

# **Finance Advisory Committee**

## **Briefing Materials**

**January 30, 2025**

**12:00 p.m.**



# Finance Advisory Committee

## Briefing Materials

January 30, 2025

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# Finance Advisory Committee

January 30, 2025



# Key Points

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- The projected FY 26 Baseline FY 26 General Fund balance is \$935 M.
- We suggest setting aside at least \$50 M of that amount for an ending balance.
- The \$935 M excludes two traditional “ongoing one-time” funding items
  - \$183 M for School Facilities repairs (AKA building renewal)
  - \$140 M for the additional subsidy of the State Employee Health Insurance Trust Fund (beyond the regular employer contribution).
- If we adjust for these 2 factors, available resources are near \$560 M.

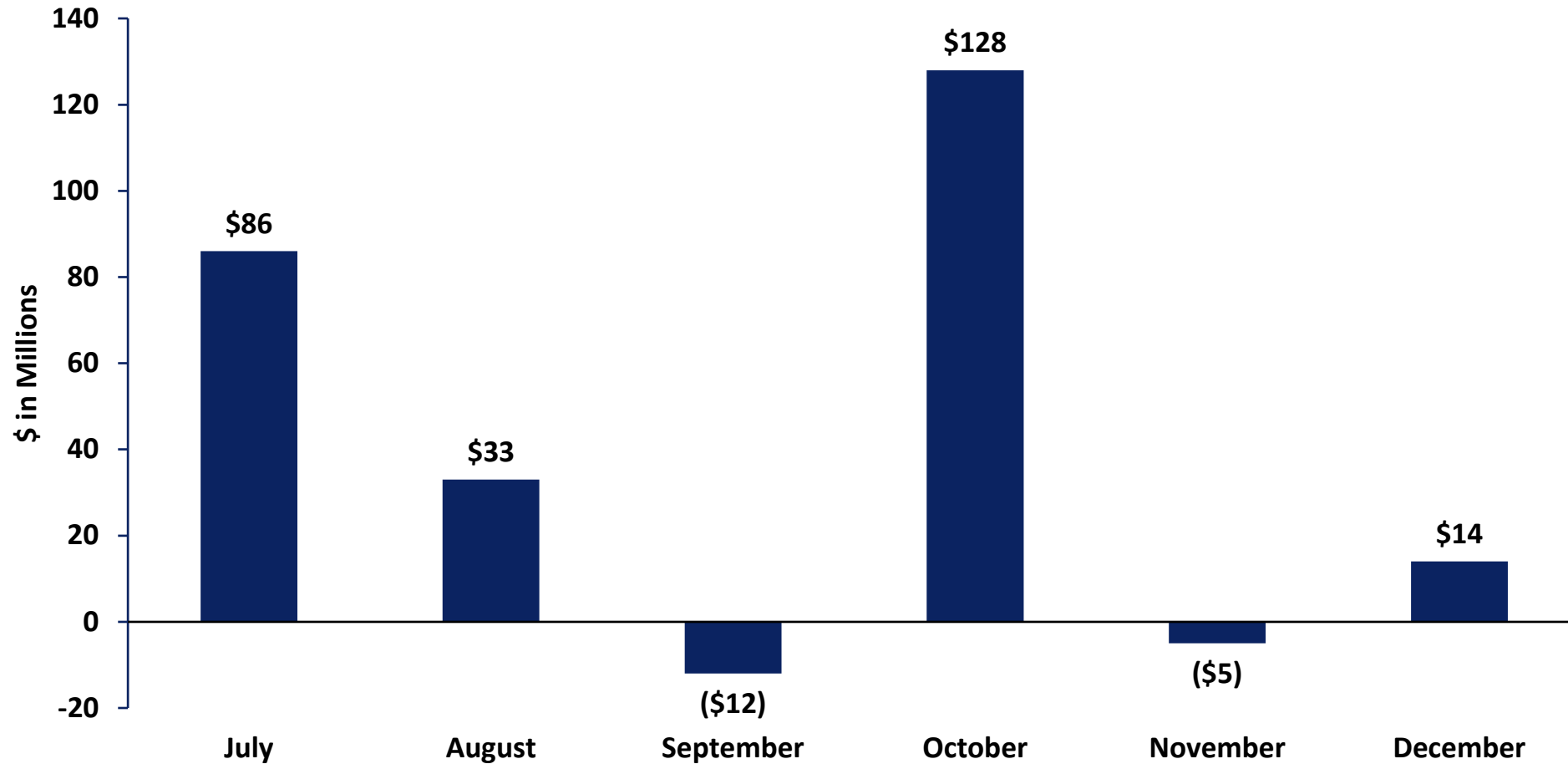
# Since Sine Die – FY 24 Revenues Were \$425 M Above Forecast

- 1<sup>st</sup> Half of FY 25 – 6.3% Growth and \$244 M Above Enacted Budget Forecast

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- Of the \$425 M FY 24 forecast gain, \$259 M (60%) was generated from non-tax revenues.
  - Primary contributor was a one-time \$145 M gain in Medicaid “reconciliation payments” for operating the program at levels below the capitation rates.
- Of the \$244 M six-month gain above forecast:
  - \$126 M from Individual Income Tax. (Withholding is 7.4% above FY 24.)
  - \$97 M from Corporate Income Tax. (CIT is 11.2% above FY 24.)
  - \$(4) M from Sales Tax. (Sales Tax is 3.4% above FY 24.)

# Monthly Revenue Forecast Gain/Loss Compared to Enacted Budget



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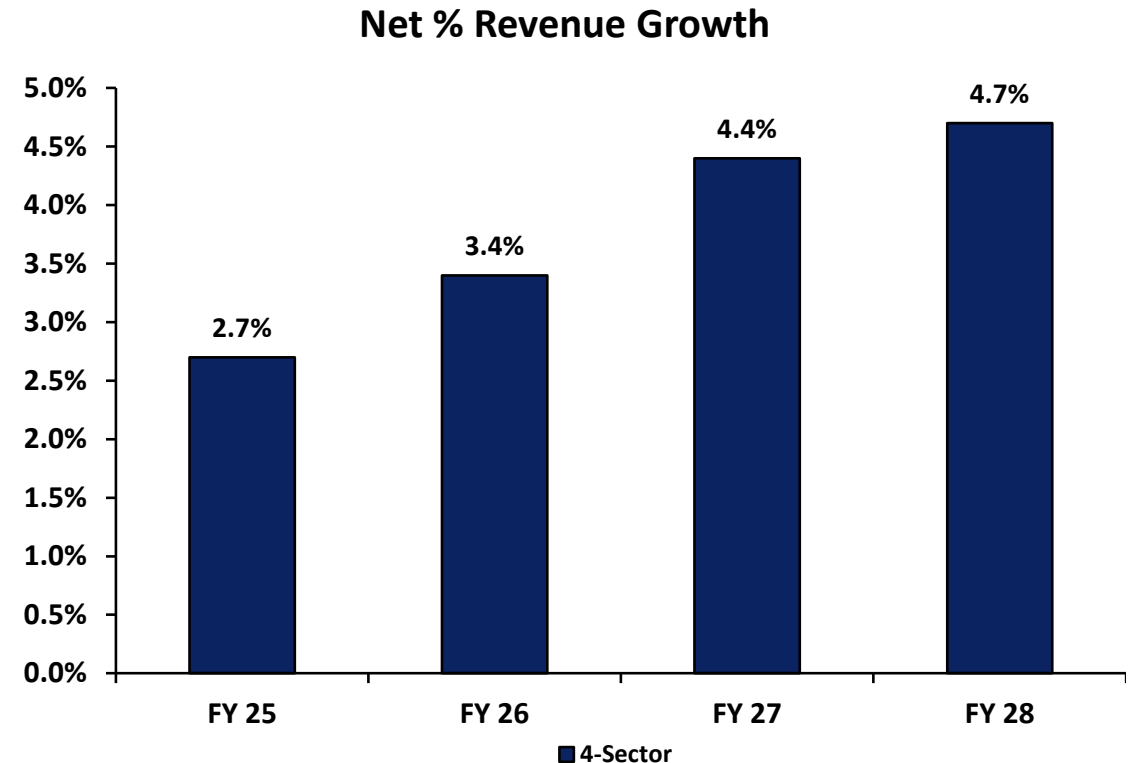
# Forecasting State Revenues

# 4-Sector: Slow 2.7% Growth in FY 25

- With Gradual Improvement from FY 26 through FY 28

## 4-Sector Components

- Finance Advisory Committee
- UA model – base forecast
- UA model – more cautious
- JLBC Staff



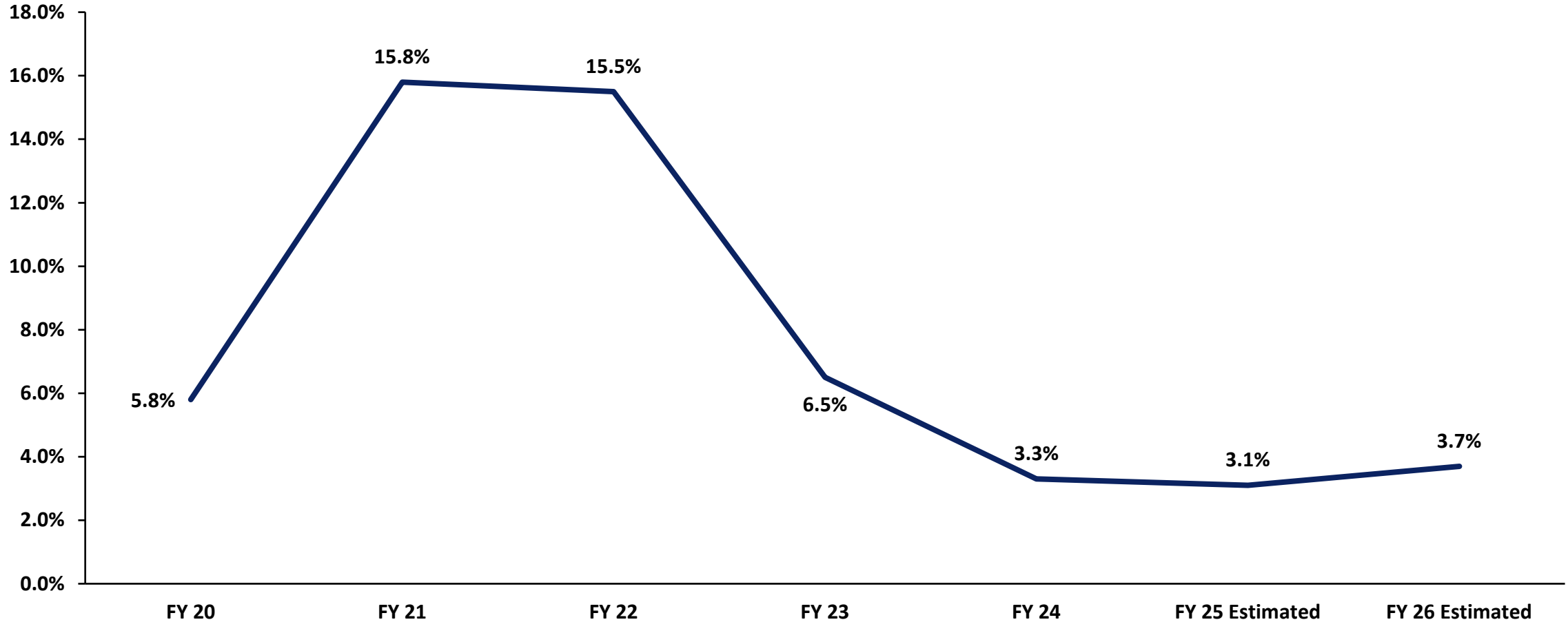
Excludes balance forward, fund transfers and urban revenue sharing

See Appendix A and B



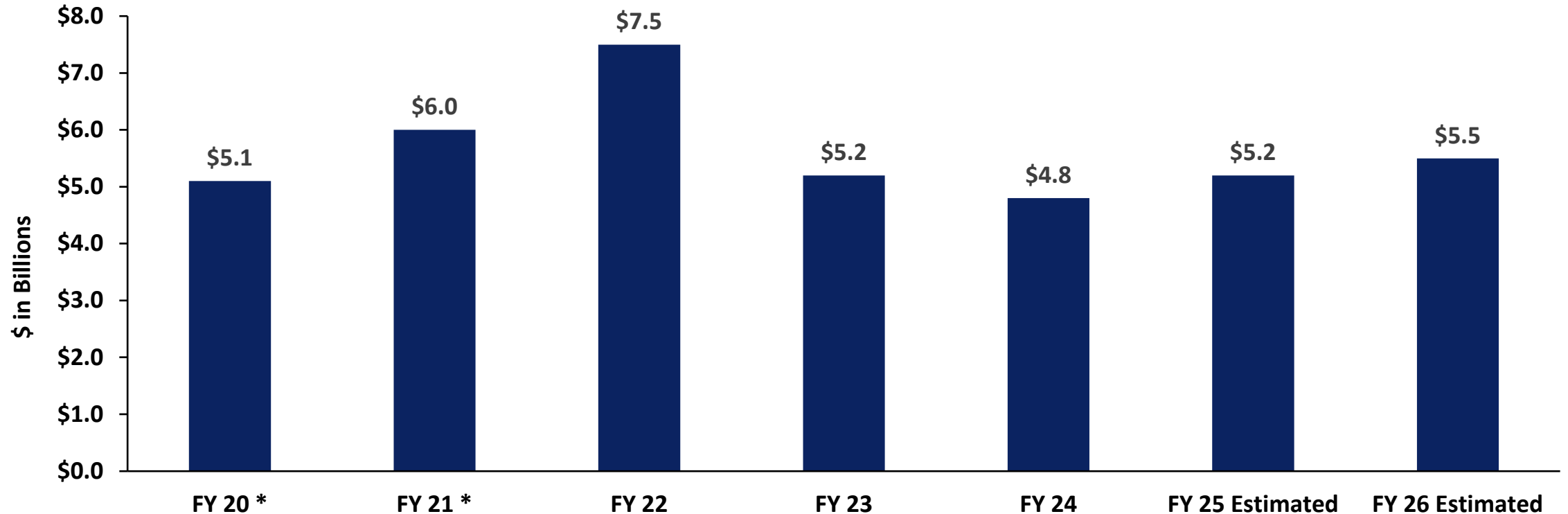
# Sales Tax Projected to Grow 3.1% in FY 25 and 3.7% in FY 26

- Collected \$7.9 B in FY 24, a 3.3% Gain. Lowest % Increase Since FY 16



# Individual Income Tax \$ Grew \$2.4 B, or 48% Between FY 20-FY 22

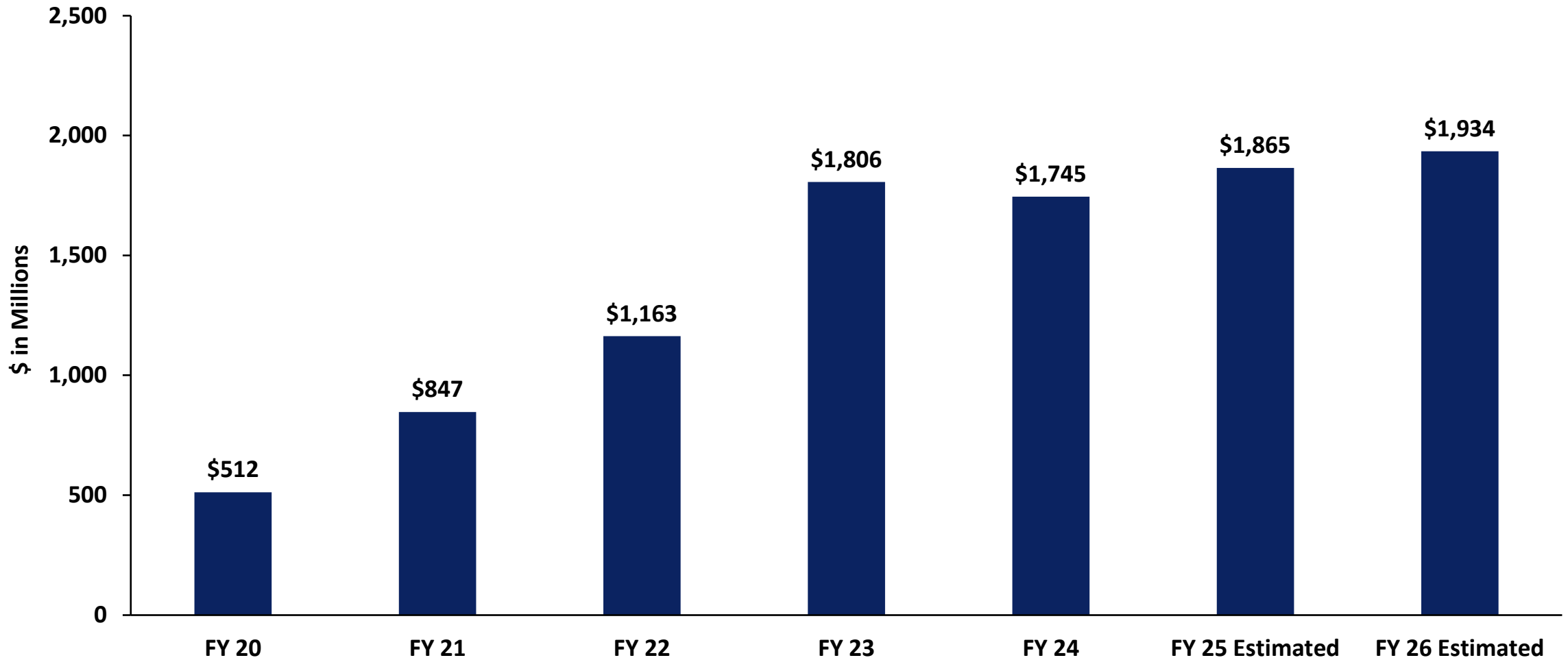
## - Collections Dropped \$2.7 B Between FY 22-FY 24 As 2.5% Rate Implemented



\* FY 20 and FY 21 actuals have been adjusted for the pandemic IIT filing deadline being moved from April to July 2020

# Corporate Income Tax Grew 250% Between FY 20 and FY 23

- After a (3.4)% Drop in FY 24, FY 25 Grows by 6.9% and FY 27 by 3.7%



# JLBC – Executive Revenue Differences

- Executive is \$360 M above JLBC in FY 25 - FY 28

|       | (\$ in M)<br><u>Exec &gt; JLBC</u> |
|-------|------------------------------------|
| FY 25 | 56                                 |
| FY 26 | 126                                |
| FY 27 | 92                                 |
| FY 28 | 86                                 |

**This revenue comparison excludes Executive proposed tax law/revenue changes:**

- Executive extends the Low-Income Housing Tax Credit another 6 years (otherwise expires in 2025). The \$4 M annual cap would increase to \$10 M per year for 10 years. Maximum annual cap cost would eventually reach \$60 M.
- Executive creates a new Child Care Corporate Tax Credit with \$1 M cost.
- Executive transfers \$75 M from Prescription Drug Rebate Fund to the General Fund.

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# Spending Adjustments

# FY 26 Baseline Spending Projected To Increase By \$557 M

| FY 26 Ongoing Spending Relative to FY 25 |                |
|--|----------------|
|  | <u>\$ in M</u> |
| A. ADE – K-12 Formula                    | 596            |
| B. Medicaid Formula                      | 382            |
| C. Other                                 | <u>(16)</u>    |
| <b>D. Total</b>                          | <b>962</b>     |

|                               |                   |
|-------------------------------|-------------------|
| <b>Total Spending Changes</b> | <b>\$557 M</b>    |
| <b>Total Spending</b>         | <b>\$16,647 M</b> |
| <b>% Change</b>               | <b>3.5%</b>       |

| FY 26 One-Time Spending Relative to FY 25 |                |
|---|----------------|
|   | <u>\$ in M</u> |
| E. K-12 Building Renewal Grants           | (183)          |
| F. State Employee Health Insurance        | (140)          |
| G. ADE/DES Formula Supplementals          | (240)          |
| H. Eliminate One-Time Ex-Appropriations   | 335            |
| I. Other Agency Spending                  | <u>(177)</u>   |
| <b>J. Total</b>                           | <b>(405)</b>   |

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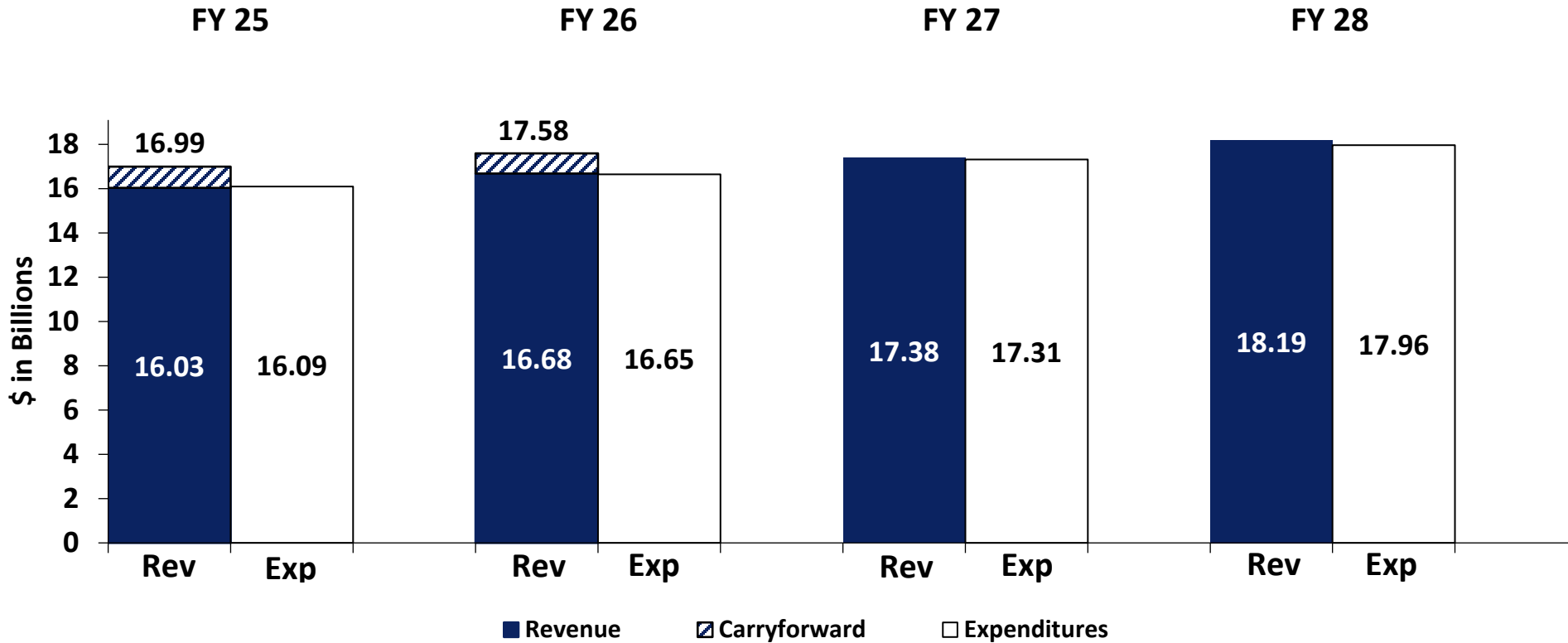
# Projected Ending Balances

Excludes \$1.6 B in Budget Stabilization Fund

More Information in Appendix C

# Projected FY 26 Balance is \$935 M

- Balance Would be \$560 M after Adjustments for a Reserve/Ongoing One-Times



Cash Balance

\$904 M

\$935 M

\$68 M

\$221 M





## STAFF OF THE JOINT LEGISLATIVE BUDGET COMMITTEE

|   |                        |
|---|------------------------|
| Director.....                                     | Richard Stavneak       |
| Deputy Directors.....                             | Jack Brown             |
| .....   | Patrick Moran          |
| Chief Economist.....                              | Hans Olofsson          |
| Assistant Directors.....                          | Ben Beutler            |
| .....   | Morgan Dorcheus        |
| .....   | Micaela Larkin Andrews |
| .....   | Geoffrey Paulsen       |
| Principal Fiscal Analyst.....                     | Jordan Johnston        |
| Senior Fiscal Analysts.....                       | Nate Belcher           |
| .....   | Chandler Coiner        |
| .....   | Maggie Rocker          |
| Senior Economist.....                             | Ben Newcomb            |
| Fiscal Analysts.....                              | James Martinez-Burney  |
| .....   | Gordon Robertson       |
| .....   | Ethan Scheider         |
| .....   | Grace Timpany          |
| Assistant Fiscal Analyst.....                     | Destin Moss            |
| Senior Administrative Assistant / JLBC Clerk..... | Kristy Paddack         |
| Administrative Assistant / JCCR Clerk.....        | Jennifer Burns         |

# Appendix A: January 4-Sector Revenue Forecast

|                              | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> |
|------------------------------|-------------|-------------|-------------|-------------|
| <b>Sales Tax</b>             |             |             |             |             |
| JLBC Forecast                | 3.5%        | 4.1%        | 4.2%        | 4.4%        |
| UA – Low                     | 2.2%        | 2.9%        | 3.9%        | 4.0%        |
| UA – Base                    | 3.4%        | 4.1%        | 4.2%        | 4.4%        |
| FAC                          | 3.4%        | 3.7%        | 4.4%        | 4.1%        |
| Average:                     | <b>3.1%</b> | <b>3.7%</b> | <b>4.2%</b> | <b>4.2%</b> |
| <b>Individual Income Tax</b> |             |             |             |             |
| JLBC Forecast                | 9.7%        | 5.0%        | 4.9%        | 5.0%        |
| UA – Low                     | 5.6%        | 5.9%        | 6.2%        | 6.2%        |
| UA – Base                    | 7.4%        | 6.3%        | 6.5%        | 6.5%        |
| FAC                          | 6.6%        | 4.5%        | 5.3%        | 4.9%        |
| Average:                     | <b>7.3%</b> | <b>5.4%</b> | <b>5.7%</b> | <b>5.6%</b> |
| <b>Corporate Income Tax</b>  |             |             |             |             |
| JLBC Forecast                | 6.5%        | 3.1%        | 3.2%        | 2.9%        |
| UA – Low                     | 6.3%        | 2.5%        | 2.5%        | 2.9%        |
| UA – Base                    | 7.3%        | 3.4%        | 3.3%        | 3.7%        |
| FAC                          | 7.4%        | 5.8%        | 7.7%        | 5.8%        |
| Average:                     | <b>6.9%</b> | <b>3.7%</b> | <b>4.2%</b> | <b>3.9%</b> |

|   |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| JLBC Weighted Average   | <b>5.9%</b> | <b>4.3%</b> | <b>4.3%</b> | <b>4.4%</b> |
| UA Low Weighted Average   | <b>3.8%</b> | <b>3.9%</b> | <b>4.5%</b> | <b>4.6%</b> |
| UA Base Weighted Average  | <b>5.2%</b> | <b>4.8%</b> | <b>4.9%</b> | <b>5.1%</b> |
| FAC Consensus Weighted Average                                      | <b>4.9%</b> | <b>4.2%</b> | <b>5.2%</b> | <b>4.6%</b> |
| “Big-3” Weighted Average  | <b>5.0%</b> | <b>4.3%</b> | <b>4.7%</b> | <b>4.7%</b> |
| Consensus Weighted Average *  | <b>2.7%</b> | <b>3.4%</b> | <b>4.4%</b> | <b>4.7%</b> |
| * Represents ongoing revenue adjusted for small revenue categories. |             |             |             |             |

# Appendix B: 4-Sector Forecast FY 24 - FY 26

| FORECAST REVENUE GROWTH               |                     |                      |                     |                      |                       |                     |                      |                       |
|---------------------------------------|---------------------|----------------------|---------------------|----------------------|-----------------------|---------------------|----------------------|-----------------------|
| (\$ in Thousands)                     |                     |                      |                     |                      |                       |                     |                      |                       |
|                                       | ACTUAL<br>FY 2024   | % CHANGE<br>PRIOR YR | FORECAST<br>FY 2025 | % CHANGE<br>PRIOR YR | \$ CHANGE<br>PRIOR YR | FORECAST<br>FY 2026 | % CHANGE<br>PRIOR YR | \$ CHANGE<br>PRIOR YR |
| Sales and Use                         | 7,933,914.2         | 3.3%                 | 8,181,849.0         | 3.1%                 | 247,934.8             | 8,484,425.1         | 3.7%                 | 302,576.1             |
| Income - Individual                   | 4,845,765.9         | -7.5%                | 5,200,233.7         | 7.3%                 | 354,467.8             | 5,481,787.7         | 5.4%                 | 281,554.0             |
| - Corporate                           | 1,744,821.7         | -3.4%                | 1,864,690.9         | 6.9%                 | 119,869.2             | 1,933,857.0         | 3.7%                 | 69,166.0              |
| Property                              | 25,995.0            | 17.1%                | 38,287.0            | 47.3%                | 12,292.0              | 37,721.3            | -1.5%                | (565.7)               |
| Luxury - Tobacco                      | 19,541.4            | 2.5%                 | 18,128.5            | -7.2%                | (1,413.0)             | 17,947.2            | -1.0%                | (181.3)               |
| - Liquor                              | 44,919.1            | -3.6%                | 46,333.2            | 3.1%                 | 1,414.0               | 48,974.2            | 5.7%                 | 2,641.0               |
| Insurance Premium                     | 820,435.1           | 7.8%                 | 881,967.7           | 7.5%                 | 61,532.6              | 923,420.2           | 4.7%                 | 41,452.5              |
| Other Taxes                           | 17,196.5            | -6.3%                | 19,721.0            | 14.7%                | 2,524.5               | 20,746.5            | 5.2%                 | 1,025.5               |
| Subtotal - Taxes                      | 15,452,588.9        | -0.9%                | 16,251,211.0        | 5.2%                 | 798,622.1             | 16,948,879.0        | 4.3%                 | 697,668.1             |
| <b>Other Non-Tax Revenues:</b>        |                     |                      |                     |                      |                       |                     |                      |                       |
| Lottery                               | 222,285.2           | 26.4%                | 217,294.1           | -2.2%                | (4,991.1)             | 223,203.1           | 2.7%                 | 5,909.1               |
| Gaming Revenue                        | 36,477.3            | -26.1%               | 40,711.5            | 11.6%                | 4,234.2               | 43,764.8            | 7.5%                 | 3,053.4               |
| Licenses, Fees and Permits            | 52,664.5            | 24.9%                | 52,240.2            | -0.8%                | (424.3)               | 54,800.0            | 4.9%                 | 2,559.8               |
| Interest                              | 371,165.8           | 1.2%                 | 250,000.0           | -32.6%               | (121,165.8)           | 135,000.0           | -46.0%               | (115,000.0)           |
| Sales and Services                    | 30,757.0            | -7.2%                | 29,361.8            | -4.5%                | (1,395.2)             | 30,712.5            | 4.6%                 | 1,350.6               |
| Other Miscellaneous                   | 226,979.6           | 27.1%                | 231,554.1           | 2.0%                 | 4,574.4               | 239,890.0           | 3.6%                 | 8,335.9               |
| Transfers and Reimbursements          | 328,017.4           | 18.7%                | 103,389.8           | -68.5%               | (224,627.5)           | 82,294.5            | -20.4%               | (21,095.3)            |
| Medicaid Hospital Revenue             | 90,125.0            | -8.2%                | 89,942.8            | -0.2%                | (182.2)               | 89,569.8            | -0.4%                | (373.0)               |
| Subtotal - Other Non-Tax              | 1,358,471.8         | 11.3%                | 1,014,494.3         | -25.3%               | (343,977.5)           | 899,234.7           | -11.4%               | (115,259.5)           |
| <b>Net Ongoing Revenue</b>            | <b>16,811,060.7</b> | <b>0.0%</b>          | <b>17,265,705.2</b> | <b>2.7%</b>          | <b>454,644.5</b>      | <b>17,848,113.8</b> | <b>3.4%</b>          | <b>582,408.5</b>      |
| Urban Revenue Sharing (URS)           | (1,564,819.8)       | N/A                  | (1,268,255.6)       | N/A                  | 296,564.2             | (1,186,305.8)       | N/A                  | 81,949.8              |
| <b>Net Ongoing Revenue w/ URS</b>     | <b>15,246,240.9</b> | <b>-2.9%</b>         | <b>15,997,449.6</b> | <b>4.9%</b>          | <b>751,208.7</b>      | <b>16,661,808.0</b> | <b>4.2%</b>          | <b>664,358.3</b>      |
| <b>One-Time Financing Sources:</b>    |                     |                      |                     |                      |                       |                     |                      |                       |
| Fund Transfers                        | 841,564.7           | N/A                  | 33,991.8            | -96.0%               | (807,572.9)           | 17,000.0            | -50.0%               | (16,991.8)            |
| One-Time Income Tax Rebate            | (273,550.1)         | N/A                  | 0.0                 | N/A                  | 273,550.1             | 0.0                 | N/A                  | 0.0                   |
| Subtotal - One-Time Financing Sources | 568,014.6           | N/A                  | 33,991.8            | -94.0%               | (534,022.8)           | 17,000.0            | -50.0%               | (16,991.8)            |
| <b>Subtotal - Revenues</b>            | <b>15,814,255.5</b> | <b>17.2%</b>         | <b>16,031,441.4</b> | <b>1.4%</b>          | <b>217,185.9</b>      | <b>16,678,808.0</b> | <b>4.0%</b>          | <b>647,366.5</b>      |
| Balance Forward                       | 2,527,233.0         | -46.3%               | 962,823.0           | -61.9%               | (1,564,410.0)         | 903,661.3           | -6.1%                | (59,161.7)            |
| <b>Total - Resources</b>              | <b>18,341,488.5</b> | <b>0.8%</b>          | <b>16,994,264.4</b> | <b>-7.3%</b>         | <b>(1,347,224.1)</b>  | <b>17,582,469.3</b> | <b>3.5%</b>          | <b>588,204.8</b>      |

# Appendix B: 4-Sector Forecast FY 27 - FY28

| FORECAST REVENUE GROWTH               |                     |                      |                       |                     |                      |                       |
|---------------------------------------|---------------------|----------------------|-----------------------|---------------------|----------------------|-----------------------|
| (\$ in Thousands)                     |                     |                      |                       |                     |                      |                       |
|                                       | FORECAST<br>FY 2027 | % CHANGE<br>PRIOR YR | \$ CHANGE<br>PRIOR YR | FORECAST<br>FY 2028 | % CHANGE<br>PRIOR YR | \$ CHANGE<br>PRIOR YR |
| Sales and Use                         | 8,839,567.6         | 4.2%                 | 355,142.5             | 9,213,338.4         | 4.2%                 | 373,770.8             |
| Income - Individual                   | 5,796,177.8         | 5.7%                 | 314,390.2             | 6,123,606.2         | 5.6%                 | 327,428.3             |
| - Corporate                           | 2,015,070.6         | 4.2%                 | 81,213.6              | 2,092,896.0         | 3.9%                 | 77,825.4              |
| Property                              | 37,250.0            | -1.2%                | (471.3)               | 37,713.3            | 1.2%                 | 463.3                 |
| Luxury - Tobacco                      | 17,767.7            | -1.0%                | (179.5)               | 17,590.0            | -1.0%                | (177.7)               |
| - Liquor                              | 51,765.7            | 5.7%                 | 2,791.5               | 54,354.0            | 5.0%                 | 2,588.3               |
| Insurance Premium                     | 967,744.4           | 4.8%                 | 44,324.2              | 1,015,163.8         | 4.9%                 | 47,419.5              |
| Other Taxes                           | 21,866.8            | 5.4%                 | 1,120.3               | 22,741.4            | 4.0%                 | 874.7                 |
| Subtotal - Taxes                      | 17,747,210.7        | 4.7%                 | 798,331.6             | 18,577,403.1        | 4.7%                 | 830,192.5             |
| <b>Other Non-Tax Revenues:</b>        |                     |                      |                       |                     |                      |                       |
| Lottery                               | 238,382.7           | 6.8%                 | 15,179.6              | 256,214.1           | 7.5%                 | 17,831.4              |
| Gaming Revenue                        | 58,106.2            | 32.8%                | 14,341.4              | 73,772.4            | 27.0%                | 15,666.1              |
| Licenses, Fees and Permits            | 57,266.0            | 4.5%                 | 2,466.0               | 59,556.6            | 4.0%                 | 2,290.6               |
| Interest                              | 87,000.0            | -35.6%               | (48,000.0)            | 87,000.0            | 0.0%                 | 0.0                   |
| Sales and Services                    | 32,094.5            | 4.5%                 | 1,382.1               | 33,378.3            | 4.0%                 | 1,283.8               |
| Other Miscellaneous                   | 249,725.5           | 4.1%                 | 9,835.5               | 259,714.5           | 4.0%                 | 9,989.0               |
| Transfers and Reimbursements          | 82,853.0            | 0.7%                 | 558.5                 | 83,431.1            | 0.7%                 | 578.1                 |
| Medicaid Hospital Revenue             | 89,481.5            | -0.1%                | (88.3)                | 89,481.5            | 0.0%                 | 0.0                   |
| Subtotal - Other Non-Tax              | 894,909.4           | -0.5%                | (4,325.3)             | 942,548.4           | 5.3%                 | 47,639.0              |
| <b>Net Ongoing Revenue</b>            | <b>18,642,120.1</b> | <b>4.4%</b>          | <b>794,006.3</b>      | <b>19,519,951.6</b> | <b>4.7%</b>          | <b>877,831.5</b>      |
| Urban Revenue Sharing (URS)           | (1,271,686.4)       | N/A                  | (85,380.7)            | (1,334,816.0)       | N/A                  | (63,129.6)            |
| <b>Net Ongoing Revenue w/ URS</b>     | <b>17,370,433.7</b> | <b>4.3%</b>          | <b>708,625.6</b>      | <b>18,185,135.6</b> | <b>4.7%</b>          | <b>814,701.9</b>      |
| <b>One-Time Financing Sources:</b>    |                     |                      |                       |                     |                      |                       |
| Fund Transfers                        | 12,000.0            | -29.4%               | (5,000.0)             | 0.0                 | -100.0%              | (12,000.0)            |
| One-Time Income Tax Rebate            | 0.0                 | N/A                  | 0.0                   | 0.0                 | N/A                  | 0.0                   |
| Subtotal - One-Time Financing Sources | 12,000.0            | -29.4%               | (5,000.0)             | 0.0                 | -100.0%              | (12,000.0)            |
| <b>Subtotal - Revenues</b>            | <b>17,382,433.7</b> | <b>4.2%</b>          | <b>703,625.6</b>      | <b>18,185,135.6</b> | <b>4.6%</b>          | <b>802,701.9</b>      |
| Balance Forward                       | 0.0                 | -100.0%              | (903,661.3)           | 0.0                 | N/A                  | 0.0                   |
| <b>Total - Resources</b>              | <b>17,382,433.7</b> | <b>-1.1%</b>         | <b>(200,035.7)</b>    | <b>18,185,135.6</b> | <b>4.6%</b>          | <b>802,701.9</b>      |

# Appendix C: General Fund Balance Sheet

## STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES WITH ONE-TIME FINANCING SOURCES

|                                     | FY 2025<br>Baseline | FY 2026<br>Baseline | FY 2027<br>Baseline | FY 2028<br>Baseline |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>                     |                     |                     |                     |                     |
| Ongoing Revenues                    | \$17,265,705,200    | \$17,848,113,800    | \$18,642,120,100    | \$19,519,951,600    |
| Urban Revenue Sharing               | (1,268,255,600)     | (1,186,305,800)     | (1,271,686,400)     | (1,334,816,000)     |
| Net Ongoing Revenues                | \$15,997,449,600    | \$16,661,808,000    | \$17,370,433,700    | \$18,185,135,600    |
| One-Time Revenues                   |                     |                     |                     |                     |
| Balance Forward                     | 962,823,000         | 903,661,300         |                     |                     |
| Fund Transfers                      | 33,991,800          | 17,000,000          | 12,000,000          |                     |
| Subtotal One-Time Revenues          | \$996,814,800       | \$920,661,300       | \$12,000,000        | \$0                 |
| <b>Total Revenues</b>               | \$16,994,264,400    | \$17,582,469,300    | \$17,382,433,700    | \$18,185,135,600    |
| <b>EXPENDITURES</b>                 |                     |                     |                     |                     |
| Ongoing Operating Appropriations    | \$15,610,223,500    | \$16,582,579,400    | \$17,075,913,000    | \$17,682,019,000    |
| Administrative Adjustments          | 130,000,000         | 140,000,000         | 145,000,000         | 145,000,000         |
| Revertments                         | (170,000,000)       | (190,000,000)       | (200,000,000)       | (200,000,000)       |
| Subtotal Ongoing Expenditures       | \$15,570,223,500    | \$16,532,579,400    | \$17,020,913,000    | \$17,627,019,000    |
| One-Time Expenditures               |                     |                     |                     |                     |
| Capital Outlay                      |                     |                     |                     | 25,000,000          |
| Transportation Funding              |                     |                     | 30,000,000          | 136,240,000         |
| FY 25 One-Time Supplementals        | 240,429,200         |                     |                     |                     |
| FY 25 One-Time Ex-Appropriations    | (335,351,600)       |                     |                     |                     |
| Operating One-Time Spending         | 715,302,000         | 214,829,500         | 263,889,400         | 175,936,800         |
| Hospital Assessment Savings         | (100,000,000)       | (100,000,000)       |                     |                     |
| Subtotal One-Time Expenditures      | \$520,379,600       | \$114,829,500       | \$293,889,400       | \$337,176,800       |
| <b>Total Expenditures</b>           | \$16,090,603,100    | \$16,647,408,900    | \$17,314,802,400    | \$17,964,195,800    |
| <b>Ending Balance <sup>1/</sup></b> | \$903,661,300       | \$935,060,400       | \$67,631,300        | \$220,939,800       |

<sup>1/</sup> The FY 2026 cash balance is presumed to be allocated as part of the FY 2026 budget process. The displayed cash balance amounts exclude the Budget Stabilization Fund.



# Threading the Needle to a Soft Landing

## FAC Economic Outlook

January 30, 2025

Presented By:  
Danny Court  
Partner, Senior Economist  
Elliott D. Pollack & Company



**Elliott D. Pollack & Company**  
Court, Merritt, Pollack, & Stevenson

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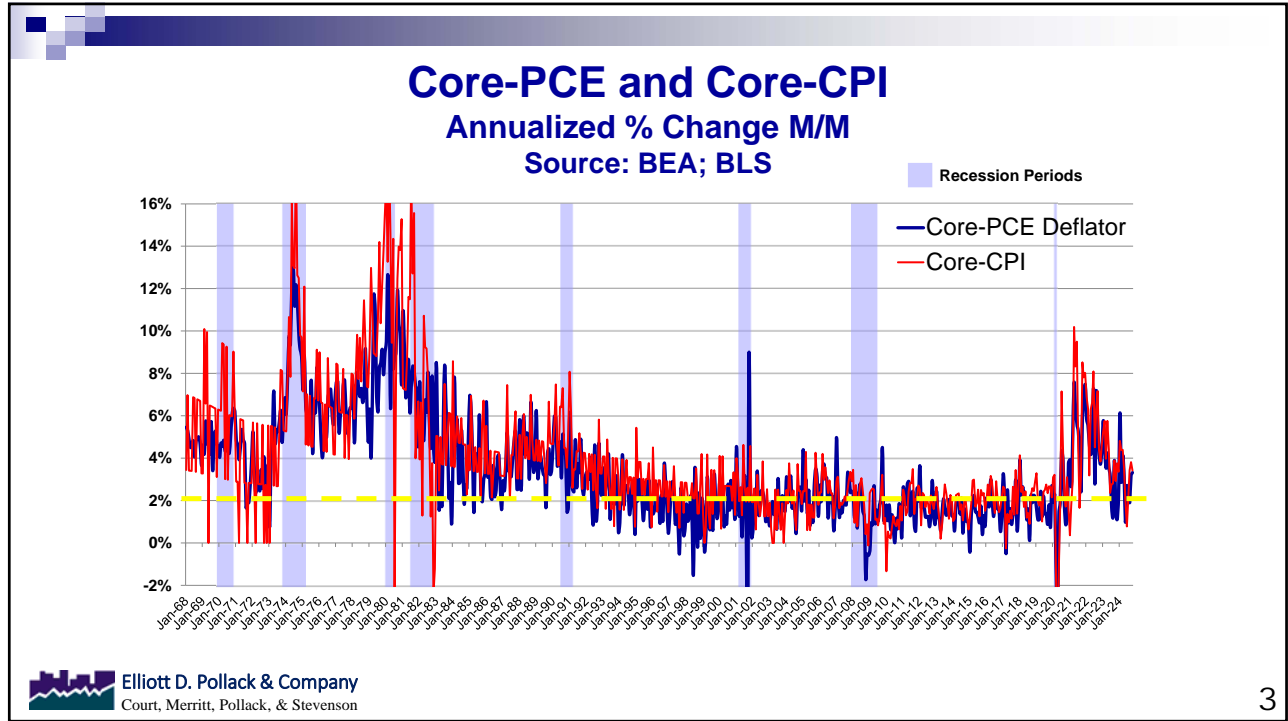


## A soft landing for the US economy?

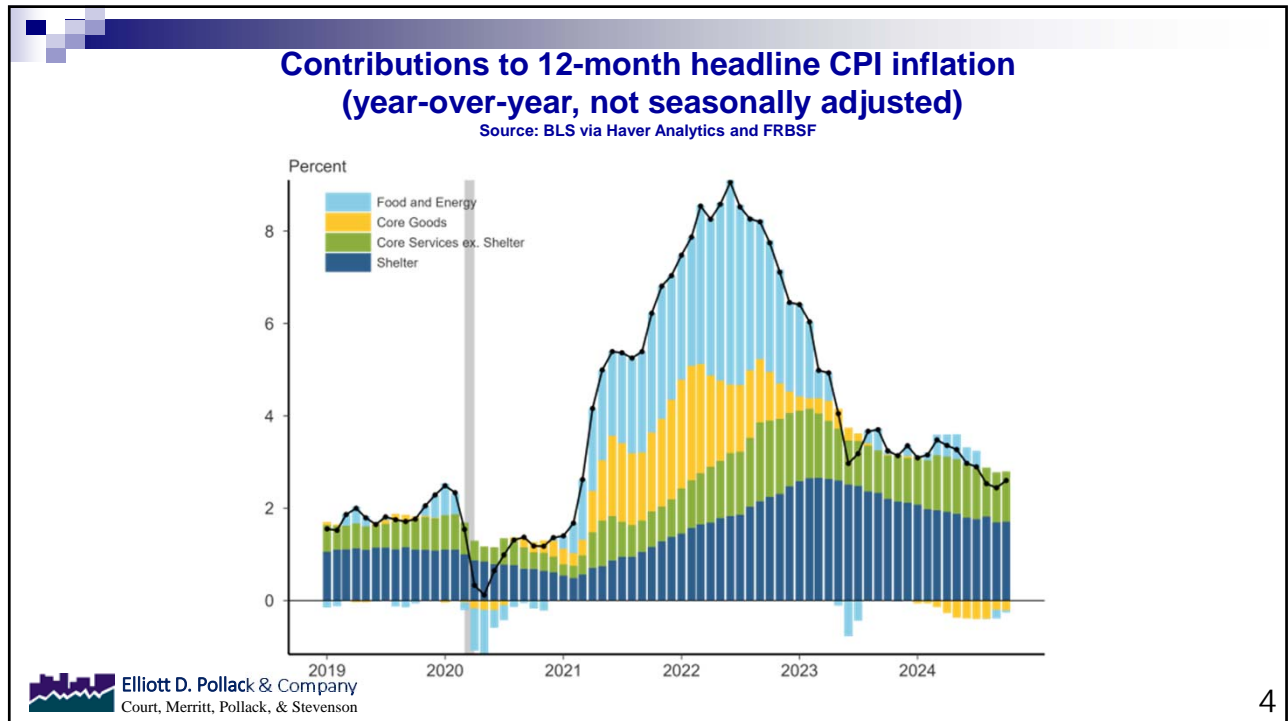


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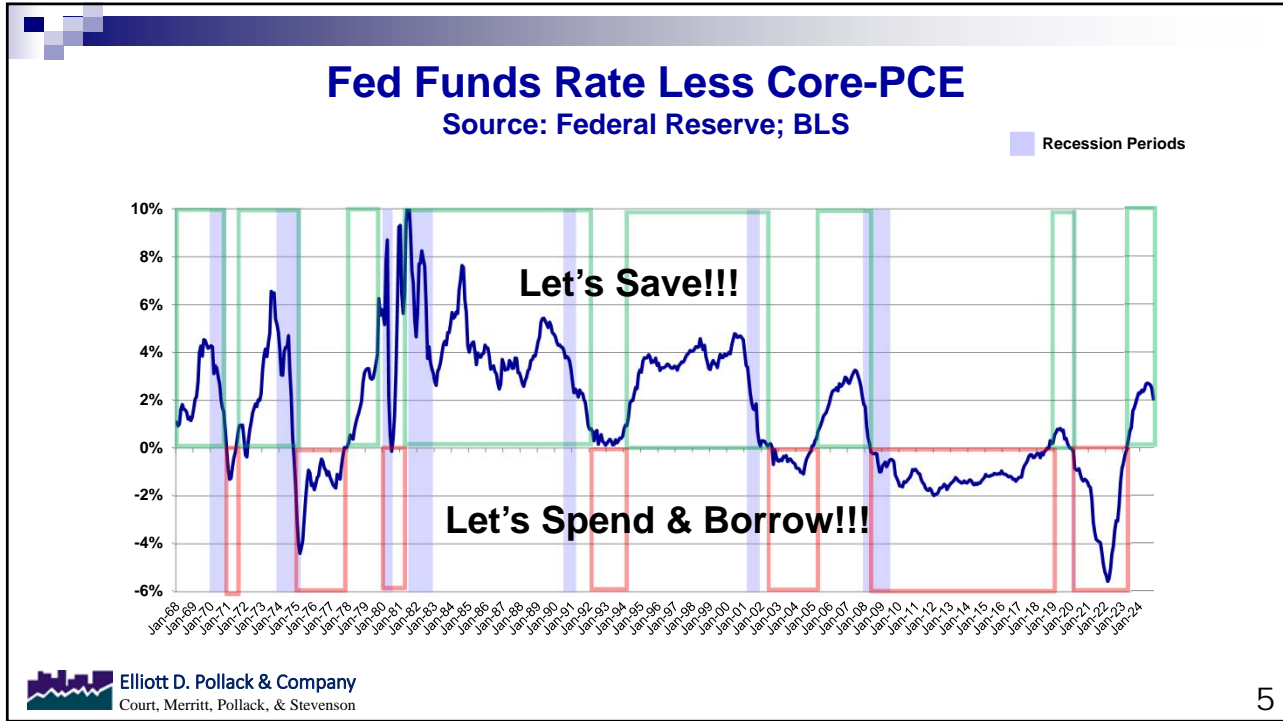
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### CPI Forecast

#### Blue Chip Economic Indicators (January 2025)

| Year      | 2025 | 2026 |
|-----------|------|------|
| Average   | 2.5% | 2.6% |
| Top 10    | 2.9% | 3.2% |
| Bottom 10 | 2.3% | 2.2% |

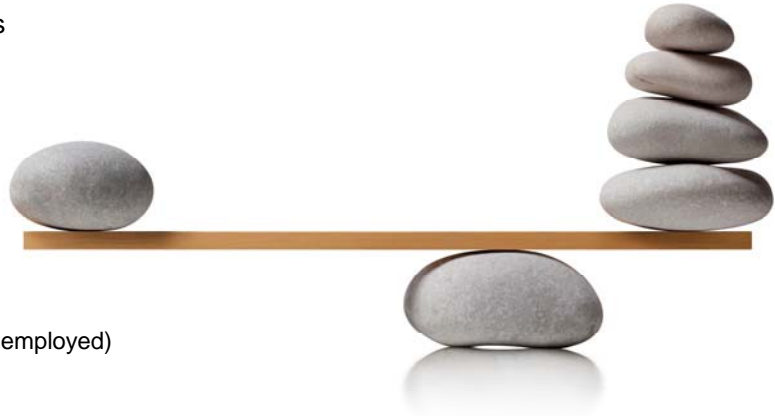
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## Balancing Labor Supply

- The Fed stopped raising interest rates in July 2023 but kept them elevated for the next 14 months.
- Strong employment gains continued, gradually declining over the past 12 months.
- The labor supply gap has closed considerably: 8.1 million unfilled jobs vs 6.9 million unemployed.
  - (April 2022 11.8 job openings to 6.0 unemployed)

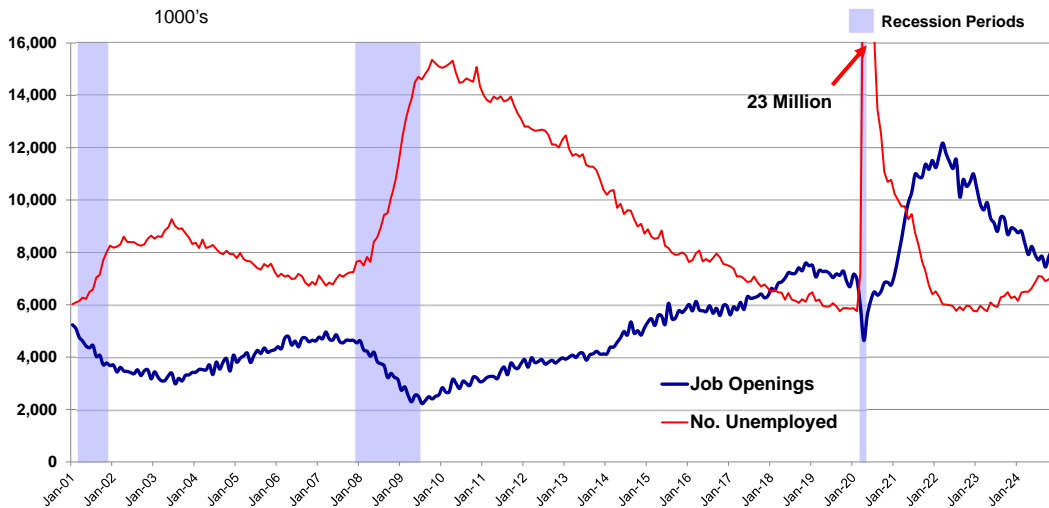


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## Job Openings and No. Unemployed 2001 – 2024\*

Source: U.S. Bureau of Labor Statistics



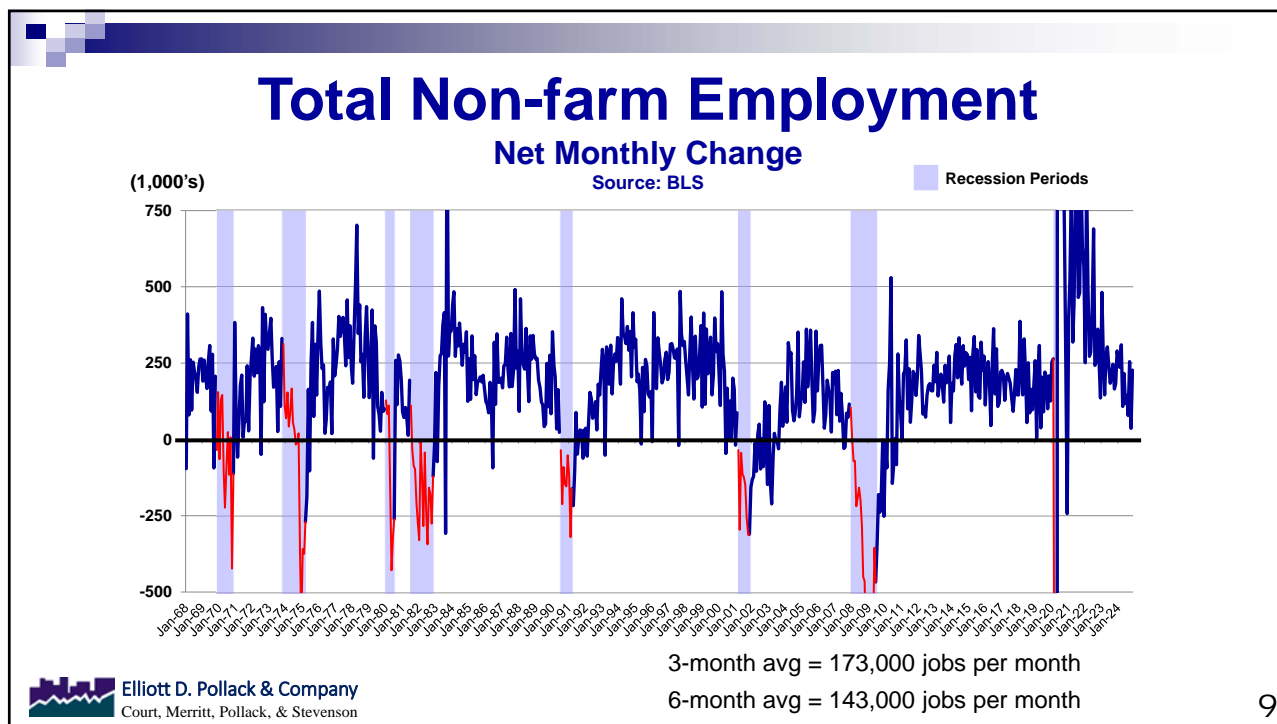
There are still more jobs available than people unemployed. But the gap has narrowed

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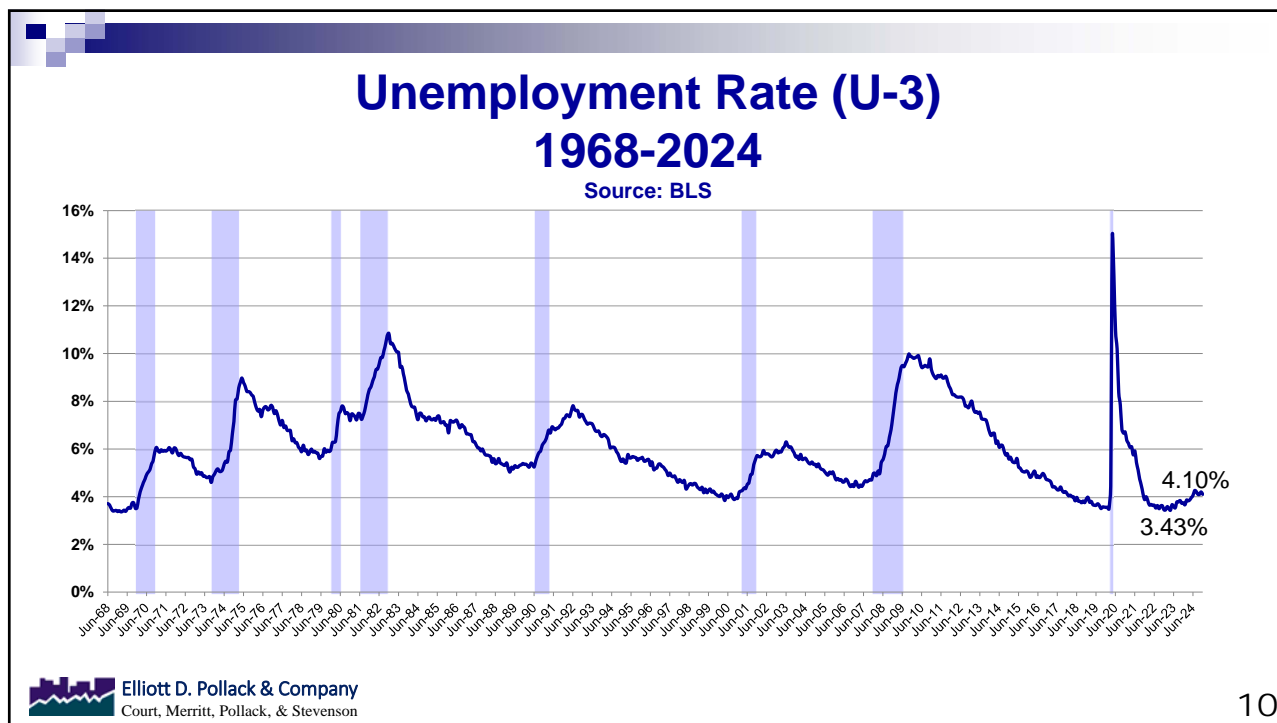
\*Data through November 2024

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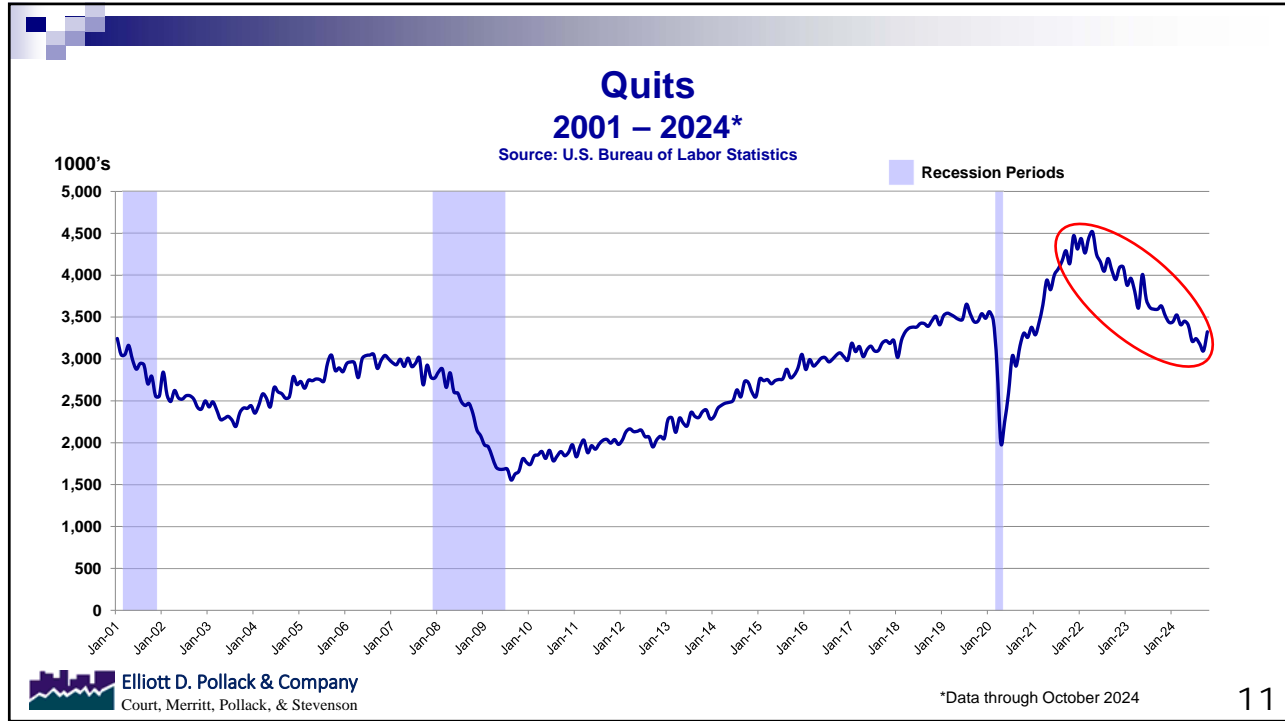
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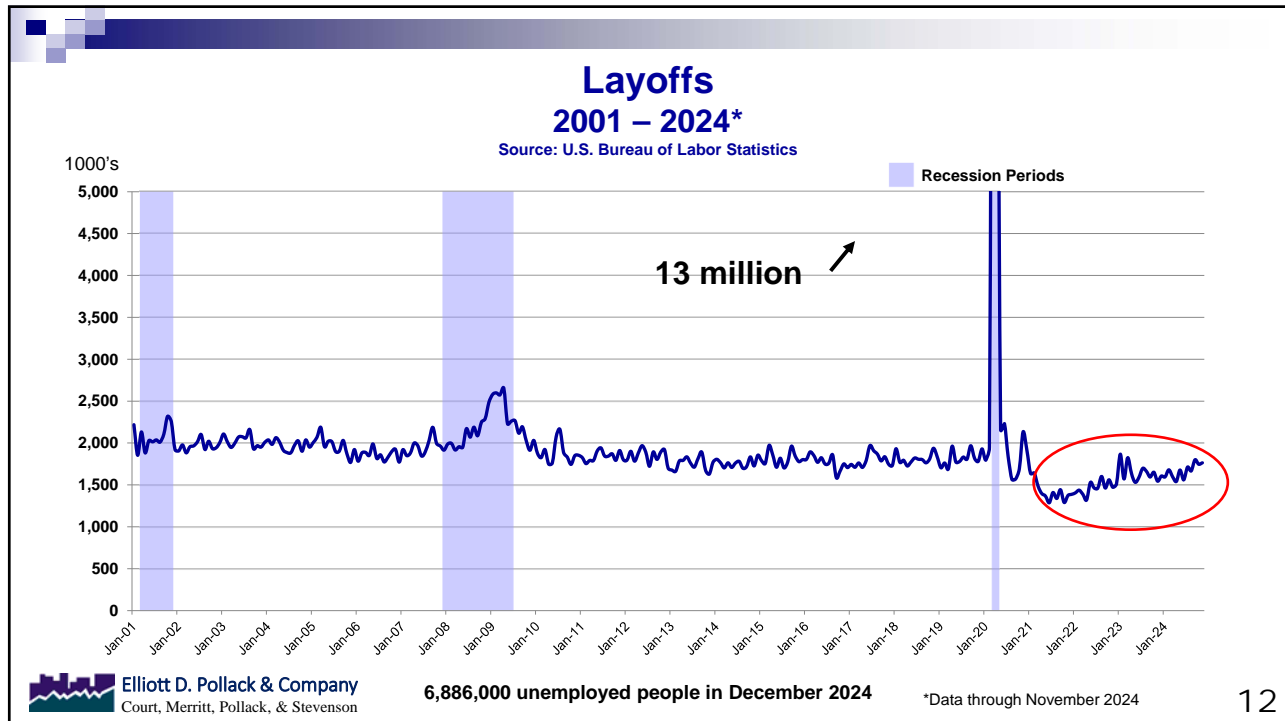
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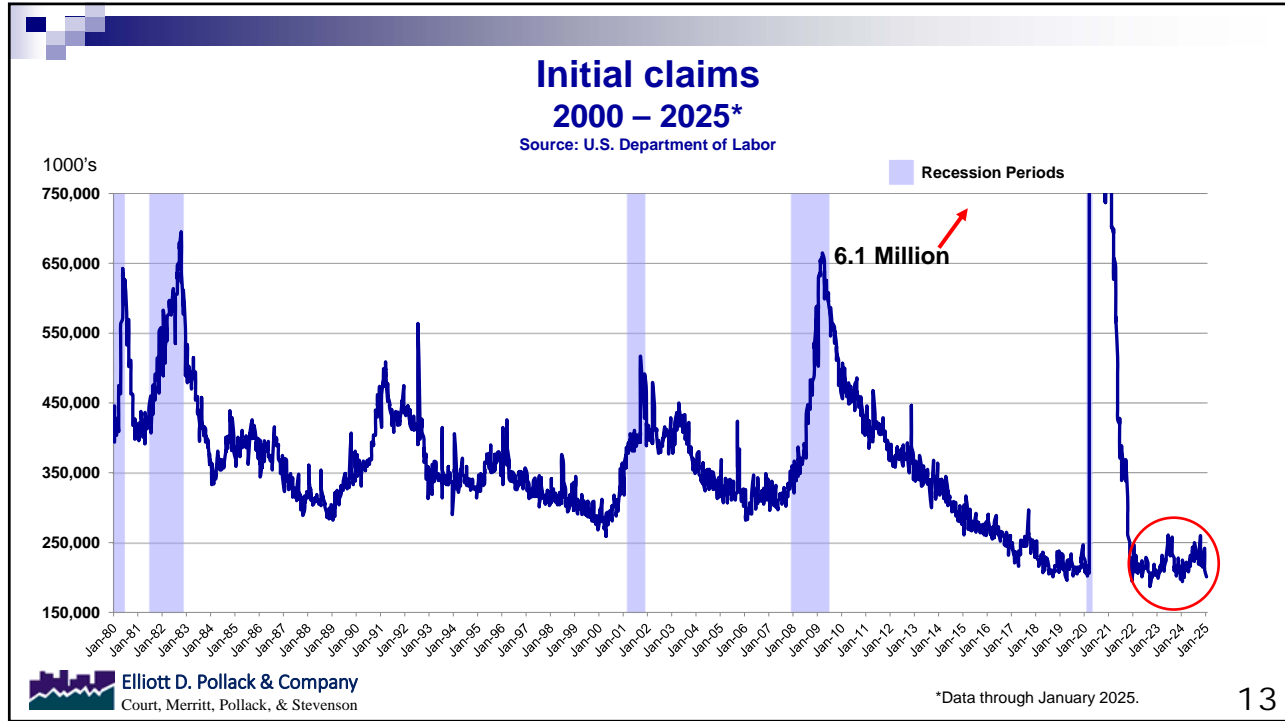
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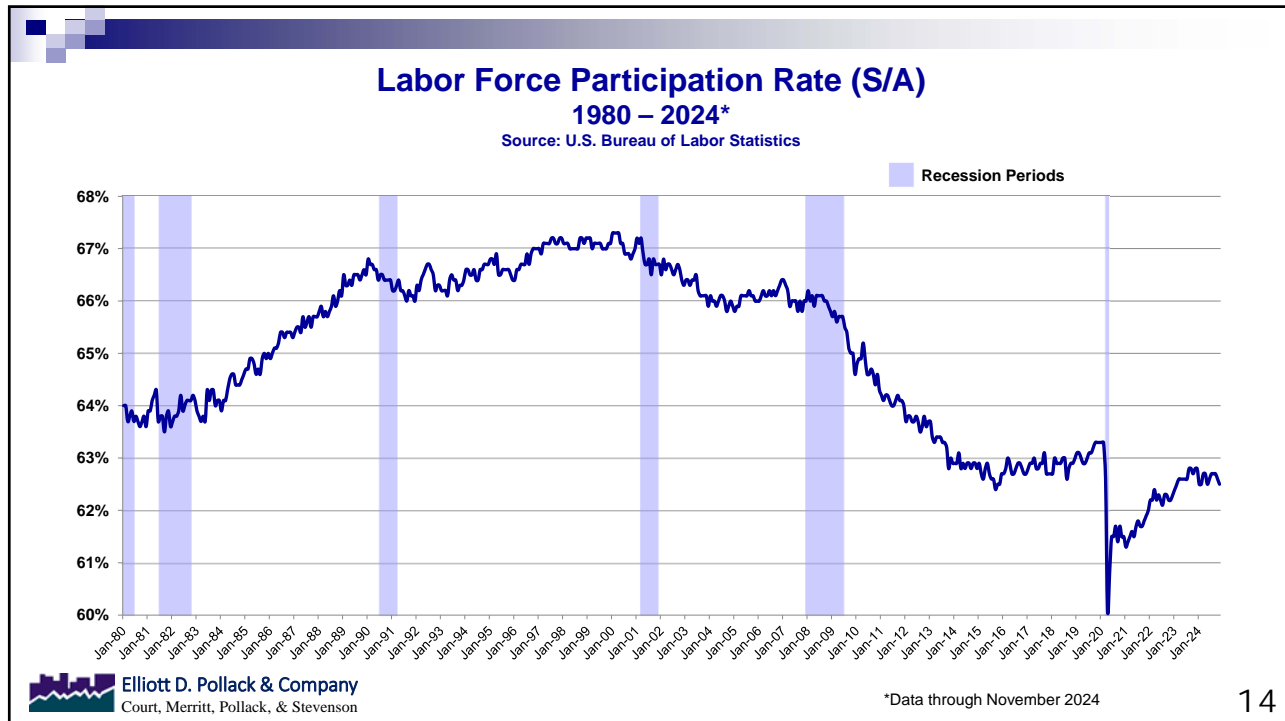


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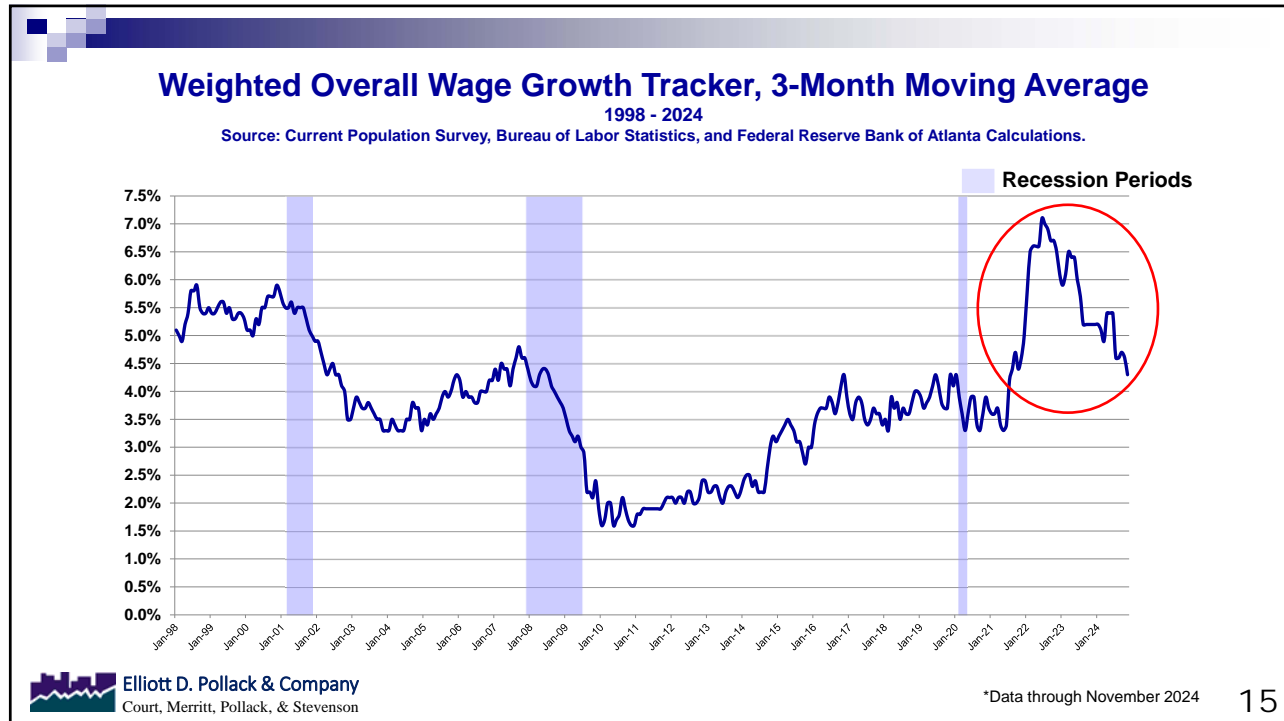
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## What does Trump's Election Mean for the Economy?

- Who knows?
- What Trump said during the campaign didn't fit together well.
- Most of it should be considered positioning.
- The "theme" appears to be a pro-growth strategy, but with contradicting outliers.
- It will depend on the extent that each policy is implemented.
- President Trump was left a weaker hand than most people realize.

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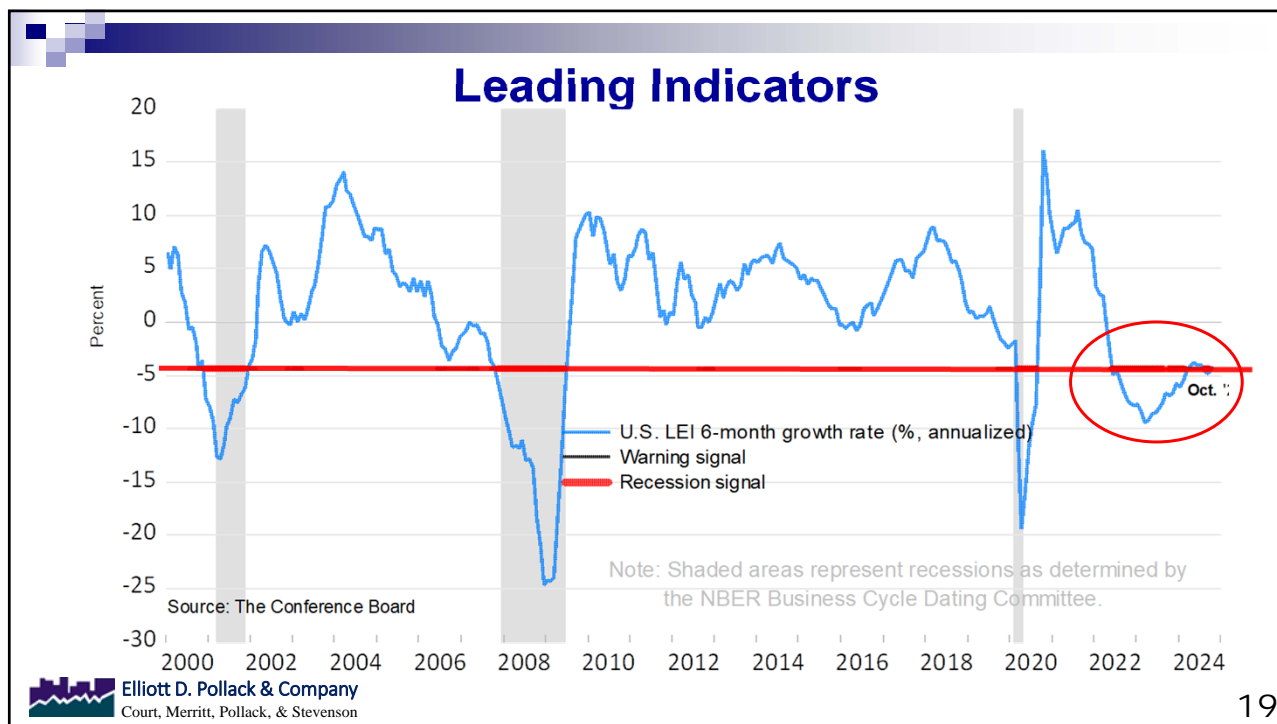
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## Campaign Promises

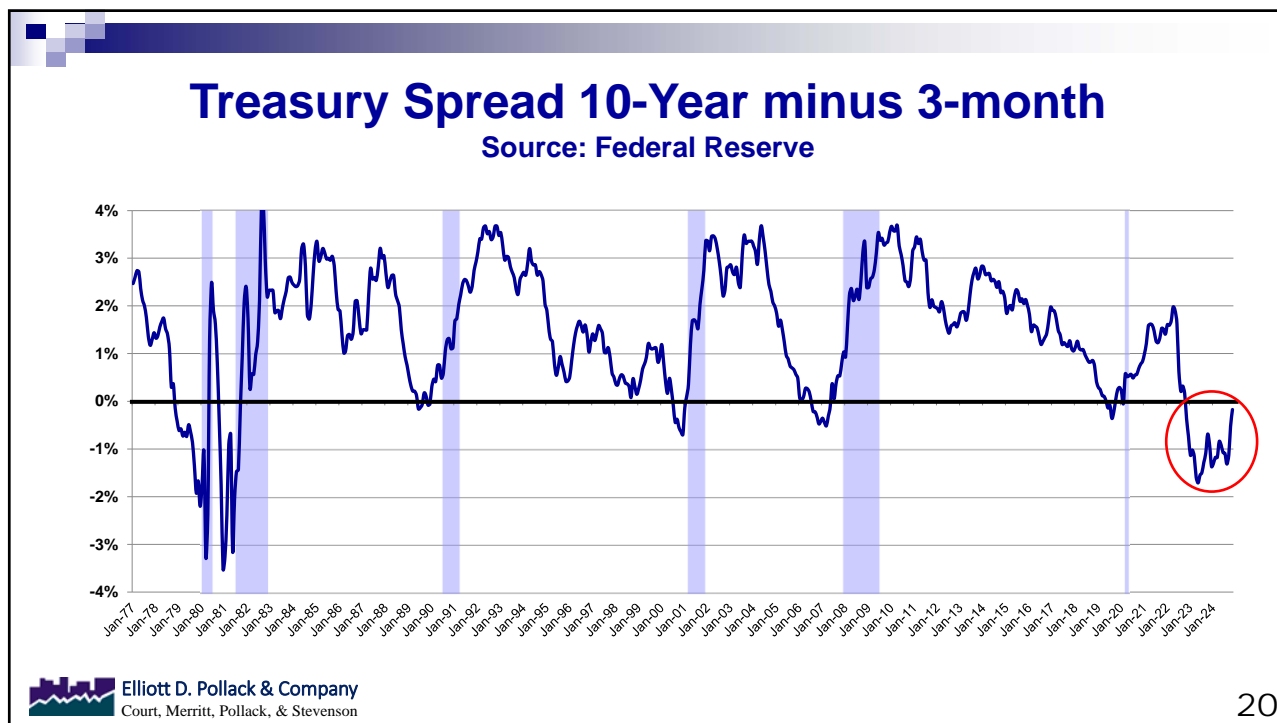
- Tax cuts – personal and corporate
- Reducing the deficit & size of government – DOGE
- Tariffs
- Less regulation & rolling back climate policies
- More domestic oil production
- Border enforcement & deportations
- Ending wars
- Constrain China from accessing U.S. technology

**What are  
Recession  
Indicators  
Saying?**

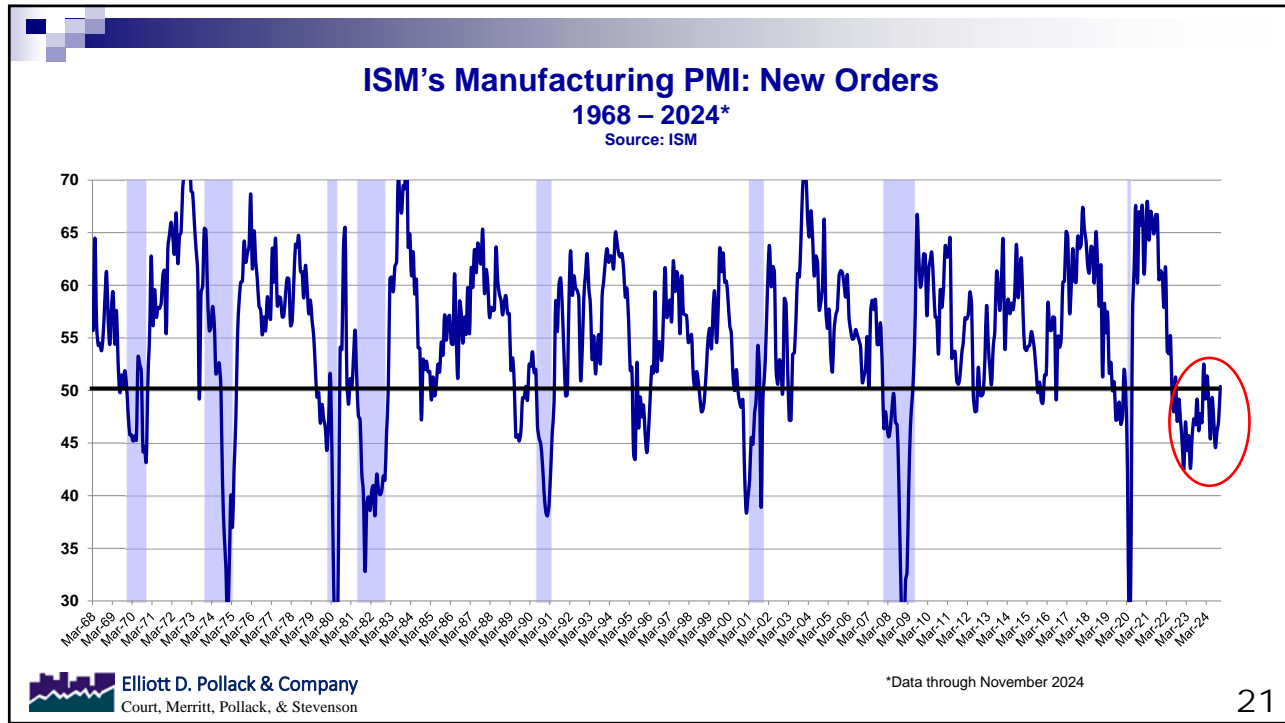




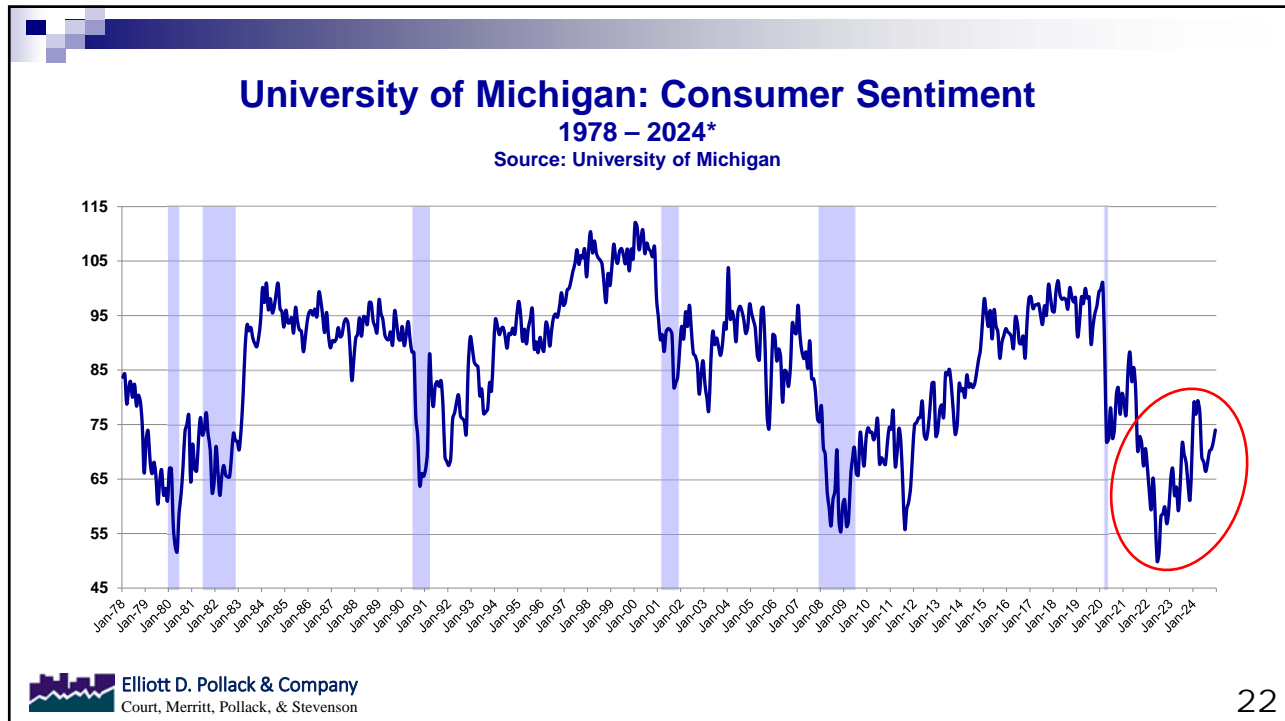
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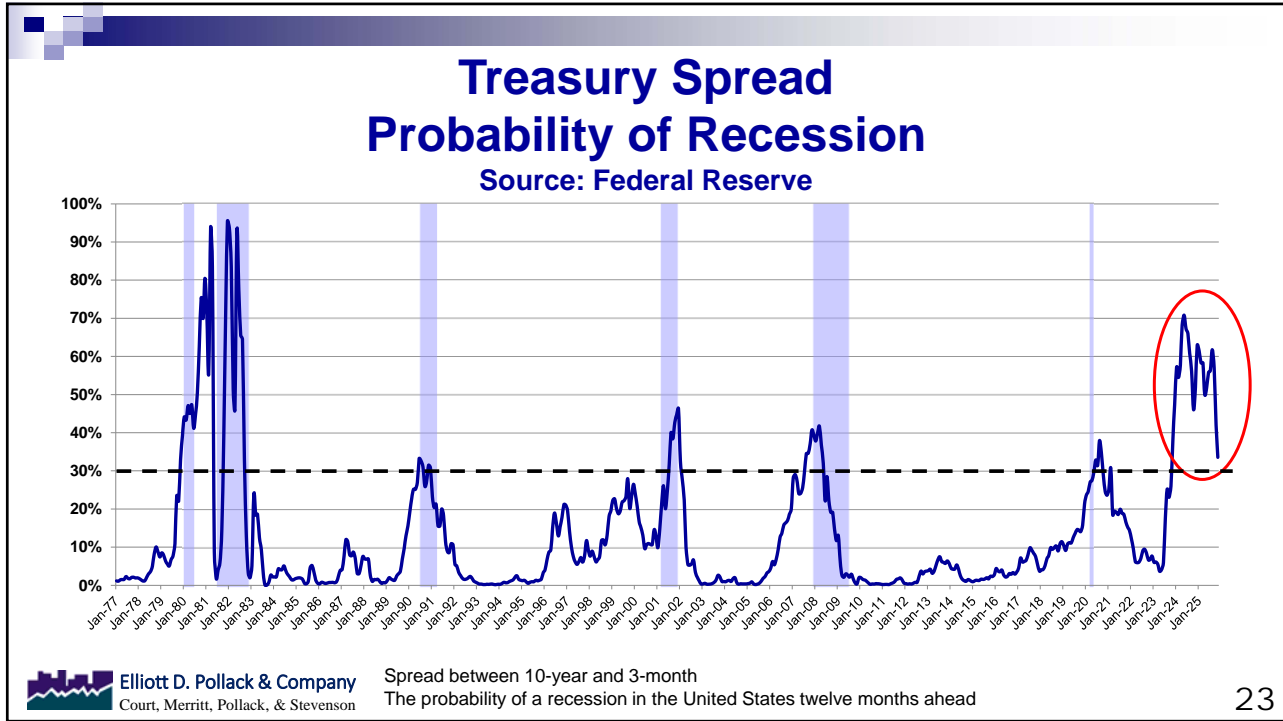


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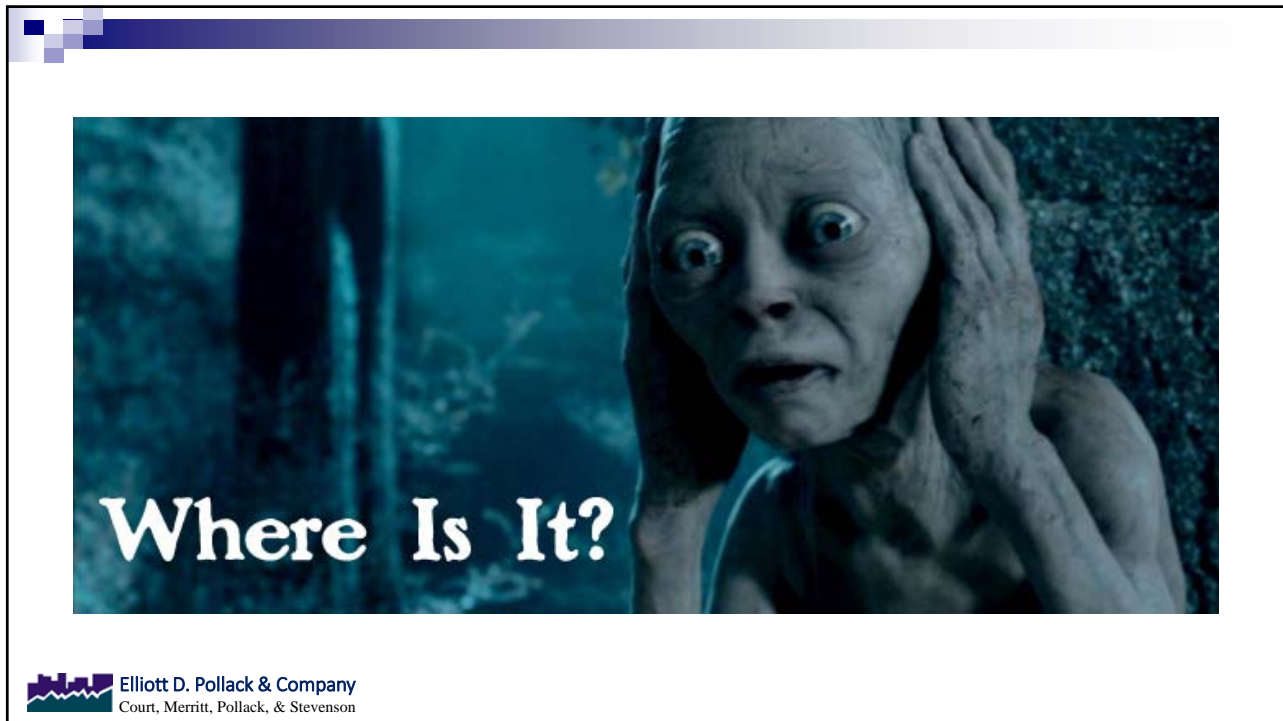


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## The Federal Government's Fiscal Policy



A helicopter is shown in silhouette against a bright blue sky, dropping a large amount of cash (US dollar bills) into the air. The bills are falling in a dense stream, creating a large cloud of money. The helicopter is positioned on the left side of the frame, and the cash is falling towards the right.

|   |
|---|
| <b>2020 - Cares Act</b>                       |
| <b>\$2.2 trillion</b>                         |
| <b>2021 - American Rescue Plan Act</b>        |
| <b>\$1.9 trillion</b>                         |
| <b>Infrastructure Investment and Jobs Act</b> |
| <b>\$1.0 trillion</b>                         |
| <b>Inflation Reduction Act</b>                |
| <b>\$891 billion</b>                          |
| <b>CHIPS Act</b>                              |
| <b>\$280 billion</b>                          |

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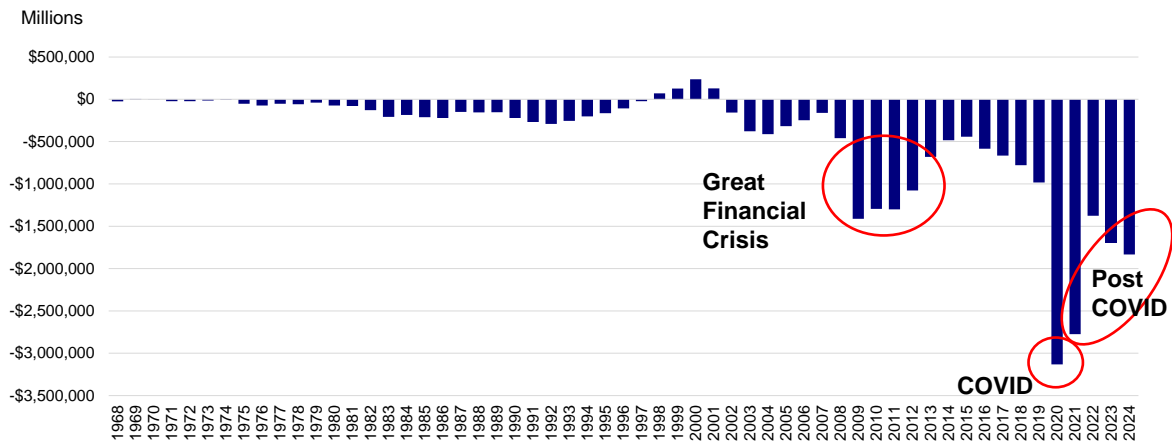
## What was the Money Used For?

- Cushion the economy from the pandemic
- Bank bailouts
- Spending to spur growth
- Tax cuts
- Support manufacturing (picking winners and losers)
- More social spending

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## FY Federal Surplus or Deficit [-]

U.S. Office of Management and Budget



28

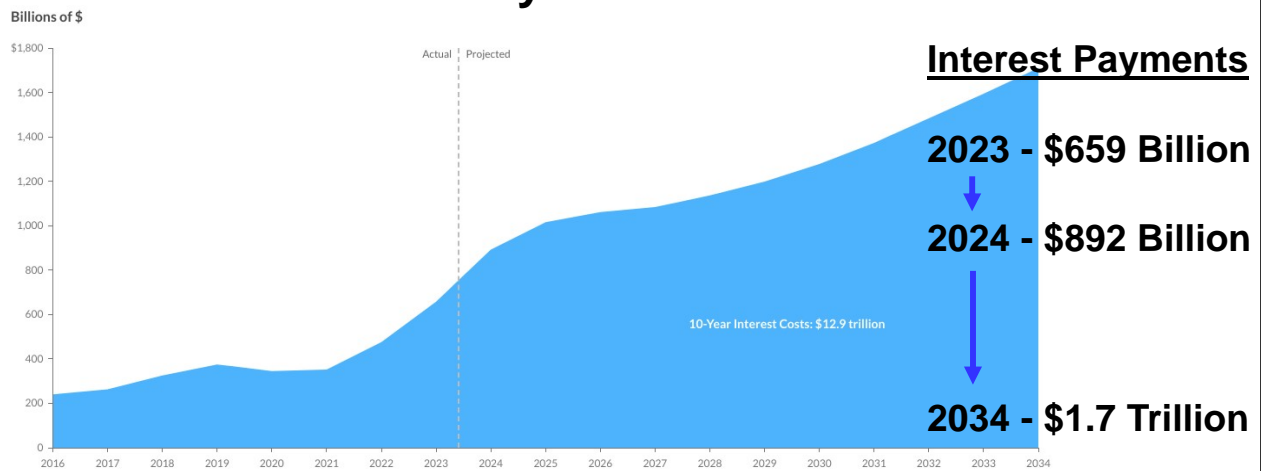
## GDP Growth Versus Deficit Spending

|                 | GDP (bn)            | GDP Net Growth (bn) | Fiscal Deficit (bn) |
|-----------------|---------------------|---------------------|---------------------|
| <b>2021</b>     | <b>\$23,681,171</b> | <b>\$2,327.1</b>    | <b>\$-2,775.3</b>   |
| <b>2022</b>     | <b>\$26,006,893</b> | <b>\$2,325.7</b>    | <b>\$-1,375.9</b>   |
| <b>2023</b>     | <b>\$27,720,709</b> | <b>\$1,713.8</b>    | <b>\$-1,693.7</b>   |
| <b>2024 (F)</b> | <b>\$28,792,000</b> | <b>\$1,431.0</b>    | <b>\$-1,915.0</b>   |

Pre-revision forecast

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## At what point will the government be unable to borrow its way out of the next crisis?



**Next Decade - \$12.9 Trillion**

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# What did you get done this week?




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## Federal spending in FY 2023 totaled \$6.16 trillion.

Total US government spending by category, fiscal year 2023

|   |   |  |  |  |
|---|---|--|--|--|
| <b>SOCIAL SECURITY</b><br>Retirement \$1,153.0B<br>Disability \$150.9B<br>Other \$50.9B   | <b>NATIONAL DEFENSE AND VETERANS</b><br>Defense \$828.9B<br>Veterans \$298.6B                                     | <b>MEDICARE</b><br>Medicare \$848.2B   | <b>NET INTEREST ON THE...</b><br>Net interest on the debt \$658.8B | <b>Mandatory Spending</b><br>\$3.8 Trillion<br><br><b>Discretionary Spending</b><br>\$1.7 Trillion<br><br><b>Interest on Debt</b><br>\$659 Billion |
| <b>TRANSFERS TO STATES</b><br>Medicaid and CHIP \$633.8B<br>Other \$268.2B<br>Education \$67.1B<br>Child and social services<br>Transportation \$4.8B | <b>OTHER</b><br>Other \$355.2B<br>Public health \$100.1B<br>Banking and finance \$91.5B<br>Transportation \$44.8B | <b>ASSISTANCE TO INDIVID...</b><br>Other \$170.3B<br>Nutrition \$128.2B<br>Other medical assistance \$83.4B<br>SSI \$62.0B<br>EITC \$55.5B |  |  |

Source: USAFacts aggregation of data from Office of Management and Budget, Census Bureau, Department of the Treasury, and Bureau of Economic Analysis

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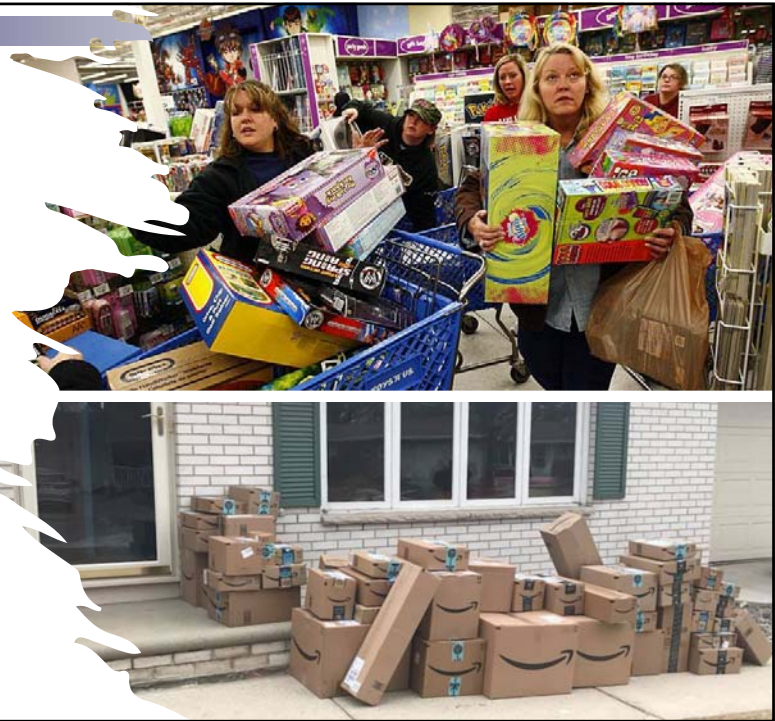
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# How are Consumers Holding Up?

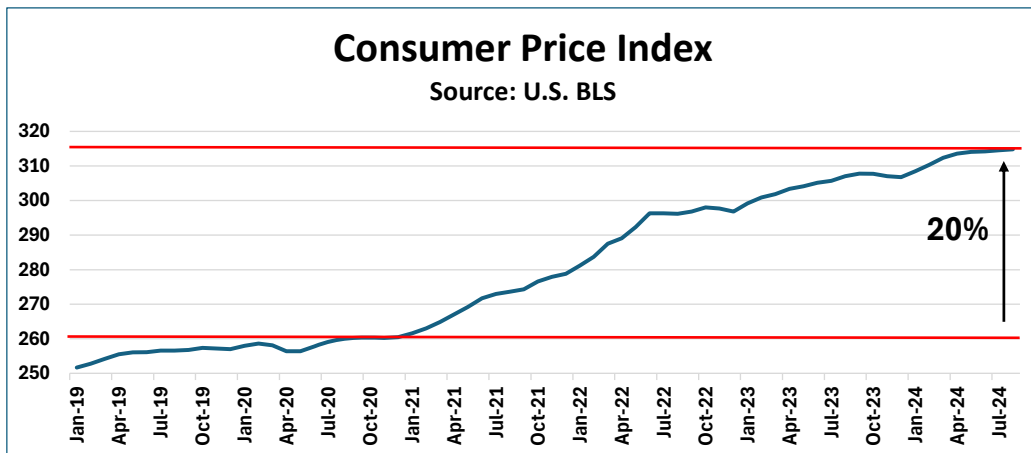
Consumer spending accounts for 70% of GDP.



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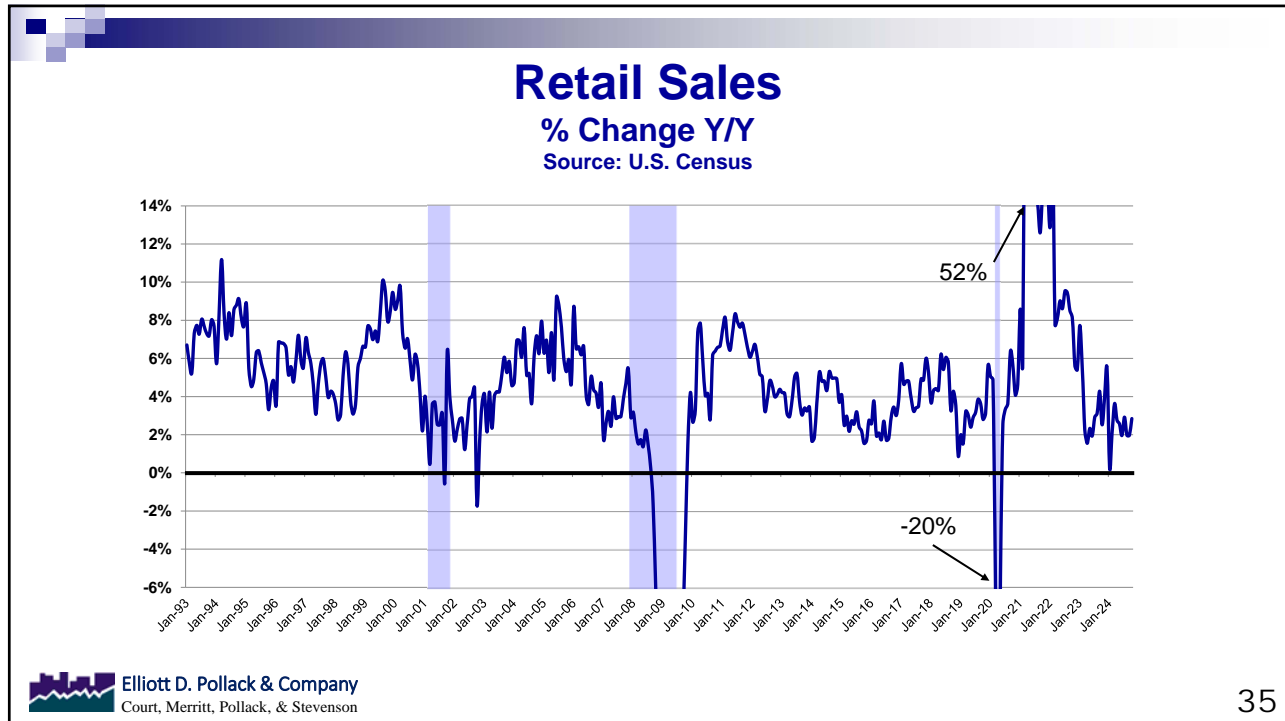
# Inflation is Under Control But Everything is Still Expensive



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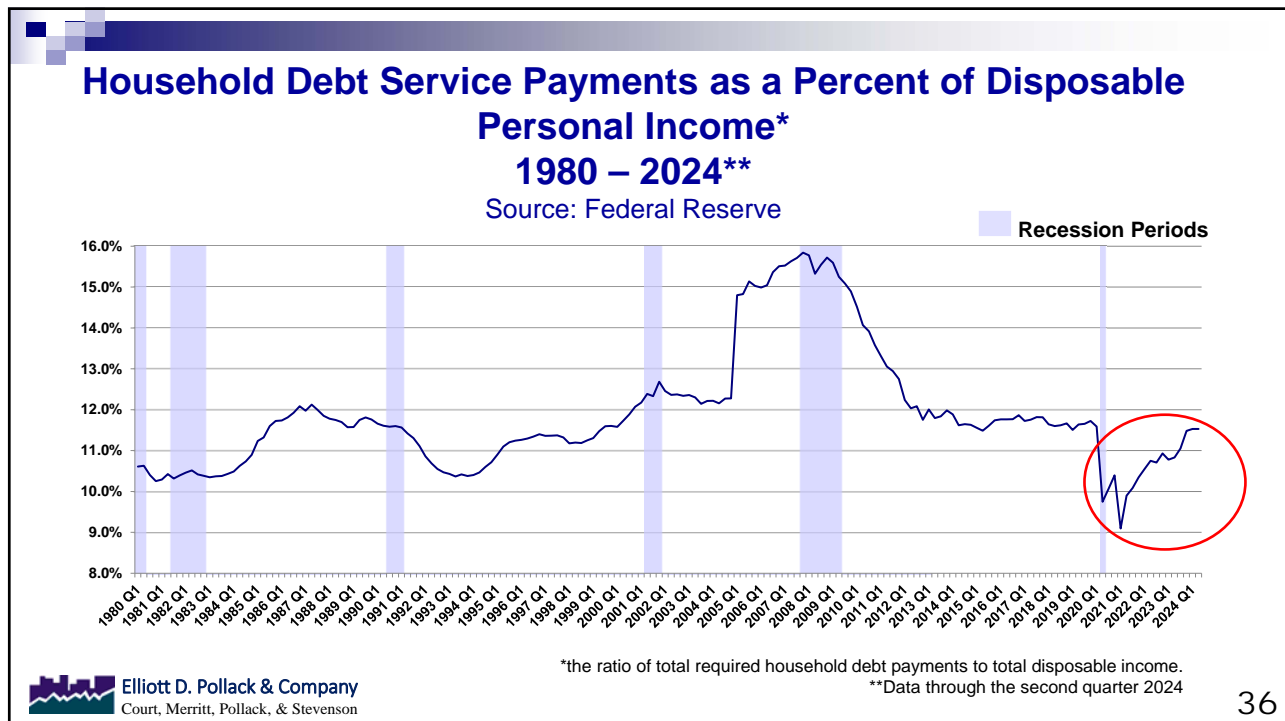
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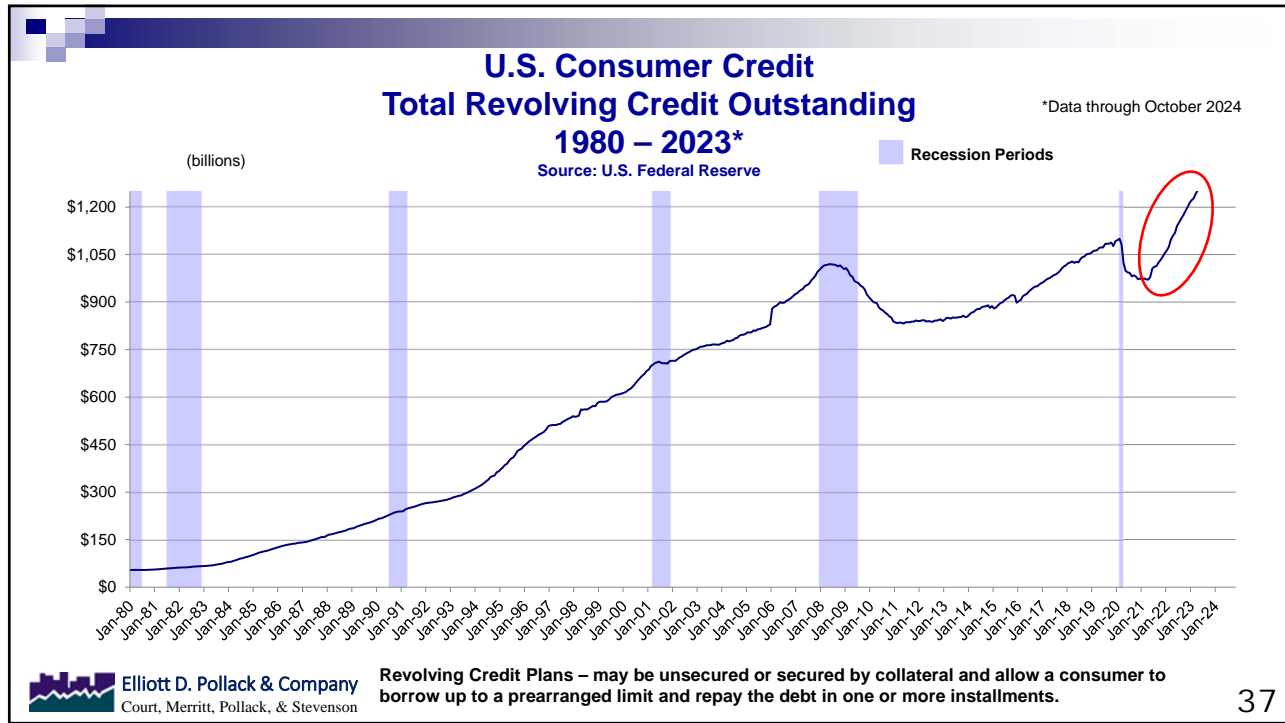
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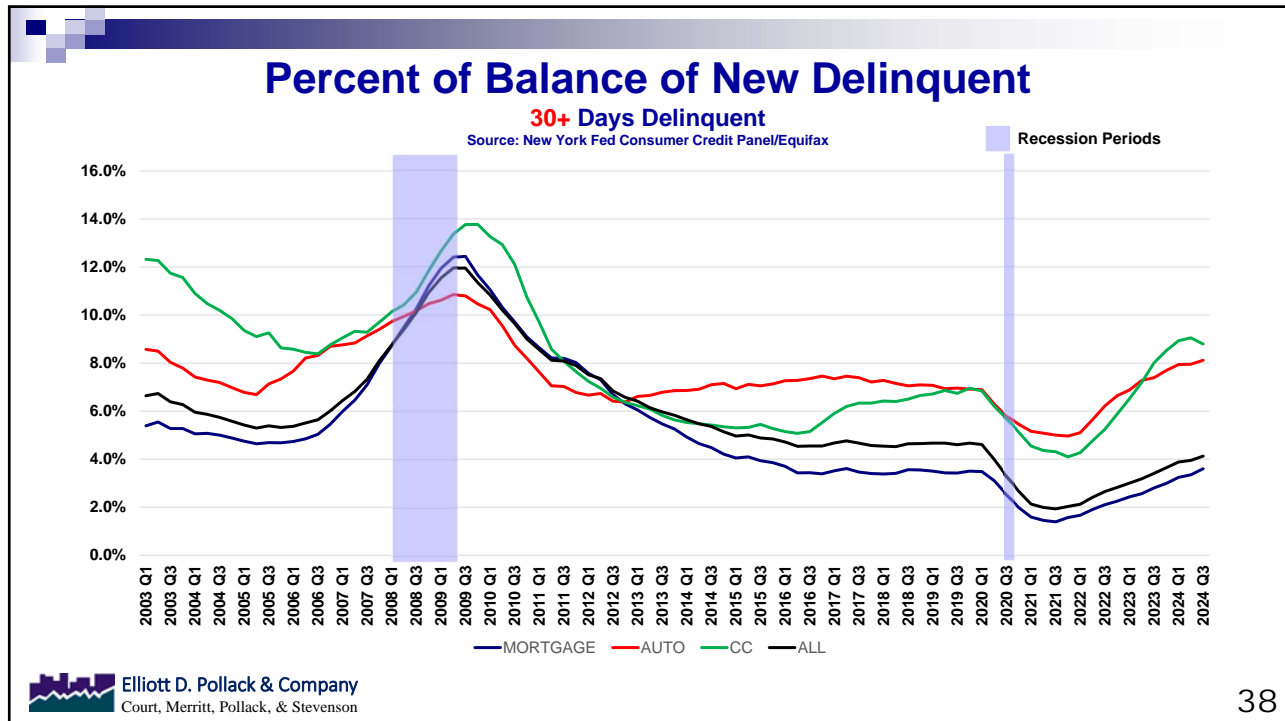


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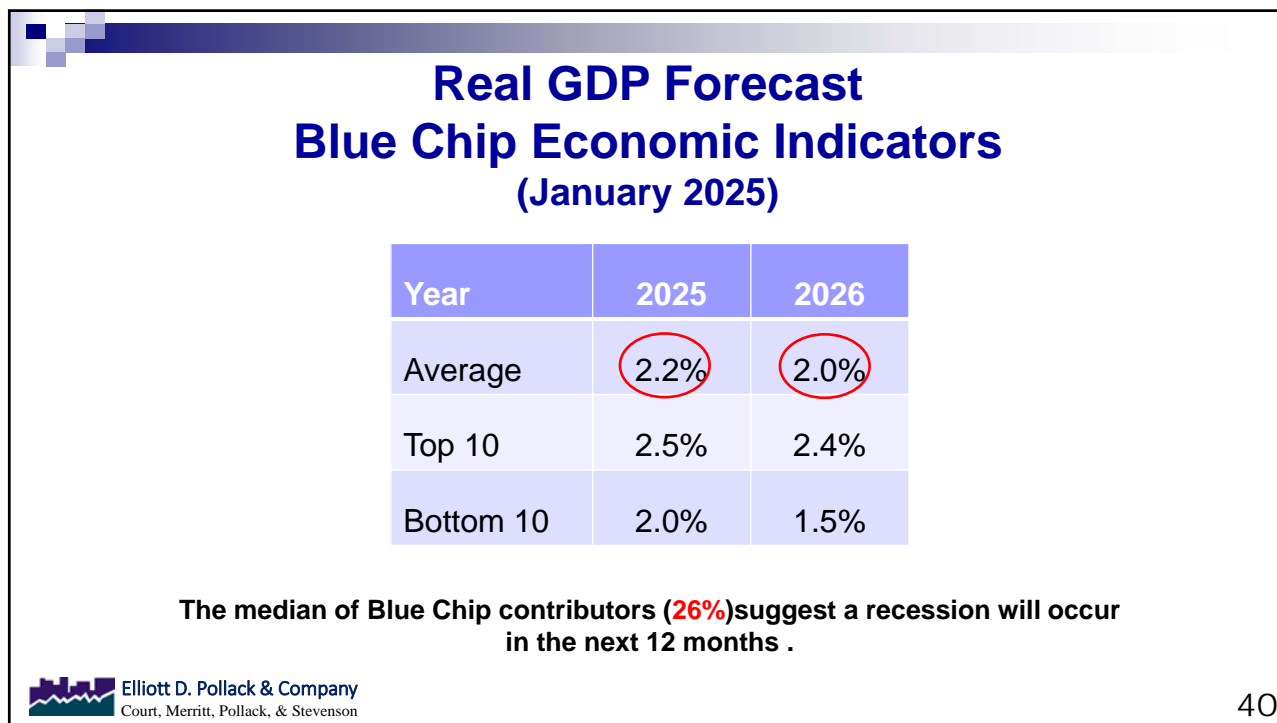
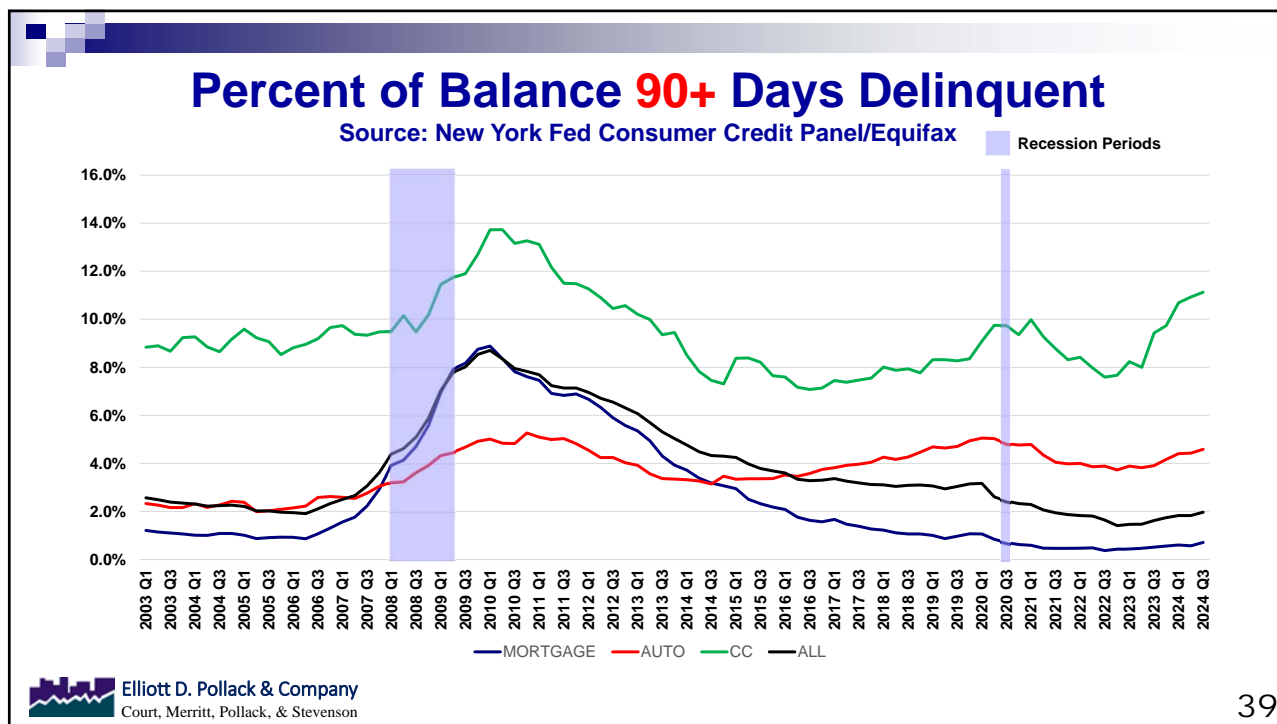


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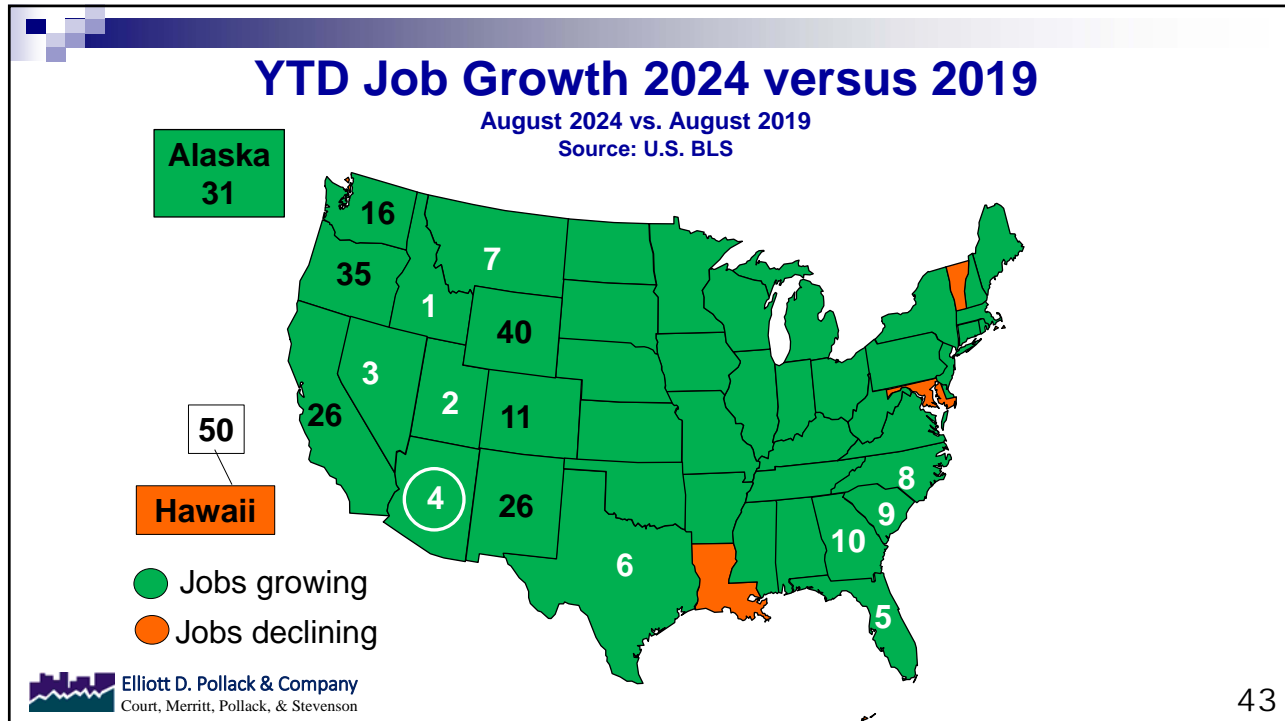
## National Summary

- The economy over the last 3 years has been built on a base of soft sand.
- Actions were necessary during COVID to prevent a depression.
- After COVID ended and employment recovered, subsequent giveaways were not sustainable.
- President Trump has therefore been left a bad hand. It will take skillful management to avoid problems.

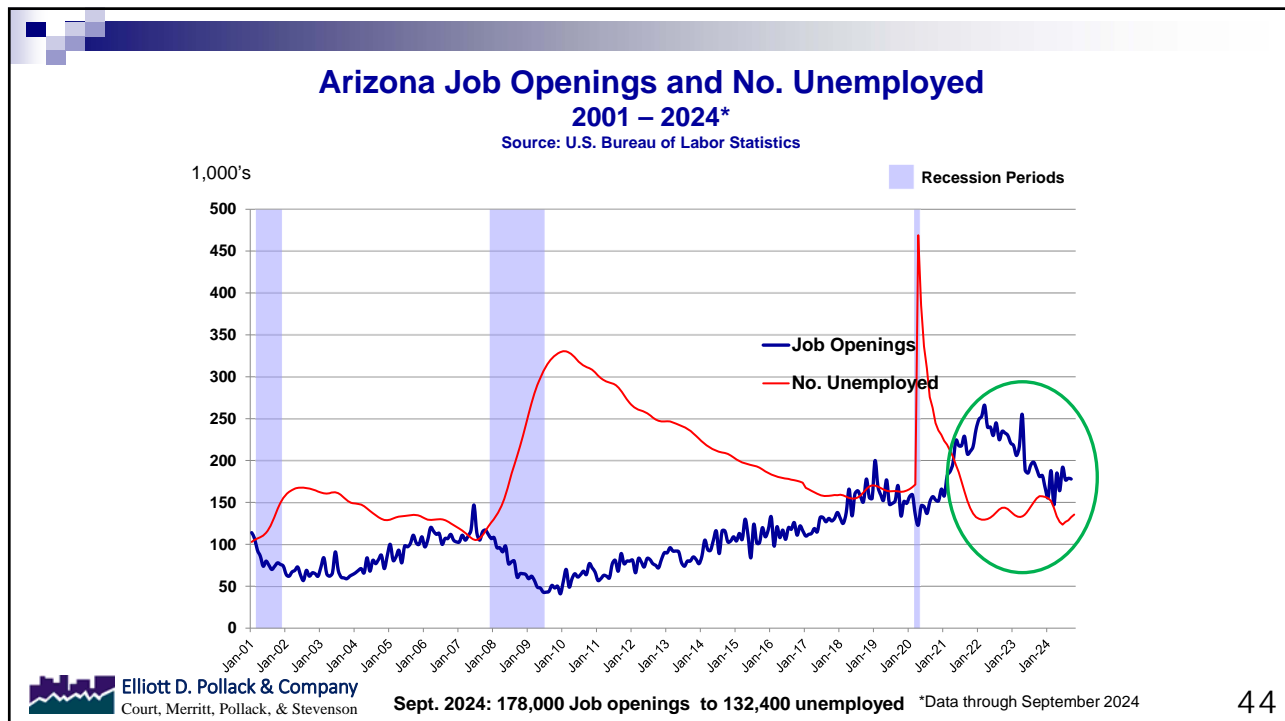
**Overall, 2025 expected to be a solid year. No recession unless a black swan event occurs.**

## Arizona

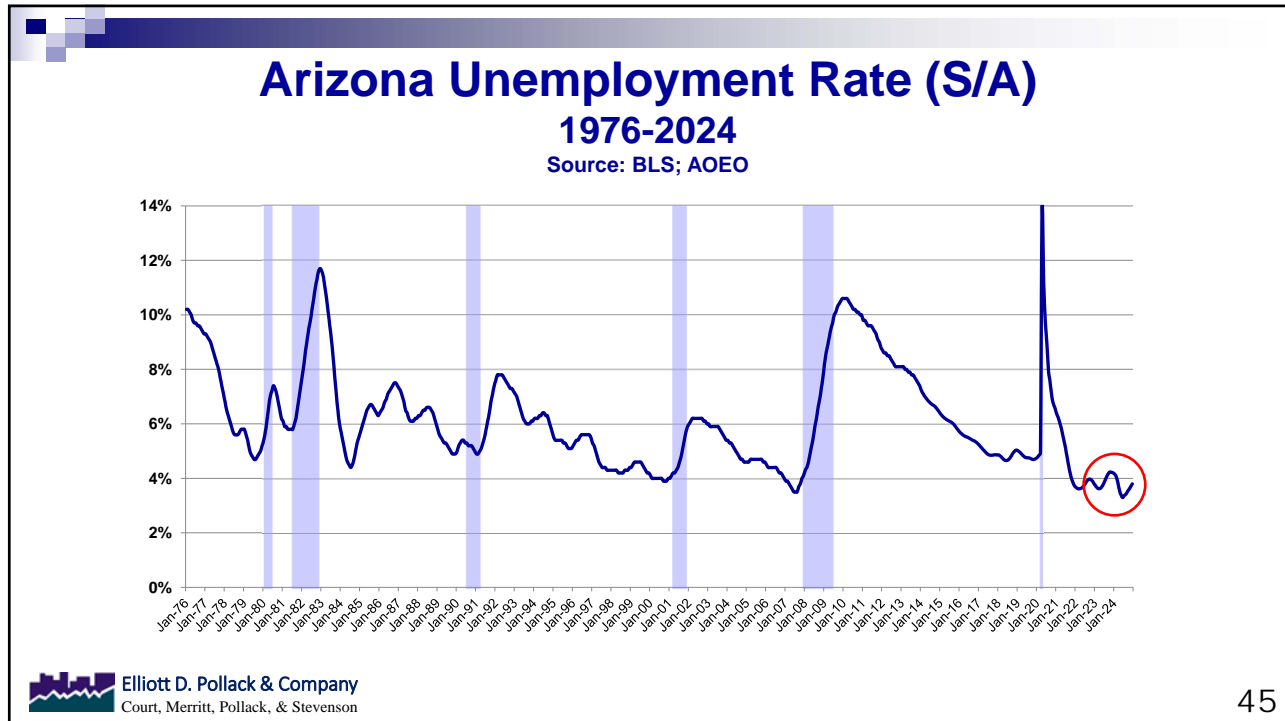




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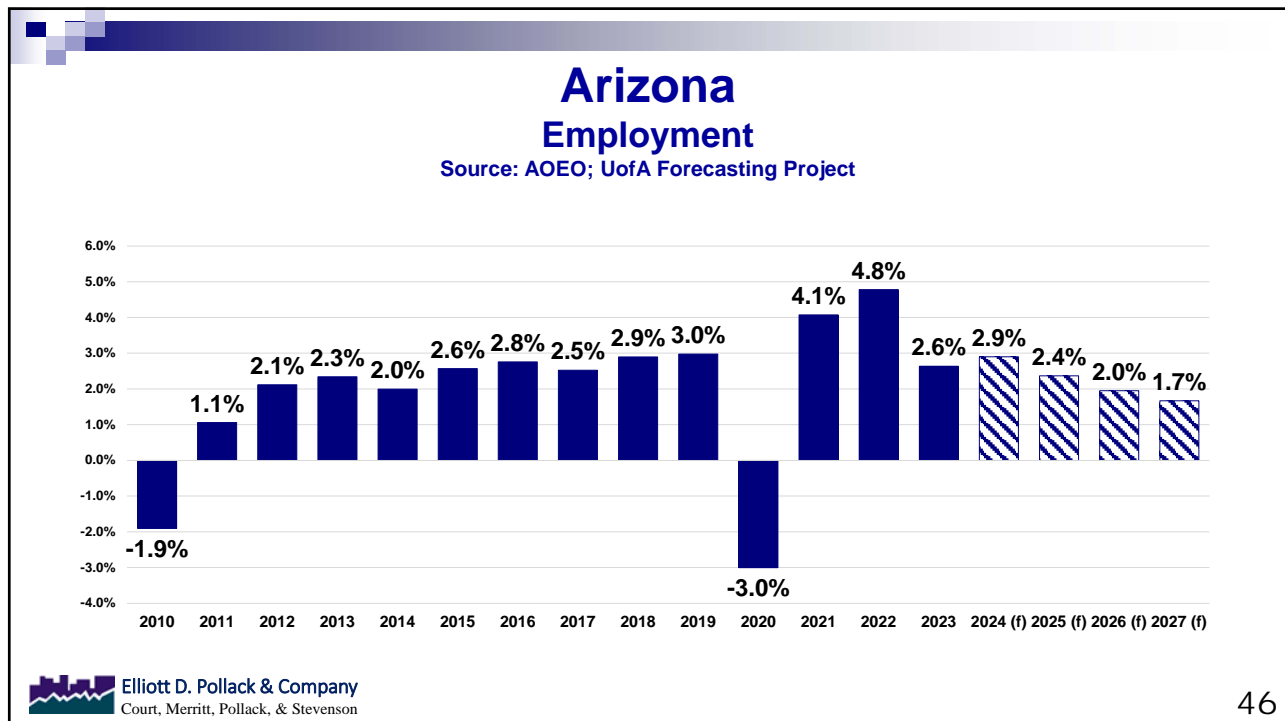


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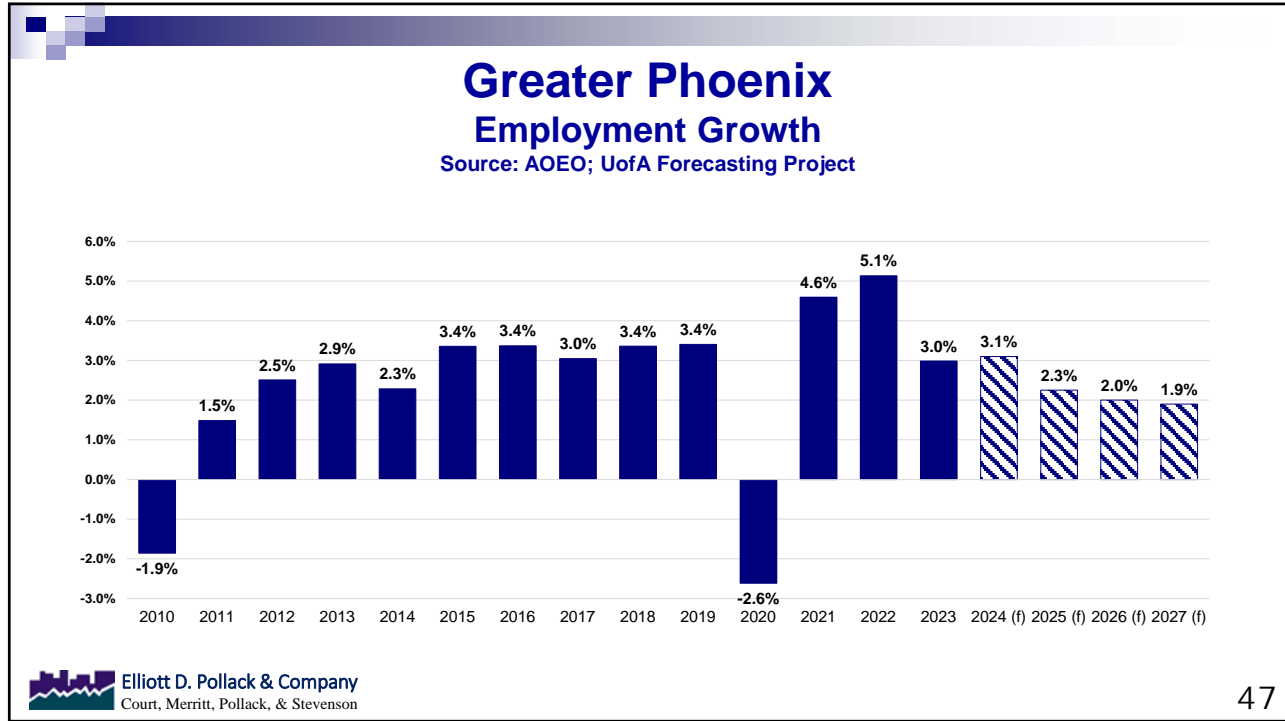
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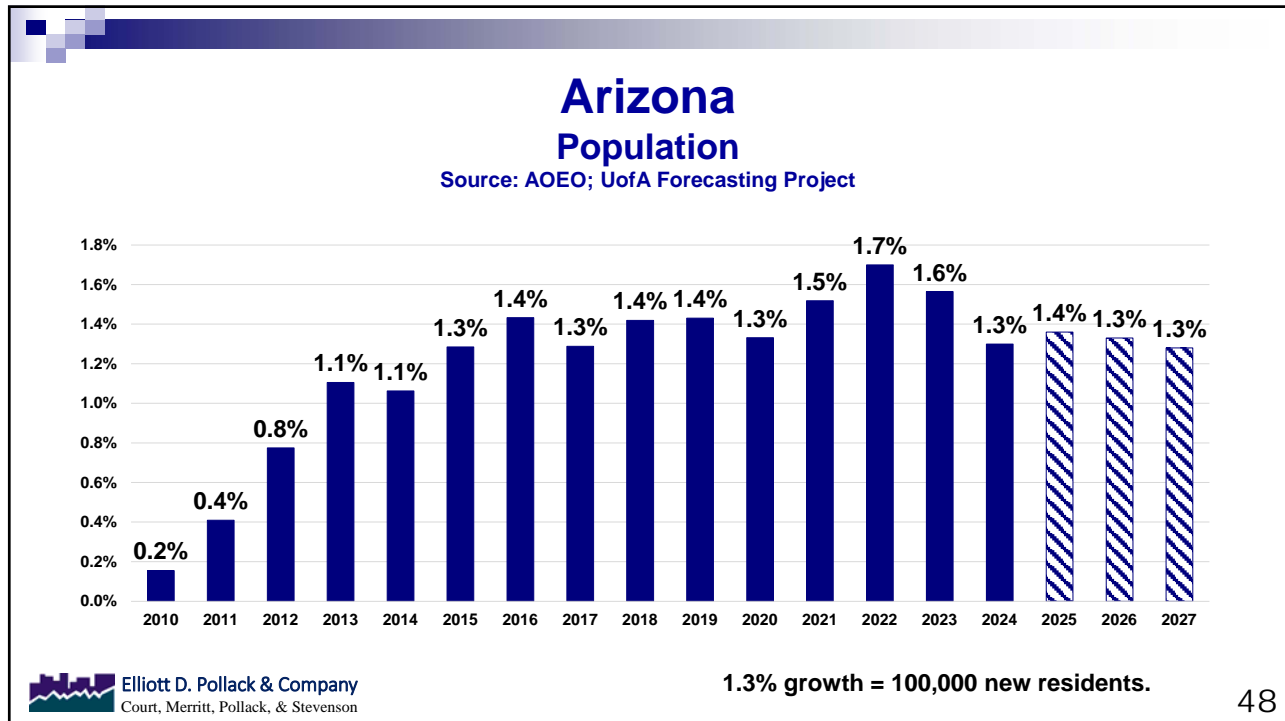
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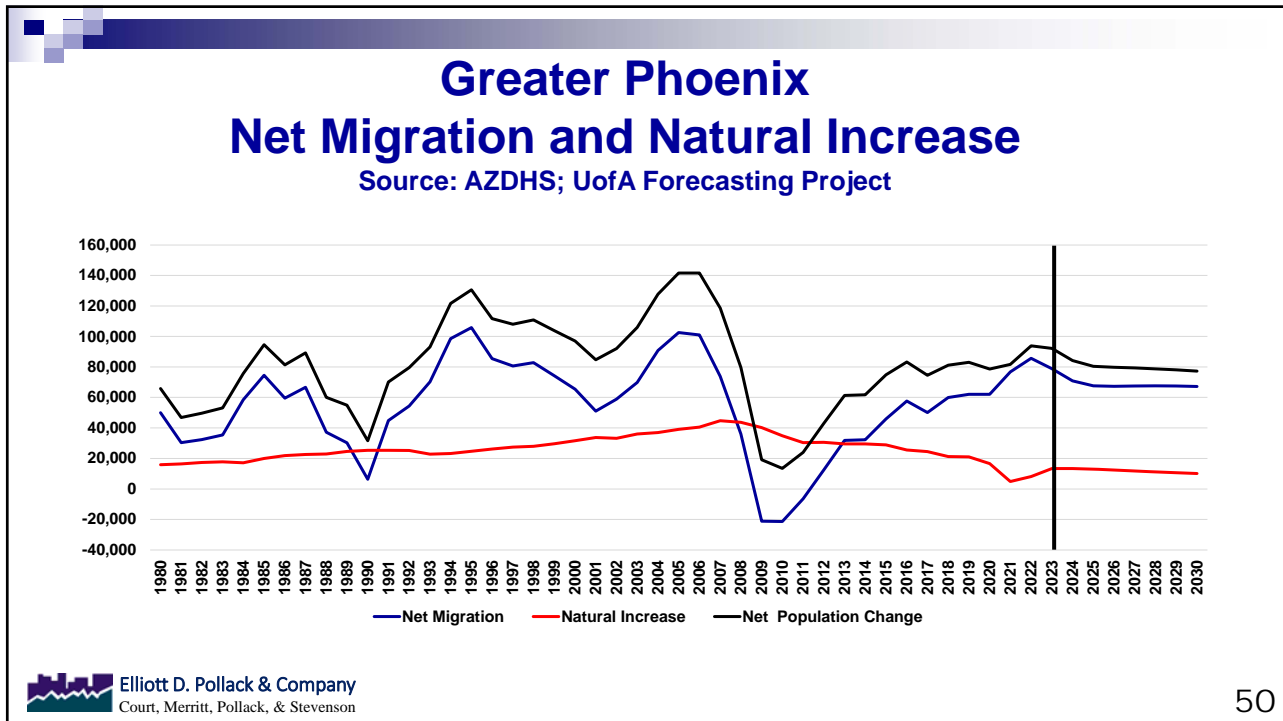
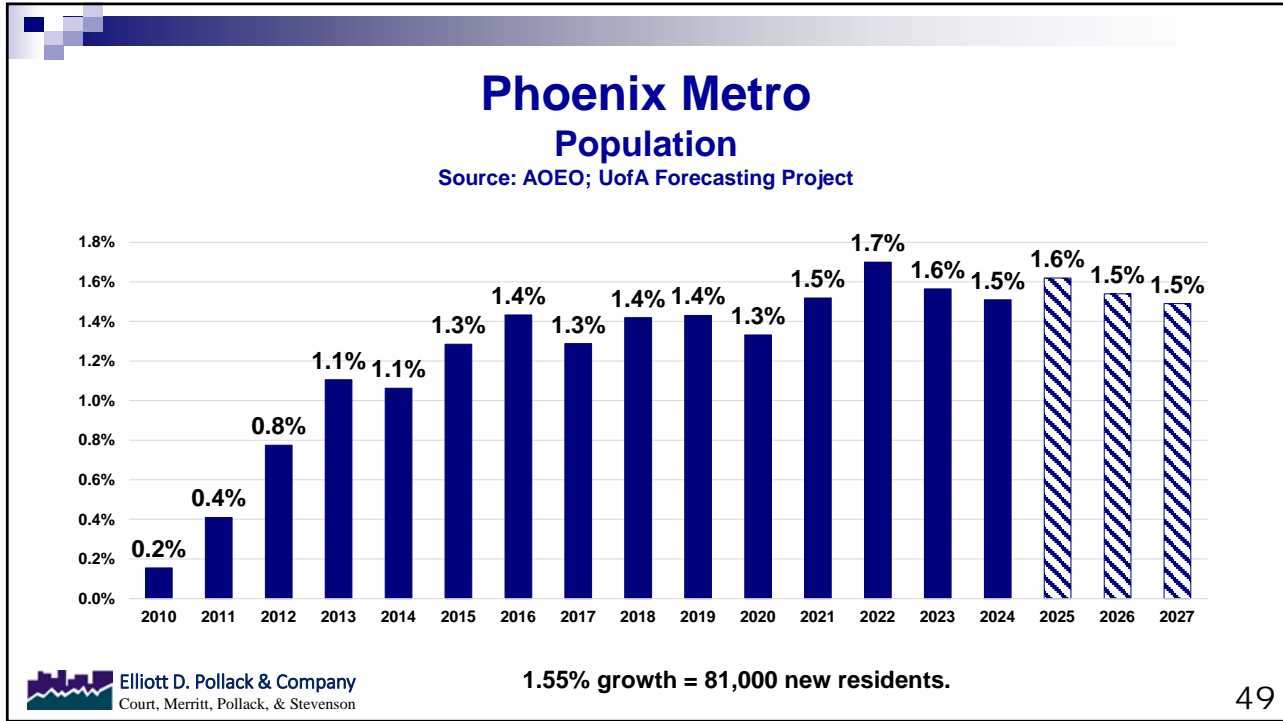
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## Housing Opportunity Index 2015 – 2023


### 2015 Q4

| City        | Index |
|-------------|-------|
| Tucson      | 77.2  |
| Albuquerque | 76.3  |
| Salt Lake   | 69.4  |
| Phoenix     | 68.9  |
| San Antonio | 65.1  |
| U.S.        | 63.8  |
| Las Vegas   | 63.4  |
| Houston     | 61.3  |
| Denver      | 60.7  |
| Austin      | 59.2  |
| Dallas      | 54.7  |
| Seattle     | 49.3  |
| San Diego   | 23.8  |
| Los Angeles | 15.4  |


  

### 2023 Q4

| City        | Index |
|-------------|-------|
| San Antonio | 38.4  |
| Houston     | 37.9  |
| U.S.        | 37.7  |
| Austin      | 36.7  |
| Albuquerque | 36.2  |
| Tucson      | 32.5  |
| Dallas      | 27.3  |
| Denver      | 23.9  |
| Phoenix     | 21.7  |
| Seattle     | 21.2  |
| Salt Lake   | 20.0  |
| Las Vegas   | 14.2  |
| San Diego   | 4.0   |
| Los Angeles | 2.7   |



Greater Phoenix housing affordability is now similar to San Diego from 8 years ago and almost equivalent to Seattle's current affordability levels.



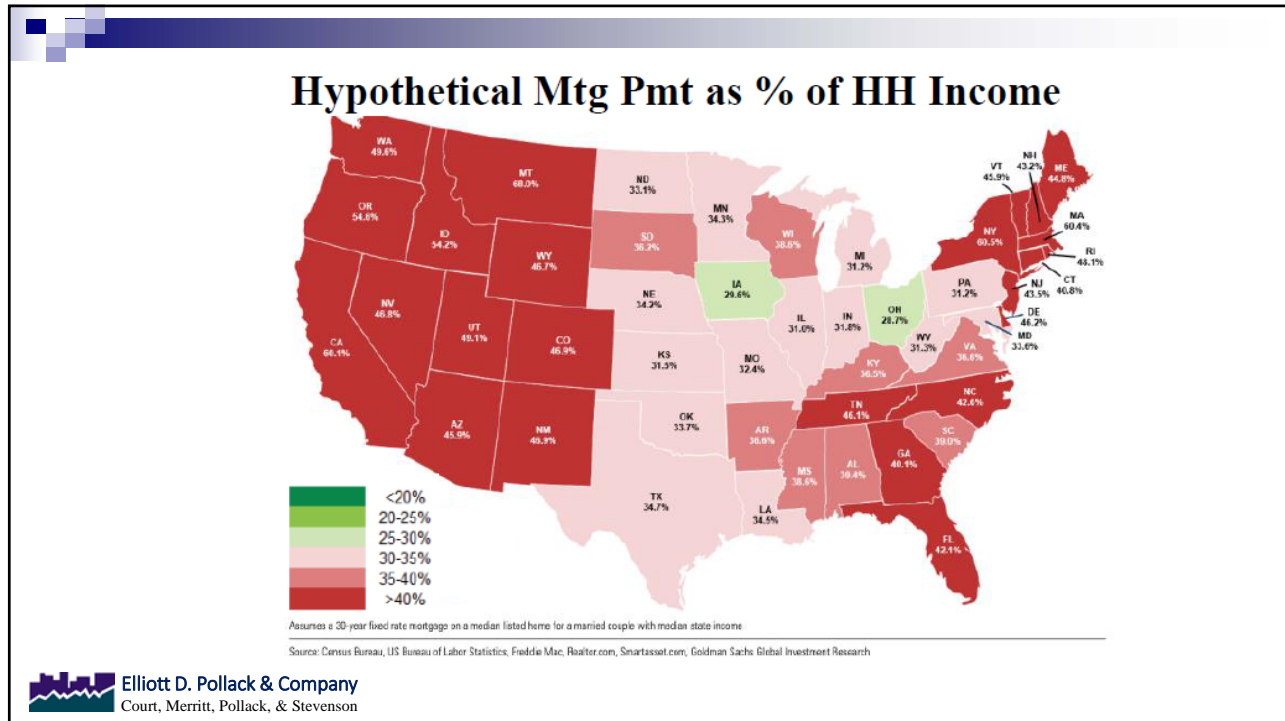
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Source: NAHB/Wells Fargo

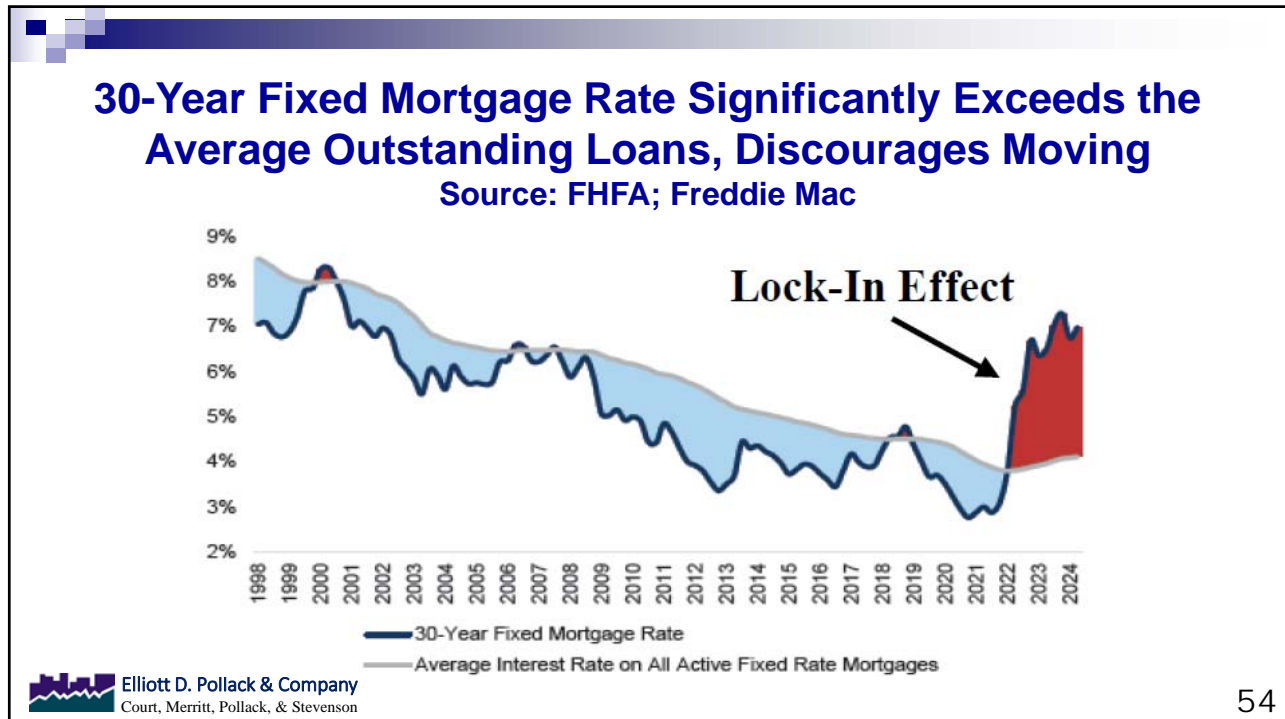
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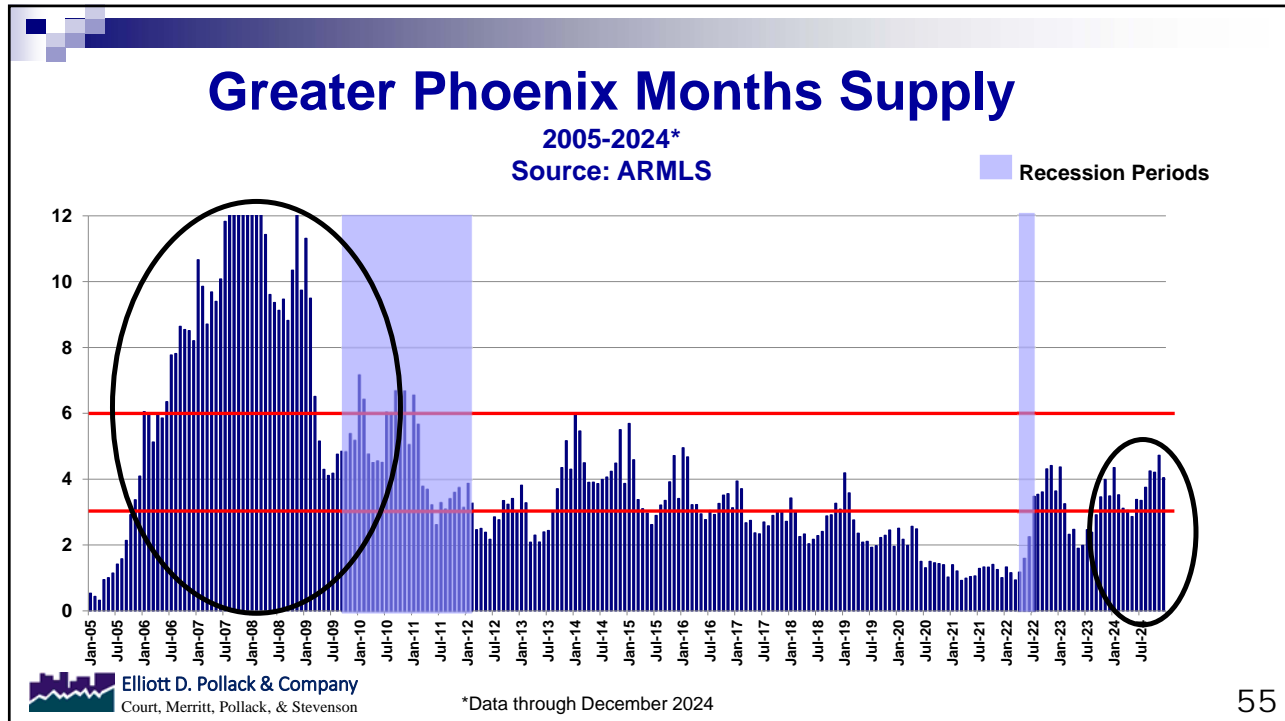
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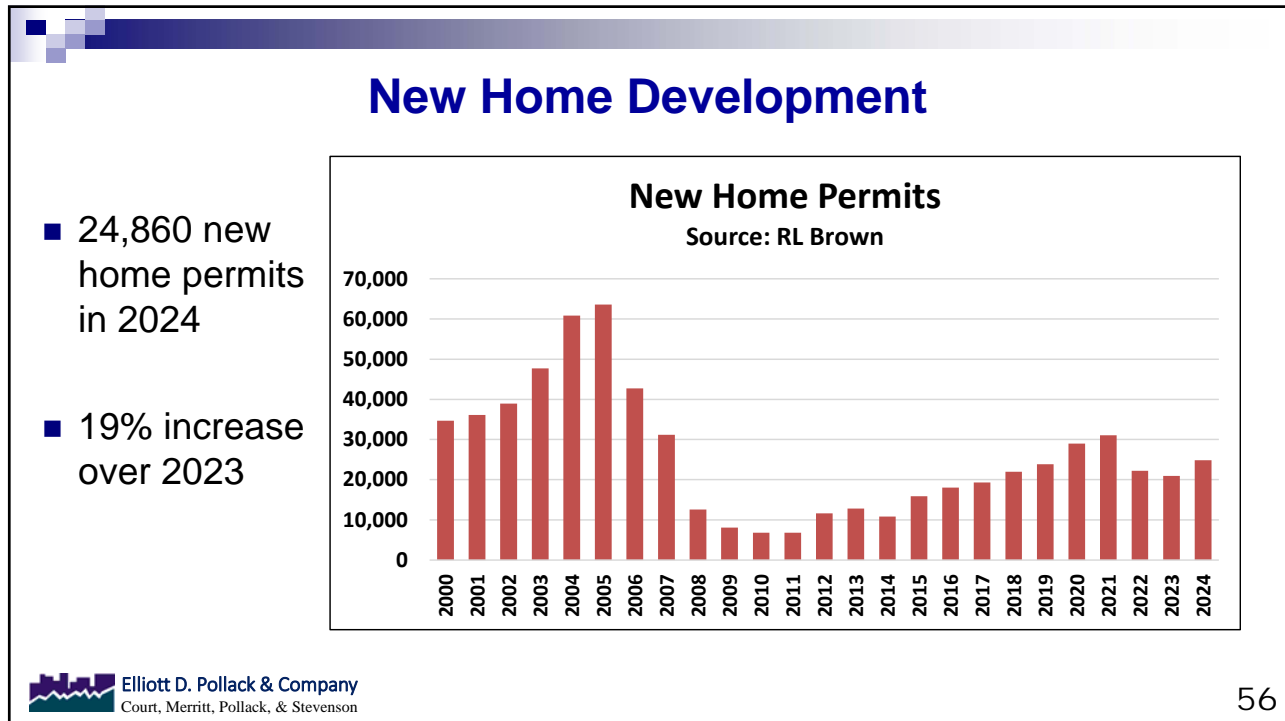
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# A Depressing Brief History - Housing Affordability

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|      |        | Price     | Interest Rate | Monthly Payment | Salary Requirement |
|------|--------|-----------|---------------|-----------------|--------------------|
| 2015 | New    | \$310,000 | 4%            | \$1,489         | \$59,552           |
|      | RESALE | \$207,000 | 4%            | \$994           | \$39,766           |
| 2019 | New    | \$350,000 | 4%            | \$1,697         | \$67,886           |
|      | RESALE | \$275,000 | 4%            | \$1,333         | \$53,339           |
| 2024 | New    | \$512,000 | 6.7%          | \$3,272         | \$130,884          |
|      | RESALE | \$454,000 | 6.7%          | \$2,901         | \$116,058          |

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## Phoenix MSA Income by Age

Source: 2023 U.S. Census ACS

| Age Range            | Under 25      | 25 to 44       | 45 to 64       | 65+            |
|----------------------|---------------|----------------|----------------|----------------|
| <b>Households</b>    | <b>76,745</b> | <b>658,009</b> | <b>665,421</b> | <b>521,893</b> |
| Under \$40,000       | 32%           | 15%            | 16%            | 32%            |
| \$40,000 - \$75,000  | 34%           | 24%            | 19%            | 26%            |
| \$75,000 - \$100,000 | 16%           | 16%            | 12%            | 13%            |
| \$100,000+           | 18%           | 46%            | 53%            | 28%            |

## Affordability by Occupation

|                        | Median Single Family Price | Annual Salary Needed | 2-Bedroom Rent | Annual Salary Needed | 1-Bedroom Rent | Annual Salary Needed |          |                |          |                     |             |                     |                                  |            |               |  |
|------------------------|----------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------|----------------|----------|---------------------|-------------|---------------------|----------------------------------|------------|---------------|--|
|                        |                            |                      |                |                      |                |                      | Nurse    | Police Officer | Chef     | High School Teacher | Firefighter | Construction Worker | Elementary/Middle School Teacher | Waitperson | Retail Worker |  |
| <b>2020 (December)</b> |                            |                      |                |                      |                |                      | \$80,609 | \$73,786       | \$53,071 | \$54,186            | \$54,900    | \$47,034            | \$47,034                         | \$34,940   | \$26,843      |  |
| Avondale               | \$303,000                  | \$57,763             | \$1,120        | \$44,800             | \$954          | \$38,160             |          |                |          |                     |             |                     |                                  |            |               |  |
| Chandler               | \$420,000                  | \$80,067             | \$1,323        | \$52,920             | \$1,174        | \$46,960             |          |                |          |                     |             |                     |                                  |            |               |  |
| Gilbert                | \$429,000                  | \$81,783             | \$1,349        | \$53,960             | \$1,235        | \$49,400             |          |                |          |                     |             |                     |                                  |            |               |  |
| Glendale               | \$315,000                  | \$60,050             | \$1,062        | \$42,480             | \$950          | \$38,000             |          |                |          |                     |             |                     |                                  |            |               |  |
| Goodyear               | \$370,000                  | \$70,535             | \$1,049        | \$56,360             | \$1,186        | \$47,440             |          |                |          |                     |             |                     |                                  |            |               |  |
| Mesa                   | \$350,000                  | \$66,722             | \$1,113        | \$44,520             | \$989          | \$39,560             |          |                |          |                     |             |                     |                                  |            |               |  |
| Peoria                 | \$370,619                  | \$70,563             | \$1,181        | \$47,240             | \$1,068        | \$42,720             |          |                |          |                     |             |                     |                                  |            |               |  |
| Phoenix                | \$340,000                  | \$64,816             | \$1,156        | \$46,240             | \$969          | \$38,760             |          |                |          |                     |             |                     |                                  |            |               |  |
| Scottsdale             | \$800,000                  | \$152,508            | \$1,454        | \$58,160             | \$1,236        | \$49,440             |          |                |          |                     |             |                     |                                  |            |               |  |
| Surprise               | \$320,500                  | \$61,099             | \$1,490        | \$59,600             | \$1,198        | \$47,920             |          |                |          |                     |             |                     |                                  |            |               |  |
| Tempe                  | \$395,250                  | \$75,349             | \$1,161        | \$46,440             | \$1,033        | \$41,320             |          |                |          |                     |             |                     |                                  |            |               |  |
| <b>2024 (October)</b>  |                            |                      |                |                      |                |                      | \$83,307 | \$81,466       | \$68,105 | \$62,855            | \$55,969    | \$49,933            | \$50,066                         | \$45,838   | \$32,270      |  |
| Avondale               | \$417,731                  | \$104,846            | \$1,301        | \$52,040             | \$1,108        | \$44,320             |          |                |          |                     |             |                     |                                  |            |               |  |
| Chandler               | \$538,000                  | \$121,529            | \$1,597        | \$63,880             | \$1,417        | \$56,680             |          |                |          |                     |             |                     |                                  |            |               |  |
| Gilbert                | \$597,135                  | \$134,887            | \$1,580        | \$63,200             | \$1,447        | \$57,880             |          |                |          |                     |             |                     |                                  |            |               |  |
| Glendale               | \$439,900                  | \$99,369             | \$1,261        | \$50,440             | \$1,129        | \$45,160             |          |                |          |                     |             |                     |                                  |            |               |  |
| Goodyear               | \$472,946                  | \$106,834            | \$1,584        | \$63,360             | \$1,332        | \$53,280             |          |                |          |                     |             |                     |                                  |            |               |  |
| Mesa                   | \$499,995                  | \$112,944            | \$1,348        | \$53,920             | \$1,199        | \$47,960             |          |                |          |                     |             |                     |                                  |            |               |  |
| Peoria                 | \$550,000                  | \$124,239            | \$1,355        | \$54,200             | \$1,226        | \$49,040             |          |                |          |                     |             |                     |                                  |            |               |  |
| Phoenix                | \$475,000                  | \$107,298            | \$1,371        | \$54,840             | \$1,150        | \$46,000             |          |                |          |                     |             |                     |                                  |            |               |  |
| Scottsdale             | \$1,130,000                | \$255,255            | \$1,719        | \$68,760             | \$1,461        | \$58,440             |          |                |          |                     |             |                     |                                  |            |               |  |
| Surprise               | \$444,990                  | \$100,519            | \$1,640        | \$65,600             | \$1,318        | \$52,720             |          |                |          |                     |             |                     |                                  |            |               |  |
| Tempe                  | \$554,500                  | \$125,256            | \$1,392        | \$55,680             | \$1,238        | \$49,520             |          |                |          |                     |             |                     |                                  |            |               |  |

Buy

Rent 2BD


Rent 1BD

Neither

Source: Cromford Report; AZ Office of Economic Opportunity; Bureau of Labor Statistics; ApartmentList.com; Elliott D. Pollack & Company

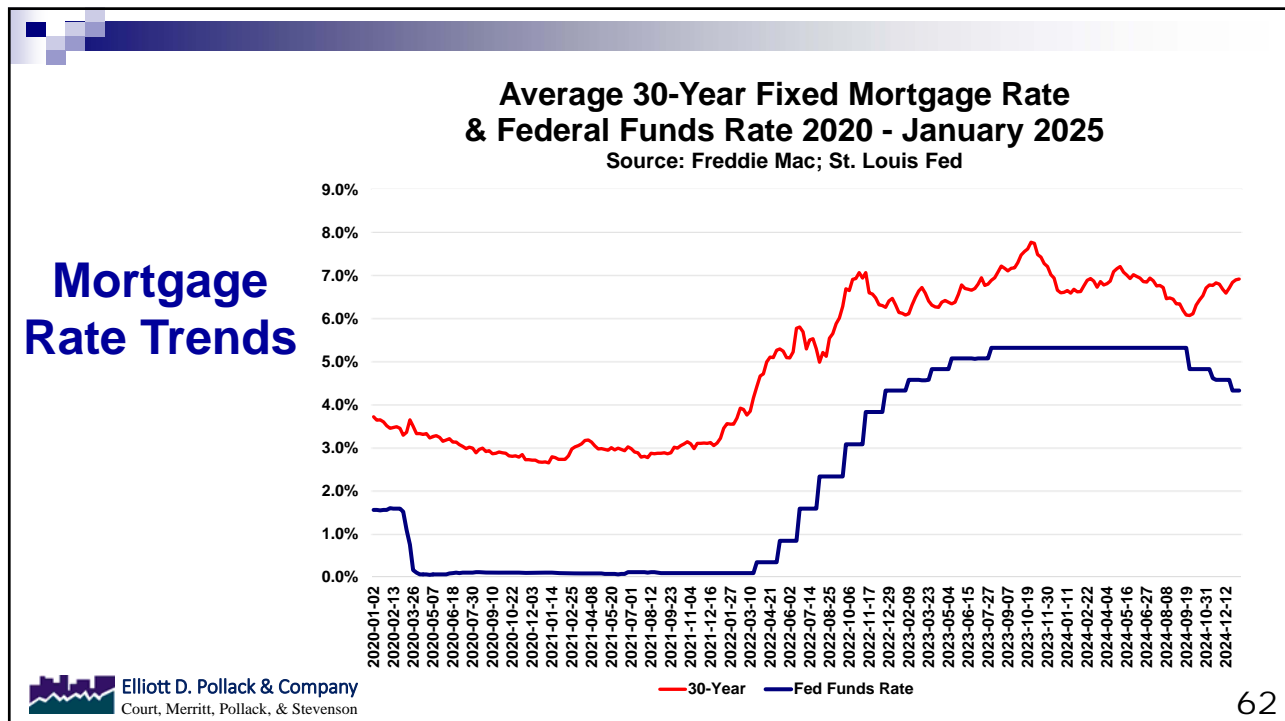
## Affordability Scenarios

|                       | Price     | Interest Rate | Monthly Payment | Salary Requirement |
|-----------------------|-----------|---------------|-----------------|--------------------|
| <b>New<br/>RESALE</b> | \$512,000 | 6.7%          | \$3,272         | \$130,884          |
|                       | \$454,000 | 6.7%          | \$2,901         | \$116,058          |
|                       | \$350,000 | 6.7%          | \$2,237         | \$89,472           |
|                       | \$300,000 | 6.7%          | \$1,917         | \$76,690           |
| <b>New<br/>RESALE</b> | \$512,000 | 5.0%          | \$2,772         | \$110,894          |
|                       | \$454,000 | 5.0%          | \$2,458         | \$98,331           |
|                       | \$350,000 | 5.0%          | \$1,895         | \$75,806           |
|                       | \$300,000 | 5.0%          | \$1,624         | \$64,977           |
| <b>New<br/>RESALE</b> | \$512,000 | 4.0%          | \$2,499         | \$99,944           |
|                       | \$454,000 | 4.0%          | \$2,216         | \$88,622           |
|                       | \$350,000 | 4.0%          | \$1,708         | \$68,321           |
|                       | \$300,000 | 4.0%          | \$1,464         | \$58,561           |

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## How Can Affordability Recover?

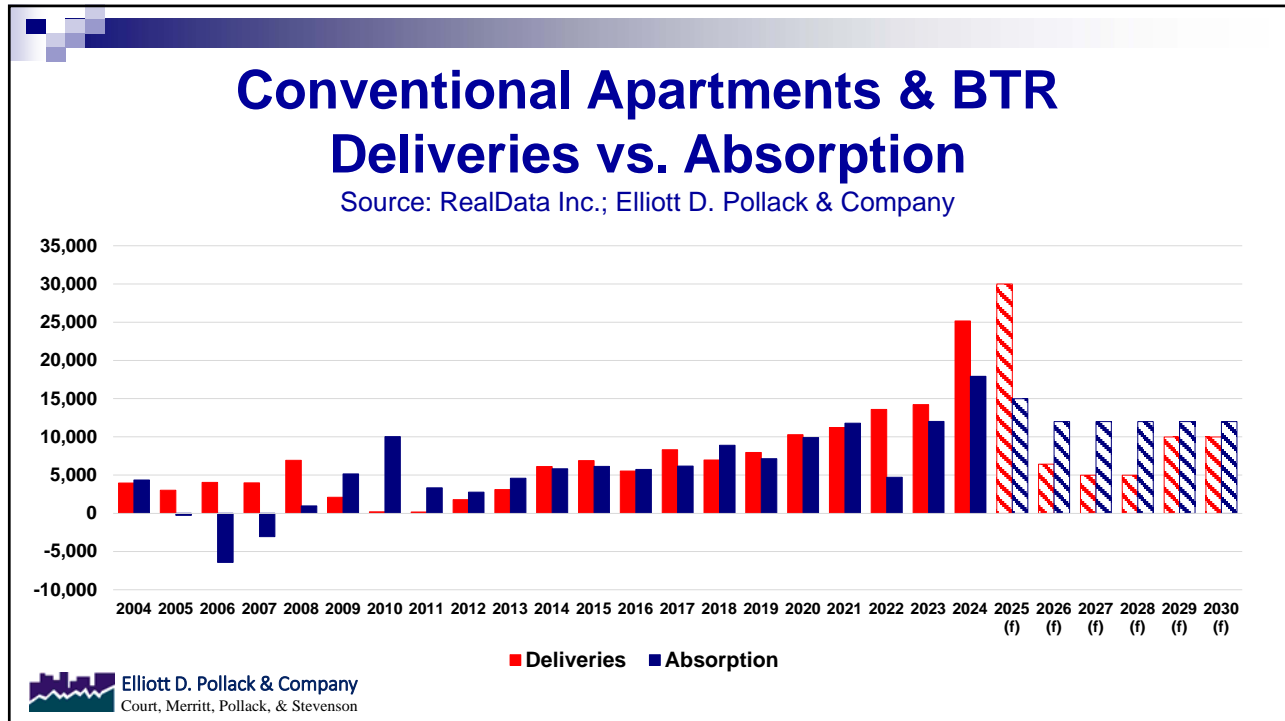
- Lower mortgage rates – likely, but no drastic reduction
- Lower housing prices – unlikely

### My wish list:

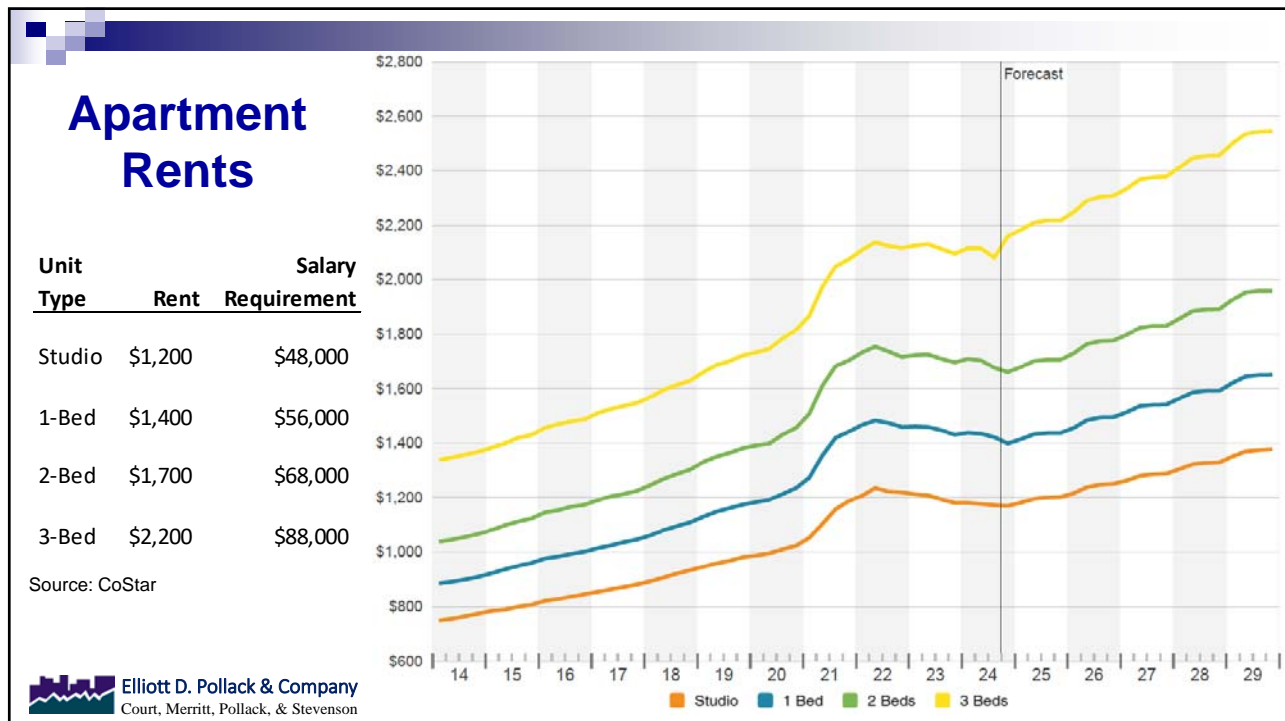
- More types of housing choice – missing middle products
- Cities become more efficient – less regulation
- More supply

## Apartment Market





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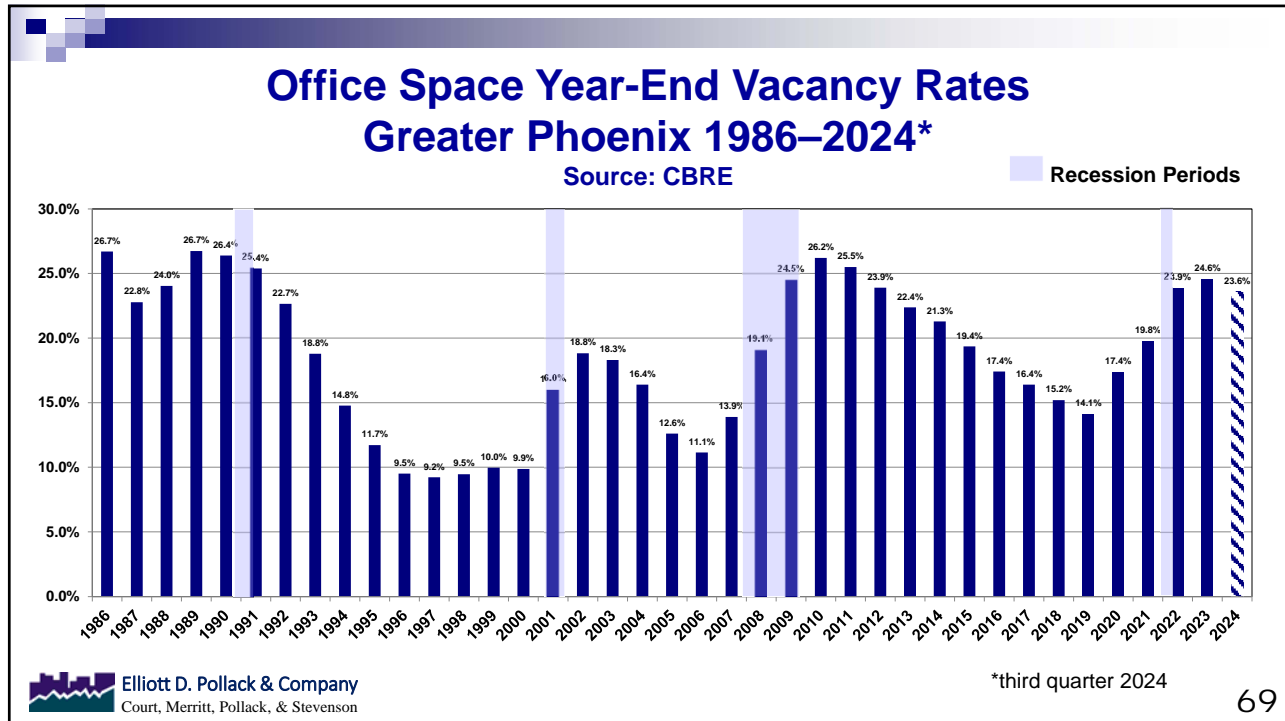
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## Greater Phoenix MF Outlook

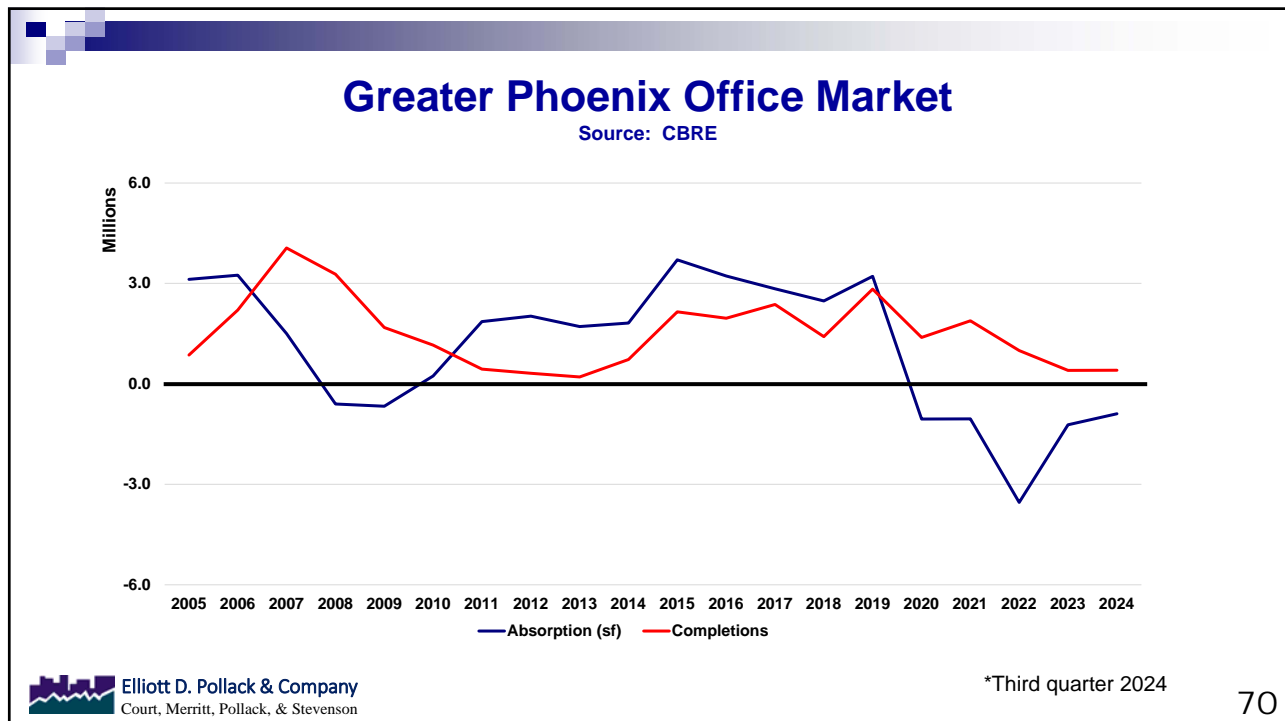
- It can take up to 3.5 years for an apartment complex to go from planning to completion. Most apartments being delivered in 2024 and 2025 were permitted during a period of low interest rates.
- There will be considerably fewer apartments delivered in 2026, 2027 and 2028 due to high interest rates and excess supply.
- The increase in vacancy rates is transitory.
- A shift towards a higher ratio of renters appears real.

## OFFICE





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# INDUSTRIAL



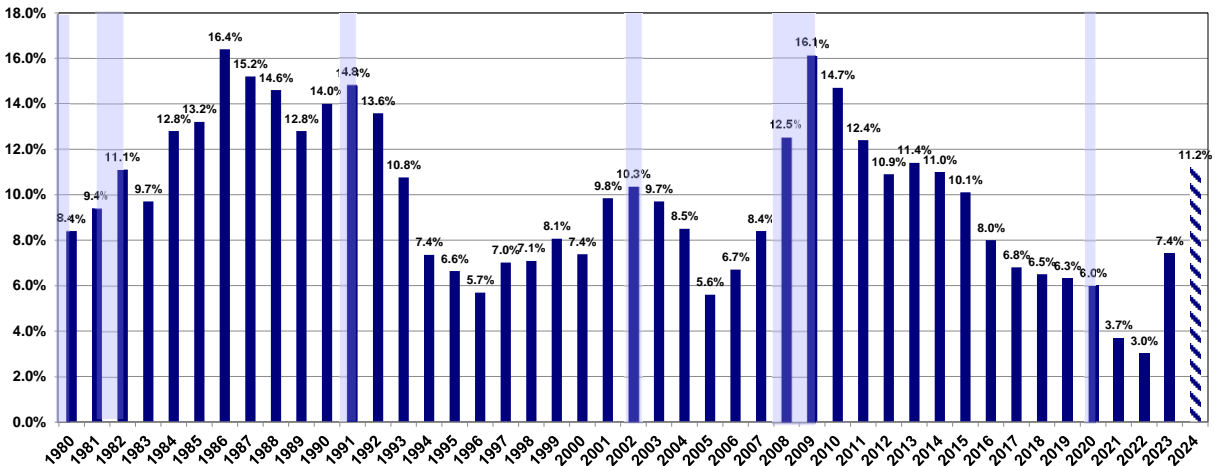
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## Industrial Space Vacancy Rates Greater Phoenix 1980 – 2024\*

Source: CBRE

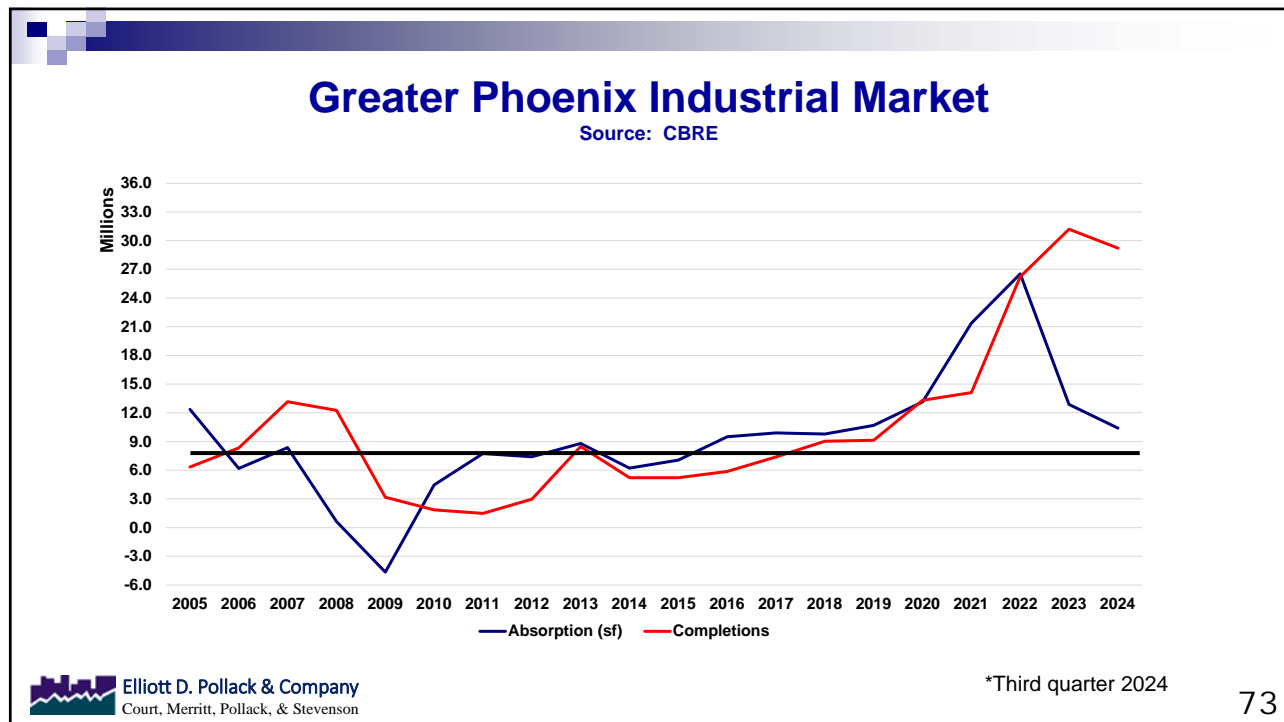


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\*Third quarter 2024

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## What to Expect in the Near Term?

- Moderating interest rates
  - likely an additional 25-50 basis points in 2025
- Modestly slower population growth
- Slower but solid employment growth
- More attached housing/small lot development
- Continued rate buydowns for new home builders.
- Apartment market softening due to excess supply - transitory
- Excess industrial space – also transitory

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## Arizona & Greater Phoenix Long Term Outlook

- Economic development activity will continue to thrive. Arizona will create more jobs and enjoy more population inflow than most places.
- Water policies will *hopefully* be resolved to allow for development to continue.
- Housing affordability will improve via interest rate relief and density.
- Housing demand will cycle up due to demographics. Mix of owners and renters unknown.
- Arizona's growth prospects have always been good. They have become even better over the last several years.

The long-term outlook is very good.



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# **Sales Tax**

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

### General Fund Collections

|         |        | Year-to-Year %   | Year-to-Year % | Year-to-Date     | Year-to-Date % |
|---------|--------|------------------|----------------|------------------|----------------|
|         |        | Collections (\$) | Change         | Collections (\$) | Change         |
| FY 2020 | Jul-19 | 436,069,274      | 6.1%           | 436,069,274      | 6.1%           |
|         | Aug-19 | 436,717,097      | 7.6%           | 872,786,371      | 6.9%           |
|         | Sep-19 | 445,187,625      | 6.9%           | 1,317,973,997    | 6.9%           |
|         | Oct-19 | 433,756,765      | 6.3%           | 1,751,730,761    | 6.7%           |
|         | Nov-19 | 452,255,877      | 9.5%           | 2,203,986,638    | 7.3%           |
|         | Dec-19 | 445,648,888      | 6.4%           | 2,649,635,526    | 7.1%           |
|         | Jan-20 | 538,906,598      | 12.9%          | 3,188,542,124    | 8.1%           |
|         | Feb-20 | 448,284,583      | 10.1%          | 3,636,826,707    | 8.3%           |
|         | Mar-20 | 429,902,939      | 8.9%           | 4,066,729,646    | 8.4%           |
|         | Apr-20 | 447,915,621      | -5.1%          | 4,514,645,267    | 6.9%           |
|         | May-20 | 393,262,758      | -9.1%          | 4,907,908,024    | 5.4%           |
|         | Jun-20 | 484,004,897      | 10.1%          | 5,391,912,921    | 5.8%           |
| FY 2021 | Jul-20 | 492,729,052      | 13.0%          | 492,729,052      | 13.0%          |
|         | Aug-20 | 479,794,971      | 9.9%           | 972,524,023      | 11.4%          |
|         | Sep-20 | 491,053,111      | 10.3%          | 1,463,577,134    | 11.0%          |
|         | Oct-20 | 503,156,817      | 16.0%          | 1,966,733,951    | 12.3%          |
|         | Nov-20 | 493,399,028      | 9.1%           | 2,460,132,979    | 11.6%          |
|         | Dec-20 | 495,240,238      | 11.1%          | 2,955,373,218    | 11.5%          |
|         | Jan-21 | 588,513,600      | 9.2%           | 3,543,886,818    | 11.1%          |
|         | Feb-21 | 477,617,209      | 6.5%           | 4,021,504,027    | 10.6%          |
|         | Mar-21 | 477,928,300      | 11.2%          | 4,499,432,327    | 10.6%          |
|         | Apr-21 | 596,100,248      | 33.1%          | 5,095,532,575    | 12.9%          |
|         | May-21 | 551,912,319      | 40.3%          | 5,647,444,895    | 15.1%          |
|         | Jun-21 | 596,061,211      | 23.2%          | 6,243,506,106    | 15.8%          |
| FY 2022 | Jul-21 | 580,889,609      | 17.9%          | 580,889,609      | 17.9%          |
|         | Aug-21 | 554,472,436      | 15.6%          | 1,135,362,045    | 16.7%          |
|         | Sep-21 | 556,907,948      | 13.4%          | 1,692,269,993    | 15.6%          |
|         | Oct-21 | 577,638,316      | 14.8%          | 2,269,908,309    | 15.4%          |
|         | Nov-21 | 568,682,990      | 15.3%          | 2,838,591,299    | 15.4%          |
|         | Dec-21 | 589,027,512      | 18.9%          | 3,427,618,811    | 16.0%          |
|         | Jan-22 | 682,332,435      | 15.9%          | 4,109,951,246    | 16.0%          |
|         | Feb-22 | 562,110,851      | 17.7%          | 4,672,062,097    | 16.2%          |
|         | Mar-22 | 569,277,905      | 19.1%          | 5,241,340,002    | 16.5%          |
|         | Apr-22 | 681,308,275      | 14.3%          | 5,922,648,277    | 16.2%          |
|         | May-22 | 638,095,809      | 15.6%          | 6,560,744,087    | 16.2%          |
|         | Jun-22 | 648,065,328      | 8.7%           | 7,208,809,415    | 15.5%          |
| FY 2023 | Jul-22 | 649,002,026      | 11.7%          | 649,002,026      | 11.7%          |
|         | Aug-22 | 601,002,513      | 8.4%           | 1,250,004,539    | 10.1%          |
|         | Sep-22 | 635,296,332      | 14.1%          | 1,885,300,871    | 11.4%          |
|         | Oct-22 | 607,637,076      | 5.2%           | 2,492,937,947    | 9.8%           |
|         | Nov-22 | 627,591,891      | 10.4%          | 3,120,529,839    | 9.9%           |
|         | Dec-22 | 594,136,979      | 0.9%           | 3,714,666,817    | 8.4%           |
|         | Jan-23 | 742,896,503      | 8.9%           | 4,457,563,320    | 8.5%           |
|         | Feb-23 | 629,201,395      | 11.9%          | 5,086,764,715    | 8.9%           |
|         | Mar-23 | 615,851,007      | 8.2%           | 5,702,615,722    | 8.8%           |
|         | Apr-23 | 698,452,161      | 2.5%           | 6,401,067,883    | 8.1%           |
|         | May-23 | 640,244,274      | 0.3%           | 7,041,312,157    | 7.3%           |
|         | Jun-23 | 636,062,914      | -1.9%          | 7,677,375,071    | 6.5%           |
| FY 2024 | Jul-23 | 651,655,285      | 0.4%           | 651,655,285      | 0.4%           |
|         | Aug-23 | 612,686,408      | 1.9%           | 1,264,341,693    | 1.1%           |
|         | Sep-23 | 652,137,091      | 2.7%           | 1,916,478,784    | 1.6%           |
|         | Oct-23 | 644,260,448      | 6.0%           | 2,560,739,232    | 2.7%           |
|         | Nov-23 | 650,875,046      | 3.7%           | 3,211,614,278    | 2.9%           |
|         | Dec-23 | 659,886,633      | 11.1%          | 3,871,500,912    | 4.2%           |
|         | Jan-24 | 761,377,618      | 2.5%           | 4,632,878,529    | 3.9%           |
|         | Feb-24 | 635,502,787      | 1.0%           | 5,268,381,316    | 3.6%           |
|         | Mar-24 | 629,002,028      | 2.1%           | 5,897,383,344    | 3.4%           |
|         | Apr-24 | 697,586,874      | -0.1%          | 6,594,970,219    | 3.0%           |
|         | May-24 | 670,035,816      | 4.7%           | 7,265,006,035    | 3.2%           |
|         | Jun-24 | 669,924,092      | 5.3%           | 7,934,930,127    | 3.3%           |
| FY 2025 | Jul-24 | 668,292,436      | 2.6%           | 668,292,436      | 2.6%           |
|         | Aug-24 | 664,290,097      | 8.4%           | 1,332,582,533    | 5.4%           |
|         | Sep-24 | 655,083,086      | 0.5%           | 1,987,665,618    | 3.7%           |
|         | Oct-24 | 676,381,861      | 5.0%           | 2,664,047,479    | 4.0%           |
|         | Nov-24 | 665,757,095      | 2.3%           | 3,329,804,574    | 3.7%           |
|         | Dec-24 | 671,501,642      | 1.8%           | 4,001,306,216    | 3.4%           |
|         | Jan-25 |                  |                |                  |                |
|         | Feb-25 |                  |                |                  |                |
|         | Mar-25 |                  |                |                  |                |
|         | Apr-25 |                  |                |                  |                |
|         | May-25 |                  |                |                  |                |
|         | Jun-25 |                  |                |                  |                |

# Arizona Sales Tax - Regular Retail & Remote Sellers

## General Fund Collections

|         |        | Year-to-Year %   |        | Year-to-Date     |        |
|---------|--------|------------------|--------|------------------|--------|
|         |        | Collections (\$) | Change | Collections (\$) | Change |
| FY 2020 | Jul-19 | 223,326,583      | 5.7%   | 223,326,583      | 5.7%   |
|         | Aug-19 | 218,515,683      | 8.1%   | 441,842,266      | 6.9%   |
|         | Sep-19 | 224,401,132      | 7.4%   | 666,243,399      | 7.0%   |
|         | Oct-19 | 212,336,234      | 3.1%   | 878,579,632      | 6.1%   |
|         | Nov-19 | 236,382,751      | 13.7%  | 1,114,962,384    | 7.6%   |
|         | Dec-19 | 252,497,849      | 10.1%  | 1,367,460,233    | 8.1%   |
|         | Jan-20 | 315,791,536      | 16.9%  | 1,683,251,768    | 9.6%   |
|         | Feb-20 | 234,731,751      | 14.7%  | 1,917,983,519    | 10.2%  |
|         | Mar-20 | 229,931,702      | 15.6%  | 2,147,915,221    | 10.8%  |
|         | Apr-20 | 249,138,085      | 1.9%   | 2,397,053,306    | 9.8%   |
|         | May-20 | 223,718,010      | -3.1%  | 2,620,771,316    | 8.5%   |
|         | Jun-20 | 264,593,878      | 15.1%  | 2,885,365,194    | 9.1%   |
| FY 2021 | Jul-20 | 273,800,573      | 22.6%  | 273,800,573      | 22.6%  |
|         | Aug-20 | 257,575,366      | 17.9%  | 531,375,939      | 20.3%  |
|         | Sep-20 | 264,800,881      | 18.0%  | 796,176,820      | 19.5%  |
|         | Oct-20 | 267,653,488      | 26.1%  | 1,063,830,308    | 21.1%  |
|         | Nov-20 | 267,424,771      | 13.1%  | 1,331,255,079    | 19.4%  |
|         | Dec-20 | 285,382,132      | 13.0%  | 1,616,637,211    | 18.2%  |
|         | Jan-21 | 351,313,504      | 11.2%  | 1,967,950,715    | 16.9%  |
|         | Feb-21 | 268,800,217      | 14.5%  | 2,236,750,932    | 16.6%  |
|         | Mar-21 | 272,317,067      | 18.4%  | 2,509,067,999    | 16.8%  |
|         | Apr-21 | 342,709,852      | 37.6%  | 2,851,777,851    | 19.0%  |
|         | May-21 | 317,349,517      | 41.9%  | 3,169,127,369    | 20.9%  |
|         | Jun-21 | 320,750,665      | 21.2%  | 3,489,878,034    | 21.0%  |
| FY 2022 | Jul-21 | 319,649,717      | 16.7%  | 319,649,717      | 16.7%  |
|         | Aug-21 | 297,331,498      | 15.4%  | 616,981,215      | 16.1%  |
|         | Sep-21 | 301,530,421      | 13.9%  | 918,511,635      | 15.4%  |
|         | Oct-21 | 310,168,248      | 15.9%  | 1,228,679,883    | 15.5%  |
|         | Nov-21 | 312,439,630      | 16.8%  | 1,541,119,513    | 15.8%  |
|         | Dec-21 | 334,025,154      | 17.0%  | 1,875,144,667    | 16.0%  |
|         | Jan-22 | 407,877,950      | 16.1%  | 2,283,022,616    | 16.0%  |
|         | Feb-22 | 309,741,564      | 15.2%  | 2,592,764,180    | 15.9%  |
|         | Mar-22 | 309,403,242      | 13.6%  | 2,902,167,422    | 15.7%  |
|         | Apr-22 | 379,046,748      | 10.6%  | 3,281,214,170    | 15.1%  |
|         | May-22 | 355,089,076      | 11.9%  | 3,636,303,245    | 14.7%  |
|         | Jun-22 | 331,140,076      | 3.2%   | 3,967,443,321    | 13.7%  |
| FY 2023 | Jul-22 | 342,071,303      | 7.0%   | 342,071,303      | 7.0%   |
|         | Aug-22 | 317,888,542      | 6.9%   | 659,959,844      | 7.0%   |
|         | Sep-22 | 331,752,168      | 10.0%  | 991,712,013      | 8.0%   |
|         | Oct-22 | 319,878,640      | 3.1%   | 1,311,590,653    | 6.7%   |
|         | Nov-22 | 340,318,677      | 8.9%   | 1,651,909,330    | 7.2%   |
|         | Dec-22 | 344,027,858      | 3.0%   | 1,995,937,189    | 6.4%   |
|         | Jan-23 | 427,576,429      | 4.8%   | 2,423,513,618    | 6.2%   |
|         | Feb-23 | 331,869,632      | 7.1%   | 2,755,383,250    | 6.3%   |
|         | Mar-23 | 319,943,620      | 3.4%   | 3,075,326,870    | 6.0%   |
|         | Apr-23 | 367,882,597      | -2.9%  | 3,443,209,466    | 4.9%   |
|         | May-23 | 344,896,717      | -2.9%  | 3,788,106,183    | 4.2%   |
|         | Jun-23 | 350,235,871      | 5.8%   | 4,138,342,054    | 4.3%   |
| FY 2024 | Jul-23 | 345,982,714      | 1.1%   | 345,982,714      | 1.1%   |
|         | Aug-23 | 359,947,146      | 13.2%  | 705,929,859      | 7.0%   |
|         | Sep-23 | 344,405,410      | 3.8%   | 1,050,335,269    | 5.9%   |
|         | Oct-23 | 354,651,795      | 10.9%  | 1,404,987,064    | 7.1%   |
|         | Nov-23 | 333,019,507      | -2.1%  | 1,738,006,571    | 5.2%   |
|         | Dec-23 | 357,092,858      | 3.8%   | 2,095,099,429    | 5.0%   |
|         | Jan-24 | 431,755,525      | 1.0%   | 2,526,854,954    | 4.3%   |
|         | Feb-24 | 336,748,960      | 1.5%   | 2,863,603,913    | 3.9%   |
|         | Mar-24 | 327,065,187      | 2.2%   | 3,190,669,100    | 3.8%   |
|         | Apr-24 | 371,108,885      | 0.9%   | 3,561,777,985    | 3.4%   |
|         | May-24 | 352,726,158      | 2.3%   | 3,914,504,144    | 3.3%   |
|         | Jun-24 | 355,129,717      | 1.4%   | 4,269,633,860    | 3.2%   |
| FY 2025 | Jul-24 | 348,605,709      | 0.8%   | 348,605,709      | 0.8%   |
|         | Aug-24 | 341,632,787      | -5.1%  | 690,238,496      | -2.2%  |
|         | Sep-24 | 333,248,457      | -3.2%  | 1,023,486,953    | -2.6%  |
|         | Oct-24 | 351,013,432      | -1.0%  | 1,374,500,385    | -2.2%  |
|         | Nov-24 | 353,562,209      | 6.2%   | 1,728,062,594    | -0.6%  |
|         | Dec-24 | 374,756,221      | 4.9%   | 2,102,818,816    | 0.4%   |
|         | Jan-25 |                  |        |                  |        |
|         | Feb-25 |                  |        |                  |        |
|         | Mar-25 |                  |        |                  |        |
|         | Apr-25 |                  |        |                  |        |
|         | May-25 |                  |        |                  |        |
|         | Jun-25 |                  |        |                  |        |

## Arizona Sales Tax - Prime Contracting

### General Fund Collections

|         |        | Year-to-Year %<br>Collections (\$) | Change | Year-to-Date<br>Collections (\$) | Year-to-Date %<br>Change |
|---------|--------|------------------------------------|--------|----------------------------------|--------------------------|
| FY 2020 | Jul-19 | 56,888,601                         | 14.4%  | 56,888,601                       | 14.4%                    |
|         | Aug-19 | 56,066,506                         | 17.9%  | 112,955,107                      | 16.1%                    |
|         | Sep-19 | 57,687,928                         | 21.3%  | 170,643,034                      | 17.8%                    |
|         | Oct-19 | 53,454,327                         | 13.6%  | 224,097,362                      | 16.8%                    |
|         | Nov-19 | 57,244,999                         | 19.3%  | 281,342,361                      | 17.3%                    |
|         | Dec-19 | 55,338,552                         | 18.8%  | 336,680,912                      | 17.5%                    |
|         | Jan-20 | 58,626,740                         | 6.1%   | 395,307,652                      | 15.7%                    |
|         | Feb-20 | 52,838,714                         | 12.4%  | 448,146,366                      | 15.3%                    |
|         | Mar-20 | 52,860,592                         | 16.1%  | 501,006,958                      | 15.4%                    |
|         | Apr-20 | 60,314,033                         | 18.6%  | 561,320,991                      | 15.7%                    |
|         | May-20 | 59,691,556                         | 14.0%  | 621,012,547                      | 15.6%                    |
|         | Jun-20 | 66,229,337                         | 22.8%  | 687,241,884                      | 16.2%                    |
| FY 2021 | Jul-20 | 71,164,940                         | 25.1%  | 71,164,940                       | 25.1%                    |
|         | Aug-20 | 67,947,682                         | 21.2%  | 139,112,622                      | 23.2%                    |
|         | Sep-20 | 64,339,039                         | 11.5%  | 203,451,661                      | 19.2%                    |
|         | Oct-20 | 65,835,028                         | 23.2%  | 269,286,689                      | 20.2%                    |
|         | Nov-20 | 71,392,726                         | 24.7%  | 340,679,415                      | 21.1%                    |
|         | Dec-20 | 60,850,051                         | 10.0%  | 401,529,466                      | 19.3%                    |
|         | Jan-21 | 75,668,105                         | 29.1%  | 477,197,571                      | 20.7%                    |
|         | Feb-21 | 57,746,737                         | 9.3%   | 534,944,308                      | 19.4%                    |
|         | Mar-21 | 55,224,670                         | 4.5%   | 590,168,978                      | 17.8%                    |
|         | Apr-21 | 63,523,092                         | 5.3%   | 653,692,070                      | 16.5%                    |
|         | May-21 | 58,798,985                         | -1.5%  | 712,491,055                      | 14.7%                    |
|         | Jun-21 | 68,626,727                         | 3.6%   | 781,117,782                      | 13.7%                    |
| FY 2022 | Jul-21 | 70,554,984                         | -0.9%  | 70,554,984                       | -0.9%                    |
|         | Aug-21 | 61,523,296                         | -9.5%  | 132,078,280                      | -5.1%                    |
|         | Sep-21 | 64,422,550                         | 0.1%   | 196,500,829                      | -3.4%                    |
|         | Oct-21 | 69,929,932                         | 6.2%   | 266,430,761                      | -1.1%                    |
|         | Nov-21 | 66,876,078                         | -6.3%  | 333,306,839                      | -2.2%                    |
|         | Dec-21 | 66,443,067                         | 9.2%   | 399,749,907                      | -0.4%                    |
|         | Jan-22 | 81,066,849                         | 7.1%   | 480,816,756                      | 0.8%                     |
|         | Feb-22 | 63,459,736                         | 9.9%   | 544,276,492                      | 1.7%                     |
|         | Mar-22 | 73,239,002                         | 32.6%  | 617,515,494                      | 4.6%                     |
|         | Apr-22 | 81,727,555                         | 28.7%  | 699,243,050                      | 7.0%                     |
|         | May-22 | 77,176,972                         | 31.3%  | 776,420,022                      | 9.0%                     |
|         | Jun-22 | 86,650,119                         | 26.3%  | 863,070,141                      | 10.5%                    |
| FY 2023 | Jul-22 | 88,081,405                         | 24.8%  | 88,081,405                       | 24.8%                    |
|         | Aug-22 | 79,575,020                         | 29.3%  | 167,656,425                      | 26.9%                    |
|         | Sep-22 | 88,873,472                         | 38.0%  | 256,529,897                      | 30.5%                    |
|         | Oct-22 | 86,844,972                         | 24.2%  | 343,374,869                      | 28.9%                    |
|         | Nov-22 | 85,698,258                         | 28.1%  | 429,073,127                      | 28.7%                    |
|         | Dec-22 | 57,217,405                         | -13.9% | 486,290,532                      | 21.6%                    |
|         | Jan-23 | 91,261,195                         | 12.6%  | 577,551,727                      | 20.1%                    |
|         | Feb-23 | 81,452,179                         | 28.4%  | 659,003,906                      | 21.1%                    |
|         | Mar-23 | 82,109,104                         | 12.1%  | 741,113,009                      | 20.0%                    |
|         | Apr-23 | 89,433,173                         | 9.4%   | 830,546,182                      | 18.8%                    |
|         | May-23 | 87,964,454                         | 14.0%  | 918,510,636                      | 18.3%                    |
|         | Jun-23 | 98,345,855                         | 13.5%  | 1,016,856,491                    | 17.8%                    |
| FY 2024 | Jul-23 | 99,759,597                         | 13.3%  | 99,759,597                       | 13.3%                    |
|         | Aug-23 | 94,711,048                         | 19.0%  | 194,470,645                      | 16.0%                    |
|         | Sep-23 | 94,234,470                         | 6.0%   | 288,705,115                      | 12.5%                    |
|         | Oct-23 | 90,206,614                         | 3.9%   | 378,911,729                      | 10.3%                    |
|         | Nov-23 | 98,176,859                         | 14.6%  | 477,088,588                      | 11.2%                    |
|         | Dec-23 | 93,315,309                         | 63.1%  | 570,403,897                      | 17.3%                    |
|         | Jan-24 | 103,965,943                        | 13.9%  | 674,369,839                      | 16.8%                    |
|         | Feb-24 | 88,328,932                         | 8.4%   | 762,698,772                      | 15.7%                    |
|         | Mar-24 | 88,715,572                         | 8.0%   | 851,414,344                      | 14.9%                    |
|         | Apr-24 | 94,129,633                         | 5.3%   | 945,543,977                      | 13.8%                    |
|         | May-24 | 96,890,097                         | 10.1%  | 1,042,434,074                    | 13.5%                    |
|         | Jun-24 | 98,133,981                         | -0.2%  | 1,140,568,055                    | 12.2%                    |
| FY 2025 | Jul-24 | 95,738,186                         | -4.0%  | 95,738,186                       | -4.0%                    |
|         | Aug-24 | 98,651,037                         | 4.2%   | 194,389,223                      | 0.0%                     |
|         | Sep-24 | 95,757,514                         | 1.6%   | 290,146,738                      | 0.5%                     |
|         | Oct-24 | 101,786,904                        | 12.8%  | 391,933,641                      | 3.4%                     |
|         | Nov-24 | 104,888,338                        | 6.8%   | 496,821,979                      | 4.1%                     |
|         | Dec-24 | 89,788,983                         | -3.8%  | 586,610,962                      | 2.8%                     |
|         | Jan-25 |                                    |        |                                  |                          |
|         | Feb-25 |                                    |        |                                  |                          |
|         | Mar-25 |                                    |        |                                  |                          |
|         | Apr-25 |                                    |        |                                  |                          |
|         | May-25 |                                    |        |                                  |                          |
|         | Jun-25 |                                    |        |                                  |                          |

## Arizona Sales Tax - Utilities General Fund Collections

|         |        | Year-to-Year %   | Year-to-Year % | Year-to-Date     | Year-to-Date % |
|---------|--------|------------------|----------------|------------------|----------------|
|         |        | Collections (\$) | Change         | Collections (\$) | Change         |
| FY 2020 | Jul-19 | 36,659,315       | -10.8%         | 36,659,315       | -10.8%         |
|         | Aug-19 | 49,038,211       | -5.3%          | 85,697,526       | -7.7%          |
|         | Sep-19 | 51,711,308       | -0.8%          | 137,408,835      | -5.2%          |
|         | Oct-19 | 48,413,036       | 6.6%           | 185,821,870      | -2.4%          |
|         | Nov-19 | 37,486,359       | -4.9%          | 223,308,229      | -2.8%          |
|         | Dec-19 | 23,301,623       | -21.8%         | 246,609,852      | -5.0%          |
|         | Jan-20 | 26,842,938       | -12.4%         | 273,452,790      | -5.8%          |
|         | Feb-20 | 34,230,436       | -2.0%          | 307,683,226      | -5.4%          |
|         | Mar-20 | 29,030,736       | -8.1%          | 336,713,962      | -5.6%          |
|         | Apr-20 | 28,471,573       | -4.2%          | 365,185,535      | -5.5%          |
|         | May-20 | 26,497,521       | -8.3%          | 391,683,056      | -5.7%          |
|         | Jun-20 | 34,838,601       | 6.1%           | 426,521,657      | -4.8%          |
| FY 2021 | Jul-20 | 39,448,529       | 7.6%           | 39,448,529       | 7.6%           |
|         | Aug-20 | 51,924,110       | 5.9%           | 91,372,638       | 6.6%           |
|         | Sep-20 | 55,164,846       | 6.7%           | 146,537,484      | 6.6%           |
|         | Oct-20 | 51,322,090       | 6.0%           | 197,859,574      | 6.5%           |
|         | Nov-20 | 42,457,722       | 13.3%          | 240,317,296      | 7.6%           |
|         | Dec-20 | 32,213,195       | 38.2%          | 272,530,491      | 10.5%          |
|         | Jan-21 | 31,597,819       | 17.7%          | 304,128,310      | 11.2%          |
|         | Feb-21 | 34,478,804       | 0.7%           | 338,607,113      | 10.1%          |
|         | Mar-21 | 32,133,928       | 10.7%          | 370,741,042      | 10.1%          |
|         | Apr-21 | 30,945,050       | 8.7%           | 401,686,091      | 10.0%          |
|         | May-21 | 32,220,326       | 21.6%          | 433,906,417      | 10.8%          |
|         | Jun-21 | 33,975,275       | -2.5%          | 467,881,692      | 9.7%           |
| FY 2022 | Jul-21 | 47,974,619       | 21.6%          | 47,974,619       | 21.6%          |
|         | Aug-21 | 54,290,364       | 4.6%           | 102,264,982      | 11.9%          |
|         | Sep-21 | 51,953,431       | -5.8%          | 154,218,413      | 5.2%           |
|         | Oct-21 | 48,053,673       | -6.4%          | 202,272,086      | 2.2%           |
|         | Nov-21 | 37,785,102       | -11.0%         | 240,057,188      | -0.1%          |
|         | Dec-21 | 35,418,309       | 9.9%           | 275,475,497      | 1.1%           |
|         | Jan-22 | 24,452,105       | -22.6%         | 299,927,603      | -1.4%          |
|         | Feb-22 | 40,053,874       | 16.2%          | 339,981,477      | 0.4%           |
|         | Mar-22 | 30,073,191       | -6.4%          | 370,054,668      | -0.2%          |
|         | Apr-22 | 34,097,444       | 10.2%          | 404,152,112      | 0.6%           |
|         | May-22 | 33,441,255       | 3.8%           | 437,593,366      | 0.8%           |
|         | Jun-22 | 39,402,234       | 16.0%          | 476,995,601      | 1.9%           |
| FY 2023 | Jul-22 | 47,461,438       | -1.1%          | 47,461,438       | -1.1%          |
|         | Aug-22 | 52,016,083       | -4.2%          | 99,477,522       | -2.7%          |
|         | Sep-22 | 58,972,741       | 13.5%          | 158,450,263      | 2.7%           |
|         | Oct-22 | 12,116,591       | -74.8%         | 170,566,854      | -15.7%         |
|         | Nov-22 | 42,608,630       | 12.8%          | 213,175,484      | -11.2%         |
|         | Dec-22 | 22,382,455       | -36.8%         | 235,557,939      | -14.5%         |
|         | Jan-23 | 37,157,222       | 52.0%          | 272,715,162      | -9.1%          |
|         | Feb-23 | 41,051,527       | 2.5%           | 313,766,689      | -7.7%          |
|         | Mar-23 | 39,349,838       | 30.8%          | 353,116,527      | -4.6%          |
|         | Apr-23 | 37,727,295       | 10.6%          | 390,843,823      | -3.3%          |
|         | May-23 | 34,499,876       | 3.2%           | 425,343,699      | -2.8%          |
|         | Jun-23 | 44,746,582       | 13.6%          | 470,090,281      | -1.4%          |
| FY 2024 | Jul-23 | 48,927,909       | 3.1%           | 48,927,909       | 3.1%           |
|         | Aug-23 | 58,587,803       | 12.6%          | 107,515,712      | 8.1%           |
|         | Sep-23 | 64,998,943       | 10.2%          | 172,514,655      | 8.9%           |
|         | Oct-23 | 57,514,535       | 374.7%         | 230,029,189      | 34.9%          |
|         | Nov-23 | 49,747,624       | 16.8%          | 279,776,813      | 31.2%          |
|         | Dec-23 | 40,128,743       | 79.3%          | 319,905,556      | 35.8%          |
|         | Jan-24 | 38,229,047       | 2.9%           | 358,134,603      | 31.3%          |
|         | Feb-24 | 46,058,756       | 12.2%          | 404,193,359      | 28.8%          |
|         | Mar-24 | 41,562,816       | 5.6%           | 445,756,175      | 26.2%          |
|         | Apr-24 | 34,554,799       | -8.4%          | 480,310,974      | 22.9%          |
|         | May-24 | 40,372,176       | 17.0%          | 520,683,150      | 22.4%          |
|         | Jun-24 | 43,575,914       | -2.6%          | 564,259,064      | 20.0%          |
| FY 2025 | Jul-24 | 51,331,294       | 4.9%           | 51,331,294       | 4.9%           |
|         | Aug-24 | 70,026,430       | 19.5%          | 121,357,724      | 12.9%          |
|         | Sep-24 | 68,608,562       | 5.6%           | 189,966,285      | 10.1%          |
|         | Oct-24 | 63,622,293       | 10.6%          | 253,588,578      | 10.2%          |
|         | Nov-24 | 56,094,194       | 12.8%          | 309,682,772      | 10.7%          |
|         | Dec-24 | 41,012,994       | 2.2%           | 350,695,766      | 9.6%           |
|         | Jan-25 |                  |                |                  |                |
|         | Feb-25 |                  |                |                  |                |
|         | Mar-25 |                  |                |                  |                |
|         | Apr-25 |                  |                |                  |                |
|         | May-25 |                  |                |                  |                |
|         | Jun-25 |                  |                |                  |                |



## Arizona Sales Tax - Restaurants and Bars General Fund Collections

|         |        | Year-to-Year %<br>Collections (\$) | Change | Year-to-Date<br>Collections (\$) | Year-to-Date %<br>Change |
|---------|--------|------------------------------------|--------|----------------------------------|--------------------------|
| FY 2020 | Jul-19 | 46,012,175                         | 6.5%   | 46,012,175                       | 6.5%                     |
|         | Aug-19 | 43,710,684                         | 6.6%   | 89,722,859                       | 6.5%                     |
|         | Sep-19 | 45,009,825                         | 10.5%  | 134,732,684                      | 7.8%                     |
|         | Oct-19 | 46,200,843                         | 5.0%   | 180,933,527                      | 7.1%                     |
|         | Nov-19 | 48,456,937                         | 6.4%   | 229,390,465                      | 6.9%                     |
|         | Dec-19 | 50,004,874                         | 10.6%  | 279,395,339                      | 7.6%                     |
|         | Jan-20 | 51,824,094                         | 9.0%   | 331,219,433                      | 7.8%                     |
|         | Feb-20 | 50,023,328                         | 4.3%   | 381,242,761                      | 7.3%                     |
|         | Mar-20 | 45,155,773                         | -5.8%  | 426,398,534                      | 5.8%                     |
|         | Apr-20 | 38,366,785                         | -33.7% | 464,765,318                      | 0.8%                     |
|         | May-20 | 29,828,564                         | -41.4% | 494,593,882                      | -3.4%                    |
|         | Jun-20 | 39,382,889                         | -21.4% | 533,976,771                      | -5.0%                    |
| FY 2021 | Jul-20 | 40,907,119                         | -11.1% | 40,907,119                       | -11.1%                   |
|         | Aug-20 | 37,442,715                         | -14.3% | 78,349,834                       | -12.7%                   |
|         | Sep-20 | 39,944,179                         | -11.3% | 118,294,013                      | -12.2%                   |
|         | Oct-20 | 42,270,457                         | -8.5%  | 160,564,470                      | -11.3%                   |
|         | Nov-20 | 44,147,506                         | -8.9%  | 204,711,976                      | -10.8%                   |
|         | Dec-20 | 43,880,675                         | -12.2% | 248,592,651                      | -11.0%                   |
|         | Jan-21 | 44,683,249                         | -13.8% | 293,275,900                      | -11.5%                   |
|         | Feb-21 | 44,540,805                         | -11.0% | 337,816,705                      | -11.4%                   |
|         | Mar-21 | 48,688,030                         | 7.8%   | 386,504,735                      | -9.4%                    |
|         | Apr-21 | 59,496,182                         | 55.1%  | 446,000,916                      | -4.0%                    |
|         | May-21 | 56,725,663                         | 90.2%  | 502,726,579                      | 1.6%                     |
|         | Jun-21 | 59,924,589                         | 52.2%  | 562,651,168                      | 5.4%                     |
| FY 2022 | Jul-21 | 53,943,601                         | 31.9%  | 53,943,601                       | 31.9%                    |
|         | Aug-21 | 53,915,215                         | 44.0%  | 107,858,817                      | 37.7%                    |
|         | Sep-21 | 52,010,680                         | 30.2%  | 159,869,497                      | 35.1%                    |
|         | Oct-21 | 54,903,661                         | 29.9%  | 214,773,158                      | 33.8%                    |
|         | Nov-21 | 60,795,598                         | 37.7%  | 275,568,756                      | 34.6%                    |
|         | Dec-21 | 57,213,946                         | 30.4%  | 332,782,702                      | 33.9%                    |
|         | Jan-22 | 62,926,346                         | 40.8%  | 395,709,048                      | 34.9%                    |
|         | Feb-22 | 56,398,625                         | 26.6%  | 452,107,673                      | 33.8%                    |
|         | Mar-22 | 62,536,745                         | 28.4%  | 514,644,417                      | 33.2%                    |
|         | Apr-22 | 72,652,036                         | 22.1%  | 587,296,453                      | 31.7%                    |
|         | May-22 | 66,694,941                         | 17.6%  | 653,991,394                      | 30.1%                    |
|         | Jun-22 | 66,713,832                         | 11.3%  | 720,705,227                      | 28.1%                    |
| FY 2023 | Jul-22 | 66,756,339                         | 23.8%  | 66,756,339                       | 23.8%                    |
|         | Aug-22 | 58,463,109                         | 8.4%   | 125,219,449                      | 16.1%                    |
|         | Sep-22 | 58,698,373                         | 12.9%  | 183,917,822                      | 15.0%                    |
|         | Oct-22 | 62,023,880                         | 13.0%  | 245,941,701                      | 14.5%                    |
|         | Nov-22 | 65,890,346                         | 8.4%   | 311,832,047                      | 13.2%                    |
|         | Dec-22 | 63,387,489                         | 10.8%  | 375,219,536                      | 12.8%                    |
|         | Jan-23 | 69,369,264                         | 10.2%  | 444,588,800                      | 12.4%                    |
|         | Feb-23 | 65,721,487                         | 16.5%  | 510,310,287                      | 12.9%                    |
|         | Mar-23 | 69,860,672                         | 11.7%  | 580,170,959                      | 12.7%                    |
|         | Apr-23 | 77,788,829                         | 7.1%   | 657,959,788                      | 12.0%                    |
|         | May-23 | 72,369,455                         | 8.5%   | 730,329,243                      | 11.7%                    |
|         | Jun-23 | 69,359,071                         | 4.0%   | 799,688,314                      | 11.0%                    |
| FY 2024 | Jul-23 | 64,413,637                         | -3.5%  | 64,413,637                       | -3.5%                    |
|         | Aug-23 | 62,707,115                         | 7.3%   | 127,120,752                      | 1.5%                     |
|         | Sep-23 | 59,907,586                         | 2.1%   | 187,028,338                      | 1.7%                     |
|         | Oct-23 | 65,865,034                         | 6.2%   | 252,893,371                      | 2.8%                     |
|         | Nov-23 | 67,942,243                         | 3.1%   | 320,835,614                      | 2.9%                     |
|         | Dec-23 | 65,437,039                         | 3.2%   | 386,272,653                      | 2.9%                     |
|         | Jan-24 | 72,555,424                         | 4.6%   | 458,828,077                      | 3.2%                     |
|         | Feb-24 | 66,589,783                         | 1.3%   | 525,417,859                      | 3.0%                     |
|         | Mar-24 | 70,881,636                         | 1.5%   | 596,299,495                      | 2.8%                     |
|         | Apr-24 | 81,711,906                         | 5.0%   | 678,011,401                      | 3.0%                     |
|         | May-24 | 74,782,826                         | 3.3%   | 752,794,227                      | 3.1%                     |
|         | Jun-24 | 70,130,211                         | 1.1%   | 822,924,438                      | 2.9%                     |
| FY 2025 | Jul-24 | 66,799,480                         | 3.7%   | 66,799,480                       | 3.7%                     |
|         | Aug-24 | 60,252,619                         | -3.9%  | 127,052,100                      | -0.1%                    |
|         | Sep-24 | 61,437,020                         | 2.6%   | 188,489,120                      | 0.8%                     |
|         | Oct-24 | 67,056,491                         | 1.8%   | 255,545,611                      | 1.0%                     |
|         | Nov-24 | 68,112,670                         | 0.3%   | 323,658,281                      | 0.9%                     |
|         | Dec-24 | 69,645,891                         | 6.4%   | 393,304,172                      | 1.8%                     |
|         | Jan-25 |                                    |        |                                  |                          |
|         | Feb-25 |                                    |        |                                  |                          |
|         | Mar-25 |                                    |        |                                  |                          |
|         | Apr-25 |                                    |        |                                  |                          |
|         | May-25 |                                    |        |                                  |                          |
|         | Jun-25 |                                    |        |                                  |                          |

## Arizona Use Tax General Fund Collections

|         |        | Year-to-Year %<br>Collections (\$) | Change | Year-to-Date<br>Collections (\$) | Year-to-Date %<br>Change |
|---------|--------|------------------------------------|--------|----------------------------------|--------------------------|
| FY 2020 | Jul-19 | 32,247,364                         | 31.4%  | 32,247,364                       | 31.4%                    |
|         | Aug-19 | 31,666,706                         | 12.8%  | 63,914,070                       | 21.5%                    |
|         | Sep-19 | 30,812,578                         | -3.8%  | 94,726,649                       | 11.9%                    |
|         | Oct-19 | 35,078,969                         | 19.4%  | 129,805,618                      | 13.8%                    |
|         | Nov-19 | 30,788,839                         | -2.9%  | 160,594,457                      | 10.2%                    |
|         | Dec-19 | 23,638,081                         | -19.7% | 184,232,538                      | 5.2%                     |
|         | Jan-20 | 40,950,483                         | 12.1%  | 225,183,021                      | 6.4%                     |
|         | Feb-20 | 32,987,125                         | 8.0%   | 258,170,146                      | 6.6%                     |
|         | Mar-20 | 29,721,256                         | 8.5%   | 287,891,402                      | 6.8%                     |
|         | Apr-20 | 35,658,140                         | -1.4%  | 323,549,542                      | 5.8%                     |
|         | May-20 | 28,299,778                         | 8.5%   | 351,849,320                      | 6.0%                     |
|         | Jun-20 | 32,414,184                         | 7.6%   | 384,263,505                      | 6.1%                     |
| FY 2021 | Jul-20 | 35,409,973                         | 9.8%   | 35,409,973                       | 9.8%                     |
|         | Aug-20 | 33,435,909                         | 5.6%   | 68,845,882                       | 7.7%                     |
|         | Sep-20 | 35,448,520                         | 15.0%  | 104,294,402                      | 10.1%                    |
|         | Oct-20 | 40,023,909                         | 14.1%  | 144,318,311                      | 11.2%                    |
|         | Nov-20 | 35,797,331                         | 16.3%  | 180,115,642                      | 12.2%                    |
|         | Dec-20 | 38,800,162                         | 64.1%  | 218,915,803                      | 18.8%                    |
|         | Jan-21 | 49,405,507                         | 20.6%  | 268,321,311                      | 19.2%                    |
|         | Feb-21 | 38,613,306                         | 17.1%  | 306,934,617                      | 18.9%                    |
|         | Mar-21 | 29,825,679                         | 0.4%   | 336,760,295                      | 17.0%                    |
|         | Apr-21 | 44,034,605                         | 23.5%  | 380,794,900                      | 17.7%                    |
|         | May-21 | 37,687,218                         | 33.2%  | 418,482,118                      | 18.9%                    |
|         | Jun-21 | 31,283,425                         | -3.5%  | 449,765,543                      | 17.0%                    |
| FY 2022 | Jul-21 | 38,544,284                         | 8.9%   | 38,544,284                       | 8.9%                     |
|         | Aug-21 | 38,550,390                         | 15.3%  | 77,094,674                       | 12.0%                    |
|         | Sep-21 | 42,273,217                         | 19.3%  | 119,367,892                      | 14.5%                    |
|         | Oct-21 | 45,567,346                         | 13.9%  | 164,935,237                      | 14.3%                    |
|         | Nov-21 | 37,887,460                         | 5.8%   | 202,822,697                      | 12.6%                    |
|         | Dec-21 | 42,607,622                         | 9.8%   | 245,430,319                      | 12.1%                    |
|         | Jan-22 | 50,922,803                         | 3.1%   | 296,353,122                      | 10.4%                    |
|         | Feb-22 | 43,158,381                         | 11.8%  | 339,511,503                      | 10.6%                    |
|         | Mar-22 | 36,465,930                         | 22.3%  | 375,977,433                      | 11.6%                    |
|         | Apr-22 | 43,739,945                         | -0.7%  | 419,717,378                      | 10.2%                    |
|         | May-22 | 44,056,872                         | 16.9%  | 463,774,250                      | 10.8%                    |
|         | Jun-22 | 39,105,929                         | 25.0%  | 502,880,178                      | 11.8%                    |
| FY 2023 | Jul-22 | 49,014,542                         | 27.2%  | 49,014,542                       | 27.2%                    |
|         | Aug-22 | 44,381,003                         | 15.1%  | 93,395,545                       | 21.1%                    |
|         | Sep-22 | 50,335,511                         | 19.1%  | 143,731,056                      | 20.4%                    |
|         | Oct-22 | 51,850,061                         | 13.8%  | 195,581,117                      | 18.6%                    |
|         | Nov-22 | 36,492,256                         | -3.7%  | 232,073,373                      | 14.4%                    |
|         | Dec-22 | 35,396,107                         | -16.9% | 267,469,480                      | 9.0%                     |
|         | Jan-23 | 58,887,739                         | 15.6%  | 326,357,219                      | 10.1%                    |
|         | Feb-23 | 51,635,659                         | 19.6%  | 377,992,877                      | 11.3%                    |
|         | Mar-23 | 41,373,497                         | 13.5%  | 419,366,374                      | 11.5%                    |
|         | Apr-23 | 42,402,162                         | -3.1%  | 461,768,536                      | 10.0%                    |
|         | May-23 | 35,582,198                         | -19.2% | 497,350,734                      | 7.2%                     |
|         | Jun-23 | 35,984,320                         | -8.0%  | 533,335,054                      | 6.1%                     |
| FY 2024 | Jul-23 | 37,595,741                         | -23.3% | 37,595,741                       | -23.3%                   |
|         | Aug-23 | (15,406,240)                       | N/A    | 22,189,501                       | -76.2%                   |
|         | Sep-23 | 37,777,221                         | -24.9% | 59,966,722                       | -58.3%                   |
|         | Oct-23 | 17,824,165                         | -65.6% | 77,790,886                       | -60.2%                   |
|         | Nov-23 | 38,206,341                         | 4.7%   | 115,997,228                      | -50.0%                   |
|         | Dec-23 | 44,970,518                         | 27.0%  | 160,967,746                      | -39.8%                   |
|         | Jan-24 | 53,930,475                         | -8.4%  | 214,898,221                      | -34.2%                   |
|         | Feb-24 | 37,056,966                         | -28.2% | 251,955,187                      | -33.3%                   |
|         | Mar-24 | 36,993,461                         | -10.6% | 288,948,648                      | -31.1%                   |
|         | Apr-24 | 40,903,665                         | -3.5%  | 329,852,313                      | -28.6%                   |
|         | May-24 | 38,311,692                         | 7.7%   | 368,164,005                      | -26.0%                   |
|         | Jun-24 | 33,852,712                         | -5.9%  | 402,016,717                      | -24.6%                   |
| FY 2025 | Jul-24 | 45,771,314                         | 21.7%  | 45,771,314                       | 21.7%                    |
|         | Aug-24 | 39,185,065                         | N/A    | 84,956,379                       | 282.9%                   |
|         | Sep-24 | 38,835,680                         | 2.8%   | 123,792,060                      | 106.4%                   |
|         | Oct-24 | 40,610,179                         | 127.8% | 164,402,239                      | 111.3%                   |
|         | Nov-24 | 19,704,440                         | -48.4% | 184,106,679                      | 58.7%                    |
|         | Dec-24 | 33,453,659                         | -25.6% | 217,560,338                      | 35.2%                    |
|         | Jan-25 |                                    |        |                                  |                          |
|         | Feb-25 |                                    |        |                                  |                          |
|         | Mar-25 |                                    |        |                                  |                          |
|         | Apr-25 |                                    |        |                                  |                          |
| May-25  |        |                                    |        |                                  |                          |
| Jun-25  |        |                                    |        |                                  |                          |

# **Individual Income Tax**





# **Corporate Income Tax**



## JLBC FINANCE ADVISORY COMMITTEE (FAC) MEMBERS

**State Treasurer** Kimberly Yee serves as the state's Chief Banker and Investment Officer, overseeing approximately \$15 billion in state assets. The Treasurer also serves as the Chair of Arizona's State Board of Investment and State Loan Commission and is a member of the State Land Selection Board. Since the FAC's inception, the sitting State Treasurer has been a panelist.

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

**Daniel Court** is a Principal and Senior Economist with Elliott D. Pollack and Company in Scottsdale, Arizona, an economic and real estate consulting firm established in 1987. The firm specializes in market research, forecasting and analysis on a variety of topics that impact economic conditions and development for public and private clients.

**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.

**Karen Jacobs** is Acting Deputy Assistant Director in the Office of Economic Research and Analysis (OERA) at the Arizona Department of Revenue. She has been with OERA for over 30 years. Previously, she served as an Economist with the Office of Strategic Planning and Budgeting (OSPB).

**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.

**Alan E. Maguire** is the President of The Maguire Company, an economic and public policy consulting firm. Previously he was a senior municipal investment banker, the Chief Deputy Treasurer of Arizona, and the Economic Advisor to the Arizona State Senate. He is member of the Arizona Economic Estimates Commission and a founding member of the Arizona Blue Chip Economic Forecast panel.

**Lorenzo Martinez** is Senior Director of Health Sciences for the Arizona Board of Regents (ABOR). Mr. Martinez was previously Vice President of Finance and Administration at ABOR and has been with ABOR for a total of 15 years. His work at ABOR centers around working with the universities and industry leaders to align university programs with state workforce needs, with a particular focus on healthcare and health sciences. Prior to ABOR, he served as Assistant Director with the Arizona Joint Legislative Budget Committee.



**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.

**Randie Stein** is a Director in the Public Finance Department of the Investment Banking Firm Stifel, Nicolaus & Company, Incorporated. She has been with Stifel since 2004. Ms. Stein has 10 years of experience as a fiscal advisor and Finance Committee analyst in the Arizona 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.

**Doug Walls** is the Labor Market Information Director for the Arizona Office of Economic Opportunity, which generates and manages labor market information for the state. In this role, Mr. Walls provides support for long-term workforce development initiatives around the state. Mr. Walls is also responsible for producing and communicating state employment reports including employment projections, unemployment estimates, median-family income estimates and occupational profiles.