



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: January 19, 2011

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

OCTOBER 2010 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

| | <u>October 2010</u> | <u>Fiscal Year Total</u> |
|---|---------------------|--------------------------|
| Individual Income Tax | | |
| Net Collections | \$164,323,679 | \$827,741,648 |
| Percent Change | 39.1% | 19.3% |
| Corporate Income Tax | | |
| Net Collections | \$19,860,444 | \$179,400,204 |
| Percent Change | 5.6% | 42.1% |
| Transaction Privilege, Severance & Use Taxes | | |
| Net Collections | \$282,177,988 | \$ 1,123,820,435 |
| Percent Change | 1.5% | (1.8)% |
| Total Big Three Tax Types | | |
| Net Collections | \$466,362,111 | \$ 2,130,962,287 |
| Percent Change | 12.4% | 8.5% |

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

| | October 2010 | October 2009 | % Change |
|------------------------|-----------------------|-----------------------|--------------|
| Gross Collections | \$ 34,496,790 | \$ 35,790,908 | (3.6)% |
| Withholding | 262,500,758 | 244,649,301 | 7.3% |
| Refunds | (93,173,326) | (109,908,622) | (15.2)% |
| Urban Revenue Sharing | (39,500,543) | (52,387,052) | (24.6)% |
| Net Collections | \$ 164,323,679 | \$ 118,144,535 | 39.1% |

| | Fiscal Year Total (10/11) | Fiscal Year Total (09/10) | % Change |
|------------------------|------------------------------|------------------------------|--------------|
| Gross Collections | \$ 137,835,014 | \$ 138,292,872 | (0.3)% |
| Withholding | 1,012,206,914 | 971,790,106 | 4.2% |
| Refunds | (164,298,106) | (206,629,070) | (20.5)% |
| Urban Revenue Sharing | (158,002,173) | (209,548,210) | (24.6)% |
| Net Collections | \$ 827,741,648 | \$ 693,905,699 | 19.3% |

Average Individual Income Tax Refund

| | Average | Number |
|-----------------|----------------|--------------|
| 2010 CYTD | \$ 746.84 | 1,718,317 |
| 2009 CYTD | \$ 792.51 | 1,716,620 |
| % Change | (5.76)% | 0.10% |

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 for tax year 2008 were \$541.0 million, for an average of \$1,978. An additional \$144.6 million in estimated payments came from 2007 tax returns that applied their refunds as a 2008 estimated payment, for an average of \$2,981. Estimated payments received through October 2010 for tax year 2010 are as follows:

| | | Monthly | Cumulative |
|--------------|-----------------|----------------|----------------|
| October 2010 | 140 ES Payment | \$ 8,717,382 | \$ 192,019,837 |
| October 2009 | 140 ES Payment | \$ 20,540,787 | \$ 226,231,386 |
| | % change | (57.6)% | (15.1)% |
| October 2010 | Average Payment | \$ 685 | \$ 1,209 |
| October 2009 | Average Payment | \$ 1,667 | \$ 1,307 |
| | % change | (58.9)% | (7.5)% |
| October 2010 | Applied Refund | \$ 58,118,480 | \$ 109,521,092 |
| October 2009 | Applied Refund | \$ 49,134,983 | \$ 105,451,294 |
| | % change | 18.3% | 3.9% |
| October 2010 | Monthly Total | \$ 66,835,862 | \$ 301,540,929 |
| October 2009 | Monthly Total | \$ 69,675,765 | \$ 331,682,679 |
| | % change | (4.1)% | (9.1)% |

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 2008 through March 2009, \$834.6 million was received for the first quarter of 2008. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2009, which shows a decrease of 5.70% in withholding payments over the third quarter of 2008. Growth in quarters for which information is still being gathered is as follows:

| | | | |
|------------------|---------|------------------|---------|
| 4th Quarter 2009 | (2.77)% | 1st Quarter 2010 | (1.53)% |
| 2nd Quarter 2010 | 1.15% | 3rd Quarter 2010 | 5.60% |
| 4th Quarter 2010 | 10.42% | | |

Effective July 1, 2010, the state withholding tables calculate Arizona withholding as a percentage of gross taxable wages. The new withholding rates are 0%, 1.3%, 1.8%, 2.7%, 3.6%, 4.2% or 5.1%. 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.

Clean Elections

As a result of the January 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 returns filed in 2010.

| | October 2010 | Calendar Year Total |
|--------------------|---------------------|----------------------------|
| Check Off | \$ 202,470 | \$ 5,870,250 |
| Voluntary Donation | \$ 2,745 | \$ 54,244 |
| Number of Returns | 25,420 | 812,428 |

Contributions on the Individual Income Tax Return

Through October 2010, individual income tax return filers have made the following contributions:

| | Number | Amount | Average |
|------------------------------|---------------|---------------|----------------|
| AID to Education | 1,133 | \$ 80,490 | \$ 71.04 |
| Child Abuse Prevention | 8,818 | \$ 210,376 | \$ 23.86 |
| Domestic Violence Prevention | 6,577 | \$ 160,261 | \$ 24.37 |
| National Guard Contributions | 2,821 | \$ 69,966 | \$ 24.80 |
| Neighbors Helping Neighbors | 2,417 | \$ 49,143 | \$ 20.33 |
| Special Olympics | 4,126 | \$ 97,419 | \$ 23.61 |
| Wildlife | 8,626 | \$ 199,277 | \$ 23.10 |
| Veterans Fund | 4,345 | \$ 96,358 | \$ 22.18 |
| Democratic Party | 424 | \$ 15,483 | \$ 36.52 |
| Green Party | 35 | \$ 582 | \$ 16.63 |
| Libertarian Party | 43 | \$ 1,701 | \$ 39.56 |
| Republican Party | 228 | \$ 9,177 | \$ 40.25 |

CORPORATE INCOME TAX

Corporate Income Tax Receipts

| | October 2010 | October 2009 | % Change |
|------------------------|----------------------|----------------------|-------------|
| Gross Collections | \$ 31,026,633 | \$ 39,451,245 | (21.4)% |
| Refunds | \$ (11,166,189) | \$ (20,639,272) | (45.9)% |
| Net Collections | \$ 19,860,444 | \$ 18,811,973 | 5.6% |

| | Current Fiscal Year Total | Prior Fiscal Year Total | % Change |
|------------------------|------------------------------|----------------------------|--------------|
| Gross Collections | \$ 208,394,957 | \$ 183,609,209 | 13.5% |
| Refunds | \$ (28,994,753) | \$ (57,353,804) | (49.4)% |
| Net Collections | \$ 179,400,204 | \$ 126,255,405 | 42.1% |

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.

| | | | |
|--------------|---------------|---------------------|----------------|
| October 2010 | \$ 22,709,944 | Calendar Year Total | \$ 403,729,799 |
| October 2009 | \$ 23,291,177 | Calendar Year Total | \$ 354,634,135 |
| % Change | (2.5)% | % Change | 13.8% |

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 | \$100,001 up to \$500,000 | \$500,001 up to \$1,000,000 | \$1,000,001 up to \$10,000,000 | \$10,000,001 and more | Total | % change |
|----------------------|-----------------------|--------------------------------|---------------------------------|-----------------------------------|--------------------------------------|--------------------------|--------------|-------------|
| October 2010 | 133 | 18 | 21 | 5 | 5 | 0 | 182 | 6.4% |
| October 2009 | 127 | 14 | 21 | 3 | 6 | 0 | 171 | |
| CY 2010 | 2,235 | 366 | 406 | 81 | 62 | 0 | 3,150 | 9.0% |
| CY 2009 | 2,149 | 263 | 368 | 65 | 44 | 1 | 2,890 | |

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 | \$100,001 up to \$500,000 | \$500,001 up to 1,000,000 | \$1,000,001 and more | Total | % change |
|----------------------|-----------------------|---------------------------|------------------------------|------------------------------|-------------------------|-----------------------|--------------|
| October 2010 | \$ 1,079,752 | \$ 1,319,475 | \$ 4,395,845 | \$ 3,969,000 | \$ 9,634,000 | \$ 20,398,072 | (3.9)% |
| October 2009 | \$ 1,086,227 | \$ 1,074,053 | \$ 4,926,719 | \$ 2,002,000 | \$ 12,142,700 | \$ 21,231,699 | |
| CY 2010 | \$ 24,147,971 | \$ 25,574,755 | \$ 92,779,502 | \$ 57,317,712 | \$ 135,473,948 | \$ 335,293,888 | 20.6% |
| CY 2009 | \$ 22,769,365 | \$ 18,759,233 | \$ 83,080,373 | \$ 46,910,448 | \$ 106,569,400 | \$ 278,088,819 | |

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 09/10 by corporate fiscal year. For example, in FY 09/10, 13.2% of the refund dollars paid were for corporate fiscal years ending in 2005 or before. The percentages are for refunds paid through the fiscal year.

| | | | | | | |
|-----------------------------------|-----------------------|-----------|-----------|-----------|-----------|-----------|
| Corporate Fiscal Year-End: | 05 & Prior | 06 | 07 | 08 | 09 | 10 |
| FY 09/10 | 13.2% | 4.9% | 6.7% | 69.4% | 5.7% | 0.1% |
| Corporate Fiscal Year-End: | 06 & Prior | 07 | 08 | 09 | 10 | 11 |
| FY 10/11 | 31.5% | 2.3% | 6.7% | 51.9% | 7.6% | 0.0% |

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.

| | | | |
|---------------------|---------------|----------------------------|-------------|
| October 2010 | \$ 41,645,031 | Calendar Year Total | \$ |
| | | | 147,321,069 |
| October 2009 | \$ 47,876,783 | Calendar Year Total | \$ |
| | | | 128,238,815 |
| % Change | 13.0% | % Change | 14.9% |

Corporate Income Tax Document Count

The Arizona Department of Revenue received 133,808 corporate returns showing a fiscal year-end of 2008. The type of return received is indicated below:

| | 120X (amended) | 120 (regular) | 120S (S-corp) | 99T (exempt org.) | 120 A (short form) |
|---|---------------------------|--------------------------|--------------------------|------------------------------|-------------------------------|
| # | 216 | 36,016 | 84,601 | 611 | 12,364 |
| % | 0.2% | 26.9% | 63.2% | 0.5% | 9.2% |

Through October 2010, 127,200 documents were received for a fiscal year-end of 2009, distributed as follows:

| | 120X (amended) | 120 (regular) | 120S (S-corp) | 99T (exempt org.) | 120 A (short form) |
|---|---------------------------|--------------------------|--------------------------|------------------------------|-------------------------------|
| # | 164 | 31,636 | 83,057 | 463 | 11,880 |
| % | 0.1% | 24.9% | 65.3% | 0.4% | 9.3% |

The figures for the 2009 returns are most meaningful when compared to 2008 returns received during the same period of time in the previous year. Through October 2009, the Department of Revenue received 126,317 documents with a fiscal year-end of 2008. Compared to 2009 documents, the Department has seen a 0.7% *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 2010/11 is 15.0% of net proceeds from Fiscal Year 2008/09 income tax. Amounts returned for October 2010 are shown on Table 2 located 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. 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. Temporary Tax is in accordance with Proposition 100 passed in May 2010, resulting in an additional 1% being added to most business classifications. The Temporary Tax is scheduled to expire on May 31, 2013. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

| | October 2010 | October 2009 | % change |
|--------------------------|-----------------------|-----------------------|-----------------|
| Distribution Base | \$ 117,451,439 | \$ 113,279,791 | 3.7% |
| Non Shared | 223,050,010 | 216,751,201 | 2.9% |
| Use Tax | 18,618,977 | 22,089,247 | (15.7)% |
| Education Tax | 41,749,387 | 40,955,230 | 1.9% |
| Temporary Tax | 66,278,389 | NA | NA |
| Other Revenues | 52,963,576 | 51,801,602 | 2.2% |
| Total Collections | \$ 520,111,778 | \$ 444,877,072 | 16.9% |

| | Fiscal Year Total (10/11) | Fiscal Year Total (09/10) | % change |
|--------------------------|--------------------------------------|--------------------------------------|-----------------|
| Distribution Base | \$ 1,123,820,435 | \$ 1,143,971,266 | (1.8)% |
| Non Shared | 186,939,427 | 188,013,045 | (0.6)% |
| Use Tax | 115,366,223 | 116,028,786 | (0.6)% |
| Education Tax | 166,003,568 | 168,742,522 | (1.6)% |
| Temporary Tax | 261,254,573 | NA | NA |
| Other Revenues | 209,665,593 | 213,852,796 | (2.0)% |
| Total Collections | \$ 2,063,049,818 | \$ 1,830,608,416 | 12.7% |

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 on the next page 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. Temporary Tax is in accordance with Proposition 100 passed in May 2010, resulting in an additional 1% being added to most business classifications. The Temporary Tax is scheduled to expire on May 31, 2013. "Other" revenues are returned to the administering authority.

| | October 2010 | October 2009 | % change |
|--------------------------|-----------------------|-----------------------|-----------------|
| Retained by State | \$ 282,177,988 | \$ 277,910,648 | 1.5% |
| Returned to Counties | 47,579,578 | 45,889,643 | 3.7% |
| Returned to Cities | 29,362,860 | 28,319,948 | 3.7% |
| Education Tax | 41,749,387 | 40,955,230 | 1.9% |
| Temporary Tax | 66,278,389 | NA | NA |
| Other Revenues | 52,963,576 | 51,801,602 | 2.2% |
| Total Collections | \$ 520,111,778 | \$ 444,877,072 | 16.9% |

| | Fiscal Year Total (10/11) | Fiscal Year Total (09/10) | % change |
|--------------------------|--------------------------------------|--------------------------------------|-----------------|
| Retained by State | \$ 1,123,820,435 | \$ 1,143,971,266 | (1.8)% |
| Returned to Counties | 186,939,427 | 188,013,045 | (0.6)% |
| Returned to Cities | 115,366,223 | 116,028,786 | (0.6)% |
| Education Tax | 166,003,568 | 168,742,522 | (1.6)% |
| Temporary Tax | 261,254,573 | NA | NA |
| Other Revenues | 209,665,593 | 213,852,796 | (2.0)% |
| Total Collections | \$ 2,063,049,818 | \$ 1,830,608,416 | 12.7% |

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 October 2010 is shown in the County Share column.

| | County Share | % of Total | FYTD County Share | % Change |
|--------------|----------------------|-------------------|--------------------------|-----------------|
| Apache | \$ 333,736 | 0.7% | \$ 1,261,083 | (6.7)% |
| Coconino | \$ 1,308,357 | 2.7% | \$ 5,274,234 | 1.2% |
| Cochise | \$ 859,200 | 1.9% | \$ 3,449,305 | (0.2)% |
| Gila | \$ 356,087 | 0.8% | \$ 1,414,782 | (3.1)% |
| Graham | \$ 236,400 | 0.5% | \$ 965,604 | (7.6)% |
| Greenlee | \$ 298,531 | 0.5% | \$ 1,116,982 | 9.7% |
| La Paz | \$ 126,399 | 0.3% | \$ 500,215 | (2.3)% |
| Maricopa | \$ 30,165,898 | 63.0% | \$ 117,961,080 | (0.6)% |
| Mohave | \$ 1,421,639 | 2.9% | \$ 5,614,932 | (4.2)% |
| Navajo | \$ 775,563 | 1.7% | \$ 3,089,480 | 0.6% |
| Pima | \$ 6,904,303 | 15.1% | \$ 27,434,511 | 0.6% |
| Pinal | \$ 1,517,815 | 3.3% | \$ 6,018,501 | (2.7)% |
| Santa Cruz | \$ 292,803 | 0.6% | \$ 1,175,889 | (0.7)% |
| Yavapai | \$ 1,728,488 | 3.3% | \$ 6,821,265 | (0.5)% |
| Yuma | \$ 1,254,358 | 2.7% | \$ 4,841,566 | (1.7)% |
| Total | \$ 47,579,578 | 100.0% | \$ 186,939,427 | (0.6)% |

Transaction Privilege and Severance Tax Collections by Class

| | Tax Rate | October 2010 | % Change | Fiscal Year Total (10/11) | % Change |
|-----------------------|----------------------------------|-----------------------|-----------------|--------------------------------------|-----------------|
| Transporting | 5.6 | \$ 126,754 | (32.4)% | \$ 610,774 | (16.8)% |
| Non-Metal Mining | | | | | |
| Oil/Gas | 3.125 | \$ 290,840 | 11.2% | \$ 1,109,341 | (10.1)% |
| Utilities | 5.6 | \$ 49,574,525 | 2.6% | \$ 195,266,687 | (0.9)% |
| Communications | 5.6 | \$ 13,344,396 | 18.7% | \$ 51,072,647 | 13.1% |
| Private Car/Pipelines | 5.6 | \$ 10,690 | NA | \$ 25,307 | 63.3% |
| Publishing | 5.6 | \$ 338,292 | (9.2)% | \$ 1,497,815 | (3.9)% |
| Job Printing | 5.6 | \$ 1,220,722 | 32.1% | \$ 4,250,548 | 15.0% |
| Restaurants & Bars | 5.6 | \$ 35,047,657 | 2.0% | \$ 139,515,951 | 2.1% |
| Amusements | 5.6 | \$ 2,890,905 | (1.5)% | \$ 13,352,866 | (8.4)% |
| Commercial Lease | 0 | \$ 0 | NA | \$ 0 | NA |
| Rental of Personal | | | | | |
| Property | 5.6 | \$ 12,012,462 | (1.2)% | \$ 48,828,480 | (1.5)% |
| Contracting | 5.6 | \$ 37,887,301 | (7.7)% | \$ 150,548,410 | (15.6)% |
| Retail | 5.6 | \$ 176,893,813 | 4.8% | \$ 692,202,088 | (0.3)% |
| Mining Severance | 2.5 | \$ 2,602,805 | 18.4% | \$ 9,336,274 | 16.9% |
| Timber Severance | 0 | \$ 0 | NA | \$ 734 | NA |
| Hotel/Motel | 5.5 | \$ 7,794,976 | 4.4% | \$ 29,568,589 | 5.2% |
| Membership Camping | 0 | \$ 0 | NA | \$ 36 | (39.1)% |
| Use Tax | 5.6 | \$ 18,618,977 | (15.7)% | \$ 87,103,779 | (3.2)% |
| Rental Occupancy | | | | | |
| Tax | 0 | \$ 10 | NA | \$ 2,119 | NA |
| Jet Fuel | | \$ 338,312 | 25.7% | \$ 1,555,006 | 15.4% |
| Jet Fuel Use Tax | .0305/.0105 gal | \$ 2,512 | NA | \$ (12,101) | NA |
| Telecomm Devices | ---- | \$ 440,245 | (15.5)% | \$ 1,816,237 | (13.1)% |
| 911 Telecom. | ---- | \$ 1,341,104 | (3.5)% | \$ 5,360,748 | (1.4)% |
| 911 Wireline | 0.20/month per active service | \$ 1 | NA | \$ 1,568 | NA |
| 911 Wireless | 0.20/month per active service | \$ 0 | NA | \$ 418 | NA |
| Total | | \$ 360,777,301 | 1.8% | \$ 1,433,014,322 | (1.7)% |

The Use/Use Inventory category shown on page six 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

| | October 2010 | % Change | Fiscal Year Total | % Change |
|-----------------------------|-------------------------|-----------------|--------------------------|-----------------|
| Transporting | \$ 2,535,084 | (32.5)% | \$ 12,215,488 | (16.9)% |
| Non-Metal Mining Oil/Gas | \$ 9,306,890 | 11.2% | \$ 35,498,903 | (10.2)% |
| Utilities | \$ 91,490,491 | 2.6% | \$ 3,905,333,736 | (0.9)% |
| Communications | \$ 266,887,918 | 18.7% | \$ 1,022,380,144 | 13.1% |
| Private Car/Pipelines | \$ 213,800 | NA | \$ 506,141 | 62.4% |
| Publishing | \$ 6,765,838 | (9.2)% | \$ 29,956,307 | (4.0)% |
| Job Printing | \$ 24,414,447 | 32.1% | \$ 85,010,950 | 15.0% |
| Restaurants & Bars | \$ 700,953,136 | 2.0% | \$ 2,790,319,029 | 2.1% |
| Amusements | \$ 57,818,107 | (1.6)% | \$ 267,057,324 | (8.5)% |
| Commercial Lease | \$ 0 | NA | \$ 0 | NA |
| Rental of Personal Property | \$ 240,248,339 | (1.3)% | \$ 976,568,706 | (1.5)% |
| Contracting | \$ 757,746,016 | (7.8)% | \$ 3,010,968,104 | (15.6)% |
| Retail | \$ 3,537,882,723 | 4.8% | \$ 13,842,821,309 | (0.3)% |
| Mining Severance | \$ 104,112,209 | 18.3% | \$ 373,450,970 | 16.8% |
| Timber Severance | \$ 0 | NA | \$ 345 | NA |
| Hotel/Motel | \$ 141,726,833 | 4.4% | \$ 537,610,718 | 5.1% |
| Membership Camping | \$ 0 | NA | \$ 728 | (44.3)% |
| Use Tax | \$ 375,838,490 | (15.6)% | \$ 1,752,853,606 | (3.0)% |
| Rental Occupancy Tax | \$ 317 | NA | \$ 70,625 | NA |
| Total | \$ 7,217,940,638 | 1.9% | \$ 28,642,623,134 | (1.6)% |

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 cannot 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 Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for October 2010 is shown on Table 3, attached to this report.

County Tax Collections

The county-imposed tax collections received by the Department of Revenue during October and returned to the counties are shown on Table 4, attached to this report. 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.

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.

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in October 2010. The table compares the receipts to October 2009 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

| | October 2010 | October 2009 | % Change |
|------------------|----------------------|----------------------|---------------|
| Spirituos | \$ 2,163,902 | \$ 2,200,099 | (1.6)% |
| Vinous | \$ 1,072,455 | \$ 1,019,438 | 5.2% |
| Malt | \$ 1,784,187 | \$ 2,225,907 | (19.8)% |
| Cigarette | \$ 24,478,482 | \$ 26,548,251 | (7.8)% |
| Other Tobacco | \$ 1,404,527 | \$ 1,671,776 | (16.0)% |
| Tobacco Licenses | \$ 300 | \$ 675 | (55.6)% |
| Total | \$ 30,903,853 | \$ 33,666,146 | (8.2)% |

| | Fiscal Year (10/11) | Fiscal Year (09/10) | % Change |
|------------------|-----------------------|-----------------------|---------------|
| Spirituos | \$ 7,909,941 | \$ 7,897,532 | 0.2% |
| Vinous | \$ 3,582,442 | \$ 3,409,835 | 5.1% |
| Malt | \$ 7,215,575 | \$ 7,580,446 | (4.8)% |
| Cigarette* | \$ 102,323,547 | \$ 104,621,029 | (2.2)% |
| Other Tobacco | \$ 5,607,741 | \$ 5,360,068 | 4.6% |
| Tobacco Licenses | \$ 2,110 | \$ 2,725 | (24.0)% |
| Total | \$ 126,641,356 | \$ 128,871,635 | (1.7)% |

*Through October 2010, \$336,600 cigarette and tobacco tax collections have been allocated for administrative expenses and are not included in the cigarette collections above.

General fund revenues from luxury taxes:

| | October 2010 | Fiscal Year (10/11) |
|------------------|---------------------|----------------------|
| Spirituos | \$ 1,514,732 | \$ 5,536,959 |
| Vinous | \$ 268,113 | \$ 895,609 |
| Malt | \$ 446,046 | \$ 1,803,893 |
| Cigarette | \$ 1,100,790 | \$ 7,786,906 |
| Other Tobacco | \$ 63,075 | \$ 252,348 |
| Tobacco Licenses | \$ 300 | \$ 2,035 |
| Total | \$ 3,393,056 | \$ 16,277,750 |

Other dedicated revenues from luxury taxes:

| | October 2010 | Fiscal Year (10/11) |
|--|---------------------|----------------------------|
| Corrections Fund | \$ 2,170,433 | \$ 8,250,168 |
| Tobacco Tax & Health Care Fund ² | 5,495,447 | 21,849,686 |
| Tobacco Products Tax Fund ³ | 8,243,171 | 32,784,308 |
| Drug Treatment & Education Fund | 665,669 | 2,497,339 |
| Corrections Rev. Fund | 264,882 | 993,160 |
| Smoke Free Arizona Fund ⁴ | 246,256 | 1,016,822 |
| Early Childhood Development and Health Fund ⁵ | \$10,424,940 | \$ 42,972,048 |

Bingo Tax

| | Monthly | FYTD |
|-----------------|----------------|---------------|
| October 2010 | \$ 51,605 | \$ 163,403 |
| October 2009 | \$ 51,678 | \$ 168,439 |
| % change | (0.1)% | (2.9)% |

Estate Tax

| | Monthly | FYTD |
|-----------------|----------------|--------------|
| October 2010 | \$ 0 | \$ 437,372 |
| October 2009 | \$ 0 | \$ 294,106 |
| % change | NA | 48.7% |

Unclaimed Property

| | Monthly | FYTD |
|-----------------|----------------|---------------|
| October 2010 | \$ 25,581,899 | \$ 27,260,374 |
| October 2009 | \$ 19,343,837 | \$ 19,286,045 |
| % change | 32.2% | 41.3% |

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.

⁴ This Fund was created by Prop. 201, which increased cigarette tax rates in December 2006.

⁵ This Fund was created by Prop. 203, which increased cigarette & other tobacco products tax rates in December 2006.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
October 2010

| City | Distribution | Population | City | Distribution | Population |
|-------------------------------|---------------------|-------------------|---------------------------------|---------------------|-------------------|
| <u>Apache County</u> | | | Scottsdale | \$ 1,904,088 | 234,752 |
| Eagar | \$ 35,973 | 4,435 | Surprise | 715,923 | 88,265 |
| St. Johns | 31,349 | 3,865 | Tempe | 1,344,782 | 165,796 |
| Springerville | 16,749 | 2,065 | Tolleson | 52,706 | 6,498 |
| <u>Cochise County</u> | | | Wickenburg | 49,291 | 6,077 |
| Benson | \$ 38,446 | 4,740 | Youngtown | 49,988 | 6,163 |
| Bisbee | 53,290 | 6,570 | <u>Mohave County</u> | | |
| Douglas | 139,470 | 17,195 | Bullhead City | \$ 309,924 | 38,210 |
| Huachuca City | 14,843 | 1,830 | Colorado City | 33,093 | 4,080 |
| Sierra Vista | 354,372 | 43,690 | Kingman | 209,752 | 25,860 |
| Tombstone | 8,706 | 1,073 | Lake Havasu City | 433,415 | 53,435 |
| Willcox | 31,511 | 3,885 | <u>Navajo County</u> | | |
| <u>Coconino County</u> | | | Holbrook | \$ 44,003 | 5,425 |
| Flagstaff | \$ 496,275 | 61,185 | Pinetop-Lakeside | 33,783 | 4,165 |
| Fredonia* | 12,167 | 1,500 | Show Low | 80,178 | 9,885 |
| Page | 57,670 | 7,110 | Snowflake | 40,028 | 4,935 |
| Tusayan | 12,167 | 1,500 | Taylor | 33,255 | 4,100 |
| Williams | 25,509 | 3,145 | Winslow | 79,772 | 9,835 |
| <u>Gila County</u> | | | <u>Pima County</u> | | |
| Globe | \$ 60,792 | 7,495 | Marana | \$ 216,768 | 26,725 |
| Hayden* | 12,167 | 1,500 | Oro Valley | 319,576 | 39,400 |
| Miami | 15,857 | 1,955 | Sahuarita | 113,474 | 13,990 |
| Payson | 125,154 | 15,430 | South Tucson | 45,665 | 5,630 |
| Star Valley | 16,271 | 2,006 | Tucson | 4,296,997 | 529,770 |
| Winkelman* | 12,167 | 1,500 | <u>Pinal County</u> | | |
| <u>Graham County</u> | | | Apache Junction | \$ 276,344 | 34,070 |
| Pima | \$ 16,133 | 2,182 | Casa Grande | 263,366 | 32,470 |
| Safford | 75,920 | 9,360 | Coolidge | 66,348 | 8,180 |
| Thatcher | 36,905 | 4,550 | Eloy | 90,236 | 11,125 |
| <u>Greenlee County</u> | | | Florence | 166,520 | 20,530 |
| Clifton | \$ 21,056 | 2,596 | Kearny | 18,242 | 2,249 |
| Duncan* | 12,167 | 1,500 | Mammoth | 14,292 | 1,762 |
| <u>La Paz County</u> | | | Maricopa | 129,242 | 15,934 |
| Parker | \$ 21,056 | 3,280 | Superior | 26,393 | 3,254 |
| Quartzsite | 12,167 | 3,600 | <u>Santa Cruz County</u> | | |
| <u>Maricopa County</u> | | | Nogales | \$ 177,064 | 21,830 |
| Avondale | \$ 562,551 | 69,356 | Patagonia* | 12,167 | 1,500 |
| Buckeye | 206,070 | 25,406 | <u>Yavapai County</u> | | |
| Carefree | 29,881 | 3,684 | Camp Verde | \$ 87,032 | 10,730 |
| Cave Creek | 38,657 | 4,766 | Chino Valley | 99,969 | 12,325 |
| Chandler | 1,872,398 | 230,845 | Clarkdale | 29,849 | 3,680 |
| El Mirage | 260,049 | 32,061 | Cottonwood | 88,086 | 10,860 |
| Fountain Hills | 198,656 | 24,492 | Dewey-Humboldt | 32,688 | 4,030 |
| Gila Bend | 16,060 | 1,980 | Jerome* | 12,167 | 1,500 |
| Gilbert | 1,440,070 | 177,544 | Prescott | 330,688 | 40,770 |
| Glendale | 1,965,870 | 242,369 | Prescott Valley | 272,328.91 | 33,575 |
| Goodyear | 374,837 | 46,213 | Sedona | 88,695 | 10,935 |
| Guadalupe | 45,057 | 5,555 | <u>Yuma County</u> | | |
| Litchfield Park | 36,727 | 4,528 | San Luis | \$ 185,987 | 22,930 |
| Mesa | 3,634,535 | 448,096 | Somerton | 79,083 | 9,750 |
| Paradise Valley | 112,444 | 13,863 | Wellton | 15,979 | 1,970 |
| Peoria | 1,120,487 | 138,143 | Yuma | 724,367 | 89,306 |
| Phoenix | 11,970,581 | 1,475,834 | TOTAL | | |
| Queen Creek | 133,135 | 16,414 | \$ 39,500,543 4,870,152 | | |

*Population adjusted to reflect minimum requirement of 1,500 per HB 2391, Chapter 290, 2nd Regular Session, 2008.

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
October 2010

| City | Distribution | Population | City | Distribution | Population |
|-------------------------------|---------------------|-------------------|---------------------------------|---------------------|-------------------|
| <u>Apache County</u> | | | Scottsdale | \$ 1,416,779 | 234,752 |
| Eagar | \$ 26,766 | 4,435 | Surprise | 532,698 | 88,265 |
| St. Johns | 12,463 | 2,065 | Tempe | 1,000,615 | 165,796 |
| Springerville | 23,326 | 3,865 | Tolleson | 39,217 | 6,498 |
| <u>Cochise County</u> | | | Wickenburg | 36,676 | 6,077 |
| Benson | \$ 28,607 | 4,740 | Youngtown | 37,195 | 6,163 |
| Bisbee | 39,651 | 6,570 | <u>Mohave County</u> | | |
| Douglas | 103,776 | 17,195 | Bullhead City | \$ 230,606 | 38,210 |
| Huachuca City | 11,044 | 1,830 | Colorado City | 24,624 | 4,080 |
| Sierra Vista | 263,679 | 43,690 | Kingman | 156,071 | 25,860 |
| Tombstone | 9,717 | 1,610 | Lake Havasu City | 322,492 | 53,435 |
| Willcox | 23,447 | 3,885 | <u>Navajo County</u> | | |
| <u>Coconino County</u> | | | Holbrook | \$ 32,741 | 5,425 |
| Flagstaff | \$ 369,265 | 61,185 | Pinetop/Lakeside | 25,137 | 4,165 |
| Fredonia | 6,699 | 1,110 | Show Low | 59,658 | 9,885 |
| Page | 42,910 | 7,110 | Snowflake | 29,784 | 4,935 |
| Tusayan | 3,368 | 558 | Taylor | 24,744 | 4,100 |
| Williams | 18,981 | 3,145 | Winslow | 59,356 | 9,835 |
| <u>Gila County</u> | | | <u>Pima County</u> | | |
| Globe | \$ 45,234 | 7,495 | Marana | \$ 161,291 | 26,725 |
| Hayden | 5,383 | 892 | Oro Valley | 237,788 | 39,400 |
| Miami | 11,799 | 1,955 | Sahuarita | 84,433 | 13,990 |
| Payson | 93,123 | 15,430 | South Tucson | 33,978 | 5,630 |
| Star Valley | 12,107 | 2,006 | Tucson | 3,197,277 | 529,770 |
| Winkelman | 2,674 | 443 | <u>Pinal County</u> | | |
| <u>Graham County</u> | | | Apache Junction | \$ 205,620 | 34,070 |
| Pima | \$ 13,169 | 2,182 | Casa Grande | 195,963 | 32,470 |
| Safford | 56,490 | 9,360 | Coolidge | 49,368 | 8,180 |
| Thatcher | 27,460 | 4,550 | Eloy | 67,142 | 11,125 |
| <u>Greenlee County</u> | | | Florence | 123,903 | 20,530 |
| Clifton | \$ 15,667 | 2,596 | Kearny | 13,573 | 2,249 |
| Duncan | 4,901 | 812 | Mammoth | 10,634 | 1,762 |
| <u>La Paz County</u> | | | Maricopa | 96,165 | 15,934 |
| Parker | \$ 19,796 | 3,280 | Superior | 19,639 | 3,254 |
| Quartzsite | 21,727 | 3,600 | <u>Santa Cruz County</u> | | |
| <u>Maricopa County</u> | | | Nogales | \$ 131,749 | 21,830 |
| Avondale | \$ 418,578 | 69,356 | Patagonia | 5,552 | 920 |
| Buckeye | 153,331 | 25,406 | <u>Yavapai County</u> | | |
| Carefree | 22,234 | 3,684 | Camp Verde | \$ 64,758 | 10,730 |
| Cave Creek | 28,764 | 4,766 | Chino Valley | 74,384 | 12,325 |
| Chandler | 1,393,199 | 230,845 | Clarkdale | 22,210 | 3,680 |
| El Mirage | 193,495 | 32,061 | Cottonwood | 65,542 | 10,860 |
| Fountain Hills | 147,815 | 24,492 | Dewey-Humboldt | 24,322 | 4,030 |
| Gila Bend | 11,950 | 1,980 | Jerome | 1,992 | 330 |
| Gilbert | 1,071,516 | 177,544 | Prescott | 246,056 | 40,770 |
| Glendale | 1,462,749 | 242,369 | Prescott Valley | 202,632 | 33,575 |
| Goodyear | 278,905 | 46,213 | Sedona | 65,995 | 10,935 |
| Guadalupe | 33,526 | 5,555 | <u>Yuma County</u> | | |
| Litchfield Park | 27,327 | 4,528 | San Luis | \$ 138,388 | 22,930 |
| Mesa | 2,704,356 | 448,096 | Somerton | 58,843 | 9,750 |
| Paradise Valley | 83,666 | 13,863 | Wellton | 11,889 | 1,970 |
| Peoria | 833,723 | 138,143 | Yuma | 538,981 | 89,306 |
| Phoenix | 8,906,977 | 1,475,834 | TOTAL | | |
| Queen Creek | 99,062 | 16,414 | \$ 29,362,860 | 4,865,254 | |

**TABLE 4
County Tax Collections
October 2010**

| | Road | Excise | Jail | Rental Car | Stadium | RV Surcharge | Hospital/ Health Svc | Capital Projects | Sports & Tourism Authority |
|------------|---------------|--------------|--------------|------------|---------|-----------------|-------------------------|---------------------|----------------------------------|
| Apache | | \$ 96,166 | | | | | | | |
| Cochise | | \$ 545,698 | | | | | | | |
| Coconino | | \$ 1,046,690 | \$ 1,046,454 | | | | | \$ 261,314 | |
| Gila | \$ 248,971 | \$ 240,687 | | | | | | | |
| Graham | | \$ 127,041 | | | | | | | |
| Greenlee | | \$ 104,592 | | | | | | | |
| La Paz | | \$ 70,703 | \$ 70,703 | | | | \$ 0 | | |
| Maricopa | \$ 24,783,702 | | \$ 8,966,098 | \$ 356,905 | \$ (1) | | | | \$ 1,211,488 |
| Mohave | | \$ 488,175 | | | | | | | |
| Navajo | | \$ 520,132 | | | | | | | |
| Pima | \$ 4,955,239 | | | \$ 108,770 | | \$ 7,741 | | | |
| Pinal | \$ 943,302 | \$ 903,703 | | | | | \$ 181,417 | | |
| Santa Cruz | | \$ 199,525 | \$ 199,045 | | | | | | |
| Yavapai | | \$ 969,900 | \$ 484,857 | | | | | | |
| Yuma | | \$ 826,910 | \$ 826,911 | | | | \$ 163,810 | \$ 2,749 | |