Finance Advisory Committee

Briefing Materials

April 9, 2015

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Revenue and Budget Update

April 9, 2015

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Summary of April Forecast Update

- The Legislature enacted a '16 budget in March with a $450K balance. The 3-year plan had an '18 balance of $33 M
- The April FAC revision includes an updated revenue forecast and reflects enacted 2015 legislation
- The April forecast is more optimistic than the January Baseline for '15 and '16, but more cautious in '17 and '18
- The April revisions have generally small impacts on the ending balance projections
- The '16 ending balance is currently projected to be $33 M, or $3 M if the tax conformity bill is signed*

**4/10 Note: Tax conformity was subsequently signed into law*

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March Budget As Enacted – Prior to April FAC

March Budget	'15	'16	'17	'18
Balance Forward	$577 M	$12 M	$450 K	$0 M
Revenues	$8.77 B	$9.11 B	$9.27 B	$9.55 B
Spending	$9.34 B	$9.13 B	$9.28 B	$9.52 B
Ending Balance	***$12 M***	***$450 K***	***$(16) M***	***$33 M***

Base Revenue Growth	4.3%	3.8%	4.4%	5.1%
Spending Growth		(2.2)%	1.7%	2.5%

- The enacted budget transfers monies as needed from the Rainy Day Fund to generate a $12 M '15 ending balance
- In March, this provision was estimated to use $113 M of the $464 M Rainy Day Fund to balance '15

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How April Forecast Affects Ending Balance

Ending Balance	$ in M '15	'16
• Enacted Budget	$ 12	$ 0
• Adjusted for April FAC	12	33
• April FAC + Tax Conformity	12	3
• April FAC + Tax Conformity + K-12 Reset	12	(260)

- April forecast would require $70 M Rainy Day Fund transfer, rather than $113 M
- K-12 Reset of $337 M occurs if Superior Court ruling is upheld

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Forecast Risks
- 1% Variance Yields $575 M Over 3 Years

Potential Gains

- National economic recovery may provide upside gain, in part, by generating more interstate migration
- Gas price windfall will also help stimulate retail sales, but is likely temporary
- Business filing behavior may delay impact of '15 corporate income tax reductions until '16

Potential Gain or Loss

- Impact of January 1, 2015 TPT changes

Potential Losses

- Uncertainty of international events and the Fed rate hike
- Litigation – K-12, hospital assessment
- Internal Revenue Code conformity legislation

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Revenue Overview

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'15 Revenue Growth Rate Improved Over Slow '14
- Led by Corporate Recovery

	'14 Actual	'15 YTD
Sales	5.5%	4.2%
Individual Income	1.9%	5.9%
Corporate Income	(13.1)%	11.3%
Overall	2.7%	4.9%

- Through March, year-to-date revenues $87 M above forecast
- Difficult to interpret YTD in middle of tax filing season

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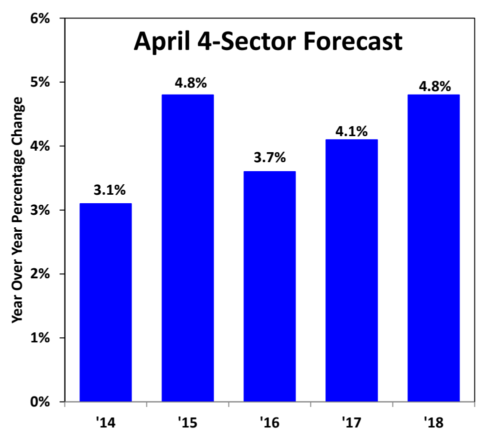
4-Sector Forecast Displays Gradual Improvement

Components of 4-Sector
- Finance Advisory Committee
- UA base model
- UA lower model
- JLBC Staff

Chance of Exceeding Forecast
- 65%

Long Run Average Growth
- 4.75%



Percent Change in Base revenues excluding balance forward, statutory changes, one-time revenues, and urban revenue sharing

Details in Appendix A

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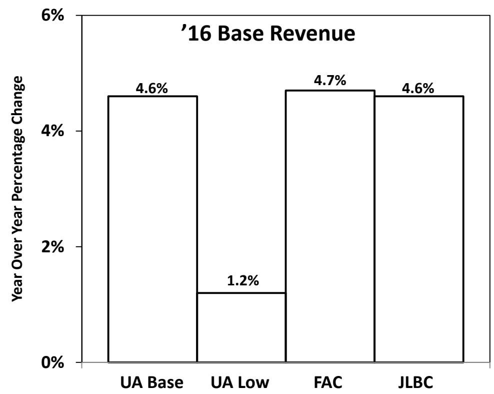
Why Is '16 Projected to Grow More Slowly Than '15?



- Without UA Low, '16 rate is near '15
- UA Low represents a "Stalled Recovery" scenario
- Global Insight places odds of this scenario at 15%
- Lower growth if household formation weak

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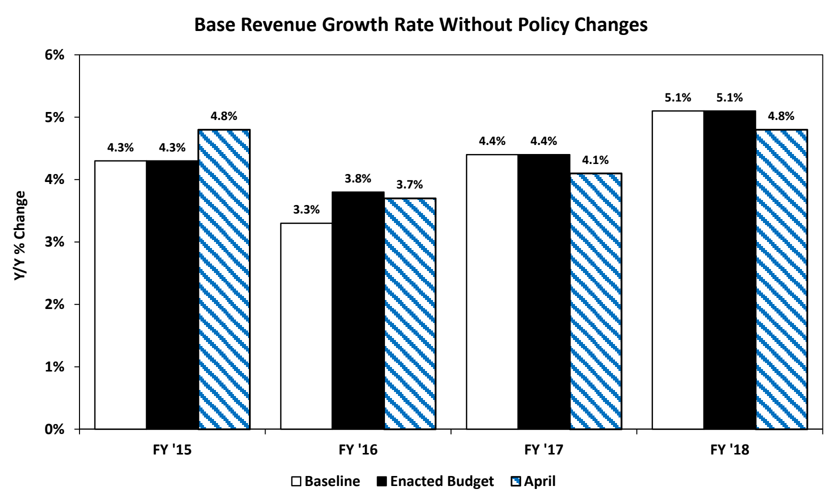
March Budget Versus April Forecast



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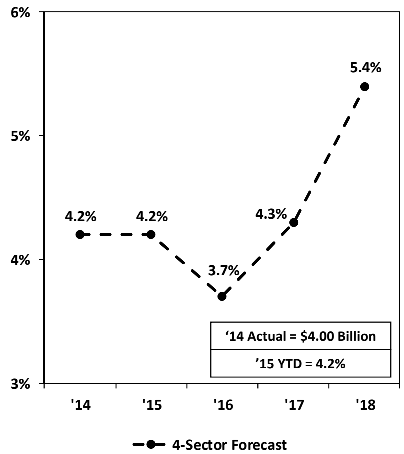
Sales Tax
- Projected Growth of 4.2% in '15 and 3.7% in '16



Percent Change in Base Revenue Excluding Statutory Changes and 1-Cent Sales Tax

- Retail sector of sales up 7.8% in '14; 3.5% so far in '15
- After technical fix, retail '15 YTD would be 5.7%
- Contracting up 11.2% in '14; down (0.8)% in '15 YTD
- Effects of Jan '15 contracting law and reduced gas prices need to be monitored

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Potential 1-Time Windfall from Gas Prices

- Gas price decline has increased consumer disposable income – but recent price hike tempers enthusiasm
- General Fund revenue impact depends on duration and how much of savings are spent on taxable goods
- Recent survey indicates that gas savings are going primarily to groceries and paying off debt
- General Fund revenue impact may be smaller than original $10 M - $40 M estimate
- Windfall not reflected in enacted or April estimates

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Impact of Recent Changes to Contracting Tax

- Effective January 2015, legislation changed tax base for certain materials from prime contracting to retail
- JLBC estimated shift would cause revenue loss, but other provisions would keep bill revenue neutral
- Collections from January contracting activity declined (17.4)% from prior year – impact of the bill?
- Some of January's strong 8.9% retail growth may be related to Super Bowl and contracting shift
- Shift likely to make TPT category collections volatile this year; difficult to measure actual impact

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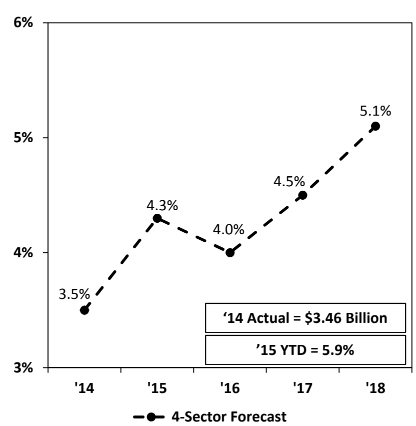
Individual Income Tax
- Projected Growth of 4.3% in '15 and 4.0% in '16



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

- Difficult to interpret IIT results in middle of tax filing
- Payments subside after April, refunds go through May
- April/May results can alter forecast significantly

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Components of Individual Income Tax Growth

	'14	'15 YTD
Withholding	3.4%	3.0%
Payments	(3.4)	6.5%
Refunds	1.1%	(4.2)%
Net	1.9%	5.9%

- Withholding growth remains sluggish
- Annual withholding growth has not been above 3.5% since '11
- April/May payment growth forecast at 6.2% in Update
- Based on December/January filings, payment potential is greater

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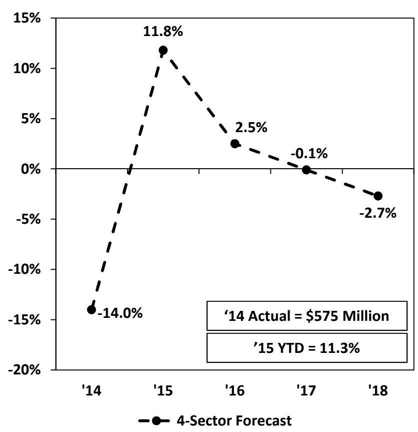
Corporate Income Tax
- Projected Growth of 11.8% in '15 and 2.5% in '16



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

- '15 growth offsets '14 drop
- '17/18 base revenue declines exclude tax cuts
- These declines due to UA models
- Filing extension may delay the impact of tax cuts

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Phase-In of Previously Enacted Tax Reductions
- By '18, Revenue Base is $283 M Lower

$ in M

Pre-2015 Session Changes	'16	'17	'18
Corporate Rate Reduction/Sales Factor	(68)	(60)	(59)
25% Capital Gains Reduction	(11)	0	0
Income Tax Indexing	(6)	(9)	(9)
Corporate School Tuition Indexing	(9)	(10)	(12)
Other	(18)	(8)	(4)
Total	**(112)**	**(87)**	**(84)**

- Corporate reduction adjusted to reflect April base
- Income tax indexing made permanent this session

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Corporate Filing Pattern May Delay Impact of Reduction

- The 4-year phase in of corporate tax reductions began with Tax Year 2014 at estimated '15 cost of $70 M
- If a company's tax year began in January 2014, it would file taxes in April 2015
- Based on further research, however, many large corporations file a 6-month extension (October 2015)
- As a result, the primary impact of the initial corporate reductions may be delayed until '16
- '15 Net corporate collections likely higher than forecast

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Additional Revenue Changes Approved in 2015 Session*

Budgeted	**'15**	**'16**	**'17**	**'18**
Fraud Detection and Prevention	0	42	(14)	(13)
Tax Amnesty	0	15	(15)	0
Retain Federal Dispro Share	11	5	(8)	(8)
Fund Transfers	15	205	(120)	(100)
Rainy Day Fund Transfer	70	(70)	0	0
Outside Budget - Signed				
TPT Exemption – Int'l Operations	0	0	(1)	0
Insurance Retaliatory Taxes	0	(2)	(0)	(0)
Insurance 11-Year Rate Cut	0	0	(1)	(0)
Outside Budget - Unsigned				
IRS Conformity	(31)	0	0	0

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*Changes relative to prior year

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Impact of IRS Conformity Bill

- Two years ago, AZ conformed to the $500K small business equipment deduction in Tax Year '13
- Last year, Governor vetoed a permanent $500K deduction, thereby freeing up funds for DCS Special Session
- As a result of the veto's redirection of funds, the January Baseline excluded funding for this provision
- As transmitted to the Governor, SB 1188 would once again conform to the $500K federal level
- Relative to the Baseline, the bill has an on-going cost of $31 M beginning in '15

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All Adjustments Result in '16 Growth Rate of 4.3%

$ in M Above Prior Year

	'16	'17	'18
Base Revenue Growth (3.7%/4.1%/4.8%)	344	388	474
Previously Enacted Tax Legislation	(112)	(87)	(84)
Newly Enacted Revenue	61	(39)	(22)
Elimination of Prior Year Transfers	(54)	--	--
New Fund Transfers	205	(120)	(100)
One-time '15 Rainy Day Fund Transfer	(70)	0	0
Urban Revenue Sharing	3	(20)	(9)
Total	**377**	**122**	**259**
% Change	**4.3%***	**1.3%**	**2.8%**

*Excludes net loss of $565 M beginning balance. After that adjustment, total '16 revenues decline (2.0)%

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Projected Ending Balance Estimates

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Enacted Budget Adjusted for April FAC Forecast

April FAC	'15	'16	'17	'18
Balance Forward	$577 M	$12 M	$0 M	$0 M
Revenues	$8.77 B	$9.15 B	$9.27 B	$9.53 B
Spending	$9.34 B	$9.13 B	$9.28 B	$9.52 B
Ending Balance	***$12 M***	***$33 M***	***$(15) M***	***$12 M***

Base Revenue Growth	4.8%	3.7%	4.1%	4.8%
Spending Growth		(2.2)%	1.7%	2.5%

- Uses $70 M of $464 M Rainy Day Fund to balance '15
- $33 M '16 balance would be reduced with enactment of IRS conformity bill

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Projected Ending Balance
- Impact of April Forecast on Enacted Budget

	'15	'16	'17	'18
March Budget	$12 M	$450 K	$(16) M	$33 M
April Forecast	$12 M	$33 M	$(15) M	$12 M
April Forecast w/ Conformity	$12 M	$3 M	$(46) M	$(18) M
April/Conformity/ K-12 Reset	$12 M	$(260) M	$(313) M	$(290) M

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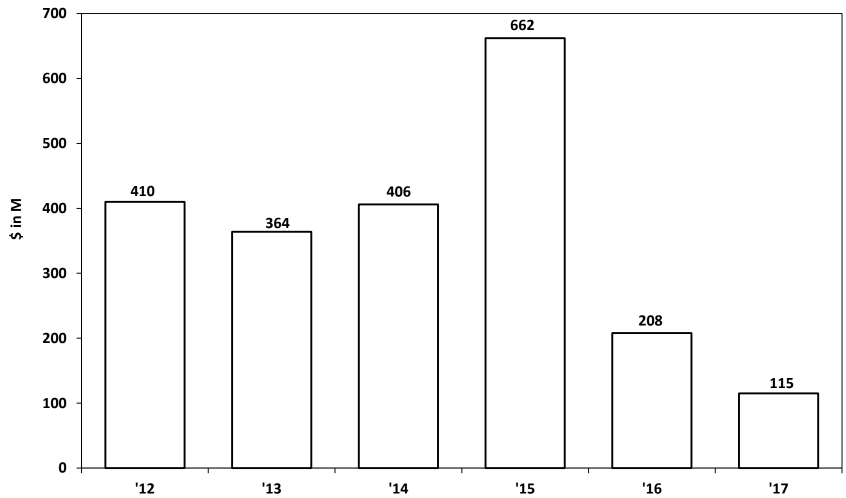
Structural Shortfall – Ongoing Revenues Vs. Spending

- '18 Has Projected $12 M Structural Balance using April Forecast



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Appendix A: April 2015 4-Sector Forecast

	2015	2016	2017	2018
Sales Tax				
JLBC Forecast	4.3%	4.5%	4.8%	5.0%
UA – Low	3.7%	1.1%	2.2%	4.6%
UA – Base	4.3%	4.6%	5.2%	5.9%
FAC	4.3%	4.6%	4.9%	4.8%
Average:	**4.2%**	**3.7%**	**4.3%**	**5.4%**
Individual Income Tax				
JLBC Forecast	5.4%	5.2%	5.3%	5.3%
UA – Low	2.9%	1.5%	2.6%	4.3%
UA – Base	3.7%	4.4%	4.8%	5.5%
FAC	5.2%	5.0%	5.1%	5.4%
Average:	**4.3%**	**4.0%**	**4.5%**	**5.1%**
Corporate Income Tax				
JLBC Forecast	15.0%	1.2%	3.1%	3.9%
UA – Low	11.2%	0.1%	(9.1)%	(14.2)%
UA – Base	11.2%	5.5%	(0.8)%	(9.2)%
FAC	9.8%	3.3%	6.0%	6.4%
Average:	**11.8%**	**2.5%**	**(0.1)%**	**(2.7)%**
JLBC Weighted Average	**5.5%**	**4.6%**	**4.9%**	**5.1%**
UA Low Weighted Average	**3.9%**	**1.2%**	**1.8%**	**4.0%**
UA Base Weighted Average	**4.5%**	**4.6%**	**4.7%**	**5.3%**
FAC Consensus Weighted Average	**5.1%**	**4.7%**	**5.0%**	**5.4%**
"Big-3" Weighted Average	**4.8%**	**3.8%**	**4.1%**	**4.9%**
Consensus Weighted Average*	**4.8%**	**3.7%**	**4.1%**	**4.8%**
Adjusted Consensus Weighted Average**	**3.6%**	**3.0%**	**2.9%**	**3.8%**

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

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JLBC Staff – April 2015 Revenue and Budget Update

Summary of the General Fund Budget Outlook

- The Legislature enacted a FY 2016 budget in early March. The $9.1 billion General Fund spending plan had a projected FY 2016 ending cash balance of $450,000. One-time monies were used to offset a $(257) million structural shortfall (difference between ongoing revenues and spending).
- Under the budget's 3-year planning projections, the structural shortfall is eliminated in FY 2018.
- The April Update reflects an updated 4-sector revenue forecast as well as the fiscal impact of legislation adopted outside of the budget package. As of this writing, the Governor has not yet acted on all pending legislation.
- In terms of a base revenue growth rate, the new April forecast is more optimistic than the January Baseline in FY 2015 and FY 2016, but more cautious in FY 2017 and FY 2018.
- The actual FY 2015 results, however, especially have the potential to be greater than even the new April forecast. A contributing factor is the phase-in of the corporate income tax reductions, which may be slower than expected.
- The April Update results in small changes to the March Plan's ending balance estimates, but does not change the overall direction of the enacted budget. *See Table 1*.
- The projected FY 2016 ending balance would be $33 million under the April Update. If the tax conformity bill is signed into law, the balance would be revised down to $3 million. 1/

A slideshow presentation of the April FAC Update can be found at the JLBC website. The April FAC Meeting link contains other panelists' presentations and background materials.

Table 1

Ending Balance Projections

	$ in M			
	'15	**'16**	**'17**	**'18**
Enacted Budget	$12	$0	$(16)	$33
Adjusted for April FAC	12	33	(15)	12
Adjusted for April FAC + Conformity	12	3	(46)	(18)
April FAC + Conformity + K-12 Reset	12	(260)	(313)	(290)

Forecast Risks

The April Update is associated with a number of forecast risks that could increase or reduce the projected budget balances. Even small changes can have significant impacts on the budget as a 1% forecast error over 3 years would revise the ending balance by $575 million.

Potential Gains

- The national economic recovery could have positive impacts for Arizona, especially in generating more migration from other states. To some extent, the higher April forecast for FY 2015 and FY 2016 has begun reflecting the improved national fortunes.

1/ 4/10 Note: Tax Conformity was subsequently signed into law.

- A sustained drop in gasoline prices could spur greater consumer retail activity. As of yet, however, surveys suggest that consumers have not yet converted their gas savings into substantial new purchases.
- The full impact of previously enacted corporate income tax (CIT) reductions may not begin in FY 2015 as originally anticipated, thereby resulting in higher General Fund revenue.

Potential Gain or Loss

- The 2013 Legislature enacted significant changes in the state's Transaction Privilege Tax (TPT) statutes. As of January 2015, the legislation shifts taxation of some materials from the contracting to the retail classification. While that particular provision may result in lower collections, the legislation had other offsetting revenue increases. The bill was originally scored as revenue neutral, but TPT collections will need to be monitored closely for signs of a potential windfall or loss.

Potential Losses

- The projected improvement in the national economy could be derailed by a number of factors, including the timing of the Federal Reserve Board's changes in its monetary policy as well as the uncertainty of international events.
- Pending litigation could also increase costs beyond the FY 2016 appropriation level. For example, the state has not yet resolved the K-12 inflation lawsuit. If the Maricopa Superior Court ruling is upheld, the state's slight cash balances would become clearly negative.
- The Governor has not yet taken action on a bill to conform the state's business expensing, otherwise known as "instant depreciation," to the $500,000 level, as permitted by the federal government. The conformity legislation would have a cost of $31 million relative to the Baseline.

April 4-Sector Forecast Update

The 4-sector forecast consists of contributions from each of the following:

- Finance Advisory Committee panelists
- University of Arizona (UA) base econometric model
- UA low econometric model
- JLBC Staff

Each sector is equally weighted for each of the largest General Fund revenue categories: TPT, Individual Income Tax (IIT) and Corporate Income Tax. *See Attachment A.* The JLBC Staff provides the projection for smaller tax and revenue categories.

FY 2015

The January 4-sector projected FY 2015 base revenue growth of 4.3%. Base revenue reflects the underlying change in state revenue prior to the application of tax law changes, one-time adjustments and urban revenue sharing. The 4-sector April forecast increases that projected growth to 4.8%.

In comparison, preliminary year-to-date (YTD) General Fund revenue through March is 4.9% above FY 2014 and $87 million above the enacted budget forecast. March YTD growth is difficult to evaluate, however, as it is in the middle of income tax filing season. Given the level of payments and refunds, slight shifts in the timing of receipts and disbursements from one year to the next can have a substantial impact on the YTD estimate.

While an increase in FY 2015 projected revenue growth would normally increase the ending balance, this year's budget has a provision that may eliminate that impact. Laws 2015, Chapter 8 requires sufficient monies to be transferred from the Budget Stabilization Fund (BSF), otherwise known as the Rainy Day Fund, to generate a $12 million FY 2015 General Fund ending balance.

At the time of the budget's enactment, the projected FY 2015 BSF transfer was $113 million. With the higher projected 4.8% growth rate, the transfer amount would decline to $70 million. As described in further detail below, several other factors could further influence the BSF transfer level.

FY 2016 and Beyond

The January 4-sector forecast included a 3.3% base revenue growth rate for FY 2016. Based on general improvements in the economy, the April estimate raises the projected growth to 3.7%. The March enacted budget had increased the projected revenue growth to 3.8%, or 0.1% higher than the April update.

Given the 4.8% forecasted growth rate in FY 2015, the 3.7% April estimate would seem to suggest a slowing of the economy next year. Upon closer examination, the FY 2016 growth rates of 3 of the 4 sectors are comparable to the FY 2015 consensus. The FAC, JLBC Staff and UA-Base all forecast either 4.6% or 4.7% growth in FY 2016. The UA-Low, however, has a projected growth of only 1.2%. This scenario reflects a "stalled recovery" which is hampered by continued weak household formation. Global Insight, an international economics consulting firm, places the odds of such an outcome at 15%.

While FY 2015 and FY 2016 growth rates improved in April, the FY 2017 and FY 2018 forecasts were not as optimistic *(see Table 2)*. The FY 2017 rate declined from 4.4% in January to 4.1% now, while FY 2018 was reduced from 5.1% to 4.8%. In general, the lower outyear projections reflect the potential of higher interest rates and a tighter job market to moderate economic growth.

Table 2

Base Revenue Percentage Growth Rates

4-Sector	**'15**	**'16**	**'17**	**'18**
January*	4.3	3.3	4.4	5.1
April	4.8	3.7	4.1	4.8

* The March Budget used the January estimates, but adjusted the FY 2016 rate from 3.3% to 3.8%

Net General Fund Revenue Impact

The net overall change in General Fund revenues is a combination of base revenue changes along with statutory changes. The latter include changes enacted in prior years as well as during the 2015 Legislative Session. The Governor has yet to take action on some revenue legislation, so these estimates are subject to further change.

Under the April Update, FY 2016 net General Fund revenues are predicted to increase by $377 million, or 4.3%. These estimates exclude the net loss of the $565 million associated with the beginning balance. If the balance were included, the net General Fund revenue change would be (2.0)%. The corresponding net revenue growth in FY 2017 and FY 2018 is $122 million and $259 million, respectively.

As described in *Table 3*, the 4.3% net growth consists of numerous adjustments.

Table 3

Net FY 2016 Revenue Growth

	$ in M
3.7% Base Revenue	$344
Pre-2015 Enacted Tax Legislation*	(112)
2015 Newly-Enacted Revenue*	61
New Fund Transfers	205
Elimination of FY 2015 Transfers	(54)
Elimination of FY 2015 Budget Stabilization Transfer	(70)
Urban Revenue Sharing	3
	$377

* *See Attachment C for details.*

Three particular issues could affect the net revenue and ending balance projections: a) the timing of CIT reductions, b) the 2013 TPT simplification legislation, and c) the 2015 Internal Revenue Service Conformity bill.

The Timing of Corporate Income Tax Reductions

In 2011, the Legislature approved 2 significant CIT changes as of January 2014:

- The CIT rate would decline over 4 years from approximately 7.0% to 4.9%, and
- The sales factor would increase over 4 years from 80% to 100%. When fully phased in, this adjustment allows a multi-state company to use its Arizona sales relative to other states, as opposed to its personnel and property holdings, in determining CIT liability.

The 4-year phase-in started with tax year (TY) 2014. A business may begin its tax year any time between January and December. If a company has a January – December 2014 tax year, for example, its TY 2014 state taxes are due in April 2015. The JLBC Staff methodology has been to assume that the first year of the 4-year phase-in would fully occur in FY 2015.

Based on further research and discussions with the Department of Revenue (DOR), however, a majority of the first year impact of the phase-in may not occur until FY 2016. Most large corporations receive a 6-month extension to file their returns. As a result, their TY 2014 returns are not filed until October 2015 (FY 2016). To avoid a penalty, corporations must either have made estimated payments equal to their prior year liability or 90% of their current year liability.

While a corporation would reduce its tax bill more quickly if it filed in April than in October, the state tax filing may be largely driven by the much larger federal liability. If there is no incentive to file a federal return sooner, the state may not feel the impact of TY 2014 CIT reductions until October 2015 (FY 2016).

The magnitude of this potential shift cannot be determined in advance with any certainty. As a result, the April Update continues to assume that the full first year impact of $70 million would occur this spring. It is likely, however, that the FY 2015 reduction will not be this great.

Due to the interaction with the BSF transfer, however, there may be no impact on the statutorily-required $12 million ending balance.

TPT Simplification

The implementation of the 2013 "TPT Simplification" legislation may also affect the budgeted revenue estimates. Under this legislation, service contractors that do work related to maintenance, repair or replacement of existing property are exempt from the prime contracting tax, beginning January 1, 2015. Instead, such contractors are now required to pay the retail transaction privilege tax on materials that they purchase as a part of the service contract.

In 2013, the JLBC Staff estimated that the shift of the tax base for this type of contracting activity would result in revenue loss for the General Fund. However, the 2013 legislation included other provisions that were intended to keep the bill as a whole revenue neutral.

January TPT contracting collections declined by (17.4)% from prior year, the largest such decline since August 2010. Retail collections for the same month increased by 8.9%, although some of the growth was likely related to the Super Bowl. This suggests that the change of the tax base could make the collections of these 2 TPT categories more volatile in the 2015 transition year. While it is difficult to measure the bill's impact as it relates to all its various provisions, the monitoring of contracting and retail sales will be important in the coming months.

Tax Conformity

As noted previously, the April Update does not include the potential $(31) million impact of a provision in SB 1188 that conforms the state business expensing allowance to the $500,000 federal amount. While the permanent federal level is only $25,000, Congress has been annually authorizing an increase in the allowance to $500,000. Business expensing permits a company to deduct the full value of equipment up to $500,000 from their taxable income in the tax year the equipment was purchased.

The state previously conformed to the enhanced federal amount in 2013. In 2014, Governor Brewer vetoed a bill that would have made the $500,000 allowance permanent. The resulting savings were subsequently used to fund the newly established Department of Child Safety. As a result of the veto's redirection of these monies, the January Baseline excluded funding for the enhanced allowance. If the Governor signs SB 1188 and once again conforms the state to the $500,000 federal deduction, the bill would reduce the April revenue estimates by $(31) million beginning in FY 2015.

Ending Balance Projections

As enacted in March, the budget was projected to have a $12 million balance at the end of FY 2015 in line with the automatic transfer requirements from the Budget Stabilization Fund. Given that provision, the April Update does not change the projected FY 2015 balance estimate.

The March budget had a projected FY 2016 ending balance of $450,000. The improvement in the short term revenue forecast increases that estimate to $33 million. If the Governor were to sign the IRS conformity bill, the balance would be closer to $3 million.

In its associated 3-year spending plan, the March budget had a FY 2017 shortfall of $(16) million. The April Update leaves that estimate virtually unchanged at a $(15) million shortfall. Conformity would increase the shortfall to $(46) million.

March's 3-year plan would produce a $33 million cash balance in FY 2018. This amount also reflects a structural balance of the same amount, which reflects ongoing revenue less ongoing spending. On its own, the April Update reduces the balance to $12 million. The pending tax legislation would then reduce that amount to a $(18) million shortfall.

While either the March budget or the April Update result in ending balance estimates near $0 through FY 2018, the state's K-12 litigation could potentially result in more noticeable deficits. In July 2014, the Maricopa Superior Court ruled that the state must "reset" the K-12 per pupil formula amount to adjust for inflation funding that was not provided during FY 2009-FY 2013. This "reset" would translate into increased K-12 spending of $337 million in FY 2016. The March budget did provide $74 million in "extra" per pupil funding over and above normal inflation. If this $74 million is counted toward the reset, the revised cost would be $262 million.

The plaintiffs and the state have been in discussions to resolve the litigation. If the original Maricopa Superior Court ruling were ultimately upheld, the April Update's FY 2016 balance of $3 million (with IRS conformity) would become a $(260) million shortfall.

The April Update Statement of Revenues and Expenditures appears in *Attachment B*.

April 9, 2015 FAC 4-Sector Consensus

	FY 2015	FY 2016	FY 2017	FY 2018
Sales Tax				
JLBC Forecast (3/20/2015)	4.3%	4.5%	4.8%	5.0%
UA - Low (3/20/2015)	3.7%	1.1%	2.2%	4.6%
UA - Base (3/20/2015)	4.3%	4.6%	5.2%	5.9%
FAC (3/20/2015)	4.3%	4.6%	4.9%	4.8%
Average:	**4.2%**	**3.7%**	**4.3%**	**5.4%**
Individual Income Tax				
JLBC Forecast (3/20/2015)	5.4%	5.2%	5.3%	5.3%
UA - Low (3/20/2015)	2.9%	1.5%	2.6%	4.3%
UA - Base (3/20/2015)	3.7%	4.4%	4.8%	5.5%
FAC (3/20/2015)	5.2%	5.0%	5.1%	5.4%
Average:	**4.3%**	**4.0%**	**4.5%**	**5.1%**
Corporate Income Tax				
JLBC Forecast (3/20/2015)	15.0%	1.2%	3.1%	3.9%
UA - Low (3/20/2015)	11.2%	0.1%	-9.1%	-14.2%
UA - Base (3/20/2015)	11.2%	5.5%	-0.8%	-9.2%
FAC (3/20/2015)	9.8%	3.3%	6.0%	6.4%
Average:	**11.8%**	**2.5%**	**-0.1%**	**-2.7%**
JLBC Weighted Average:	**5.5%**	**4.6%**	**4.9%**	**5.1%**
UA Low Weighted Average:	**3.9%**	**1.2%**	**1.8%**	**4.0%**
UA Base Weighted Average:	**4.5%**	**4.6%**	**4.7%**	**5.3%**
FAC Consensus Weighted Average:	**5.1%**	**4.7%**	**5.0%**	**5.4%**
"Big-3" Weighted Average:	**4.8%**	**3.8%**	**4.1%**	**4.9%**
Consensus Weighted Average: *	**4.8%**	**3.7%**	**4.1%**	**4.8%**
Adj. Consensus Weighted Average: **	**3.6%**	**3.0%**	**2.9%**	**3.8%**

* Consensus Big-3 Categories adjusted for Small Categories

** Consensus Weighted Average adjusted for Statutory Changes

April FAC
Statement of General Fund Revenues and Expenditures 1/
with One-Time Financing Sources

	FY 2015 April FAC	FY 2016 April FAC	FY 2017 April FAC	FY 2018 April FAC
REVENUES				
Ongoing Revenues	$9,229,177,400	$9,582,733,000	$9,905,937,500	$10,269,149,800
Previously Enacted Changes		(111,500,000)	(86,900,000)	(84,200,000)
Newly Enacted Changes	11,000,000	46,433,200	(24,116,600)	(21,800,000)
Urban Revenue Sharing	(608,935,700)	(605,634,300)	(625,583,100)	(635,007,500)
Net On-going Revenues	$8,631,241,700	$8,912,031,900	$9,169,337,800	$9,528,142,300
One-time Financing Sources				
Balance Forward	577,399,200	12,000,000		
Rainy Day Fund Transfer	69,738,700			
Tax Amnesty		15,000,000		
Fund Transfers	68,900,000	220,194,500	100,000,000	
Subtotal One-time Revenues	$716,037,900	$247,194,500	$100,000,000	$0
Total Revenues	$9,347,279,600	$9,159,226,400	$9,269,337,800	$9,528,142,300
EXPENDITURES				
Operating Budget Appropriations	$9,321,780,500	$9,161,035,300	$9,323,310,600	$9,561,694,500
Supplementals	(28,132,000)			
Administrative Adjustments	80,000,000	70,000,000	70,000,000	70,000,000
Revertments	(80,000,000)	(111,380,700)	(109,128,200)	(116,014,500)
Subtotal Ongoing Expenditures	$9,293,648,500	$9,119,654,600	$9,284,182,400	$9,515,680,000
One-time Expenditures				
Capital Outlay	$41,631,100	$6,200,000		
Subtotal One-time Expenditures	$41,631,100	$6,200,000	$0	$0
Total Expenditures	$9,335,279,600	$9,125,854,600	$9,284,182,400	$9,515,680,000
Ending Balance 2/	$12,000,000	$33,371,800	($14,844,600)	$12,462,300
Structural Balance 3/	*($662,406,800)*	*($207,622,700)*	*($114,844,600)*	*$12,462,300*
Ending Balance (w/ K-12 Litigation) 4/	N/A	($228,914,600)	($281,844,500)	($259,317,100)
Structural Balance (w/ K-12 Litigation) 3/	N/A	($469,909,100)	($381,844,500)	($259,317,100)

1/ Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.

2/ This calculation reflects the difference between total revenues and total expenditures. Excludes any Budget Stabilization Fund balance.

3/ This calculation reflects the difference between ongoing revenues and expenditures and excludes one-time adjustments. Excludes any Budget Stabilization Fund balance.

4/ Expenditures include the impact of the Maricopa County Superior Court ruling in the K-12 litigation which would require the state to "reset" the per pupil amount prospectively to adjust for foregone inflation in prior years. Estimate assumes $74 million in "extra" base support in the FY 2016 budget is applied to the reset cost. Expenditures do not include "back payments" for K-12 inflation payments which did not occur in prior years, as the Superior Court has not issued a ruling on this matter. Ending balance estimates do not include any Budget Stabilization Fund balance.

April 2015 Revenue and Budget Update

Marginal Dollar Impact of Previously Enacted Tax Law Changes [1/]

($ in millions)

Legislation	FY 2015	FY 2016	FY 2017	FY 2018
Laws 2006, Chapters 14 & 325				
School Tuition Credit for Low-Income Students	(7.2)	(8.6)	(10.3)	(12.4)
Laws 2011, 2nd Special Session, Chapter 1 ("Jobs Bill 1")				
Increases small businesses eligibility for 30% "Angel" investment credit from $2m to $10m in assets	(0.5)	4.5	0.0	0.0
Eliminates capital gains on income derived from small businesses, beginning in TY 2014	(8.6)	0.0	0.0	0.0
Phases down corporate tax rate from 6.968% to 4.9% over 4 years, beginning in TY 2014	(41.3)	(41.7)	(37.5)	(39.9)
Phases in corporate sales factor from 80% to 100% over 4 years, beginning in TY 2014	(28.5)	(26.1)	(22.7)	(18.6)
Creates annual $3,000 3-year new job credit with conditions	(4.2)	(4.2)	(3.1)	0.0
Sub-Total	**(83.1)**	**(67.5)**	**(63.3)**	**(58.5)**
Laws 2012, Chapter 343 ("Jobs Bill 2")				
Phases in (over 3 years) a 25% reduction of long-term capital gains on assets purchased after CY 2011 (TY 2013)	(9.2)	(11.3)	0.0	0.0
Provides income tax deduction equal to 10% of federal bonus depreciation for assets placed in service in CY 2012 (TY 2014 only)	(1.8)	0.0	0.0	0.0
Creates a new income tax credit for capital investments in new or expanded manufacturing facilities, commercial headquarters, or research facilities (TY 2013)	(4.0)	(4.0)	(4.0)	(4.0)
Sub-Total	**(15.0)**	**(15.3)**	**(4.0)**	**(4.0)**
Laws 2012, Chapter 2				
Provides a change in the calculation of the corporate sales factor for service-providers (TY 2014)	(3.0)	0.0	0.0	0.0
Laws 2013, 1st Special Session, Chapter 9				
Exempts data center equipment from TPT (Sep. 1, 2013)	(1.8)	(1.9)	0.0	0.0
Laws 2014, Chapter 7				
Exempts electricity and natural gas purchased by manufacturers from TPT (Aug. 1, 2014)	(14.6)	(3.6)	0.0	0.0
Laws 2014, Chapter 8				
Credit for investment in new facilities that produce energy for self-consumption using renewable energy sources (Jul. 24, 2014)	0.0	(10.0)	0.0	0.0
Laws 2014, Chapter 10 & Laws 2015, Chapter 91				
Inflation indexing of individual income tax rate brackets, beginning in TY 2015	0.0	(6.1)	(9.3)	(9.3)
Laws 2014, Chapter 11				
Unexpended capitation payments in the Long-Term Care System Fund are reverted to the General Fund	7.9	0.0	0.0	0.0

Legislation	FY 2015	FY 2016	FY 2017	FY 2018
Laws 2014, Chapter 68				
Requires individual income tax-filers claiming the Proposition 301 low-income sales tax credit to provide a valid SSN (Jan. 1, 2015)	0.0	1.5	0.0	0.0
Laws 2014, Chapter 127				
Shifts fine revenues for operating watercraft while intoxicated from the General Fund to Other Fund (Jul. 24, 2014)	(0.5)	0.0	0.0	0.0
Laws 2014, Chapter 168				
Employer allowed to claim 2nd and 3rd year job tax credits for employees that leave and are replaced within 90 days (Jan. 1, 2014)	(0.9)	0.0	0.0	0.0
Laws 2014, Chapter 228				
Exempts the construction of mixed waste processing facility located on a municipal landfill from TPT (Jan. 1, 2013)	(0.2)	0.0	0.0	0.0
Laws 2014, Chapter 276				
Exempts personal property sold to a qualified health sciences educational institution from TPT (Jan. 1, 2015)	(0.2)	0.0	0.0	0.0
Total GF Revenue Impact of Previously Enacted Legislation over Prior Year	**(118.6)**	**(111.5)**	**(86.9)**	**(84.2)**

April 2015 Revenue and Budget Update

Marginal Dollar Impact of Newly Enacted Tax Law Changes [1/]

($ in millions)

Legislation	FY 2015	FY 2016	FY 2017	FY 2018
Laws 2015, Chapter 6				
Exempts International Operations Centers from TPT on Electricity Purchases	0.0	0.0	(1.3)	0.0
Laws 2015, Chapter 8				
Department of Revenue - Fraud Detection and Prevention	0.0	41.9	(13.6)	(13.0)
Laws 2015, Chapter 10				
Department of Insurance - Fraud Assessment	0.0	0.5	0.0	0.0
Laws 2015, Chapter 10				
Establishes a Tax Amnesty Program	0.0	15.0	(15.0)	0.0
Laws 2015, Chapter 14				
Increases Disproportionate Share Cap	11.0	5.5	(7.9)	(8.6)
Laws 2015, Chapter 184				
Exempts Retaliatory Insurance Premium Taxes	0.0	(1.5)	0.0	0.0
Laws 2015, Chapter 220				
Phases Down Insurance Premium Tax Rate from 2.0% to 1.7% over 11 Years	0.0	0.0	(1.3)	(0.2)
Total GF Revenue Impact of Recently Enacted Legislation over Prior Year	**11.0**	**61.4**	**(39.1)**	**(21.8)**
Ongoing Impact	**11.0**	**46.4**	**(24.1)**	**(21.8)**
One-Time Impact	**0.0**	**15.0**	**(15.0)**	**0.0**

1/ Each year represents the dollar value of the provision compared to the prior year.

Understanding the Basics

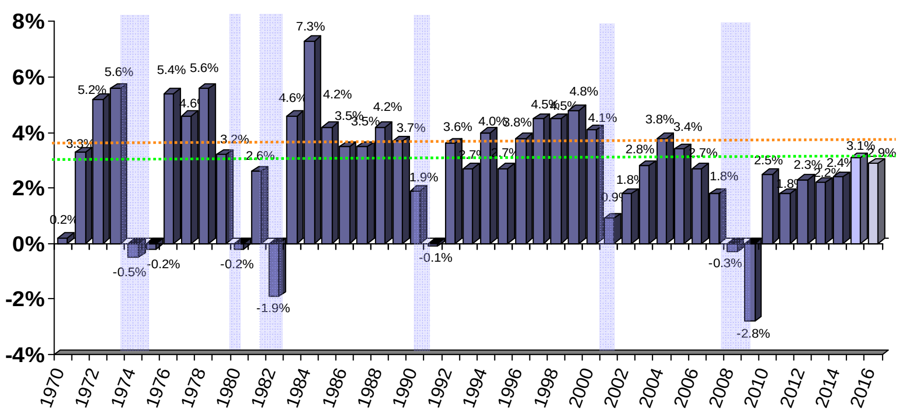
By:
Jim Rounds
Senior Vice President/Partner
Elliott D. Pollack & Company

April 2015

Elliott D. Pollack & Company

United States Real Gross Domestic Product*
Annual Growth 1970 - 2016**

Source: U.S. Bureau of Economic Analysis & *Blue Chip Economic Indicators*



* Based on chained 2009 dollars.

** 2015 and 2016 are a forecast from the Blue Chip Economic Indicators, March 2015.

3.7% = 40-year avg during expansion

3.1% = 20-year avg during expansion

Recession Periods

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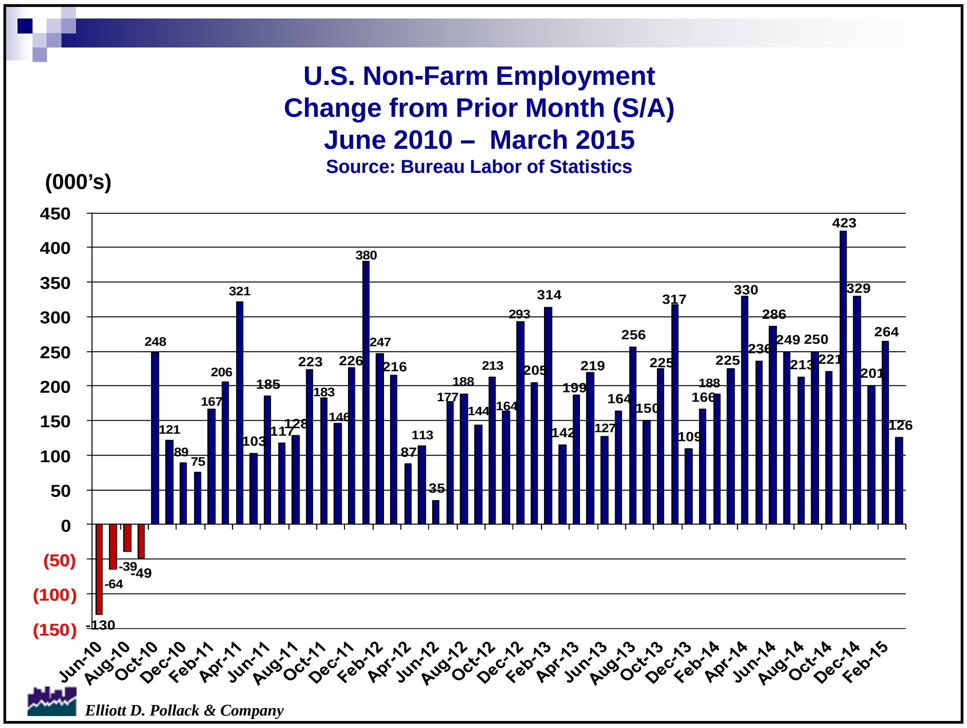
U.S. Non-Farm Employment
Change from Prior Month (S/A)
June 2010 – March 2015
Source: Bureau Labor of Statistics
(000's)
450
400
350
300
250
200
150
100
50
0
(50)
(100)
(150)
-130 -64 -39 -49 248 121 89 75 167 206 321 103 185 117 128 223 183 146 226 380 247 216 87 113 35 177 188 144 213 164 293 205 314 142 199 219 127 164 256 150 225 317 109 166 188 225 330 236 286 249 213 250 221 423 329 201 264 126
Jun-10
Aug-10
Oct-10
Dec-10
Feb-11
Apr-11
Jun-11
Aug-11
Oct-11
Dec-11
Feb-12
Apr-12
Jun-12
Aug-12
Oct-12
Dec-12
Feb-13
Apr-13
Jun-13
Aug-13
Oct-13
Dec-13
Feb-14
Apr-14
Jun-14
Aug-14
Oct-14
Dec-14
Feb-15
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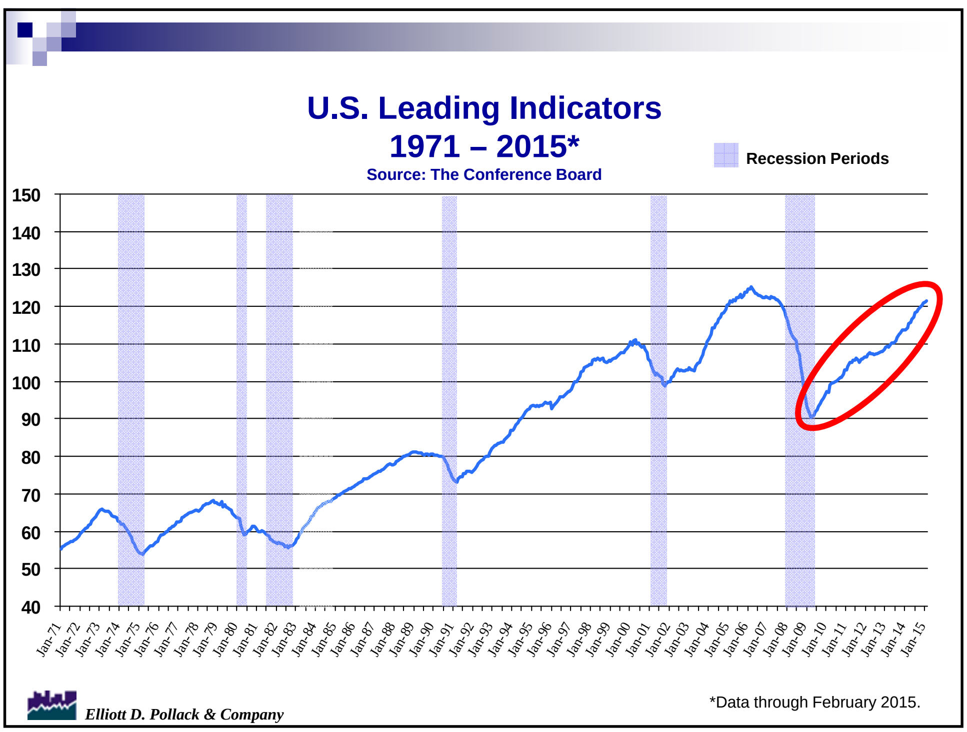
U.S. Leading Indicators
1971 – 2015*
Source: The Conference Board
Recession Periods
150
140
130
120
110
100
90
80
70
60
50
40
Jan-71 … Jan-15
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*Data through February 2015.

10 Components of U.S. Leading Indicators – February 2015

+

- •Interest rate spread
- •Stock Prices
- •Building Permits
- •Leading credit index (inverted)
- •Consumer expectations
- •Manuf. new orders – consumer goods
- •Manuf. new orders – capital goods
- •Manuf. new order index
- •Manuf. Hours
- •Claims for unemployment (inverted)

-

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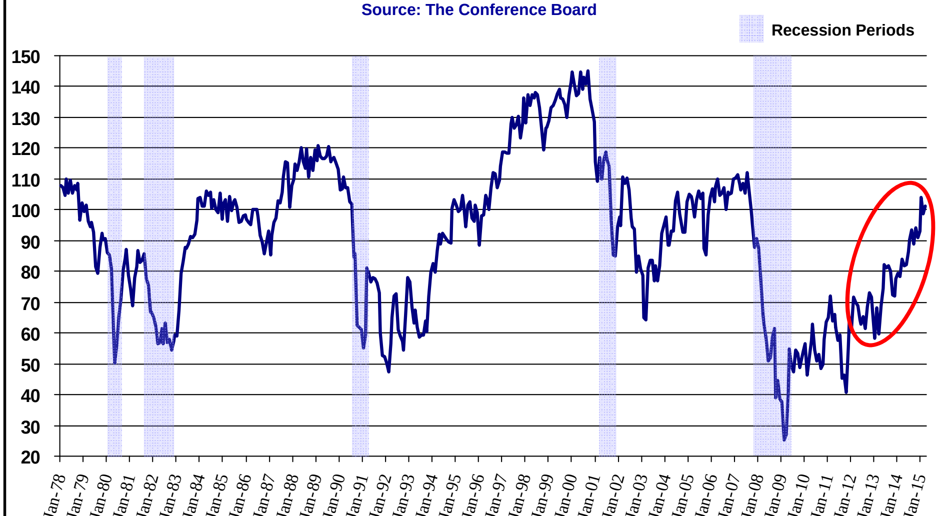
Consumer Confidence
1978 – 2015*

Source: The Conference Board



*Data through March 2015.

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Need a perfect storm of shocks to derail this train…

…for now.

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Wish you weren't here?

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All about jobs and population growth.

Don't get caught up in the negative discussion.

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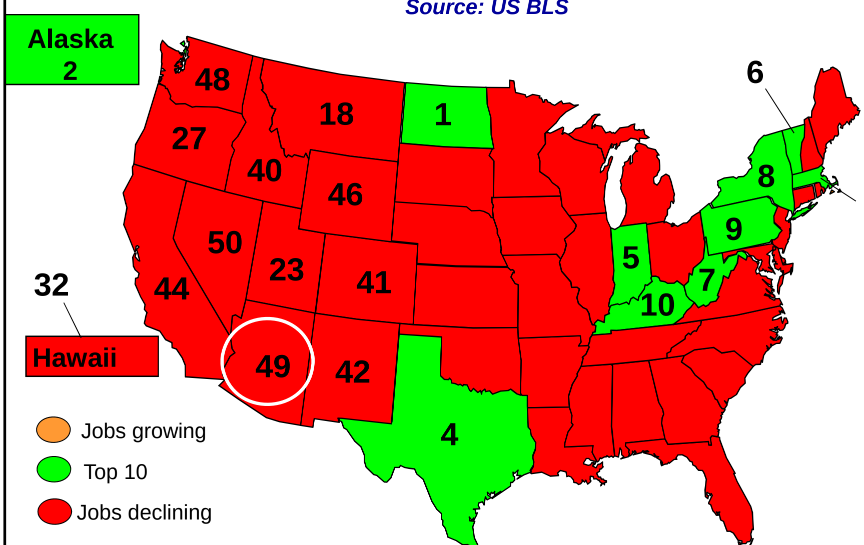
Job Growth 2010

Source: US BLS



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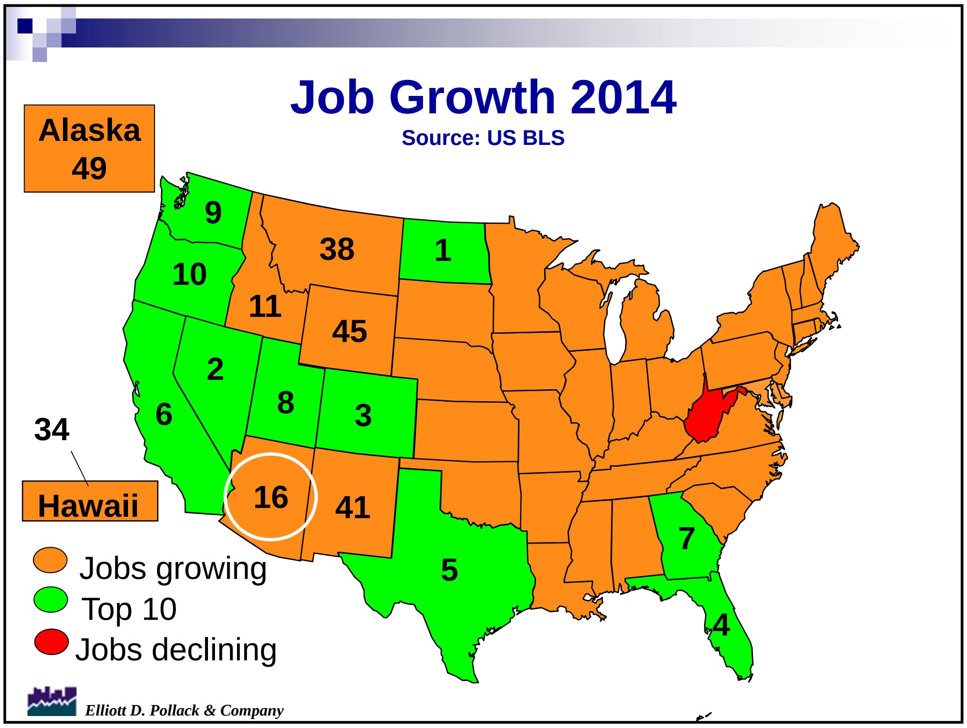
Job Growth 2014
Source: US BLS
Alaska
49
9
38
1
10
11
45
2
8
3
6
34
Hawaii
16
41
5
7
4
Jobs growing
Top 10
Jobs declining
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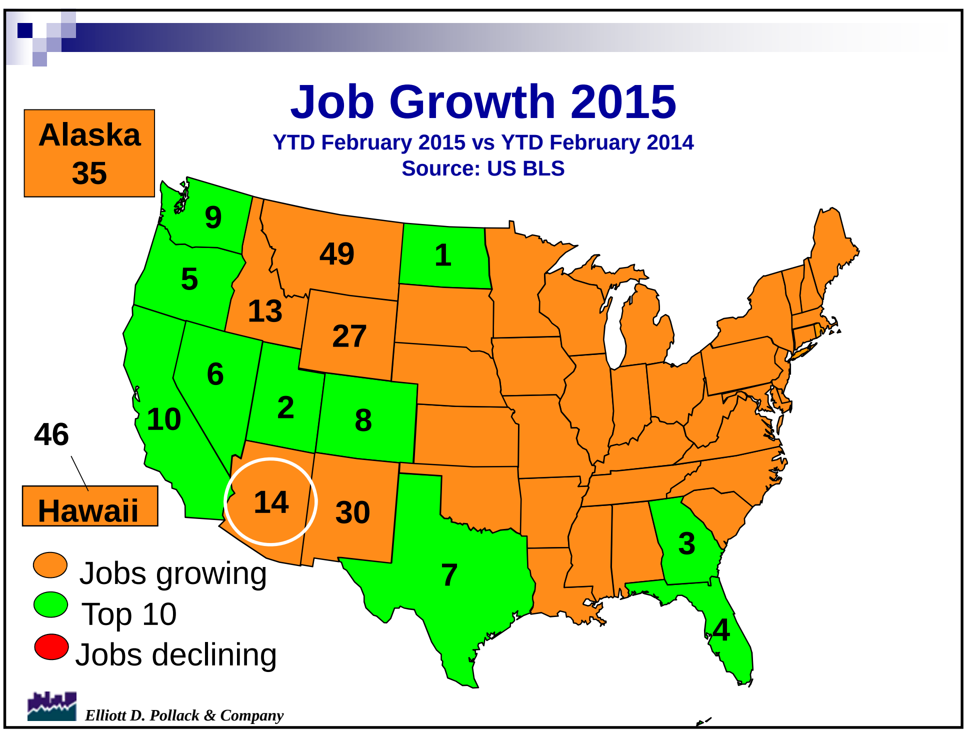
Job Growth 2015
YTD February 2015 vs YTD February 2014
Source: US BLS
Alaska
35
9
49
1
5
13
27
6
2
8
10
46
Hawaii
14
30
7
3
4
Jobs growing
Top 10
Jobs declining
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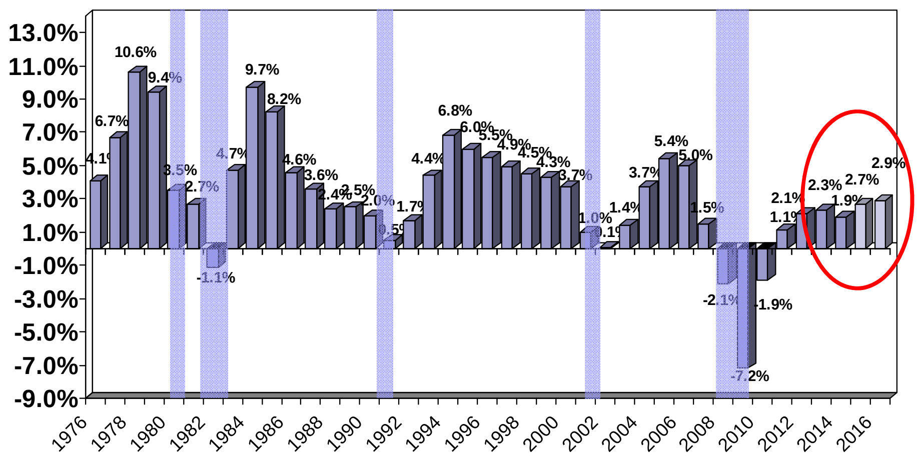
Arizona Employment
Annual Percent Change 1976–2016*

Source: Arizona Department of Administration



*2015 & 2016 forecasts from Elliott D. Pollack & Co. as of January 2015.

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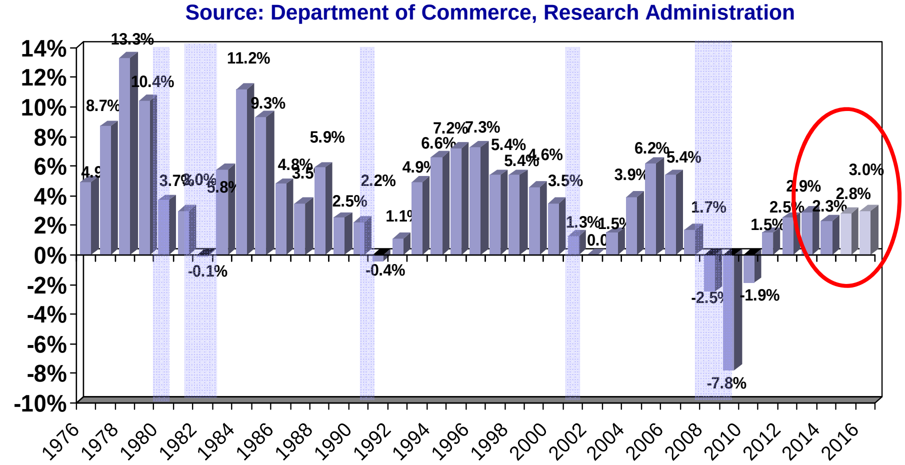
Greater Phoenix Employment*
Annual Percent Change 1976–2016**

Source: Department of Commerce, Research Administration



*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

**2015 & 2016 forecasts from Elliott D. Pollack & Co. as of January 2015

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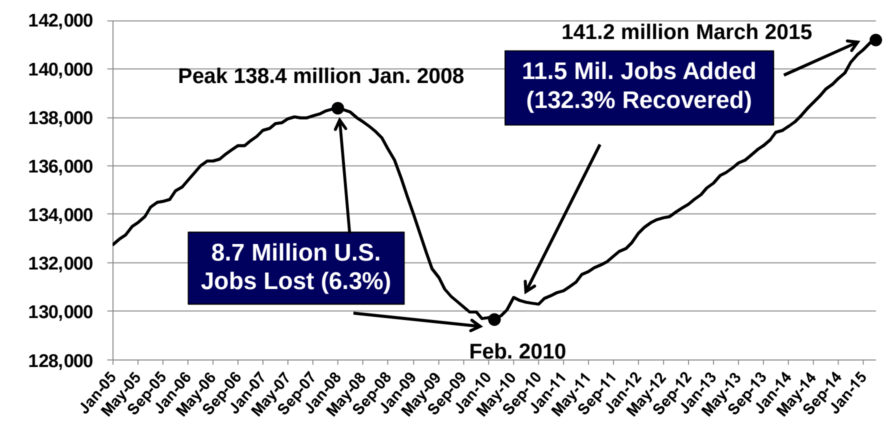
U.S. Seasonally Adjusted Non-Farm Employment 2005 – 2015*

Source: Bureau of Labor Statistics

(000's)



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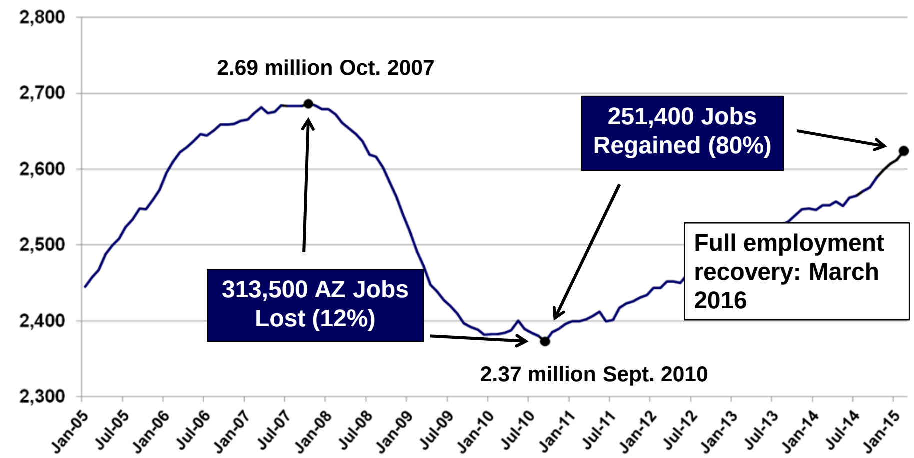
*Data through March 2015.

AZ Has Regained 80% of Lost Jobs

62,100 Jobs (20%) Still to Recover



Source: U.S. Bureau of Labor Statistics, Thousands of Jobs, Seasonally Adjusted
Data through February 2015.

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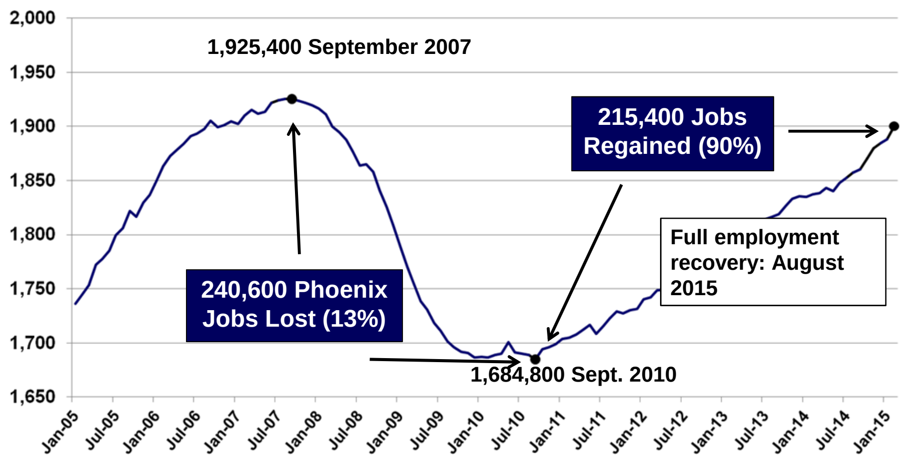
Greater Phoenix Has Gained 90% of Lost Jobs
25,200 Jobs (10%) Still to Recover



Source: U.S. Bureau of Labor Statistics, Thousands of Jobs, Seasonally Adjusted Data through February 2015.

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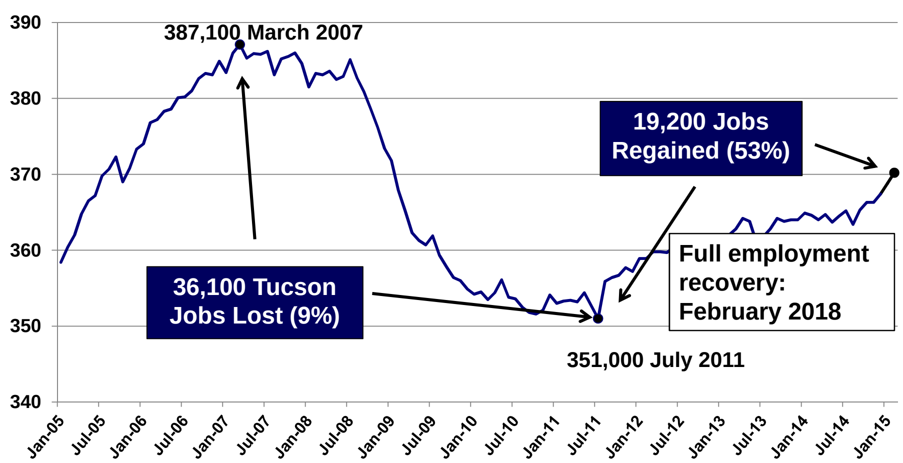
Greater Tucson Has Gained 53% of Lost Jobs
16,900 Jobs (47%) Still to Recover



Source: U.S. Bureau of Labor Statistics, Thousands of Jobs, Seasonally Adjusted Data through February 2015.

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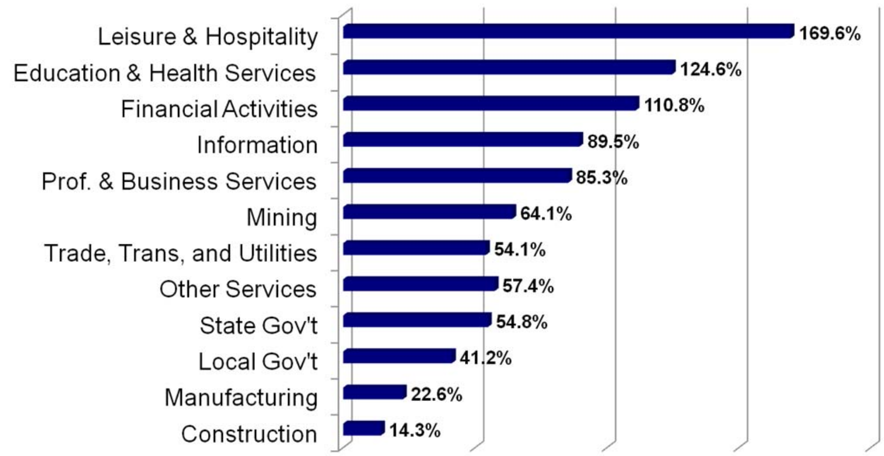
Arizona Jobs Regained Since Bottom of Cycle– Most Industries Yet to Regain Lost Jobs



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

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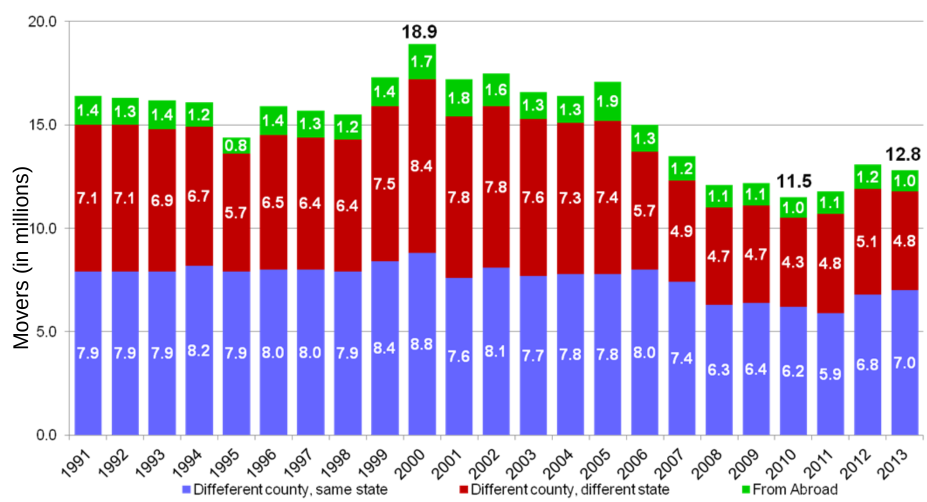
Distribution of Movers in U.S. by Type* 1990-2013

Source: U.S. Census Bureau



*Excludes movers in the same county

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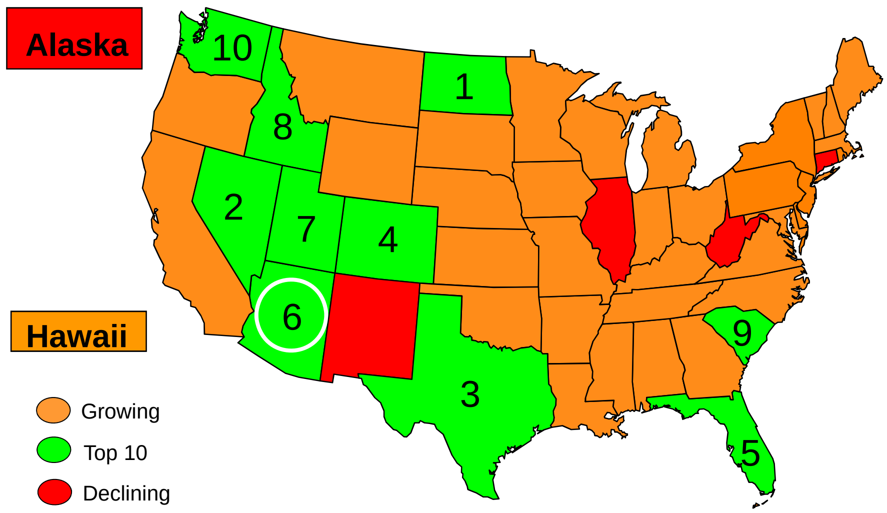
Population Growth 2014

Source: U.S. Census Bureau



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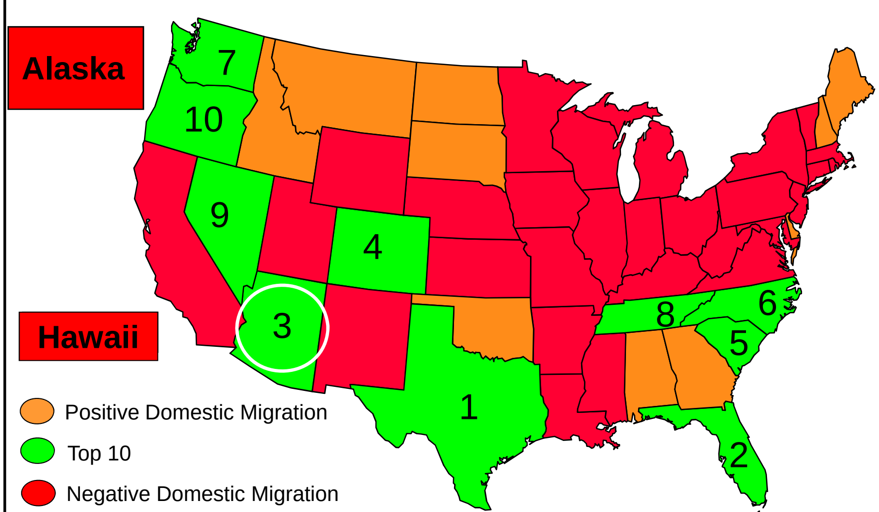
Domestic Migrant Ranking 2014

Source: U.S. Census Bureau



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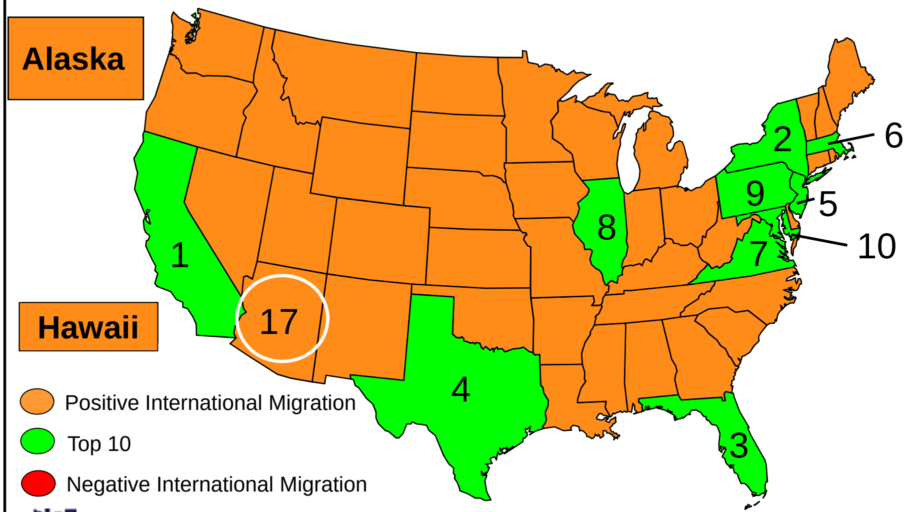
International Migrant Ranking 2014

Source: U.S. Census Bureau



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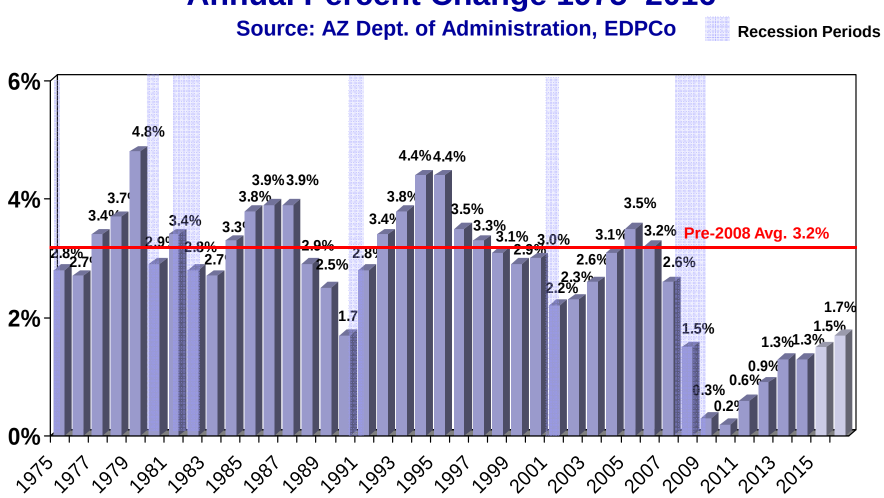
Arizona Population Annual Percent Change 1975–2016*

Source: AZ Dept. of Administration, EDPCo



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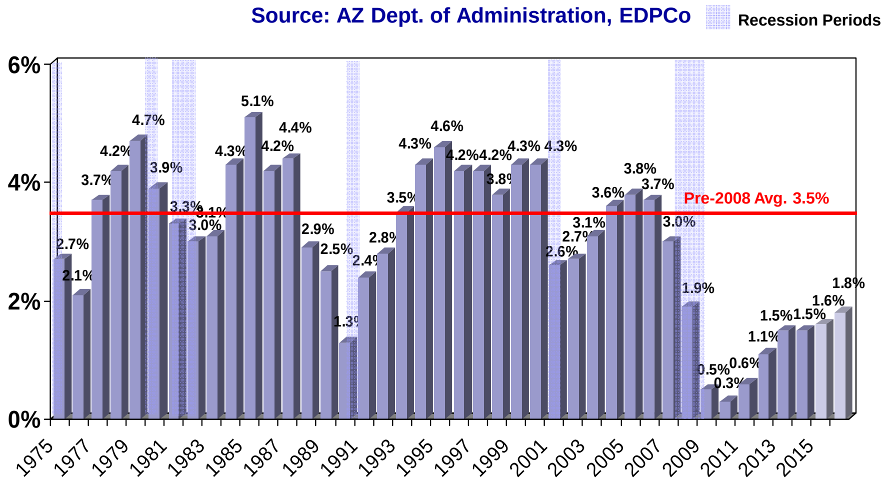
*2015 & 2016 forecasts from Elliott D. Pollack & Co. as of January 2015.

Greater Phoenix Population
Annual Percent Change 1975–2016*

Source: AZ Dept. of Administration, EDPCo



*2015 & 2016 forecasts from Elliott D. Pollack & Co. as of January 2015.

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How quickly are population flows going to recover?

(1) US Economy? Stronger (?).
(2) Local Jobs? Improving.
(3) Financial Issues? Around the corner...

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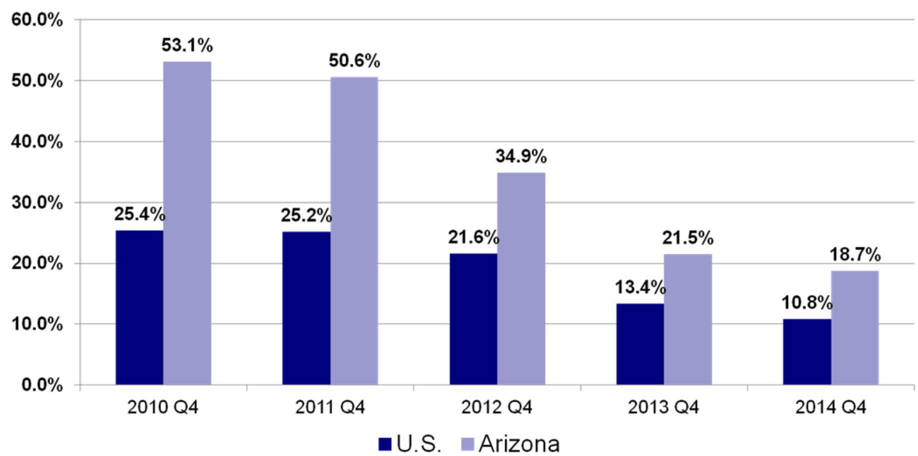
Why aren't people moving/ buying?

- Negative Equity,
- "Penalty Box",
- Financing,
- Millennials.

?

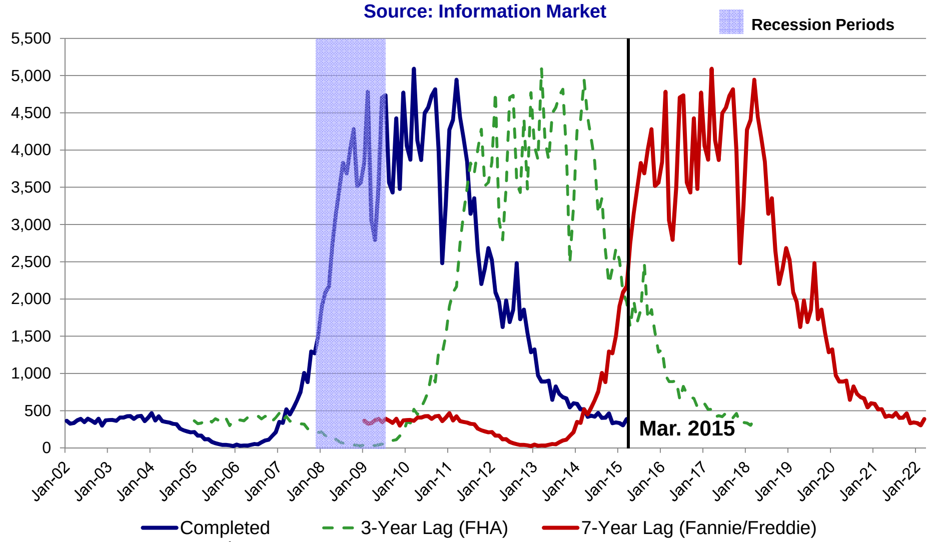
U.S. and Arizona Negative Equity Share 2010–2014

Source: CoreLogic



Greater Phoenix Foreclosure Lag 2002–2022

Source: Information Market



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Etc…

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What is keeping potential buyers out of the housing market?

(1) Negative Equity
- 20.0%

(2) FHA Loan Limit
- 18.0%

(3) Foreclosures
- 4.3%

(4) Short Sales
- 1.3%

(5) Millennials/Living at Home
- 0.6%

(6) Student Loans
- 1.6%

This too shall pass…

TOTAL: 45.8%

Short, mid and long term outlook?

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Finance Advisory Committee Cash Flow Update

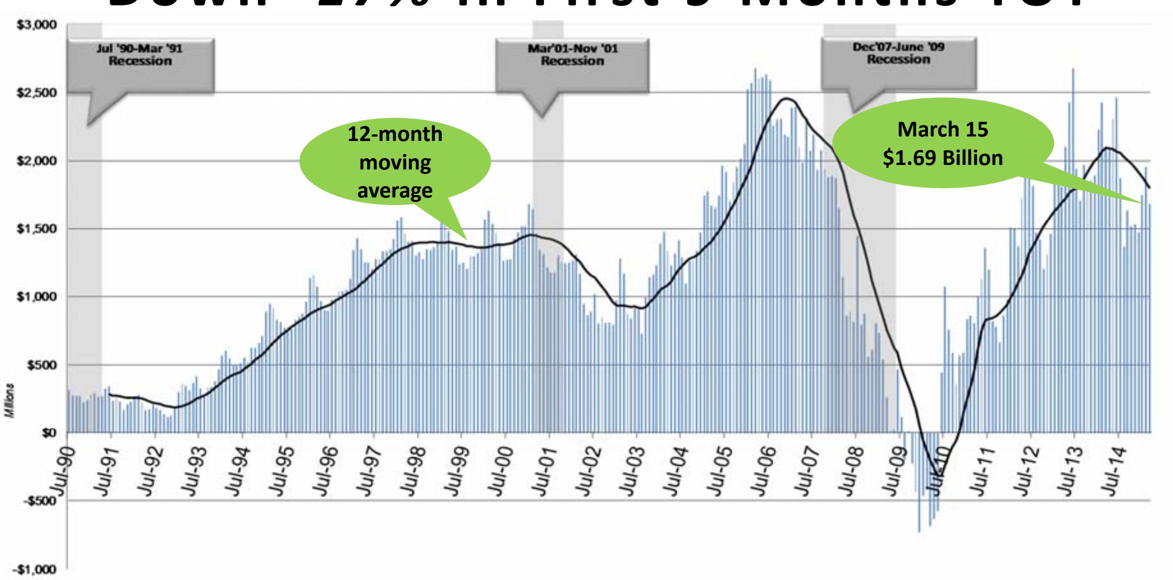
4.9.2015

OFFICE OF THE ARIZONA STATE TREASURER

STATE CASH FLOW

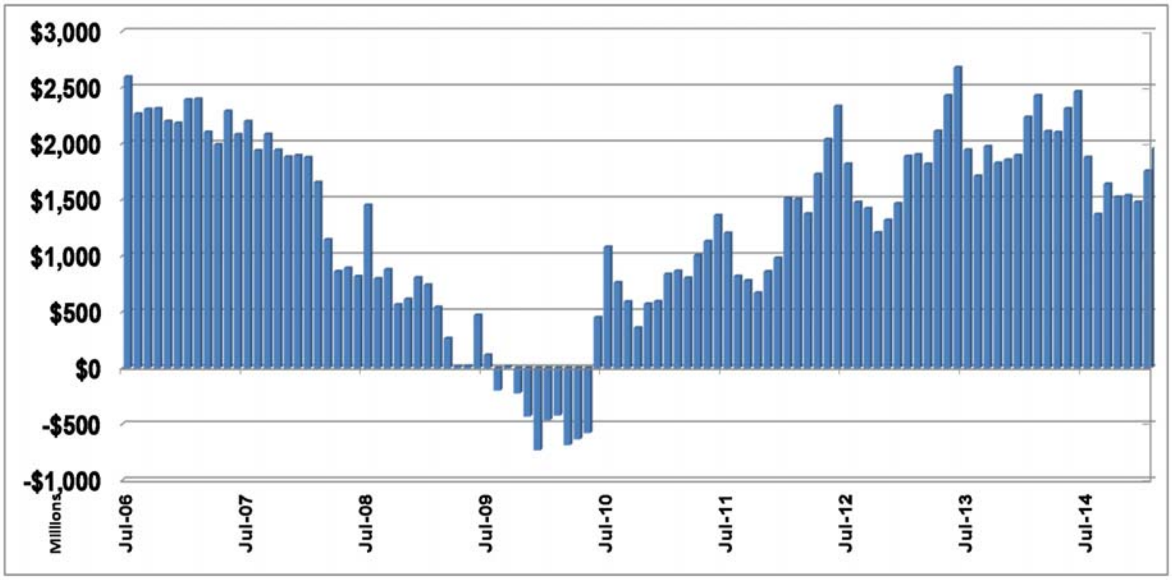
TOTAL OPERATING ACCOUNT AVERAGE MONTHLY BALANCE

Down *-17%* in First 9 Months YOY



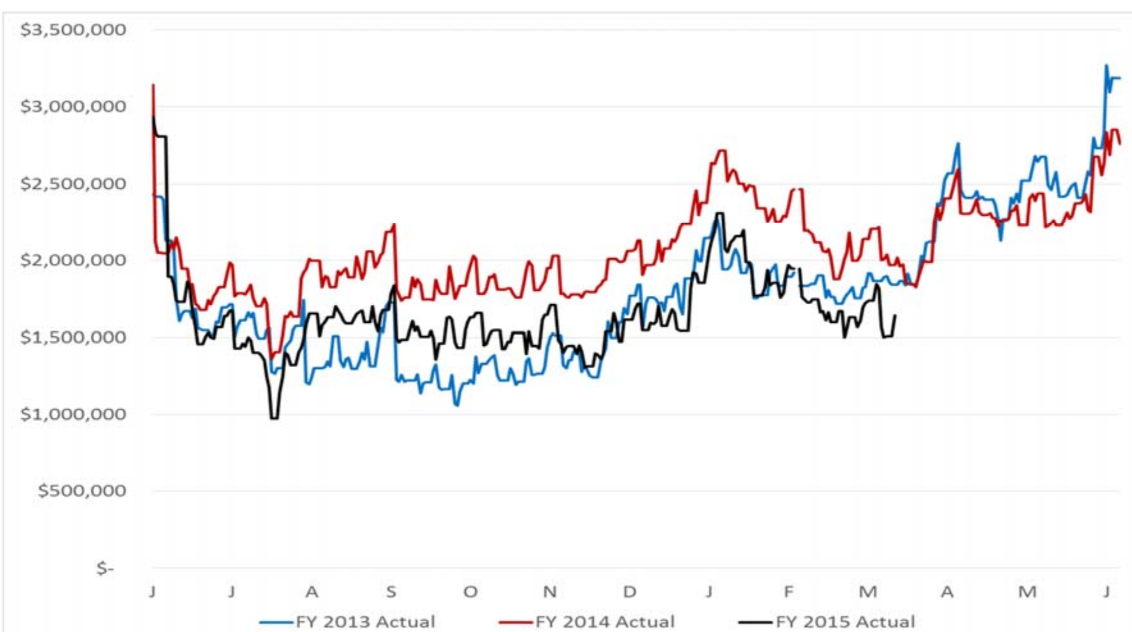
STATE CASH FLOW

State Operating Balance FY 2007 - FY 2015 YTD



STATE CASH FLOW

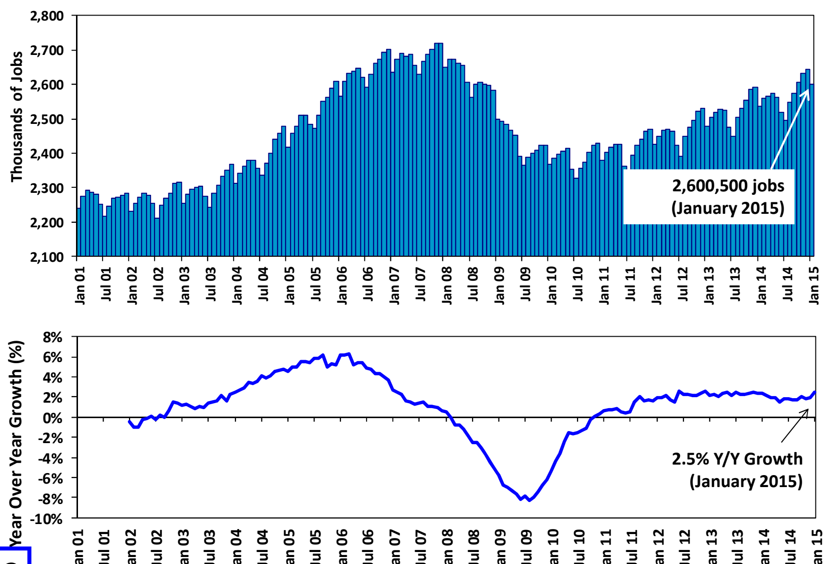
YTD FY 2015 Cash Flow vs. Last Two Fiscal Years



Tracking Arizona's Recovery
Contents

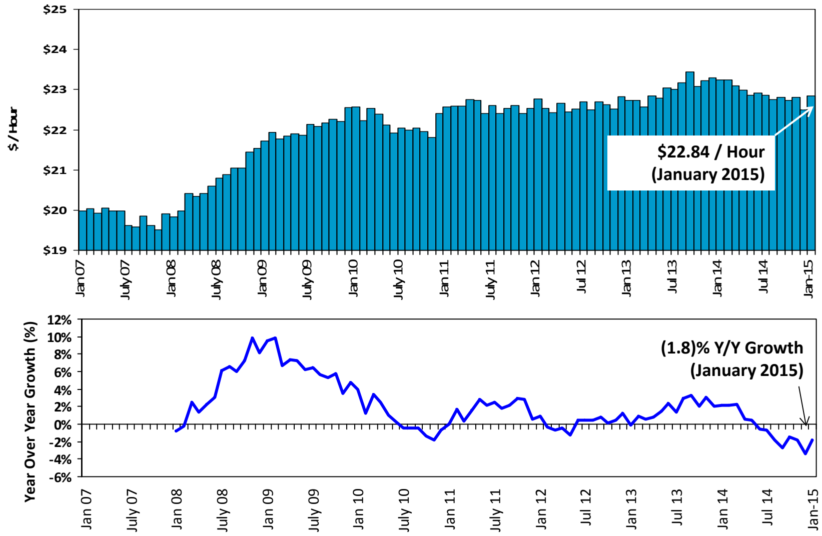
<u>**Slide:**</u>

Total Non-Farm Employment



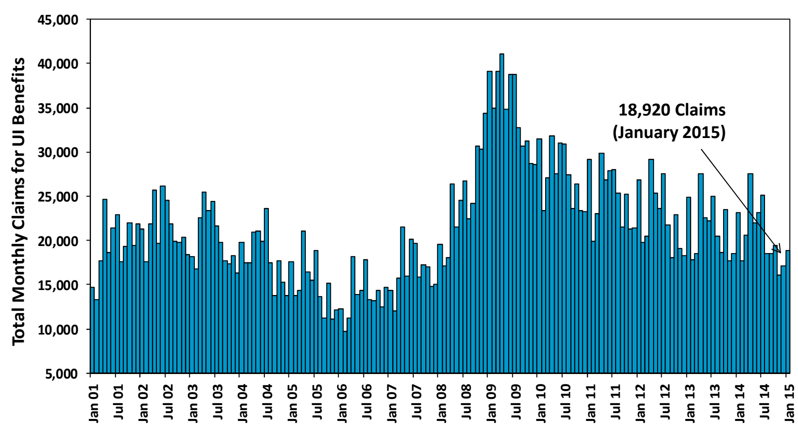
JLBC

Average Hourly Earnings – Private Sector



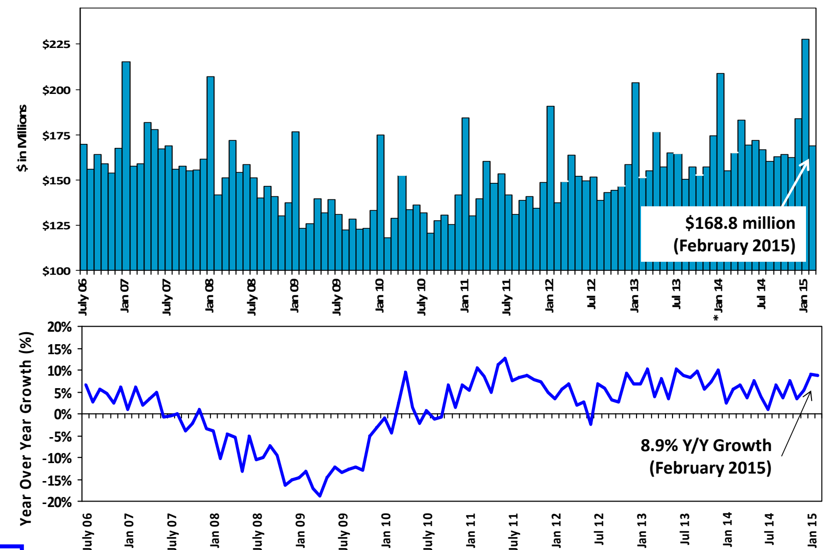
JLBC

Initial Claims for Unemployment Insurance



Not seasonally adjusted

State Sales Tax Collections – Retail Category

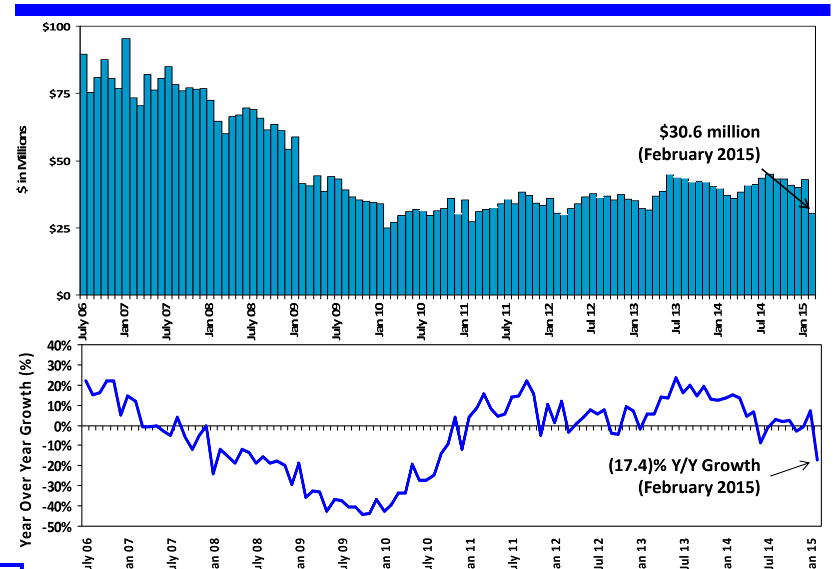


JLBC

Excludes temporary 1 ¢ sales tax

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

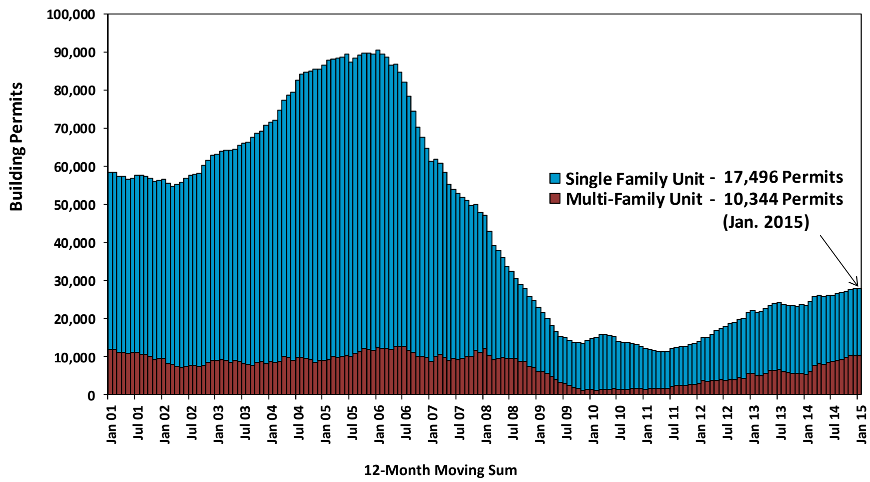
State Sales Tax Collections – Contracting Category



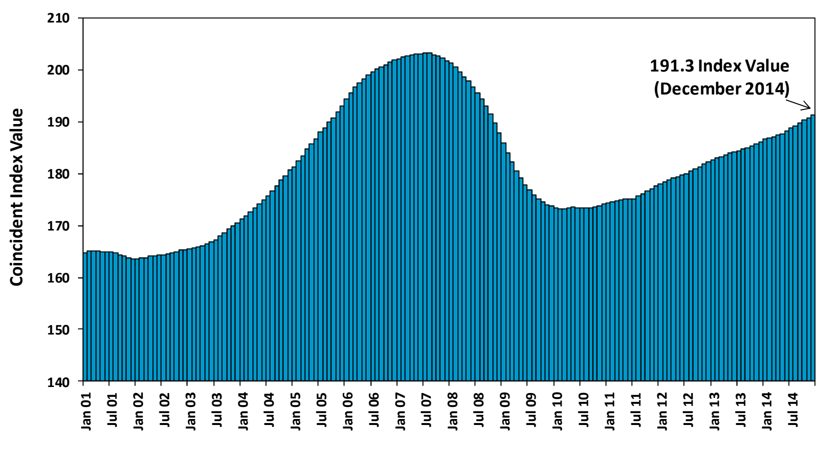
JLBC

Excludes temporary 1 ¢ sales tax

Residential Building Permits



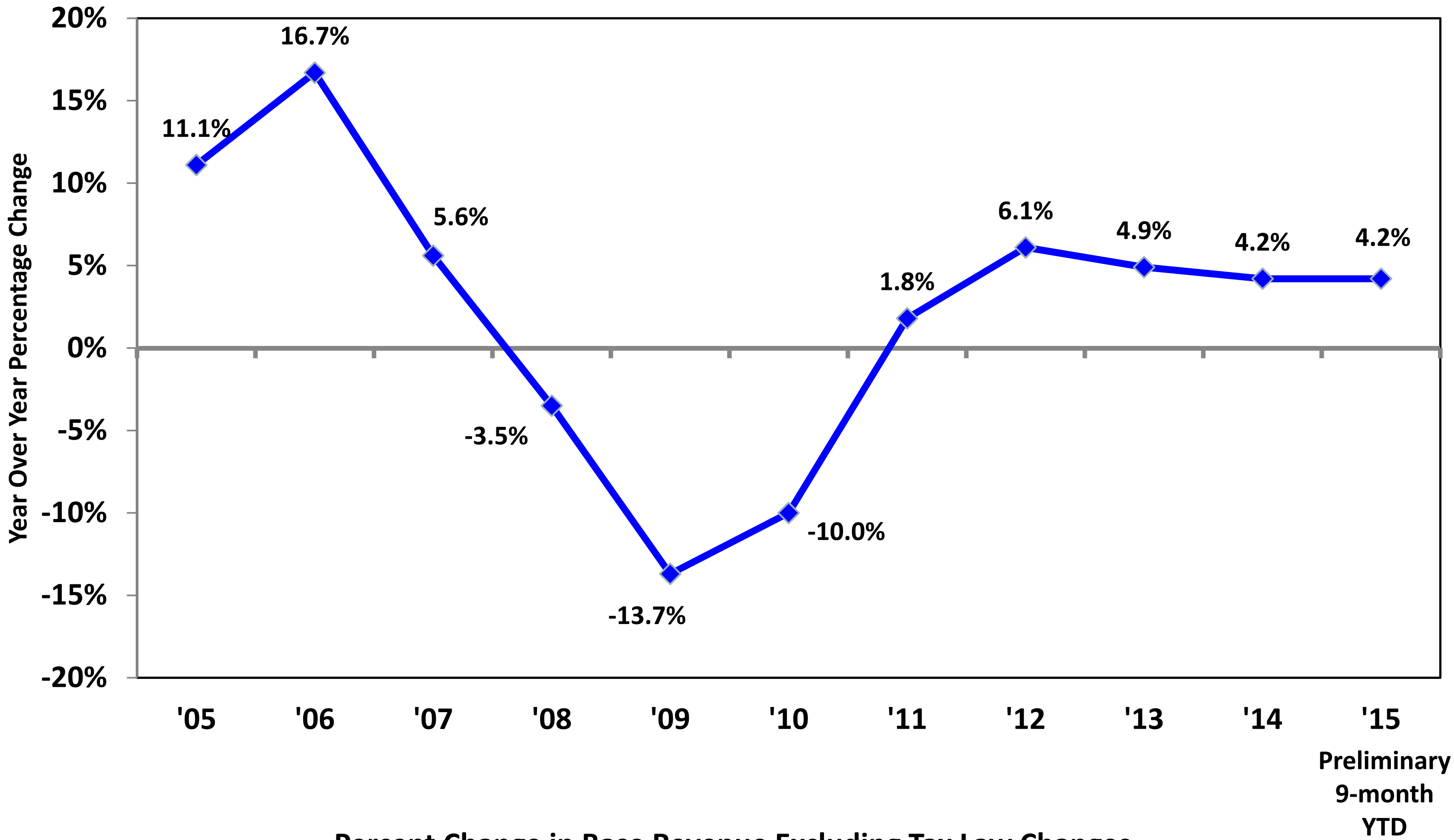
Economic Activity Index



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

Sales Tax

Sales Tax
- Base % Change



Percent Change in Base Revenue Excluding Tax Law Changes

JLBC

Arizona Sales Tax - Total (excl. 1% Tax)
General Fund Collections

		Collections ($)	Year-to-Year % Change	Year-to-Date Collections ($)	Year-to-Date % Change
	July 2010	281,714,731	-3.1%	281,714,731	-3.1%
	Aug 2010	277,734,908	-3.4%	559,449,639	-3.2%
	Sep 2010	282,192,808	-2.0%	841,642,447	-2.8%
	Oct 2010	282,177,988	1.5%	1,123,820,435	-1.8%
	Nov 2010	286,485,609	3.8%	1,410,306,044	-0.7%
FY 2011	Dec 2010	274,456,847	0.7%	1,684,762,891	-0.5%
	Jan 2011	338,961,556	6.2%	2,023,724,447	0.6%
	Feb 2011	272,340,889	6.0%	2,296,065,336	1.2%
	Mar 2011	287,692,472	6.8%	2,583,757,808	1.8%
	Apr 2011	310,811,250	-2.7%	2,894,569,058	1.3%
	May 2011	285,186,711	2.8%	3,179,755,769	1.4%
	June 2011	268,261,217	10.5%	3,448,016,986	2.1%
	July 2011	306,929,173	9.0%	306,929,173	9.0%
	Aug 2011	293,482,631	5.7%	600,411,804	7.3%
	Sep 2011	299,647,673	6.2%	900,059,477	6.9%
	Oct 2011	303,049,504	7.4%	1,203,108,981	7.1%
	Nov 2011	286,297,169	-0.1%	1,489,406,151	5.6%
FY 2012	Dec 2011	294,279,967	7.2%	1,783,686,117	5.9%
	Jan 2012	347,418,964	2.5%	2,131,105,081	5.3%
	Feb 2012	287,779,634	5.7%	2,418,884,716	5.3%
	Mar 2012	297,171,837	3.3%	2,716,056,553	5.1%
	Apr 2012	324,812,322	4.5%	3,040,868,875	5.1%
	May 2012	306,889,871	7.6%	3,347,758,745	5.3%
	June 2012	304,406,910	13.5%	3,652,165,655	5.9%
	July 2012	321,889,184	4.9%	321,889,184	4.9%
	Aug 2012	302,649,584	3.1%	624,538,768	4.0%
	Sep 2012	314,805,532	5.1%	939,344,300	4.4%
	Oct 2012	304,390,327	0.4%	1,243,734,627	3.4%
	Nov 2012	308,743,822	7.8%	1,552,478,449	4.2%
FY 2013	Dec 2012	308,624,715	4.9%	1,861,103,164	4.3%
	Jan 2013	358,061,324	3.1%	2,219,164,488	4.1%
	Feb 2013	308,634,610	7.2%	2,527,799,098	4.5%
	Mar 2013	298,125,466	0.3%	2,825,924,564	4.0%
	Apr 2013	341,689,456	5.2%	3,167,614,020	4.2%
	May 2013	322,843,958	5.2%	3,490,457,978	4.3%
	June 2013	288,405,767	-5.3%	3,778,863,745	3.5%
	July 2013	339,218,789	5.4%	339,218,789	5.4%
	Aug 2013	330,453,883	9.2%	669,672,672	7.2%
	Sep 2013	335,831,770	6.7%	1,005,504,442	7.0%
	Oct 2013	328,875,700	8.0%	1,334,380,142	7.3%
	Nov 2013	323,933,003	4.9%	1,658,313,145	6.8%
FY 2014	Dec 2013	327,109,813	6.0%	1,985,422,958	6.7%
	Jan 2014	367,609,390	2.7%	2,353,032,348	6.0%
	Feb 2014	314,441,338	1.9%	2,667,473,686	5.5%
	Mar 2014	325,993,542	9.3%	2,993,467,228	5.9%
	Apr 2014	358,451,112	4.9%	3,351,918,340	5.8%
	May 2014	336,552,864	4.2%	3,688,471,204	5.7%
	June 2014	297,410,376	3.1%	3,985,881,580	5.5%
	July 2014	338,895,000	-0.1%	338,895,000	-0.1%
	Aug 2014	345,173,344	4.5%	684,068,344	2.1%
	Sep 2014	344,660,464	2.6%	1,028,728,808	2.3%
	Oct 2014	346,093,136	5.2%	1,374,821,944	3.0%
	Nov 2014	334,326,797	3.2%	1,709,148,741	3.1%
FY 2015	Dec 2014	344,265,049	5.2%	2,053,413,790	3.4%
	Jan 2015	399,861,665	8.8%	2,453,275,455	4.3%
	Feb 2015	325,308,761	3.5%	2,778,584,216	4.2%
	Mar 2015				
	Apr 2015				
	May 2015				
	June 2015				

Arizona Sales Tax - Retail
General Fund Collections

		Collections ($)	Year-to-Year % Change	Year-to-Date Collections ($)	Year-to-Date % Change
	July 2010	131,854,318	-0.7%	131,854,318	-0.7%
	Aug 2010	120,861,252	-2.8%	252,715,570	-1.8%
	Sep 2010	127,561,325	-2.1%	380,276,895	-1.9%
	Oct 2010	130,540,558	4.8%	510,817,453	-0.3%
	Nov 2010	125,231,755	-0.1%	636,049,208	-0.2%
FY 2011	Dec 2010	141,527,413	4.9%	777,576,621	0.7%
	Jan 2011	184,287,307	4.2%	961,863,928	1.3%
	Feb 2011	130,152,893	10.4%	1,092,016,821	2.3%
	Mar 2011	139,711,796	8.6%	1,231,728,617	3.0%
	Apr 2011	160,245,893	36.2%	1,391,974,510	6.0%
	May 2011	148,273,564	11.1%	1,540,248,074	6.4%
	June 2011	153,419,634	12.7%	1,693,667,708	7.0%
	July 2011	141,789,976	7.5%	141,789,976	7.5%
	Aug 2011	130,998,912	8.4%	272,788,888	7.9%
	Sep 2011	138,796,056	8.8%	411,584,944	8.2%
	Oct 2011	140,704,804	7.8%	552,289,747	8.1%
	Nov 2011	134,310,400	7.2%	686,600,147	7.9%
FY 2012	Dec 2011	148,448,948	4.9%	835,049,095	7.4%
	Jan 2012	190,783,275	3.5%	1,025,832,370	6.7%
	Feb 2012	137,359,143	5.5%	1,163,191,513	6.5%
	Mar 2012	149,239,726	6.8%	1,312,431,239	6.6%
	Apr 2012	163,530,770	2.0%	1,475,962,009	6.0%
	May 2012	152,085,022	2.6%	1,628,047,031	5.7%
	June 2012	149,658,784	-2.5%	1,777,705,815	5.0%
	July 2012	151,463,092	6.8%	151,463,092	6.8%
	Aug 2012	138,759,047	5.9%	290,222,139	6.4%
	Sep 2012	143,091,966	3.1%	433,314,105	5.3%
	Oct 2012	144,377,418	2.6%	577,691,523	4.6%
	Nov 2012	146,630,896	9.2%	724,322,419	5.5%
FY 2013	Dec 2012	158,506,351	6.8%	882,828,770	5.7%
	Jan 2013	203,719,359	6.8%	1,086,548,129	5.9%
	Feb 2013	151,345,992	10.2%	1,237,894,121	6.4%
	Mar 2013	154,953,692	3.8%	1,392,847,813	6.1%
	Apr 2013	176,752,554	8.1%	1,569,600,367	6.3%
	May 2013	157,321,133	3.4%	1,726,921,500	6.1%
	June 2013	165,064,316	10.3%	1,891,985,816	6.4%
	July 2013	164,753,436	8.8%	164,753,436	8.8%
	Aug 2013	150,159,878	8.2%	314,913,314	8.5%
	Sep 2013	157,089,858	9.8%	472,003,172	8.9%
	Oct 2013	152,652,197	5.7%	624,655,369	8.1%
	Nov 2013	157,213,539	7.2%	781,868,908	7.9%
FY 2014	Dec 2013	174,512,641	10.1%	956,381,549	8.3%
	Jan 2014	238,163,840	16.9%	1,194,545,389	9.9%
	Feb 2014	154,943,150	2.4%	1,349,488,539	9.0%
	Mar 2014	165,184,759	6.6%	1,514,673,298	8.7%
	Apr 2014	183,203,353	3.6%	1,697,876,651	8.2%
	May 2014	169,355,304	7.6%	1,867,231,955	8.1%
	June 2014	171,659,444	4.0%	2,038,891,399	7.8%
	July 2014	166,500,721	1.1%	166,500,721	1.1%
	Aug 2014	160,123,060	6.6%	326,623,781	3.7%
	Sep 2014	162,832,950	3.7%	489,456,731	3.7%
	Oct 2014	164,102,161	7.5%	653,558,892	4.6%
	Nov 2014	162,348,834	3.3%	815,907,726	4.4%
FY 2015	Dec 2014	183,953,206	5.4%	999,860,932	4.5%
	Jan 2015	227,712,434	-4.4%	1,227,573,366	2.8%
	Feb 2015	168,761,459	8.9%	1,396,334,825	3.5%
	Mar 2015				
	Apr 2015				
	May 2015				
	June 2015				

Arizona Sales Tax - Contracting
General Fund Collections

		Collections ($)	Year-to-Year % Change	Year-to-Date Collections ($)	Year-to-Date % Change
FY 2011	July 2010	31,447,707	-27.2%	31,447,707	-27.2%
	Aug 2010	29,548,912	-24.5%	60,996,619	-25.9%
	Sep 2010	31,389,965	-14.2%	92,386,584	-22.3%
	Oct 2010	32,135,070	-9.0%	124,521,654	-19.3%
	Nov 2010	36,048,289	3.8%	160,569,943	-15.0%
	Dec 2010	30,256,826	-12.1%	190,826,769	-14.6%
	Jan 2011	35,390,218	4.2%	226,216,987	-12.1%
	Feb 2011	27,192,699	8.6%	253,409,686	-10.3%
	Mar 2011	31,052,066	15.6%	284,461,752	-8.0%
	Apr 2011	31,950,076	8.4%	316,411,829	-6.6%
	May 2011	32,571,135	4.7%	348,982,963	-5.6%
	June 2011	33,882,030	5.8%	382,864,993	-4.7%
FY 2012	July 2011	35,776,963	13.8%	35,776,963	13.8%
	Aug 2011	33,820,730	14.5%	69,597,693	14.1%
	Sep 2011	38,262,770	21.9%	107,860,463	16.7%
	Oct 2011	37,113,776	15.5%	144,974,240	16.4%
	Nov 2011	34,175,119	-5.2%	179,149,359	11.6%
	Dec 2011	33,388,990	10.4%	212,538,349	11.4%
	Jan 2012	35,855,441	1.3%	248,393,790	9.8%
	Feb 2012	30,456,508	12.0%	278,850,298	10.0%
	Mar 2012	29,964,165	-3.5%	308,814,463	8.6%
	Apr 2012	32,221,194	0.8%	341,035,657	7.8%
	May 2012	33,942,224	4.2%	374,977,881	7.4%
	June 2012	36,413,050	7.5%	411,390,931	7.5%
FY 2013	July 2012	37,753,076	5.5%	37,753,076	5.5%
	Aug 2012	36,341,199	7.5%	74,094,275	6.5%
	Sep 2012	36,839,194	-3.7%	110,933,469	2.8%
	Oct 2012	35,393,045	-4.6%	146,326,514	0.9%
	Nov 2012	37,312,920	9.2%	183,639,434	2.5%
	Dec 2012	35,713,978	7.0%	219,353,412	3.2%
	Jan 2013	35,124,507	-2.0%	254,477,919	2.4%
	Feb 2013	32,158,384	5.6%	286,636,303	2.8%
	Mar 2013	31,657,711	5.7%	318,294,014	3.1%
	Apr 2013	36,740,970	14.0%	355,034,984	4.1%
	May 2013	38,500,752	13.4%	393,535,736	4.9%
	June 2013	45,057,304	23.7%	438,593,040	6.6%
FY 2014	July 2013	43,907,390	16.3%	43,907,390	16.3%
	Aug 2013	43,618,684	20.0%	87,526,074	18.1%
	Sep 2013	42,416,407	15.1%	129,942,481	17.1%
	Oct 2013	42,304,040	19.5%	172,246,521	17.7%
	Nov 2013	42,121,860	12.9%	214,368,381	16.7%
	Dec 2013	40,208,342	12.6%	254,576,723	16.1%
	Jan 2014	39,820,300	13.4%	294,397,023	15.7%
	Feb 2014	36,970,395	15.0%	331,367,418	15.6%
	Mar 2014	35,930,174	13.5%	367,297,592	15.4%
	Apr 2014	38,358,105	4.4%	405,655,697	14.3%
	May 2014	40,976,805	6.4%	446,632,502	13.5%
	June 2014	41,235,619	-8.5%	487,868,121	11.2%
FY 2015	July 2014	43,352,211	-1.3%	43,352,211	-1.3%
	Aug 2014	44,742,964	2.6%	88,095,175	0.7%
	Sep 2014	42,952,525	1.3%	131,047,700	0.9%
	Oct 2014	43,244,905	2.2%	174,292,605	1.2%
	Nov 2014	40,986,820	-2.7%	215,279,425	0.4%
	Dec 2014	39,871,833	-0.8%	255,151,258	0.2%
	Jan 2015	42,972,458	7.9%	298,123,716	1.3%
	Feb 2015	30,554,137	-17.4%	328,677,853	-0.8%
	Mar 2015				
	Apr 2015				
	May 2015				
	June 2015				

Arizona Sales Tax - Utilities
General Fund Collections

		Collections ($)	Year-to-Year % Change	Year-to-Date Collections ($)	Year-to-Date % Change
	July 2010	35,877,634	-9.0%	35,877,634	-9.0%
	Aug 2010	44,964,793	-0.4%	80,842,427	-4.4%
	Sep 2010	45,858,958	5.6%	126,701,385	-1.0%
	Oct 2010	43,113,254	3.9%	169,814,639	0.2%
	Nov 2010	38,015,889	6.4%	207,830,528	1.3%
FY 2011	Dec 2010	27,817,850	1.2%	235,648,378	1.3%
	Jan 2011	28,892,368	1.1%	264,540,746	1.2%
	Feb 2011	31,223,326	-3.9%	295,764,072	0.7%
	Mar 2011	28,787,318	2.8%	324,551,390	0.9%
	Apr 2011	26,747,146	-2.5%	351,298,536	0.6%
	May 2011	26,632,619	3.2%	377,931,155	0.8%
	June 2011	30,680,668	3.0%	408,611,823	0.9%
	July 2011	40,111,460	11.8%	40,111,460	11.8%
	Aug 2011	40,875,038	-9.1%	80,986,498	0.2%
	Sep 2011	46,646,194	1.7%	127,632,693	0.7%
	Oct 2011	45,842,935	6.3%	173,475,628	2.2%
	Nov 2011	34,149,040	-10.2%	207,624,668	-0.1%
FY 2012	Dec 2011	29,540,842	6.2%	237,165,510	0.6%
	Jan 2012	29,367,167	1.6%	266,532,677	0.8%
	Feb 2012	30,658,712	-1.8%	297,191,389	0.5%
	Mar 2012	30,060,136	4.4%	327,251,525	0.8%
	Apr 2012	27,244,798	1.9%	354,496,323	0.9%
	May 2012	27,485,601	3.2%	381,981,924	1.1%
	June 2012	30,111,966	-1.9%	412,093,890	0.9%
	July 2012	40,616,330	1.3%	40,616,330	1.3%
	Aug 2012	49,307,716	20.6%	89,924,046	11.0%
	Sep 2012	47,859,208	2.6%	137,783,254	8.0%
	Oct 2012	42,673,986	-6.9%	180,457,240	4.0%
	Nov 2012	36,906,904	8.1%	217,364,144	4.7%
FY 2013	Dec 2012	28,508,254	-3.5%	245,872,398	3.7%
	Jan 2013	28,206,985	-4.0%	274,079,383	2.8%
	Feb 2013	32,772,398	6.9%	306,851,781	3.3%
	Mar 2013	26,578,715	-11.6%	333,430,496	1.9%
	Apr 2013	28,651,138	5.2%	362,081,634	2.1%
	May 2013	33,388,984	21.5%	395,470,618	3.5%
	June 2013	35,131,617	16.7%	430,602,235	4.5%
	July 2013	41,253,785	1.6%	41,253,785	1.6%
	Aug 2013	51,118,922	3.7%	92,372,707	2.7%
	Sep 2013	48,310,422	0.9%	140,683,129	2.1%
	Oct 2013	45,404,017	6.4%	186,087,146	3.1%
	Nov 2013	36,096,400	-2.2%	222,183,546	2.2%
FY 2014	Dec 2013	27,804,876	-2.5%	249,988,422	1.7%
	Jan 2014	31,282,441	10.9%	281,270,863	2.6%
	Feb 2014	32,556,099	-0.7%	313,826,962	2.3%
	Mar 2014	29,363,515	10.5%	343,190,477	2.9%
	Apr 2014	27,967,873	-2.4%	371,158,350	2.5%
	May 2014	28,121,488	-15.8%	399,279,838	1.0%
	June 2014	34,601,911	-1.5%	433,881,749	0.8%
	July 2014	41,601,907	0.8%	41,601,907	0.8%
	Aug 2014	49,989,617	-2.2%	91,591,524	-0.8%
	Sep 2014	48,229,626	-0.2%	139,821,150	-0.6%
	Oct 2014	44,471,489	-2.1%	184,292,639	-1.0%
	Nov 2014	37,725,941	4.5%	222,018,580	-0.1%
FY 2015	Dec 2014	28,145,342	1.2%	250,163,922	0.1%
	Jan 2015	30,408,913	-2.8%	280,572,835	-0.2%
	Feb 2015	32,737,055	0.6%	313,309,890	-0.2%
	Mar 2015				
	Apr 2015				
	May 2015				
	June 2015				

Arizona Sales Tax - Restaurants and Bars
General Fund Collections

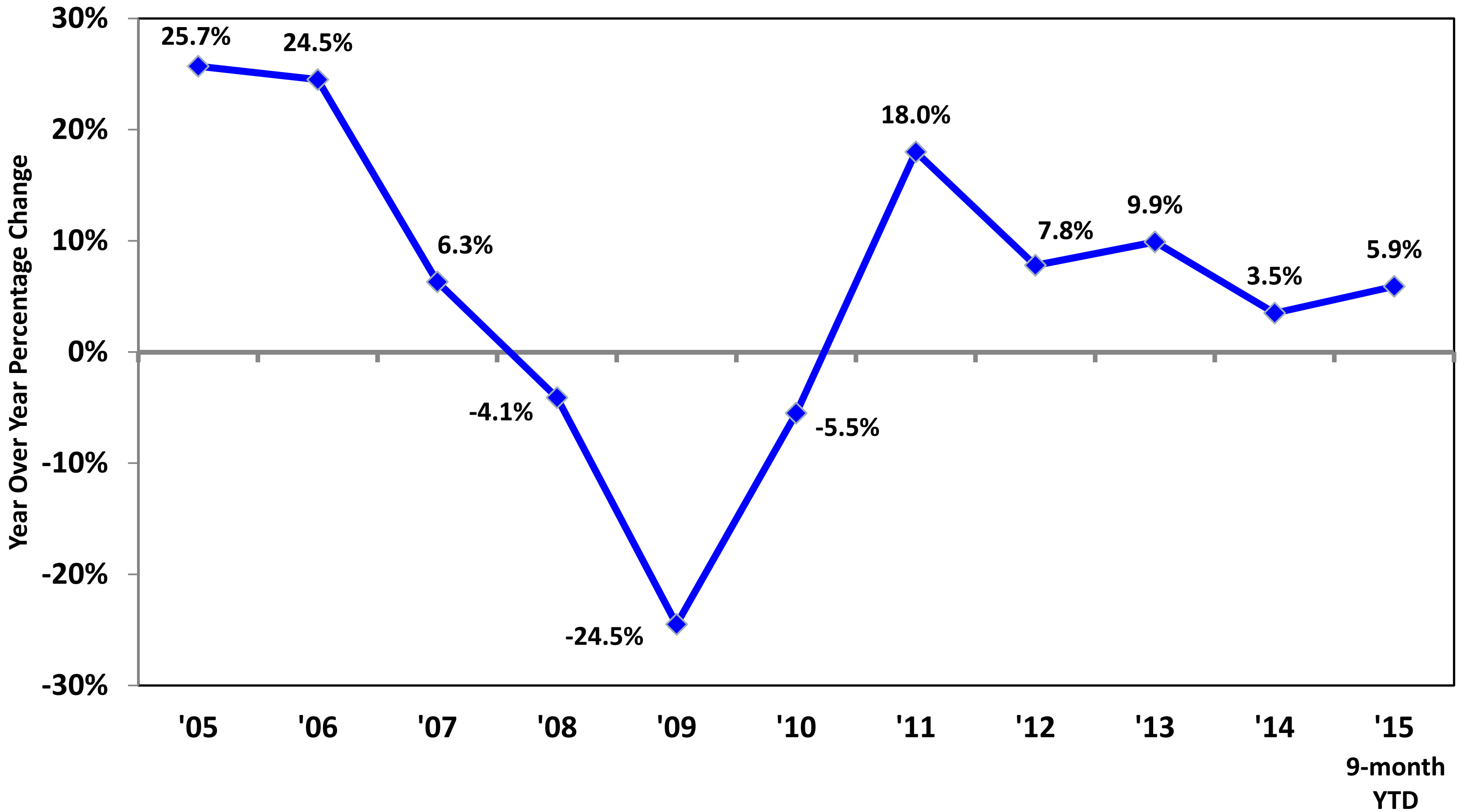
		Collections ($)	Year-to-Year % Change	Year-to-Date Collections ($)	Year-to-Date % Change
FY 2011	July 2010	26,242,715	0.5%	26,242,715	0.5%
	Aug 2010	24,952,729	1.7%	51,195,444	1.1%
	Sep 2010	25,897,327	4.4%	77,092,771	2.2%
	Oct 2010	25,863,769	2.0%	102,956,540	2.1%
	Nov 2010	28,008,967	5.0%	130,965,507	2.7%
	Dec 2010	26,346,516	-0.9%	157,312,023	2.1%
	Jan 2011	30,310,109	10.6%	187,622,132	3.4%
	Feb 2011	27,454,169	-0.5%	215,076,301	2.9%
	Mar 2011	32,049,802	5.1%	247,126,103	3.2%
	Apr 2011	34,315,943	3.3%	281,442,046	3.2%
	May 2011	31,290,775	6.5%	312,732,821	3.5%
	June 2011	30,858,045	0.6%	343,590,866	3.2%
FY 2012	July 2011	28,571,695	8.9%	28,571,695	8.9%
	Aug 2011	28,045,076	12.4%	56,616,771	10.6%
	Sep 2011	26,869,234	3.8%	83,486,005	8.3%
	Oct 2011	27,981,394	8.2%	111,467,399	8.3%
	Nov 2011	29,374,335	4.9%	140,841,734	7.5%
	Dec 2011	28,945,330	9.9%	169,787,063	7.9%
	Jan 2012	32,174,741	6.2%	201,961,804	7.6%
	Feb 2012	30,980,041	12.8%	232,941,845	8.3%
	Mar 2012	33,375,882	4.1%	266,317,727	7.8%
	Apr 2012	37,166,563	8.3%	303,484,290	7.8%
	May 2012	33,272,286	6.3%	336,756,577	7.7%
	June 2012	32,106,240	4.0%	368,862,817	7.4%
FY 2013	July 2012	30,991,504	8.5%	30,991,504	8.5%
	Aug 2012	28,325,088	1.0%	59,316,592	4.8%
	Sep 2012	30,672,616	14.2%	89,989,208	7.8%
	Oct 2012	29,940,956	7.0%	119,930,164	7.6%
	Nov 2012	31,090,860	5.8%	151,021,024	7.2%
	Dec 2012	30,148,220	4.2%	181,169,244	6.7%
	Jan 2013	34,217,130	6.3%	215,386,374	6.6%
	Feb 2013	32,491,480	4.9%	247,877,854	6.4%
	Mar 2013	33,615,420	0.7%	281,493,274	5.7%
	Apr 2013	38,809,996	4.4%	320,303,270	5.5%
	May 2013	34,819,505	4.7%	355,122,775	5.5%
	June 2013	33,945,211	5.7%	389,067,986	5.5%
FY 2014	July 2013	31,505,076	1.7%	31,505,076	1.7%
	Aug 2013	29,178,727	3.0%	60,683,803	2.3%
	Sep 2013	30,873,488	0.7%	91,557,291	1.7%
	Oct 2013	31,126,606	4.0%	122,683,897	2.3%
	Nov 2013	32,648,090	5.0%	155,331,987	2.9%
	Dec 2013	32,901,765	9.1%	188,233,752	3.9%
	Jan 2014	34,330,457	0.3%	222,564,209	3.3%
	Feb 2014	34,099,887	5.0%	256,664,096	3.5%
	Mar 2014	36,748,460	9.3%	293,412,556	4.2%
	Apr 2014	41,454,544	6.8%	334,867,100	4.5%
	May 2014	36,761,375	5.6%	371,628,475	4.6%
	June 2014	37,409,895	10.2%	409,038,370	5.1%
FY 2015	July 2014	33,177,148	5.3%	33,177,148	5.3%
	Aug 2014	30,626,101	5.0%	63,803,249	5.1%
	Sep 2014	35,433,944	14.8%	99,237,193	8.4%
	Oct 2014	34,065,936	9.4%	133,303,129	8.7%
	Nov 2014	34,295,091	5.0%	167,598,220	7.9%
	Dec 2014	37,300,003	13.4%	204,898,223	8.9%
	Jan 2015	40,253,761	17.3%	245,151,984	10.1%
	Feb 2015	34,897,943	2.3%	280,049,927	9.1%
	Mar 2015				
	Apr 2015				
	May 2015				
	June 2015				

Arizona Use Tax
General Fund Collections

		Collections ($)	Year-to-Year % Change	Year-to-Date Collections ($)	Year-to-Date % Change
FY 2011	July 2010	21,617,638	17.7%	21,617,638	17.7%
	Aug 2010	25,253,238	1.2%	46,870,876	8.2%
	Sep 2010	21,579,581	-12.0%	68,450,457	0.9%
	Oct 2010	18,618,977	-15.7%	87,069,434	-3.2%
	Nov 2010	25,650,144	21.2%	112,719,578	1.5%
	Dec 2010	13,547,360	-20.5%	126,266,938	-1.5%
	Jan 2011	25,541,400	5.4%	151,808,338	-0.4%
	Feb 2011	20,705,096	11.2%	172,513,434	0.9%
	Mar 2011	19,193,452	-4.6%	191,706,886	0.3%
	Apr 2011	17,208,904	-58.1%	208,915,790	-10.0%
	May 2011	20,168,948	0.4%	229,084,738	-9.2%
	June 2011	131,828	-99.3%	229,216,566	-15.7%
FY 2012	July 2011	26,807,003	24.0%	26,807,003	24.0%
	Aug 2011	26,502,905	4.9%	53,309,908	13.7%
	Sep 2011	19,608,030	-9.1%	72,917,938	6.5%
	Oct 2011	20,899,310	12.2%	93,817,248	7.7%
	Nov 2011	19,867,161	-22.5%	113,684,410	0.9%
	Dec 2011	21,515,513	58.8%	135,199,923	7.1%
	Jan 2012	26,209,693	2.6%	161,409,616	6.3%
	Feb 2012	21,029,980	1.6%	182,439,595	5.8%
	Mar 2012	18,120,799	-5.6%	200,560,395	4.6%
	Apr 2012	22,167,741	28.8%	222,728,136	6.6%
	May 2012	22,419,432	11.2%	245,147,569	7.0%
	June 2012	18,576,830	13991.7%	263,724,398	15.1%
FY 2013	July 2012	26,218,405	-2.2%	26,218,405	-2.2%
	Aug 2012	21,982,606	-17.1%	48,201,011	-9.6%
	Sep 2012	23,898,844	21.9%	72,099,855	-1.1%
	Oct 2012	18,897,488	-9.6%	90,997,343	-3.0%
	Nov 2012	22,730,129	14.4%	113,727,472	0.0%
	Dec 2012	20,981,295	-2.5%	134,708,767	-0.4%
	Jan 2013	22,119,839	-15.6%	156,828,606	-2.8%
	Feb 2013	22,758,853	8.2%	179,587,459	-1.6%
	Mar 2013	15,893,011	-12.3%	195,480,470	-2.5%
	Apr 2013	19,896,328	-10.2%	215,376,798	-3.3%
	May 2013	23,040,151	2.8%	238,416,949	-2.7%
	June 2013	19,482,364	4.9%	257,899,313	-2.2%
FY 2014	July 2013	26,397,599	0.7%	26,397,599	0.7%
	Aug 2013	24,203,511	10.1%	50,601,110	5.0%
	Sep 2013	26,287,246	10.0%	76,888,356	6.6%
	Oct 2013	24,821,300	31.3%	101,709,656	11.8%
	Nov 2013	21,943,914	-3.5%	123,653,570	8.7%
	Dec 2013	18,718,007	-10.8%	142,371,577	5.7%
	Jan 2014	(9,552,488)	-143.2%	132,819,089	-15.3%
	Feb 2014	19,752,297	-13.2%	152,571,386	-15.0%
	Mar 2014	17,749,979	11.7%	170,321,365	-12.9%
	Apr 2014	23,853,143	19.9%	194,174,508	-9.8%
	May 2014	22,918,205	-0.5%	217,092,713	-8.9%
	June 2014	18,892,220	-3.0%	235,984,933	-8.5%
FY 2015	July 2014	23,695,049	-10.2%	23,695,049	-10.2%
	Aug 2014	26,617,042	10.0%	50,312,091	-0.6%
	Sep 2014	24,458,282	-7.0%	74,770,373	-2.8%
	Oct 2014	28,121,689	13.3%	102,892,062	1.2%
	Nov 2014	23,980,614	9.3%	126,872,676	2.6%
	Dec 2014	22,181,223	18.5%	149,053,899	4.7%
	Jan 2015	25,217,821	-364.0%	174,271,720	31.2%
	Feb 2015	21,325,444	8.0%	195,597,164	28.2%
	Mar 2015				
	Apr 2015				
	May 2015				
	June 2015				

Individual Income Tax

Individual Income Tax
- Base % Change



Percent Change in Base Revenue Excluding Tax Law Changes

JLBC

Arizona Individual Income Tax
General Fund Collections

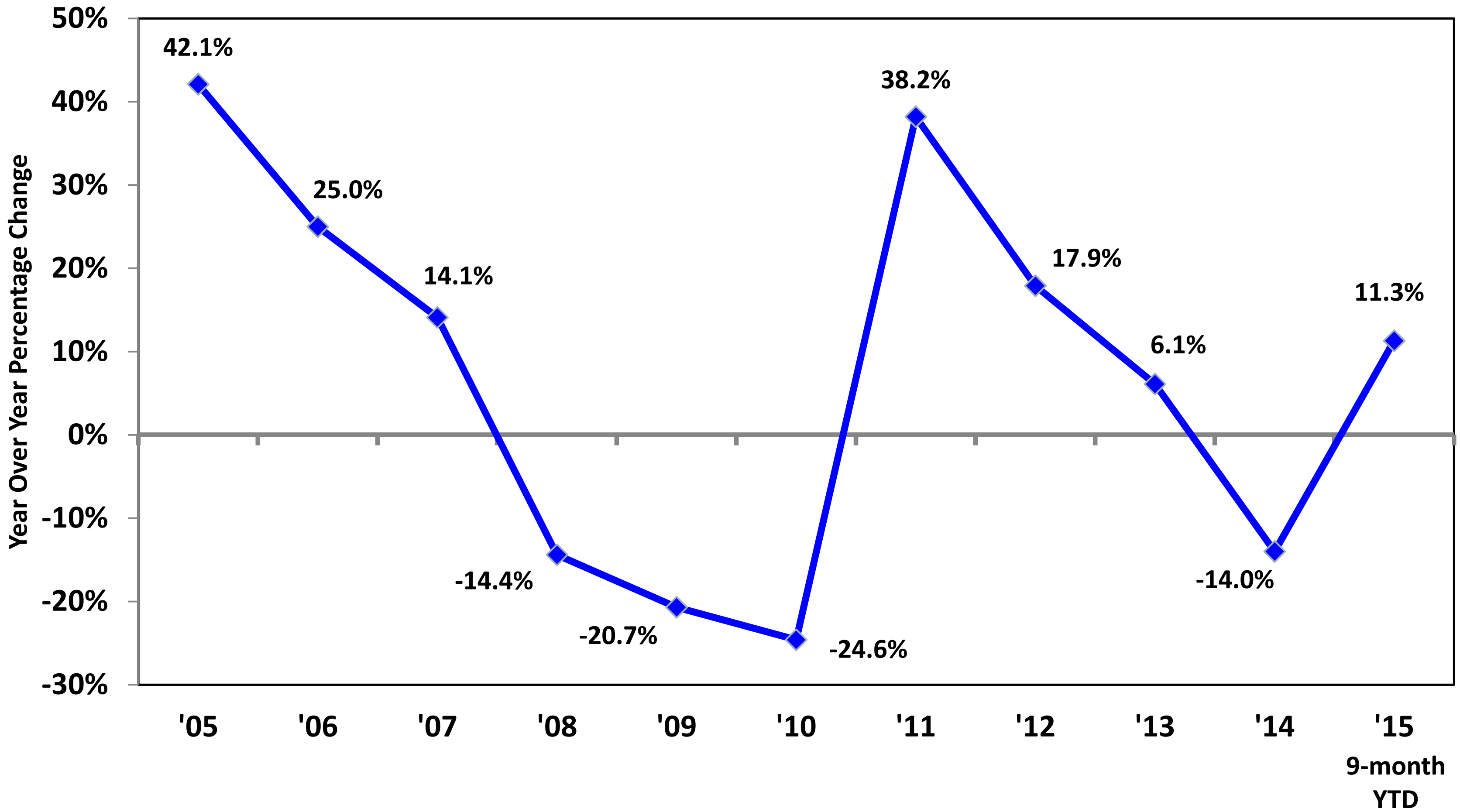
		Total	Y/Y Chg.	Year-to-Date Total	YTD Chg.	Withholding	Y/Y Chg.	Year-to-Date Withholding	YTD Chg.	Payments	Y/Y Chg.	Year-to-Date Payments	YTD Chg.	Refunds	Y/Y Chg.	Year-to-Date Refunds	YTD Chg.
	Jul-10	237,766,843	1.3%	237,766,843	1.3%	247,671,733	-1.8%	247,671,733	-1.8%	13,374,136	-7.3%	13,374,136	-7.3%	(23,279,026)	-26.9%	(23,279,026)	-26.9%
	Aug	257,155,321	11.3%	494,922,165	6.2%	262,036,212	7.0%	509,707,945	2.5%	14,227,735	24.8%	27,601,871	6.9%	(19,108,626)	-24.0%	(42,387,652)	-25.6%
	Sep	286,997,435	7.5%	781,919,600	6.7%	239,045,643	5.0%	748,753,588	3.3%	75,736,353	-1.2%	103,338,224	0.8%	(27,784,560)	-25.5%	(70,172,212)	-25.6%
	Oct	203,824,222	19.5%	985,743,822	9.1%	262,217,057	7.3%	1,010,970,645	4.3%	34,496,790	-3.6%	137,835,014	-0.3%	(92,889,625)	-15.3%	(163,061,837)	-20.1%
	Nov	266,193,368	14.9%	1,251,937,190	10.3%	269,553,589	8.4%	1,280,524,234	5.1%	11,753,618	-17.7%	149,588,632	-2.0%	(15,113,838)	-51.9%	(178,175,675)	-24.3%
FY 2011	Dec	342,502,655	7.8%	1,594,439,845	9.7%	297,288,208	7.4%	1,577,812,441	5.6%	49,652,916	7.5%	199,241,548	0.2%	(4,438,469)	-14.9%	(182,614,144)	-24.1%
	Jan-11	362,495,854	11.0%	1,956,935,700	10.0%	300,268,497	13.1%	1,878,080,938	6.7%	90,356,188	-0.8%	289,597,736	-0.1%	(28,128,830)	-6.4%	(210,742,974)	-22.1%
	Feb	51,980,954	278.2%	2,008,916,654	12.0%	277,026,155	9.5%	2,155,107,093	7.0%	18,877,777	10.1%	308,475,513	0.5%	(243,922,977)	-4.9%	(454,665,951)	-13.7%
	Mar	(4,565,068)	N/A	2,004,351,586	13.0%	275,844,176	-2.5%	2,430,951,269	5.9%	43,187,275	6.4%	351,662,787	1.2%	(323,596,519)	-5.4%	(778,262,470)	-10.5%
	Apr	306,040,868	44.7%	2,310,392,454	16.3%	253,410,837	7.7%	2,684,362,107	6.0%	391,693,591	25.4%	743,356,378	12.7%	(339,063,560)	0.9%	(1,117,326,030)	-7.3%
	May	240,755,062	50.5%	2,551,147,516	18.9%	290,699,994	21.3%	2,975,062,101	7.4%	19,620,661	49.5%	762,977,038	13.4%	(69,565,592)	-25.0%	(1,186,891,623)	-8.6%
	Jun	312,510,464	15.5%	2,863,657,980	18.5%	252,560,025	7.0%	3,227,622,125	7.3%	81,464,192	13.2%	844,441,230	13.4%	(21,513,753)	-42.6%	(1,208,405,376)	-9.5%
	Jul-11	258,103,165	8.6%	258,103,165	8.6%	259,065,966	4.6%	259,065,966	4.6%	13,992,743	4.6%	13,992,743	4.6%	(14,955,544)	-35.8%	(14,955,544)	-35.8%
	Aug	279,592,728	8.7%	537,695,894	8.6%	280,171,827	6.9%	539,237,793	5.8%	16,559,244	16.4%	30,551,987	10.7%	(17,138,342)	-10.3%	(32,093,886)	-24.3%
	Sep	316,659,381	10.3%	854,355,275	9.3%	247,943,193	3.7%	787,180,985	5.1%	84,818,311	12.0%	115,370,298	11.6%	(16,102,122)	-42.0%	(48,196,008)	-31.3%
	Oct	262,716,665	28.9%	1,117,071,940	13.3%	282,818,923	7.9%	1,069,999,908	5.8%	43,943,506	27.4%	159,313,804	15.6%	(64,045,764)	-31.1%	(112,241,772)	-31.2%
	Nov	256,509,482	-3.6%	1,373,581,421	9.7%	262,800,934	-2.5%	1,332,800,842	4.1%	15,341,441	30.5%	174,655,244	16.8%	(21,632,893)	43.1%	(133,874,665)	-24.9%
FY 2012	Dec	352,348,784	2.9%	1,725,930,205	8.2%	299,066,473	0.6%	1,631,867,315	3.4%	55,737,868	12.3%	230,393,113	15.6%	(2,455,557)	-44.7%	(136,330,222)	-25.3%
	Jan-12	423,694,950	16.9%	2,149,625,156	9.8%	305,562,054	1.8%	1,937,429,369	3.2%	158,056,550	74.9%	388,449,663	34.1%	(39,923,654)	41.9%	(176,253,876)	-16.4%
	Feb	(72,643,496)	N/A	2,076,981,660	3.4%	287,173,008	3.7%	2,224,602,377	3.2%	19,637,403	4.0%	408,087,065	32.3%	(379,453,906)	55.6%	(555,707,782)	22.2%
	Mar	72,291,368	N/A	2,149,273,028	7.2%	282,629,550	2.5%	2,507,231,927	3.1%	46,931,963	8.7%	455,019,028	29.4%	(257,270,144)	-20.5%	(812,977,927)	4.5%
	Apr	376,806,890	23.1%	2,526,079,918	9.3%	282,750,884	11.6%	2,789,982,811	3.9%	435,563,902	11.2%	890,582,930	19.8%	(341,507,896)	0.7%	(1,154,485,823)	3.3%
	May	231,767,419	-3.7%	2,757,847,337	8.1%	283,775,292	-2.4%	3,073,758,103	3.3%	17,542,908	-10.6%	908,125,837	19.0%	(69,550,780)	0.0%	(1,224,036,603)	3.1%
	Jun	328,290,025	5.0%	3,086,137,363	7.8%	258,805,077	2.5%	3,332,563,180	3.3%	87,703,250	7.7%	995,829,088	17.9%	(18,218,301)	-15.3%	(1,242,254,905)	2.8%
	Jul-12	287,855,519	11.5%	287,855,519	11.5%	284,466,614	9.8%	284,466,614	9.8%	14,974,662	7.0%	14,974,662	7.0%	(11,585,757)	-22.5%	(11,585,757)	-22.5%
	Aug	274,914,437	-1.7%	562,769,956	4.7%	271,669,187	-3.0%	556,135,801	3.1%	17,096,635	3.2%	32,071,297	5.0%	(13,851,385)	-19.2%	(25,437,142)	-20.7%
	Sep	330,473,379	4.4%	893,243,335	4.6%	248,348,191	0.2%	804,483,992	2.2%	95,989,949	13.2%	128,061,246	11.0%	(13,864,761)	-13.9%	(39,301,903)	-18.5%
	Oct	275,896,569	5.0%	1,169,139,904	4.7%	308,266,817	9.0%	1,112,750,809	4.0%	46,536,943	5.9%	174,598,189	9.6%	(78,907,191)	23.2%	(118,209,094)	5.3%
	Nov	277,808,005	8.3%	1,446,947,909	5.3%	267,761,759	1.9%	1,380,512,568	3.6%	14,844,599	-3.2%	189,442,788	8.5%	(4,798,353)	-77.8%	(123,007,447)	-8.1%
FY 2013	Dec	410,181,568	16.4%	1,857,129,477	7.6%	339,842,366	13.6%	1,720,354,934	5.4%	72,572,642	30.2%	262,015,430	13.7%	(2,233,440)	-9.0%	(125,240,887)	-8.1%
	Jan-13	441,613,843	4.2%	2,298,743,320	6.9%	311,036,015	1.8%	2,031,390,949	4.8%	136,860,873	-13.4%	398,876,303	2.7%	(6,283,045)	-84.3%	(131,523,932)	-25.4%
	Feb	(46,521,111)	N/A	2,252,222,209	8.4%	275,040,693	-4.2%	2,306,431,642	3.7%	16,973,052	-13.6%	415,849,355	1.9%	(338,534,856)	-10.8%	(470,058,788)	-15.4%
	Mar	65,790,080	-9.0%	2,318,012,289	7.9%	294,703,420	4.3%	2,601,135,062	3.7%	52,690,755	12.3%	468,540,110	3.0%	(281,604,095)	9.5%	(751,662,883)	-7.5%
	Apr	519,783,007	37.9%	2,837,795,296	12.3%	301,485,031	6.6%	2,902,620,093	4.0%	558,676,700	28.3%	1,027,216,810	15.3%	(340,378,724)	-0.3%	(1,092,041,607)	-5.4%
	May	229,188,191	-1.1%	3,066,983,487	11.2%	296,381,110	4.4%	3,199,001,203	4.1%	27,141,047	54.7%	1,054,357,857	16.1%	(94,333,966)	35.6%	(1,186,375,573)	-3.1%
	Jun	330,561,646	0.7%	3,397,545,133	10.1%	251,495,781	-2.8%	3,450,496,984	3.5%	103,594,739	18.1%	1,157,952,596	16.3%	(24,528,874)	34.6%	(1,210,904,447)	-2.5%
	Jul-13	306,584,861	6.5%	306,584,861	6.5%	306,632,890	7.8%	306,632,890	7.8%	19,029,100	27.1%	19,029,100	27.1%	(19,077,129)	64.7%	(19,077,129)	64.7%
	Aug	274,573,097	-0.1%	581,157,958	3.3%	267,905,132	-1.4%	574,538,022	3.3%	19,245,061	12.6%	38,274,161	19.3%	(12,577,096)	-9.2%	(31,654,225)	24.4%
	Sep	371,782,566	12.5%	952,940,524	6.7%	275,796,364	11.1%	850,334,386	5.7%	111,317,014	16.0%	149,591,175	16.8%	(15,330,812)	10.6%	(46,985,037)	19.5%
	Oct	300,662,202	9.0%	1,253,602,726	7.2%	302,374,318	-1.9%	1,152,708,704	3.6%	66,530,526	43.0%	216,121,701	23.8%	(68,242,642)	-13.5%	(115,227,679)	-2.5%
	Nov	281,831,479	1.4%	1,535,434,205	6.1%	280,378,107	4.7%	1,433,086,811	3.8%	16,737,041	12.7%	232,858,742	22.9%	(15,283,669)	218.5%	(130,511,348)	6.1%
FY 2014	Dec	384,210,008	-6.3%	1,919,644,213	3.4%	317,295,026	-6.6%	1,750,381,837	1.7%	69,847,905	-3.8%	302,706,647	15.5%	(2,932,923)	31.3%	(133,444,271)	6.6%
	Jan-14	434,280,368	-1.7%	2,353,924,581	2.4%	324,311,016	4.3%	2,074,692,853	2.1%	112,567,170	-17.8%	415,273,817	4.1%	(2,597,818)	-58.7%	(136,042,089)	3.4%
	Feb	(31,870,667)	N/A	2,322,053,914	3.1%	294,065,551	6.9%	2,368,758,404	2.7%	20,498,934	20.8%	435,772,751	4.8%	(346,435,152)	2.3%	(482,477,241)	2.6%
	Mar	118,392,716	80.0%	2,440,446,630	5.3%	323,134,788	9.6%	2,691,893,192	3.5%	57,035,644	8.2%	492,808,395	5.2%	(261,777,716)	-7.0%	(744,254,957)	-1.0%
	Apr	394,440,392	-24.1%	2,834,887,022	-0.1%	302,096,159	0.2%	2,993,989,351	3.1%	500,356,470	-10.4%	993,164,865	-3.3%	(408,012,237)	19.9%	(1,152,267,194)	5.5%
	May	267,284,787	16.6%	3,102,171,809	1.1%	293,892,915	-0.8%	3,287,882,266	2.8%	20,860,216	-23.1%	1,014,025,081	-3.8%	(47,468,344)	-49.7%	(1,199,735,538)	1.1%
	Jun	360,210,187	9.0%	3,462,381,996	1.9%	280,788,999	11.6%	3,568,671,265	3.4%	104,259,821	0.6%	1,118,284,902	-3.4%	(24,838,633)	1.3%	(1,224,574,171)	1.1%
	Jul-14	307,979,480	0.5%	307,979,480	0.5%	303,667,985	-1.0%	303,667,985	-1.0%	21,354,109	12.2%	21,354,109	12.2%	(17,042,614)	-10.7%	(17,042,614)	-10.7%
	Aug	277,051,357	0.9%	585,030,837	0.7%	269,976,357	0.8%	573,644,342	-0.2%	18,694,259	-2.9%	40,048,368	4.6%	(11,619,259)	-7.6%	(28,661,873)	-9.5%
	Sep	391,176,578	5.2%	976,207,415	2.4%	288,262,398	4.5%	861,906,740	1.4%	117,688,025	5.7%	157,736,393	5.4%	(14,773,845)	-3.6%	(43,435,718)	-7.6%
	Oct	299,910,716	-0.2%	1,276,118,131	1.8%	320,304,415	5.9%	1,182,211,155	2.6%	60,134,205	-9.6%	217,870,598	0.8%	(80,527,904)	18.0%	(123,963,622)	7.6%
	Nov	283,967,357	0.8%	1,560,085,488	1.6%	280,397,837	0.0%	1,462,608,992	2.1%	17,555,850	4.9%	235,426,448	1.1%	(13,986,330)	-8.5%	(137,949,952)	5.7%
FY 2015	Dec	421,259,858	9.6%	1,981,345,346	3.2%	337,372,433	6.3%	1,799,981,425	2.8%	83,167,608	19.1%	318,594,056	5.2%	719,817	N/A	(137,230,135)	2.8%
	Jan-15	433,302,726	-0.2%	2,414,648,072	2.6%	313,745,758	-3.3%	2,113,727,183	1.9%	120,273,142	6.8%	438,867,198	5.7%	(716,174)	-72.4%	(137,946,309)	1.4%
	Feb	36,808,028	N/A	2,451,456,100	5.6%	309,285,533	5.2%	2,423,012,716	2.3%	20,393,366	-0.5%	459,260,564	5.4%	(292,870,871)	-15.5%	(430,817,180)	-10.7%
	Mar																
	Apr																
	May																
	Jun																

Arizona Individual Income Tax - Estimated and Final Payments

		Total Payments	Y/Y Chg.	Year-to-Date Total Payments	YTD Chg.	Estimated	Y/Y Chg.	Year-to-Date Estimated	YTD Chg.	Final	Y/Y Chg.	Year-to-Date Final	YTD Chg.
	Jul-10	13,374,136	-7.3%	13,374,136	-7.3%	3,207,727	-9.2%	3,207,727	-9.2%	10,166,409	-6.6%	10,166,409	-6.6%
	Aug	14,227,735	24.8%	27,601,871	6.9%	4,531,242	56.2%	7,738,969	20.3%	9,696,493	14.1%	19,862,902	2.4%
	Sep	75,736,353	-1.2%	103,338,224	0.8%	62,924,599	-4.6%	70,663,568	-2.4%	12,811,753	19.5%	32,674,656	8.5%
	Oct	34,496,790	-3.6%	137,835,014	-0.3%	5,069,884	-3.0%	75,733,452	-2.4%	29,426,906	-3.7%	62,101,562	2.4%
	Nov	11,753,618	-17.7%	149,588,632	-2.0%	2,442,722	-42.6%	78,176,175	-4.5%	9,310,895	-7.1%	71,412,457	1.0%
FY 2011	Dec	49,652,916	7.5%	199,241,548	0.2%	42,370,723	12.0%	120,546,898	0.7%	7,282,193	-13.0%	78,694,650	-0.5%
	Jan-11	90,356,188	-0.8%	289,597,736	-0.1%	81,828,374	-3.3%	202,375,272	-1.0%	8,527,814	32.5%	87,222,464	2.0%
	Feb	18,877,777	10.1%	308,475,512	0.5%	1,994,289	7.8%	204,369,561	-0.9%	16,883,488	10.3%	104,105,952	3.3%
	Mar	43,187,275	6.4%	351,662,787	1.2%	2,838,591	-7.7%	207,208,152	-1.0%	40,348,684	7.6%	144,454,636	4.4%
	Apr	391,693,591	25.4%	743,356,378	12.7%	43,920,128	22.6%	251,128,280	2.5%	347,773,463	25.8%	492,228,098	18.7%
	May	19,620,661	49.5%	762,977,038	13.4%	3,390,871	30.0%	254,519,151	2.8%	16,229,789	54.4%	508,457,887	19.6%
	Jun	81,464,192	13.2%	844,441,230	13.4%	68,603,032	20.6%	323,122,183	6.1%	12,861,159	-14.7%	521,319,047	18.4%
	Jul-11	13,992,743	4.6%	13,992,743	4.6%	3,418,739	6.6%	3,418,739	6.6%	10,574,004	4.0%	10,574,004	4.0%
	Aug	16,559,244	16.4%	30,551,987	10.7%	4,997,703	10.3%	8,416,442	8.8%	11,561,541	19.2%	22,135,545	11.4%
	Sep	84,818,311	12.0%	115,370,298	11.6%	75,537,740	20.0%	83,954,182	18.8%	9,280,571	-27.6%	31,416,116	-3.9%
	Oct	43,943,506	27.4%	159,313,804	15.6%	5,295,654	4.5%	89,249,836	17.8%	38,647,851	31.3%	70,063,967	12.8%
	Nov	15,341,441	30.5%	174,655,244	16.8%	3,617,690	48.1%	92,867,526	18.8%	11,723,751	25.9%	81,787,718	14.5%
FY 2012	Dec	55,737,868	12.3%	230,393,113	15.6%	42,856,312	1.1%	135,723,839	12.6%	12,881,556	76.9%	94,669,274	20.3%
	Jan-12	158,056,550	74.9%	388,449,663	34.1%	150,903,673	84.4%	286,627,512	41.6%	7,152,877	-16.1%	101,822,151	16.7%
	Feb	19,637,403	4.0%	408,087,065	32.3%	2,218,310	11.2%	288,845,822	41.3%	17,419,093	3.2%	119,241,243	14.5%
	Mar	46,931,963	8.7%	455,019,028	29.4%	4,150,715	46.2%	292,996,537	41.4%	42,781,248	6.0%	162,022,491	12.2%
	Apr	435,563,902	11.2%	890,582,930	19.8%	50,256,174	14.4%	343,252,711	36.7%	385,307,728	10.8%	547,330,219	11.2%
	May	17,542,908	-10.6%	908,125,837	19.0%	5,756,818	69.8%	349,009,529	37.1%	11,786,090	-27.4%	559,116,309	10.0%
	Jun	87,703,250	7.7%	995,829,088	17.9%	73,573,033	7.2%	422,582,562	30.8%	14,130,217	9.9%	573,246,526	10.0%
	Jul-12	14,974,662	7.0%	14,974,662	7.0%	4,540,630	32.8%	4,540,630	32.8%	10,434,032	-1.3%	10,434,032	-1.3%
	Aug	17,096,634	3.2%	32,071,296	5.0%	5,862,487	17.3%	10,403,117	23.6%	11,234,147	-2.8%	21,668,179	-2.1%
	Sep	95,989,948	13.2%	128,061,244	11.0%	83,986,121	11.2%	94,389,238	12.4%	12,003,827	29.3%	33,672,006	7.2%
	Oct	46,536,943	5.9%	174,598,187	9.6%	7,266,490	37.2%	101,655,728	13.9%	39,270,453	1.6%	72,942,459	4.1%
	Nov	14,844,599	-3.2%	189,442,786	8.5%	4,407,208	21.8%	106,062,936	14.2%	10,437,391	-11.0%	83,379,850	1.9%
FY 2013	Dec	72,572,643	30.2%	262,015,429	13.7%	64,610,374	50.8%	170,673,310	25.8%	7,962,269	-38.2%	91,342,119	-3.5%
	Jan-13	136,860,874	-13.4%	398,876,303	2.7%	128,709,440	-14.7%	299,382,750	4.5%	8,151,434	14.0%	99,493,553	-2.3%
	Feb	16,973,052	-13.6%	415,849,355	1.9%	2,177,569	-1.8%	301,560,319	4.4%	14,795,483	-15.1%	114,289,036	-4.2%
	Mar	52,690,755	12.3%	468,540,110	3.0%	3,861,203	-7.0%	305,421,522	4.2%	48,829,552	14.1%	163,118,588	0.7%
	Apr	558,676,700	28.3%	1,027,216,810	15.3%	52,766,118	5.0%	358,187,640	4.4%	505,910,582	31.3%	669,029,170	22.2%
	May	27,141,047	54.7%	1,054,357,857	16.1%	5,206,587	-9.6%	363,394,227	4.1%	21,934,460	86.1%	690,963,630	23.6%
	Jun	103,594,738	18.1%	1,157,952,595	16.3%	87,141,255	18.4%	450,535,482	6.6%	16,453,483	16.4%	707,417,113	23.4%
	Jul-13	19,029,099	27.1%	19,029,099	27.1%	5,081,621	11.9%	5,081,621	11.9%	13,947,478	33.7%	13,947,478	33.7%
	Aug	19,245,061	12.6%	38,274,160	19.3%	6,644,285	13.3%	11,725,906	12.7%	12,600,776	12.2%	26,548,254	22.5%
	Sep	111,317,015	16.0%	149,591,175	16.8%	93,801,627	11.7%	105,527,533	11.8%	17,515,388	45.9%	44,063,642	30.9%
	Oct	66,530,527	43.0%	216,121,702	23.8%	8,031,168	10.5%	113,558,701	11.7%	58,499,359	49.0%	102,563,001	40.6%
	Nov	16,737,041	12.7%	232,858,743	22.9%	3,703,510	-16.0%	117,262,211	10.6%	13,033,531	24.9%	115,596,532	38.6%
FY 2014	Dec	69,847,905	-3.8%	302,706,648	15.5%	61,510,330	-4.8%	178,772,541	4.7%	8,337,575	4.7%	123,934,107	35.7%
	Jan-14	112,567,170	-17.8%	415,273,818	4.1%	104,201,522	-19.0%	282,974,063	-5.5%	8,365,648	2.6%	132,299,755	33.0%
	Feb	20,498,935	20.8%	435,772,753	4.8%	2,403,212	10.4%	285,377,275	-5.4%	18,095,723	22.3%	150,395,478	31.6%
	Mar	57,035,644	8.2%	492,808,397	5.2%	4,852,137	25.7%	290,229,412	-5.0%	52,183,507	6.9%	202,578,985	24.2%
	Apr	500,356,470	-10.4%	993,164,867	-3.3%	57,048,776	8.1%	347,278,188	-3.0%	443,307,694	-12.4%	645,886,679	-3.5%
	May	20,860,216	-23.1%	1,014,025,083	-3.8%	5,553,012	6.7%	352,831,200	-2.9%	15,307,204	-30.2%	661,193,883	-4.3%
	Jun	104,259,820	0.6%	1,118,284,903	-3.4%	86,454,543	-0.8%	439,285,743	-2.5%	17,805,277	8.2%	678,999,160	-4.0%
	Jul-14	21,354,109	12.2%	21,354,109	12.2%	6,285,380	23.7%	6,285,380	23.7%	15,068,729	8.0%	15,068,729	8.0%
	Aug	18,694,259	-2.9%	40,048,368	4.6%	6,941,033	4.5%	13,226,413	12.8%	11,753,226	-6.7%	26,821,955	1.0%
	Sep	117,688,025	5.7%	157,736,393	5.4%	100,467,659	7.1%	113,694,072	7.7%	17,220,366	-1.7%	44,042,321	0.0%
	Oct	60,134,205	-9.6%	217,870,598	0.8%	7,948,849	-1.0%	121,642,921	7.1%	52,185,356	-10.8%	96,227,677	-6.2%
	Nov	17,555,851	4.9%	235,426,449	1.1%	5,361,587	44.8%	127,004,508	8.3%	12,194,264	-6.4%	108,421,941	-6.2%
FY 2015	Dec	83,167,608	19.1%	318,594,057	5.2%	73,371,410	19.3%	200,375,918	12.1%	9,796,198	17.5%	118,218,139	-4.6%
	Jan-15	120,273,142	6.8%	438,867,199	5.7%	115,372,044	10.7%	315,747,962	11.6%	4,901,098	-41.4%	123,119,237	-6.9%
	Feb	20,393,366	-0.5%	459,260,565	5.4%	2,907,743	21.0%	318,655,705	11.7%	17,485,623	-3.4%	140,604,860	-6.5%
	Mar												
	Apr												
	May												
	Jun												

Corporate Income Tax

Corporate Income Tax
- Base % Change



Percent Change in Base Revenue Excluding Tax Law Changes

JLBC

Arizona Corporate Income Tax
General Fund Collections

		Gross Revenue	Y/Y Chg.	Year-to-Date Gross Revenue	YTD Chg.	Refunds	Y/Y Chg.	Year-to-Date Refunds	YTD Chg.	Net Revenue	Y/Y Chg.	Year-to-Date Net Revenue	YTD Chg.
	July 2010	31,278,709	-22.2%	31,278,709	-22.2%	(7,832,040)	18.9%	(7,832,040)	18.9%	23,446,669	-30.3%	23,446,669	-30.3%
	Aug 2010	22,578,726	71.0%	53,857,435	0.8%	(4,360,347)	-40.6%	(12,192,387)	-12.5%	18,218,379	211.1%	41,665,048	5.5%
	Sept 2010	123,510,889	36.1%	177,368,324	23.0%	(5,636,178)	-75.3%	(17,828,565)	-51.4%	117,874,711	73.5%	159,539,759	48.5%
	Oct 2010	31,026,633	-21.4%	208,394,957	13.5%	(11,166,188)	-45.9%	(28,994,753)	-49.4%	19,860,445	5.6%	179,400,204	42.1%
	Nov 2010	9,402,696	-44.0%	217,797,653	8.7%	(46,580,816)	-50.4%	(75,575,569)	-50.0%	(37,178,120)	N/A	142,222,084	189.1%
FY 2011	Dec 2010	93,729,701	-4.8%	311,527,354	4.2%	5,007,131	N/A	(70,568,438)	-62.3%	98,736,832	57.7%	240,958,916	115.5%
	Jan 2011	28,729,294	-29.7%	340,256,648	0.2%	(3,444,902)	-28.9%	(74,013,340)	-61.4%	25,284,392	-29.8%	266,243,308	80.1%
	Feb 2011	13,963,686	-5.2%	354,220,335	-0.1%	(6,935,066)	-64.2%	(80,948,407)	-61.7%	7,028,620	N/A	273,271,928	90.8%
	Mar 2011	54,029,433	-33.3%	408,249,768	-6.3%	(2,782,737)	-80.8%	(83,731,143)	-62.9%	51,246,697	-22.9%	324,518,625	54.8%
	Apr 2011	89,080,454	37.5%	497,330,222	-0.6%	(5,175,712)	60.1%	(88,906,855)	-61.2%	83,904,743	36.4%	408,423,368	50.6%
	May 2011	46,972,820	-13.3%	544,303,042	-1.8%	(4,564,706)	64.7%	(93,471,561)	-59.7%	42,408,114	-17.5%	450,831,481	39.7%
	June 2011	114,699,502	19.9%	659,002,544	1.4%	(5,295,333)	3.2%	(98,766,894)	-58.3%	109,404,169	20.8%	560,235,650	35.6%
	July 2011	29,025,322	-7.2%	29,025,322	-7.2%	(3,384,799)	-56.8%	(3,384,799)	-56.8%	25,640,524	9.4%	25,640,524	9.4%
	Aug 2011	42,313,720	87.4%	71,339,042	32.5%	(9,940,301)	128.0%	(13,325,100)	9.3%	32,373,418	77.7%	58,013,942	39.2% [1/]
	Sept 2011	120,105,342	-2.8%	191,444,384	7.9%	(3,943,140)	-30.0%	(17,268,240)	-3.1%	116,162,203	-1.5%	174,176,145	9.2%
	Oct 2011	36,309,111	17.0%	227,753,495	9.3%	(12,402,526)	11.1%	(29,670,766)	2.3%	23,906,584	20.4%	198,082,729	10.4%
	Nov 2011	24,880,266	164.6%	252,633,761	16.0%	(30,713,346)	-34.1%	(60,384,112)	-20.1%	(5,833,080)	N/A	192,249,649	35.2%
FY 2012	Dec 2011	131,961,174	40.8%	384,594,935	23.5%	(2,135,074)	N/A	(62,519,186)	-11.4%	129,826,100	31.5%	322,075,749	33.7% [2/]
	Jan 2012	34,263,313	19.3%	418,858,249	23.1%	(1,136,019)	-67.0%	(63,655,205)	-14.0%	33,127,294	31.0%	355,203,043	33.4%
	Feb 2012	15,261,053	9.3%	434,119,301	22.6%	(2,913,898)	-58.0%	(66,569,104)	-17.8%	12,347,154	75.7%	367,550,198	34.5%
	Mar 2012	68,531,557	26.8%	502,650,858	23.1%	(2,643,333)	-5.0%	(69,212,437)	-17.3%	65,888,224	28.6%	433,438,422	33.6%
	Apr 2012	92,679,219	4.0%	595,330,077	19.7%	(2,529,765)	-51.1%	(71,742,202)	-19.3%	90,149,454	7.4%	523,587,875	28.2%
	May 2012	45,069,600	-4.1%	640,399,677	17.7%	(35,017,028)	667.1%	(106,759,230)	14.2%	10,052,572	-76.3%	533,640,447	18.4%
	June 2012	113,038,847	-1.4%	753,438,524	14.3%	(2,907,449)	-45.1%	(109,666,679)	11.0%	110,131,398	0.7%	643,771,845	14.9%
	July 2012	30,975,920	6.7%	30,975,920	6.7%	(10,190,368)	201.1%	(10,190,368)	201.1%	20,785,552	-18.9%	20,785,552	-18.9%
	Aug 2012	26,449,162	-37.5%	57,425,082	-19.5%	(4,041,736)	-59.3%	(14,232,104)	6.8%	22,407,426	-30.8%	43,192,978	-25.5%
	Sept 2012	135,770,478	13.0%	193,195,560	0.9%	(2,846,561)	-27.8%	(17,078,665)	-1.1%	132,923,917	14.4%	176,116,895	1.1%
	Oct 2012	41,787,184	15.1%	234,982,743	3.2%	(14,427,659)	16.3%	(31,506,324)	6.2%	27,359,524	14.4%	203,476,419	2.7%
	Nov 2012	18,662,746	-25.0%	253,645,489	0.4%	(21,832,325)	-28.9%	(53,338,649)	-11.7%	(3,169,579)	N/A	200,306,840	4.2%
FY 2013	Dec 2012	114,140,782	-13.5%	367,786,271	-4.4%	(19,137,873)	796.4%	(72,476,522)	15.9%	95,002,909	-26.8%	295,309,749	-8.3%
	Jan 2013	26,071,307	-23.9%	393,857,578	-6.0%	(5,244,589)	361.7%	(77,721,111)	22.1%	20,826,718	-37.1%	316,136,467	-11.0%
	Feb 2013	15,024,306	-1.6%	408,881,884	-5.8%	(2,084,792)	-28.5%	(79,805,903)	19.9%	12,939,514	4.8%	329,075,981	-10.5%
	Mar 2013	77,103,276	12.5%	485,985,160	-3.3%	(1,702,847)	-35.6%	(81,508,750)	17.8%	75,400,429	14.4%	404,476,410	-6.7%
	Apr 2013	104,068,674	12.3%	590,053,834	-0.9%	(1,847,071)	-27.0%	(83,355,821)	16.2%	102,221,603	13.4%	506,698,013	-3.2%
	May 2013	33,282,523	-26.2%	623,336,357	-2.7%	(2,547,119)	-92.7%	(85,902,940)	-19.5%	30,735,404	205.7%	537,433,417	0.7%
	June 2013	131,310,962	16.2%	754,647,319	0.2%	(6,717,981)	131.1%	(92,620,921)	-15.5%	124,592,981	13.1%	662,026,398	2.8%
	July 2013	34,069,704	10.0%	34,069,704	10.0%	(8,988,196)	-11.8%	(8,988,196)	-11.8%	25,081,508	20.7%	25,081,508	20.7%
	Aug 2013	14,407,351	-45.5%	48,477,055	-15.6%	(3,863,822)	-4.4%	(12,852,018)	-9.7%	10,543,529	-52.9%	35,625,037	-17.5%
	Sept 2013	123,780,418	-8.8%	172,257,473	-10.8%	(25,870,935)	808.8%	(38,722,953)	126.7%	97,909,483	-26.3%	133,534,520	-24.2%
	Oct 2013	42,701,887	2.2%	214,959,360	-8.5%	(10,435,834)	-27.7%	(49,158,787)	56.0%	32,266,053	17.9%	165,800,573	-18.5%
	Nov 2013	24,590,006	31.8%	239,549,366	-5.6%	(23,491,341)	7.6%	(72,650,128)	36.2%	1,098,665	N/A	166,899,238	-16.7%
FY 2014	Dec 2013	125,462,558	9.9%	365,011,924	-0.8%	(40,720,245)	112.8%	(113,370,373)	56.4%	84,742,313	-10.8%	251,641,551	-14.8%
	Jan 2014	21,695,410	-16.8%	386,707,334	-1.8%	(5,413,529)	3.2%	(118,783,902)	52.8%	16,281,881	-21.8%	267,923,432	-15.3%
	Feb 2014	16,552,646	10.2%	403,259,980	-1.4%	(1,410,014)	-32.4%	(120,193,916)	50.6%	15,142,632	17.0%	283,066,064	-14.0%
	Mar 2014	80,847,279	4.9%	484,107,259	-0.4%	(2,438,851)	43.2%	(122,632,767)	50.5%	78,408,428	4.0%	361,474,492	-10.6%
	Apr 2014	89,552,803	-13.9%	573,660,062	-2.8%	(1,448,077)	-21.6%	(124,080,844)	48.9%	88,104,726	-13.8%	449,579,218	-11.3%
	May 2014	31,662,715	-4.9%	605,322,777	-2.9%	(3,061,280)	20.2%	(127,142,124)	48.0%	28,601,435	-6.9%	478,180,653	-11.0%
	June 2014	99,844,033	-24.0%	705,166,810	-6.6%	(2,844,465)	-57.7%	(129,986,589)	40.3%	96,999,568	-22.1%	575,180,221	-13.1%
	July 2014	27,059,686	-20.6%	27,059,686	-20.6%	(14,531,193)	61.7%	(14,531,193)	61.7%	12,528,493	-50.0%	12,528,493	-50.0%
	Aug 2014	13,991,819	-2.9%	41,051,505	-15.3%	7,539	N/A	(14,523,654)	13.0%	13,999,358	32.8%	26,527,851	-25.5%
	Sep 2014	122,198,547	-1.3%	163,250,052	-5.2%	(4,549,542)	-82.4%	(19,073,196)	-50.7%	117,649,005	20.2%	144,176,856	8.0%
	Oct 2014	42,258,664	-1.0%	205,508,716	-4.4%	(9,398,996)	-9.9%	(28,472,192)	-42.1%	32,859,668	1.8%	177,036,524	6.8%
	Nov 2014	16,078,683	-34.6%	221,587,399	-7.5%	(12,628,427)	-46.2%	(41,100,619)	-43.4%	3,450,256	214.0%	180,486,780	8.1%
FY 2015	Dec 2014	144,358,002	15.1%	365,945,401	0.3%	(19,357,458)	-52.5%	(60,458,077)	-46.7%	125,000,544	47.5%	305,487,324	21.4%
	Jan 2015	42,546,144	96.1%	408,491,545	5.6%	(22,346,703)	312.8%	(82,804,780)	-30.3%	20,199,441	24.1%	325,686,765	21.6%
	Feb 2015	14,229,988	-14.0%	422,721,533	4.8%	(13,093,773)	828.6%	(95,898,553)	-20.2%	1,136,215	-92.5%	326,822,980	15.5%
	Mar 2015												
	Apr 2015												
	May 2015												
	June 2015												

Economic Indicators

Monthly Indicators

March 2015

NATIONAL

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Real Gross Domestic Product (GDP)** increased at an annual rate of 2.2% in the 4th quarter of 2014. This estimate is a downward revision of the advance estimate and a further deceleration from the 5.0% growth during the 3rd quarter. The decrease relative to third quarter growth was primarily due to an increase in imports and a decrease in federal defense spending. Positive contributions came primarily from consumer spending, inventory and fixed investment, exports, and state and local spending.

The Conference Board's **U.S. Consumer Confidence Index** decreased by (7.1)% in February, after reaching a post-recession peak in January. The index still stands 23.1% above its February 2014 level. The February decrease was broad-based, though worsening expectations of the economy 6-months out provided the largest drag on the index. Economists think a gradual recovery in gas prices and may have caused the drop in confidence during February.

The Conference Board's **U.S. Leading Economic Index** increased by 0.2% in January and 6.5% since January 2014. This month marked the 12th consecutive period in which the index grew or remained unchanged. Of the index's 10 components, 6 made positive contributions during the month. Movement in interest rates and consumer confidence were the largest positive contributors to the index while initial employment claims, stock market performance and new manufacturing orders were a negative influence.

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Personal Consumption Expenditure Price Index (PCEPI)** decreased by (0.5)% in January from the prior month—the third consecutive monthly decrease. The index's annual growth has fallen to 0.2%, down from annual growth of 1.7% in May 2014 and well below the Federal Reserve Bank's 2% annual inflation target. While decreases in energy prices have drastically lowered growth in the overall index in recent months, the year over year growth in the core index (all items except food and energy) stood at 1.3% in January.

ARIZONA

Housing

The total housing inventory for sale in the Greater Phoenix area is (7.8)% smaller than February of last year. This change is mostly attributable to the high inventory level last February. Market slowness is evidenced by homes being listed longer before selling. In February 2014, homes were on the market an average of 86 days. In February 2015, homes were on the market an average of 95 days.

The **median price of a single family home** was $214,900 in February, a 2.1% increase from January. The price is 7.5% higher than February of last year.

Single family housing construction continues to weaken, while multi-family construction continues to expand strongly. Arizona's 12-month total of **single-family building permits** is 17,496, or (3.4)% less than a year ago. The comparable single-family permit growth rate for the entire U.S. is 1.0% above last year. *See Appendix A – Tracking Arizona's Recovery for historical information.*

In contrast, the 12-month total of multi-family building permits has increased significantly since last year. Arizona's total of 10,344 **multi-family building permits** is 89.5% above last year. Arizona's rate of increase is greater than the comparable multi-family permit growth for the U.S. as a whole which is 9.1% above last year.

Employment

The state's regular **unemployment rate** remained unchanged at 6.6% in January. The jobless rate was 7.1% in January 2014. The U.S. unemployment rate was 5.7% in January, which was a 0.1% increase from the prior month.

According to the latest employment report released by the Department of Administration, the state shed (43,400) **Nonfarm jobs** in January compared to the prior month. Job losses are typical in the state in January as staffing levels are reduced following the holidays. By way of comparison, the average job loss in January over the prior 10 years was (58,000). All of the major industry sectors lost jobs in January except for Other Services (+1,600 jobs) and Construction (+100 jobs).

Compared to the same month in the prior year, Arizona added 64,000 net new jobs in January. This represents a year-over-year job growth rate of 2.5%. The largest year-over-year job gains in January came from the following industries: Education and Health Services (+16,700), Professional and Business Services (+16,000), and Leisure and Hospitality (+13,600).

Monthly Indicators (Continued)

In January, the **Average Weekly Hours** worked by individuals in Arizona's private sector was 34.4 hours. This workload is (0.3)% below the January 2014 level.

The **Average Hourly Earnings** received by these private sector workers was $22.84, which is 1.6% above the average in the prior month. The January increase over December may partially reflect the seasonal loss of relatively lower paying retail and service sector jobs. The year over year growth rate recovered somewhat from (3.4)% in December to reach (1.8)% in January. The average hourly earnings nationwide in February 2015 were 2.0% above the average from a year prior.

State Agency Data

At the beginning of March 2015, the total **AHCCCS** caseload was 1.6 million members. Since the federal health care expansion in January 2014, the overall AHCCCS population has grown by 335,500 members.

Total monthly enrollment increased 0.9% in March, the first month of growth since October 2014. Prior to March, the Affordable Care Act growth in coverage appeared to have slowed significantly. The slowdown in prior months may have been exacerbated by a change in the length of eligibility redetermination.

The overall increase in March was spread across most AHCCCS populations. Enrollment in the Traditional population of the lowest income parents and children increased 2,800 in March to a level of 953,600 members. The March level represents an increase of 0.3% since last month and an 8.7% increase since last year.

In January 2014, the state started accepting new enrollment to the Proposition 204 childless adults program. In March 2015, the childless adult population increased by 3,300, or 1.2%. Since January 2014, the childless adult population has increased by 211,300 to reach a level of 279,100. The state share of the Proposition 204 physical health cost is paid through a hospital assessment while the behavioral health costs are paid through the General Fund.

The state also opted to expand adult Medicaid coverage to 133% of FPL. The 100% - 133% enrollment increased by 4,600 in March and now totals 42,000 individuals enrolled since January 2014. The federal government is currently paying 100% of this cost.

In the last 12 months, **reports of child maltreatment**, as reported by the Department of Child Safety, increased by 12.0% over the prior year, going from 43,509 in the period covering January 2013 through December 2013 to 48,710 reports in the period covering January 2014 through December 2014. For December 2014, the department reports 17,102 **children in out-of-home care**, a slight increase of 0.4% from the prior month. Out-of-home children in December 2014 were up by 13.9% compared to the same month in the prior year.

At the end of February 2015, the **Arizona Department of Corrections** reported at total inmate population of 42,091. This is a 0.1% increase from the end of January. The inmate population has increased by 1.8% since February 2014.

The Department of Economic Security (DES) reported that there were 26,921 **TANF recipients** in the state in January, representing a monthly caseload decrease of (5.5)% from December. The year-over-year number of TANF recipients has declined by (15.0)%. The current statutory lifetime limit on cash assistance is 24 months.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In January, there were a total of 1.0 million food stamp recipients in the state, a (1.8)% decrease over the prior month. Compared to January caseloads last year, the level of food stamp participation has declined by (2.4)%.

Table 5

MONTHLY INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
Employment				
- Regular Unemployment Rate	January	6.6%	0.0%	(0.5)%
- Total Unemployment Rate (discouraged/underemployed)	4th Q 2014	14.7%	(0.4)%	(1.3)%
- Initial Unemployment Insurance Claims	January	18,920	10.4%	(18.1)%
- Unemployment Insurance Recipients	December	30,402	(2.0)%	(12.7)%
- Non-Farm Employment - Total	January	2.60 million	(1.6)%	2.5%
Manufacturing	January	154,900	(0.9)%	(0.5)%
Construction	January	126,100	0.1%	1.9%
- Average Weekly Hours, Private Sector	January	34.4	(0.6)%	(0.3)%
- Average Hourly Earnings, Private Sector	January	$22.84	1.6%	(1.8)%
Sales				
- Retail Taxable Sales				
Motor Vehicles/Misc. Auto	December	$872.2 million	2.8%	8.7%
Furniture/Home Furnishings	December	$351.9 million	13.7%	8.4%
Building Material/Lawn & Garden	December	$323.8 million	(2.9)%	7.0%
Building				
- Residential Building Permits (12-month avg)				
Single-family	January	17,496	(0.3)%	(3.4)%
Multi-family	January	10,344	0.3%	89.5%
- Maricopa County/Other, Home Sales (ARMLS)				
Single-Family (Pending Sales)	February	5,434	23.4%	(4.8)%
- Maricopa County/Other, Median Home Price (ARMLS)				
Single-Family (Pending Sales)	February	$214,900	2.1%	7.5%
- Phoenix S&P/C Home Price Index (2000 = 100)	December	147.98	0.2%	2.4%
- Maricopa Pending Foreclosures	February	5,680	0.1%	(28.2)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	February	27,334	0.8%	(7.8)%
Tourism				
- Phoenix Sky Harbor Air Passengers	January	3.47 million	(7.5)%	3.1%
- National Park Visitors	December	605,350	(34.9)%	20.5%
- State Park Visitors	December	117,575	(27.5)%	9.2%
- Revenue Per Available Hotel Room	January	$81.54	65.1%	31.1%
General Measures				
- Arizona Consumer Confidence Index (1985 = 100)	1st Q 2015	79.1	N/A	14.8%
- Arizona Coincident Index (July 1992 = 100)	December	191.31	0.3%	2.8%
- Arizona Leading Index -- 6 month projected growth	December	3.5%	(0.2)%	0.4%
- Arizona Personal Income	3rd Q 2014	$256.4 billion	1.3%	4.0%
- Arizona Population	July 2014	6.73 million	N/A	1.5%
- State Debt Rating				
Standards & Poor's/Moody's	Dec 09/July 10	AA- / Aa3	N/A	N/A
Outlook	Nov 13	Positive	N/A	N/A
Agency Measures				
- AHCCCS Recipients	March	1,593,649	0.9%	22.2%
Acute Care Traditional		953,563	0.3%	8.7%
Prop 204 Childless Adults		279,056	1.2%	78.7%
Other Prop 204		168,694	2.3%	17.6%
Adult Expansion		42,009	12.4%	-
Kids Care I		1,632	(2.0%)	(23.8)%
Kids Care II		0	0.0%	(100.0)%
Long-Term Care – Elderly & DD		56,668	0.3%	3.6%
Emergency Services		92,027	(1.0)%	42.5%
- Department of Child Safety (DCS)				
Annual Reports of Child Maltreatment (12-month total)	Dec. 2014	48,710	0.8%	12.0%
DCS Out-of-Home Children	December	17,102	0.4%	13.9%
Filled Caseworkers (1406 Budgeted)	February	1,396	1	206
- ADC Inmate Growth	February	42,091	0.1%	1.8%
- Department of Economic Security				
- TANF Recipients	January	26,921	(5.5)%	(15.0)%
- SNAP (Food Stamps) Recipients	January	1,021,201	(1.8)%	(2.4)%
- Judiciary Probation Caseload				
Non-Maricopa	January	17,882	(200)	365
Maricopa County	January	26,503	4	1,571
United States				
- Gross Domestic Product (Chained 2009 dollars, SAAR)	4th Q, 2014 (2nd Estimate)	$16.3 trillion	2.4%	2.2%
- Consumer Confidence Index (1985 = 100)	February	96.4	(7.1)%	23.1%
- Leading Indicators Index (2010 = 100)	January	121.1	0.2%	6.5%
- Consumer Price Index, SA (1982-84 = 100)	January	234.7	(0.7)%	(0.1)%
- Personal Consumption Price Index (2009 = 100)	January	108.3	(0.5)%	0.2%

JLBC FINANCE ADVISORY COMMITTEE (FAC) MEMBERS

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

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

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

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

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

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

Dr. Aruna Murthy is Director of Economic Analysis for the Office of Employment and Population Statistics at the Arizona Department of Administration.

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

Martin Shultz is a Senior Policy Director in Brownstein Hyatt Farber Schreck's Phoenix Office. Prior to joining Brownstein, Mr. Schultz was the Vice President of Government Affairs at

Pinnacle West Capital Corporation and its subsidiaries. Mr. Shultz has been a member of the FAC since 1984.

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

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

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