change	(0.4)	(1.0)

"New" Filers in Calendar Year 2005

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2005. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 258,482 "new" returns have been filed thus far in 2005, representing approximately 314,793 persons, not including dependents. The average Federal Adjusted Gross Income is \$22,021 with an average tax liability of \$390. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 17.0% had a married filing joint filing status, 7.5% claimed a 65 and Over Exemption and 34.2% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES from December 2005 for tax year 2004 was \$402,572,501 million, for an average of \$2,108. An additional \$75.5 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,850. Estimated payments received through December 2005 for tax year 2005 are as follows:

12/05	140ES payment	\$	26,433,245	Cumulative \$	315,304,587
12/04	140ES payment	\$	29,415,992	Cumulative \$	234,500,076
	% change		(10.1)		34.5
12/05	Average payment	\$	2,646	Cumulative \$	1,926
12/04	Average payment	\$	3,358	Cumulative \$	1,614
	% change		(21.2)		19.3
12/05	Applied refund	\$	17,274,073	Cumulative \$	92,465,448
12/04	Applied refund	\$	15,122,903	Cumulative \$	72,511,018
	% change		14.2		27.5
Total 12/05		\$	43,707,318	Cumulative \$	407,770,035
Total 12/04		\$	44,538,894	Cumulative \$	307,011,094
	% change		(1.9)		32.8

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2004, which shows an increase of 10.7% in withholding payments over the third quarter of 2003. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2004	10.7%	2 nd Quarter 2005	7.1%
1 st Quarter 2005	11.0%	3 rd Quarter 2005	28.2%
		4 th Quarter 2005	18.2%

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2005	14,808	\$ 5,243,436	\$ 354
Calendar Year 2004	15,061	\$ 5,308,081	\$ 352
% Change	(1.7)	1.2	0.47

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2004:

	December 2005	Calendar Year Total
Check Off	\$23,985	\$4,727,874
Voluntary Donation	\$174	\$52,628
Number of Returns	3,155	649,939

Contributions on the Individual Income Tax Return

Through December 2005, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,624	\$ 173,228	\$ 18.00
Child Abuse	10,618	\$ 197,315	\$ 18.58
Special Olympics	5,073	\$ 83,804	\$ 16.52
Neighbors Helping	3,013	\$ 40,636	\$ 13.49
AID to Education	736	\$ 34,460	\$ 46.82
Domestic Violence Shelter	7,813	\$ 145,440	\$ 18.62
Democratic Party	1020	\$ 23,227	\$ 22.77
Republican Party	693	\$ 18,254	\$ 26.34
Libertarian Party	84	\$ 2,339	\$ 27.85

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Dec 2005	Dec 2004	% Change
Gross Collections	\$148,830,193	\$148,651,887	0.1
Refunds	(\$13,593,465)	(\$11,419,097)	19.0
Net Collections	\$135,236,728	\$137,232,790	(1.5)

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$448,543,001	\$385,256,769	16.4
Refunds	(\$41,039,350)	(\$42,516,056)	(3.5)
Net Collections	\$407,503,651	\$342,740,713	18.9

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Dec 2005	\$108,703,125	Calendar Year Total	\$649,540,698
Dec 2004	\$115,303,544	Calendar Year Total	\$519,265,877
% Change	(5.7%)	% Change	25.1%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for December 2005 and for the calendar year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
Dec 2005	509	97	108	24	20	0	758	4.7
Dec 2004	495	87	113	13	15	1	724	
CY 2005	3,078	509	604	115	96	1	4,403	13.0
CY 2004	2,840	417	499	66	74	2	3,898	

NEW INFORMATION

The next table shows the dollars of EFT estimated payments received from those counts above.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 and more	Total	% chg
Dec 2005	\$7,826,238	\$6,858,647	\$25,809,409	\$17,743,622	\$46,368,697	\$104,606,613	(9.3%)
Dec 2004	\$6,441,505	\$6,020,343	\$26,472,006	\$9,219,873	\$67,149,817	\$115,303,544	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 04/05 by corporate fiscal year. For example, in FY 04/05, 19.2% of the refund dollars paid were for corporate fiscal years ending in 2000 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	19.2%	4.5%	3.8%	48.9%	23.4%	0.4%
Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	23.5%	3.7%	3.1%	58.5%	11.2%	0.0%

Corporate Refunds

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

Dec 2005	\$40,561,529	Calendar Year Total	\$155,571,558
Dec 2004	<u>\$13,543,929</u>	Calendar Year Total	<u>\$154,605,181</u>
% Change	199.5%	% Change	0.6%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 108,944 corporate returns showing a fiscal year-end of 2003. The type of return received is indicated below:

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>	<u>120 A (short form)</u>
#	310	34,904	61,775	391	11,564
%	0.3	32.0	56.7	0.4	10.6

Through December, 2005, 112,597 documents were received for a fiscal year-end of 2004, distributed as follows

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>	<u>120 A (short form)</u>
#	274	35,862	64,351	379	11,731
%	0.2	31.8	57.2	0.3	10.4

The figures for the 2004 returns are most meaningful when compared to 2003 returns received during the same period of time in the previous year. Through December 2004, the Department of Revenue received 108,944 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 3.4% **increase** in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for December 2005 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

Transaction Privilege, Severance and Use Tax Receipts (continued)

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	December 2005	December 2004	
Distribution Base	\$140,146,241	\$119,330,141	17.4
Non shared	267,995,050	226,874,706	18.1
Use Tax	25,520,731	19,586,986	30.3
Education Tax	50,638,608	42,621,576	18.8
Other Revenues	58,466,840	49,841,272	17.3
Total Collections	\$542,767,470	\$458,254,680	18.4

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Distribution Base	\$824,248,982	\$706,947,789	16.6
Non shared	1,606,295,780	1,374,870,541	16.8
Use Tax	155,479,936	128,883,900	20.6
Education Tax	303,268,027	258,325,087	17.4
Other Revenues	346,198,432	297,071,541	16.5
Total Collections	\$3,235,491,157	\$2,766,098,858	17.0

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	December 2005	December 2004	
Retained by State	\$341,852,219	\$287,618,657	18.9
Returned to Counties	56,773,242	48,340,640	17.4
Returned to Cities	35,036,560	29,832,535	17.4
Education Tax	50,638,608	42,621,576	18.8
Other Revenues	58,466,840	49,841,272	17.3
Total Collections	\$542,767,470	\$458,254,680	18.4

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Retained by State	\$2,046,059,189	\$1,747,580,734	17.1
Returned to Counties	333,903,263	286,384,549	16.6
Returned to Cities	206,062,246	176,736,947	16.6
Education Tax	303,268,027	258,325,087	17.4
Other Revenues	346,198,432	297,071,541	16.5
Total Collections	\$3,235,491,157	\$2,766,098,858	17.0

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	December		Fiscal Year	
		2005	% Chg	Total	% Chg
Transporting	5.6	222,230	2.6	1,519,443	3.4
Non-Metal Mining Oil/Gas	3.125%	884,598	29.2	5,809,956	24.6
Utilities	5.6%	25,418,125	8.1	211,571,184	11.1
Communications	5.6%	12,882,903	8.7	77,968,841	6.5
Private Car/Pipelines	5.6%	26,892	11.9%	886,599	167.5
Publishing	5.6%	480,324	(6.0)	3,575,251	7.0
Job Printing	5.6%	1,626,575	8.7	9,635,642	8.3
Restaurants & Bars	5.6%	35,778,021	18.3	206,497,771	14.2
Amusements	5.6%	4,510,343	12.2	21,071,296	12.0
Commercial Lease	0%	17	(72.7)	(3,645)	N/A
Rental of Personal Property	5.6%	15,647,692	28.6	87,174,120	10.3
Contracting	3.75% - 5.6%	84,449,275	32.0	483,750,610	25.9
Feed Wholesale	Repealed	0	0	0	0
Retail	5.6%	213,899,557	13.9	1,254,572,379	15.8
Mining Severance	2.5%	2,144,633	110.5	12,514,762	86.7
Timber Severance	\$2.13/\$1.51 per 1000 board ft	1,214	66.1	8,407	79.9
Hotel/Motel	5.5%	9,733,095	16.9	50,604,599	13.6
Membership Camping	5.6%	16,716	(29.9)	49,958	(11.1)
Use Tax	5.6%	25,520,731	30.3	155,479,936	20.6
Rental Occupancy Tax	3.0%	(189)	N/A	59,665	N/A
Jet Fuel		400,782	29.1	2,796,233	27.5
Jet Fuel Use Tax	\$.0305/\$.0105 gal	13,148		136,096	(18.4)
Telecommunications Devices	1.1		0	0	0
Telecomm	----	287,114	(22.1)	1,710,448	(20.9)
School for the Deaf and Blind		67,556	(45.8)	490,766	(32.7)
Poison Control	----	105,557	8.1	540,532	(5.3)
Teratogen Funding		4,222	(22.1)	25,154	(4.0)
911 Wireline	\$0.37/month per active service	1,116,888	(5.5)	6,874,655	(1.1)
911 Wireless	\$0.37/month per active service	1,206,838	10.9	6,081,200	(4.9)
Total		436,444,858	18.4	2,601,401,857	16.8

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	December 2005	% Chg	Fiscal Year Total	% Chg
Transporting	4,464,016	3.0	30,488,048	3.7
Non-Metal Mining Oil/Gas	28,465,113	29.9	186,522,011	24.9
Utilities	511,689,203	8.8	4,245,824,769	11.4
Communications	258,754,395	9.2	1,564,519,284	6.8
Private Car/Pipelines	543,725	13.1	17,784,602	168.1
Publishing	9,665,857	(5.5)	71,759,894	7.2
Job Printing	32,673,052	9.1	193,337,607	8.6
Restaurants & Bars	718,498,188	18.7	4,143,550,485	14.5
Amusements	90,440,562	12.5	422,736,968	12.2
Commercial Lease	569	(73.1)	(121,890)	N/A
Rental of Personal Property	314,167,631	29.1	1,749,183,967	10.6
Contracting	1,700,777,275	32.2	9,754,789,071	26.2

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Transaction Privilege and Severance Tax Taxable Sales By Class¹ continued

	December 2005	% Chg	Fiscal Year Total	% Chg
Feed Wholesale	0	0	0	0
Retail	4,295,849,217	14.4	25,176,804,757	16.2
Mining Severance	86,119,090	111.3	502,126,568	87.3
Timber Severance	460	32.2	3,875	68.7
Hotel/Motel	177,612,824	17.4	923,213,985	13.9
Membership Camping	334,870	(29.8)	1,001,580	(11.0)
Use Tax	513,191,544	28.2	3,126,743,548	20.6
Rental Occupancy Tax	(4,595)	N/A	1,995,650	N/A
Total	8,743,242,994	19.2	52,112,264,780	17.5

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. Due to our new processing system, the report needed to provide this data is not available.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for December 2005 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 425,251	0.7	\$ 2,538,252	17.3
Cochise	993,725	1.8	6,864,262	33.7
Coconino	1,293,150	2.3	7,481,721	(2.0)
Gila	423,676	0.7	2,600,812	17.5
Graham	263,309	0.5	1,526,777	18.4
Greenlee	293,676	0.5	1,596,702	30.5
La Paz	159,089	0.3	968,810	18.6
Maricopa	36,650,174	64.6	214,261,502	16.6
Mohave	1,588,791	2.8	9,705,824	19.2
Navajo	842,048	1.5	5,272,877	14.6
Pima	8,251,184	14.5	48,572,550	14.7
Pinal	1,694,772	3.0	9,777,249	26.0
Santa Cruz	387,783	0.7	2,161,697	17.2
Yavapai	2,011,880	3.5	12,078,633	20.6
Yuma	1,494,737	2.6	8,495,594	15.3
Total	\$ 56,773,242		\$ 333,903,263	16.6

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for December 2005 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during December 2005 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svcs Dist	Capitol Projects	Tourism Authority
Apache		108,326							
Cochise		588,306							
Coconino		849,147	509,495					211,958	
Gila	239,370	230,930							
Graham		131,594							
Greenlee		72,120							
La Paz		81,421	81,421				139		
Maricopa	29,722,364		11,064,853	431,160	554				1,635,992
Mohave		574,221							
Navajo		499,958							
Pima				96,636		21,955			
Pinal	1,430,913	1,409,442							
S Cruz		276,721							
Yavapai		1,333,606	666,555						
Yuma		1,013,292	1,013,295				195,821	1,009,969	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in December 2005. The table compares the receipts to December 2004 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	December 2005	December 2004	% Change
Spirituos	\$ 1,498,263	\$ 1,419,554	5.5
Vinous	\$ 657,966	\$ 510,132	29.0
Malt	\$ 950,563	\$ 1,462,024	(35.0)
Cigarette	\$ 26,227,814	\$ 23,773,976	10.3
Other Tobacco	\$ 776,705	\$ 778,289	(0.2)
Tobacco Licenses	\$ 375	\$ 250	50.0
Total	\$ 30,111,687	\$ 27,944,225	7.8

	Fiscal Year (05/06)	Fiscal Year (04/05)	% Change
Spirituos	\$ 11,337,705	\$ 10,756,331	5.4
Vinous	\$ 5,091,642	\$ 4,463,652	14.1
Malt	\$ 10,862,436	\$ 11,132,242	(2.4)
Cigarette*	\$ 144,076,335	\$ 137,827,490	4.5
Other Tobacco	\$ 4,618,441	\$ 4,185,769	10.3
Tobacco Licenses	\$ 2,775	\$ 1,875	48.0
Total	\$ 175,989,334	\$ 168,367,358	4.5%

*Through December 2005, \$456,700 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	<u>December</u>	<u>FY05/06</u>
Spirituos	\$ 1,048,784	\$ 7,936,393
Vinous	\$ 164,491	\$ 1,269,412
Malt	\$ 237,641	\$ 2,715,608
Cigarette	\$ 3,432,868	\$ 19,228,003
Other Tobacco	\$ 58,253	\$ 653,735
Tobacco Licenses	\$ 375	\$ 2,775
Total	\$ 4,942,412	\$ 31,805,926

Other dedicated revenues from luxury taxes:

	<u>December</u>	<u>FY05/06</u>
Correction Fund revenues	\$ 1,591,279	\$ 13,294,817
Tobacco Tax & Health Care Fund ²	\$ 9,205,975	\$ 50,500,526
Tobacco Products Tax Fund ³	\$ 13,820,063	\$ 75,250,382
Wine Promotional Fund revenues	\$ -	\$ 13,994
Drug Treatment & Education Fund revenues	\$ 394,414	\$ 3,662,855
Corrections Revolving Fund revenues	\$ 157,545	\$ 1,455,937

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Estate Tax

December-05	\$ 1,045,327	Fiscal Year to Date	\$ 10,376,584
December-04	\$ 2,462,239	Fiscal Year to Date	\$ 20,745,602
% change	(57.5)	% Change	(50.0)

Bingo

December-05	\$ 42,215	Fiscal Year to Date	\$ 292,722
December-04	\$ 42,693	Fiscal Year to Date	\$ 290,276
% change	(1.1)	% Change	0.8

Unclaimed Property

December-05	\$ 806,197	Fiscal Year to Date	\$ 39,716,987
December-04	\$ 1,047,632	Fiscal Year to Date	\$ 32,474,908
% change	(23.0)	% Change	22.3

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

TABLE 1
“New” Returns Filed in 2005 for Tax Year 2004
Through December 2005

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	3,104	1.2%	-\$20,685	\$5	19.0%	72.8%	5.1%	3.1%	13.0%	13.6%
\$0-\$5,000	52,208	20.2%	\$2,727	\$0	4.4%	84.3%	10.4%	0.9%	4.4%	15.9%
\$5,000-\$10,000	52,869	20.5%	\$7,381	\$25	6.7%	74.5%	17.6%	1.2%	5.7%	25.5%
\$10,000-\$15,000	37,168	14.4%	\$12,372	\$93	13.0%	58.6%	26.7%	1.7%	8.1%	38.1%
\$15,000-\$20,000	27,352	10.6%	\$17,366	\$167	20.2%	48.7%	28.9%	2.2%	8.3%	43.8%
\$20,000-\$25,000	19,107	7.4%	\$22,394	\$273	24.8%	43.9%	28.4%	2.9%	7.6%	46.8%
\$25,000-\$30,000	13,700	5.3%	\$27,390	\$392	27.7%	42.3%	26.4%	3.6%	7.5%	46.5%
\$30,000-\$40,000	17,952	6.9%	\$34,517	\$555	35.1%	38.1%	22.8%	4.0%	8.1%	45.9%
\$40,000-\$50,000	10,624	4.1%	\$44,568	\$785	45.9%	32.7%	17.7%	3.7%	9.9%	47.1%
\$50,000-\$75,000	13,692	5.3%	\$60,565	\$1,154	61.2%	24.9%	11.4%	2.6%	12.6%	46.9%
\$75,000-\$100,000	5,435	2.1%	\$85,679	\$1,821	72.1%	18.9%	7.0%	2.0%	15.1%	45.7%
\$100,000-\$200,000	4,118	1.6%	\$129,825	\$3,257	73.2%	18.9%	5.8%	2.1%	16.1%	44.3%
\$200,000-\$500,000	930	0.4%	\$286,294	\$9,369	67.3%	23.2%	7.2%	2.4%	18.9%	40.6%
\$500,000-\$1,000,000	133	0.1%	\$659,719	\$32,489	63.4%	23.9%	8.2%	4.5%	23.1%	38.8%
\$1,000,000 and over	90	0.0%	\$2,322,168	\$114,377	64.8%	26.4%	3.3%	5.5%	19.8%	35.2%
Total	258,482		\$22,021	\$390	17.0%	48.3%	16.1%	1.7%	7.5%	34.2%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2004 FOR TAX YEAR 2003

Total	239,280		\$20,074	\$334	16.5%	49.4%	15.8%	1.7%	7.5%	32.9%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
December 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$269,135	30,848
Eagar	\$23,469	4,033	Tempe	\$1,383,930	158,625
Springerville	\$30,955	3,548	Tolleson	\$43,396	4,974
St. Johns	\$17,205	1,972	Wickenburg	\$44,338	5,082
<u>Cochise County</u>			Youngtown	\$26,261	3,010
Benson	\$41,101	4,711	<u>Mohave County</u>		
Bisbee	\$53,132	6,090	Bullhead City	\$294,619	33,769
Douglas	\$144,156	16,523	Colorado City	\$29,088	3,334
Huachuca City	\$15,277	1,751	Kingman	\$175,093	20,069
Sierra Vista	\$329,569	37,775	Lake Havasu City	\$365,890	41,938
Tombstone	\$13,122	1,504	<u>Navajo County</u>		
Willcox	\$32,569	3,733	Holbrook	\$42,899	4,917
<u>Coconino County</u>			Pinetop-Lakeside	\$31,251	3,582
Flagstaff	\$461,476	52,894	Show Low	\$67,135	7,695
Fredonia	\$9,039	1,036	Snowflake	\$38,911	4,460
Page	\$59,405	6,809	Taylor	\$27,709	3,176
Williams	\$24,795	2,842	Winslow	\$83,058	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$65,312	7,486	Marana	\$118,270	13,556
Hayden	\$7,782	892	Oro Valley	\$278,609	31,934
Miami	\$16,891	1,936	Sahuarita	\$28,285	3,242
Payson	\$118,828	13,620	South Tucson	\$47,898	5,490
Winkelman	\$3,865	443	Tucson	\$4,246,224	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,353	1,989	Apache Junction	\$277,562	31,814
Safford	\$80,545	9,232	Casa Grande	\$220,068	25,224
Thatcher	\$35,090	4,022	Coolidge	\$67,929	7,786
<u>Greenlee County</u>			Eloy	\$90,517	10,375
Clifton	\$22,649	2,596	Florence	\$150,132	17,208
Duncan	\$7,084	812	Kearny	\$19,621	2,249
<u>La Paz County</u>			Mammoth	\$15,373	1,762
Parker	\$27,395	3,140	Maricopa	\$43,605	4,998
Quartzsite	\$29,262	3,354	Superior	\$28,390	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$313,063	35,883	Nogales	\$182,151	20,878
Buckeye	\$74,132	8,497	Patagonia	\$7,686	881
Carefree	\$25,537	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,525	3,728	Camp Verde	\$82,456	9,451
Chandler	\$1,543,711	176,939	Chino Valley	\$71,253	8,167
El Mirage	\$66,385	7,609	Clarkdale	\$29,855	3,422
Fountain Hills	\$176,541	20,235	Cottonwood	\$80,083	9,179
Gila Bend	\$17,275	1,980	Dewey-Humboldt	\$29,908	3,428
Gilbert	\$957,056	109,697	Jerome	\$2,870	329
Glendale	\$1,909,034	218,812	Prescott	\$296,093	33,938
Goodyear	\$164,990	18,911	Prescott Valley	\$205,332	23,535
Guadalupe	\$45,612	5,228	Sedona	\$88,920	10,192
Litchfield Park	\$33,240	3,810	<u>Yuma County</u>		
Mesa	\$3,470,412	397,776	San Luis	\$133,677	15,322
Paradise Valley	\$119,212	13,664	Somerton	\$63,392	7,266
Peoria	\$945,426	108,364	Wellton	\$15,957	1,829
Phoenix	\$11,525,508	1,321,045	Yuma	\$677,766	77,685
Queen Creek	\$37,655	4,316			
Scottsdale	\$1,768,508	202,705	TOTAL	\$35,435,744	4,062,961

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
December 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$266,015	30,848
Eagar	\$34,778	4,033	Tempe	\$1,367,888	158,625
Springerville	\$17,005	1,972	Tolleson	\$42,893	4,974
St. Johns	\$30,596	3,548	Wickenburg	\$43,824	5,082
<u>Cochise County</u>			Youngtown	\$25,956	3,010
Benson	\$40,625	4,711	<u>Mohave County</u>		
Bisbee	\$52,517	6,090	Bullhead City	\$291,204	33,769
Douglas	\$142,485	16,523	Colorado City	\$28,750	3,334
Huachuca City	\$15,100	1,751	Kingman	\$173,063	20,069
Sierra Vista	\$325,749	37,775	Lake Havasu City	\$361,648	41,938
Tombstone	\$12,970	1,504	<u>Navajo County</u>		
Willcox	\$32,191	3,733	Holbrook	\$42,401	4,917
<u>Coconino County</u>			Pinetop/Lakeside	\$30,889	3,582
Flagstaff	\$456,126	52,894	Show Low	\$66,357	7,695
Fredonia	\$8,934	1,036	Snowflake	\$38,460	4,460
Page	\$58,717	6,809	Taylor	\$27,388	3,176
Williams	\$24,508	2,842	Winslow	\$82,095	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$64,555	7,486	Marana	\$116,899	13,556
Hayden	\$7,692	892	Oro Valley	\$275,380	31,934
Miami	\$16,695	1,936	Sahuarita	\$27,957	3,242
Payson	\$117,451	13,620	South Tucson	\$47,342	5,490
Winkelman	\$3,820	443	Tucson	\$4,197,003	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,152	1,989	Apache Junction	\$274,345	31,814
Safford	\$79,611	9,232	Casa Grande	\$217,517	25,224
Thatcher	\$34,683	4,022	Coolidge	\$67,142	7,786
<u>Greenlee County</u>			Eloy	\$89,468	10,375
Clifton	\$22,386	2,596	Florence	\$148,392	17,208
Duncan	\$7,002	812	Kearny	\$19,394	2,249
<u>La Paz County</u>			Mammoth	\$15,194	1,762
Parker	\$27,077	3,140	Maricopa	\$43,100	4,998
Quartzsite	\$28,923	3,354	Superior	\$28,061	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$309,434	35,883	Nogales	\$180,039	20,878
Buckeye	\$73,273	8,497	Patagonia	\$7,597	881
Carefree	\$25,241	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,148	3,728	Camp Verde	\$81,500	9,451
Chandler	\$1,525,817	176,939	Chino Valley	\$70,427	8,167
El Mirage	\$65,615	7,609	Clarkdale	\$29,509	3,422
Fountain Hills	\$174,495	20,235	Cottonwood	\$79,154	9,179
Gila Bend	\$17,074	1,980	Dewey-Humboldt	\$29,561	3,428
Gilbert	\$945,962	109,697	Jerome	\$2,837	329
Glendale	\$1,886,905	218,812	Prescott	\$292,661	33,938
Goodyear	\$163,077	18,911	Prescott Valley	\$202,952	23,535
Guadalupe	\$45,083	5,228	Sedona	\$87,890	10,192
Litchfield Park	\$32,855	3,810	<u>Yuma County</u>		
Mesa	\$3,430,184	397,776	San Luis	\$132,128	15,322
Paradise Valley	\$117,830	13,664	Somerton	\$62,658	7,266
Peoria	\$934,467	108,364	Wellton	\$15,772	1,829
Phoenix	\$11,391,907	1,321,045	Yuma	\$669,909	77,685
Queen Creek	\$37,219	4,316	TOTAL	\$35,036,560	4,062,961
Scottsdale	\$1,748,007	202,705			