

# **Finance Advisory Committee**

## **Briefing Materials**

**January 21, 2016**

**JLBC**

# Finance Advisory Committee

## Briefing Materials

January 21, 2016

### Table of Contents

JLBC Staff Presentation and January 2016 Revenue and Budget Update .....	Tab A
Elliott Pollack Presentation .....	Tab B
Treasurer Presentation .....	Tab C
Tracking Arizona's Recovery .....	Tab D
Background Information .....	Tab E
Sales Tax	
Growth Rate History Chart.....	2
5-Year Data Table – Total Collections .....	3
5-Year Data Tables – Major Categories	
Retail .....	4
Contracting.....	5
Utilities .....	6
Restaurants and Bars .....	7
Use Tax.....	8
Individual Income Tax	
Growth Rate History Chart.....	10
5-Year Data Table by Component.....	11
5-Year Data Table-Payment Breakdown .....	12
Corporate Income Tax	
Growth Rate History Chart.....	14
Corporate Income Tax Collections .....	15
Economic Indicators.....	17
Finance Advisory Committee Member List (with biographies) .....	Tab F

---

# **Finance Advisory Committee**

## **Revenue and Budget Update**

**January 21, 2016**

**JLBC**

# '17 Challenge: Avoid Re-creating a Structural Gap

- ❑ '17: large cash balance, small structural balance
- ❑ Using cash balance for ongoing initiatives re-creates structural gap in '18
- ❑ Excludes \$460 M Rainy Day Fund Balance

## FY 2017 Baseline Projection

\$ in M

Balance Forward / Other  
One-time Revenues \$ 599

Ongoing Revenues 9,397

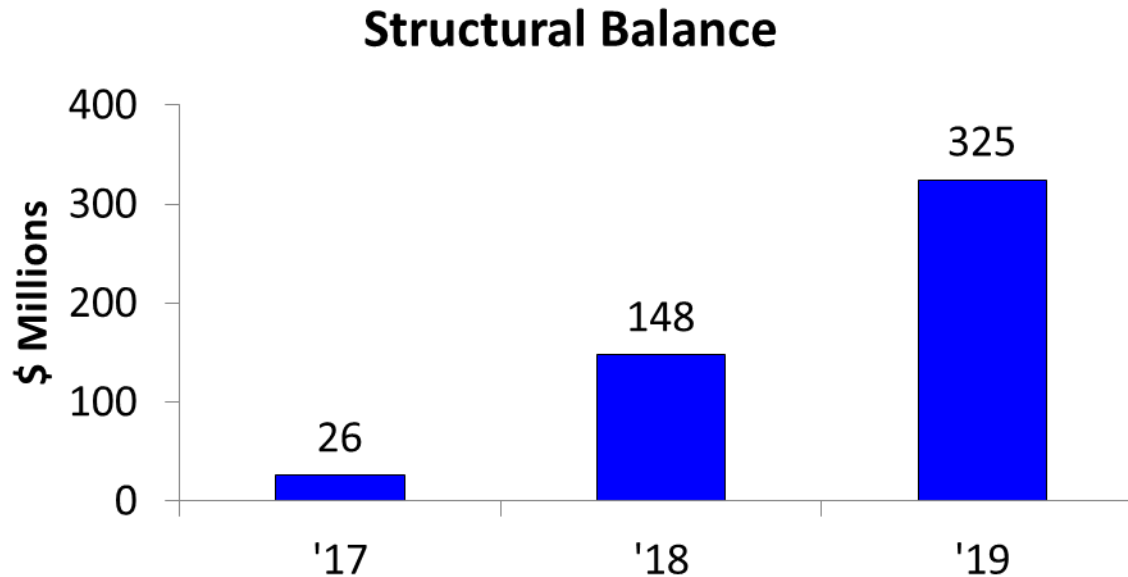
Ongoing Spending (9,371)

---

Cash Balance \$ 625

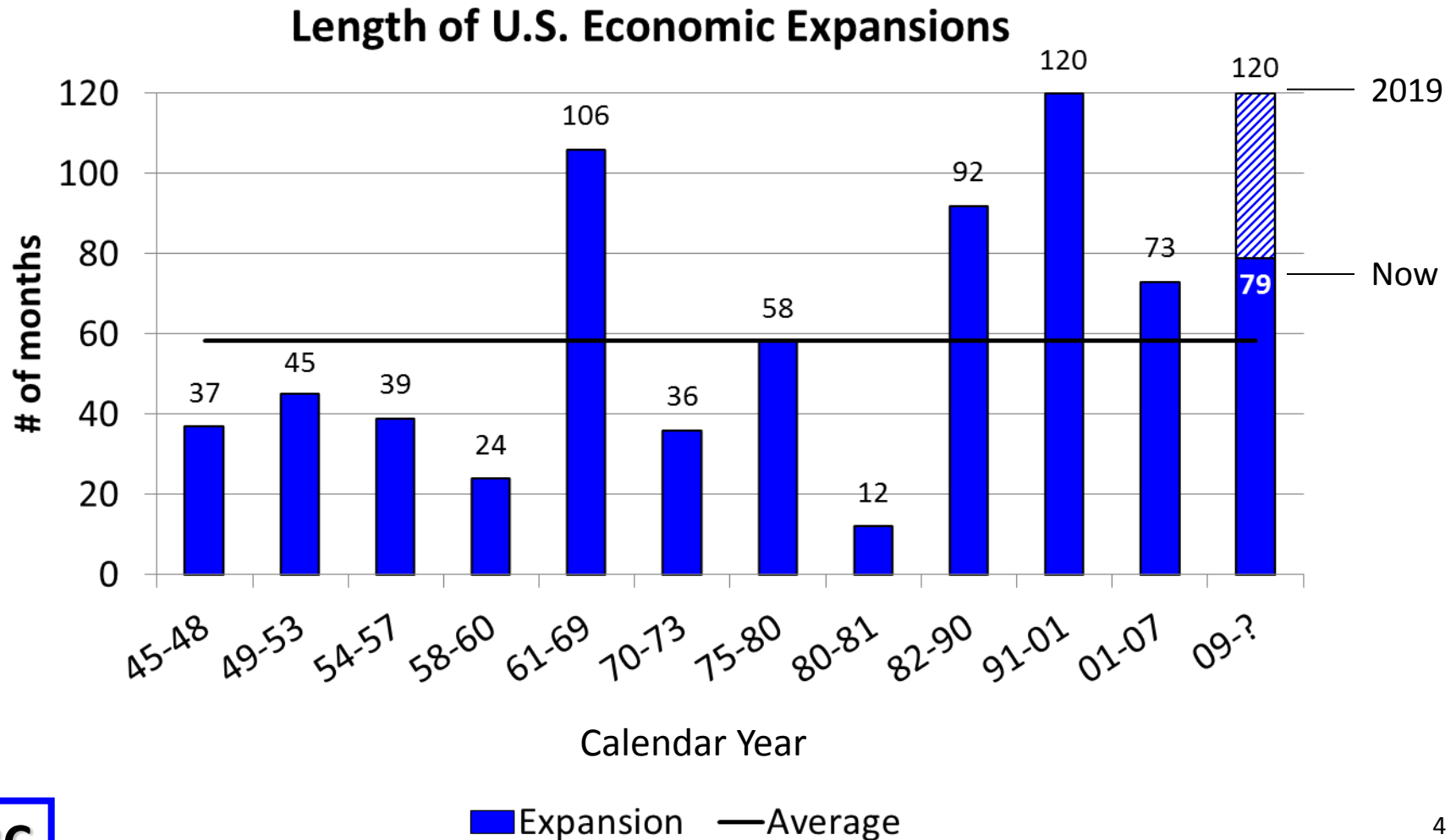
# Baseline Structural Balance Improves Through '19

---



- ❑ Improving balances could provide more flexibility, but...
- ❑ Based on highly unlikely assumption of no discretionary changes in next 3 years

# Forecast Risk: Current Expansion Exceeds Historical Average



# Forecast Risks II

- 1% Variance Yields \$625 M Over 3 Years

---

## Potential Gains

- ☐ National recovery creating more interstate migration

## Potential Gain or Loss

- ☐ Estimate of ongoing '15 Capital Gains and Corporate collections

## Potential Litigation Losses

- ☐ Ongoing retirement litigation
- ☐ Hospital assessment
- ☐ Rental car surcharge
- ☐ Foster care lawsuit in U.S. District Court

---

# Revenue Overview



# AZ Economy is Growing, But Slower than Average

## - Given Our Size, Historical Norm May Not be Realistic

---

### Key Indicators

	<u>Historical</u>	<u>Current</u>
Overall Job Growth	3.9%	2.5%
Construction Employment	5.7%	5.5%
Population Growth	3.1%	1.5%
Single Family Residential Building Permits	38K	22K

- ❑ Overall job and population growth remain significantly below historical standard
- ❑ Construction employment has picked up but still remains 115,000 workers behind the 250,000 (June 2006) peak
- ❑ Number of annual building permits has grown substantially—from 17k last year to 22k now

# Revenue Growth Improves Slightly Over Time

## January Consensus Forecast

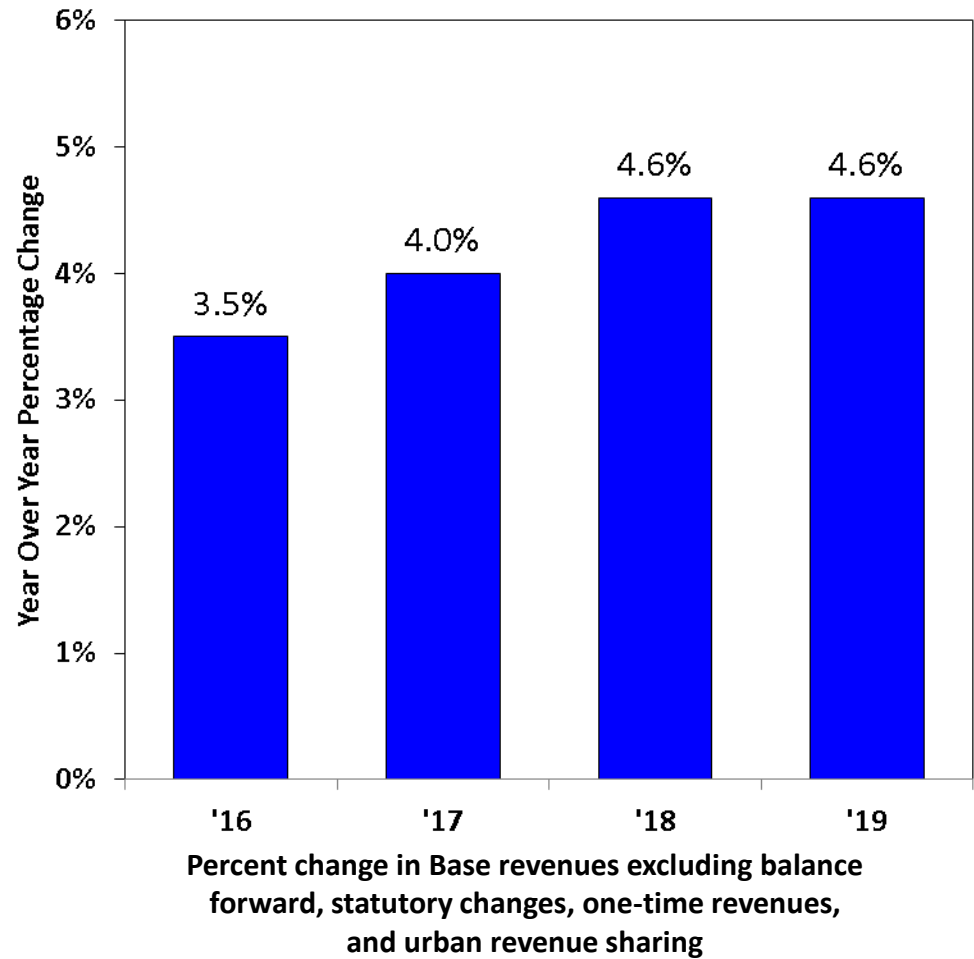
- ☐ Finance Advisory Committee
- ☐ UA model – base
- ☐ UA model – low
- ☐ JLBC Staff

## Chance of Exceeding Forecast

- ☐ 66%

## Long Run Average Growth

- ☐ 4.7%



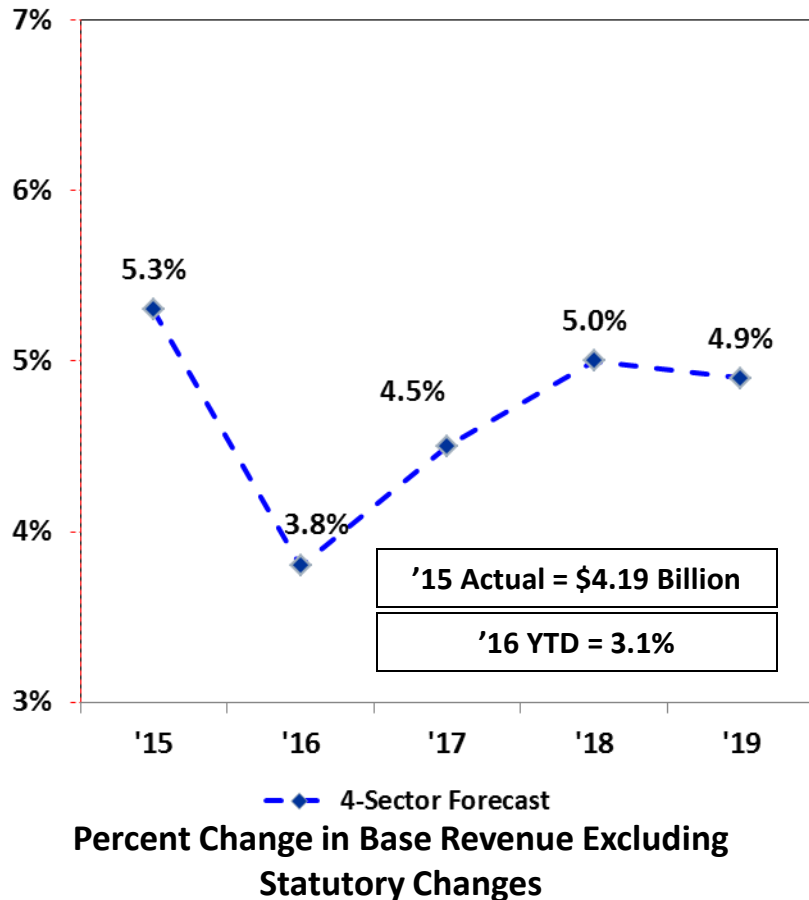
# Is the FY '16 Growth Rate Reasonable?

---

- ❑ After adjusting for tax laws and one-time funds, the projected '16 growth rate is 3.0%
  - The comparable preliminary growth rate through December is also 2.9%
  - “Core” Revenues are lagging– sales tax (2.3%) and withholding (2.8%)
- ❑ The Baseline would increase the forecast of ongoing revenues by \$341 M above the enacted budget
  - Through December, '16 revenues are \$210 M above budget
  - Individual income tax payments and Corporate income tax accounts for \$140 M of \$210 M
- ❑ The 2<sup>nd</sup> half forecast gain is expected to slow due to the higher collection level in the 2<sup>nd</sup> half of '15
  - Capital gains and Corporate collections may not be sustainable

# Sales Tax

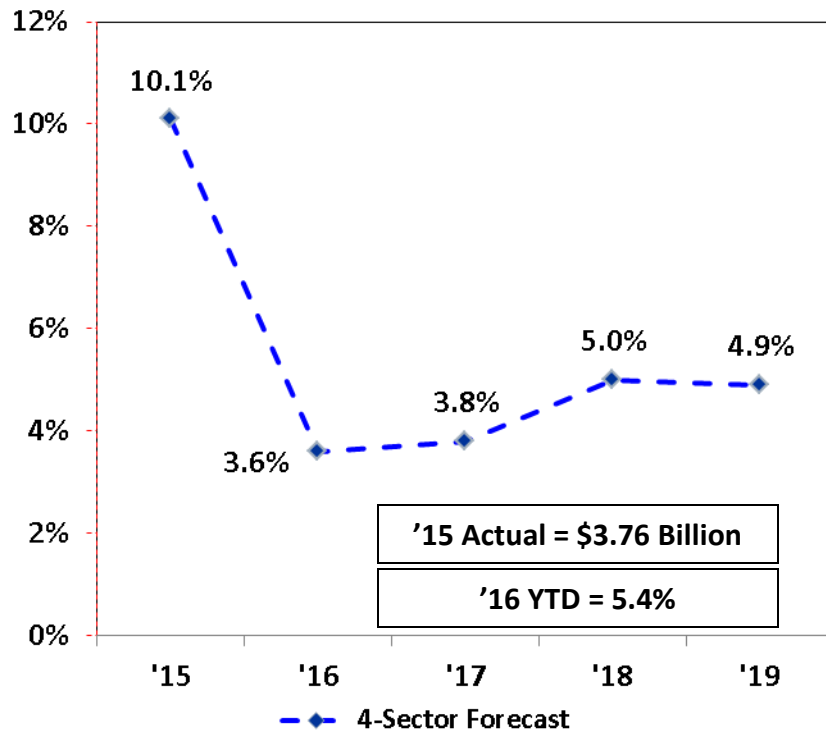
- Projected Growth of 3.8% in '16 and 4.5% in '17



- Since 1/15, retail is up 10%; contracting is down (17)%
- Trends likely related to Jan. '15 contracting law
- \$15 M in '16 amnesty collections
- Overall, 2.3% 1<sup>st</sup> Half was weak (adjusted for amnesty)

# Individual Income Tax

- Projected Growth of 3.6% in '16 and 3.8% in '17



Percent Change in Base Revenue Excluding  
Statutory Changes and One-Time Changes

- ❑ '15: low withholding growth offset by capital gains
- ❑ That trend persists in 1<sup>st</sup> half of '16
- ❑ Capital gains are volatile and may not be sustainable
- ❑ 4.9% 1<sup>st</sup> Half growth (excluding \$11 M in '16 amnesty)

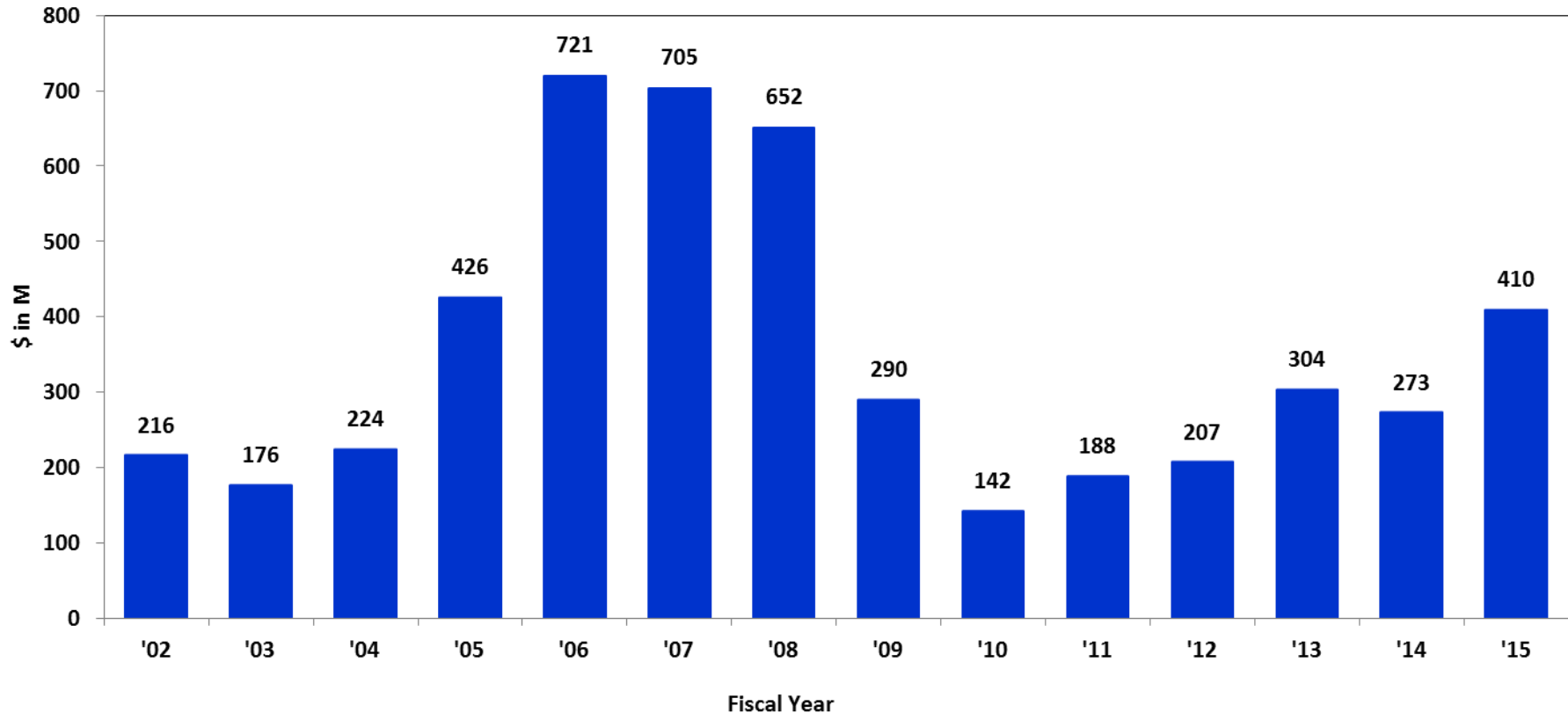
# '16 So Far Continues Slow Withholding/High Payments

Percent Gain Above Prior Year		
	<u>'15</u>	<u>1<sup>st</sup> Half '16</u>
Withholding	3.4%	2.8%
Payments	14.8%	19.3%
Refunds	(0.8)%	11.1%
Net	<u>8.6%</u>	<u>4.9%</u>

- ❑ Withholding growth in the 1<sup>st</sup> Half is sluggish at 2.8%
- ❑ Annual withholding growth has not been above 3.5% since '11
- ❑ Payments up 19.3% in 1<sup>st</sup> Half of '16 – carryover impact of TY '15 filings
- ❑ Little refund activity occurs until tax season

# Volatility of Capital Gains Complicate Forecasting

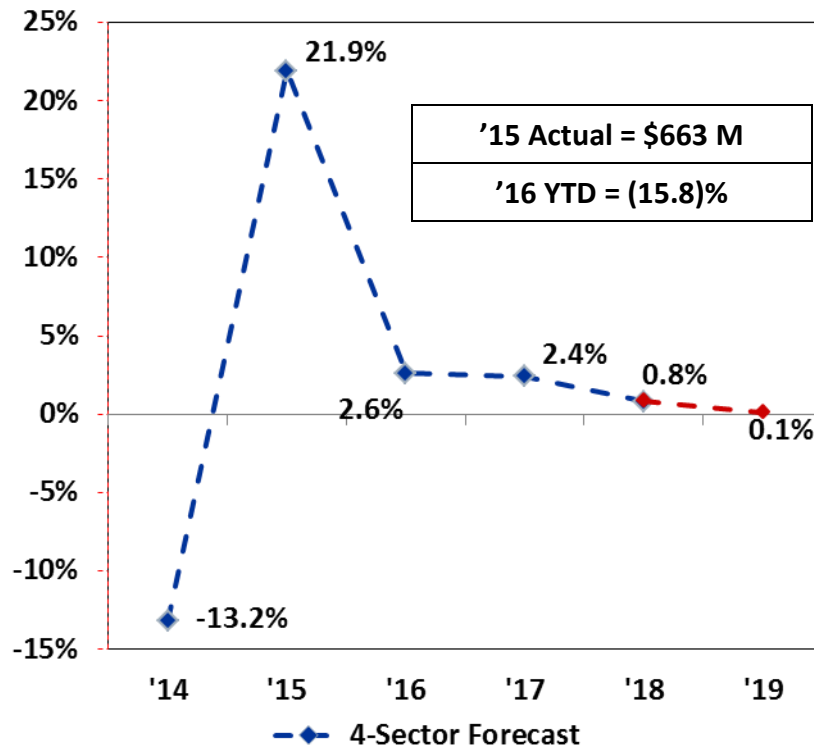
- Final '15 Capital Gain Receipts to be Determined



Individual Income Tax Capital Gains Revenue

# Corporate Income Tax

- Projected Growth of 2.6% in '16 and 2.4% in '17



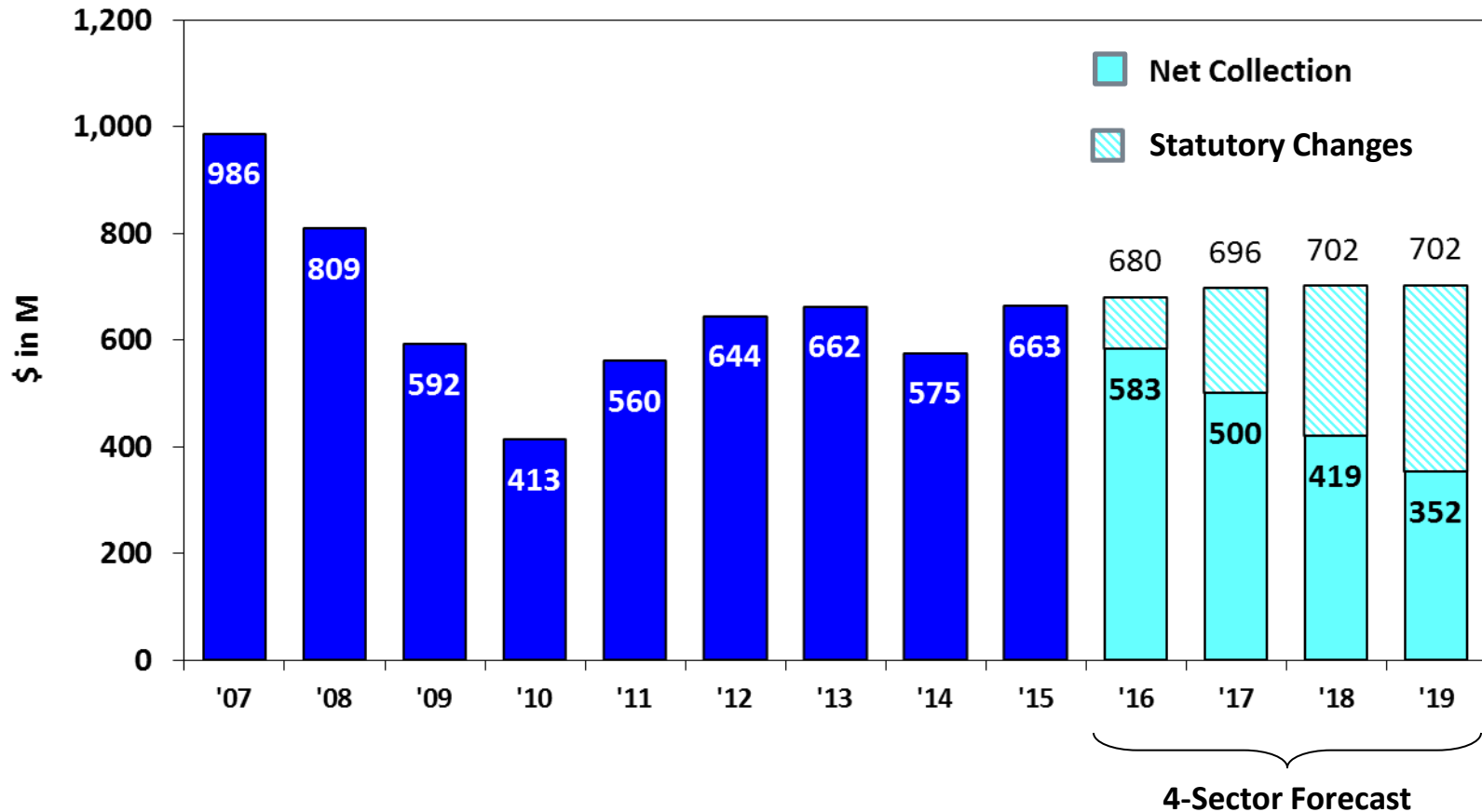
Percent Change in Base Revenue Excluding  
Statutory Changes and One-Time Changes

- In 22 of last 28 years, annual change has been > +/- 10%
- '14 & '15 results inexplicable
- 4-year tax cut was to begin in '15, likely delayed to '16
- (22.7)% 1<sup>st</sup> Half decline (excluding \$21 M in '16 amnesty)

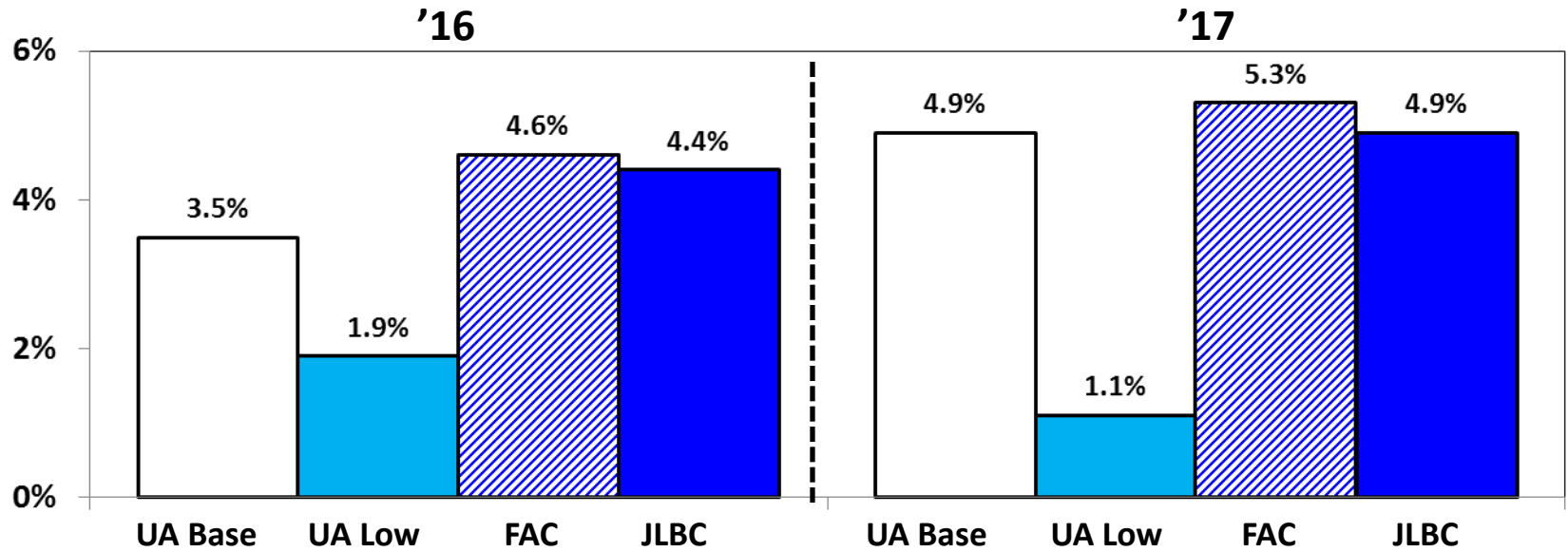


# '19 CIT Projected to be \$352 M

- Primary Reductions are 2% Rate Cut and 100% Sales Factor



# 4-Sector Base Growth is 3.5% in '16 & 4.0% in '17



- ❑ With exception of UA Low, 3 other sectors have comparable growth rates
- ❑ Recessions rarely predicted in advance
- ❑ Especially given current length of expansion, an economic slowdown remains possible

# Phase-In of \$261 M of Enacted Tax Reductions

	\$ in M*		
	<u>'17</u>	<u>'18</u>	<u>'19</u>
❑ Corporate Rate Reduction/Sales Factor	(77)	(74)	(52)
❑ Corporate School Tuition Indexing	(10)	(12)	(15)
❑ Other	(11)	(4)	(6)
<b>Total</b>	<b><u>(98)</u></b>	<b><u>(90)</u></b>	<b><u>(73)</u></b>

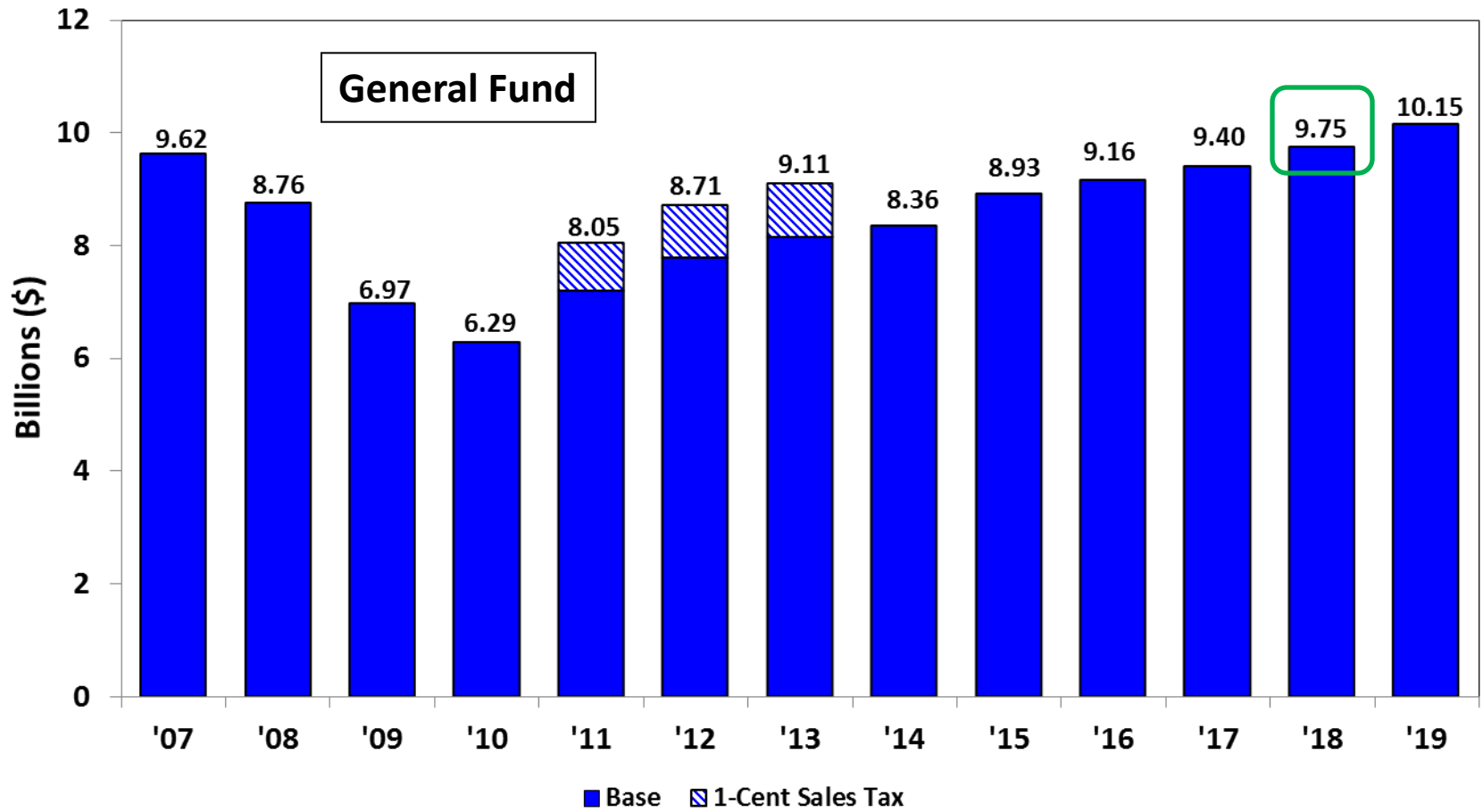
\* Represents changes to prior year. By '19, revenue base is \$(261) M lower than in '16.

# Components of the Revenue Forecast

- Excludes Change in Beginning Balance

	\$ in M			
	<u>'16</u>	<u>'17</u>	<u>'18</u>	<u>'19</u>
Base Revenue Growth (3.5%/4.0%/4.6%/4.6%)	333	389	461	475
One-Time Fund Transfers	139	(117)	(100)	0
One-Time Amnesty Collections	47	(47)	0	0
Previously Enacted Tax Legislation	(98)	(98)	(90)	(73)
Urban Revenue Sharing	3	(58)	(13)	(6)
<b>Total</b>	<b>424</b>	<b>69</b>	<b>258</b>	<b>396</b>
<b>% Change</b>	<b>4.7%</b>	<b>0.7%</b>	<b>2.7%</b>	<b>4.1%</b>

# Revenue Will Reach Pre-Recession Level in '18



Excludes balance forward and other one-time revenues. Includes tax law changes and Urban Revenue Sharing.

---

# Spending Overview

# Projected Baseline Spending Changes

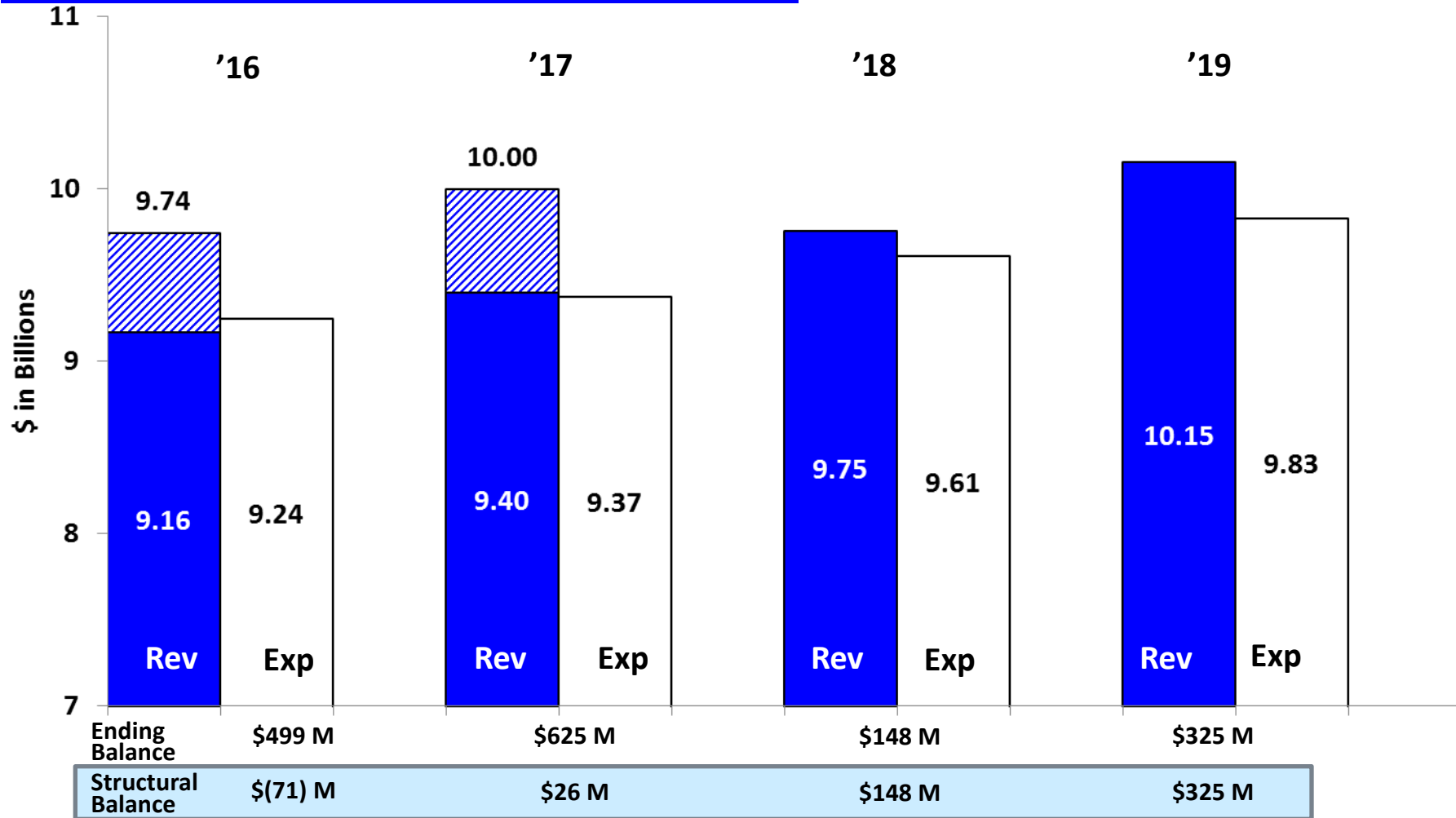
	GF \$ in M Above Prior Year		
	'17	'18	'19
K-12	84	138	124
AHCCCS	79	77	98
DCS	(9)	0	0
DES	24	25	29
Corrections	23	7	0
Universities	12	4	0
Employee Health Insurance	(8)	0	0
Land Dept. Self-Fund	0	(13)	0
Other	(24)	(2)	(32)
<b>Total Operating Budget Changes</b>	<b>181</b>	<b>236</b>	<b>219</b>
<b>Total Spending</b>	<b>\$9,371</b>	<b>\$9,607</b>	<b>\$9,826</b>
<b>% Change</b>	<b>1.4%</b>	<b>2.5%</b>	<b>2.3%</b>

---

# **Projected Ending Balance Estimates**



# Projected General Fund Revenues & Expenditures



■ Base Revenue

▨ Cash Balance / One-Time

□ Ongoing Expenditures

FY 2017 projected ending balance assumed to be allocated  
as part of the budget process

---

# Executive Comparisons

# Comparing the Executive Budget and JLBC Baseline

- ❑ Similar cash balances, but very different assumptions
- ❑ Higher revenue and lower caseloads allow Executive to fund more spending
- ❑ Analysis of Executive budget incomplete without tax proposal

## \$ in M

<b>\$625</b>	<b>JLBC Baseline '17 Ending Balance</b>
81	Lower Exec K-12 / Medicaid caseload
120	Higher Exec revenues
(15)	Lower Exec Carryforward

## Policy Issues

(269)	Spending increases
79	Spending reductions

---

<b>\$621</b>	<b>Executive '17 Ending Balance</b>
--------------	-------------------------------------

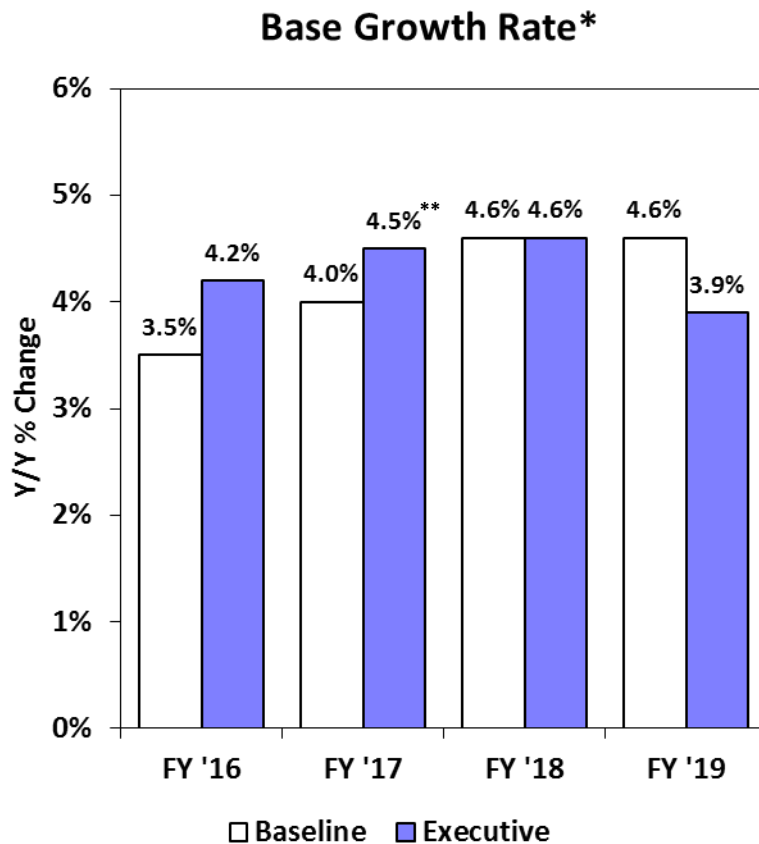
<b>?</b>	<b>Tax Package</b>
----------	--------------------

---

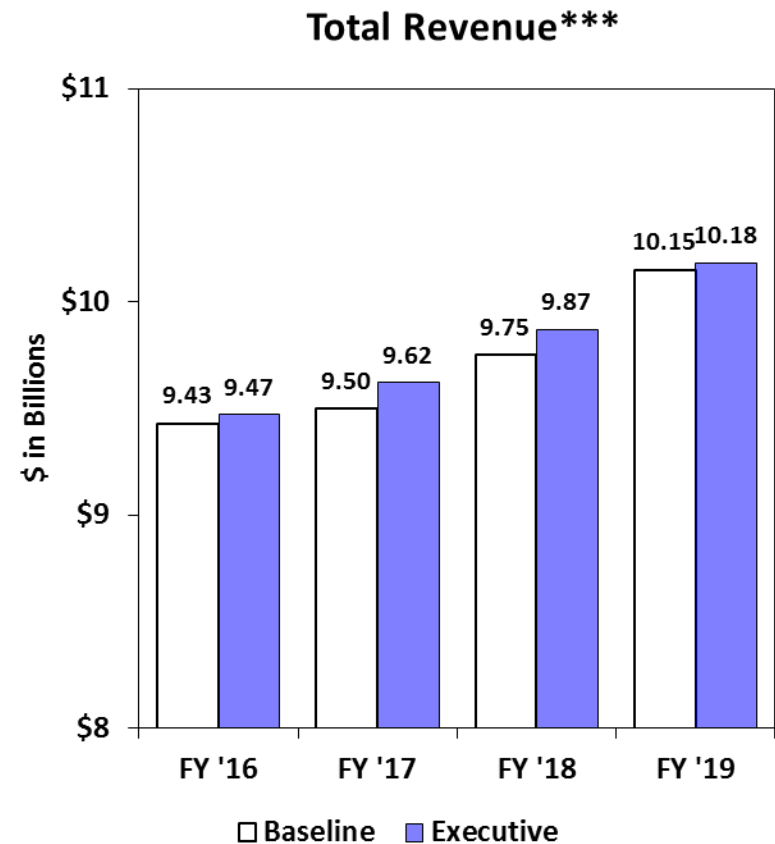
<b>?</b>	<b>Revised Exec '17 Ending Balance</b>
----------	--

# '17 Executive Revenue \$120 M Higher

## - Executive Higher by \$45 M in '16



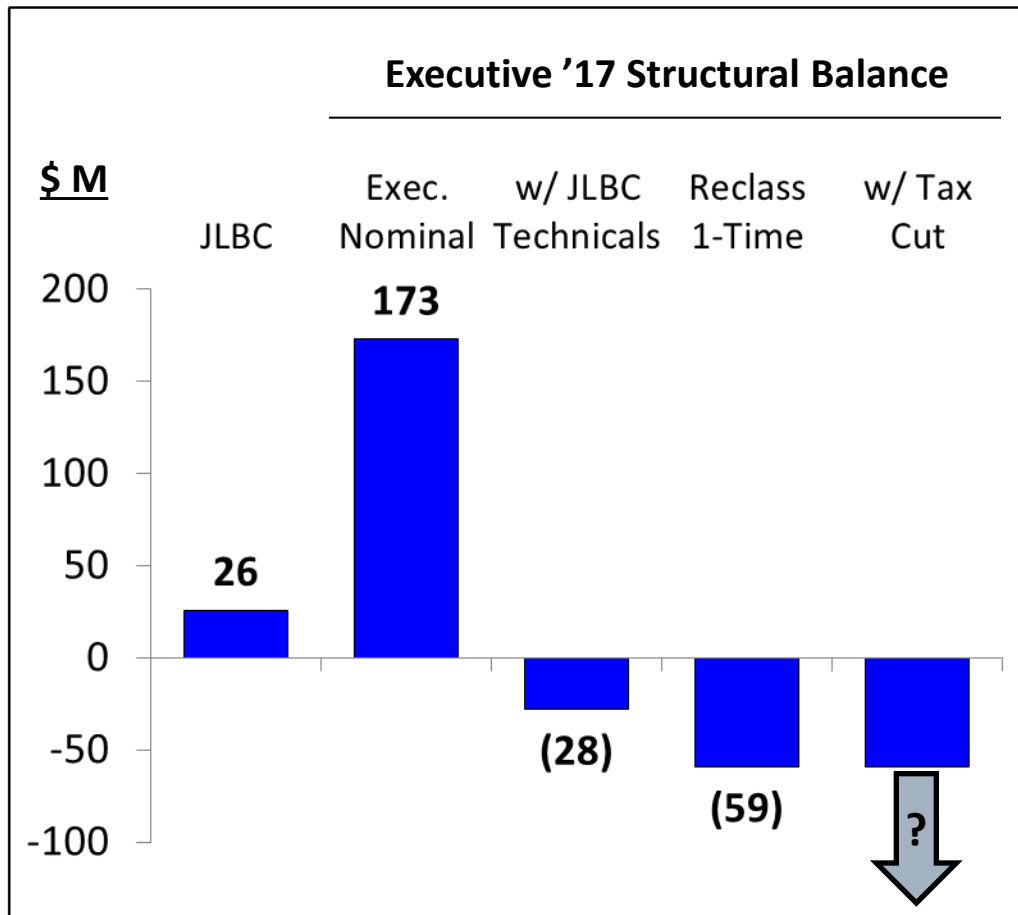
\*Excludes tax law changes and one-time revenue  
\*\*5.2% when compared to JLBC '16 base



\*\*\* Excluding Balance Forward

# How Different Assumptions Affect Structural Balance

## - Difference Between Ongoing Revenues and Spending



- We evaluate Exec. proposal using JLBC revenue and caseloads
  - \$173 M structural balance becomes a \$(28) M shortfall
- Reclassifying certain Exec. 1-time \$ as ongoing further increases shortfall to \$(59) M
  - \$10 M JTED, \$6 M College Prep, \$15 M SFB
- Permanent Tax Cut increases shortfall beyond \$(59) M

## STAFF OF THE JOINT LEGISLATIVE BUDGET COMMITTEE

Director.....	Richard Stavneak
Office Manager.....	Linda Monsanto
Deputy Directors.....	Steve Schimpp
.....	Stefan Shepherd
Assistant Director.....	Jack Brown
Chief Economist.....	Hans Olofsson
Principal Fiscal Analysts.....	Eric Billings
.....	Bob Hull
Senior Fiscal Analysts.....	Ben Beutler
.....	Matt Gress
.....	Steve Grunig
.....	Micaela Larkin
.....	Krista MacGahan
.....	Tom Ritland
.....	Jon Stall
Fiscal Analysts.....	Matt Beienburg
.....	Henry Furtick
.....	Jeremy Gunderson
.....	Josh Hope
.....	Patrick Moran
.....	Rebecca Perrera
Administrative Assistant / JLBC & JCCR Clerk.....	Kristy Paddack

---

# Appendix

# Appendix: January 2016 4-Sector Forecast


	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Sales Tax</b>				
JLBC Forecast	4.0%	4.6%	4.5%	4.3%
UA – Low	3.0%	2.6%	4.7%	4.9%
UA – Base	4.0%	5.6%	6.0%	6.0%
FAC	4.1%	5.2%	4.8%	4.3%
Average:	<b>3.8%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>4.9%</b>
<b>Individual Income Tax</b>				
JLBC Forecast	4.6%	5.3%	4.5%	4.5%
UA – Low	1.9%	-0.1%	4.6%	5.2%
UA – Base	2.5%	4.6%	5.5%	5.7%
FAC	5.2%	5.4%	5.2%	4.4%
Average:	<b>3.6%</b>	<b>3.8%</b>	<b>5.0%</b>	<b>4.9%</b>
<b>Corporate Income Tax</b>				
JLBC Forecast	5.4%	4.4%	4.2%	4.0%
UA – Low	-4.6%	-2.8%	-5.5%	-4.1%
UA – Base	5.4%	1.9%	-1.7%	-5.5%
FAC	4.1%	5.5%	4.8%	3.9%
Average:	<b>2.6%</b>	<b>2.4%</b>	<b>0.8%</b>	<b>0.1%</b>

JLBC Weighted Average	<b>4.4%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>4.4%</b>
UA Low Weighted Average	<b>1.9%</b>	<b>1.1%</b>	<b>4.2%</b>	<b>4.7%</b>
UA Base Weighted Average	<b>3.5%</b>	<b>4.9%</b>	<b>5.3%</b>	<b>5.4%</b>
FAC Consensus Weighted Average	<b>4.6%</b>	<b>5.3%</b>	<b>5.0%</b>	<b>4.3%</b>
“Big-3” Weighted Average	<b>3.6%</b>	<b>4.1%</b>	<b>4.7%</b>	<b>4.7%</b>
Consensus Weighted Average*	<b>3.5%</b>	<b>4.0%</b>	<b>4.6%</b>	<b>4.6%</b>
Adjusted Consensus Weighted Average**	<b>2.5%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>3.9%</b>

\* Represents on-going revenue adjusted for small revenue categories.

\*\* Represents on-going revenue adjusted for tax law changes; excludes Urban Revenue Sharing.






## 2016: More of the Same. But, with Drama.


Finance Advisory Committee

January 21<sup>st</sup>, 2015

Presented By:  
Elliott D. Pollack  
CEO, Elliott D. Pollack & Company





Elliott D. Pollack & Company



### Good News –

- If you liked 2015, you'll like 2016.



Elliott D. Pollack & Company

2

## Bad News -

- Possible Imbalances include:
  - Inventories to sales ratio
  - Strong Dollar
  - International Trade (China)
  - Financing for homes
  - Stock Market
  - Unintended consequences of oil price decline

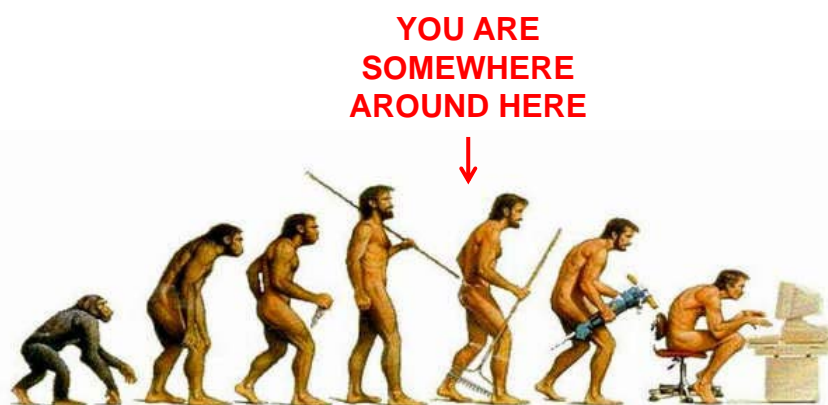


Elliott D. Pollack &amp; Company

3

## Where We Stand—

- The recovery is starting to show signs of middle age.



Elliott D. Pollack &amp; Company

4

**Good News:**  
**Overall the**  
**Outlook**  
**Remains**  
**Positive**



Good news  
I found my keys



Elliott D. Pollack & Company

5

- No irrational exuberance



Elliott D. Pollack & Company

6

## Consumers

- Debt burden low



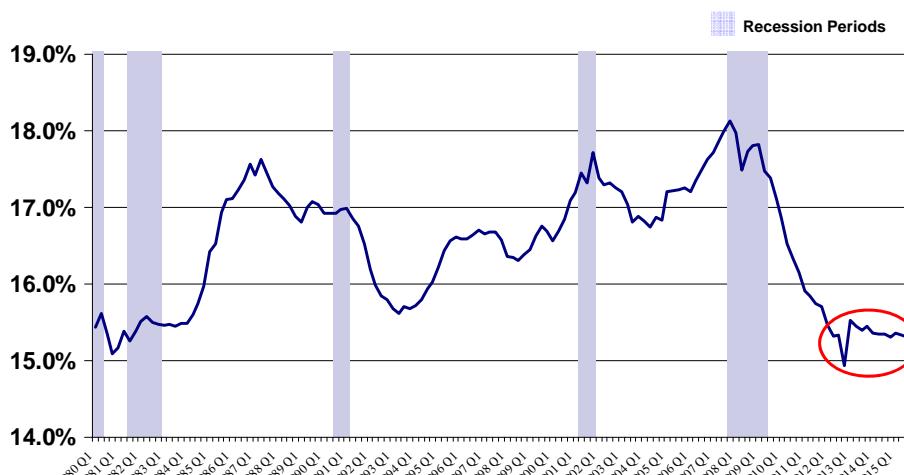
Elliott D. Pollack & Company

7

## Financial Obligation Ratio\*

1980 – 2015\*\*

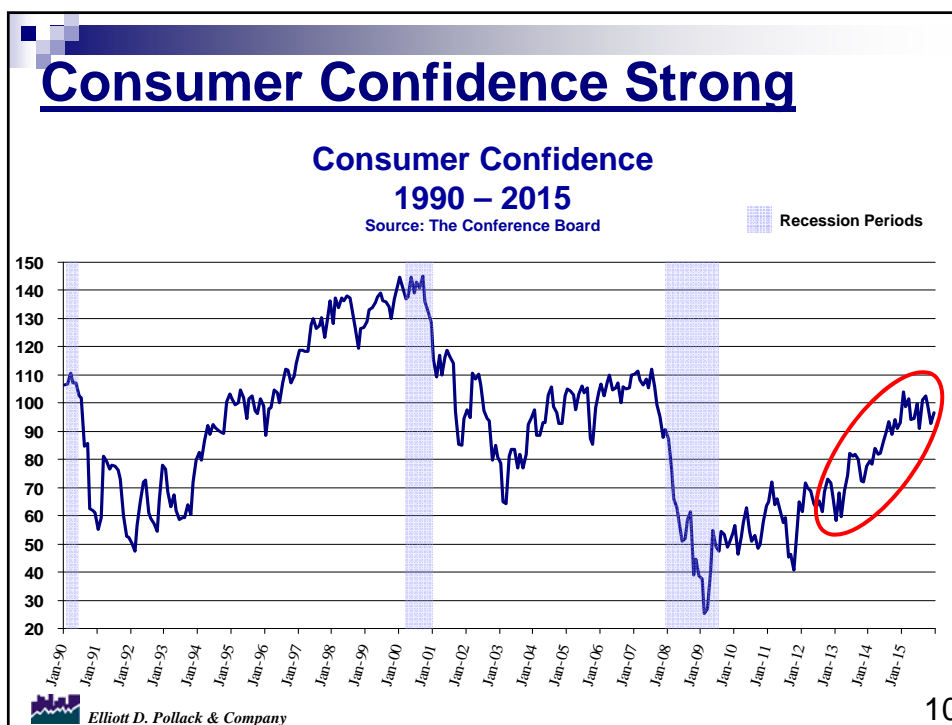
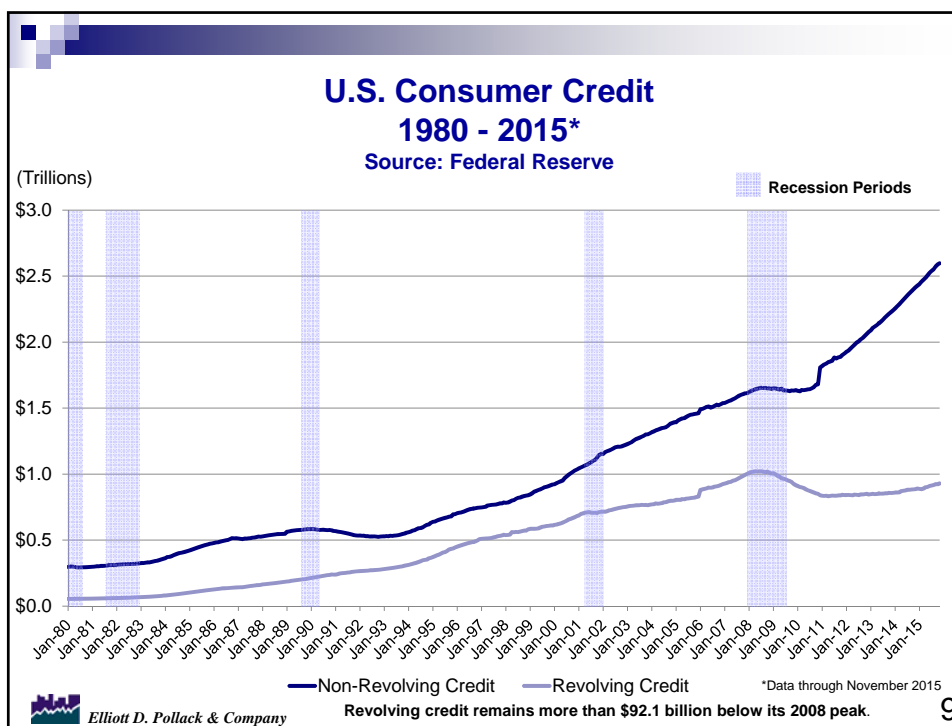
Source: Federal Reserve



Elliott D. Pollack & Company

\*Ratio of mortgage and consumer debt (including auto, rent and tax payments) to disposable income.  
\*\*Data through third quarter 2015.

8



- Net worth improved



Elliott D. Pollack &amp; Company

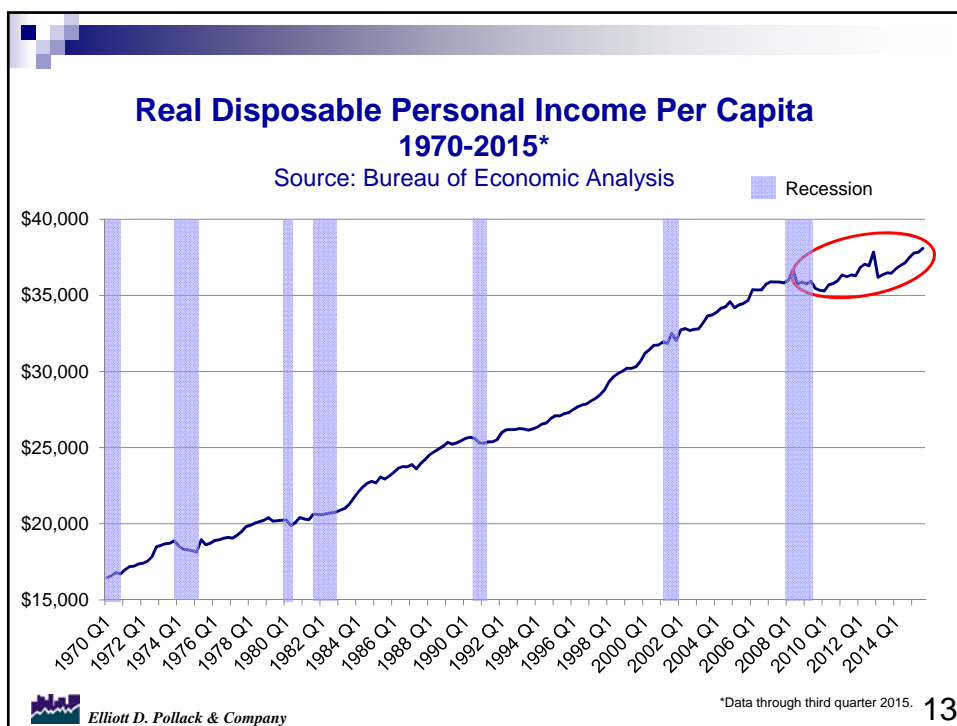
11

- Real income growth



Elliott D. Pollack &amp; Company

12



- Liquidity improving





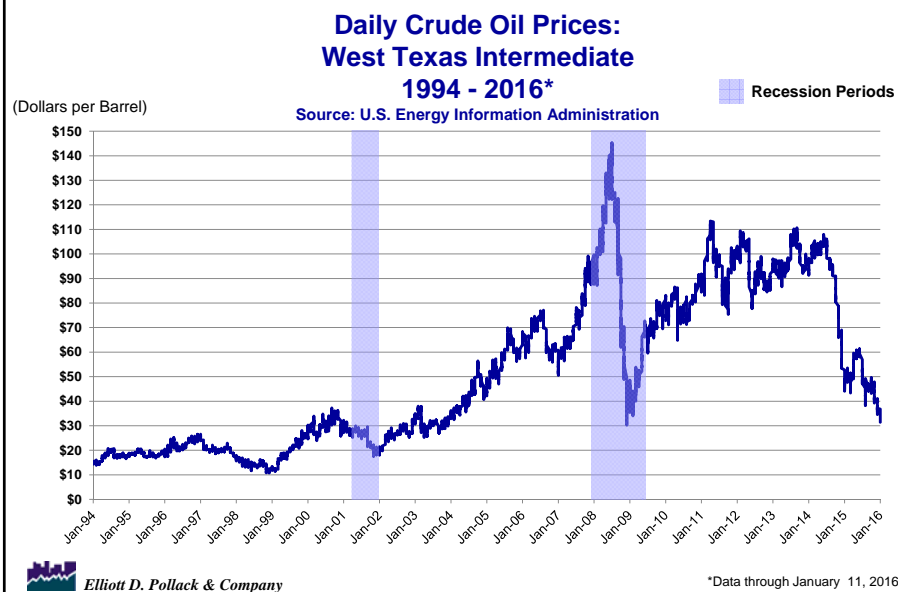
- Inflation low



 Elliott D. Pollack & Company

15

- Oil Prices low



16



- Oil prices low

- 1) In 2005, about 60% of consumption was imported.
- 2) In 2013, about 35% was imported.
- 3) In 2015, the Department of Energy estimates about 21% will be imported.



Elliott D. Pollack &amp; Company

17

- Oil prices low

- At \$30 a barrel, that equated to about \$223.0 million a day (\$81 billion a year) we are no longer sending outside of the country compared to 2005 and \$80.0 million a day (\$29 billion a year) compared to 2013.
- According to the Energy Information Administration, the typical household will save about \$750 this year because of lower gas prices.



Elliott D. Pollack &amp; Company

18

- No capacity issues



## Government

- Not a drag on economy



- Fed policy still expansive



Elliott D. Pollack &amp; Company

21

## Housing

- Prices up, but modestly



Elliott D. Pollack &amp; Company

22

## Stock Market

“Wall Street indexes predicted nine out of the last five recessions!” Paul Samuelson



Elliott D. Pollack & Company

23

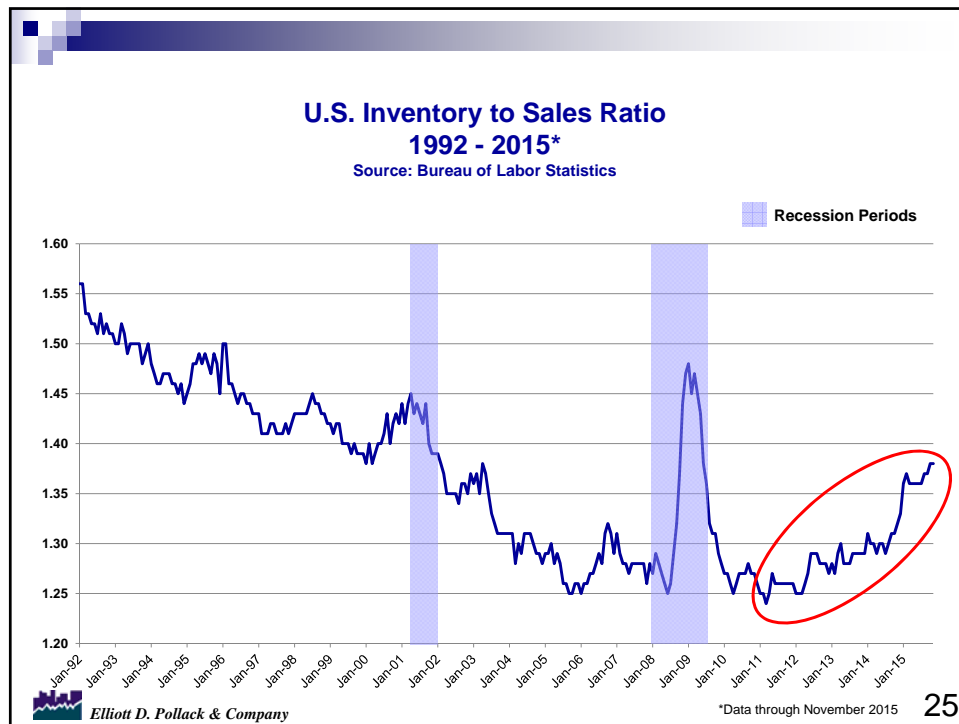
## Not So Good News –

- Excess inventory
- Stronger dollar
- Weaker China
- Construction, except for apartments, is still far from previous peak.
- Ripple effect of lower oil prices



Elliott D. Pollack & Company

24



## Business

- Excess inventory, mainly in autos.



## Average Age of Auto Fleet (all light vehicles)

- 2015 – 11.5 years
- 2014 – 11.4 years
- 2013 – 11.3 years
- 2010 – 10.6 years
- 2005 – 9.5 years
- 2000 – 8.9 years
- 1995 – 8.4 years

Source: R.L. Polk Company, HIS



Elliott D. Pollack & Company

27

## • Issues with the dollar strengthening

### U.S. Dollar Trade Weighted Exchange v. Major Currencies 1973-2016\*

Source: U.S. Federal Reserve



Elliott D. Pollack & Company

\*Data through January 8, 2016

28

## Effects of a strong dollar:

- American goods more expensive outside of U.S.
- Foreign goods cheaper in the U.S.
- Keeps domestic inflation lower
- Keep interest rates lower longer.
- Indicates American economy is doing well compared to the rest of the world.
- Transference of manufacturing jobs overseas.
- Negatively effects earning of companies with big overseas revenues.



Elliott D. Pollack & Company

29

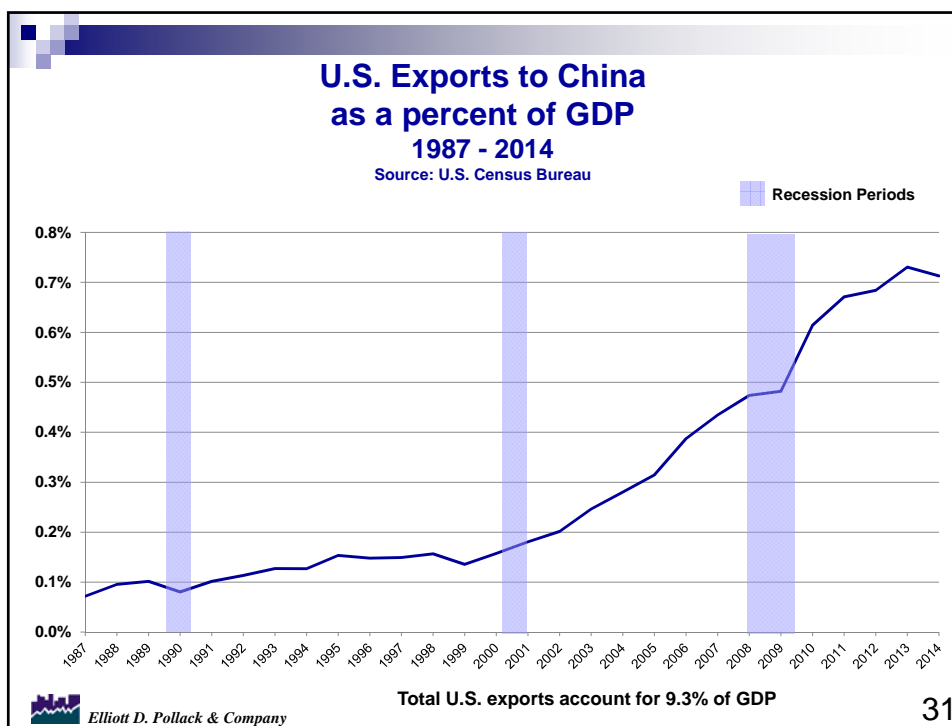
## On the other hand:

- 1) Good time to buy foreign goods.
- 2) Good time for international travel.



Elliott D. Pollack & Company

30



## NATIONAL ECONOMY –

**Continued subpar growth.  
But, recovery should continue.**



- **Construction still lags (except for apartment construction)**



Elliott D. Pollack & Company

33

## **NATIONAL ECONOMY –**

**What's Different?**



Elliott D. Pollack & Company

34

## No accelerator to income.

- No big jump in labor force participation rate such as what occurred in the 70's and 80's (two income households).
- No huge increases in stock market like the 90's.
- No rapid increases in housing prices like 1996-2005.



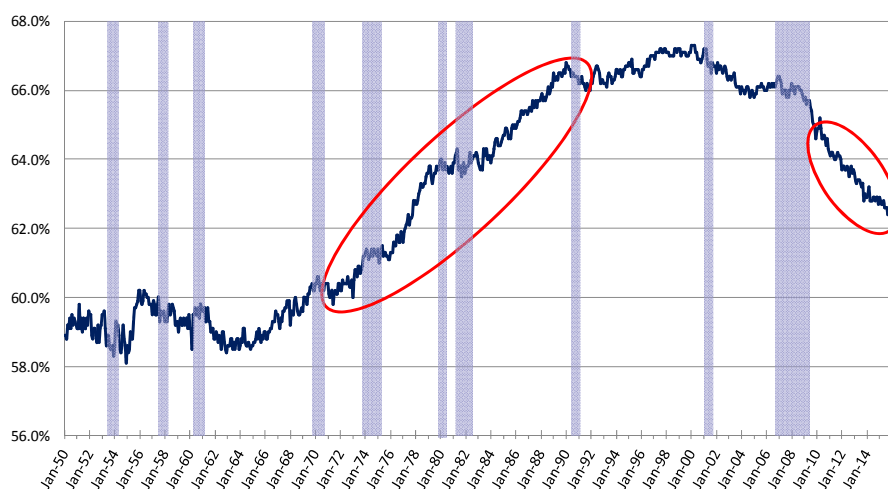
Elliott D. Pollack &amp; Company

35

## Labor Force Participation Rate (16 years and over) 1950 – 2015

Source: Bureau of Labor Statistics

Recession Periods



Elliott D. Pollack &amp; Company

36

# Demographics



Elliott D. Pollack & Company

37

## Average Annual Expenditures in U.S. by Age Groups

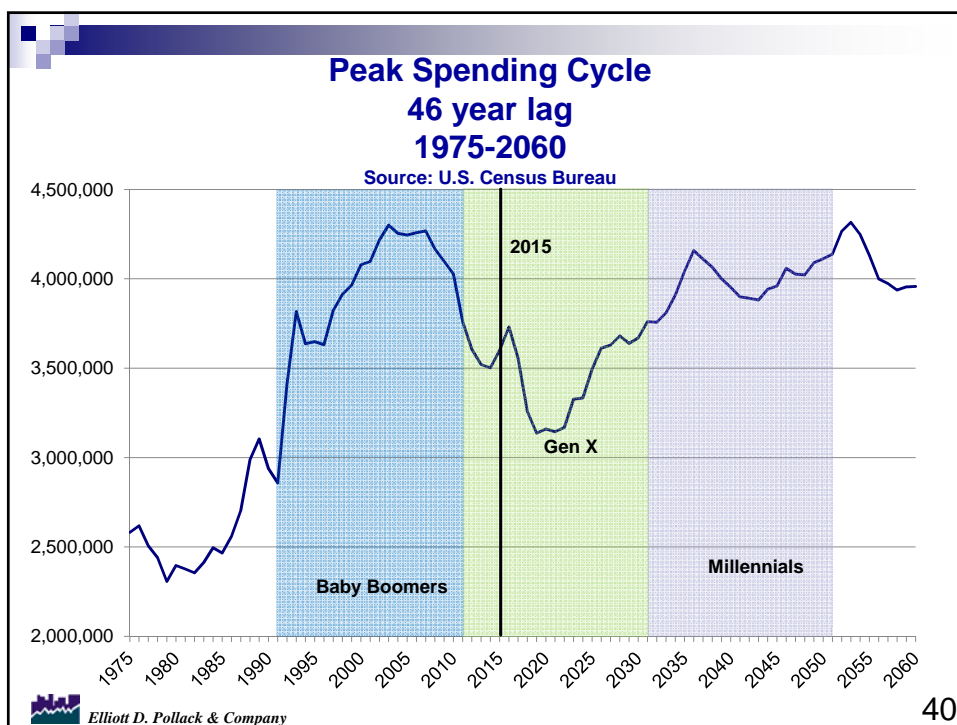
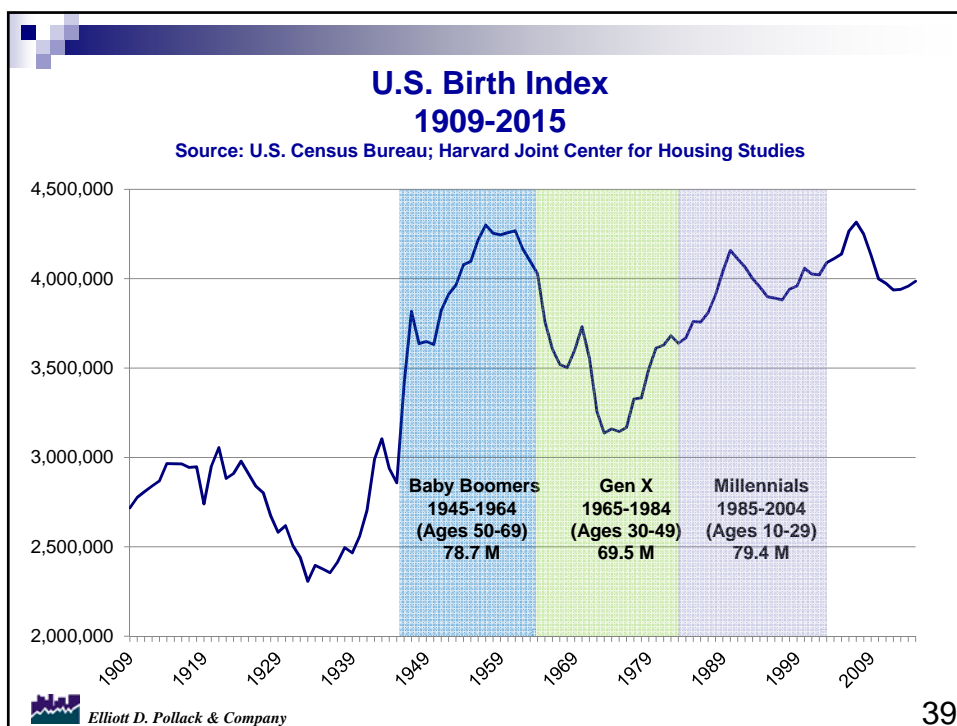
Source: 2014 Consumer Expenditure Survey; U.S. Bureau of Labor Statistics

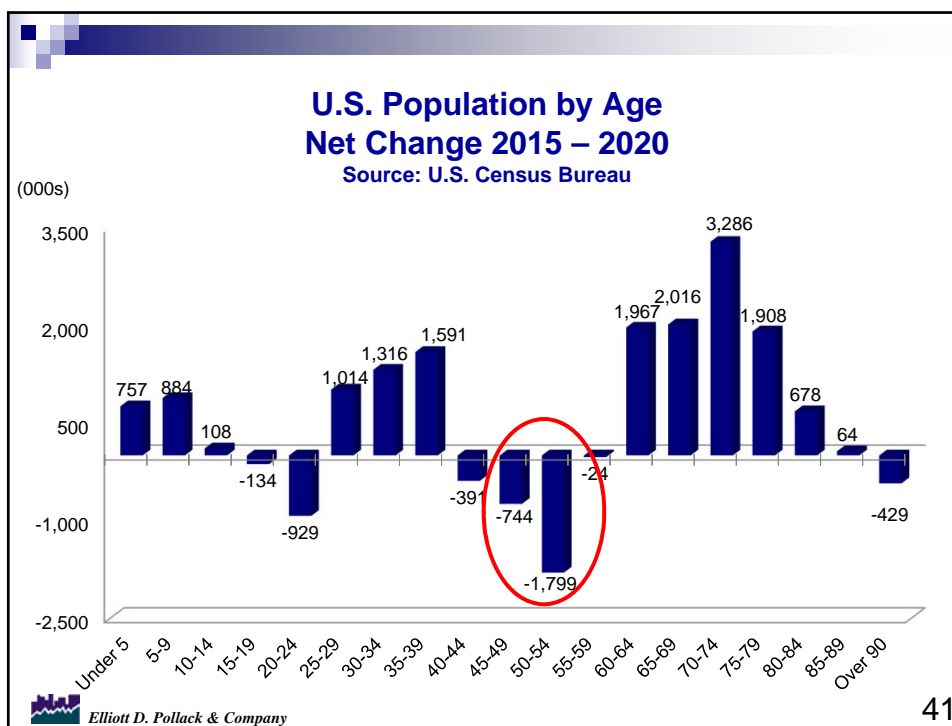
<u>All Ages</u>	<u>&lt;25</u>	<u>25 to 34</u>	<u>35 to 44</u>	<u>45 to 54</u>	<u>55 to 64</u>	<u>65 to 74</u>	<u>75 +</u>
\$53,495	\$32,179	\$49,547	\$62,512	<b><u>\$65,651</u></b>	\$56,267	\$48,885	\$36,673



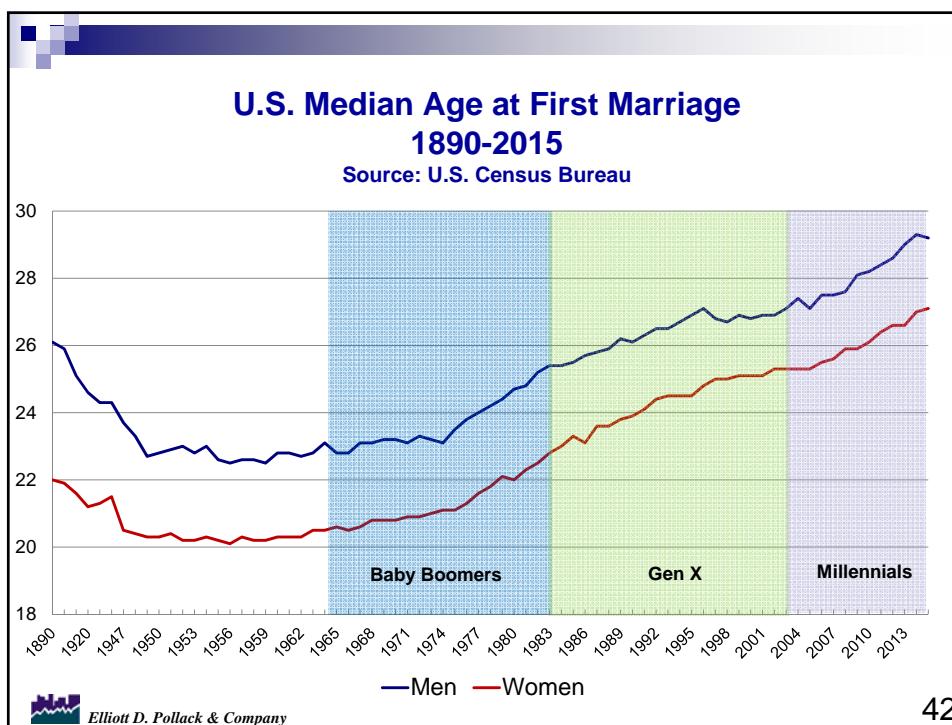
Elliott D. Pollack & Company

38





41



42

## Percent of 18-33 Year Olds Married

Source: Pew Research

- In 1960 - 64% were married (Silent Generation)
- In 1980 - 49% were married (Baby Boomers)
- In 1997 - 38% were married (Gen X)
- In 2014 - 28% were married (Millennials)



Elliott D. Pollack & Company

43

**When you delay marriage you  
delay children. That delays  
housing. That delays demand for  
housing “stuff”.**



Elliott D. Pollack & Company

44



## Bottom Line Slower Intermediate Term Growth



Elliott D. Pollack & Company

45

# Arizona



Elliott D. Pollack & Company

46

## Arizona–

**The State has had a significant recovery in both absolute and relative terms.**

**It is only when we compare ourselves to previous Arizona recoveries that we look so bad.**



Elliott D. Pollack & Company

47

### **Arizona Employment Growth Arizona's Rank Out of 50 States**

Source: Arizona State University, U.S. Bureau of Labor Statistics

Year	Rank	Year	Rank
1992	23	2004	2
1993	5	2005	2
1994	2	2006	2
1995	2	2007	17
1996	2	2008	46
1997	2	2009	49
1998	1	2010	49
1999	2	2011	27
2000	5	2012	9
2001	9	2013	10
2002	10	2014	16
2003	4	2015*	12



Elliott D. Pollack & Company

\*YTD November 2015 vs. YTD November 2014

49



## **Why has Arizona growth in this cycle been subpar relative to its historical norm?**



*Elliott D. Pollack & Company*

50

- (1) Slowdown in  
population flows
- (2) Slow housing recovery
- (3) Sub normal national recovery
- (4) Local factors



*Elliott D. Pollack & Company*

51

## What has changed?



Elliott D. Pollack & Company

52

## Growth itself is an economic driver in Arizona—

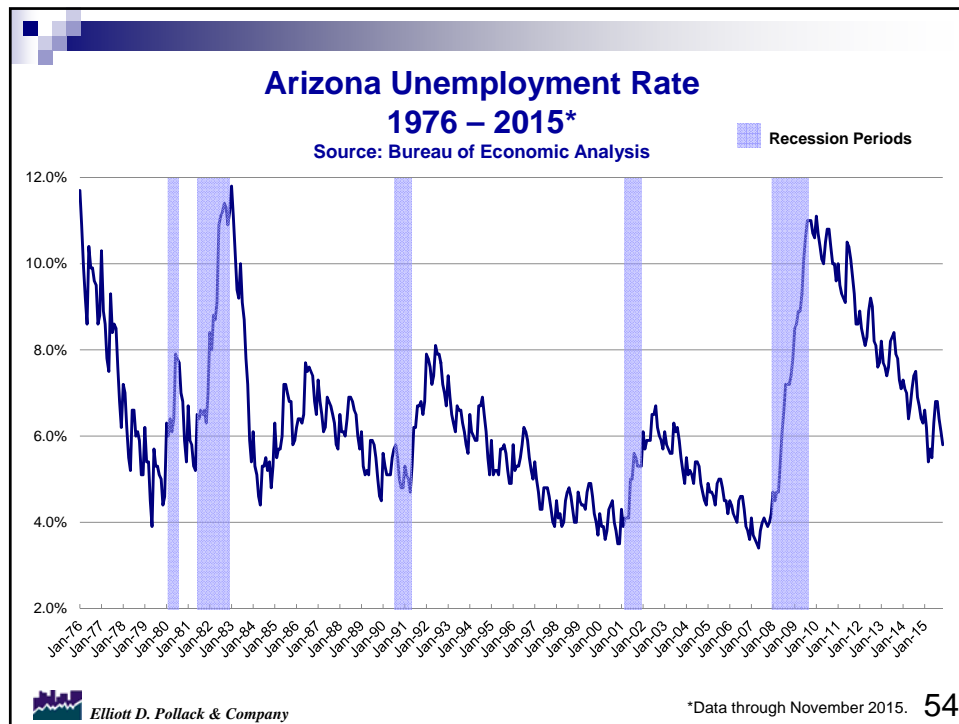
**People moving to the State creates demand for goods and services that create more jobs.**

**When you grow at 1.4% instead of 3.2%, the part of the economy that is based on servicing new people shrinks.**



Elliott D. Pollack & Company

53



### Employment Growth From Bottom of Recession (Start of Recovery) Arizona Employment, Seasonally Adjusted

Source: BLS

Recession	Emp. Trough	62 mos. Later	% Growth
1974-1975	Mar-75	May-80	41.1%
1981-1982	Aug-82	Oct-87	37.4%
1991	Jul-91	Sep-96	28.5%
2001	Dec-01	Feb-07	19.0%
2007-2009	Sep-10	Nov-15	12.2%

55

*Elliott D. Pollack & Company*

## Population Growth after Recessions

Arizona

Source: ADOA

Start of Recovery	Population	Population 7 years later	% Growth
1975	2,286,000	2,810,108	22.9%
1981	2,810,108	3,437,103	22.3%
1991	3,788,576	4,736,990	25.0%
2001	5,287,510	6,274,981	18.7%
2009	6,389,081	6,758,251	5.8%



Elliott D. Pollack & Company

56

**Less need for migrants  
(international and national)  
chasing jobs.**



Elliott D. Pollack & Company

57

## Fewer people mean fewer houses & less commercial construction.

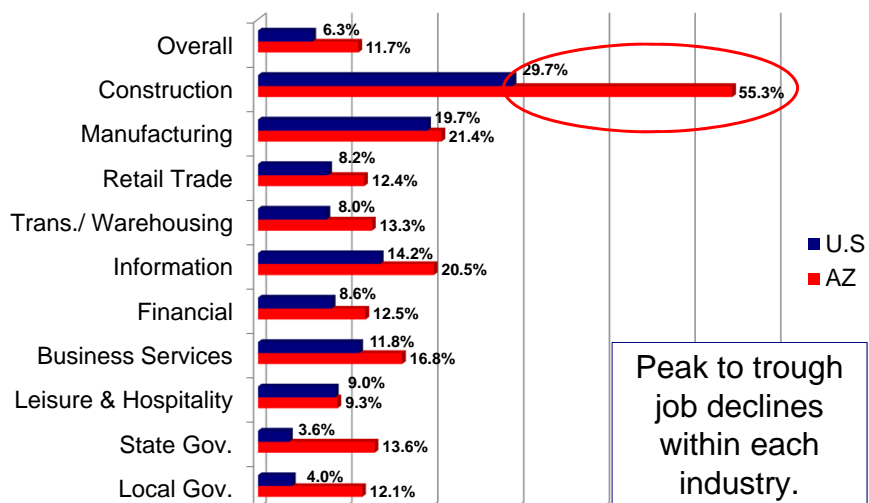


Elliott D. Pollack & Company

58

## Arizona Job Losses Exceeded U.S.

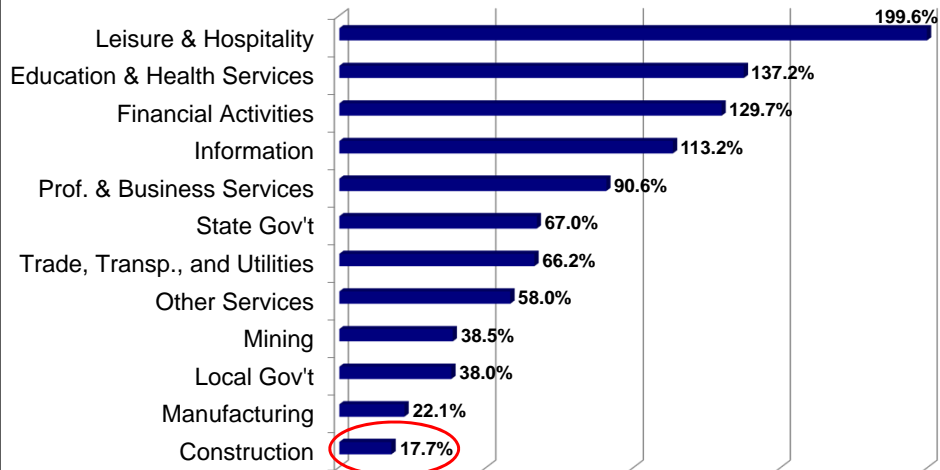
Source: Bureau of Labor Statistics, Seasonally Adjusted Data



Elliott D. Pollack & Company

59

## Arizona Jobs Regained Since Bottom of Cycle— Most Industries Yet to Regain Lost Jobs



Source: U.S. Bureau of Labor Statistics, Thousands of Jobs, Seasonally Adjusted, as of November 2015.

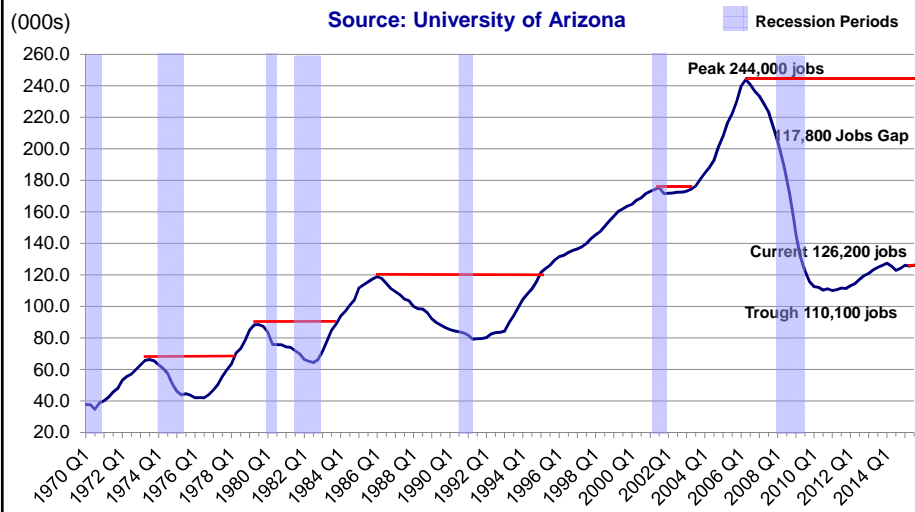


Elliott D. Pollack & Company

60

## Arizona Construction Employment Seasonally Adjusted 1970 – 2015\*

Source: University of Arizona

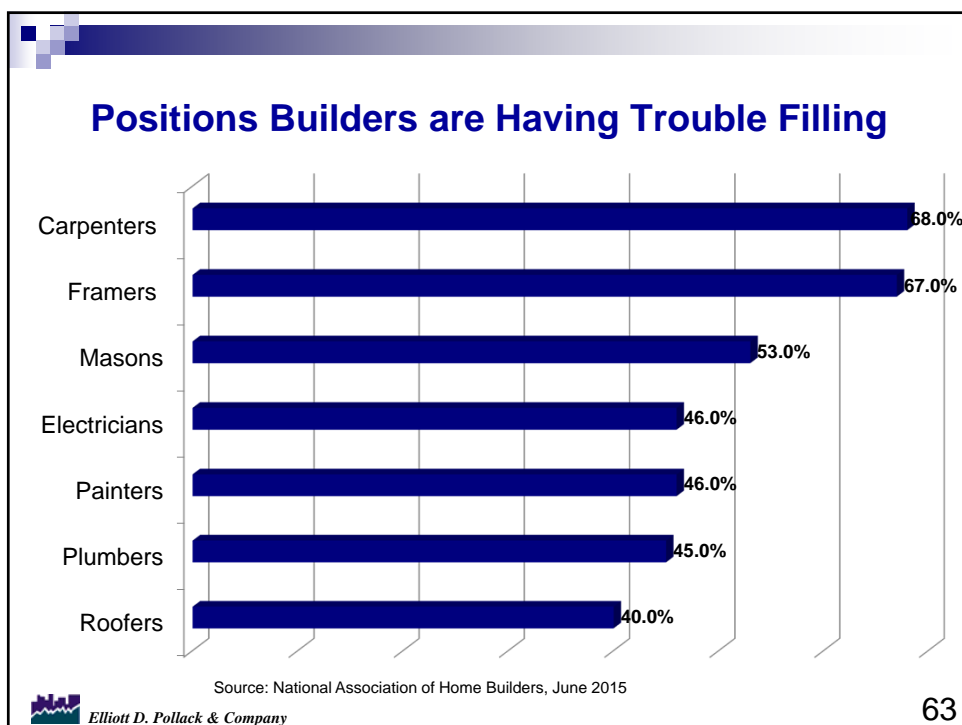
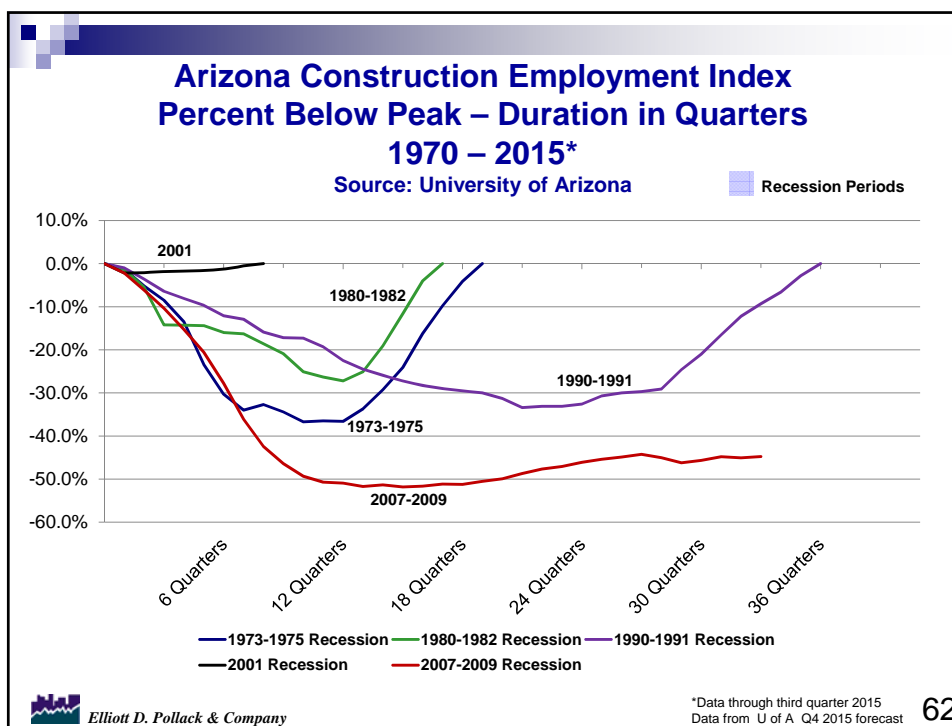


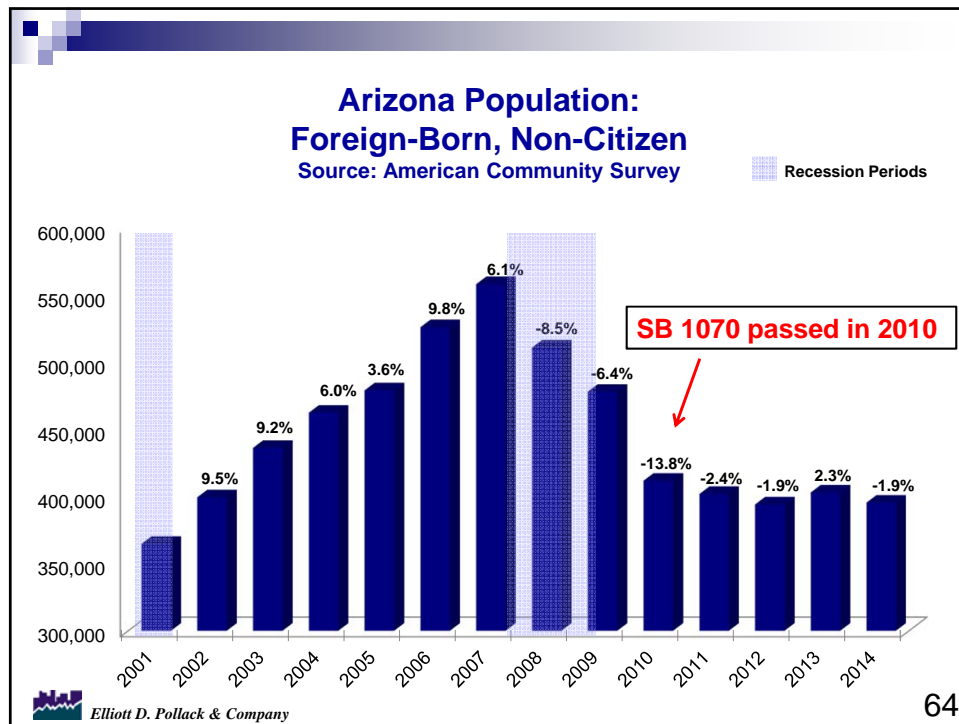
\*Data through Q3 2015  
U of A Q4 2015 forecast



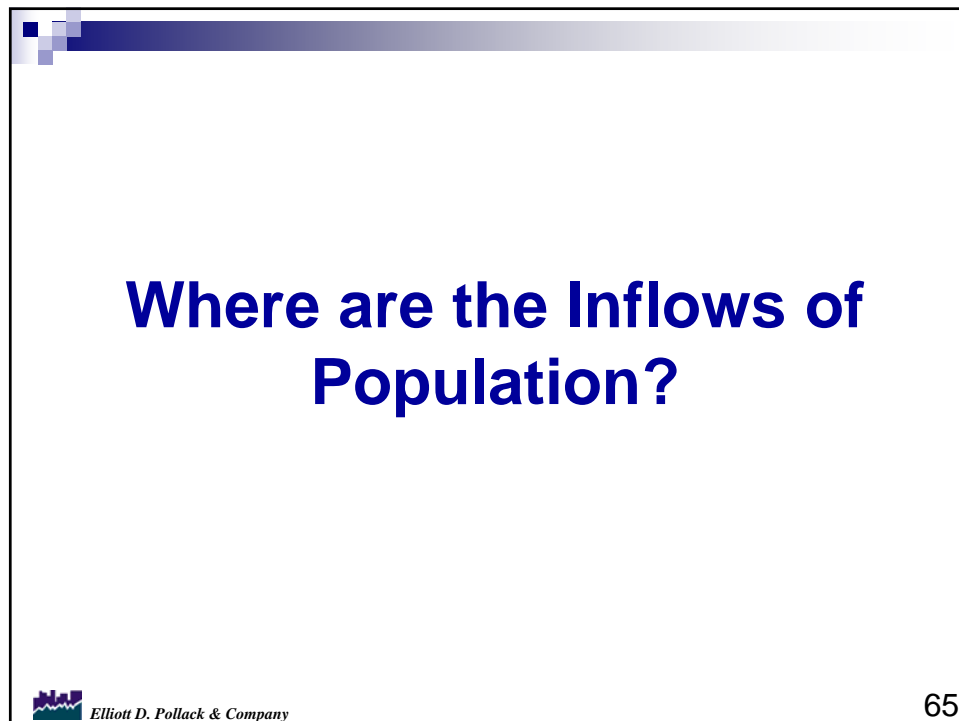
Elliott D. Pollack & Company

61



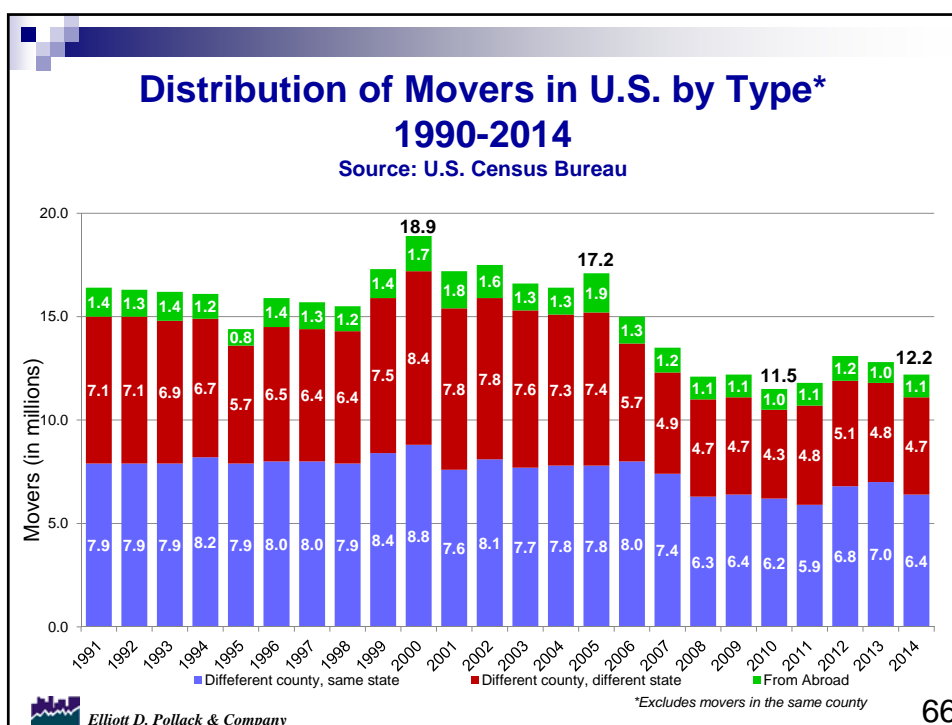


64



65





66

## For the U.S. as a Whole

- 2002 – 2006
- 2010 – 2014

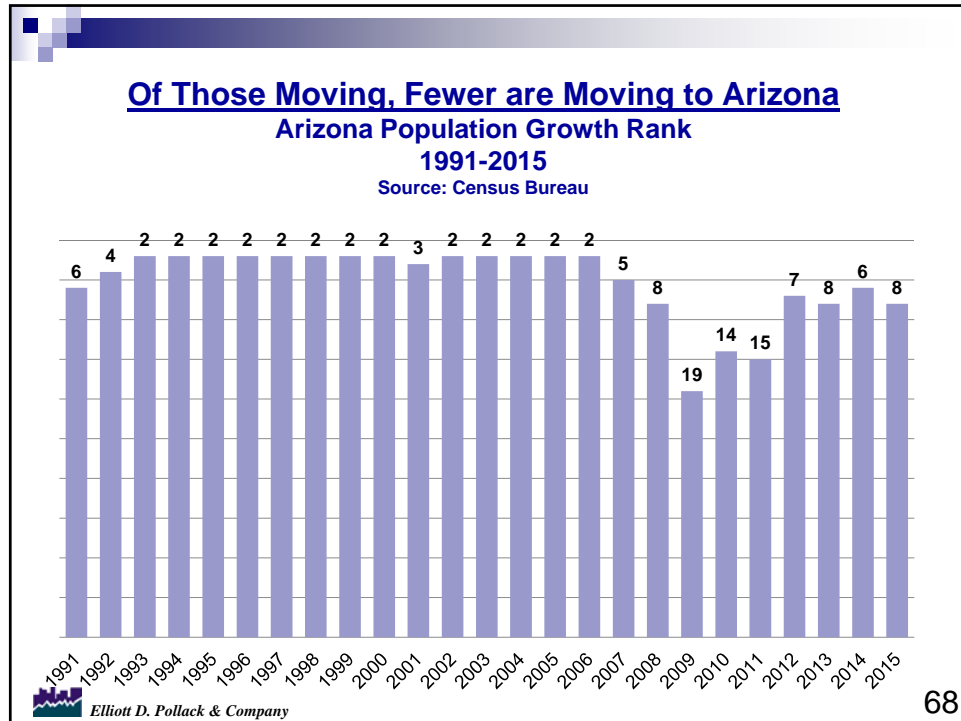
## Total Movers down 25.6%

- Movers from abroad down (26%)
- Movers from other states down (34%)
- Movers from other counties in the state, down (18%)

Elliott D. Pollack & Company

Note: Does not include in-state movers

67



68

## **Arizona Capture Rate** **(from abroad and between states)**

- **2002 – 2006 = 3.7%**
- **2010 – 2014 = 3.3%**

69

## **Statewide this Results....**

- **10,400 fewer single family homes annually between 2010 – 2014.**
- **5,600 fewer apartments annually between 2010 – 2014**



*Elliott D. Pollack & Company*

Note: Does not include in-state movers 70

## **Conclusion:**

- **Due to the lack of national, international, and in state population flows:**
  - 1. Jobs that would have been created by the domestic demand from people moving here has been reduced.**
  - 2. Greater Phoenix construction employment has suffered.**

**Thus, the economy would have been stronger.**



*Elliott D. Pollack & Company*

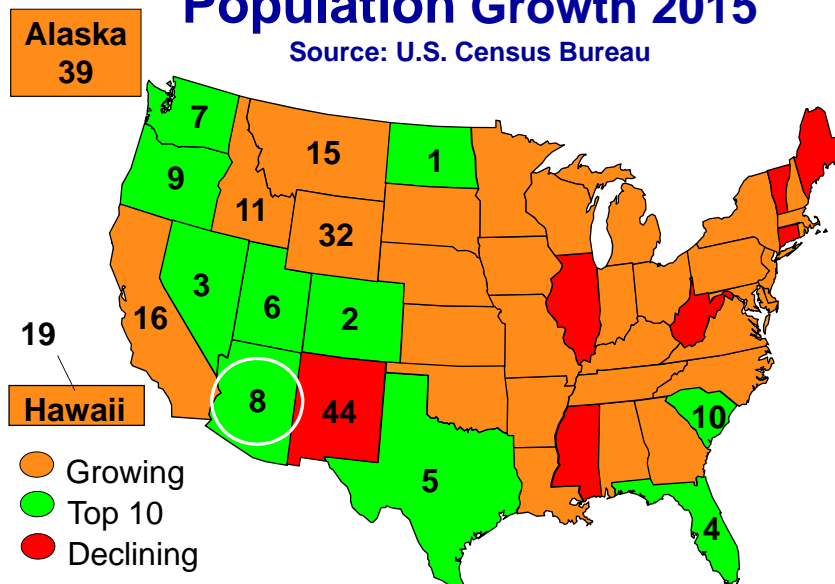
71

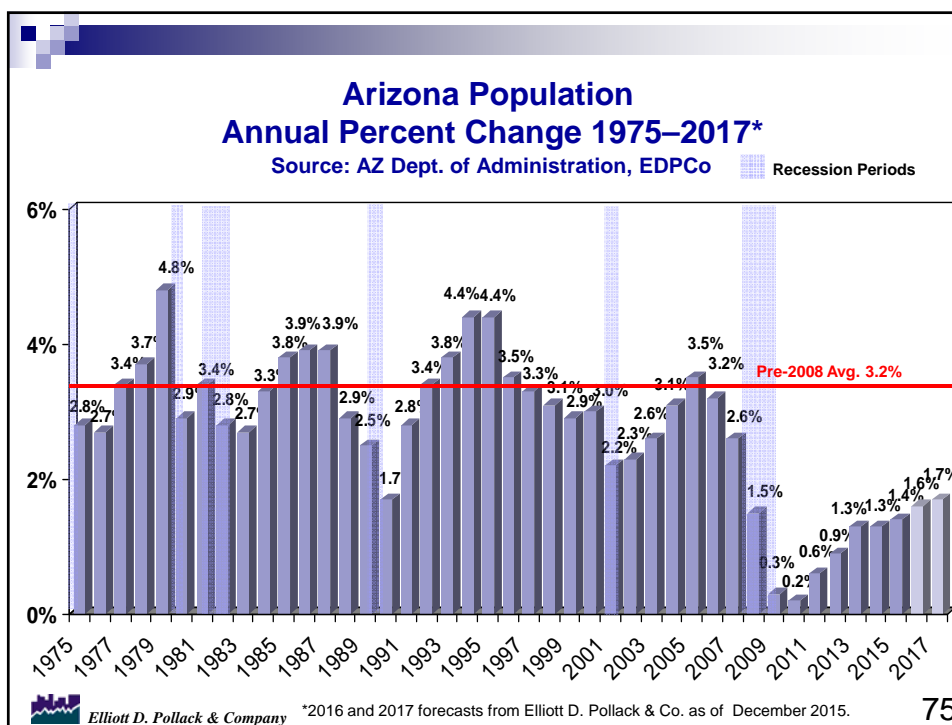
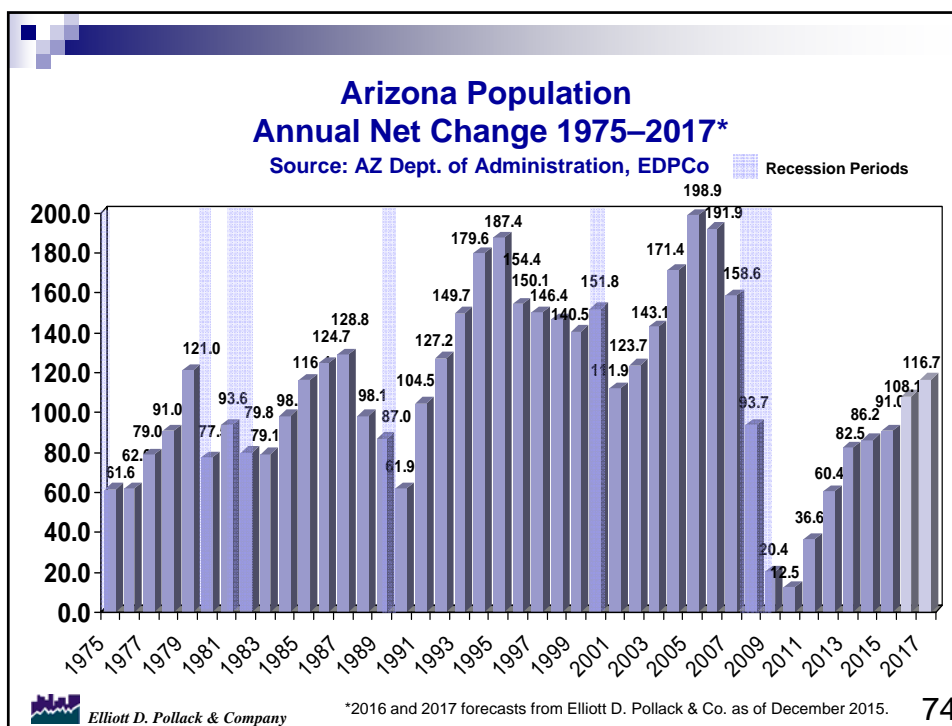
## Why do people move to Arizona?

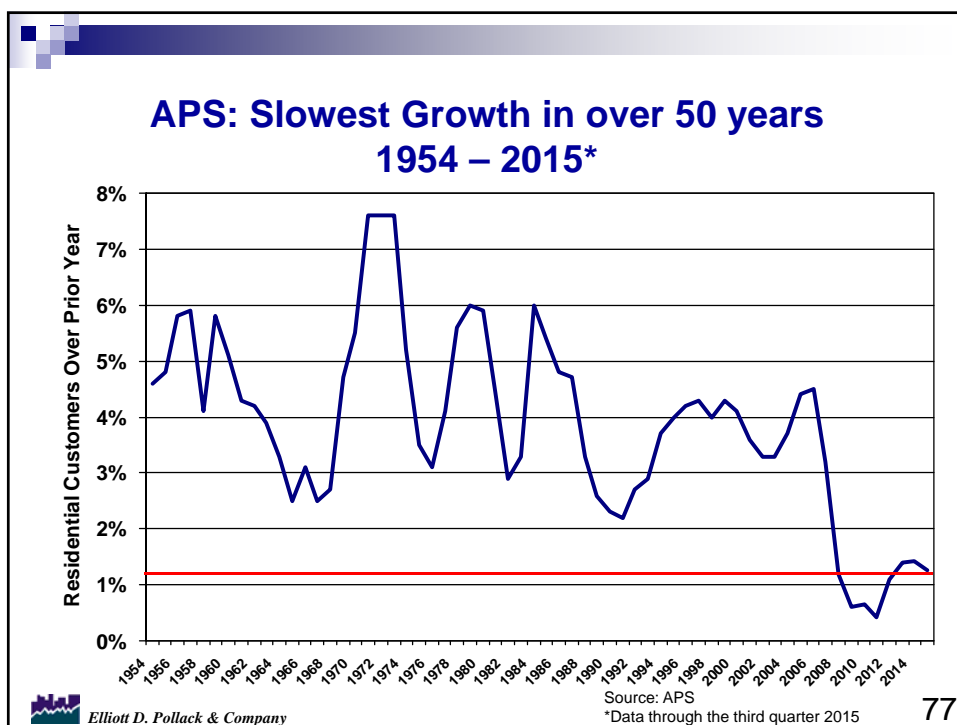
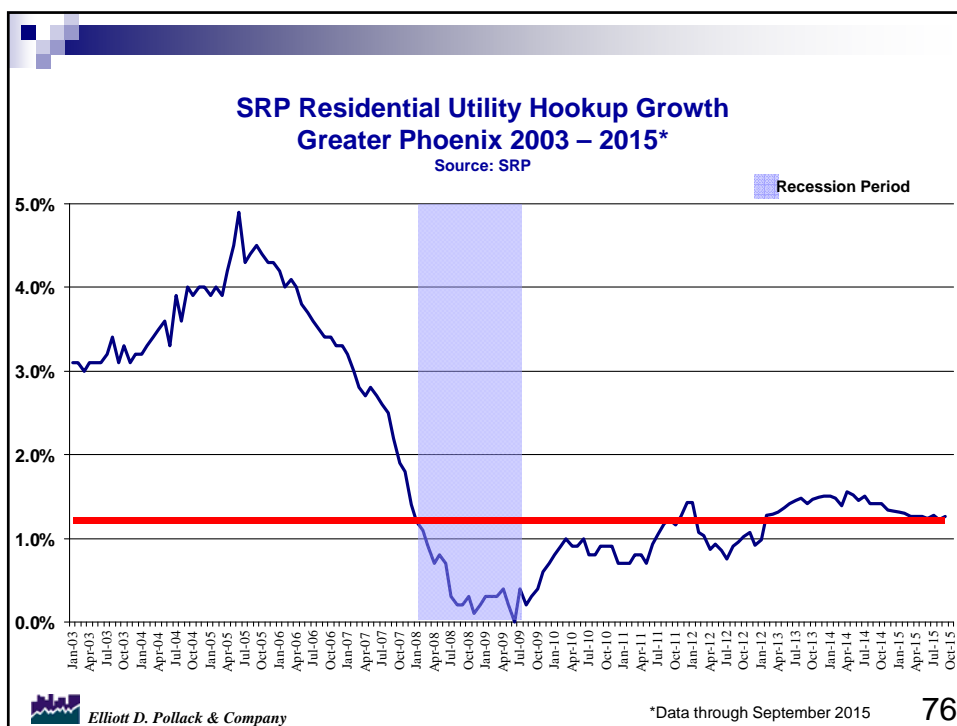
- (1) Employment opportunities
- (2) Affordable housing
- (3) Moderate cost of living
- (4) Family and friends live near
- (5) The weather
- (6) Lifestyle
- (7) Outdoor recreation opportunities

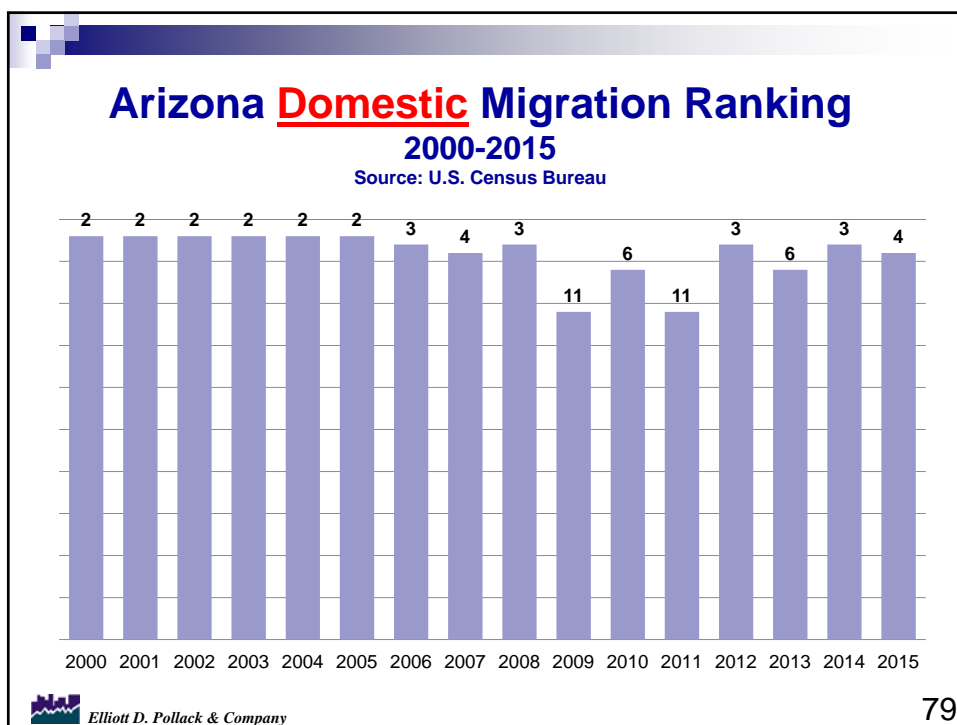
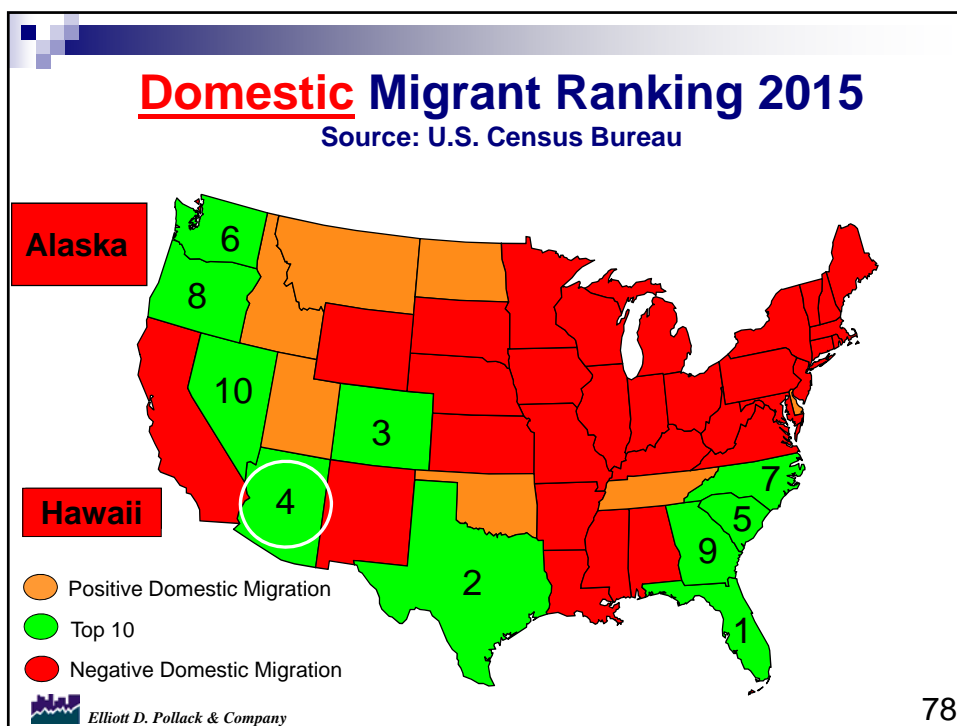
## Population Growth 2015

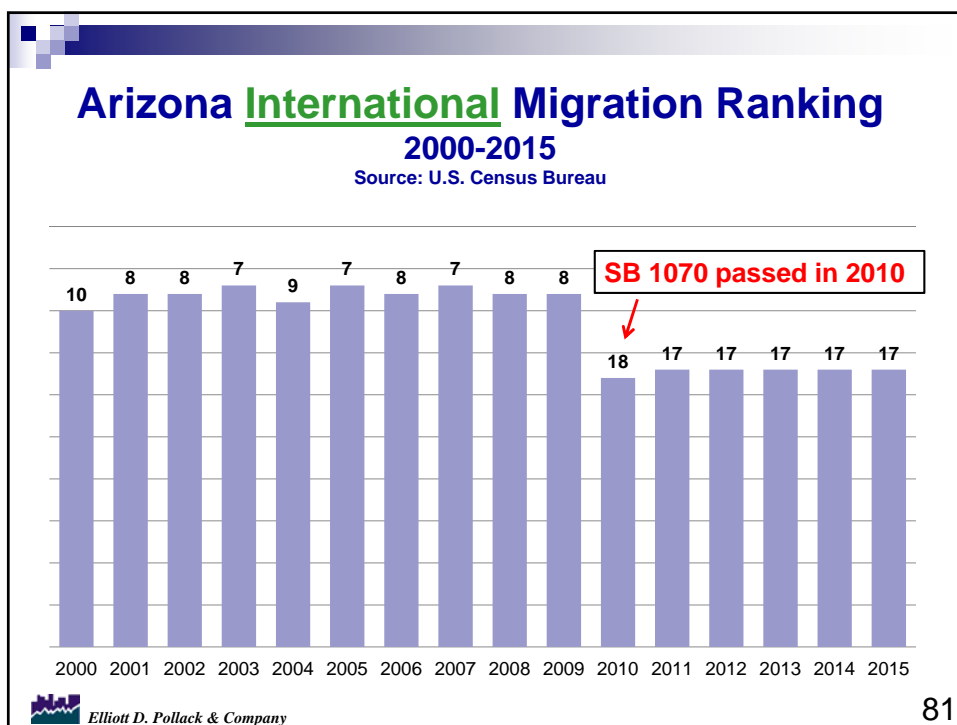
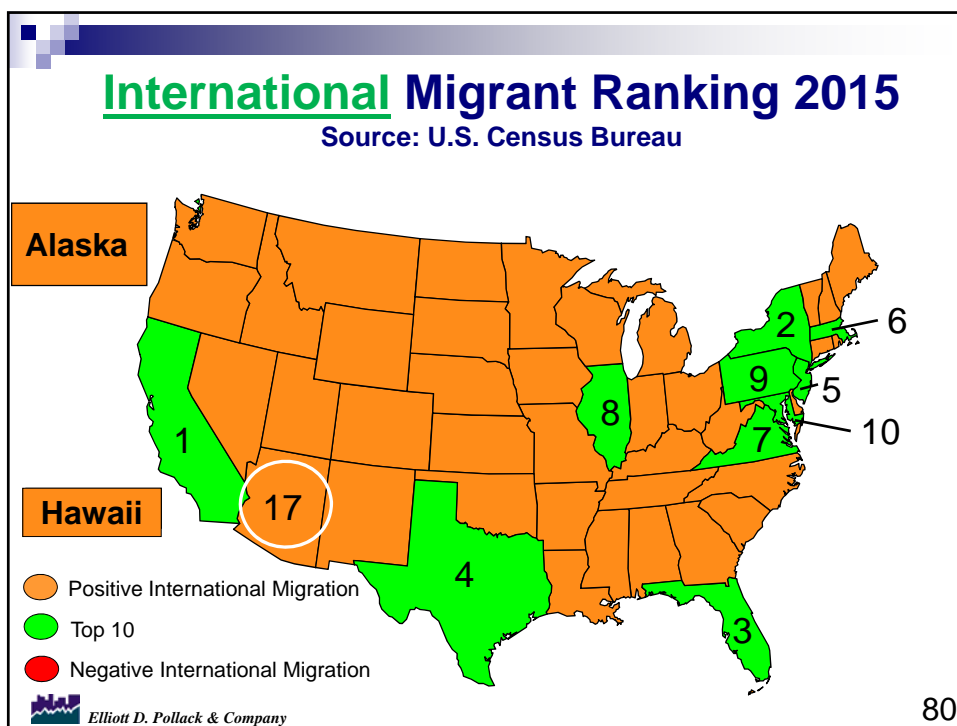
Source: U.S. Census Bureau













In terms of national migration, we are doing O.K. But, there is less migration overall

In terms of international migration, we are doing poorly. And, there is also less international migration.



Elliott D. Pollack &amp; Company

82

**Arizona economy not broken.  
It's mainly a reaction to the  
national phenomena.**



Elliott D. Pollack &amp; Company

83

## How quickly are population flows going to recover?



Elliott D. Pollack & Company

84

# SLOWLY!




Elliott D. Pollack & Company

85

## Arizona Phoenix Population

Source: U.S. Census Bureau; AZ Dept. of Administration; University of Arizona Forecasting Project; EDPCo


Greater Phoenix Population Estimates and Projections			
Population	2015	2016	2017
<b>EDPCo</b>			
Forecast as of 2015 Q4	6,758,251	6,866,383	6,983,112
Net Change	91,010	108,132	116,729
% Change	1.4%	1.6%	1.7%
<b>U of A Forecasting Project</b>			
Forecast as of 2015 Q4	6,758,251	6,864,625	6,986,381
Net Change	91,010	106,374	121,756
% Change	1.4%	1.6%	1.8%
<b>Arizona Dept. of Administration</b>			
Forecast as of 2015 Q4	6,758,251	6,867,641	6,984,412
Net Change	91,010	109,390	116,771
% Change	1.4%	1.6%	1.7%

 Elliott D. Pollack & Company 86

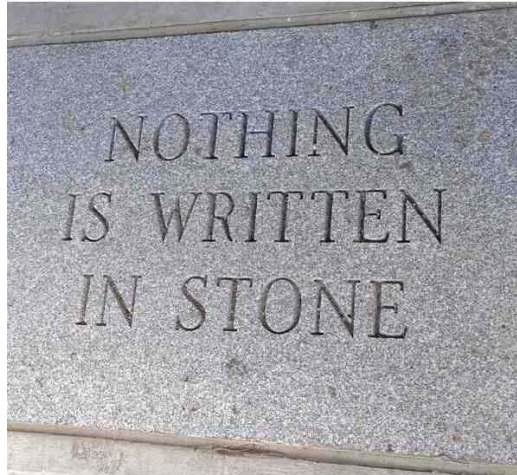
## Arizona Phoenix Population

Source: U.S. Bureau of Census; Arizona Department of Administration; University of Arizona Forecasting Project

YEAR	POPULATION	APR
1970	1,795,000	6.6%
1980	2,716,546	8.6%
1990	3,684,097	6.3%
2000	5,175,581	7.0%
2010	6,401,569	4.3%
2015	6,758,251	1.1%
2020*	7,369,606	1.7%
2025*	8,004,547	1.7%

 Elliott D. Pollack & Company \*Forecasts as of 2015 Q4 87

## How quickly will housing recover?



Elliott D. Pollack & Company

88

## What is keeping potential buyers out of the housing market?

### Parade of horrors:

- (1) Negative Equity
- (2) FHA Loan Limit
- (3) Foreclosures
- (4) Short Sales
- (5) Millennials
- (6) Student Loans
- (7) Tougher Loan Standards



Elliott D. Pollack & Company

89

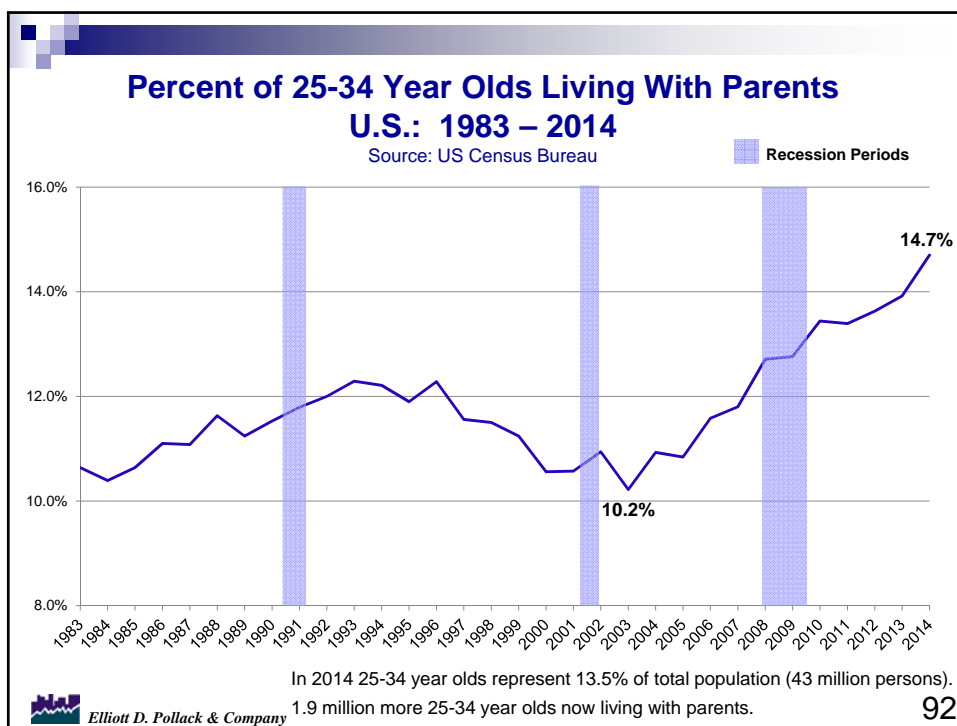
## **Good news for housing.**

- (1) Economic growth is good in Greater Phoenix**
- (2) Mortgage rates are low & lending is loosening up a bit**
- (3) Affordability is still good and price gains are modest**

## **Ability to Qualify**

**2002-2006 was not normal. 2009-present is not normal.**

- (1) More paperwork**
- (2) Automated underwriting standards make it difficult for self-employed, commissioned sales people and affluent retirees**
- (3) Lower debt to income ratios**
- (4) Longer lockout period after a foreclosure**



### Millennials/Living at Home

- There are approximately 1.5 million more 25-34 year olds living with their parents than 2002.

**93**

*Elliott D. Pollack & Company*

## Total Student Loan Balances Billions of Dollars

Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax

Year	TOTAL
2004 Q3	\$330.0
2005 Q3	\$377.7
2006 Q3	\$446.7
2007 Q3	\$528.5
2008 Q3	\$610.9
2009 Q3	\$694.5
2010 Q3	\$778.2
2011 Q3	\$870.2
2012 Q3	\$956.0
2013 Q3	\$1,027.0
2014 Q3	\$1,126.0
2015 Q3	\$1,203.0



Elliott D. Pollack & Company

94

## Expenses that Delayed Saving for a Down Payment or Home Purchase - 2014 By Age

Source: National Association of Realtors 2014

	All Buyers	34 and younger	34 to 49	50 to 59	60 to 68	69 to 89
Student Loans	46%	54%	23%	11%	7%	1%
Credit Card Debt	50%	35%	41%	37%	21%	12%
Car Loan	38%	30%	25%	16%	9%	5%
Child Care Expenses	17%	10%	19%	5%	4%	2%
Health Care Costs	12%	7%	11%	14%	13%	15%
Other	8%	15%	24%	42%	58%	68%



Elliott D. Pollack & Company

96

**Yet, between millennials who will eventually get married, the homeownership rate that will improve, and population flows that will recover, there will be tremendous pent up demand for housing (both in single family and apartments) in Arizona.**



Elliott D. Pollack &amp; Company

97

**The housing recovery is likely to continue.**



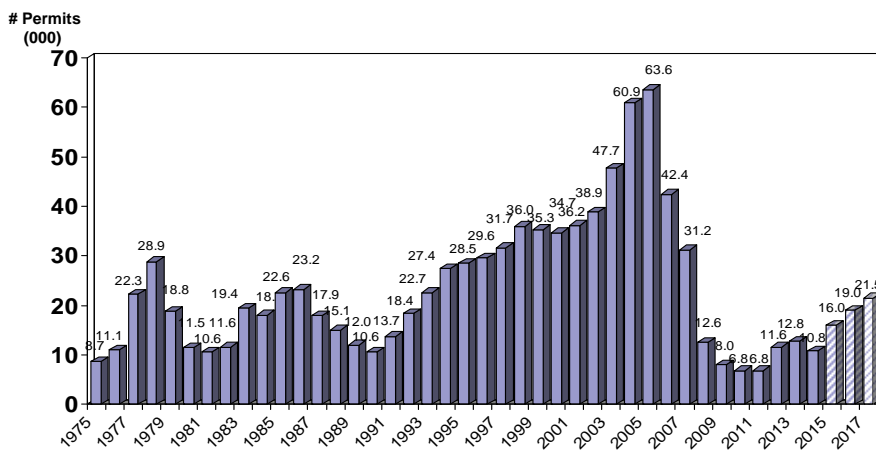
Elliott D. Pollack &amp; Company

98



## Single Family Permits Greater Phoenix 1975–2017\*

Source: RL Brown & Elliott D. Pollack & company



Elliott D. Pollack & Company

\*2015, 2016 and 2017 forecast is from Elliott D. Pollack & Company as of fourth quarter 2015.

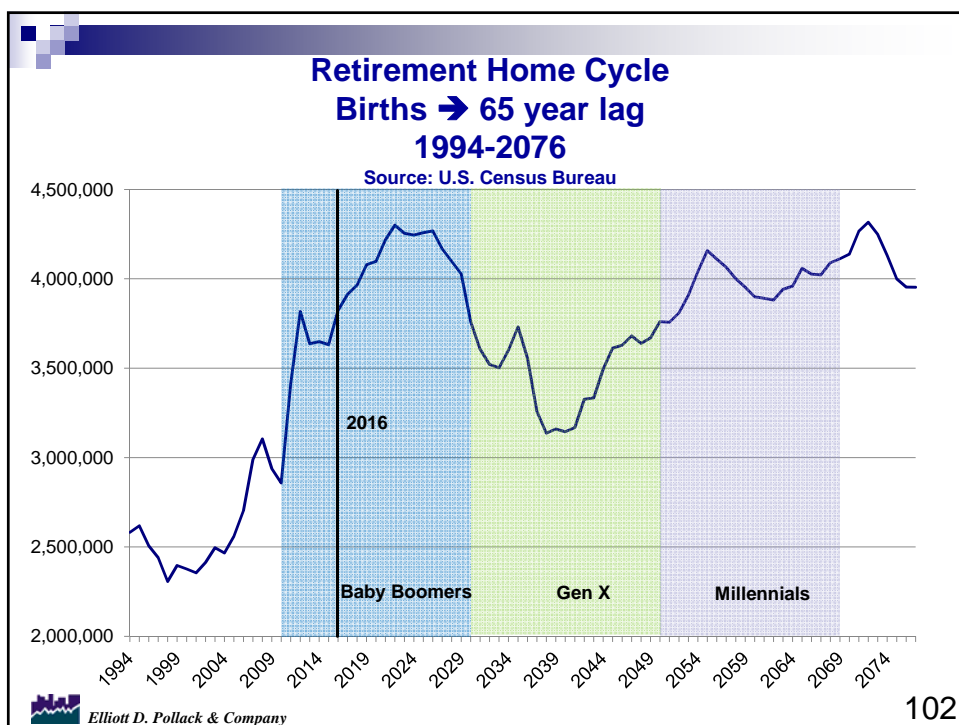
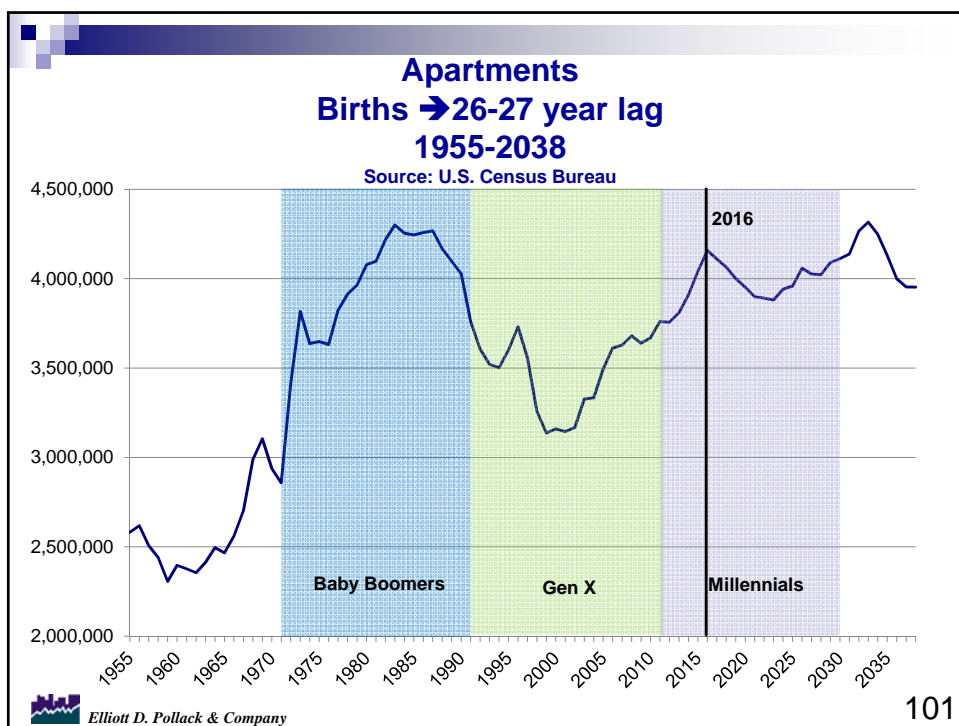
99

## Multi-Family



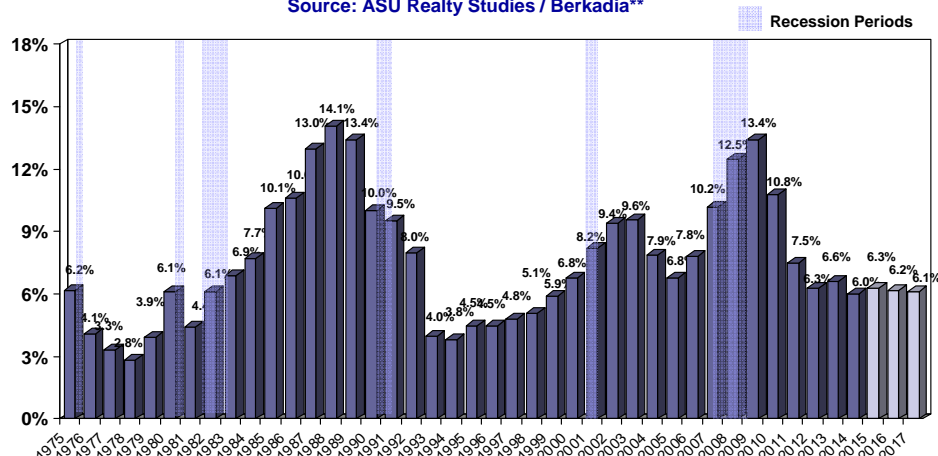
Elliott D. Pollack & Company

100



## Multi-Family Year-End Vacancy Rates Greater Phoenix County 1975–2017\*

Source: ASU Realty Studies / Berkadia\*\*



\*2015, 2016 & 2017 are forecasts from Elliott D. Pollack & Co.

\*\*Data prior to 2005 is from ASU



Elliott D. Pollack & Company

103

## Multi-Family Housing Market

Source: PMHS and Berkadia

	<u>Absorption</u>	<u>Completions</u>
2007	(3,121)	3,800
2008	(4,466)	5,900
2009	9,100	6,231
2010	11,619	200
2011	7,729	303
2012	2,950	910
2013	3,660	2,390
2014	6,750	4,970
2015*	5,690	4,950



Elliott D. Pollack & Company

\*Data through third quarter 2015

104

## Multi-Family Pipeline

Source: CB Richard Ellis

Year	Potential New Supply
2015	6,621
2016	5,503
2017	10,159

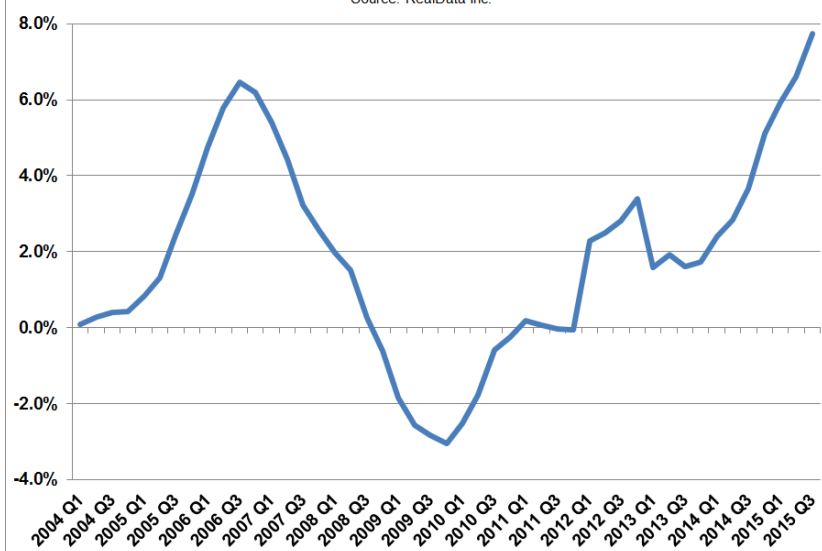


Elliott D. Pollack & Company

105

## Multi-Family Average Rent Percent Change Year Ago

Source: RealData Inc.



Elliott D. Pollack & Company

106

## Multi-Family Outlook

**Higher population growth and continued weak homeownership suggests the outlook for apartments is excellent.**



*Elliott D. Pollack & Company*

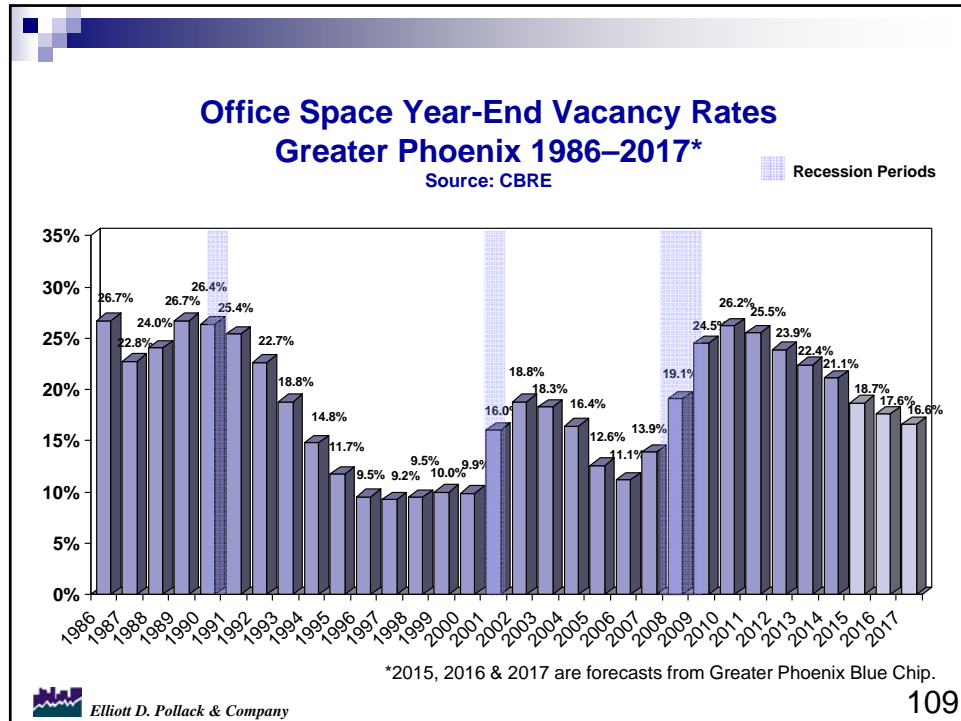
107

## OFFICE



*Elliott D. Pollack & Company*

108



### Greater Phoenix Office Market\*

Source: CBRE

Year	Absorption (sf)	Chg in Inventory (sf)
2005	3,119,293	7,987
2006	3,245,888	**2,320,302
2007	1,500,704	4,905,374
2008	(603,112)	3,402,646
2009	(667,329)	1,798,415
2010	233,670	2,011,404
2011	1,857,433	3,144,910
2012	2,020,529	973,282
2013	1,721,366	(35,566)
2014	1,969,716	1,107,906
2015***	2,232,024	1,832,319

\*Only includes multi-tenant space greater than 10,000 SF

\*\* A number of buildings in downtown and mid-town are being converted to office condos.

\*\*\*Data through third quarter 2015

Elliott D. Pollack & Company

110

**As of the third quarter 2015,  
there is 550,462 square feet  
of speculative office space  
under construction.**

Source: CBRE



Elliott D. Pollack & Company

111

**Under any reasonable  
employment growth scenario,  
we believe it will be at least  
2017-2018 before any significant  
office construction occurs  
(although some sub-markets like  
Tempe  
will be sooner).**



Elliott D. Pollack & Company

112

# INDUSTRIAL

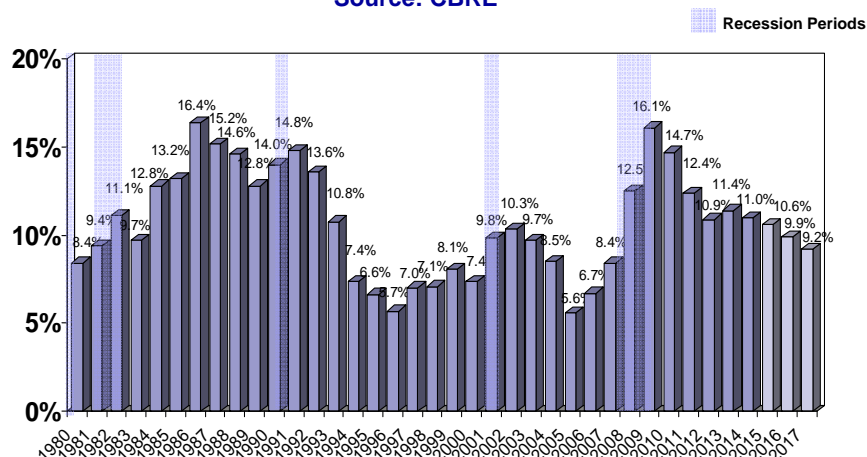


Elliott D. Pollack & Company

113

## Industrial Space Vacancy Rates Greater Phoenix 1980 – 2017\*

Source: CBRE



Elliott D. Pollack & Company

\* 2015, 2016 & 2017 are forecasts from the Greater Phoenix Blue Chip

114



## Greater Phoenix Industrial Market

Source: CBRE

Year	Absorption (sf)	Chg in Inventory (sf)
2005	13,349,129	7,072,477
2006	6,032,175	7,829,959
2007	8,359,835	13,914,181
2008	629,838	13,467,215
2009	(4,649,352)	4,753,218
2010	4,455,097	2,451,202
2011	7,753,111	2,842,185
2012	7,405,168	3,358,724
2013	8,783,982	8,902,571
2014	6,214,680	6,791,313
2015*	5,639,447	3,329,149



Elliott D. Pollack & Company

\*Data through third quarter 2015

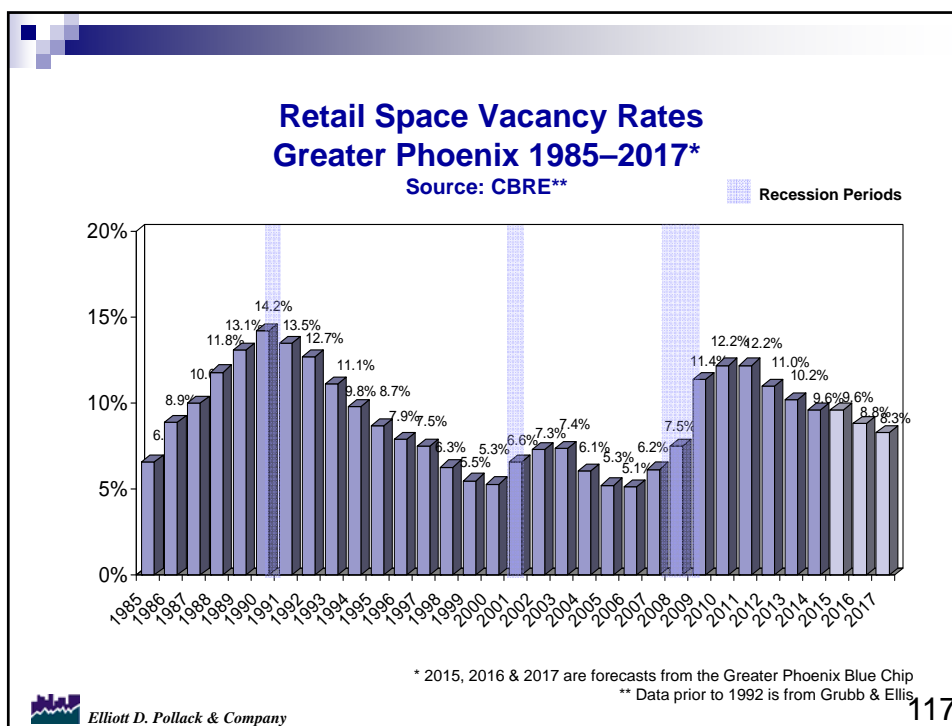
115

## RETAIL



Elliott D. Pollack & Company

116



### Greater Phoenix Retail Market

Source: CBRE

Year	Absorption (sf)	Chg in Inventory (sf)
2005	6,708,155	6,248,789
2006	5,244,597	4,582,618
2007	9,424,362	11,104,865
2008	3,395,986	6,229,205
2009	(1,117,100)	4,405,985
2010	(75,352)	902,380
2011	(152,647)	24,543
2012	1,879,005	184,932
2013	1,579,202	(325,959)
2014	1,487,313	(49,225)
2015*	979,282	30,539

\*Data through third quarter 2015

**118**

**As of the third quarter 2015,  
there is 69,773 square feet  
of speculative retail space  
under construction.**

Source: CBRE



Elliott D. Pollack & Company

119

**CONCLUSIONS:  
How will it all turn out?**



Elliott D. Pollack & Company

120

**Economy should continue to grow.**

**Real estate outlook rapidly improving.**



*Elliott D. Pollack & Company*

122

**Arizona—**

**No boom in Arizona until population increases more rapidly and housing makes a meaningful recovery.**


**2016 will be better than 2015.**



*Elliott D. Pollack & Company*

123

Arizona Forecasts				
	Actuals		Forecast	
	2013	2014	2015	2016
Population	1.3%	1.3%	1.4%	1.6%
Employment	2.3%	1.9%	2.5%	2.8%
Construction Employment	6.6%	1.3%	3.0%	7.0%
Manufacturing Employment	0.2%	0.7%	-0.5%	0.0%
Retail Sales	7.9%	4.4%	7.0%	5.0%
Permits	13.1%	-3.7%	28.0%	15.0%
Personal Income	1.0%	4.7%	4.5%	5.0%

 Elliott D. Pollack & Company

124



For a quick analysis of important economic data released each week, subscribe to the **Monday Morning Quarterback**

[www.arizonaeconomy.com](http://www.arizonaeconomy.com)  
 (Click on Subscribe to MMQ)

 Elliott D. Pollack & Company

125

# FINANCE ADVISORY COMMITTEE CASH FLOW UPDATE

JANUARY 21, 2016

OFFICE OF THE STATE  
TREASURER

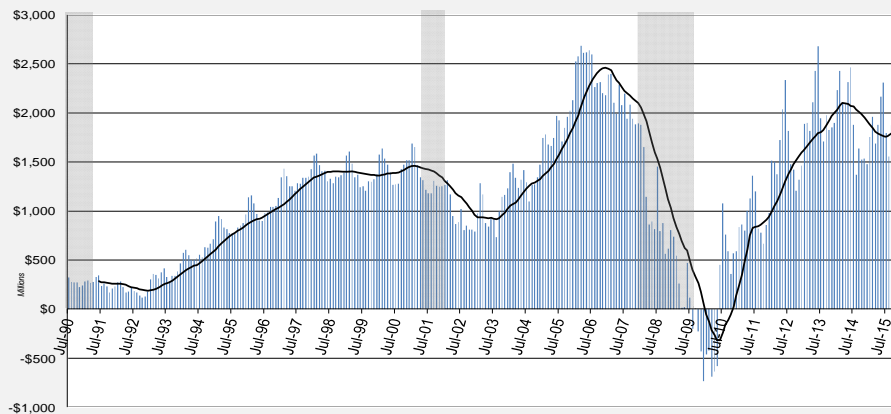
THE HONORABLE JEFF DEWIT



## STATE CASH FLOW

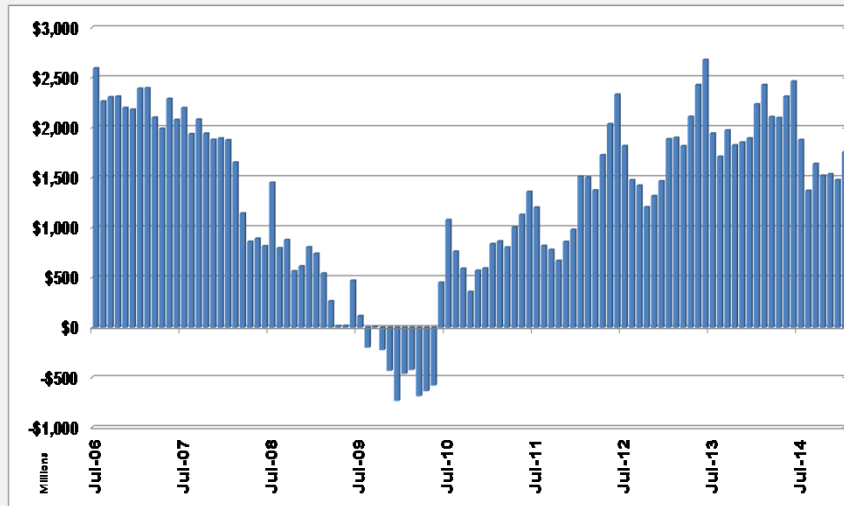
**TOTAL OPERATING ACCOUNT AVERAGE MONTHLY BALANCE**

**Up 10% in First 6 Months YOY**



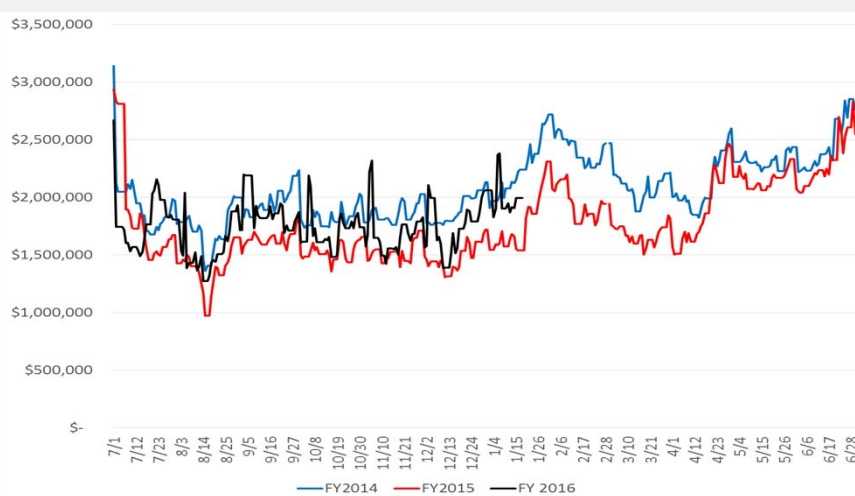
## STATE CASH FLOW

State Operating Balance FY 2007 - FY 2016 YTD



## STATE CASH FLOW

YTD FY 2016 Cash Flow vs. Last Two Fiscal Years

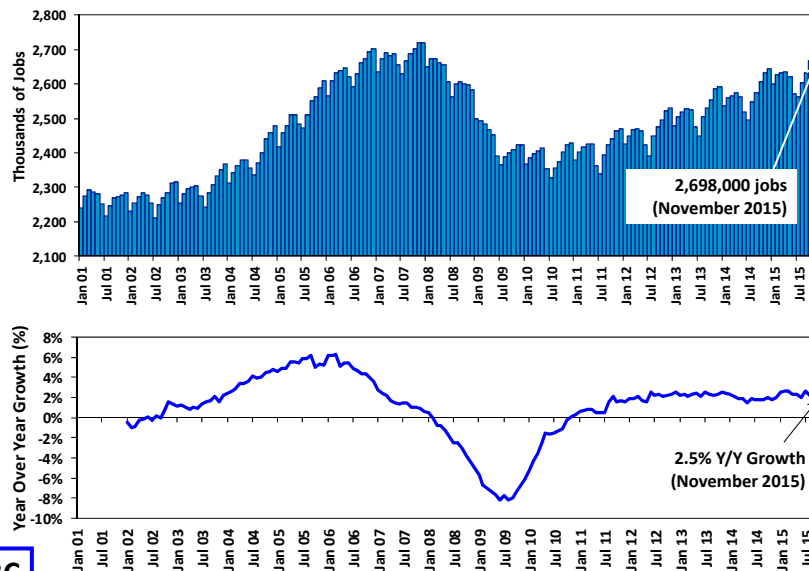


## Contents

Page:

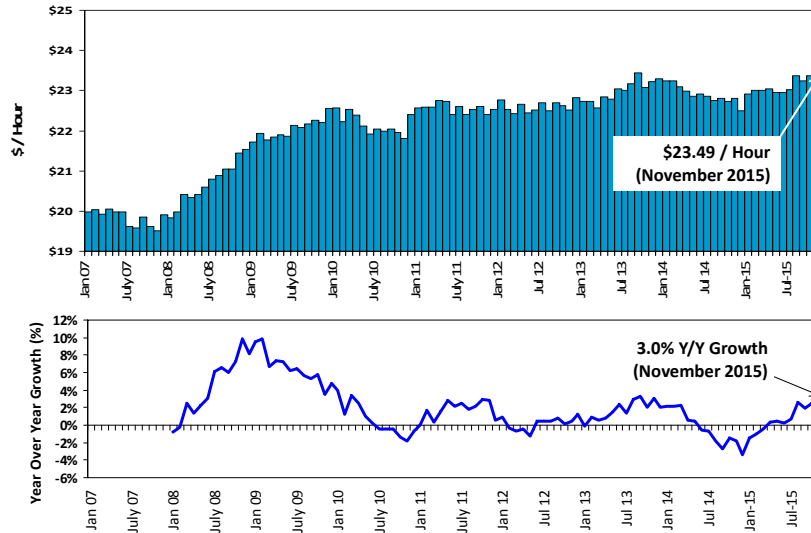
- 2.....Total Non-Farm Employment
- 3.....Average Hourly Earnings – Private Sector
- 4.....Initial Claims for Unemployment Insurance
- 5.....State Sales Tax Collections – Retail Category
- 6.....State Sales Tax Collections – Contracting Category
- 7.....Residential Building Permits
- 8.....Economic Activity Index

## Total Non-Farm Employment





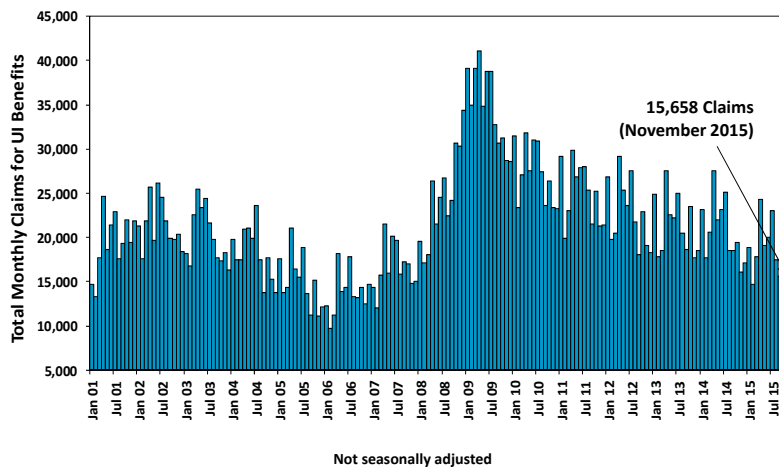
## Average Hourly Earnings – Private Sector



JLBC

3

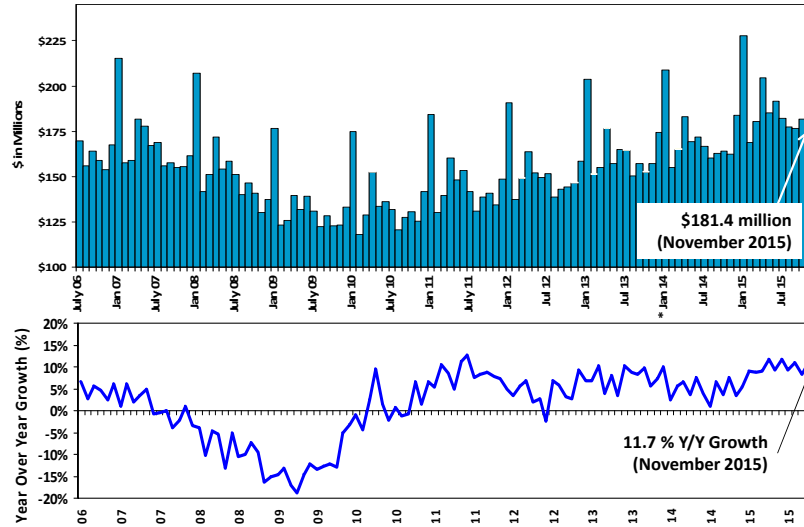
## Initial Claims for Unemployment Insurance



JLBC

4

## State Sales Tax Collections – Retail Category



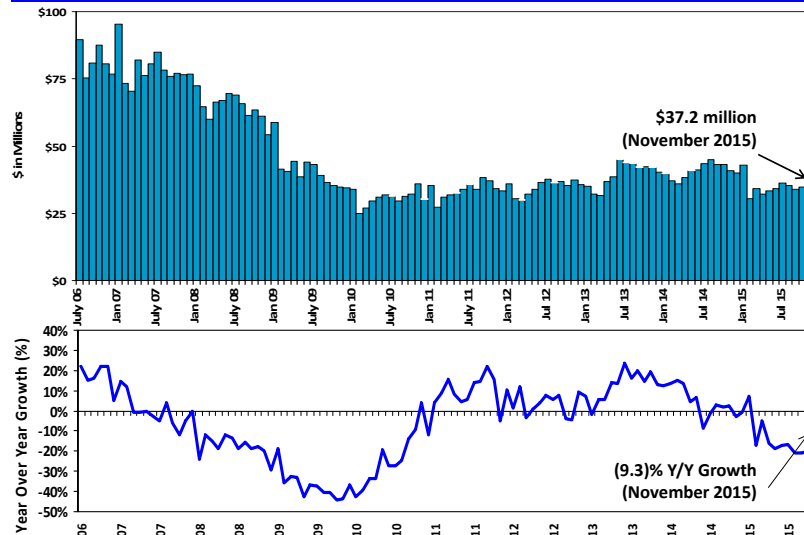
JLBC

Excludes temporary 1 ¢ sales tax

\* January 2014 estimate adjusted downward by \$30 million to reflect one-time category shift.

5

## State Sales Tax Collections – Contracting Category

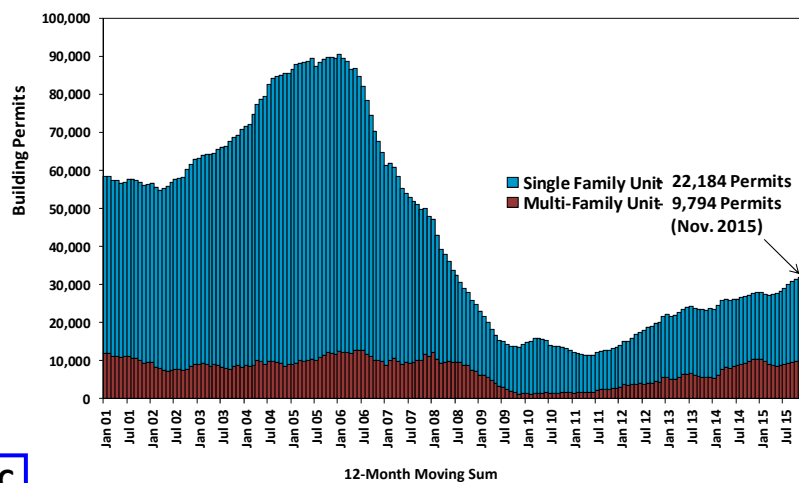


JLBC

Excludes temporary 1 ¢ sales tax

6

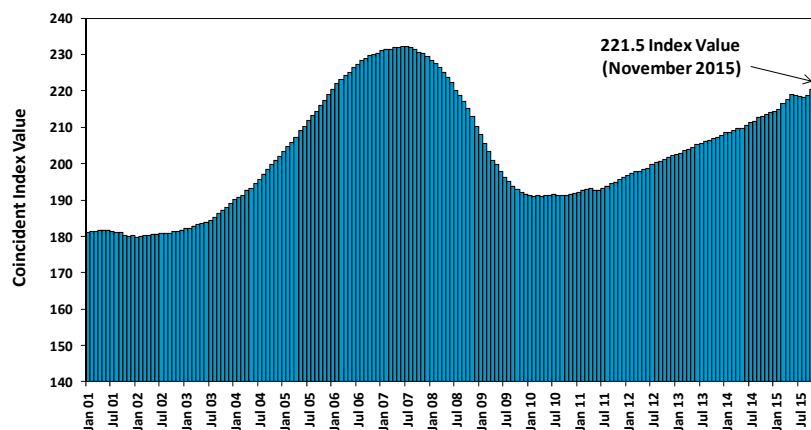
## Residential Building Permits



JLBC

7

## Economic Activity Index



JLBC

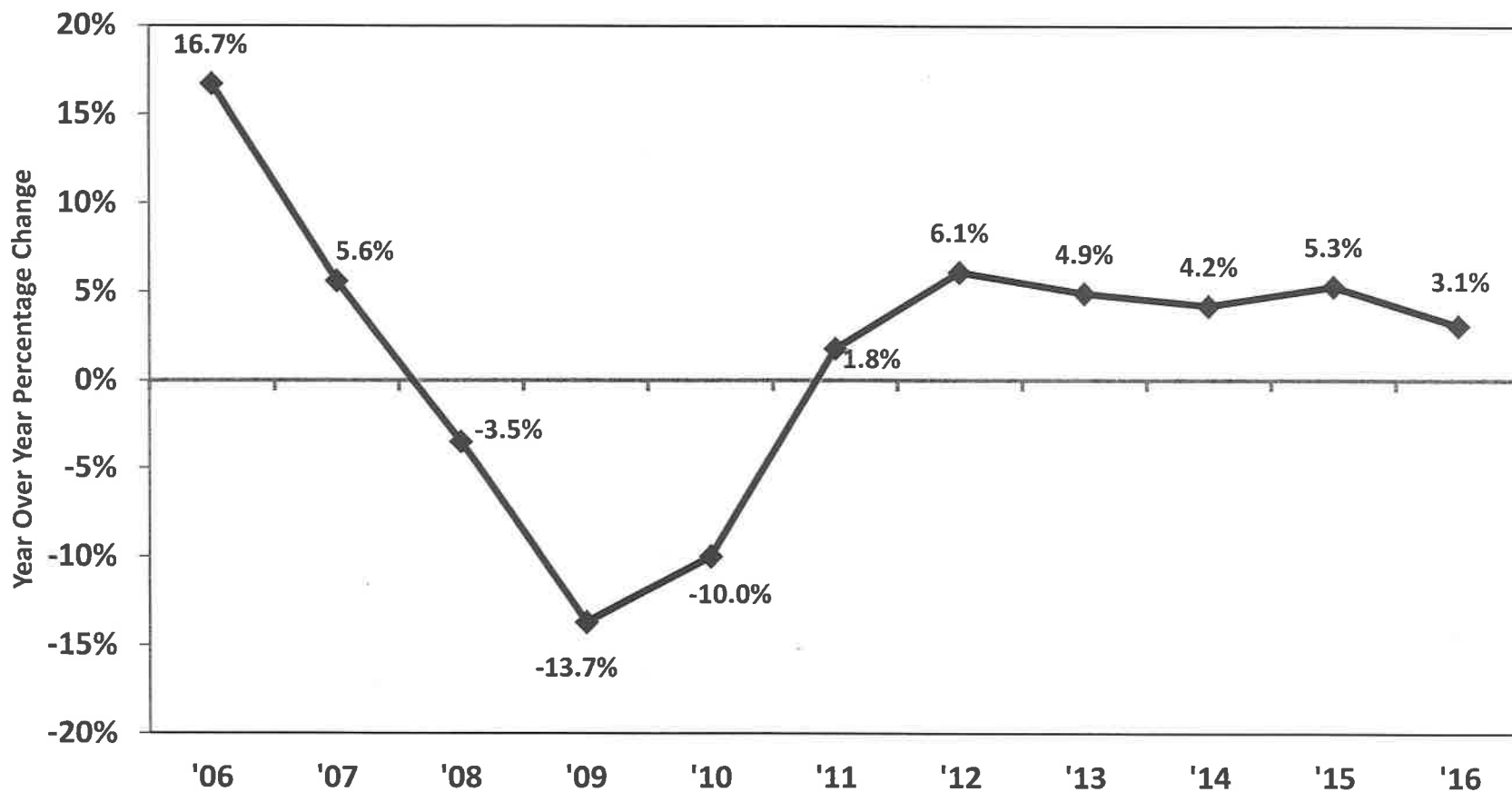
Source: Coincident Index – Federal Reserve Bank of Philadelphia. Combines four state-level indicators (employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements) to summarize current economic conditions.

8

# **Sales Tax**

# Sales Tax

## - Base % Change



Base % change represents growth prior to tax law and other one-time changes  
Tax law changes represent value at time of enactment

6-month YTD  
(Includes \$15.1 M  
Amnesty Collections)

## Arizona Sales Tax - Total (excl. 1% Tax)

### General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2012	July 2011	306,929,173	9.0%	306,929,173	9.0%
	Aug 2011	293,482,631	5.7%	600,411,804	7.3%
	Sep 2011	299,647,673	6.2%	900,059,477	6.9%
	Oct 2011	303,049,504	7.4%	1,203,108,981	7.1%
	Nov 2011	286,297,169	-0.1%	1,489,406,151	5.6%
	Dec 2011	294,279,967	7.2%	1,783,686,117	5.9%
	Jan 2012	347,418,964	2.5%	2,131,105,081	5.3%
	Feb 2012	287,779,634	5.7%	2,418,884,716	5.3%
	Mar 2012	297,171,837	3.3%	2,716,056,553	5.1%
	Apr 2012	324,812,322	4.5%	3,040,868,875	5.1%
	May 2012	306,889,871	7.6%	3,347,758,745	5.3%
	June 2012	304,406,910	13.5%	3,652,165,655	5.9%
FY 2013	July 2012	321,889,184	4.9%	321,889,184	4.9%
	Aug 2012	302,649,584	3.1%	624,538,768	4.0%
	Sep 2012	314,805,532	5.1%	939,344,300	4.4%
	Oct 2012	304,390,327	0.4%	1,243,734,627	3.4%
	Nov 2012	308,743,822	7.8%	1,552,478,449	4.2%
	Dec 2012	308,624,715	4.9%	1,861,103,164	4.3%
	Jan 2013	358,061,324	3.1%	2,219,164,488	4.1%
	Feb 2013	308,634,610	7.2%	2,527,799,098	4.5%
	Mar 2013	298,125,466	0.3%	2,825,924,564	4.0%
	Apr 2013	341,689,456	5.2%	3,167,614,020	4.2%
	May 2013	322,843,958	5.2%	3,490,457,978	4.3%
	June 2013	288,405,767	-5.3%	3,778,863,745	3.5%
FY 2014	July 2013	339,218,789	5.4%	339,218,789	5.4%
	Aug 2013	330,453,883	9.2%	669,672,672	7.2%
	Sep 2013	335,831,770	6.7%	1,005,504,442	7.0%
	Oct 2013	328,875,700	8.0%	1,334,380,142	7.3%
	Nov 2013	323,933,003	4.9%	1,658,313,145	6.8%
	Dec 2013	327,109,813	6.0%	1,985,422,958	6.7%
	Jan 2014	367,609,390	2.7%	2,353,032,348	6.0%
	Feb 2014	314,441,338	1.9%	2,667,473,686	5.5%
	Mar 2014	325,993,542	9.3%	2,993,467,228	5.9%
	Apr 2014	358,451,112	4.9%	3,351,918,340	5.8%
	May 2014	336,552,864	4.2%	3,688,471,204	5.7%
	June 2014	297,410,376	3.1%	3,985,881,580	5.5%
FY 2015	July 2014	338,895,000	-0.1%	338,895,000	-0.1%
	Aug 2014	345,173,344	4.5%	684,068,344	2.1%
	Sep 2014	344,660,464	2.6%	1,028,728,808	2.3%
	Oct 2014	346,093,136	5.2%	1,374,821,944	3.0%
	Nov 2014	334,326,797	3.2%	1,709,148,741	3.1%
	Dec 2014	344,265,049	5.2%	2,053,413,790	3.4%
	Jan 2015	399,861,665	8.8%	2,453,275,455	4.3%
	Feb 2015	325,308,761	3.5%	2,778,584,216	4.2%
	Mar 2015	347,376,257	6.6%	3,125,960,473	4.4%
	Apr 2015	373,027,607	4.1%	3,498,988,080	4.4%
	May 2015	345,591,019	2.7%	3,844,579,099	4.2%
	June 2015	344,684,398	15.9%	4,189,263,497	5.1%
FY 2016	July 2015	348,679,583	2.9%	348,679,583	2.9%
	Aug 2015	353,211,446	2.3%	701,891,029	2.6%
	Sep 2015	354,610,905	2.9%	1,056,501,934	2.7%
	Oct 2015	353,108,793	2.0%	1,409,610,727	2.5%
	Nov 2015	358,253,367	7.2%	1,767,864,094	3.4%
	Dec 2015	348,345,894	1.2%	2,116,209,987	3.1% *
	Jan 2016				
	Feb 2016	* After excluding \$15.1 million in tax amnesty collections, year to date growth is 2.4%.			
	Mar 2016				
	Apr 2016				
	May 2016				
	June 2016				

## Arizona Sales Tax - Retail

### General Fund Collections

		Year-to-Year %		Year-to-Date	
		Collections (\$)	Change	Collections (\$)	Change
FY 2012	July 2011	141,789,976	7.5%	141,789,976	7.5%
	Aug 2011	130,998,912	8.4%	272,788,888	7.9%
	Sep 2011	138,796,056	8.8%	411,584,944	8.2%
	Oct 2011	140,704,804	7.8%	552,289,747	8.1%
	Nov 2011	134,310,400	7.2%	686,600,147	7.9%
	Dec 2011	148,448,948	4.9%	835,049,095	7.4%
	Jan 2012	190,783,275	3.5%	1,025,832,370	6.7%
	Feb 2012	137,359,143	5.5%	1,163,191,513	6.5%
	Mar 2012	149,239,726	6.8%	1,312,431,239	6.6%
	Apr 2012	163,530,770	2.0%	1,475,962,009	6.0%
	May 2012	152,085,022	2.6%	1,628,047,031	5.7%
	June 2012	149,658,784	-2.5%	1,777,705,815	5.0%
FY 2013	July 2012	151,463,092	6.8%	151,463,092	6.8%
	Aug 2012	138,759,047	5.9%	290,222,139	6.4%
	Sep 2012	143,091,966	3.1%	433,314,105	5.3%
	Oct 2012	144,377,418	2.6%	577,691,523	4.6%
	Nov 2012	146,630,896	9.2%	724,322,419	5.5%
	Dec 2012	158,506,351	6.8%	882,828,770	5.7%
	Jan 2013	203,719,359	6.8%	1,086,548,129	5.9%
	Feb 2013	151,345,992	10.2%	1,237,894,121	6.4%
	Mar 2013	154,953,692	3.8%	1,392,847,813	6.1%
	Apr 2013	176,752,554	8.1%	1,569,600,367	6.3%
	May 2013	157,321,133	3.4%	1,726,921,500	6.1%
	June 2013	165,064,316	10.3%	1,891,985,816	6.4%
FY 2014	July 2013	164,753,436	8.8%	164,753,436	8.8%
	Aug 2013	150,159,878	8.2%	314,913,314	8.5%
	Sep 2013	157,089,858	9.8%	472,003,172	8.9%
	Oct 2013	152,652,197	5.7%	624,655,369	8.1%
	Nov 2013	157,213,539	7.2%	781,868,908	7.9%
	Dec 2013	174,512,641	10.1%	956,381,549	8.3%
	Jan 2014	238,163,840	16.9%	1,194,545,389	9.9%
	Feb 2014	154,943,150	2.4%	1,349,488,539	9.0%
	Mar 2014	165,184,759	6.6%	1,514,673,298	8.7%
	Apr 2014	183,203,353	3.6%	1,697,876,651	8.2%
	May 2014	169,355,304	7.6%	1,867,231,955	8.1%
	June 2014	171,659,444	4.0%	2,038,891,399	7.8%
FY 2015	July 2014	166,500,721	1.1%	166,500,721	1.1%
	Aug 2014	160,123,060	6.6%	326,623,781	3.7%
	Sep 2014	162,832,950	3.7%	489,456,731	3.7%
	Oct 2014	164,102,161	7.5%	653,558,892	4.6%
	Nov 2014	162,348,834	3.3%	815,907,726	4.4%
	Dec 2014	183,953,206	5.4%	999,860,932	4.5%
	Jan 2015	227,712,434	-4.4%	1,227,573,366	2.8%
	Feb 2015	168,761,459	8.9%	1,396,334,825	3.5%
	Mar 2015	180,268,868	9.1%	1,576,603,693	4.1%
	Apr 2015	204,887,908	11.8%	1,781,491,601	4.9%
	May 2015	185,048,795	9.3%	1,966,540,396	5.3%
	June 2015	191,636,921	11.6%	2,158,177,317	5.9%
FY 2016	July 2015	181,983,659	9.3%	181,983,659	9.3%
	Aug 2015	177,572,945	10.9%	359,556,604	10.1%
	Sep 2015	176,407,614	8.3%	535,964,218	9.5%
	Oct 2015	181,672,247	10.7%	717,636,465	9.8%
	Nov 2015	181,414,557	11.7%	899,051,022	10.2%
	Dec 2015	192,683,860	4.7%	1,091,734,881	9.2%
	Jan 2016				
	Feb 2016				
	Mar 2016				
	Apr 2016				
	May 2016				
	June 2016				

## Arizona Sales Tax - Contracting

### General Fund Collections

		Collections (\$)	Year-to-Year % Change	Collections (\$)	Year-to-Year % Change
				Year-to-Date	Year-to-Date %
				Collections (\$)	Change
FY 2012	July 2011	35,776,963	13.8%	35,776,963	13.8%
	Aug 2011	33,820,730	14.5%	69,597,693	14.1%
	Sep 2011	38,262,770	21.9%	107,860,463	16.7%
	Oct 2011	37,113,776	15.5%	144,974,240	16.4%
	Nov 2011	34,175,119	-5.2%	179,149,359	11.6%
	Dec 2011	33,388,990	10.4%	212,538,349	11.4%
	Jan 2012	35,855,441	1.3%	248,393,790	9.8%
	Feb 2012	30,456,508	12.0%	278,850,298	10.0%
	Mar 2012	29,964,165	-3.5%	308,814,463	8.6%
	Apr 2012	32,221,194	0.8%	341,035,657	7.8%
	May 2012	33,942,224	4.2%	374,977,881	7.4%
	June 2012	36,413,050	7.5%	411,390,931	7.5%
FY 2013	July 2012	37,753,076	5.5%	37,753,076	5.5%
	Aug 2012	36,341,199	7.5%	74,094,275	6.5%
	Sep 2012	36,839,194	-3.7%	110,933,469	2.8%
	Oct 2012	35,393,045	-4.6%	146,326,514	0.9%
	Nov 2012	37,312,920	9.2%	183,639,434	2.5%
	Dec 2012	35,713,978	7.0%	219,353,412	3.2%
	Jan 2013	35,124,507	-2.0%	254,477,919	2.4%
	Feb 2013	32,158,384	5.6%	286,636,303	2.8%
	Mar 2013	31,657,711	5.7%	318,294,014	3.1%
	Apr 2013	36,740,970	14.0%	355,034,984	4.1%
	May 2013	38,500,752	13.4%	393,535,736	4.9%
	June 2013	45,057,304	23.7%	438,593,040	6.6%
FY 2014	July 2013	43,907,390	16.3%	43,907,390	16.3%
	Aug 2013	43,618,684	20.0%	87,526,074	18.1%
	Sep 2013	42,416,407	15.1%	129,942,481	17.1%
	Oct 2013	42,304,040	19.5%	172,246,521	17.7%
	Nov 2013	42,121,860	12.9%	214,368,381	16.7%
	Dec 2013	40,208,342	12.6%	254,576,723	16.1%
	Jan 2014	39,820,300	13.4%	294,397,023	15.7%
	Feb 2014	36,970,395	15.0%	331,367,418	15.6%
	Mar 2014	35,930,174	13.5%	367,297,592	15.4%
	Apr 2014	38,358,105	4.4%	405,655,697	14.3%
	May 2014	40,976,805	6.4%	446,632,502	13.5%
	June 2014	41,235,619	-8.5%	487,868,121	11.2%
FY 2015	July 2014	43,352,211	-1.3%	43,352,211	-1.3%
	Aug 2014	44,742,964	2.6%	88,095,175	0.7%
	Sep 2014	42,952,525	1.3%	131,047,700	0.9%
	Oct 2014	43,244,905	2.2%	174,292,605	1.2%
	Nov 2014	40,986,820	-2.7%	215,279,425	0.4%
	Dec 2014	39,871,833	-0.8%	255,151,258	0.2%
	Jan 2015	42,972,458	7.9%	298,123,716	1.3%
	Feb 2015	30,554,137	-17.4%	328,677,853	-0.8%
	Mar 2015	34,360,251	-4.4%	363,038,104	-1.2%
	Apr 2015	32,942,126	-14.1%	395,980,230	-2.4%
	May 2015	33,214,280	-18.9%	429,194,510	-3.9%
	June 2015	34,170,202	-17.1%	463,364,712	-5.0%
FY 2016	July 2015	36,244,878	-16.4%	36,244,878	-16.4%
	Aug 2015	35,425,169	-20.8%	71,670,047	-18.6%
	Sep 2015	33,896,253	-21.1%	105,566,300	-19.4%
	Oct 2015	34,716,856	-19.7%	140,283,156	-19.5%
	Nov 2015	37,181,149	-9.3%	177,464,305	-17.6%
	Dec 2015	32,071,126	-19.6%	209,535,431	-17.9%
	Jan 2016				
	Feb 2016				
	Mar 2016				
	Apr 2016				
	May 2016				
	June 2016				



## Arizona Sales Tax - Utilities

### General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2012	July 2011	40,111,460	11.8%	40,111,460	11.8%
	Aug 2011	40,875,038	-9.1%	80,986,498	0.2%
	Sep 2011	46,646,194	1.7%	127,632,693	0.7%
	Oct 2011	45,842,935	6.3%	173,475,628	2.2%
	Nov 2011	34,149,040	-10.2%	207,624,668	-0.1%
	Dec 2011	29,540,842	6.2%	237,165,510	0.6%
	Jan 2012	29,367,167	1.6%	266,532,677	0.8%
	Feb 2012	30,658,712	-1.8%	297,191,389	0.5%
	Mar 2012	30,060,136	4.4%	327,251,525	0.8%
	Apr 2012	27,244,798	1.9%	354,496,323	0.9%
	May 2012	27,485,601	3.2%	381,981,924	1.1%
	June 2012	30,111,966	-1.9%	412,093,890	0.9%
FY 2013	July 2012	40,616,330	1.3%	40,616,330	1.3%
	Aug 2012	49,307,716	20.6%	89,924,046	11.0%
	Sep 2012	47,859,208	2.6%	137,783,254	8.0%
	Oct 2012	42,673,986	-6.9%	180,457,240	4.0%
	Nov 2012	36,906,904	8.1%	217,364,144	4.7%
	Dec 2012	28,508,254	-3.5%	245,872,398	3.7%
	Jan 2013	28,206,985	-4.0%	274,079,383	2.8%
	Feb 2013	32,772,398	6.9%	306,851,781	3.3%
	Mar 2013	26,578,715	-11.6%	333,430,496	1.9%
	Apr 2013	28,651,138	5.2%	362,081,634	2.1%
	May 2013	33,388,984	21.5%	395,470,618	3.5%
	June 2013	35,131,617	16.7%	430,602,235	4.5%
FY 2014	July 2013	41,253,785	1.6%	41,253,785	1.6%
	Aug 2013	51,118,922	3.7%	92,372,707	2.7%
	Sep 2013	48,310,422	0.9%	140,683,129	2.1%
	Oct 2013	45,404,017	6.4%	186,087,146	3.1%
	Nov 2013	36,096,400	-2.2%	222,183,546	2.2%
	Dec 2013	27,804,876	-2.5%	249,988,422	1.7%
	Jan 2014	31,282,441	10.9%	281,270,863	2.6%
	Feb 2014	32,556,099	-0.7%	313,826,962	2.3%
	Mar 2014	29,363,515	10.5%	343,190,477	2.9%
	Apr 2014	27,967,873	-2.4%	371,158,350	2.5%
	May 2014	28,121,488	-15.8%	399,279,838	1.0%
	June 2014	34,601,911	-1.5%	433,881,749	0.8%
FY 2015	July 2014	41,601,907	0.8%	41,601,907	0.8%
	Aug 2014	49,989,617	-2.2%	91,591,524	-0.8%
	Sep 2014	48,229,626	-0.2%	139,821,150	-0.6%
	Oct 2014	44,471,489	-2.1%	184,292,639	-1.0%
	Nov 2014	37,725,941	4.5%	222,018,580	-0.1%
	Dec 2014	28,145,342	1.2%	250,163,922	0.1%
	Jan 2015	30,408,913	-2.8%	280,572,835	-0.2%
	Feb 2015	32,737,055	0.6%	313,309,890	-0.2%
	Mar 2015	28,943,534	-1.4%	342,253,424	-0.3%
	Apr 2015	27,649,839	-1.1%	369,903,263	-0.3%
	May 2015	28,456,871	1.2%	398,360,134	-0.2%
	June 2015	31,971,972	-7.6%	430,332,106	-0.8%
FY 2016	July 2015	39,027,451	-6.2%	39,027,451	-6.2%
	Aug 2015	50,033,607	0.1%	89,061,058	-2.8%
	Sep 2015	50,425,149	4.6%	139,486,207	-0.2%
	Oct 2015	46,253,806	4.0%	185,740,013	0.8%
	Nov 2015	39,930,072	5.8%	225,670,085	1.6%
	Dec 2015	29,199,509	3.7%	254,869,594	1.9%
	Jan 2016				
	Feb 2016				
	Mar 2016				
	Apr 2016				
	May 2016				
	June 2016				

## Arizona Sales Tax - Restaurants and Bars

### General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2012	July 2011	28,571,695	8.9%	28,571,695	8.9%
	Aug 2011	28,045,076	12.4%	56,616,771	10.6%
	Sep 2011	26,869,234	3.8%	83,486,005	8.3%
	Oct 2011	27,981,394	8.2%	111,467,399	8.3%
	Nov 2011	29,374,335	4.9%	140,841,734	7.5%
	Dec 2011	28,945,330	9.9%	169,787,063	7.9%
	Jan 2012	32,174,741	6.2%	201,961,804	7.6%
	Feb 2012	30,980,041	12.8%	232,941,845	8.3%
	Mar 2012	33,375,882	4.1%	266,317,727	7.8%
	Apr 2012	37,166,563	8.3%	303,484,290	7.8%
	May 2012	33,272,286	6.3%	336,756,577	7.7%
	June 2012	32,106,240	4.0%	368,862,817	7.4%
FY 2013	July 2012	30,991,504	8.5%	30,991,504	8.5%
	Aug 2012	28,325,088	1.0%	59,316,592	4.8%
	Sep 2012	30,672,616	14.2%	89,989,208	7.8%
	Oct 2012	29,940,956	7.0%	119,930,164	7.6%
	Nov 2012	31,090,860	5.8%	151,021,024	7.2%
	Dec 2012	30,148,220	4.2%	181,169,244	6.7%
	Jan 2013	34,217,130	6.3%	215,386,374	6.6%
	Feb 2013	32,491,480	4.9%	247,877,854	6.4%
	Mar 2013	33,615,420	0.7%	281,493,274	5.7%
	Apr 2013	38,809,996	4.4%	320,303,270	5.5%
	May 2013	34,819,505	4.7%	355,122,775	5.5%
	June 2013	33,945,211	5.7%	389,067,986	5.5%
FY 2014	July 2013	31,505,076	1.7%	31,505,076	1.7%
	Aug 2013	29,178,727	3.0%	60,683,803	2.3%
	Sep 2013	30,873,488	0.7%	91,557,291	1.7%
	Oct 2013	31,126,606	4.0%	122,683,897	2.3%
	Nov 2013	32,648,090	5.0%	155,331,987	2.9%
	Dec 2013	32,901,765	9.1%	188,233,752	3.9%
	Jan 2014	34,330,457	0.3%	222,564,209	3.3%
	Feb 2014	34,099,887	5.0%	256,664,096	3.5%
	Mar 2014	36,748,460	9.3%	293,412,556	4.2%
	Apr 2014	41,454,544	6.8%	334,867,100	4.5%
	May 2014	36,761,375	5.6%	371,628,475	4.6%
	June 2014	37,409,895	10.2%	409,038,370	5.1%
FY 2015	July 2014	33,177,148	5.3%	33,177,148	5.3%
	Aug 2014	30,626,101	5.0%	63,803,249	5.1%
	Sep 2014	35,433,944	14.8%	99,237,193	8.4%
	Oct 2014	34,065,936	9.4%	133,303,129	8.7%
	Nov 2014	34,295,091	5.0%	167,598,220	7.9%
	Dec 2014	37,300,003	13.4%	204,898,223	8.9%
	Jan 2015	40,253,761	17.3%	245,151,984	10.1%
	Feb 2015	34,897,943	2.3%	280,049,927	9.1%
	Mar 2015	40,367,437	9.8%	320,417,364	9.2%
	Apr 2015	42,793,319	3.2%	363,210,683	8.5%
	May 2015	40,616,830	10.5%	403,827,513	8.7%
	June 2015	40,921,999	9.4%	444,749,512	8.7%
FY 2016	July 2015	34,696,347	4.6%	34,696,347	4.6%
	Aug 2015	34,101,403	11.3%	68,797,750	7.8%
	Sep 2015	34,560,586	-2.5%	103,358,336	4.2%
	Oct 2015	34,887,605	2.4%	138,245,941	3.7%
	Nov 2015	38,478,451	12.2%	176,724,392	5.4%
	Dec 2015	38,160,598	2.3%	214,884,990	4.9%
	Jan 2016				
	Feb 2016				
	Mar 2016				
	Apr 2016				
	May 2016				
	June 2016				

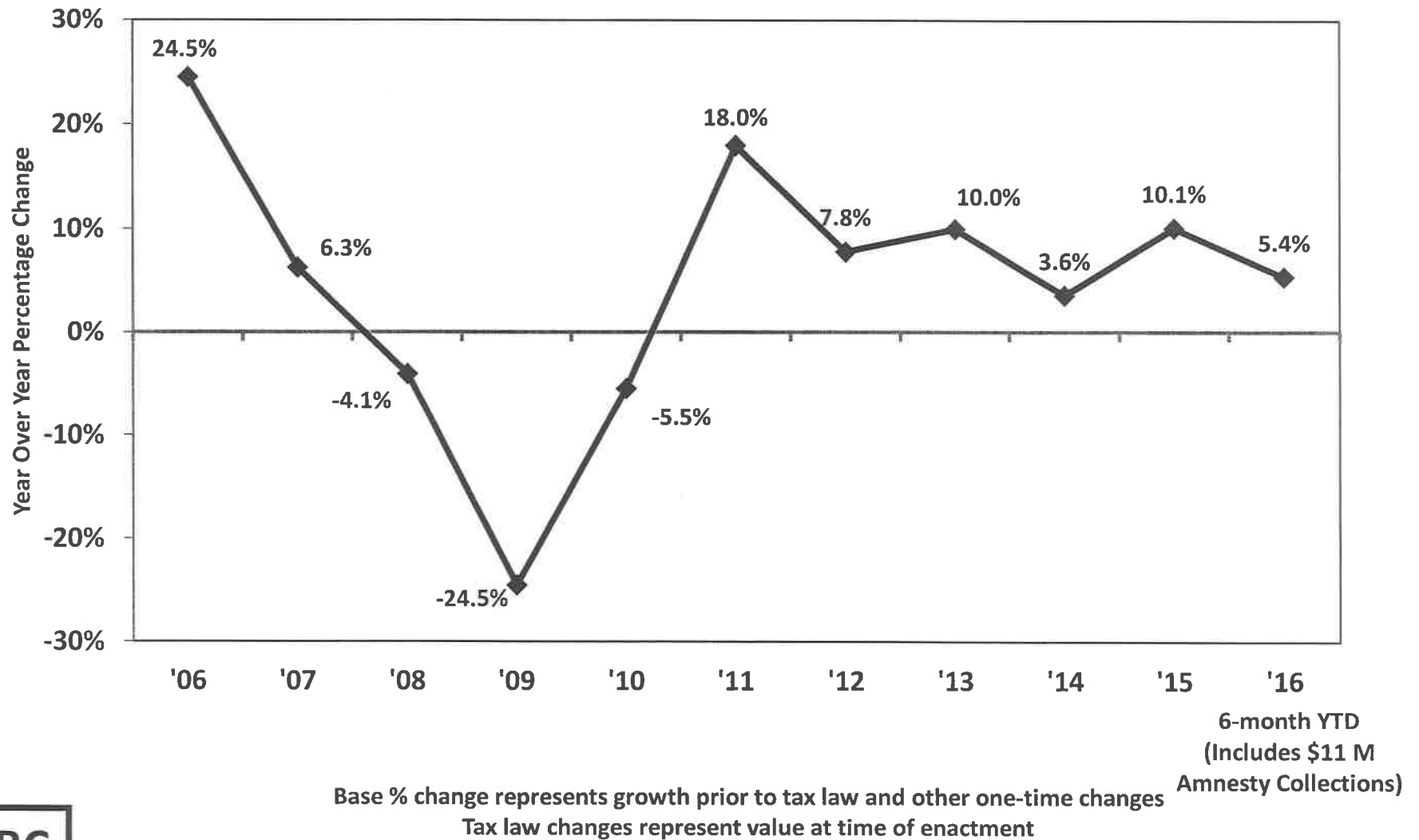
## Arizona Use Tax General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2012	July 2011	26,807,003	24.0%	26,807,003	24.0%
	Aug 2011	26,502,905	4.9%	53,309,908	13.7%
	Sep 2011	19,608,030	-9.1%	72,917,938	6.5%
	Oct 2011	20,899,310	12.2%	93,817,248	7.7%
	Nov 2011	19,867,161	-22.5%	113,684,410	0.9%
	Dec 2011	21,515,513	58.8%	135,199,923	7.1%
	Jan 2012	26,209,693	2.6%	161,409,616	6.3%
	Feb 2012	21,029,980	1.6%	182,439,595	5.8%
	Mar 2012	18,120,799	-5.6%	200,560,395	4.6%
	Apr 2012	22,167,741	28.8%	222,728,136	6.6%
	May 2012	22,419,432	11.2%	245,147,569	7.0%
	June 2012	18,576,830	13991.7%	263,724,398	15.1%
FY 2013	July 2012	26,218,405	-2.2%	26,218,405	-2.2%
	Aug 2012	21,982,606	-17.1%	48,201,011	-9.6%
	Sep 2012	23,898,844	21.9%	72,099,855	-1.1%
	Oct 2012	18,897,488	-9.6%	90,997,343	-3.0%
	Nov 2012	22,730,129	14.4%	113,727,472	0.0%
	Dec 2012	20,981,295	-2.5%	134,708,767	-0.4%
	Jan 2013	22,119,839	-15.6%	156,828,606	-2.8%
	Feb 2013	22,758,853	8.2%	179,587,459	-1.6%
	Mar 2013	15,893,011	-12.3%	195,480,470	-2.5%
	Apr 2013	19,896,328	-10.2%	215,376,798	-3.3%
	May 2013	23,040,151	2.8%	238,416,949	-2.7%
	June 2013	19,482,364	4.9%	257,899,313	-2.2%
FY 2014	July 2013	26,397,599	0.7%	26,397,599	0.7%
	Aug 2013	24,203,511	10.1%	50,601,110	5.0%
	Sep 2013	26,287,246	10.0%	76,888,356	6.6%
	Oct 2013	24,821,300	31.3%	101,709,656	11.8%
	Nov 2013	21,943,914	-3.5%	123,653,570	8.7%
	Dec 2013	18,718,007	-10.8%	142,371,577	5.7%
	Jan 2014	(9,552,488)	-143.2%	132,819,089	-15.3%
	Feb 2014	19,752,297	-13.2%	152,571,386	-15.0%
	Mar 2014	17,749,979	11.7%	170,321,365	-12.9%
	Apr 2014	23,853,143	19.9%	194,174,508	-9.8%
	May 2014	22,918,205	-0.5%	217,092,713	-8.9%
	June 2014	18,892,220	-3.0%	235,984,933	-8.5%
FY 2015	July 2014	23,695,049	-10.2%	23,695,049	-10.2%
	Aug 2014	26,617,042	10.0%	50,312,091	-0.6%
	Sep 2014	24,458,282	-7.0%	74,770,373	-2.8%
	Oct 2014	28,121,689	13.3%	102,892,062	1.2%
	Nov 2014	23,980,614	9.3%	126,872,676	2.6%
	Dec 2014	22,181,223	18.5%	149,053,899	4.7%
	Jan 2015	25,217,821	N/A	174,271,720	31.2%
	Feb 2015	21,325,444	8.0%	195,597,164	28.2%
	Mar 2015	21,142,410	19.1%	216,739,574	27.3%
	Apr 2015	21,079,611	-11.6%	237,819,185	22.5%
	May 2015	22,368,346	-2.4%	260,187,531	19.9%
	June 2015	20,956,202	10.9%	281,143,733	19.1%
FY 2016	July 2015	24,622,847	3.9%	24,622,847	3.9%
	Aug 2015	22,022,588	-17.3%	46,645,435	-7.3%
	Sep 2015	28,693,187	17.3%	75,338,622	0.8%
	Oct 2015	23,728,706	-15.6%	99,067,328	-3.7%
	Nov 2015	26,167,390	9.1%	125,234,718	-1.3%
	Dec 2015	22,114,197	-0.3%	147,348,916	-1.1%
	Jan 2016				
	Feb 2016				
	Mar 2016				
	Apr 2016				
	May 2016				
	June 2016				

# Individual Income Tax

# Individual Income Tax

## - Base % Change



## Arizona Individual Income Tax

### General Fund Collections

		Total	Y/Y Chg.	Year-to-Date Total	YTD Chg.	Withholding	Y/Y Chg.	Year-to-Date	YTD Chg.	Payments	Y/Y Chg.	Year-to-Date	YTD Chg.	Refunds	Y/Y Chg.	Refunds	YTD Chg.
FY 2012	Jul-11	258,103,165	8.6%	258,103,165	8.6%	259,065,966	4.6%	259,065,966	4.6%	13,992,743	4.6%	13,992,743	4.6%	(14,955,544)	-35.8%	(14,955,544)	-35.8%
	Aug	279,592,728	8.7%	537,695,894	8.6%	280,171,827	6.9%	539,237,793	5.8%	16,559,244	16.4%	30,551,987	10.7%	(17,138,342)	-10.3%	(32,093,886)	-24.3%
	Sep	316,659,381	10.3%	854,355,275	9.3%	247,943,193	3.7%	787,180,985	5.1%	84,818,311	12.0%	115,370,238	11.6%	(16,102,122)	-42.0%	(48,196,008)	-31.3%
	Oct	262,716,665	28.9%	1,117,071,940	13.3%	282,818,923	7.9%	1,069,999,908	5.8%	43,943,506	27.4%	159,313,804	15.6%	(64,045,764)	-31.1%	(112,241,772)	-31.2%
	Nov	256,509,482	-3.6%	1,373,581,421	9.7%	262,800,934	-2.5%	1,332,800,842	4.1%	15,341,441	30.5%	174,655,244	16.8%	(21,632,893)	43.1%	(133,874,665)	-24.9%
	Dec	352,348,784	2.9%	1,725,930,205	8.2%	299,066,473	0.6%	1,631,867,315	3.4%	55,737,868	12.3%	230,393,113	15.6%	(2,455,557)	-44.7%	(136,330,222)	-25.3%
	Jan-12	423,694,950	16.9%	2,149,625,156	9.8%	305,562,054	1.8%	1,937,429,369	3.2%	158,056,550	74.9%	388,449,663	34.1%	(39,923,654)	41.9%	(176,253,876)	-16.4%
	Feb	(72,643,496)	N/A	2,076,981,660	3.4%	287,173,008	3.7%	2,224,602,377	3.2%	19,637,403	4.0%	408,087,065	32.3%	(379,453,906)	55.6%	(555,707,782)	22.2%
	Mar	72,291,368	N/A	2,149,273,028	7.2%	282,629,550	2.5%	2,507,231,927	3.1%	46,931,963	8.7%	455,019,028	29.4%	(257,270,144)	-20.5%	(812,977,927)	4.5%
	Apr	376,806,890	23.1%	2,526,079,918	9.3%	282,750,884	11.6%	2,789,982,811	3.9%	435,563,902	11.2%	890,582,930	19.8%	(341,507,896)	0.7%	(1,154,485,823)	3.3%
FY 2013	May	231,767,419	-3.7%	2,757,847,337	8.1%	283,775,292	-2.4%	3,073,758,103	3.3%	17,542,908	-10.6%	903,125,837	19.0%	(69,550,780)	0.0%	(1,224,036,603)	3.1%
	Jun	328,290,025	5.0%	3,086,137,363	7.8%	258,805,077	2.5%	3,332,563,180	3.3%	87,703,250	7.7%	995,829,088	17.9%	(18,218,301)	-15.3%	(1,242,254,905)	2.8%
	Jul-12	287,855,519	11.5%	287,855,519	11.5%	284,466,614	9.8%	284,466,614	9.8%	14,974,662	7.0%	14,974,662	7.0%	(11,585,757)	-22.5%	(11,585,757)	-22.5%
	Aug	274,914,437	-1.7%	562,769,956	4.7%	271,669,187	-3.0%	556,135,801	3.1%	17,096,635	3.2%	32,071,297	5.0%	(13,851,385)	-19.2%	(25,437,142)	-20.7%
	Sep	330,473,379	4.4%	893,243,335	4.6%	248,348,191	0.2%	804,483,992	2.2%	95,989,949	13.2%	128,061,246	11.0%	(13,864,761)	-13.9%	(39,301,903)	-18.5%
	Oct	275,896,569	5.0%	1,169,139,904	4.7%	308,266,817	9.0%	1,112,750,809	4.0%	46,536,943	5.9%	174,598,189	9.6%	(78,907,191)	23.2%	(118,209,094)	5.3%
	Nov	277,808,005	8.3%	1,446,947,909	5.3%	267,761,759	1.9%	1,380,512,568	3.6%	14,844,599	-3.2%	189,442,788	8.5%	(4,798,353)	-77.8%	(123,007,447)	-8.1%
	Dec	410,181,568	16.4%	1,857,129,477	7.6%	339,842,366	13.6%	1,720,354,934	5.4%	72,572,642	30.2%	262,015,430	13.7%	(2,233,440)	-9.0%	(125,240,887)	-8.1%
	Jan-13	441,613,843	4.2%	2,298,743,320	6.9%	311,036,015	1.8%	2,031,390,949	4.8%	136,860,873	-13.4%	398,876,303	2.7%	(6,283,045)	-84.3%	(131,523,932)	-25.4%
	Feb	(46,521,111)	N/A	2,252,222,209	8.4%	275,040,693	-4.2%	2,306,431,642	3.7%	16,973,052	-13.6%	415,849,355	1.9%	(338,534,856)	-10.8%	(470,058,788)	-15.4%
FY 2014	Mar	65,790,080	-9.0%	2,318,012,289	7.9%	294,703,420	4.3%	2,601,135,062	3.7%	52,690,755	12.3%	468,540,110	3.0%	(281,604,095)	9.5%	(751,662,883)	-7.5%
	Apr	519,783,007	37.9%	2,837,795,296	12.3%	301,485,031	6.6%	2,902,620,093	4.0%	558,676,700	28.3%	1,027,216,810	15.3%	(340,378,724)	-0.3%	(1,092,041,607)	-5.4%
	May	229,188,191	-1.1%	3,066,983,487	11.2%	296,381,110	4.4%	3,199,001,203	4.1%	27,141,047	54.7%	1,054,357,857	16.1%	(94,338,966)	35.6%	(1,186,375,573)	-3.1%
	Jun	330,561,646	0.7%	3,397,545,133	10.1%	251,495,781	-2.8%	3,450,496,984	3.5%	103,594,739	18.1%	1,157,952,596	16.3%	(24,528,874)	34.6%	(1,210,904,447)	-2.5%
	Jul-13	306,584,861	6.5%	306,584,861	6.5%	306,632,890	7.8%	306,632,890	7.8%	19,029,100	27.1%	19,029,100	27.1%	(19,077,129)	64.7%	(19,077,129)	64.7%
	Aug	274,573,097	-0.1%	581,157,958	3.3%	267,905,132	-1.4%	574,538,022	3.8%	19,245,061	12.6%	38,274,161	19.3%	(12,577,096)	-9.2%	(31,654,225)	24.4%
	Sep	371,782,566	12.5%	952,940,524	6.7%	275,796,364	11.1%	850,334,386	5.7%	111,317,014	16.0%	149,591,175	16.8%	(15,330,812)	10.6%	(46,985,037)	19.5%
	Oct	300,662,202	9.0%	1,253,602,726	7.2%	302,374,318	-1.9%	1,152,708,704	3.6%	66,530,526	43.0%	216,121,701	23.8%	(68,242,642)	-13.5%	(115,227,679)	2.5%
	Nov	281,831,479	1.4%	1,535,434,205	6.1%	280,378,107	4.7%	1,433,086,811	3.8%	16,737,041	12.7%	232,858,742	22.9%	(15,283,669)	218.5%	(130,511,348)	6.1%
	Dec	384,210,008	-6.3%	1,919,644,213	3.4%	317,295,026	-6.6%	1,750,381,837	1.7%	69,847,905	-3.8%	302,706,647	15.5%	(2,932,923)	31.3%	(133,444,271)	6.6%
FY 2015	Jan-14	434,280,368	-1.7%	2,353,924,581	2.4%	324,311,016	4.3%	2,074,692,853	2.1%	112,567,170	-17.8%	415,273,817	4.1%	(2,597,818)	-58.7%	(136,042,089)	3.4%
	Feb	(31,870,667)	N/A	2,322,053,914	3.1%	294,065,551	6.9%	2,368,758,404	3.7%	20,498,934	20.8%	435,772,751	4.8%	(346,435,152)	2.3%	(482,477,241)	2.6%
	Mar	118,392,716	80.0%	2,440,446,630	5.3%	323,134,788	9.6%	2,691,893,192	3.5%	57,035,644	8.2%	492,808,395	5.2%	(261,777,716)	-7.0%	(744,254,957)	-1.0%
	Apr	394,440,392	-24.1%	2,834,887,022	-0.1%	302,096,159	0.2%	2,993,989,351	3.1%	500,356,470	-10.4%	993,164,865	-3.3%	(408,012,237)	19.9%	(1,152,267,194)	5.5%
	May	267,284,787	16.6%	3,102,171,809	1.1%	293,892,915	-0.8%	3,287,882,266	2.8%	20,860,216	-23.1%	1,014,025,081	-3.8%	(47,468,344)	-49.7%	(1,199,735,538)	1.1%
	Jun	360,210,187	9.0%	3,462,381,996	1.9%	280,788,999	11.6%	3,568,671,265	3.4%	104,259,821	0.6%	1,118,284,902	-3.4%	(24,838,633)	1.3%	(1,224,574,171)	1.1%
	Jul-14	307,979,480	0.5%	307,979,480	0.5%	303,667,985	-1.0%	303,667,985	-1.0%	21,354,109	12.2%	21,354,109	12.2%	(17,042,614)	-10.7%	(17,042,614)	-10.7%
	Aug	277,051,357	0.9%	585,030,837	0.7%	269,976,357	0.8%	573,644,342	-0.2%	18,694,259	-2.9%	40,048,368	4.6%	(11,619,259)	-7.6%	(28,661,873)	-9.5%
	Sep	391,176,578	5.2%	976,207,415	2.4%	288,262,398	1.4%	861,906,740	1.4%	117,688,025	5.7%	157,736,393	5.4%	(14,773,845)	-3.6%	(43,435,718)	-7.6%
	Oct	299,910,716	-0.2%	1,276,118,131	1.8%	320,304,415	5.9%	1,182,211,155	2.6%	60,134,205	-9.6%	217,870,598	0.8%	(80,527,904)	18.0%	(123,963,622)	7.6%
FY 2016	Nov	283,967,357	0.8%	1,560,085,488	1.6%	280,397,837	0.0%	1,462,608,992	2.1%	17,555,850	4.9%	235,426,448	1.1%	(13,986,330)	-8.5%	(137,949,952)	5.7%
	Dec	421,259,858	9.6%	1,981,345,346	3.2%	337,372,433	6.3%	1,799,981,425	2.8%	83,167,608	19.1%	318,594,056	5.2%	719,817	-124.5%	(137,230,135)	2.8%
	Jan-15	433,302,725	-0.2%	2,414,648,071	2.6%	313,745,758	-3.3%	2,113,727,183	1.9%	120,273,142	6.8%	438,867,198	5.7%	(716,174)	-72.4%	(137,946,309)	1.4%
	Feb	36,808,028	N/A	2,451,456,099	5.6%	309,285,533	5.2%	2,423,012,716	2.3%	20,393,366	-0.5%	459,260,564	5.4%	(292,870,871)	-15.5%	(430,817,180)	-10.7%
	Mar	135,296,012	14.3%	2,586,752,111	6.0%	350,211,775	8.4%	2,773,224,491	3.0%	66,961,424	17.4%	526,221,987	6.8%	(281,877,186)	7.7%	(712,694,367)	-4.2%
	Apr	543,319,360	37.7%	3,130,071,471	10.4%	319,280,583	5.7%	3,092,505,074	3.3%	606,080,226	21.1%	1,132,302,213	14.0%	(382,041,449)	-6.4%	(1,094,735,816)	-5.0%
	May	237,238,950	-11.2%	3,367,310,420	8.5%	293,092,224	-0.3%	3,385,597,298	3.0%	21,718,764	4.1%	1,154,020,977	13.8%	(77,572,039)	63.4%	(1,172,307,855)	-2.3%
	Jun	393,567,675	9.3%	3,760,878,095	8.6%	305,671,016	8.9%	3,691,268,314	3.4%	129,816,206	24.5%	1,283,837,183	14.8%	(41,919,548)	68.8%	(1,214,227,402)	-0.8%
	Jul-15	314,515,790	2.1%	314,515,790	2.1%	314,430,681	3.5%	314,430,681	3.5%	19,164,953	-10.3%	19,164,953	-10.3%	(19,079,844)	12.0%	(19,079,844)	12.0%
	Aug	317,132,476	14.5%	631,648,266	8.0%	305,157,231	13.0%	619,587,912	8.0%	23,246,287	24.3%	42,411,240	5.9%	(11,271,042)	-3.0%	(30,350,886)	5.9%
FY 2016	Sep	393,705,665	0.6%	1,025,353,931	5.0%	273,973,325	-5.0%	893,561,237	3.7%	132,426,221	12.5%	174,837,461	10.8%	(12,693,881)	-14.1%	(43,044,766)	-0.9%
	Oct	319,034,350	6.4%	1,344,388,281	5.3%	302,810,632	-5.5%	1,196,371,869	1.2%	76,738,000	27.6%	251,575,461	15.5%	(60,514,282)	-24.9%	(103,559,049)	-16.5%
	Nov	323,581,752	14.0%	1,667,970,033	6.9%	320,117,504	14.2%	1,516,489,373	3.7%	22,178,950	26.3%	273,754,411	16.3%	(18,714,702)	33.8%	(122,273,751)	-11.4%
	Dec	420,765,658	-0.1%	2,088,735,691	5.4%	333,681,665	-1.1%	1,850,171,038	2.8%	117,234,036	41.0%	390,988,447	22.7%	(30,150,043)	-4288.6%	(152,423,795)	11.1%
	Jan-16																
	Feb																
	Mar																
	Apr																
May																	
Jun																	

## Arizona Individual Income Tax - Estimated and Final Payments

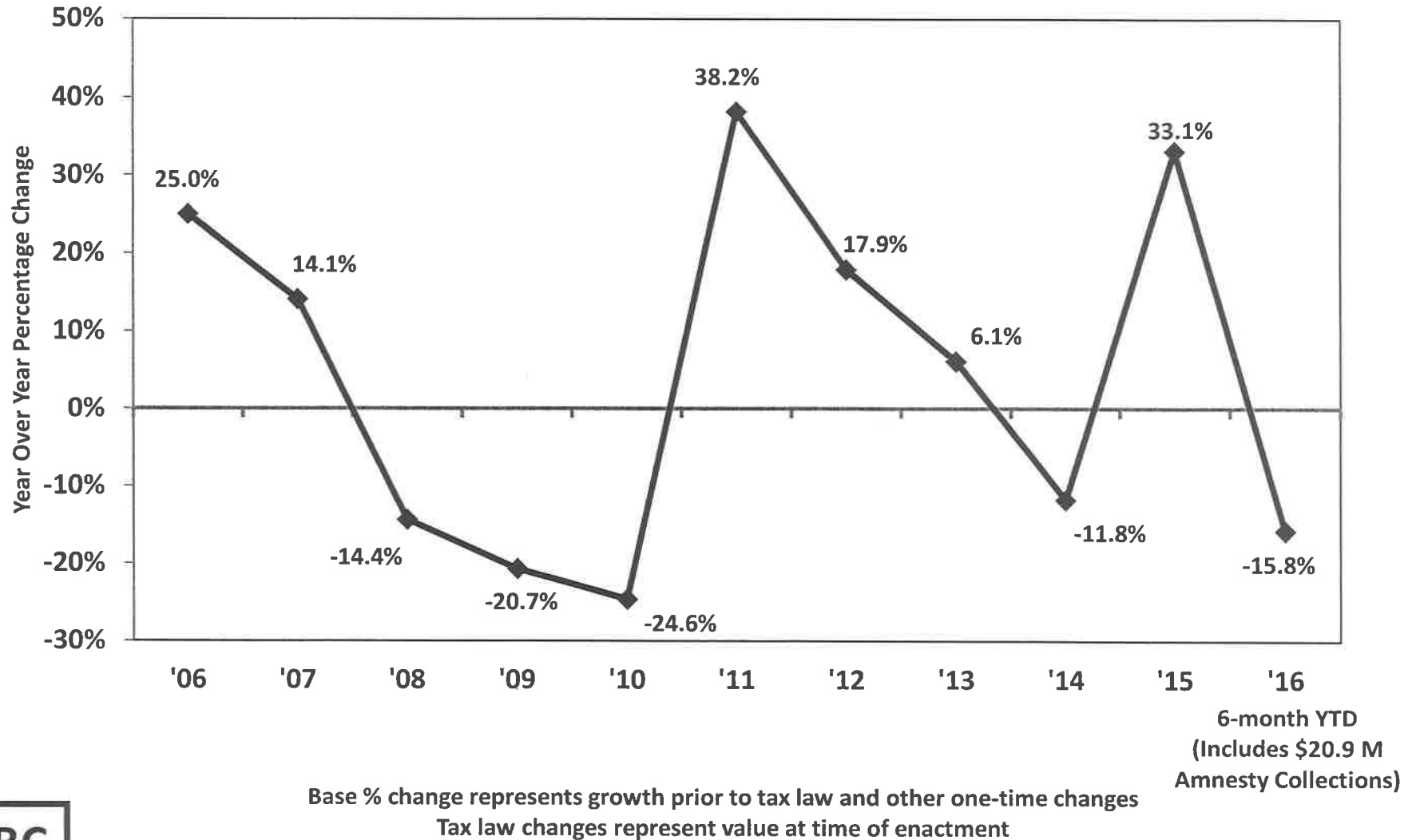
		Year-to-Date				Year-to-Date				Year-to-Date			
		Total Payments	Y/Y Chg.	Total Payments	YTD Chg.	Estimated	Y/Y Chg.	Estimated	YTD Chg.	Final	Y/Y Chg.	Final	YTD Chg.
FY 2012	Jul-11	13,992,743	4.6%	13,992,743	4.6%	3,418,739	6.6%	3,418,739	6.6%	10,574,004	4.0%	10,574,004	4.0%
	Aug	16,559,244	16.4%	30,551,987	10.7%	4,997,703	10.3%	8,416,442	8.8%	11,561,541	19.2%	22,135,545	11.4%
	Sep	84,818,311	12.0%	115,370,298	11.6%	75,537,740	20.0%	83,954,182	18.8%	9,280,571	-27.6%	31,416,116	-3.9%
	Oct	43,943,506	27.4%	159,313,804	15.6%	5,295,654	4.5%	89,249,836	17.8%	38,647,851	31.3%	70,063,967	12.8%
	Nov	15,341,441	30.5%	174,655,244	16.8%	3,617,690	48.1%	92,867,526	18.8%	11,723,751	25.9%	81,787,718	14.5%
	Dec	55,737,868	12.3%	230,393,113	15.6%	42,856,312	1.1%	135,723,839	12.6%	12,881,556	76.9%	94,669,274	20.3%
	Jan-12	158,056,550	74.9%	388,449,663	34.1%	150,903,673	84.4%	286,627,512	41.6%	7,152,877	-16.1%	101,822,151	16.7%
	Feb	19,637,403	4.0%	408,087,065	32.3%	2,218,310	11.2%	288,845,822	41.3%	17,419,093	3.2%	119,241,243	14.5%
	Mar	46,931,963	8.7%	455,019,028	29.4%	4,150,715	46.2%	292,996,537	41.4%	42,781,248	6.0%	162,022,491	12.2%
	Apr	435,563,902	11.2%	890,582,930	19.8%	50,256,174	14.4%	343,252,711	36.7%	385,307,728	10.8%	547,330,219	11.2%
	May	17,542,908	-10.6%	908,125,837	19.0%	5,756,818	69.8%	349,009,529	37.1%	11,786,090	-27.4%	559,116,309	10.0%
	Jun	87,703,250	7.7%	995,829,088	17.9%	73,573,033	7.2%	422,582,562	30.8%	14,130,217	9.9%	573,246,526	10.0%
FY 2013	Jul-12	14,974,662	7.0%	14,974,662	7.0%	4,540,630	32.8%	4,540,630	32.8%	10,434,032	-1.3%	10,434,032	-1.3%
	Aug	17,096,634	3.2%	32,071,296	5.0%	5,862,487	17.3%	10,403,117	23.6%	11,234,147	-2.8%	21,668,179	-2.1%
	Sep	95,989,948	13.2%	128,061,244	11.0%	83,986,121	11.2%	94,389,238	12.4%	12,003,827	29.3%	33,672,006	7.2%
	Oct	46,536,943	5.9%	174,598,187	9.6%	7,266,490	37.2%	101,655,728	13.9%	39,270,453	1.6%	72,942,459	4.1%
	Nov	14,844,599	-3.2%	189,442,786	8.5%	4,407,208	21.8%	106,062,936	14.2%	10,437,391	-11.0%	83,379,850	1.9%
	Dec	72,572,643	30.2%	262,015,429	13.7%	64,610,374	50.8%	170,673,310	25.8%	7,962,269	-38.2%	91,342,119	-3.5%
	Jan-13	136,860,874	-13.4%	398,876,303	2.7%	128,709,440	-14.7%	299,382,750	4.5%	8,151,434	14.0%	99,493,553	-2.3%
	Feb	16,973,052	13.6%	415,849,355	1.9%	2,177,569	1.8%	301,560,319	4.4%	14,795,483	-15.1%	114,289,036	-4.2%
	Mar	52,690,755	12.3%	468,540,110	3.0%	3,861,203	-7.0%	305,421,522	4.2%	48,829,552	14.1%	163,118,588	0.7%
	Apr	558,676,700	28.3%	1,027,216,810	15.3%	52,766,118	5.0%	358,187,640	4.4%	505,910,582	31.3%	669,029,170	22.2%
	May	27,141,047	54.7%	1,054,357,857	16.1%	5,206,587	-9.6%	363,394,227	4.1%	21,934,460	86.1%	690,963,630	23.6%
	Jun	103,594,738	18.1%	1,157,952,595	16.3%	87,141,255	18.4%	450,535,482	6.6%	16,453,483	16.4%	707,417,113	23.4%
FY 2014	Jul-13	19,029,099	27.1%	19,029,099	27.1%	5,081,621	11.9%	5,081,621	11.9%	13,947,478	33.7%	13,947,478	33.7%
	Aug	19,245,061	12.6%	38,274,160	19.3%	6,644,285	13.3%	11,725,906	12.7%	12,600,776	12.2%	26,548,254	22.5%
	Sep	111,317,015	16.0%	149,591,175	16.8%	93,801,627	11.7%	105,527,533	11.8%	17,515,388	45.9%	44,063,642	30.9%
	Oct	66,530,527	43.0%	216,121,702	23.8%	8,031,168	10.5%	113,558,701	11.7%	58,499,359	49.0%	102,563,001	40.6%
	Nov	16,737,041	12.7%	232,858,743	22.9%	3,703,510	-16.0%	117,262,211	10.6%	13,033,531	24.9%	115,596,532	38.6%
	Dec	69,847,905	-3.8%	302,706,648	15.5%	61,510,330	-4.8%	178,772,541	4.7%	8,337,575	4.7%	123,934,107	35.7%
	Jan-14	112,567,170	-17.8%	415,273,818	4.1%	104,201,522	-19.0%	282,974,603	-5.5%	8,365,648	2.6%	132,299,755	33.0%
	Feb	20,498,935	20.8%	435,772,753	4.8%	2,403,212	10.4%	285,377,275	-5.4%	18,095,723	22.3%	150,395,478	31.6%
	Mar	57,035,644	8.2%	492,808,397	5.2%	4,852,137	25.7%	290,229,412	-5.0%	52,183,507	6.9%	202,578,985	24.2%
	Apr	500,356,470	-10.4%	993,164,867	-3.3%	57,048,776	8.1%	347,278,188	-3.0%	443,307,694	-12.4%	645,886,679	-3.5%
	May	20,860,216	-23.1%	1,014,025,083	-3.8%	5,553,012	6.7%	352,831,200	-2.9%	15,307,204	-30.2%	661,193,883	-4.3%
	Jun	104,259,820	0.6%	1,118,284,903	-3.4%	86,454,543	-0.8%	439,285,743	-2.5%	17,805,277	8.2%	678,999,160	-4.0%
FY 2015	Jul-14	21,354,109	12.2%	21,354,109	12.2%	6,285,380	23.7%	6,285,380	23.7%	15,068,729	8.0%	15,068,729	8.0%
	Aug	18,694,259	-2.9%	40,048,368	4.6%	6,941,033	4.5%	13,226,413	12.8%	11,753,226	-6.7%	26,821,955	1.0%
	Sep	117,688,025	5.7%	157,736,393	5.4%	100,467,659	7.1%	113,694,072	7.7%	17,220,366	-1.7%	44,042,321	0.0%
	Oct	60,134,205	-9.6%	217,870,598	0.8%	7,948,849	-1.0%	121,642,921	7.1%	52,185,356	-10.8%	96,227,677	-6.2%
	Nov	17,555,851	4.9%	235,426,449	1.1%	5,361,587	44.8%	127,004,508	8.3%	12,194,264	-6.4%	108,421,941	-6.2%
	Dec	83,167,608	19.1%	318,594,057	5.2%	73,371,410	19.3%	200,375,918	12.1%	9,796,198	17.5%	118,218,139	-4.6%
	Jan-15	120,273,142	6.8%	438,867,199	5.7%	115,372,044	10.7%	315,747,962	11.6%	4,901,098	-41.4%	123,119,237	-6.9%
	Feb	20,393,366	-0.5%	459,260,565	5.4%	2,907,743	21.0%	318,655,704	11.7%	17,485,623	-3.4%	140,604,860	-6.5%
	Mar	66,961,424	17.4%	526,221,988	6.8%	5,780,718	19.1%	324,436,423	11.8%	61,180,705	17.2%	201,785,566	-0.4%
	Apr	606,080,226	21.1%	1,132,302,214	14.0%	69,730,470	22.2%	394,166,893	13.5%	536,349,755	21.0%	738,135,321	14.3%
	May	21,718,764	4.1%	1,154,020,978	13.8%	5,983,980	7.8%	400,150,873	13.4%	15,734,784	2.8%	753,870,105	14.0%
	Jun	129,816,206	24.5%	1,283,837,184	14.8%	110,381,320	27.7%	510,532,193	16.2%	19,434,886	9.2%	773,304,991	13.9%
FY 2016	Jul-15	19,164,953	-10.3%	19,164,953	-10.3%	5,850,579	-6.9%	5,850,579	-6.9%	13,314,373	-11.6%	13,314,373	-11.6%
	Aug	23,246,287	24.3%	42,411,240	5.9%	8,211,917	18.3%	14,062,496	6.3%	15,034,370	27.9%	28,348,744	5.7%
	Sep	132,426,221	12.5%	174,837,461	10.8%	114,161,632	13.6%	128,224,128	12.8%	18,264,589	6.1%	46,613,333	5.8%
	Oct	76,738,000	27.6%	251,575,461	15.5%	8,458,806	6.4%	136,682,934	12.4%	68,279,194	30.8%	114,892,527	19.4%
	Nov	22,178,950	26.3%	273,754,411	16.3%	6,067,038	13.2%	142,749,972	12.4%	16,111,912	32.1%	131,004,439	20.8%
	Dec	117,234,036	41.0%	390,988,447	22.7%	105,670,933	44.0%	248,420,905	24.0%	11,563,103	18.0%	142,567,542	20.6%
	Jan-16												
	Feb												
	Mar												
	Apr												
	May												
	Jun												

# **Corporate Income Tax**



# Corporate Income Tax

## - Base % Change



# Arizona Corporate Income Tax General Fund Collections

		Year-to-Date Gross				Year-to-Date				Year-to-Date Net			
		Gross Revenue	Y/Y Chg.	Revenue	YTD Chg.	Refunds	Y/Y Chg.	Refunds	YTD Chg.	Net Revenue	Y/Y Chg.	Revenue	YTD Chg.
FY 2012	July 2011	29,025,322	-7.2%	29,025,322	-7.2%	(3,384,799)	-56.8%	(3,384,799)	-56.8%	25,640,524	9.4%	25,640,524	9.4%
	Aug 2011	42,313,720	87.4%	71,339,042	32.5%	(9,940,301)	128.0%	(13,325,100)	9.3%	32,373,418	77.7%	58,013,942	39.2%
	Sept 2011	120,105,342	-2.8%	191,444,384	7.9%	(3,943,140)	-30.0%	(17,268,240)	-3.1%	116,162,203	-1.5%	174,176,145	9.2%
	Oct 2011	36,309,111	17.0%	227,753,495	9.3%	(12,402,526)	11.1%	(29,670,766)	2.3%	23,906,584	20.4%	198,082,729	10.4%
	Nov 2011	24,880,266	164.6%	252,633,761	16.0%	(30,713,346)	-34.1%	(60,384,112)	-20.1%	(5,833,080)	N/A	192,249,649	35.2%
	Dec 2011	131,961,174	40.8%	384,594,935	23.5%	(2,135,074)	N/A	(62,519,186)	-11.4%	129,826,100	31.5%	322,075,749	33.7%
	Jan 2012	34,263,313	19.3%	418,858,249	23.1%	(1,136,019)	-67.0%	(63,655,205)	-14.0%	33,127,294	31.0%	355,203,043	33.4%
	Feb 2012	15,261,053	9.3%	434,119,301	22.6%	(2,913,898)	-58.0%	(66,569,104)	-17.8%	12,347,154	75.7%	367,550,198	34.5%
	Mar 2012	68,531,557	26.8%	502,650,858	23.1%	(2,643,333)	-5.0%	(69,212,437)	-17.3%	65,888,224	28.6%	433,438,422	33.6%
	Apr 2012	92,679,219	4.0%	595,330,077	19.7%	(2,529,765)	-51.1%	(71,742,202)	-19.3%	90,149,454	7.4%	523,587,875	28.2%
	May 2012	45,069,600	-4.1%	640,399,677	17.7%	(35,017,028)	667.1%	(106,759,230)	14.2%	10,052,572	-76.3%	533,640,447	18.4%
	June 2012	113,038,847	-1.4%	753,438,524	14.3%	(2,907,449)	-45.1%	(109,666,679)	11.0%	110,131,398	0.7%	643,771,845	14.9%
FY 2013	July 2012	30,975,920	6.7%	30,975,920	6.7%	(10,190,368)	201.1%	(10,190,368)	201.1%	20,785,552	-18.9%	20,785,552	-18.9%
	Aug 2012	26,449,162	-37.5%	57,425,082	-19.5%	(4,041,736)	-59.3%	(14,232,104)	6.8%	22,407,426	-30.8%	43,192,978	-25.5%
	Sept 2012	135,770,478	13.0%	193,195,560	0.9%	(2,846,561)	-27.8%	(17,078,665)	-1.1%	132,923,917	14.4%	176,116,895	1.1%
	Oct 2012	41,787,184	15.1%	234,982,743	3.2%	(14,427,659)	16.3%	(31,506,324)	6.2%	27,359,524	14.4%	203,476,419	2.7%
	Nov 2012	18,662,746	-25.0%	253,645,489	0.4%	(21,832,325)	-28.9%	(53,338,649)	-11.7%	(3,169,579)	N/A	200,306,840	4.2%
	Dec 2012	114,140,782	-13.5%	367,786,271	-4.4%	(19,137,873)	796.4%	(72,476,522)	15.9%	95,002,909	-26.8%	295,309,749	-8.3%
	Jan 2013	26,071,307	-23.9%	393,857,578	-6.0%	(5,244,589)	361.7%	(77,721,111)	22.1%	20,826,718	-37.1%	316,136,467	-11.0%
	Feb 2013	15,024,306	-1.6%	408,881,884	-5.8%	(2,084,792)	-28.5%	(79,805,903)	19.9%	12,939,514	4.8%	329,075,981	-10.5%
	Mar 2013	77,103,276	12.5%	485,985,160	-3.3%	(1,702,847)	-35.6%	(81,508,750)	17.8%	75,400,429	14.4%	404,476,410	-6.7%
	Apr 2013	104,068,674	12.3%	590,053,834	-0.9%	(1,847,071)	-27.0%	(83,355,821)	16.2%	102,221,603	13.4%	506,698,013	-3.2%
	May 2013	33,282,523	-26.2%	623,336,357	-2.7%	(2,547,119)	-92.7%	(85,902,940)	-19.5%	30,735,404	205.7%	537,433,417	0.7%
	June 2013	131,310,962	16.2%	754,647,319	0.2%	(6,717,981)	131.1%	(92,620,921)	-15.5%	124,592,981	13.1%	662,026,398	2.8%
FY 2014	July 2013	34,069,704	10.0%	34,069,704	10.0%	(8,988,196)	-11.8%	(8,988,196)	-11.8%	25,081,508	20.7%	25,081,508	20.7%
	Aug 2013	14,407,351	-45.5%	48,477,055	-15.6%	(3,863,822)	-4.4%	(12,852,018)	-9.7%	10,543,529	-52.9%	35,625,037	-17.5%
	Sept 2013	123,780,418	-8.8%	172,257,473	-10.8%	(25,870,935)	808.8%	(38,722,953)	126.7%	97,909,483	-26.3%	133,534,520	-24.2%
	Oct 2013	42,701,887	2.2%	214,959,360	-8.5%	(10,435,834)	-27.7%	(49,158,787)	56.0%	32,266,053	17.9%	165,800,573	-18.5%
	Nov 2013	24,590,006	31.8%	239,549,366	-5.6%	(23,491,341)	7.6%	(72,650,128)	36.2%	1,098,665	N/A	166,899,238	-16.7%
	Dec 2013	125,462,558	9.9%	365,011,924	-0.8%	(40,720,245)	112.8%	(113,370,373)	56.4%	84,742,313	-10.8%	251,641,551	-14.8%
	Jan 2014	21,695,410	-16.8%	386,707,334	-1.8%	(5,413,529)	3.2%	(118,783,902)	52.8%	16,281,881	-21.8%	267,923,432	-15.3%
	Feb 2014	16,552,646	10.2%	403,259,980	-1.4%	(1,410,014)	-32.4%	(120,193,916)	50.6%	15,142,632	17.0%	283,066,064	-14.0%
	Mar 2014	80,847,279	4.9%	484,107,259	-0.4%	(2,438,851)	43.2%	(122,632,767)	50.5%	78,408,428	4.0%	361,474,492	-10.6%
	Apr 2014	89,552,803	-13.9%	573,660,062	-2.8%	(1,448,077)	-21.6%	(124,080,844)	48.9%	88,104,726	-13.8%	449,579,218	-11.3%
	May 2014	31,662,715	-4.9%	605,322,777	-2.9%	(3,061,280)	20.2%	(127,142,124)	48.0%	28,601,435	-6.9%	478,180,653	-11.0%
	June 2014	99,844,033	-24.0%	705,166,810	-6.6%	(2,844,465)	-57.7%	(129,986,589)	40.3%	96,999,568	-22.1%	575,180,221	-13.1%
FY 2015	July 2014	27,059,686	-20.6%	27,059,686	-20.6%	(14,531,193)	61.7%	(14,531,193)	61.7%	12,528,493	-50.0%	12,528,493	-50.0%
	Aug 2014	13,991,819	-2.9%	41,051,505	-15.3%	7,539	N/A	(14,523,654)	13.0%	13,999,358	32.8%	26,527,851	-25.5%
	Sep 2014	122,198,547	-1.3%	163,250,052	-5.2%	(4,549,542)	-82.4%	(19,073,196)	-50.7%	117,649,005	20.2%	144,176,856	8.0%
	Oct 2014	42,258,664	-1.0%	205,508,716	-4.4%	(9,398,996)	-9.9%	(28,472,192)	-42.1%	32,859,668	1.8%	177,036,524	6.8%
	Nov 2014	16,078,683	-34.6%	221,587,399	-7.5%	(12,628,427)	-46.2%	(41,100,619)	-43.4%	3,450,256	214.0%	180,486,780	8.1%
	Dec 2014	144,358,002	15.1%	365,945,401	0.3%	(19,357,458)	-52.5%	(60,458,077)	-46.7%	125,000,544	47.5%	305,487,324	21.4%
	Jan 2015	42,546,144	96.1%	408,491,545	5.6%	(22,346,703)	312.8%	(82,804,780)	-30.3%	20,199,441	24.1%	325,686,765	21.6%
	Feb 2015	14,229,988	-14.0%	422,721,533	4.8%	(13,093,773)	828.6%	(95,898,554)	-20.2%	1,136,215	-92.5%	326,822,979	15.5%
	Mar 2015	77,157,885	-4.6%	499,879,418	3.3%	(1,869,651)	-23.3%	(97,768,205)	-20.3%	75,288,234	-4.0%	402,111,213	11.2%
	Apr 2015	113,103,110	26.3%	612,982,528	6.9%	(25,939,111)	1691.3%	(123,707,315)	-0.3%	87,163,999	-1.1%	489,275,212	8.8%
	May 2015	64,443,207	103.5%	677,425,735	11.9%	(719,860)	-76.5%	(124,427,176)	-2.1%	63,723,347	122.8%	552,998,559	15.6%
	June 2015	111,302,316	11.5%	788,728,051	11.8%	(1,297,856)	-54.4%	(125,725,031)	-3.3%	110,004,461	13.4%	663,003,020	15.3%
FY 2016	July 2015	36,768,159	35.9%	36,768,159	35.9%	(4,486,848)	-69.1%	(4,486,848)	-69.1%	32,281,311	157.7%	32,281,311	157.7%
	Aug 2015	10,884,908	-22.2%	47,653,068	16.1%	(8,555,055)	N/A	(13,041,903)	-10.2%	2,329,853	-83.4%	34,611,165	30.5%
	Sep 2015	116,193,641	-4.9%	163,846,709	0.4%	(27,437,463)	503.1%	(40,479,366)	112.2%	88,756,178	-24.6%	123,367,343	-14.4%
	Oct 2015	49,688,646	17.6%	213,535,354	3.9%	(4,305,671)	-54.2%	(44,785,037)	57.3%	45,382,975	38.1%	168,750,318	-4.7%
	Nov 2015	35,880,599	123.2%	249,415,954	12.6%	(15,278,756)	21.0%	(60,063,792)	46.1%	20,601,844	497.1%	189,352,161	4.9%
	Dec 2015	117,761,370	-18.4%	367,177,324	0.3%	(49,974,903)	158.2%	(110,038,696)	82.0%	67,786,467	-45.8%	257,138,628	-15.8%
	Jan 2016												
	Feb 2016	* After excluding \$20.9 million in tax amnesty collections, year to date growth is (22.7%).											
	Mar 2016												
	Apr 2016												
	May 2016												
	June 2016												

# **Economic Indicators**

## NATIONAL

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Real Gross Domestic Product (GDP)** increased at an annual rate of 2.1% in the third quarter of 2015. This estimate represents a slowdown from the 3.9% growth in the second quarter of 2015. The deceleration was primarily due to a reduction in inventory investment and slower growth in consumption, state and local government spending, residential and non-residential investment and exports. Declining performance in these categories was partly offset by deceleration in imports.

The Conference Board's **U.S. Consumer Confidence Index** fell (8.7) points, to 90.4 in November. Year-over-year growth dropped to (0.7)%, the first negative annual percentage change since October 2013. The decrease was the result of widespread pessimism over both present economic conditions and the 6-month outlook. Declining sentiment over the labor market was the leading driver of the negative change. The index's November results have surprised economists, given the largely positive jobs report released during the time of the study.

The Conference Board's **U.S. Leading Economic Index** increased by 0.6% in October, following 3 months of flat or declining readings. The index stands 3.5% above its October 2014 reading. Of the index's 10 components, 9 made positive contributions and 1 made a negative contribution. Movement in interest rates was once again the largest positive contributor to the index. The 1 negative contribution came from a decline in manufacturing orders.

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Personal Consumption Expenditure Price Index (PCEPI)** increased 0.1% in October, relative to September. The measure stands at just 0.2% above the October 2014 level. The index's annual growth has been pulled well below the Federal Reserve Bank's (Fed) 2% annual inflation target, largely due to a (18.4)% year-over-year decrease in energy prices. Annual growth in the core index (all items except food and energy), however, has grown by a steadier 1.3% through October. The Fed's recent announcement that it will begin increasing short-term interest rates before the end of 2015 suggests that the bank is focusing on the measure of core inflation.

## ARIZONA

The Federal Reserve Bank of Philadelphia's **coincident Index** gauges current economic activity in each state. The index combines 4 indicators: employment, average hours worked in manufacturing, unemployment rate, and inflation-adjusted wages.

Arizona's coincident index increased by 3.5% compared to October 2014. Over the same time period, the U.S. coincident index increased by 3.2%. Currently, Arizona's rate of annual coincident index growth is 23<sup>rd</sup> in the nation. Last year at this time, Arizona's rate was 33<sup>rd</sup> highest among states. See Appendix A – Tracking Arizona's Recovery for additional historical information.

### Housing

Single-family housing construction is accelerating, while multi-family construction has peaked. Arizona's 12-month total of **single-family building permits** is 21,691, or 24.3% more than a year ago. The comparable single-family permit growth rate for the entire U.S. is 8.2%. See Appendix A – Tracking Arizona's Recovery for historical information.

The 12-month total of multi-family building permits was increasing strongly compared to last year, but has recently leveled off. Arizona's total of 9,721 **multi-family building permits** is (1.1)% below 2014. Arizona's rate of increase is now significantly less than the comparable multi-family permit growth for the U.S. as a whole, which is 16.5% above 2014.

### Employment

The state added a net total 29,800 **nonfarm jobs** from October to November. The comparable 10-year average net job increase is 20,600.

Compared to the same month in the prior year, Arizona added 65,400 net new jobs in November, which resulted in a year-over-year growth rate of 2.5%. The year-over-year job gains in November were concentrated to the following 3 sectors of the economy: education and health services (+13,800), leisure and hospitality (+10,900) and trade, transportation, and utilities (+10,800).

The state's seasonally adjusted **unemployment rate** declined from 6.1% in October to 6.0% in November, the lowest jobless rate since April. Compared to the same month last year, the state unemployment rate is down by (0.6)%. The U.S. jobless rate was unchanged at 5.0% in November.

## Monthly Indicators (Continued)

In October, the **Average Weekly Hours** worked by individuals in Arizona's private sector was 34.4 hours. This workload is 0.8% above the October 2014 level.

The **Average Hourly Earnings** received by these private sector workers was \$23.37, which is 0.5% above the average in the prior month. October earnings were 2.8% above the average in October 2014. This marks 7 consecutive months of positive year-over-year increases in average wages.

### Tourism

**Revenue per available room** reached \$72.93 in October, which was 8.7% above the amount in October 2014. Year to date, revenue per available room is 12.5% above the 2014 year-to-date amount through October. Ridership during October through Phoenix Sky Harbor Airport increased 5.8% above the level in October 2014.

### State Agency Data

At the beginning of December 2015, the total **AHCCCS** caseload was 1.81 million members. Since the federal health care expansion in January 2014, the overall AHCCCS population has grown by 548,115 members. Total monthly enrollment increased 1.1% during November.

Population growth during the month was spread evenly across categories. Enrollment in the Traditional population of the lowest income parents and children increased 4,800 to a level of 1.06 million members. The November level represents an increase of 0.5% since last month and an 8.8% increase since last year. This growth was accompanied by an enrollment increase of 3.1%, or 5,700 members of the Proposition 204 Parents population.

In January 2014, the state started accepting new enrollment to the Proposition 204 childless adults program. In November 2015, the childless adult population increased by 5,300, or 1.7%. At 308,600, this population is 11.5% higher than a year ago.

The state also opted to expand adult Medicaid coverage to 133% of FPL. Their enrollment increased by 2,300 in November and now totals 78,700 individuals. Enrollment is 141.6% higher than a year ago. The federal government is currently paying 100% of this cost.

Based on information the Department of Child Safety provided for September 2015, **reports of child maltreatment** totaled 51,207 over the last 12 months, an increase of 8.0% over the prior year. There were 18,822 **children in out-of-home care** as of September 2015, or

10.8% more than in September 2014. Compared to the prior month, the number of out-of-home children increased by 2.1%.

There were 24,130 **TANF recipients** in the state in October, representing a (0.6)% decrease in monthly caseloads from September. The year-over-year number of TANF recipients has declined by (19.8)%. The statutory lifetime limit on cash assistance is 24 months.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. This October, there were 1,004,425 food stamp recipients in the state, representing a (0.6)% decrease from September caseloads. Compared to October of last year, food stamp participation declined by (5.0)%.

The Arizona Department of Corrections reported an inmate population of 42,794. The population decreased (0.2)% since October. This is a 1.7% increase since November 2014.

Table 5

## MONTHLY INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
<b>Arizona</b>				
<u>Employment</u>				
- Regular Unemployment Rate	November	6.0%	(0.0)%	(0.6)%
- Total Unemployment Rate (discouraged/underemployed)	3 <sup>rd</sup> Q 2015	13.6%	(0.2)%	(1.5)%
- Initial Unemployment Insurance Claims	October	17,117	9.6%	(12.2)%
- Unemployment Insurance Recipients	August	29,157	(23.0)%	(32.2)%
- Non-Farm Employment - Total	November	2.70 million	1.1%	2.5%
Manufacturing	November	157,000	0.6%	0.4%
Construction	November	133,300	1.2%	5.5%
- Average Weekly Hours, Private Sector	October	34.40	0.0%	0.8%
- Average Hourly Earnings, Private Sector	October	\$23.37	0.5%	2.8%
<u>Sales</u>				
- Retail Taxable Sales				
Motor Vehicles/Misc. Auto	July	\$945.5 million	(6.6)%	11.1%
Furniture/Home Furnishings	July	\$328.6 million	1.3%	(1.8)%
Building Material/Lawn & Garden	July	\$393.6 million	5.5%	26.5%
<u>Building</u>				
- Residential Building Permits (12-month avg)				
Single-family	October	21,691	2.5%	24.3%
Multi-family	October	9,721	0.6%	(1.1)%
- Maricopa County/Other, Home Sales (ARMLS)				
Single-Family (Pending Sales)	October	4,588	(13.2)%	1.5%
- Maricopa County/Other, Median Home Price (ARMLS)				
Single-Family (Pending Sales)	October	\$225,000	0.0%	9.8%
- Phoenix S&P/C Home Price Index (2000 = 100)	September	155.23	0.2%	5.3%
- Maricopa Pending Foreclosures	October	4,494	(2.6)%	(26.3)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	October	24,652	5.8%	(10.7)%
<u>Tourism</u>				
- Phoenix Sky Harbor Air Passengers	October	3.71 million	14.4%	5.8%
- National Park Visitors	September	1,256,306	(18.7)%	2.1%
- State Park Visitors	August	194,241	(24.0)%	10.0%
- Revenue Per Available Hotel Room	October	\$72.93	21.6%	8.7%
<u>General Measures</u>				
- Arizona Consumer Confidence Index (1985 = 100)	3 <sup>rd</sup> Q 2015	84.3	6.6%	17.7%
- Arizona Coincident Index (July 1992 = 100)	October	220.57	0.8%	3.5%
- Arizona Leading Index - 6 month projected growth	October	6.5%	3.8%	2.0%
- Arizona Personal Income	2 <sup>nd</sup> Q 2015	\$264.8 billion	4.4%	4.2%
- Arizona Population	July 2014	6.73 million	N/A	1.5%
- State Debt Rating				
Standards & Poor's/Moody's	May	AA / Aa2	N/A	N/A
Outlook	May	Stable	N/A	N/A
<u>Agency Measures</u>				
- AHCCCS Recipients	December 1 <sup>st</sup>	1,806,257	1.1%	13.2%
Acute Care Traditional		1,056,024	0.5%	8.8%
Prop 204 Childless Adults		308,564	1.7%	11.5%
Other Prop 204		187,447	3.1%	12.3%
Adult Expansion		78,747	3.1%	141.6%
Kids Care I		826	(2.5)%	(56.5)%
Long-Term Care - Elderly & DD		57,643	0.0%	2.0%
Emergency Services		117,006	0.7%	29.6%
- Department of Child Safety (DCS)				
Annual Reports of Child Maltreatment (12-month total)	September	51,207	(0.3)%	8.0%
DCS Out-of-Home Children	September	18,822	2.1%	10.8%
Filled Caseworkers (1406 Budgeted)	December	1,279	N/A	(65)
- ADC Inmate Growth	November	42,794	(0.2)%	1.7%
- Department of Economic Security				
- TANF Recipients	October	24,130	(0.6)%	(19.8)%
- SNAP (Food Stamps) Recipients	October	1,004,425	(0.6)%	(5.0)%
- Judiciary Probation Caseload				
Non-Maricopa	October	18,474	177	502
Maricopa County	October	27,394	130	1,294
<b>United States</b>				
- Gross Domestic Product	3 <sup>rd</sup> Q, 2015	\$16.4 trillion	2.1%	2.2%
(Chained 2009 dollars, SAAR)	(2 <sup>nd</sup> Estimate)			
- Consumer Confidence Index (1985 = 100)	November	90.4	(8.8)%	(0.7)%
- Leading Indicators Index (2010 = 100)	October	124.1	0.6%	3.5%
- Consumer Price Index, SA (1982-84 = 100)	November	238.1	0.0%	0.4%
- Personal Consumption Price Index (2009 = 100)	October	109.7	0.1%	0.2%

## **JLBC FINANCE ADVISORY COMMITTEE (FAC) MEMBERS**

**Dan Anderson** has served as Assistant Executive Director for Institutional Analysis for Arizona Board of Regents since July 2002. From 1975 through June 2002, Mr. Anderson held various positions at the Arizona Department of Economic Security, with most of his time as Research Administrator. He has been a member of the FAC since its inception.

**Brian Cary** is Manager of Forecasting, Research and Economic Development for Salt River Project (SRP). Prior to joining SRP in September 2007, he served as Principal Economist on the JLBC staff for 4 years. Mr. Cary has been producing forecasts and analysis for more than 25 years, mostly focused on the energy and financial sectors. He joined the FAC in 1989.

**State Treasurer Jeff DeWit** serves as the Arizona's Chief Banker and Investment Officer overseeing more than \$9.7 billion in state assets. The Treasurer also serves as the Chairman of Arizona's State Board of Investment, and State Loan Commission. He also serves as the State's Surveyor General and is a member of the State Land Selection Board. Since the FAC's inception, the sitting State Treasurer has been a panelist.

**George W. Hammond** is Director and Research Professor of the Economic and Business Research Center in the Eller College of Management at the University of Arizona. Dr. Hammond brings 17 years of experience in state and local econometric forecasting and regional economic analysis to the Center. He has completed over 50 regional economic studies on topics that include economic and workforce development, energy forecasting, and the impact of higher education on human capital accumulation.

**John C. Lucking** is President of ECON-LINC, an economic consulting firm. Dr. Lucking also serves as a director for Sanu Resources Ltd., an international mineral exploration company, and as a trustee for several municipal bond mutual funds. Previously, he served as Chief Economist for Bank One Arizona and as the Executive Director of the Governor's Partnership for Economic Development (GSPED). Dr. Lucking has been a member of the FAC since 1987.

**Georganna Meyer** retired as Chief Economist for the Arizona Department of Revenue in 2014. She is currently working with The Maguire Company. Georganna has been a member of the FAC since 1984.

**Lorenzo Romero** is the Director of the Governor's Office of Strategic Planning and Budgeting (OSPB). The sitting OSPB Director is always a FAC panelist.

**Elliott D. Pollack** is President of Elliott D. Pollack and Company in Scottsdale, Arizona, an economic and real estate consulting firm established in 1987. Mr. Pollack served as Chief Economist of Valley National Bank in Arizona for 14 years prior to establishing his consulting firm and is currently a member of the Economic Estimates Commission. He has been a member of the FAC since its inception.

**Jim Rounds** is President of Rounds Consulting Group. The firm specializes in economic development and tax policy research. Previously, Mr. Rounds served as a Senior Economist and Senior Budget Analyst with the Arizona Joint Legislative Budget Committee, and as Senior Vice President at Elliott D. Pollack & Company.

**Martin Shultz** is a Senior Policy Director in Brownstein Hyatt Farber Schreck's Phoenix Office. Prior to joining Brownstein, Mr. Schultz was the Vice President of Government Affairs at Pinnacle West Capital Corporation and its subsidiaries. Mr. Shultz has been a member of the FAC since 1984.

**Elaine Smith** joined the Finance Advisory Committee in 2014. Elaine is a Senior Economist in the Office of Economic Research and Analysis at the Arizona Department of Revenue. She has been with the department for over 25 years.

**Randie Stein** joined the Investment Banking firm Stone & Youngberg as a Vice President in the Public Finance Department in September 2004. Ms. Stein has 10 years of experience as a fiscal advisor and Finance Committee analyst in the State Senate and as an economist/budget analyst with the Joint Legislative Budget Committee, and is a former staff director of the School Facilities Board. She has been a member of the FAC since 2005.

**Steve Taddie** joined the Finance Advisory Committee in 2014. Steve was a co-founder of Stellar Capital Management, a Phoenix based investment management firm, and has been its Managing Partner since 2000. He has 30 years of investment experience, has focused on applied economics in the financial markets for the last 15 years, and is a panelist for the NABE Outlook and the Arizona Blue Chip Economic forecasts.

**Doug Walls** is the Research Administrator for the Office of Employment and Population Statistics at the Arizona Department of Administration.