



# ARIZONA DEPARTMENT OF REVENUE

## MEMORANDUM

**DATE:** February 14, 2007

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***November 2006 TAX FACTS***

#### SUMMARY OF GENERAL FUND REVENUES

|   | <u>November 2006</u> | Fiscal Year<br><u>Total</u> |
|---|----------------------|-----------------------------|
| <b>Individual Income Tax</b>                            |                      |                             |
| Net Collections   | \$ 203,591,066       | \$ 1,196,943,229            |
| Percent Change  | (3.5%)               | 4.9%                        |
| <b>Corporate Income Tax</b>                             |                      |                             |
| Net Collections   | \$ 5,165,061         | \$ 321,316,573              |
| Percent Change  | (11.8%)              | 18.0%                       |
| <b>Transaction Privilege, Severance &amp; Use Taxes</b> |                      |                             |
| Net Collections   | \$ 365,372,337       | \$ 1,866,079,170            |
| Change  | 9.4%                 | 9.5%                        |
| <b>Total Big Three Tax Types</b>                        |                      |                             |
| Net Collections   | \$ 574,128,464       | \$3,384,338,970             |
| Percent Change  | 4.2%                 | 8.6%                        |

# TAX FACTS November 2006

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

|                        | November-06           | November-05           | % Change     |
|------------------------|-----------------------|-----------------------|--------------|
| Gross Collections      | \$ 31,853,112         | \$ 16,055,089         | 98.4         |
| Withholding            | \$ 260,318,964        | \$ 251,199,672        | 3.6          |
| Refunds                | \$ (42,645,122)       | \$ (20,856,845)       | 104.5        |
| Urban Revenue Sharing  | \$ (45,935,888)       | \$ (35,435,744)       | 29.6         |
| <b>Net Collections</b> | <b>\$ 203,591,066</b> | <b>\$ 210,962,172</b> | <b>(3.5)</b> |

|                        | Fiscal Year Total<br>(06/07) | Fiscal Year Total<br>(05/06) | % Change   |
|------------------------|------------------------------|------------------------------|------------|
| Gross Collections      | \$ 296,286,865               | \$ 219,458,222               | 35.0       |
| Withholding            | \$ 1,254,216,159             | \$ 1,176,225,224             | 6.6        |
| Refunds*               | \$ (123,880,353)             | \$ (77,432,828)              | 60.0       |
| Urban Revenue Sharing  | \$ (229,679,442)             | \$ (177,178,720)             | 29.6       |
| <b>Net Collections</b> | <b>\$ 1,196,943,229</b>      | <b>\$ 1,141,071,898</b>      | <b>4.9</b> |

\*Refunds issued as a result of the Ladewig and FERC cases are not included in the total refunds listed in the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication. Ladewig refunds were finalized as of July 2006.

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In November 2006, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

### Federal Employee Retirement Contribution Project (FERC)

Kerr vs. ADOR or FERC, a Supreme Court tax settlement case has resulted in the distribution of 2,216 refunds to individual income taxpayers during November 2006. These refunds totaled \$1,971,726\* for an average of \$890. Attorney payments are not included in the refund amount and total \$482,931 for the fiscal year. Refunds issued as a result of the FERC case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication.

\*The amount shown as refunded may differ from AFIS totals due to timing issues.

### Individual Income Tax Document Count

In calendar year 2005, the following individual income tax returns were filed:

|   | 140X   | 140       | 140NR  | 140PY   | 140NPR | 141 &<br>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     | <b>2,467,329</b> |
| % | 1.9%   | 67.9%     | 4.0%   | 4.7%    | 0.0%   | 1.8%           | 11.3%   | 0.5%   | 7.7%    | 0.1%  | 0.0%  |                  |

In calendar year 2006 the number of returns filed, and processed, are as follows:

|   | 140X   | 140       | 140NR   | 140PY   | 140NPR | 141 &<br>141AZ | 140A    | 140PTC | 140EZ   | 140ET | OTHER | TOTAL            |
|---|--------|-----------|---------|---------|--------|----------------|---------|--------|---------|-------|-------|------------------|
| # | 48,312 | 1,660,668 | 119,086 | 130,070 | 0      | 46,312         | 395,255 | 12,138 | 176,788 | 3,475 | 14    | <b>2,592,118</b> |
| % | 1.9%   | 64.1%     | 4.6%    | 5.0%    | 0.0%   | 1.8%           | 15.2%   | 0.5%   | 6.8%    | 0.1%  | 0.0%  |                  |

The 2,592,118 returns representing current and prior tax years, filed through November 2006 compares to 2,442,826 returns filed during the same period of time in 2005 for an annual increase of 6.1%. For the tax year 2005 filed in 2006, 2,467,098 returns have been filed, a 6.0% increase over filings through November 2005 for tax year 2004.

### **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 1,680,562 returns in calendar year 2006 for tax year 2005 from filers who also have returns on record from calendar year 2005 with the same marital status. On average, these filers experienced a 95.8% decrease in FAGI and a 20.0% increase in tax liability. More specifically, 34.2% of these filers experienced a decrease in tax liability; on average a decrease of 21.7% in FAGI with a corresponding average decrease in tax liability of 40.9%. Filers with an increase in tax liability totaled 907,213 or 54.0%, with an average FAGI increase of 40.9% and an average tax liability increase of 78.3%.

### **Average Individual Income Tax Refund**

Net of Ladewig and FERC refunds.

|                 | Average     | Number     |
|-----------------|-------------|------------|
| 2006 CYTD       | \$ 587.72   | 1,596,324  |
| 2005 CYTD       | \$ 506.31   | 1,478,947  |
| <b>% Change</b> | <b>16.1</b> | <b>7.9</b> |

### **"New" Filers in Calendar Year 2006**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "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 280,012 "new" returns have been filed thus far in 2006, representing approximately 340,413 persons, not including dependents. The average Federal Adjusted Gross Income is \$23,328 with an average tax liability of \$417. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.9% had a married filing joint filing status, 7.2% claimed a 65 and Over Exemption and 33.9% 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 tax year 2005 was \$585.2 million, for an average of \$2,711. An additional \$95.5 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,351. Estimated payments received through November 2006 for tax year 2006 are as follows:

|             |                 |    |               |               |             |
|-------------|-----------------|----|---------------|---------------|-------------|
| 11/06       | 140ES payment   | \$ | 7,096,776     | Cumulative \$ | 384,079,991 |
| 11/05       | 140ES payment   | \$ | 7,557,295     | Cumulative \$ | 288,871,342 |
|             | <b>% change</b> |    | <b>(6.1)</b>  |               | <b>33.0</b> |
| 11/06       | Average payment | \$ | 3,110         | Cumulative \$ | 2,249       |
| 11/05       | Average payment | \$ | 4,674         | Cumulative \$ | 1,879       |
|             | <b>% change</b> |    | <b>(33.5)</b> |               | <b>19.7</b> |
| 11/06       | Applied refund  | \$ | 57,584,851    | Cumulative \$ | 127,623,281 |
| 11/05       | Applied refund  | \$ | 24,826,725    | Cumulative \$ | 75,191,375  |
|             | <b>% change</b> |    | <b>131.9</b>  |               | <b>69.7</b> |
| Total 11/06 |                 | \$ | 64,681,628    | Cumulative \$ | 511,703,272 |
| Total 11/05 |                 | \$ | 32,384,020    | Cumulative \$ | 364,062,717 |
|             | <b>% change</b> |    | <b>99.7</b>   |               | <b>40.6</b> |

### **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 third quarter of 2005, which shows an increase of 28.2% in withholding payments over the third quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

|                              |       |                              |      |
|------------------------------|-------|------------------------------|------|
| 4 <sup>th</sup> Quarter 2005 | 18.1% | 3 <sup>rd</sup> Quarter 2006 | 4.8% |
| 1 <sup>st</sup> Quarter 2006 | 38.7% | 4th Quarter 2006             | 5.9% |
| 2 <sup>nd</sup> Quarter 2006 | 24.0% |                              |      |

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 2006 | 13,971       | \$ 4,975,909 | \$ 356      |
| Calendar Year 2005 | 14,775       | \$ 5,232,730 | \$ 354      |
| <b>% Change</b>    | <b>(5.4)</b> | <b>(4.9)</b> | <b>0.6%</b> |

### **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 2005 filed in 2006.

|                    | <b>November 2006</b> | <b>Calendar Year Total</b> |
|--------------------|----------------------|----------------------------|
| Check Off          | \$107,864            | \$4,981,029                |
| Voluntary Donation | \$ 1,021             | \$ 65,737                  |
| Number of Returns  | 13,659               | 688,532                    |

### **Contributions on the Individual Income Tax Return**

Through November 2006, individual income tax return filers have made the following contributions:

|                           | <b>Number</b> | <b>Amount</b> | <b>Average</b> |
|---------------------------|---------------|---------------|----------------|
| Wildlife                  | 10,692        | \$ 212,476    | \$ 19.87       |
| Child Abuse               | 11,327        | \$ 235,023    | \$ 20.75       |
| Special Olympics          | 5,536         | \$ 101,178    | \$ 18.28       |
| Neighbors Helping         | 3,281         | \$ 52,396     | \$ 15.97       |
| AID to Education          | 823           | \$ 43,525     | \$ 52.89       |
| Domestic Violence Shelter | 8,432         | \$ 176,549    | \$ 20.94       |
| Democratic Party          | 1147          | \$ 28,539     | \$ 24.88       |
| Republican Party          | 683           | \$ 17,287     | \$ 25.31       |
| Libertarian Party         | 87            | \$ 2,202      | \$ 25.32       |

## CORPORATE INCOME TAX

### Corporate Income Tax Receipts

|                        | Nov 2006             | Nov 2005                | % Change      |
|------------------------|----------------------|-------------------------|---------------|
| Gross Collections      | \$18,008,043         | \$17,504,745            | 2.9           |
| Refunds                | (\$12,842,981)       | (\$11,649,226)          | 10.3          |
| <b>Net Collections</b> | <b>\$5,165,062</b>   | <b>\$5,855,519</b>      | <b>(11.8)</b> |
|                        | Fiscal Year Total    | Prior Fiscal Year Total | % Change      |
| Gross Collections      | \$349,207,008        | \$299,712,808           | 16.5          |
| Refunds                | (\$27,890,435)       | (\$27,445,884)          | 1.6           |
| <b>Net Collections</b> | <b>\$321,316,573</b> | <b>\$272,266,924</b>    | <b>18.0</b>   |

### 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.

PLEASE NOTE THAT THE DEPARTMENT OF REVENUE CHANGED PROCESSING SYSTEMS FOR CORPORATE TAX IN AUGUST 2006. AS WITH THE CHANGEOVER OF ANY SYSTEM, THERE WILL BE VARIATIONS IN DATA. THE PERCENTAGE CHANGES SHOWN IN THE FIRST YEAR OF THE NEW SYSTEM SHOULD BE INTERPRETED CAUTIOUSLY.

|          |              |                     |               |
|----------|--------------|---------------------|---------------|
| Nov 2006 | \$9,065,436  | Calendar Year Total | \$662,158,950 |
| Nov 2005 | \$12,956,889 | Calendar Year Total | \$540,837,573 |
| % Change | (30.0%)      | % Change            | 22.4%         |

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

| 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 | \$10,000,000 and more | Total | % chg |
|-------------------|--------------------|--------------------------|---------------------------|-----------------------------|--------------------------------|-----------------------|-------|-------|
| Nov 2006          | 83                 | 13                       | 15                        | 1                           | 1                              | 0                     | 113   | 17.7  |
| Nov 2005          | 66                 | 15                       | 10                        | 5                           | 0                              | 0                     | 96    |       |
| CY 2006           | 3,275              | 506                      | 568                       | 122                         | 103                            | 1                     | 4,575 | 25.5  |
| CY 2005           | 2,563              | 417                      | 497                       | 94                          | 73                             | 1                     | 3,645 |       |

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 |
|-------------------|--------------------|--------------------------|---------------------------|-----------------------------|----------------------|---------------|-------|
| Nov 2006          | \$820,750          | \$930,195                | \$2,955,700               | \$970,158                   | \$1,878,835          | \$7,555,638   | 7.1%  |
| Nov 2005          | \$886,975          | \$1,132,023              | \$1,982,250               | \$3,054,156                 | \$0                  | \$7,055,404   |       |
| CY 2006           | \$37,098,254       | \$35,367,002             | \$126,645,880             | \$87,622,258                | \$249,427,749        | \$536,161,143 | 21.1% |
| CY 2005           | \$32,785,706       | \$29,705,536             | \$110,685,993             | \$65,349,584                | \$204,346,212        | \$442,873,031 |       |

### 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 05/06 by corporate fiscal year. For example, in FY 05/06, 20.8% of the refund dollars paid were for corporate fiscal years ending in 2001 or before. The percentages are for refunds paid through the fiscal year.

### **Corporate Refunds continued:**

|                                   |                       |           |           |           |           |           |
|-----------------------------------|-----------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Corporate Fiscal Year-End:</b> | <b>01 &amp; Prior</b> | <b>02</b> | <b>03</b> | <b>04</b> | <b>05</b> | <b>06</b> |
| FY 05/06                          | 20.8%                 | 3.4%      | 4.2%      | 56.4%     | 13.4%     | 1.8%      |
| <b>Corporate Fiscal Year-End:</b> | <b>02 &amp; Prior</b> | <b>03</b> | <b>04</b> | <b>05</b> | <b>06</b> | <b>07</b> |
| FY 06/07                          | 6.5%                  | 3.3%      | 2.0%      | 84.2%     | 4.0%      | 0.0%      |

NO DATA IS AVAILABLE ON REFUNDS APPLIED AS ESTIMATED PAYMENTS.

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 112,597 corporate returns showing a fiscal year-end of 2004. The type of return received is indicated below:

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

Through November 2006, 120,395 documents were received for a fiscal year-end of 2005, distributed as follows:

|   | <b>120 X<br/>(amended)</b> | <b>120 (regular)</b> | <b>120S (S corp)</b> | <b>99T (exempt<br/>org.)</b> | <b>120 A (short form)</b> |
|---|----------------------------|----------------------|----------------------|------------------------------|---------------------------|
| # | 175                        | 36,572               | 70,726               | 421                          | 12,501                    |
| % | 0.1                        | 30.4                 | 58.7                 | 0.3                          | 10.4                      |

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. Through November 2005, the Department of Revenue received 110,433 documents with a fiscal year-end of 2004. Compared to 2005 documents, the Department has seen a 9.0% increase in the number of corporate returns processed 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 2006/07 is 15.0% of net proceeds from Fiscal Year 2004/05 income tax. Amounts returned for November 2006 are shown on Table 2, at the end of this report.

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## **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.

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.

|                          | <b>November 2006</b> | <b>November 2005</b> | <b>% change</b> |
|--------------------------|----------------------|----------------------|-----------------|
| Distribution Base        | \$146,996,586        | \$135,682,469        | 8.3             |
| Non shared               | 287,188,952          | 261,863,938          | 9.7             |
| Use Tax                  | 27,484,263           | 25,350,591           | 8.4             |
| Education Tax            | 54,006,263           | 49,053,251           | 10.1            |
| Other Revenues           | 67,781,287           | 57,460,960           | 18.0            |
| <b>Total Collections</b> | <b>\$583,457,352</b> | <b>\$529,411,209</b> | <b>10.2</b>     |

  

|                          | <b>Fiscal Year Total (06/07)</b> | <b>Fiscal Year Total (05/06)</b> | <b>% change</b> |
|--------------------------|----------------------------------|----------------------------------|-----------------|
| Distribution Base        | \$743,857,474                    | \$684,102,742                    | 8.7             |
| Non shared               | 1,470,857,383                    | 1,338,300,730                    | 9.9             |
| Use Tax                  | 138,665,344                      | 129,959,205                      | 6.7             |
| Education Tax            | 274,784,664                      | 252,629,419                      | 8.8             |
| Other Revenues           | 335,217,522                      | 287,731,592                      | 16.5            |
| <b>Total Collections</b> | <b>\$2,963,382,387</b>           | <b>\$2,692,723,687</b>           | <b>10.1</b>     |

**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.

|                          | <b>November 2006</b> | <b>November 2005</b> | <b>% change</b> |
|--------------------------|----------------------|----------------------|-----------------|
| Retained by State        | \$365,372,337        | \$334,011,412        | 9.4             |
| Returned to Counties     | 59,548,317           | 54,964,968           | 8.3             |
| Returned to Cities       | 36,749,147           | 33,920,617           | 8.3             |
| Education Tax            | 54,006,263           | 49,053,251           | 10.1            |
| Other Revenues           | 67,781,287           | 57,460,960           | 18.0            |
| <b>Total Collections</b> | <b>\$583,457,352</b> | <b>\$529,411,209</b> | <b>10.2</b>     |

  

|                          | <b>Fiscal Year Total (06/07)</b> | <b>Fiscal Year Total (05/06)</b> | <b>% change</b> |
|--------------------------|----------------------------------|----------------------------------|-----------------|
| Retained by State        | \$1,866,079,170                  | \$1,704,206,970                  | 9.5             |
| Returned to Counties     | 301,336,663                      | 277,130,021                      | 8.7             |
| Returned to Cities       | 185,964,369                      | 171,025,685                      | 8.7             |
| Education Tax            | 274,784,664                      | 252,629,419                      | 8.8             |
| Other Revenues           | 335,217,522                      | 287,731,592                      | 16.5            |
| <b>Total Collections</b> | <b>\$2,963,382,387</b>           | <b>\$2,692,723,687</b>           | <b>10.1</b>     |

## Transaction Privilege and Severance Tax Collections By Class

|                          | Tax Rate                        | November             |            | Fiscal Year            |            |
|--------------------------|---------------------------------|----------------------|------------|------------------------|------------|
|                          |                                 | 2006                 | % Chg      | Total                  | % Chg      |
| Transporting             | 5.6                             | \$302,763            | 32.9       | \$1,670,811            | 28.8       |
| Non-Metal Mining Oil/Gas | 3.125%                          | 711,111              | (27.0)     | 3,541,717              | (28.1)     |
| Utilities                | 5.6%                            | 35,918,228           | 5.5        | 207,925,745            | 11.7       |
| Communications           | 5.6%                            | 14,669,088           | 8.1        | 72,306,093             | 11.1       |
| Private Car/Pipelines    | 5.6%                            | 64,086               | 9.4        | 387,325                | (54.9)     |
| Publishing               | 5.6%                            | 435,349              | (9.2)      | 2,890,500              | (6.6)      |
| Job Printing             | 5.6%                            | 1,995,341            | 22.3       | 8,381,569              | 4.7        |
| Restaurants & Bars       | 5.6%                            | 43,701,391           | 20.7       | 187,982,595            | 10.1       |
| Amusements               | 5.6%                            | 3,311,804            | (6.8)      | 18,605,371             | 12.3       |
| Commercial Lease         | 0%                              | (41)                 | (87.2)     | 10                     | N/A        |
| Rental of Personal       |                                 |                      |            |                        |            |
| Property                 | 5.6%                            | 16,190,811           | 4.9        | 77,957,328             | 9.0        |
| Contracting              | 3.75% - 5.6%                    | 92,939,821           | 22.4       | 478,251,633            | 19.8       |
| Retail                   | 5.6%                            | 208,559,804          | 2.5        | 1,087,231,547          | 4.5        |
| Mining Severance         | 2.5%                            | 3,964,999            | 88.1       | 21,205,703             | 104.5      |
| Timber Severance         | \$2.13/\$1.51 per 1000 board ft | 1,318                | 27.9       | 13,076                 | 81.8       |
| Hotel/Motel              | 5.5%                            | 10,937,437           | 8.9        | 43,480,508             | 6.4        |
| Membership Camping       | 5.6%                            | (20,169)             | N/A        | 1,434                  | (95.7)     |
| Use Tax                  | 5.6%                            | 27,484,263           | 8.4        | 138,992,531            | 7.0        |
| Rental Occupancy Tax     | 3.0%                            | 5,387                | (67.2)     | 14,024                 | (76.6)     |
| Jet Fuel                 |                                 | 386,401              | 12.2       | 2,317,259              | (3.3)      |
| Jet Fuel Use Tax         | \$.0305/\$.0105 gal             | 47,703               | 348.7      | 242,687                | 97.4       |
| Telecomm                 | ----                            | 558,047              | 83.5       | 2,720,201              | 91.1       |
| 911 Wireline             | \$0.28/month per active service | 954,670              | (16.6)     | 5,173,657              | (10.1)     |
| 911 Wireless             | \$0.28/month per active service | 688,760              | (47.7)     | 4,591,280              | (5.8)      |
| <b>Total</b>             |                                 | <b>\$463,808,371</b> | <b>8.8</b> | <b>\$2,365,884,604</b> | <b>9.3</b> |

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 Class<sup>1</sup>

|                          | November 2006 | % Chg  | Fiscal Year<br>Total | % Chg  |
|--------------------------|---------------|--------|----------------------|--------|
| Transporting             | \$6,707,315   | 45.8   | \$34,116,389         | 31.1   |
| Non-Metal Mining Oil/Gas | 22,767,021    | (27.5) | 113,455,981          | (28.2) |
| Utilities                | 718,693,181   | 4.5    | 4,161,762,140        | 11.5   |
| Communications           | 293,567,667   | 7.3    | 1,447,832,520        | 10.9   |
| Private Car/Pipelines    | 1,282,802     | 7.3    | 7,755,588            | (55.0) |
| Publishing               | 8,713,624     | (10.0) | 57,873,441           | (6.8)  |
| Job Printing             | 39,929,425    | 21.4   | 167,844,007          | 4.5    |
| Restaurants & Bars       | 874,554,388   | 19.9   | 3,764,780,588        | 9.9    |
| Amusements               | 66,303,923    | (7.3)  | 372,795,988          | 12.2   |
| Commercial Lease         | (797)         | (92.6) | 1,571                | N/A    |
| Rental of Personal       |               |        |                      |        |
| Property                 | 324,034,363   | 4.2    | 1,561,283,943        | 8.8    |
| Contracting              | 1,859,940,232 | 20.9   | 9,576,448,368        | 18.9   |
| Retail                   | 4,174,159,656 | 1.7    | 21,773,247,992       | 4.3    |
| Mining Severance         | 158,691,535   | 86.7   | 848,872,190          | 104.1  |

<sup>1</sup>These 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 Class continued**

|                      | November 2006          | % Chg      | Fiscal Year Total       | % Chg      |
|----------------------|------------------------|------------|-------------------------|------------|
| Timber Severance     | 622                    | 27.8       | 6,487                   | 90.0       |
| Hotel/Motel          | 199,022,061            | 8.3        | 792,221,232             | 6.3        |
| Membership Camping   | (403,276)              | N/A        | 29,922                  | (95.5)     |
| Use Tax              | 550,207,670            | 7.2        | 2,785,059,615           | 6.6        |
| Rental Occupancy Tax | 179,598                | (67.3)     | 484,151                 | (75.8)     |
| <b>Total</b>         | <b>\$9,298,351,007</b> | <b>8.4</b> | <b>\$47,465,872,112</b> | <b>9.4</b> |

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.

**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 November 2006 is shown in the County Share column.

|              | County Share         | % of Total | FYTD County Share     | % Change   |
|--------------|----------------------|------------|-----------------------|------------|
| Apache       | \$ 403,887           | 0.7        | \$ 2,063,950          | (2.3)      |
| Coconino     | \$ 1,490,143         | 2.5        | \$ 7,725,012          | 7.3        |
| Cochise      | \$ 995,691           | 1.7        | \$ 5,083,783          | 4.7        |
| Gila         | \$ 436,641           | 0.7        | \$ 2,239,735          | 2.9        |
| Graham       | \$ 268,046           | 0.4        | \$ 1,343,976          | 6.4        |
| Greenlee     | \$ 471,133           | 0.8        | \$ 2,452,926          | 88.2       |
| La Paz       | \$ 161,427           | 0.3        | \$ 783,614            | (3.2)      |
| Maricopa     | \$ 38,086,739        | 63.3       | \$ 192,819,456        | 8.6        |
| Mohave       | \$ 1,787,513         | 3.0        | \$ 8,886,715          | 9.5        |
| Navajo       | \$ 872,298           | 1.4        | \$ 4,563,708          | 3.0        |
| Pima         | \$ 8,514,861         | 14.2       | \$ 42,628,152         | 5.7        |
| Pinal        | \$ 1,950,714         | 3.2        | \$ 10,325,440         | 27.8       |
| Santa Cruz   | \$ 389,688           | 0.6        | \$ 1,933,560          | 9.0        |
| Yavapai      | \$ 2,188,023         | 3.6        | \$ 10,981,875         | 9.1        |
| Yuma         | \$ 1,531,515         | 2.5        | \$ 7,504,761          | 7.2        |
| <b>Total</b> | <b>\$ 59,548,317</b> |            | <b>\$ 301,336,663</b> | <b>8.7</b> |

**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 November 2006 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 November 2006 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<br>Surcharge | Stadium<br>Tax | RV<br>Surcharge | Hospital<br>Tax/Health<br>Svc's Dist | Capitol<br>Projects | Tourism<br>Authority |
|----------|---------------|--------------|---------------|-------------------------|----------------|-----------------|--------------------------------------|---------------------|----------------------|
| Apache   |               | \$ 105,313   |               |                         |                |                 |                                      |                     |                      |
| Cochise  |               | \$ 588,368   |               |                         |                |                 |                                      |                     |                      |
| Coconino |               | \$ 1,050,508 | \$ 629,998    |                         |                |                 |                                      | \$ 262,348          |                      |
| Gila     | \$ 307,955    | \$ 302,185   |               |                         |                |                 |                                      |                     |                      |
| Graham   |               | \$ 148,010   |               |                         |                |                 |                                      |                     |                      |
| Greenlee |               | \$ 111,200   |               |                         |                |                 |                                      |                     |                      |
| La Paz   |               | \$ 101,701   | \$ 101,701    |                         |                |                 | \$ 104                               |                     |                      |
| Maricopa | \$ 31,786,833 |              | \$ 11,788,606 | \$ 540,429              | \$ 147         |                 |                                      |                     | \$ 1,932,948         |
| Mohave   |               | \$ 625,556   |               |                         |                |                 |                                      |                     |                      |
| Navajo   |               | \$ 547,354   |               |                         |                |                 |                                      |                     |                      |
| Pima     | \$ 5,762,448  |              |               | \$ 142,071              |                | \$ 19,305       |                                      |                     |                      |
| Pinal    | \$ 1,384,011  | \$ 1,354,633 |               |                         |                |                 |                                      | \$ 3                |                      |
| S Cruz   |               | \$ 278,226   | \$ 270,683    |                         |                |                 |                                      |                     |                      |
| Yavapai  |               | \$ 1,390,216 | \$ 694,704    |                         |                |                 |                                      |                     |                      |
| Yuma     |               | \$ 983,336   | \$ 983,341    |                         |                |                 | \$ 195,514                           | \$ 982,637          |                      |

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in November 2006. The table compares the receipts to November 2005 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

|                  | November 2006 |                   | November 2005 |                   | %             |
|------------------|---------------|-------------------|---------------|-------------------|---------------|
| Spirituous       | \$            | 2,754,254         | \$            | 2,397,096         | 14.9          |
| Vinous           | \$            | 985,769           | \$            | 1,213,937         | (18.8)        |
| Malt             | \$            | 1,741,229         | \$            | 2,239,139         | (22.2)        |
| Cigarette        | \$            | 36,683,581        | \$            | 23,085,543        | 58.9          |
| Other Tobacco    | \$            | 746,472           | \$            | 747,019           | (0.1)         |
| Tobacco Licenses | \$            | 375               | \$            | 425               | (11.8)        |
| <b>Total</b>     | <b>\$</b>     | <b>42,911,680</b> | <b>\$</b>     | <b>29,683,159</b> | <b>44.6 %</b> |

  

|                  | Fiscal Year (06/07) |                    | Fiscal Year (05/06) |                    | %             |
|------------------|---------------------|--------------------|---------------------|--------------------|---------------|
| Spirituous       | \$                  | 10,591,707         | \$                  | 9,839,442          | 7.6           |
| Vinous           | \$                  | 4,436,643          | \$                  | 4,433,677          | 0.1           |
| Malt             | \$                  | 10,593,247         | \$                  | 9,911,873          | 6.9           |
| Cigarette*       | \$                  | 149,229,810        | \$                  | 117,848,520        | 26.6          |
| Other Tobacco    | \$                  | 3,938,737          | \$                  | 3,841,736          | 2.5           |
| Tobacco Licenses | \$                  | 3,475              | \$                  | 2,400              | 44.8          |
| <b>Total</b>     | <b>\$</b>           | <b>178,793,618</b> | <b>\$</b>           | <b>145,877,648</b> | <b>22.6 %</b> |

\*Through November 2006, \$495,835 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:**

|                  | <b>November 2006</b> |                  | <b>FY06/07</b> |                   |
|------------------|----------------------|------------------|----------------|-------------------|
| Spirituos        | \$                   | 1,927,978        | \$             | 7,414,195         |
| Vinous           | \$                   | 245,422          | \$             | 1,105,836         |
| Malt             | \$                   | 435,307          | \$             | 2,648,311         |
| Cigarettes       | \$                   | 4,970,969        | \$             | 19,710,369        |
| Other Tobacco    | \$                   | 115,688          | \$             | 418,521           |
| Tobacco Licenses | \$                   | 375              | \$             | 3,475             |
|                  | <b>\$</b>            | <b>7,695,739</b> | <b>\$</b>      | <b>31,300,707</b> |

**Other dedicated revenues from luxury taxes:**

|   | <b>November 2006</b> |            | <b>FY06/07</b> |            |
|---|----------------------|------------|----------------|------------|
| Corrections Fund                            | \$                   | 2,649,368  | \$             | 12,508,952 |
| Tobacco Tax & Health Care Fund <sup>2</sup> | \$                   | 12,690,297 | \$             | 52,116,847 |
| Tobacco Products Tax Fund <sup>3</sup>      | \$                   | 18,916,040 | \$             | 78,040,495 |
| Wine Promotional Fund                       | \$                   | 4,081      | \$             | 13,299     |
| Drug Treatment & Education Fund             | \$                   | 682,923    | \$             | 3,444,406  |
| Corrections Rev. Fund                       | \$                   | 273,232    | \$             | 1,368,913  |

**Estate Tax**

|              |    |             |                     |    |            |
|--------------|----|-------------|---------------------|----|------------|
| November -06 | \$ | (1,075,680) | Fiscal Year to Date | \$ | (997,129)  |
| November-05  | \$ | 302,444     | Fiscal Year to Date | \$ | 9,331,256  |
| % change     |    | <b>N/A</b>  | % Change            |    | <b>N/A</b> |

**Bingo**

|              |    |             |                     |    |            |
|--------------|----|-------------|---------------------|----|------------|
| November -06 | \$ | 49,098      | Fiscal Year to Date | \$ | 255,563    |
| November-05  | \$ | 41,845      | Fiscal Year to Date | \$ | 250,508    |
| % change     |    | <b>17.3</b> | % Change            |    | <b>2.0</b> |

**Unclaimed Property**

|              |    |              |                     |    |             |
|--------------|----|--------------|---------------------|----|-------------|
| November -06 | \$ | 24,551,208   | Fiscal Year to Date | \$ | 56,852,926  |
| November-05  | \$ | 25,072,115   | Fiscal Year to Date | \$ | 38,910,790  |
| % change     |    | <b>(2.1)</b> | % Change            |    | <b>46.1</b> |

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

<sup>2</sup> Formerly the Health Care Fund

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

**TABLE 1**  
**"New" Returns Filed in 2006 for Tax Year 2005**  
**Through November 2006**

| Federal Adjusted<br>Gross Income Bracket | Number<br>of<br>Returns | % of<br>Total | Average<br>FAGI  | Average<br>Tax Due | CHARACTERISTICS OF TAXPAYERS |              |                        |                          |              |                         |
|--|-------------------------|---------------|------------------|--------------------|------------------------------|--------------|------------------------|--------------------------|--------------|-------------------------|
|  |                         |               |                  |                    | %<br>Married<br>Joint        | %<br>Single  | %<br>Unmarried<br>Head | %<br>Married<br>Separate | %<br>Over 65 | %<br>With<br>Dependents |
| Negative FAGI                            | 2,901                   | 1.0%          | -\$24,099        | \$4                | 19.5%                        | 72.0%        | 5.9%                   | 2.6%                     | 14.2%        | 14.3%                   |
| <b>\$0-\$5,000</b>                       | <b>54,971</b>           | <b>19.6%</b>  | <b>\$2,725</b>   | <b>\$1</b>         | <b>4.0%</b>                  | <b>85.4%</b> | <b>9.7%</b>            | <b>0.9%</b>              | <b>3.9%</b>  | <b>15.4%</b>            |
| \$5,000-\$10,000                         | 56,212                  | 20.1%         | \$7,369          | \$24               | 6.1%                         | 76.2%        | 16.7%                  | 1.1%                     | 4.9%         | 24.7%                   |
| <b>\$10,000-\$15,000</b>                 | <b>39,557</b>           | <b>14.1%</b>  | <b>\$12,387</b>  | <b>\$95</b>        | <b>12.0%</b>                 | <b>60.6%</b> | <b>25.9%</b>           | <b>1.5%</b>              | <b>7.6%</b>  | <b>36.6%</b>            |
| \$15,000-\$20,000                        | 29,955                  | 10.7%         | \$17,364         | \$166              | 19.2%                        | 49.6%        | 29.3%                  | 1.9%                     | 8.1%         | 43.3%                   |
| <b>\$20,000-\$25,000</b>                 | <b>21,188</b>           | <b>7.6%</b>   | <b>\$22,342</b>  | <b>\$267</b>       | <b>24.9%</b>                 | <b>44.0%</b> | <b>28.4%</b>           | <b>2.7%</b>              | <b>7.0%</b>  | <b>47.5%</b>            |
| \$25,000-\$30,000                        | 15,173                  | 5.4%          | \$27,395         | \$389              | 28.5%                        | 42.7%        | 25.9%                  | 2.8%                     | 7.2%         | 46.4%                   |
| <b>\$30,000-\$40,000</b>                 | <b>19,730</b>           | <b>7.0%</b>   | <b>\$34,527</b>  | <b>\$550</b>       | <b>34.8%</b>                 | <b>39.4%</b> | <b>22.2%</b>           | <b>3.5%</b>              | <b>7.6%</b>  | <b>46.5%</b>            |
| \$40,000-\$50,000                        | 11,793                  | 4.2%          | \$44,635         | \$780              | 44.1%                        | 34.8%        | 17.6%                  | 3.5%                     | 9.2%         | 45.7%                   |
| <b>\$50,000-\$75,000</b>                 | <b>15,271</b>           | <b>5.5%</b>   | <b>\$60,592</b>  | <b>\$1,133</b>     | <b>59.5%</b>                 | <b>26.3%</b> | <b>11.5%</b>           | <b>2.7%</b>              | <b>12.8%</b> | <b>46.5%</b>            |
| \$75,000-\$100,000                       | 6,431                   | 2.3%          | \$85,637         | \$1,789            | 70.3%                        | 20.2%        | 7.6%                   | 1.8%                     | 14.8%        | 45.6%                   |
| <b>\$100,000-\$200,000</b>               | <b>5,264</b>            | <b>1.9%</b>   | <b>\$131,042</b> | <b>\$3,251</b>     | <b>70.6%</b>                 | <b>20.4%</b> | <b>6.9%</b>            | <b>2.1%</b>              | <b>17.6%</b> | <b>44.1%</b>            |
| \$200,000-\$500,000                      | 1,235                   | 0.4%          | \$288,768        | \$9,413            | 64.3%                        | 25.8%        | 7.2%                   | 2.8%                     | 24.0%        | 37.6%                   |
| <b>\$500,000-\$1,000,000</b>             | <b>210</b>              | <b>0.1%</b>   | <b>\$691,372</b> | <b>\$30,442</b>    | <b>67.1%</b>                 | <b>23.9%</b> | <b>5.2%</b>            | <b>3.8%</b>              | <b>26.3%</b> | <b>33.8%</b>            |
| \$1,000,000 and over                     | 121                     | 0.0%          | \$2,178,044      | \$92,118           | 54.8%                        | 27.4%        | 7.3%                   | 10.5%                    | 26.6%        | 35.5%                   |
| <b>Total</b>                             | <b>280,012</b>          |               | <b>\$23,328</b>  | <b>\$417</b>       | <b>16.9%</b>                 | <b>48.9%</b> | <b>15.7%</b>           | <b>1.5%</b>              | <b>7.2%</b>  | <b>33.9%</b>            |

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

| NEW RETURNS FILED IN 2005 FOR TAX YEAR 2004 |                |  |                 |              |              |              |              |             |             |              |
|---|----------------|--|-----------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
| <b>Total</b>                                | <b>258,482</b> |  | <b>\$22,021</b> | <b>\$390</b> | <b>17.0%</b> | <b>48.3%</b> | <b>16.1%</b> | <b>1.7%</b> | <b>7.5%</b> | <b>34.2%</b> |

"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**  
**November 2006**

| <b>City</b>                   | <b>Distribution</b> | <b>Population</b> | <b>City</b>                     | <b>Distribution</b> | <b>Population</b> |
|-------------------------------|---------------------|-------------------|---------------------------------|---------------------|-------------------|
| <b><u>Apache County</u></b>   |                     |                   | Surprise                        | \$2,221,129         | 88,265            |
| Eagar                         | \$41,962            | 4,435             | Tempe                           | \$835,128           | 165,796           |
| Springerville                 | \$19,538            | 2,065             | Tolleson                        | \$1,568,695         | 6,498             |
| St. Johns                     | \$36,569            | 3,865             | Wickenburg                      | \$61,481            | 6,077             |
| <b><u>Cochise County</u></b>  |                     |                   | Youngtown                       | \$57,498            | 6,163             |
| Benson                        | \$44,848            | 4,740             | <b><u>Mohave County</u></b>     |                     |                   |
| Bisbee                        | \$62,163            | 6,570             | Bullhead City                   | \$361,528           | 38,210            |
| Douglas                       | \$162,692           | 17,195            | Colorado City                   | \$38,603            | 4,080             |
| Huachuca City                 | \$17,315            | 1,830             | Kingman                         | \$244,677           | 25,860            |
| Sierra Vista                  | \$413,377           | 43,690            | Lake Havasu City                | \$505,580           | 53,435            |
| Tombstone                     | \$15,233            | 1,610             | <b><u>Navajo County</u></b>     |                     |                   |
| Willcox                       | \$36,758            | 3,885             | Holbrook                        | \$51,329            | 5,425             |
| <b><u>Coconino County</u></b> |                     |                   | Pinetop-Lakeside                | \$39,408            | 4,165             |
| Flagstaff                     | \$578,908           | 61,185            | Show Low                        | \$93,244            | 9,885             |
| Fredonia                      | \$10,502            | 1,110             | Snowflake                       | \$46,693            | 4,935             |
| Page                          | \$67,272            | 7,110             | Taylor                          | \$38,793            | 4,100             |
| Williams                      | \$29,757            | 3,145             | Winslow                         | \$93,055            | 9,835             |
| <b><u>Gila County</u></b>     |                     |                   | <b><u>Pima County</u></b>       |                     |                   |
| Globe                         | \$70,915            | 7,495             | Marana                          | \$252,861           | 26,725            |
| Hayden                        | \$8,440             | 892               | Oro Valley                      | \$372,787           | 39,400            |
| Miami                         | \$18,497            | 1,955             | Sahuarita                       | \$132,368           | 13,990            |
| Payson                        | \$145,992           | 15,430            | South Tucson                    | \$53,269            | 5,630             |
| Star Valley                   | \$18,980            | 2,006             | Tucson                          | \$5,012,471         | 529,770           |
| Winkelman                     | \$4,191             | 443               | <b><u>Pinal County</u></b>      |                     |                   |
| <b><u>Graham County</u></b>   |                     |                   | Apache Junction                 | \$322,357           | 34,070            |
| Pima                          | \$19,727            | 2,085             | Casa Grande                     | \$307,218           | 32,470            |
| Safford                       | \$88,561            | 9,360             | Coolidge                        | \$77,396            | 8,180             |
| Thatcher                      | \$43,050            | 4,550             | Eloy                            | \$105,260           | 11,125            |
| <b><u>Greenlee County</u></b> |                     |                   | Florence                        | \$194,247           | 20,530            |
| Clifton                       | \$24,562            | 2,596             | Kearny                          | \$21,279            | 2,249             |
| Duncan                        | \$7,683             | 812               | Mammoth                         | \$16,671            | 1,762             |
| <b><u>La Paz County</u></b>   |                     |                   | Maricopa                        | \$100,512           | 15,934            |
| Parker                        | \$31,034            | 3,280             | Superior                        | \$30,788            | 3,254             |
| Quartzsite                    | \$34,062            | 3,600             | <b><u>Santa Cruz County</u></b> |                     |                   |
| <b><u>Maricopa County</u></b> |                     |                   | Nogales                         | \$206,547           | 21,830            |
| Avondale                      | \$656,219           | 69,356            | Patagonia                       | \$8,705             | 920               |
| Buckeye                       | \$240,381           | 25,406            | <b><u>Yavapai County</u></b>    |                     |                   |
| Carefree                      | \$34,857            | 3,684             | Camp Verde                      | \$101,523           | 10,730            |
| Cave Creek                    | \$45,094            | 4,766             | Chino Valley                    | \$116,614           | 12,325            |
| Chandler                      | \$2,184,163         | 230,845           | Clarkdale                       | \$34,819            | 3,680             |
| El Mirage                     | \$303,348           | 32,061            | Cottonwood                      | \$102,753           | 10,860            |
| Fountain Hills                | \$231,733           | 24,492            | Dewey-Humboldt                  | \$38,130            | 4,030             |
| Gila Bend                     | \$18,734            | 1,980             | Jerome                          | \$3,122             | 330               |
| <b>Gilbert</b>                | <b>\$1,644,416</b>  | <b>173,799</b>    | Prescott                        | \$385,749           | 40,770            |
| Glendale                      | \$2,293,198         | 242,369           | Prescott Valley                 | \$317,673           | 33,575            |
| Goodyear                      | \$437,249           | 46,213            | Sedona                          | \$103,463           | 10,935            |
| Guadalupe                     | \$52,559            | 5,555             | <b><u>Yuma County</u></b>       |                     |                   |
| Litchfield Park               | \$42,842            | 4,528             | San Luis                        | \$216,954           | 22,930            |
| Mesa                          | \$4,239,704         | 448,096           | Somerton                        | \$92,251            | 9,750             |
| Paradise Valley               | \$131,166           | 13,863            | Wellton                         | \$18,639            | 1,970             |
| Peoria                        | \$1,307,053         | 138,143           | Yuma                            | \$839,953           | 88,775            |
| Phoenix                       | \$13,963,748        | 1,475,834         |                                 |                     |                   |
| Queen Creek                   | \$155,303           | 16,414            |                                 |                     |                   |
| Scottsdale                    | \$656,219           | 234,752           | <b>TOTAL</b>                    | <b>\$45,935,888</b> | <b>4,860,323</b>  |

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**November 2006**

| <b>City</b>                   | <b>Distribution</b> | <b>Population</b> | <b>City</b>                     | <b>Distribution</b> | <b>Population</b> |
|-------------------------------|---------------------|-------------------|---------------------------------|---------------------|-------------------|
| <b><u>Apache County</u></b>   |                     |                   | Surprise                        | \$667,376           | 88,265            |
| Eagar                         | \$33,533            | 4,435             | Tempe                           | \$49,132            | 165,796           |
| Springerville                 | \$15,614            | 2,065             | Tolleson                        | \$31,000            | 6,498             |
| St. Johns                     | \$29,223            | 3,865             | Wickenburg                      | \$45,948            | 6,077             |
| <b><u>Cochise County</u></b>  |                     |                   | Youngtown                       | \$46,599            | 6,163             |
| Benson                        | \$35,839            | 4,740             | <b><u>Mohave County</u></b>     |                     |                   |
| Bisbee                        | \$49,676            | 6,570             | Bullhead City                   | \$288,908           | 38,210            |
| Douglas                       | \$130,012           | 17,195            | Colorado City                   | \$30,849            | 4,080             |
| Huachuca City                 | \$13,837            | 1,830             | Kingman                         | \$195,529           | 25,860            |
| Sierra Vista                  | \$330,342           | 43,690            | Lake Havasu City                | \$404,025           | 53,435            |
| Tombstone                     | \$12,173            | 1,610             | <b><u>Navajo County</u></b>     |                     |                   |
| Willcox                       | \$29,375            | 3,885             | Holbrook                        | \$41,019            | 5,425             |
| <b><u>Coconino County</u></b> |                     |                   | Pinetop/Lakeside                | \$31,492            | 4,165             |
| Flagstaff                     | \$462,623           | 61,185            | Show Low                        | \$74,741            | 9,885             |
| Fredonia                      | \$8,393             | 1,110             | Snowflake                       | \$37,314            | 4,935             |
| Page                          | \$53,759            | 7,110             | Taylor                          | \$1,253,592         | 4,100             |
| Williams                      | \$23,779            | 3,145             | Winslow                         | \$74,363            | 9,835             |
| <b><u>Gila County</u></b>     |                     |                   | <b><u>Pima County</u></b>       |                     |                   |
| Globe                         | \$56,670            | 7,495             | Marana                          | \$202,069           | 26,725            |
| Hayden                        | \$6,744             | 892               | Oro Valley                      | \$297,905           | 39,400            |
| Miami                         | \$14,782            | 1,955             | Sahuarita                       | \$105,779           | 13,990            |
| Payson                        | \$116,667           | 15,430            | South Tucson                    | \$42,569            | 5,630             |
| Star Valley                   | \$15,167            | 2,006             | Tucson                          | \$4,005,618         | 529,770           |
| Winkelman                     | \$3,350             | 443               | <b><u>Pinal County</u></b>      |                     |                   |
| <b><u>Graham County</u></b>   |                     |                   | Apache Junction                 | \$257,605           | 34,070            |
| Pima                          | \$15,765            | 2,085             | Casa Grande                     | \$245,507           | 32,470            |
| Safford                       | \$70,771            | 9,360             | Coolidge                        | \$61,849            | 8,180             |
| Thatcher                      | \$34,403            | 4,550             | Eloy                            | \$84,117            | 11,125            |
| <b><u>Greenlee County</u></b> |                     |                   | Florence                        | \$155,228           | 20,530            |
| Clifton                       | \$19,628            | 2,596             | Kearny                          | \$17,005            | 2,249             |
| Duncan                        | \$6,140             | 812               | Mammoth                         | \$13,323            | 1,762             |
| <b><u>La Paz County</u></b>   |                     |                   | Maricopa                        | \$120,478           | 15,934            |
| Parker                        | \$24,800            | 3,280             | Superior                        | \$24,604            | 3,254             |
| Quartzsite                    | \$27,220            | 3,600             | <b><u>Santa Cruz County</u></b> |                     |                   |
| <b><u>Maricopa County</u></b> |                     |                   | Nogales                         | \$165,058           | 21,830            |
| Avondale                      | \$524,404           | 69,356            | Patagonia                       | \$6,956             | 920               |
| Buckeye                       | \$192,096           | 25,406            | <b><u>Yavapai County</u></b>    |                     |                   |
| Carefree                      | \$27,855            | 3,684             | Camp Verde                      | \$81,130            | 10,730            |
| Cave Creek                    | \$36,036            | 4,766             | Chino Valley                    | \$93,190            | 12,325            |
| Chandler                      | \$1,745,431         | 230,845           | Clarkdale                       | \$27,825            | 3,680             |
| El Mirage                     | \$242,415           | 32,061            | Cottonwood                      | \$82,113            | 10,860            |
| Fountain Hills                | \$185,185           | 24,492            | Dewey-Humboldt                  | \$30,471            | 4,030             |
| Gila Bend                     | \$14,971            | 1,980             | Jerome                          | \$2,495             | 330               |
| Gilbert                       | \$1,314,103         | 173,799           | Prescott                        | \$308,264           | 40,770            |
| Glendale                      | \$1,832,564         | 242,369           | Prescott Valley                 | \$253,862           | 33,575            |
| Goodyear                      | \$349,419           | 46,213            | Sedona                          | \$82,680            | 10,935            |
| Guadalupe                     | \$42,002            | 5,555             | <b><u>Yuma County</u></b>       |                     |                   |
| Litchfield Park               | \$34,236            | 4,528             | San Luis                        | \$173,375           | 22,930            |
| Mesa                          | \$3,388,076         | 448,096           | Somerton                        | \$73,720            | 9,750             |
| Paradise Valley               | \$104,819           | 13,863            | Wellton                         | \$14,895            | 1,970             |
| Peoria                        | \$1,044,506         | 138,143           | Yuma                            | \$671,232           | 88,775            |
| Phoenix                       | \$11,158,855        | 1,475,834         |                                 |                     |                   |
| Queen Creek                   | \$124,107           | 16,414            |                                 |                     |                   |
| Scottsdale                    | \$1,774,972         | 234,752           | <b>TOTAL</b>                    | <b>\$36,749,147</b> | <b>4,860,323</b>  |