

# **Finance Advisory Committee**

## **Briefing Materials**

**April 12, 2012**

**JLBC**

# Finance Advisory Committee

## Briefing Materials

April 12, 2012

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**Finance Advisory Committee**  
Revenue and Budget Update

April 12, 2012

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**Revenue Overview**

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## Key Economic Measures - Current Arizona Status

Withholding Growth 3 Month Average Compared to Prior Year	2.6%
Retail Sales Tax Growth 3 Month Average Compared to Prior Year	5.1%
Pending Maricopa Foreclosures	17,800
Arizona Single Family Permits	11,400
Arizona Underwater Mortgages	48%

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## Arizona Forecasters Are Optimistic Compared to Other Western States

### Blue Chip Forecast - % Personal Income Growth

<u>CY 2012</u>		<u>CY 2013</u>	
Texas	5.1%	<b>Arizona</b>	<b>5.8%</b>
<b>Arizona</b>	<b>4.9%</b>	Utah	5.8%
Utah	4.8%	Texas	5.4%
Washington	4.5%	Washington	5.2%
Wyoming	4.5%	Colorado	4.7%
Colorado	4.4%	Oregon	4.4%
Oregon	4.4%	California	4.1%
California	4.0%	Idaho	3.8%
New Mexico	3.3%	Nevada	3.2%
Idaho	2.8%	New Mexico	3.4%
Nevada	2.4%	Wyoming	N/A

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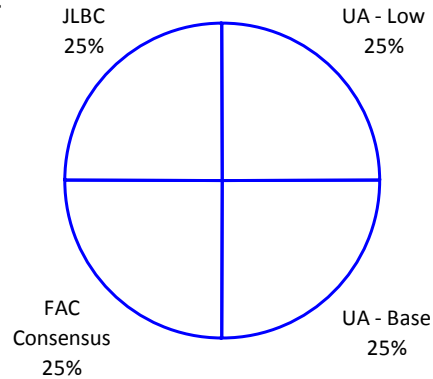
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## Where Are We Headed Over the Next Few Years?

- Four-Sector Consensus Forecast Incorporates Different Economic Views, Including the FAC

4-sector forecast equally weights:

- FAC average
- UofA model – base
- UofA model – low
- JLBC Staff forecast
- Remaining revenues (10% of total) are staff forecast



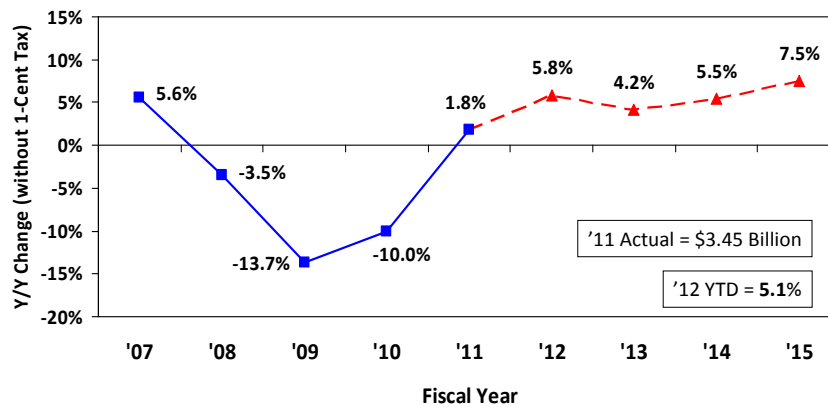
\* Includes Big 3 categories of sales tax, individual income and corporate income taxes

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## Sales Tax

- The Consensus Forecasts Growth of 5.8% in FY '12 and 4.2% in FY '13



'11 Actual = \$3.45 Billion

'12 YTD = 5.1%

—■— Historical    -▲- 4-Sector Forecast

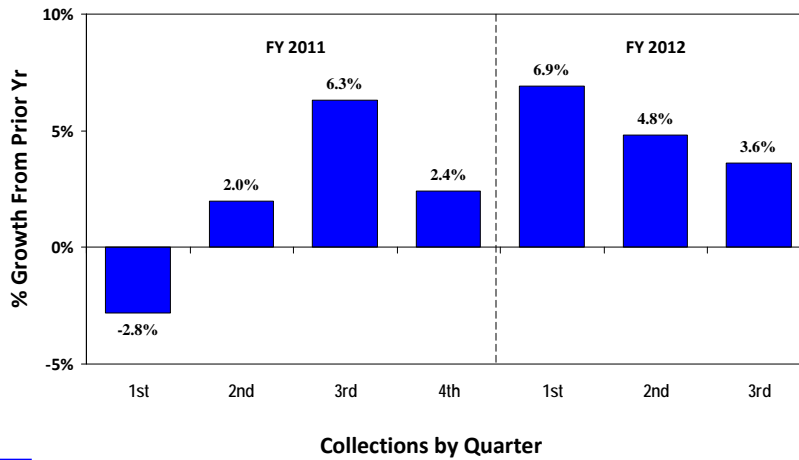
Percent Change in Base Revenue Excluding Tax Law Changes and 1-Cent Sales Tax

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## Sales Tax Growth Rate Has Slowed Throughout Year

- Comparison to FY '11 Helps Explain FY '12 Path



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## June 2013 TPT Estimated Payment

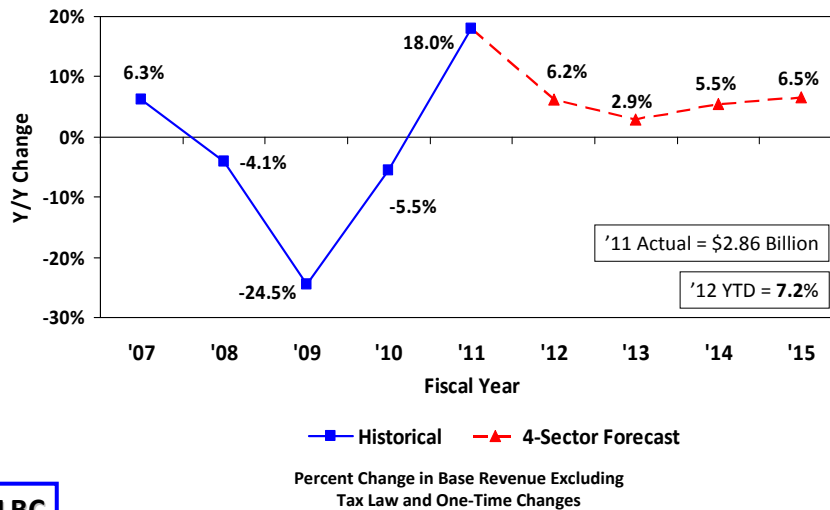
- Businesses with an annual sales tax liability above a certain threshold are required make a single estimated advance payment in June of each year
- Legislature lowered liability threshold for estimated payment from \$1 million to \$100,000 for FY '10 thru FY '12
- The reduced liability threshold generated a one-time revenue gain of \$48 million in FY '10
- When threshold reverts to \$1 million in FY '13, state will incur an estimated one-time revenue loss of \$(52) million

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## Individual Income Tax

- The Consensus Forecasts Growth of 6.2% in FY '12  
Dropping to 2.9% in FY '13



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## Components of Individual Income Tax Growth

- First Three Quarters of FY '12

Withholding	3.1%
Payments	29.5%
<u>Refunds</u>	<u>4.5%</u>
Net	7.2%

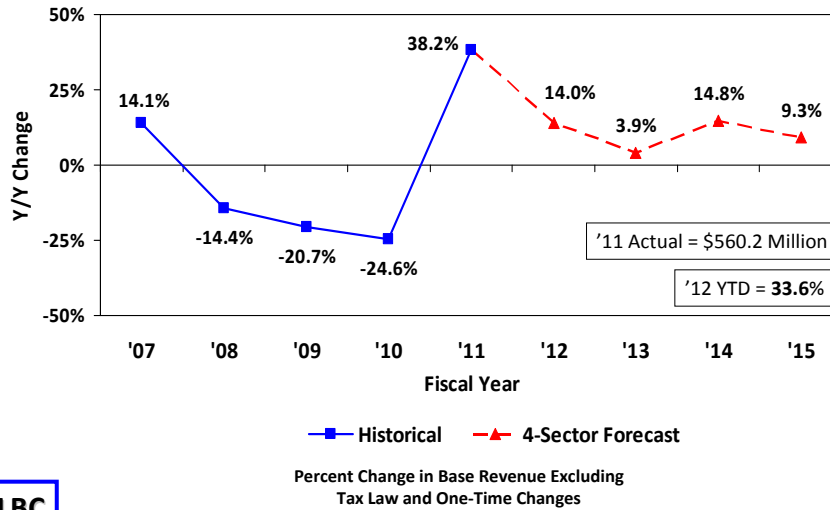
- Growth appears to be in line with job and wage growth
- Payment increase overstated due to large one-time payment in January – absent this payment, growth would be 12.3%
- Refunds appear to be on track for first increase since FY '09

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## Corporate Income Tax

- The Consensus Forecasts Growth of 14.0% in FY '12  
Dropping to 3.9% in FY '13

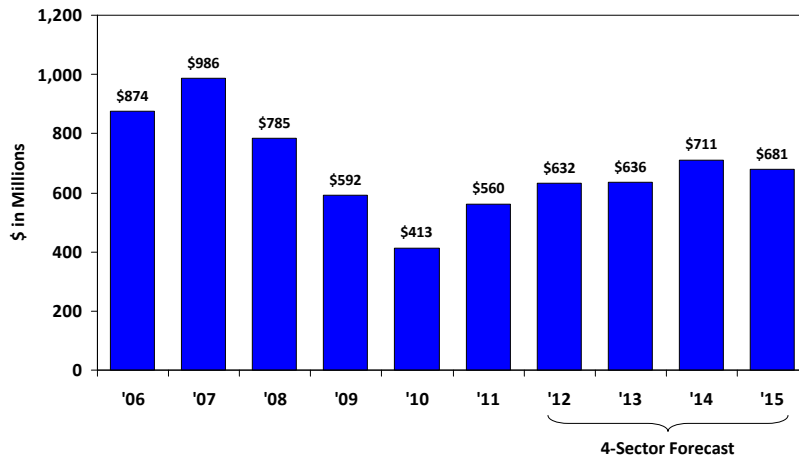


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## Corporate Income Tax

- Forecast Remains Substantially Below FY '07 High Point



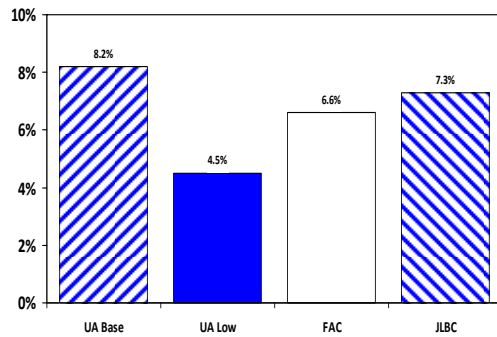
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Total dollar collections include enacted tax law changes and one-time adjustments.

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## Consensus Predicts Base Growth Rate of 5.6% in FY '12 \*



□ FY '12 YTD collections:

- 6.7% greater than FY '11 collections
- \$17 million or 0.3% over the January Baseline forecast

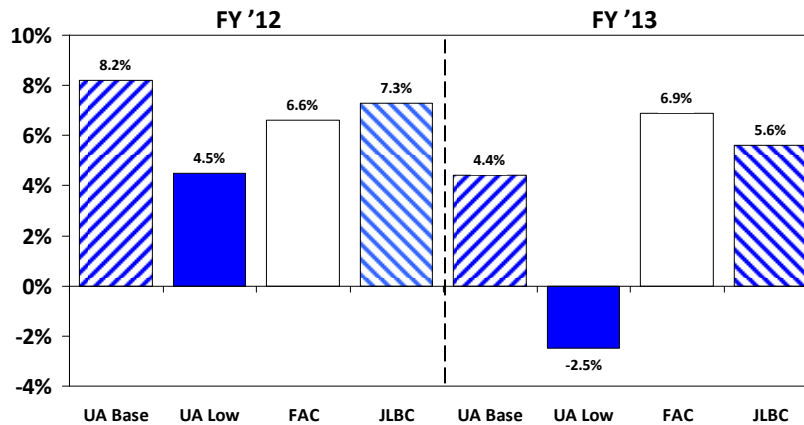
Details in Appendix A

\* Weighted Big 3 average growth prior to 1-Cent sales tax is 6.6% in FY '12 . After adjusting for small tax categories, the base growth rate is 5.6% in FY '12.

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## Consensus Predicts Base Growth Rate Declining from 5.6% in FY '12 to 3.4% in FY '13\*



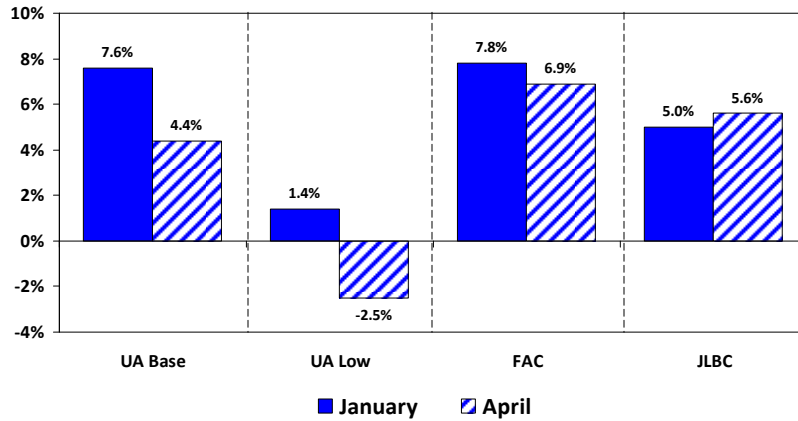
Details in Appendix A

\* Weighted Big 3 average growth prior to 1-Cent sales tax is 6.6% in FY '12 and 3.6% in FY '13. After adjusting for small tax categories, the base growth rate is 5.6% in FY '12 and 3.4% in FY '13.

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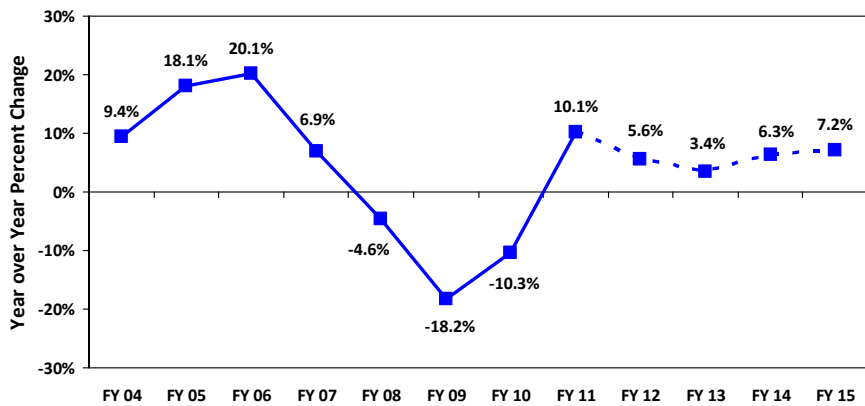
## FY '13 4-Sector Forecast - April Components Compared to January



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## Consensus Forecasts Steadily Rising Revenue Growth Rate Through FY '15



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

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## Two Potential Issues With 4-Sector

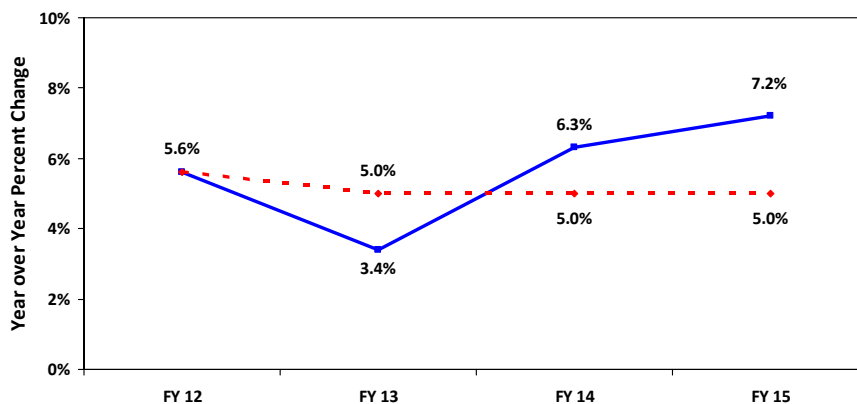
- 1) 3.4% FY '13 projection reflects slower average growth than many general economic projections
- 2) 4-Sector growth rates accelerate in out-years – budget forecasts usually become more cautious in the long run

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## An Alternate Scenario Assumes 5% Annual Growth through FY '15

- In the FY '12-'15 Cycle, Produces Total Revenue Comparable to 4-Sector



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

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## Comparison of Revenue Forecasts

### - Base General Fund Percentage Revenue Growth

	<u>FY '12</u>	<u>FY '13</u>	<u>FY '14</u>	<u>FY '15</u>
January 4-Sector	5.3%	5.1%	6.9%	7.9%
April 4-Sector	5.6%	3.4%	6.3%	7.2%
April – Alternate	5.6%	5.0%	5.0%	5.0%
Executive <u>1/</u>	5.3%	6.5%	7.3%	6.4%

-The April estimate has slow FY '13 growth, followed by accelerating economy in FY '14 and FY '15.

-- The FY '13 4-sector may be too low and out-year budgets are not usually based on accelerating growth.

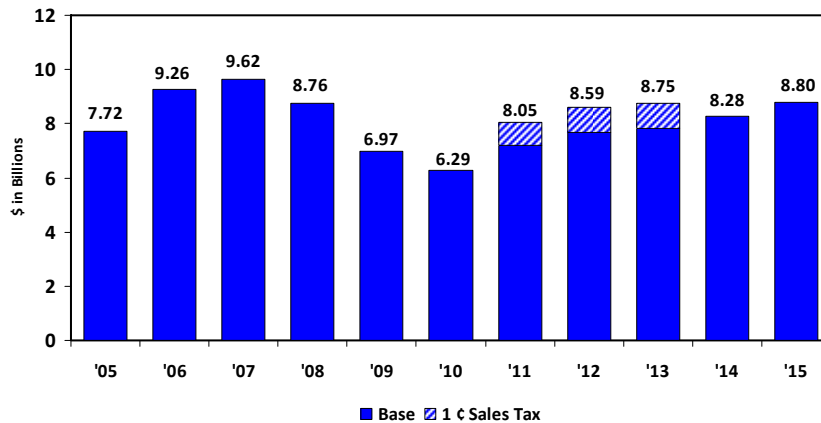
-- The Alternative scenario produces a comparable amount of revenue to the April 4-sector.

1/ Stated relative to January FAC prior year estimate for comparability.

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## Consensus Forecast Remains Below FY '07 High



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

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## **Risks to the Economic Forecasts**

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- Impact of international economy uncertain
  - Difficult to predict outcome, leading some national forecasters to place recession risk at 20%
- Cannot predict natural disasters or political events ahead of time
  - Iran and Israel
  - Gasoline prices
- Effect of future federal tax and spending decisions

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## **Spending Overview**

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## Baseline Revision in Long Term Spending Estimates

### - Relative to Appropriation Committee Estimates

- Federal Health Care cost has been re-estimated from \$421 M to \$210 M in FY '15
  - Reflects further analysis of Executive's \$421 M estimate
  - Assumes childless adult enrollment returns to pre-freeze levels plus 50% participation of currently eligible but not participating individuals
- FY '15 New School construction costs projections have declined from \$150 M to \$56 M
  - Reflects reduction in SFB's projection of new school openings
- See Attachment B for more details

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## FY '12 – '15 Projections

- The projections include the April 4-sector revenue estimates and the spending plan approved by the Appropriations Committee in February
- The ending balance estimates are affected by whether the prior year budget has a surplus or shortfall

	<u>'12</u>	<u>'13</u>	<u>'14</u>	<u>'15</u>
Revenues	\$8.7 B	\$8.5 B	\$8.3 B	\$8.8 B
Spending	\$8.5 B	\$8.5 B	\$8.7 B	\$9.2 B
<b>Balance</b> (W/O Carryforward)	<b>\$187 M</b>	<b>\$ 80 M</b>	<b>\$(402) M</b>	<b>\$(410) M</b>
<b>Balance</b> (W/Carryforward)	<b>\$187 M</b>	<b>\$267 M</b>	<b>\$(134) M</b>	<b>\$(545) M</b>

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## Change in Ending Balance Projections

- The lower April 4-sector revenue estimates would lower the projected FY '13 ending balance and increase the FY '15 shortfall

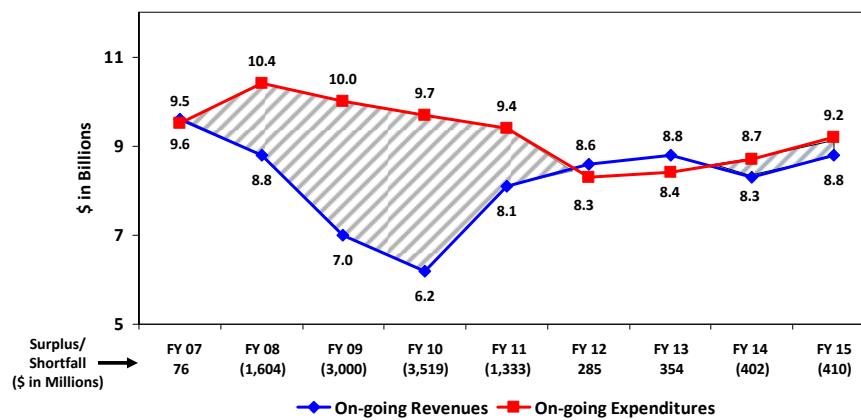
	'12	'13	'14	'15
Balance with January Revenue	\$137 M	\$303 M	\$ 69 M	\$(380) M
Balance with April Revenue	\$187 M	\$267 M	\$(134) M	\$(545) M

Includes carryforward from prior year

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## Structural Balance – April Revenue Estimate vs Appropriation Committee Spending - Strong FY '13 Position Helps State



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Counts 1 ¢ TPT as on-going in FY '11 – FY '13

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## The Caveats

- ❑ New permanent initiatives would reduce the FY '13 balance and increase the FY '14 and FY '15 shortfalls
- ❑ A 3-Year budget forecast is inherently unreliable
  - A 2% error could change revenues by \$500 M in the 3<sup>rd</sup> year
- ❑ Serious federal deficit reduction could increase state costs
- ❑ Pending Supreme Court decision on federal health care and other state “budget” lawsuits could affect long term costs

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## Appendix A: April 2012 4-Sector Forecast

	FY 2012	FY 2013	FY 2014	FY 2015
<b>Sales Tax</b>				
JLBC Forecast	5.7%	5.2%	6.8%	7.2%
UA – Low	5.2%	0.2%	3.7%	8.1%
UA – Base	7.0%	4.5%	6.3%	8.7%
FAC	5.4%	6.7%	5.1%	6.1%
Average:	<b>5.8%</b>	<b>4.2%</b>	<b>5.5%</b>	<b>7.5%</b>
<b>Individual Income Tax</b>				
JLBC Forecast	5.8%	6.4%	7.0%	7.0%
UA – Low	4.2%	-4.9%	3.9%	6.0%
UA – Base	9.6%	3.9%	5.6%	6.8%
FAC	5.1%	6.2%	5.2%	5.9%
Average:	<b>6.2%</b>	<b>2.9%</b>	<b>5.5%</b>	<b>6.5%</b>
<b>Corporate Income Tax</b>				
JLBC Forecast	25.0%	3.7%	4.8%	3.0%
UA – Low	1.2%	-7.4%	22.5%	15.9%
UA – Base	8.5%	6.8%	24.5%	13.5%
FAC	21.1%	11.0%	10.8%	6.0%
Average:	<b>14.0%</b>	<b>3.9%</b>	<b>14.8%</b>	<b>9.3%</b>
JLBC Weighted Average:	<b>7.3%</b>	<b>5.6%</b>	<b>6.7%</b>	<b>6.8%</b>
UA Low Weighted Average	<b>4.5%</b>	<b>-2.5%</b>	<b>5.1%</b>	<b>7.9%</b>
UA Base Weighted Average	<b>8.2%</b>	<b>4.4%</b>	<b>7.5%</b>	<b>8.3%</b>
FAC Weighted Average:	<b>6.6%</b>	<b>6.9%</b>	<b>5.7%</b>	<b>6.0%</b>
“Big-3” Weighted Average	<b>6.6%</b>	<b>3.6%</b>	<b>6.3%</b>	<b>7.2%</b>
Consensus Weighted Average:*	<b>5.6%</b>	<b>3.4%</b>	<b>6.3%</b>	<b>7.2%</b>
Adjusted Consensus Weighted Average:**	<b>5.6%</b>	<b>2.9%</b>	<b>6.0%</b>	<b>6.0%</b>

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\* Consensus Big-3 Categories adjusted for small revenue categories  
 \*\* Consensus Weighted Average adjusted for tax law changes

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### Appendix B: Summary of Baseline Spending Adjustments

The budget proposal heard in the House and Senate Appropriations Committees originally assumed an FY 2015 shortfall of \$(675) million. This shortfall estimate included \$421 million for costs associated with federal healthcare requirements and \$150 for School Facilities Board new construction costs.

Based on further analysis of these issues, the estimate of federal healthcare requirement costs has been reduced to \$210 million, while the SFB cost projection has been reduced to \$56 million.

The following summary provides further detail of these estimates.

#### AHCCCS

##### **FY 14 Federal Health Care Projection - \$40M**

- Program starts in January 2014.
- New enrollees include:
  - Newly eligible – Any person with income from 100 to 133% FPL.
  - Currently eligible – Any person with income from 0 to 100% FPL, who is not a childless adult. Publicity of federal health care is expected to encourage some of these already eligible people to enroll.
  - Previously eligible childless adults – An adult without children 18 years and younger who has income from 0 to 100% FPL.
- 165,000 new enrollees in Medicaid in FY 14 as a result of federal health care changes, about half of the total expected to ultimately enroll.
  - 40,000 (35%) of the newly eligible.
  - 65,000 (25%) of the currently eligible.
  - 60,000 (50%) of the previously eligible childless adults from 0 to 100%.

The federal government covers 100% of costs for the newly eligible, 65% for the currently eligible, and 82% for restored childless adults.

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### Appendix B (continued)

- A partially offsetting savings is realized from the enhanced federal match of 82% (up from 65%) for 120,000 still enrolled childless adults.
- Capitation rates increase 5% in FY 14.

##### **FY 15 Federal Health Care Projection - \$210M**

- First full year of implementation.
- The remaining portion of expected enrollees comes onto Medicaid, resulting in a total of 325,000 new enrollees from federal health care changes.
  - 75,000 (70%) of the newly eligible.
  - 135,000 (50%) of the currently eligible.
  - 115,000 (100%) of the previously eligible childless adults from 0 to 100% FPL.
- The federal match for previously eligible childless adults increases from 82 to 85% of costs.
- A partially offsetting savings is realized from the enhanced federal match of 85% for 120,000 still enrolled childless adults.
- Capitation rates increase 5% in FY 15.

#### School Facilities Board

##### **FY 15 New School Construction Projection - \$56 M**

- Estimate based on projects requested by the School Facilities Board in FY 2013 budget request.
- Eliminates projects which have been cancelled due to lower than expected enrollment forecasts.
- Cost estimate incorporates all new construction projects scheduled to open through FY 16. Assumes entire funding amount is appropriated in FY 15.

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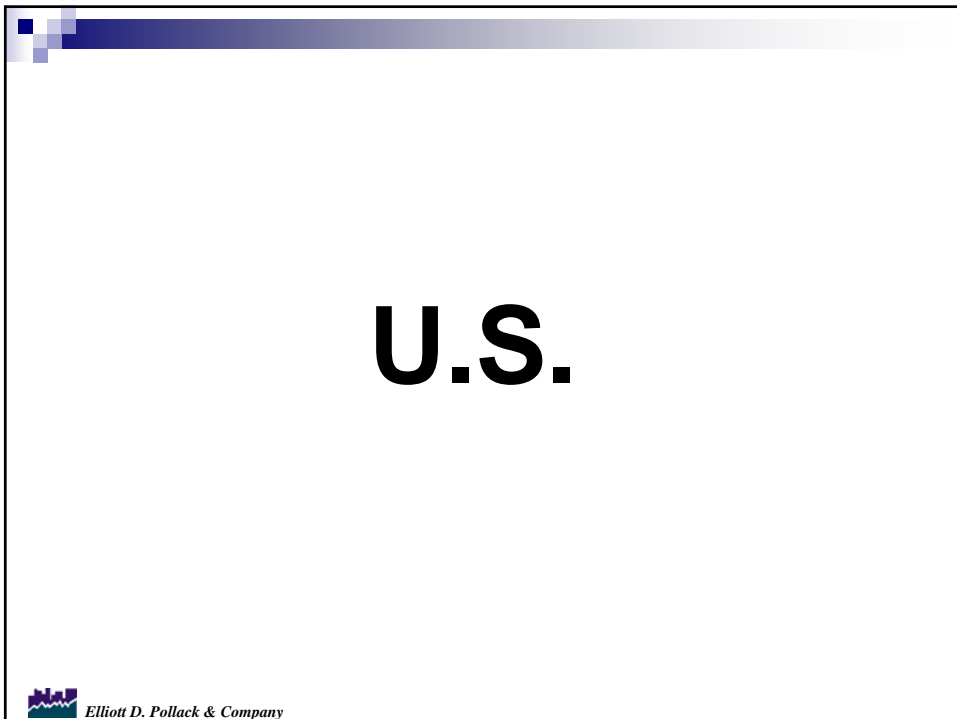
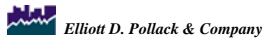


# Economic Update

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**FAC**

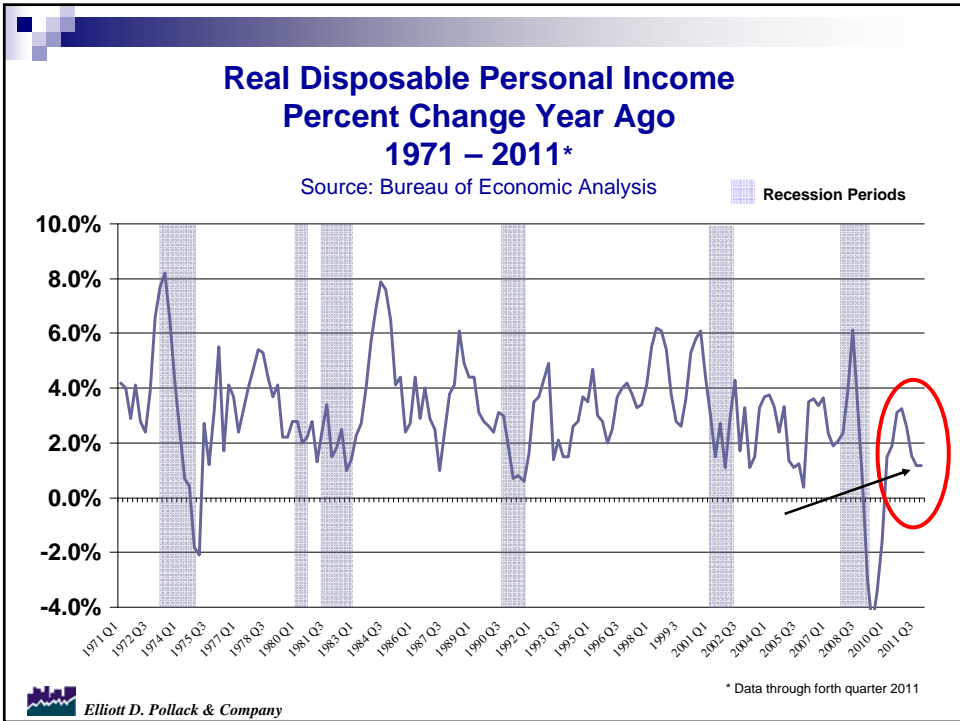
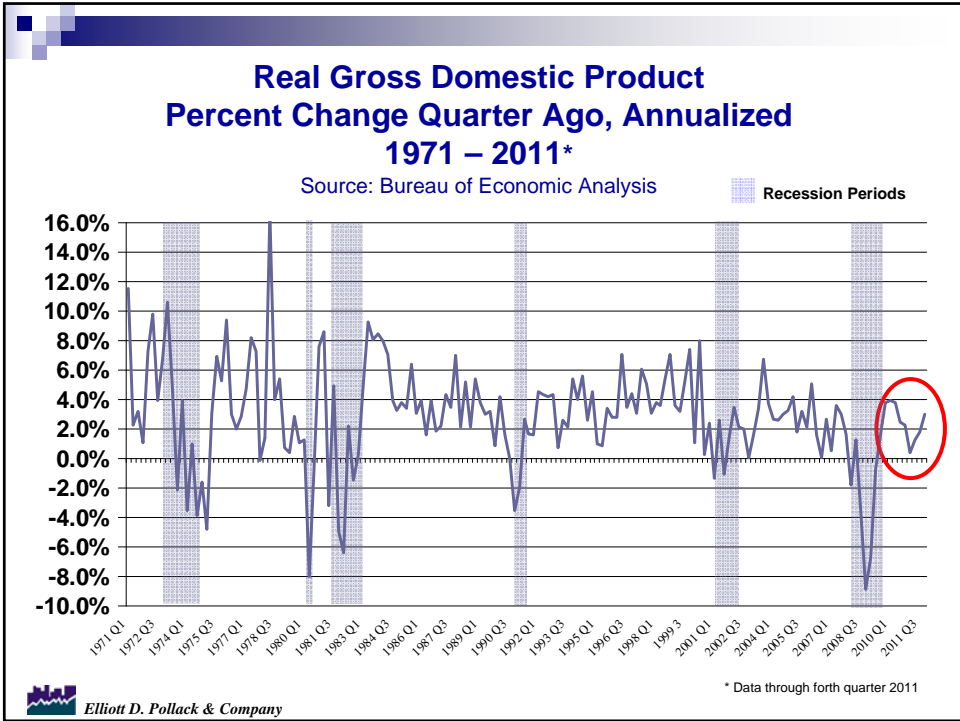
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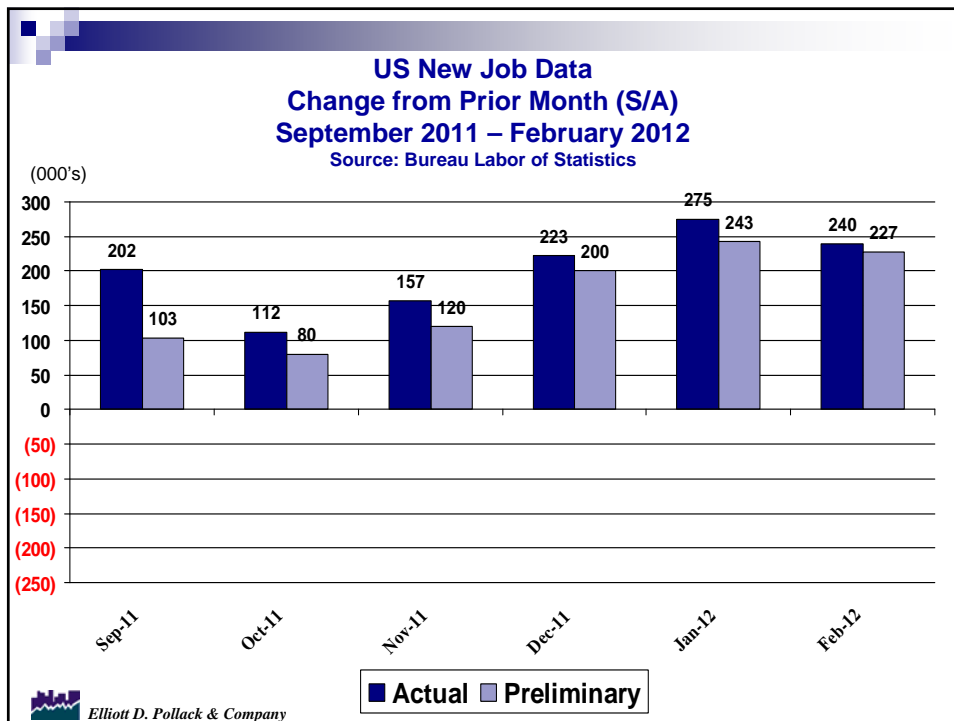
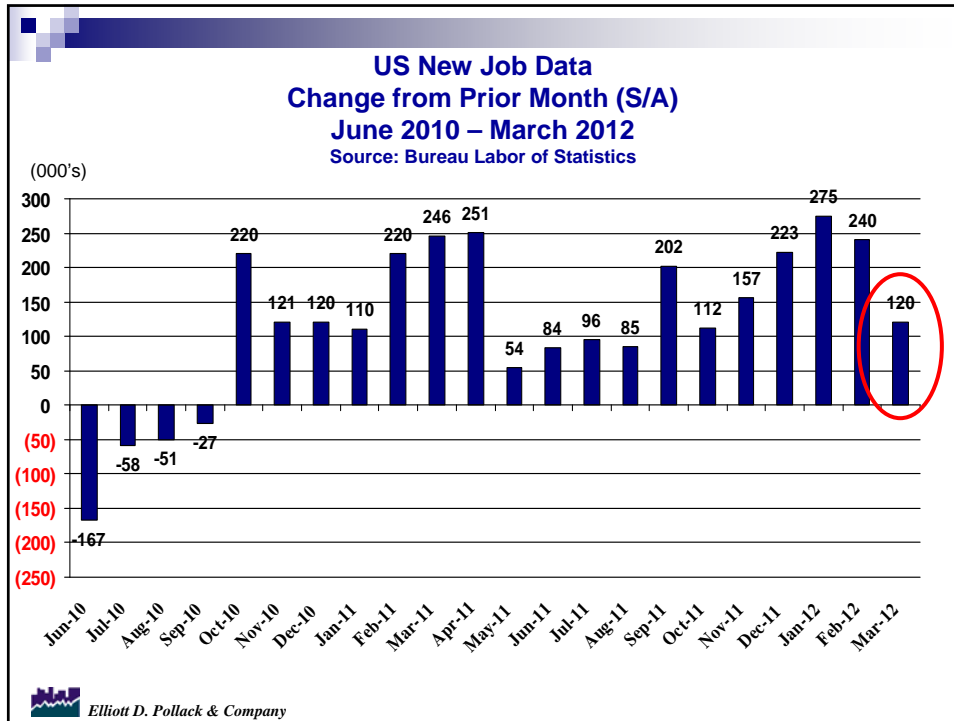
By:  
**Jim Rounds**  
Senior V.P., Elliott D. Pollack & Company

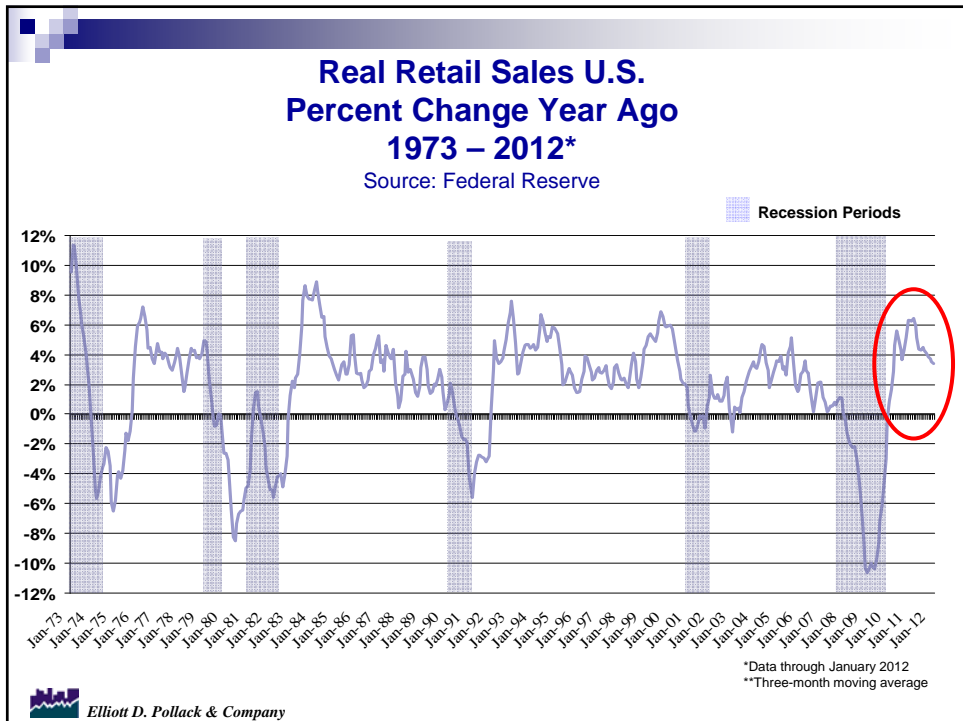
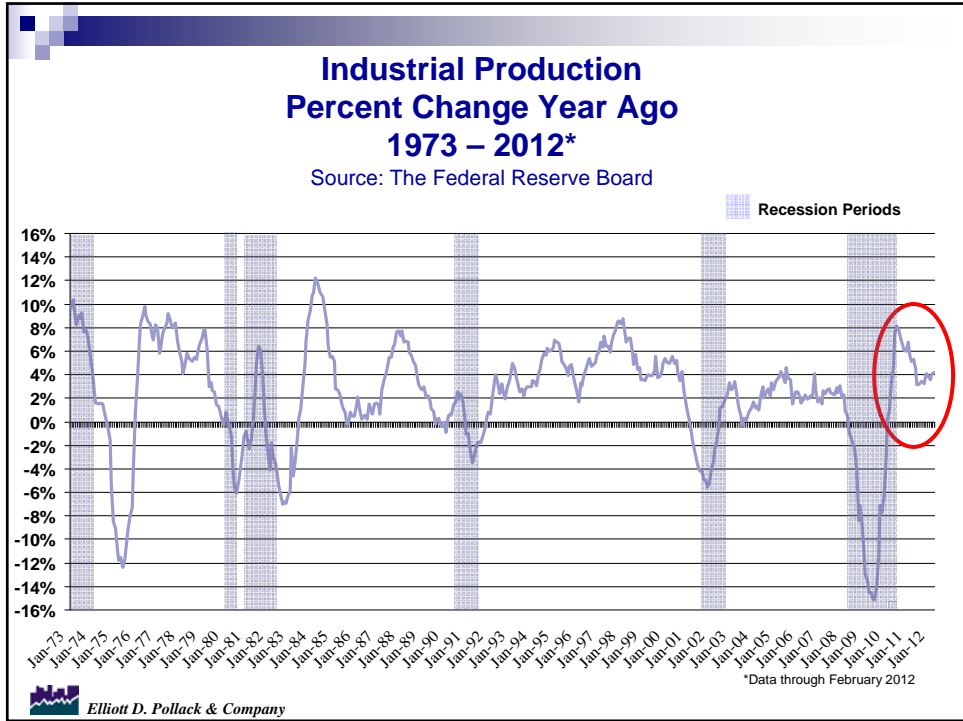


# U.S.



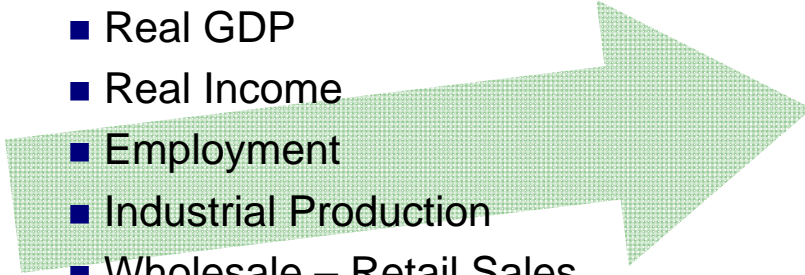






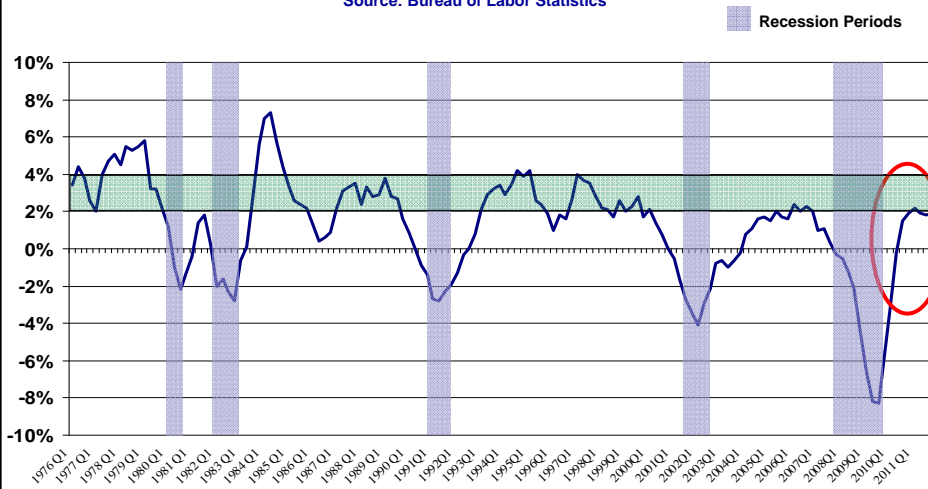
## Recession Indicators Summary: Still Moving Upward

- Real GDP
- Real Income
- Employment
- Industrial Production
- Wholesale – Retail Sales

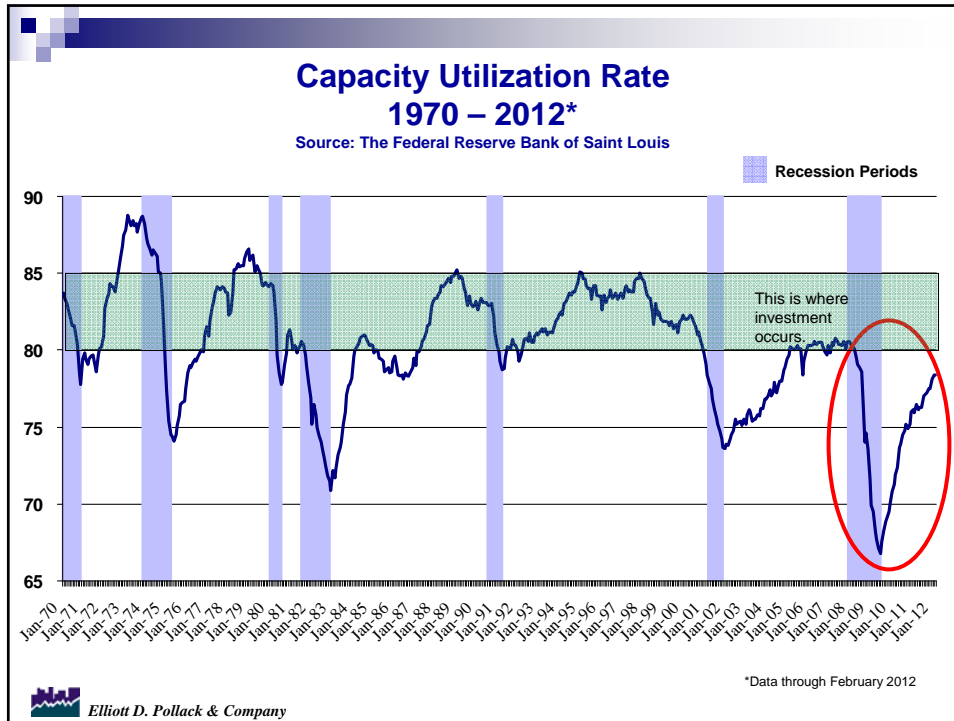


### Hours Worked Percent Change from Year Ago 1976 – 2011\*

Source: Bureau of Labor Statistics



\*Data through fourth quarter 2011




# Too Much Emphasis?

**Elliott D. Pollack & Company**

## The Impact of Higher Oil Prices?

- Less spent on locally produced items;
- Lower GDP, higher inflation, and job losses;
- Ripple effect on the prices of other goods and services...

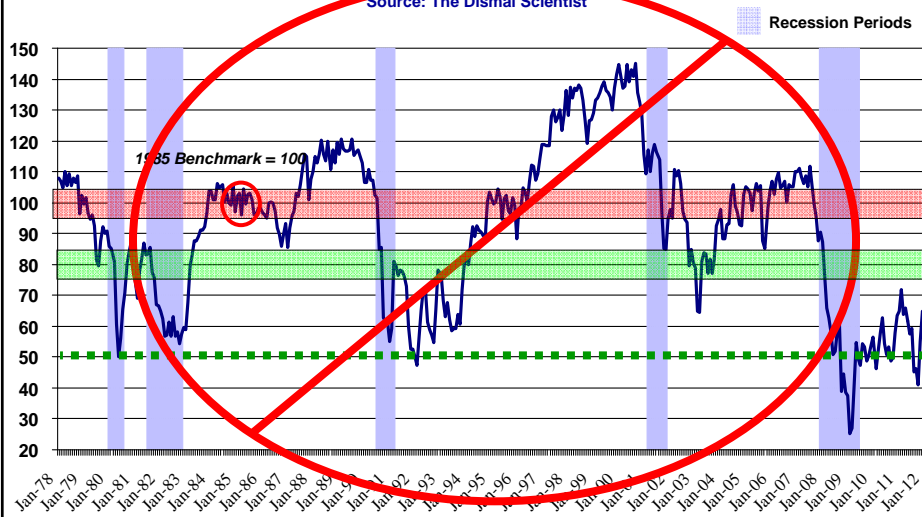


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## Consumer Confidence

1978 – 2012\*

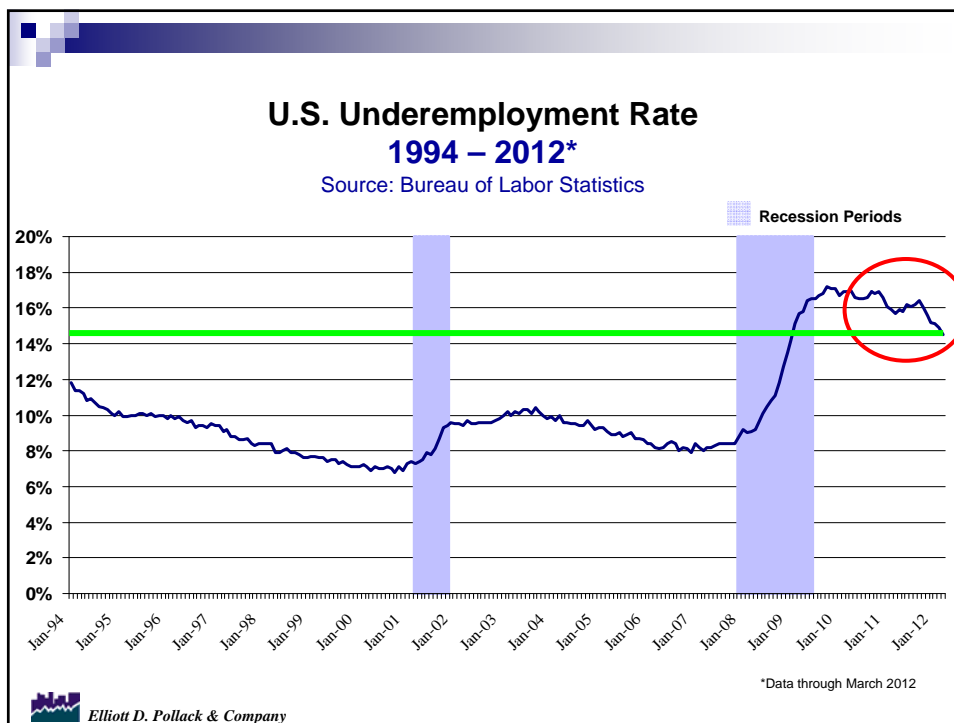
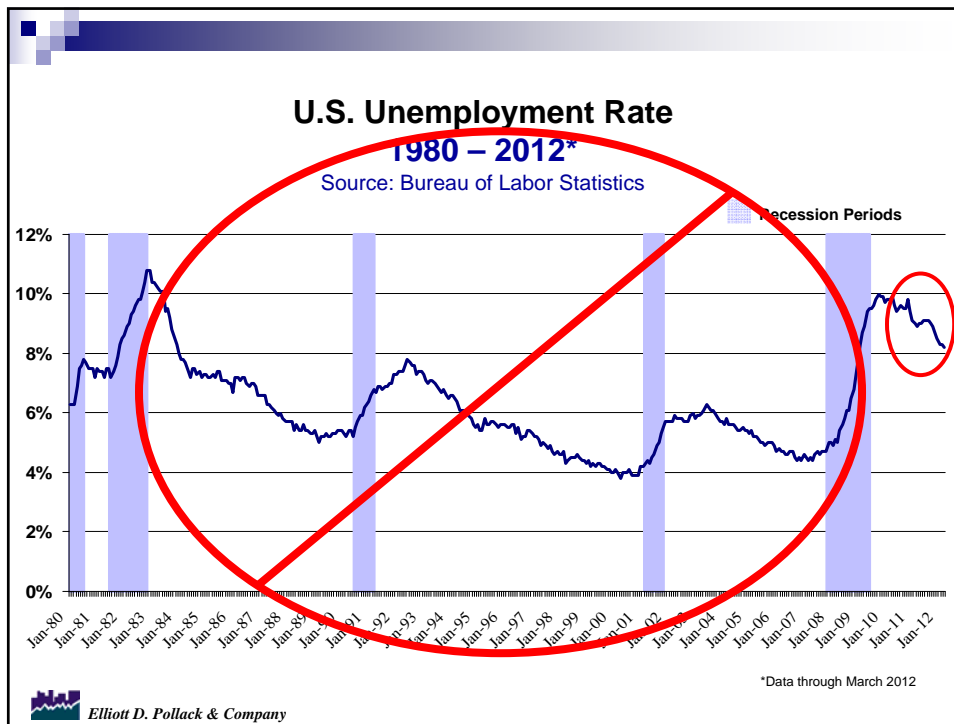
Source: The Dismal Scientist



\*Data through March 2012

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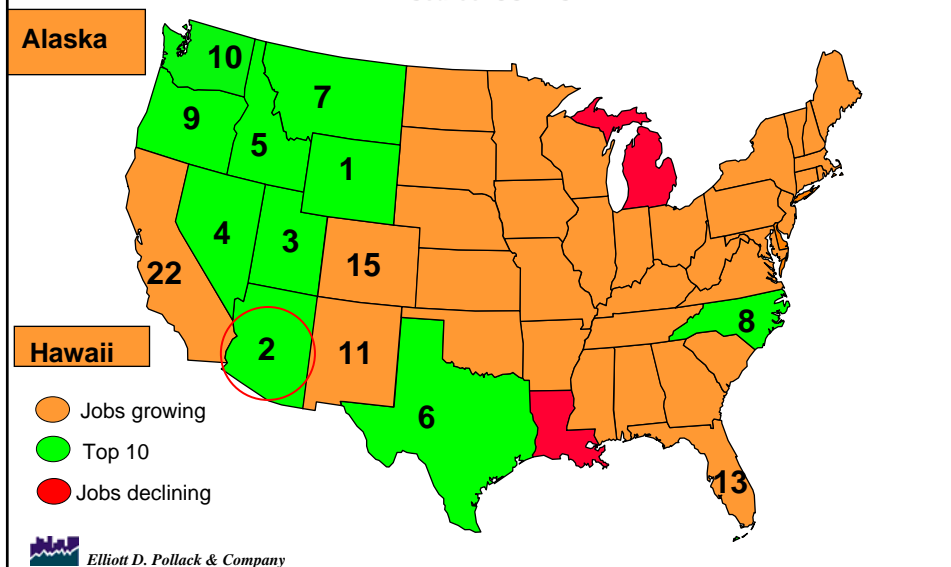


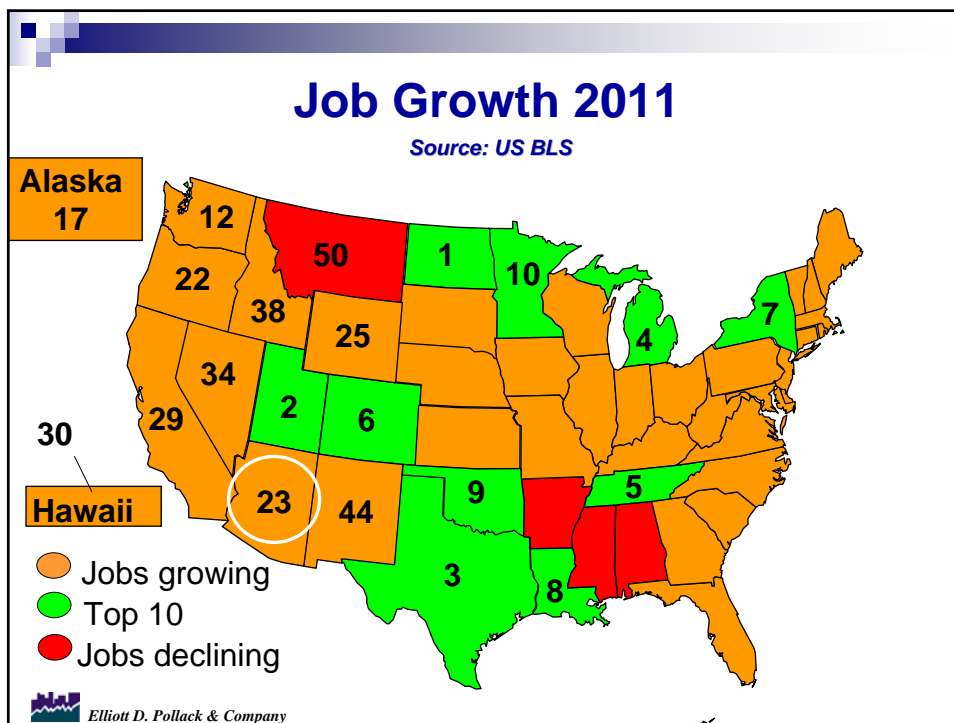
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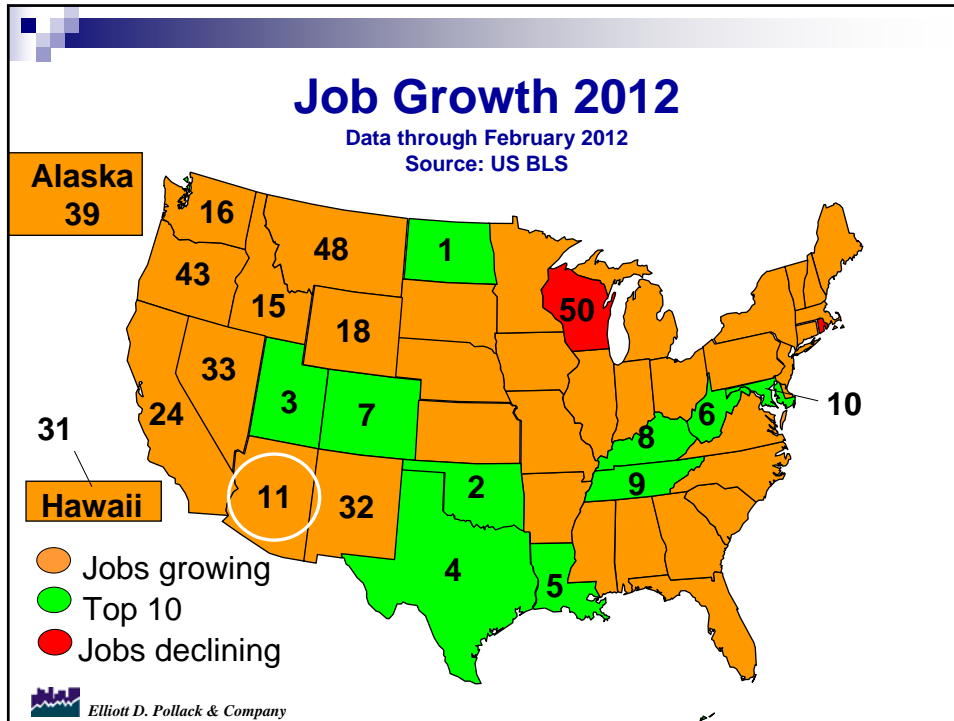
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## Job Growth 2006

Source: US BLS







## Phoenix-Mesa Employment Growth

(Ranking among all metro areas greater than 1,000,000)  
Source: Arizona State University, U.S. Bureau of Labor Statistics

Year	Rank	# MSA's
1991	4	20
1992	5	20
1993	2	20
1994	1	20
1995	1	21
1996	1	23
1997	2	23
1998	1	24
1999	3	26

Year	Rank	# MSA's
2000	8	26
2001	6	28
2002	5	28
2003	3	29
2004	4	29
2005	1	30
2006	1	31
2007	10	32
2008	29	32
2009	31	32
2010	31	32
2011	15	32
2012	7	32

\*Year-to-date, February 2012

*Elliott D. Pollack & Company*


## Phoenix-Mesa Employment Growth

(Ranking among all metro areas greater than 1,000,000)

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

Year	Rank	# MSA's	Year	Rank	# MSA's
1991	4	19	2000	9	25
1992	4	19	2001	7	26
1993	2	19	2002	5	26
1994	1	19	2003	3	26
1995	1	20	2004	3	26
1996	1	21	2005	1	27
1997	1	22	2006	1	28
1998	1	23	2007	10	29
1999	3	24	2008	25	29
			2009	28	29
			2010	29	29
			2011	14	29
			2012*	7	29

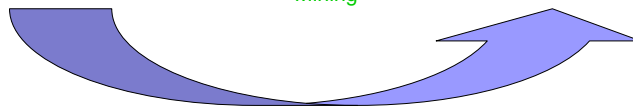
\*Year-to-date, February 2012


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## Greater Phoenix Employment\*

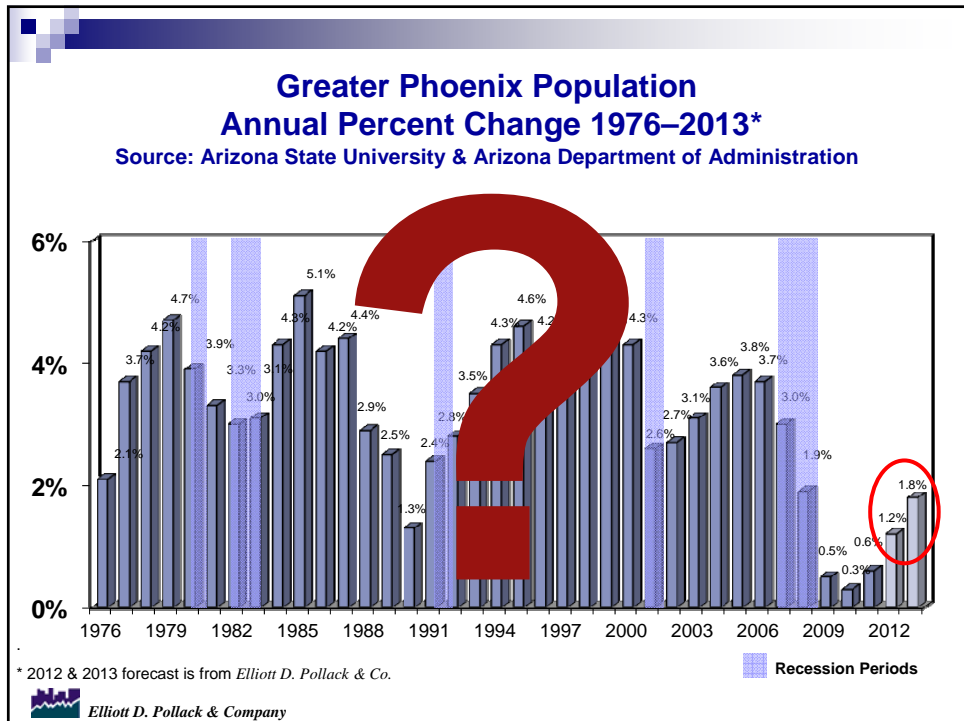
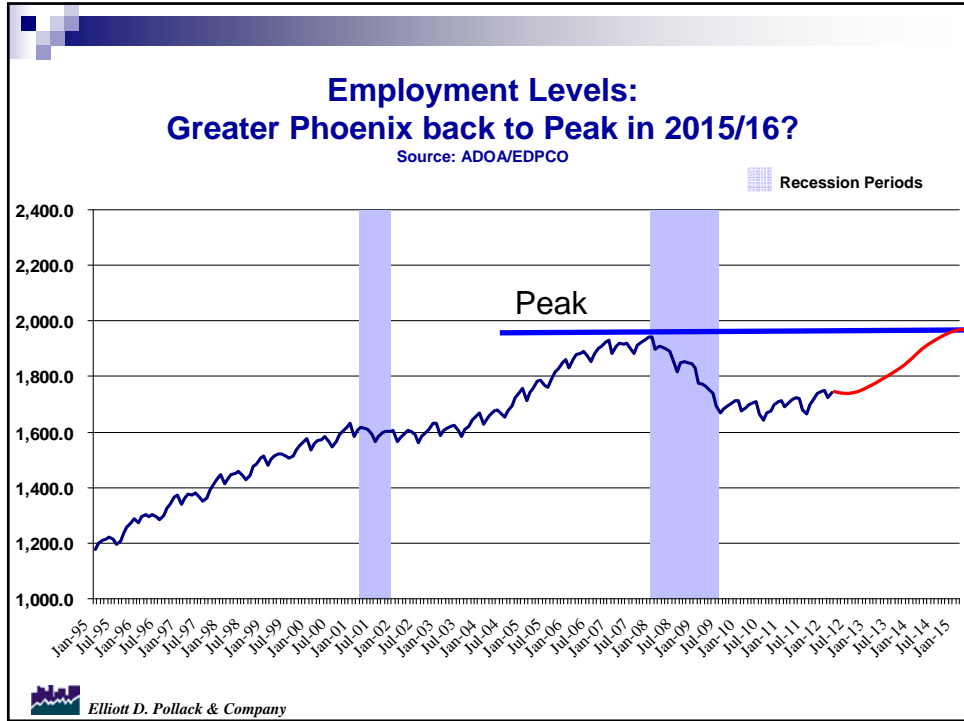
Source: Bureau of Labor Statistics

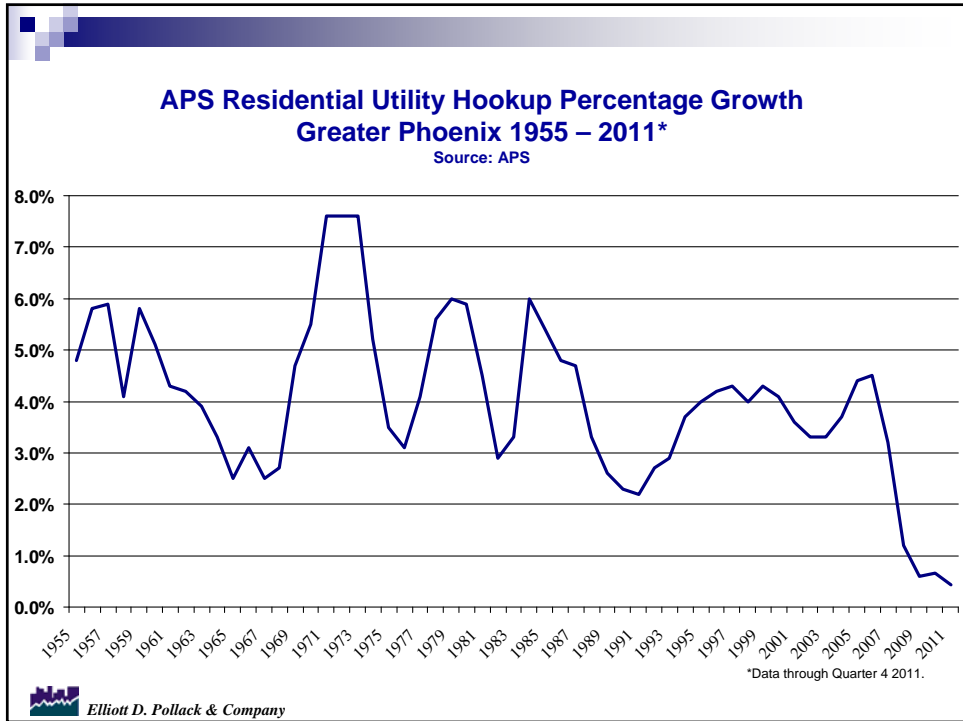
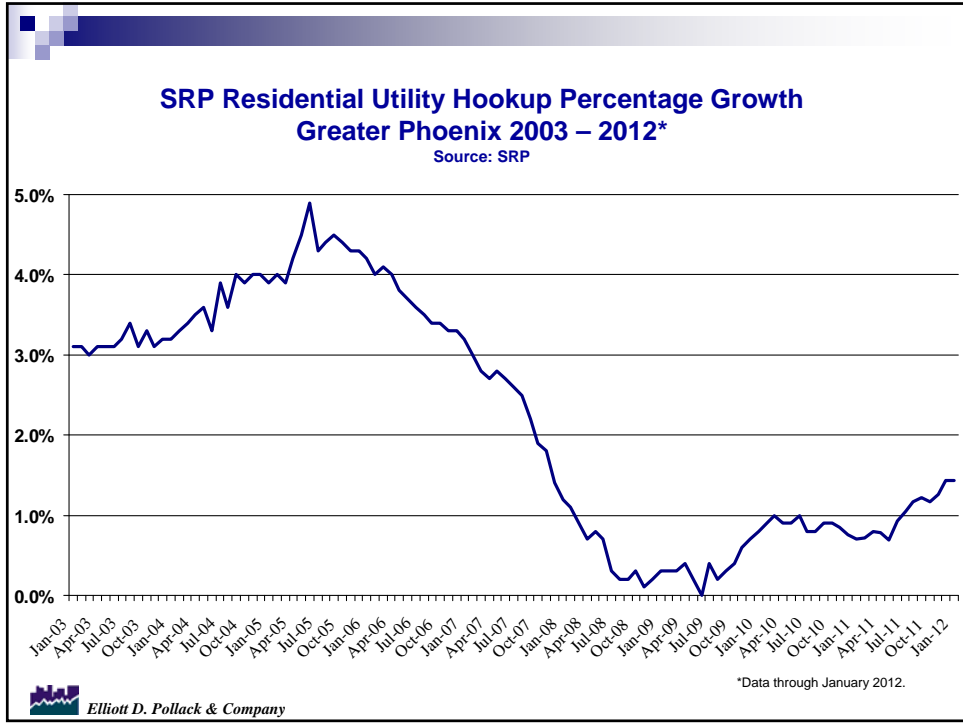
<u>Sectors in Decline</u>	<u>Net Change</u>	<u>Sectors Improving</u>	<u>Net Change</u>
Federal Government	-400	Education & Health Services	10,500
Other Services	-900	Prof. & Bus. Services	7,000
		Leisure & Hospitality	6,500
		Transp, Trade, & Utilities	4,500
		State & Local Government	3,000
		Construction	2,400
		Manufacturing	1,500
		Financial Activities	1,500
		Information	600
		Mining	0



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\*February 2012/February 2011





## Factors in Decision to Move to Region

Source: Behavior Research Center

Factors Rated as "Very Important"

Newcomers	ALL	Age Under 35 years	Retirees	Caucasians	Hispanics
An employment opportunity	47%	47%	8%	49%	33%
Affordable housing	44%	38%	41%	38%	63%
Moderate cost of living	37%	45%	40%	35%	48%
Family and friends live near	33%	32%	37%	31%	27%
The weather	30%	30%	42%	30%	16%
Lifestyle	29%	27%	35%	26%	28%
Outdoor recreation opportunities	24%	30%	22%	23%	6%
To start a business	6%	7%	4%	5%	13%
To go to school (volunteered)	18%	21%	6%	10%	25%



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## Negative Equity in Homes Affects Ability to Sell or Buy (& Move!)

Source: First American Core Logic

**Just over 20% of homes  
with mortgages in U.S.  
have negative equity.**

**(AZ about 50%)**

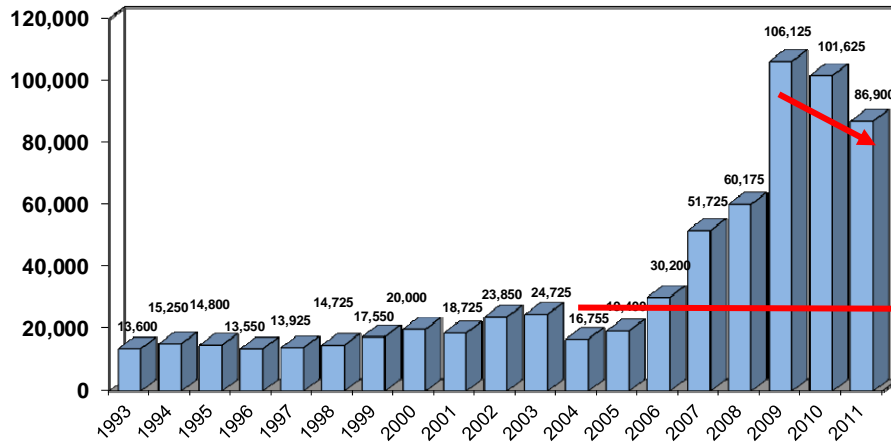


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## Single-Family Vacant Units Maricopa County 1993–2011

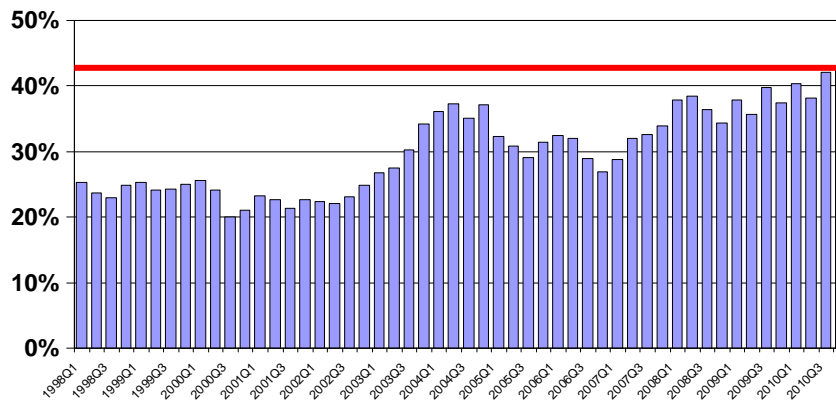
Source: PMHS



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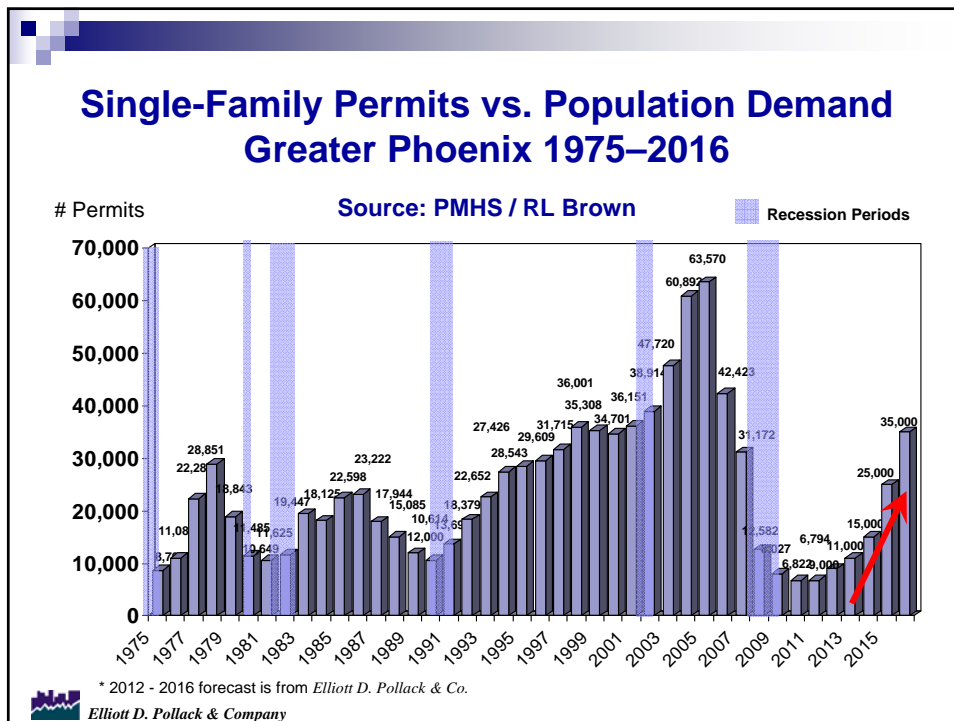
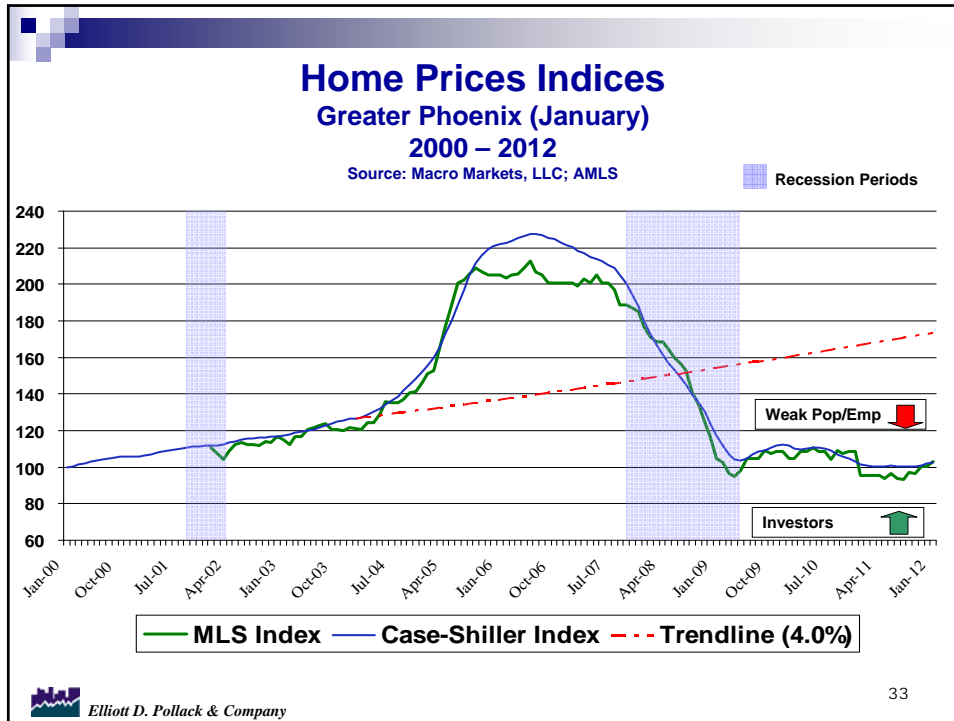
## Investors: More than 40% of Market Percent of Non-Owner Occupied Sales of Total Sales Greater Phoenix

Source: DataQuick



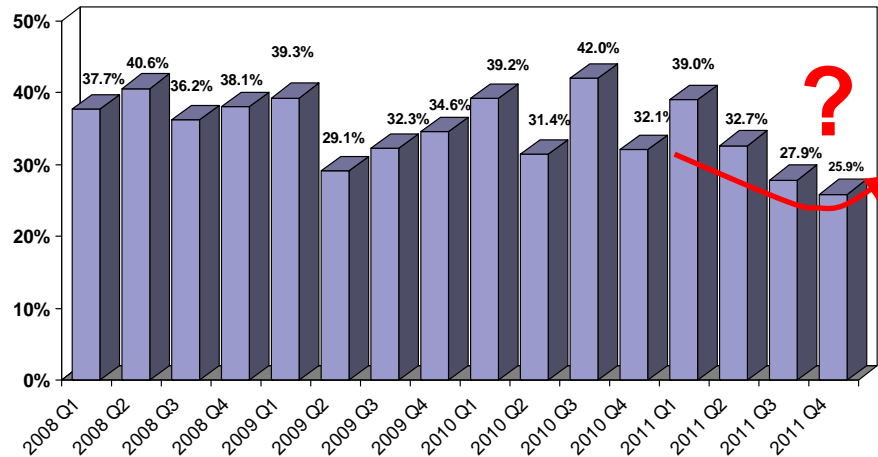
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## Foreclosures as a % of Total Sales Greater Phoenix 2008-2011\*

Source: ASU Realty Studies




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\*Data through 2011 Q4

## Performance Measures?

### Falling far later results in:

- **Strong rates of growth** that seemingly don't match the reported "levels" of activity.
- **Strong rankings** that seemingly don't match what we read in the paper.
- **Opinions that the world is 100% different than before.** Not necessarily true, we need to maintain some perspective.

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## Back to “Normal?”

- **Excess Housing = 2015/16**
- **Excess Comm. = 2015/16**
- **Retail Sales = 2015/16**
- **Employment = 2015/16**
- ***Govt. Revenues = 2015/16***



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## Final Notes:

- One data point does not make a trend,
- The State is going to be a leader in growth,
- Revenues will continue to improve,
- Proper planning now can significantly mitigate problems in 2014.



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# Finance Advisory Committee Cash Flow Update

4.12.2012

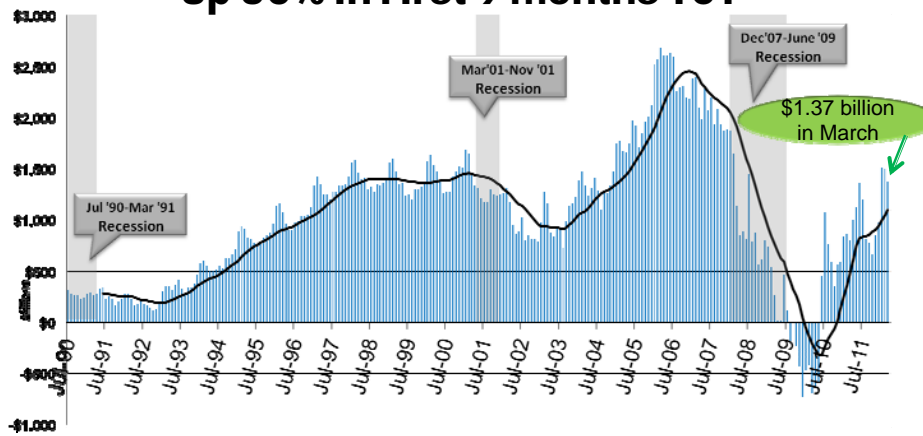
OFFICE OF THE ARIZONA STATE TREASURER



## STATE CASH FLOW

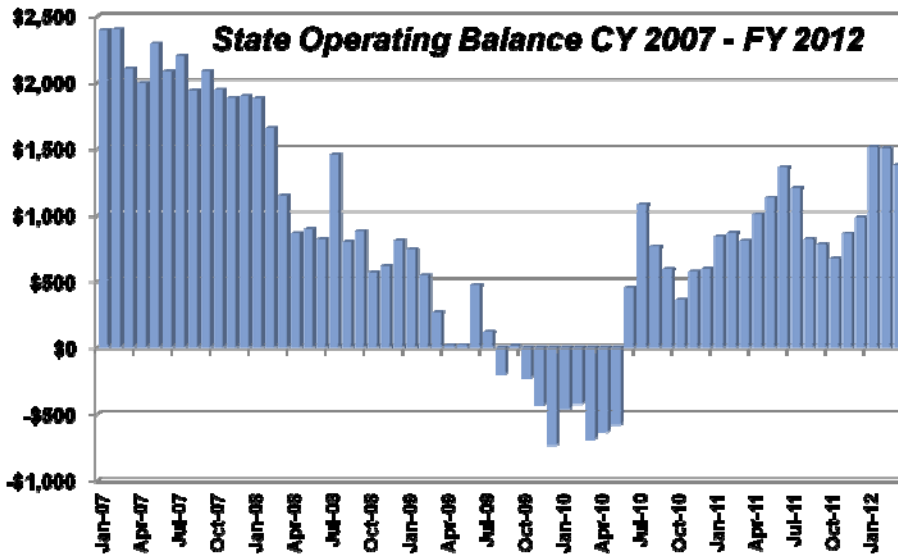
TOTAL OPERATING ACCOUNT AVERAGE MONTHLY BALANCE

Up 50% in First 9 months YOY



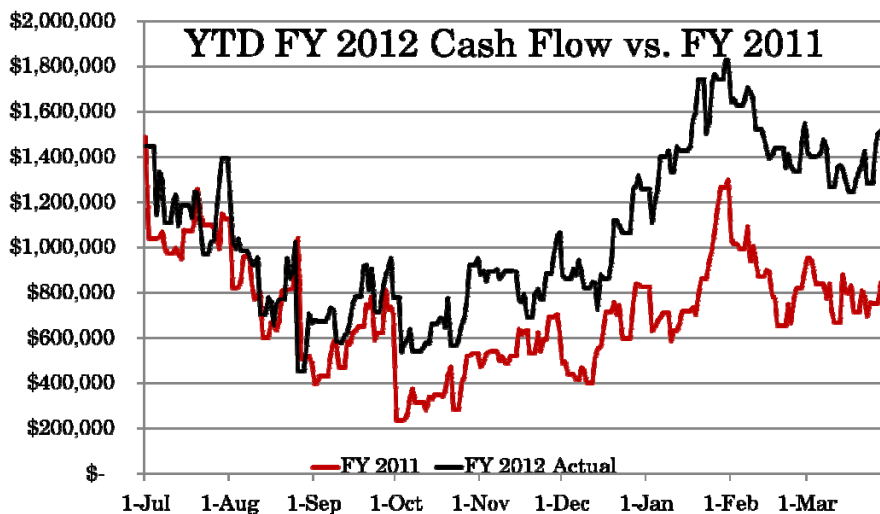
ARIZONA STATE TREASURER DOUG DUCEY

## STATE CASH FLOW



ARIZONA STATE TREASURER DOUG DUCEY

## STATE CASH FLOW



ARIZONA STATE TREASURER DOUG DUCEY

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# Tracking Arizona's Recovery

April 2012

JLBC

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## Contents

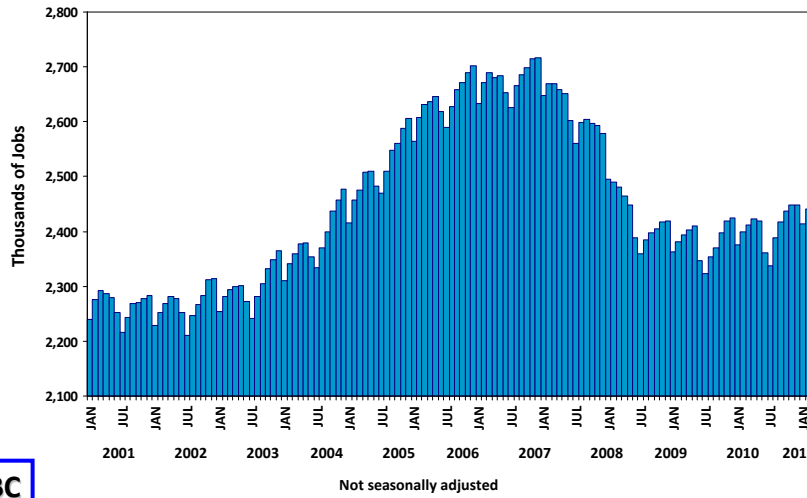
Slide:

- 3.....Total Non-Farm Employment
- 4.....Initial Claims for Unemployment Insurance
- 5.....State Sales Tax Collections – Retail Category
- 6.....State Sales Tax Collections – Contracting Category
- 7.....Single Family Building Permits
- 8.....Maricopa County Pending Foreclosures
- 9.....Coincident Index

JLBC

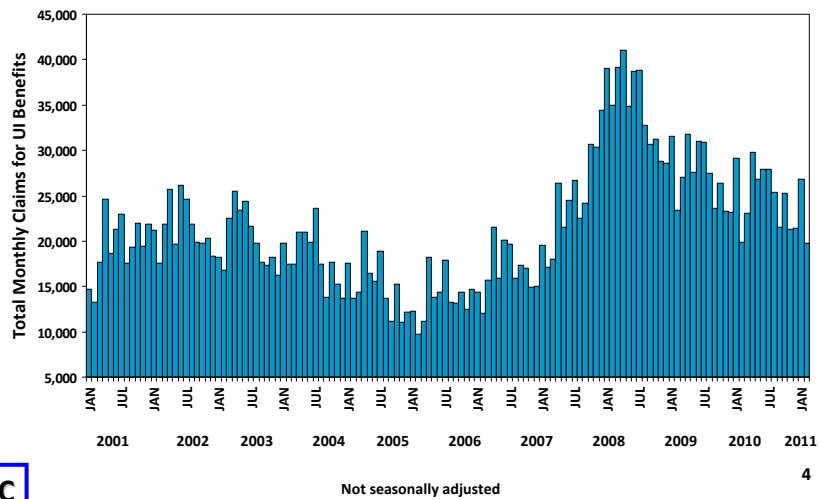
2

## Total Non-Farm Employment



JLBC

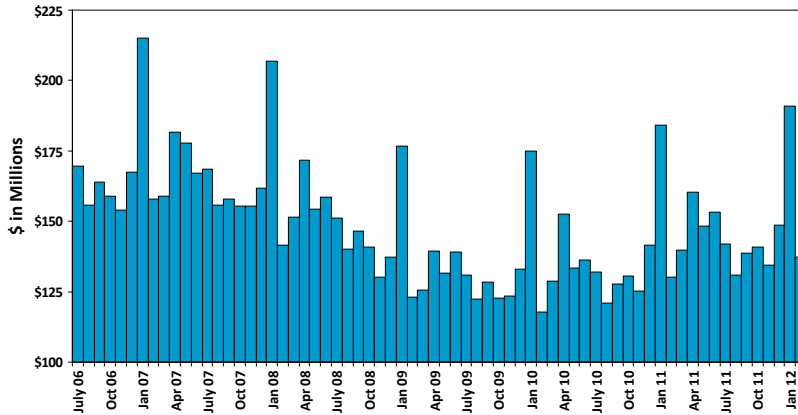
## Initial Claims for Unemployment Insurance



JLBC



## State Sales Tax Collections – Retail Category

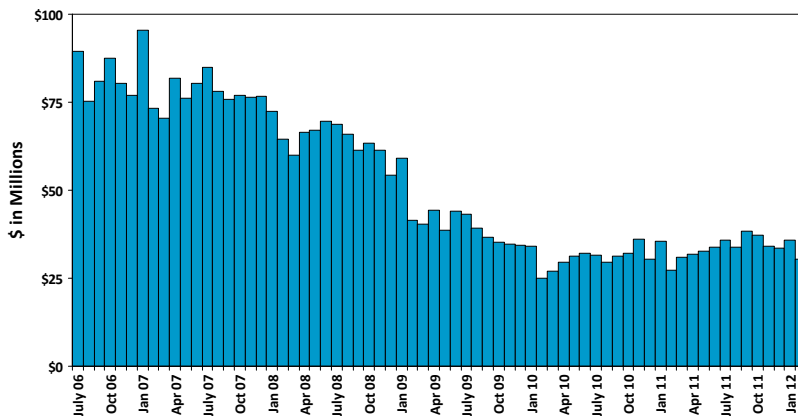


JLBC

Excludes temporary 1 ¢ sales tax

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## State Sales Tax Collections – Contracting Category

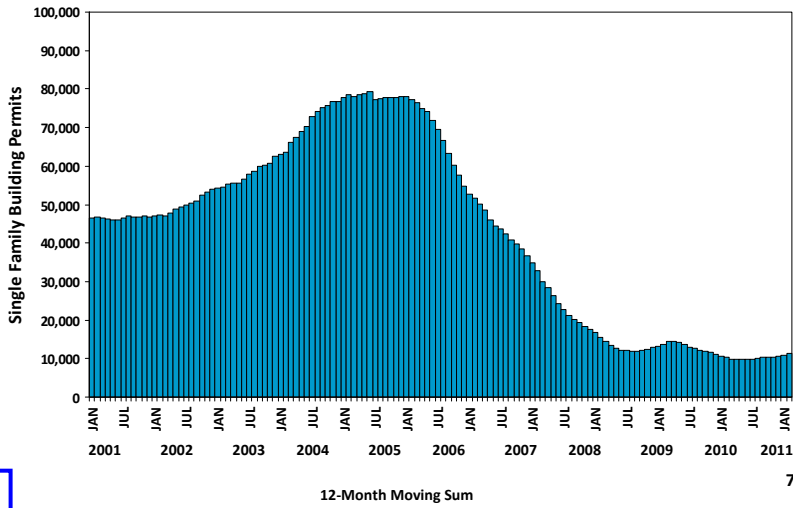


JLBC

Excludes temporary 1 ¢ sales tax

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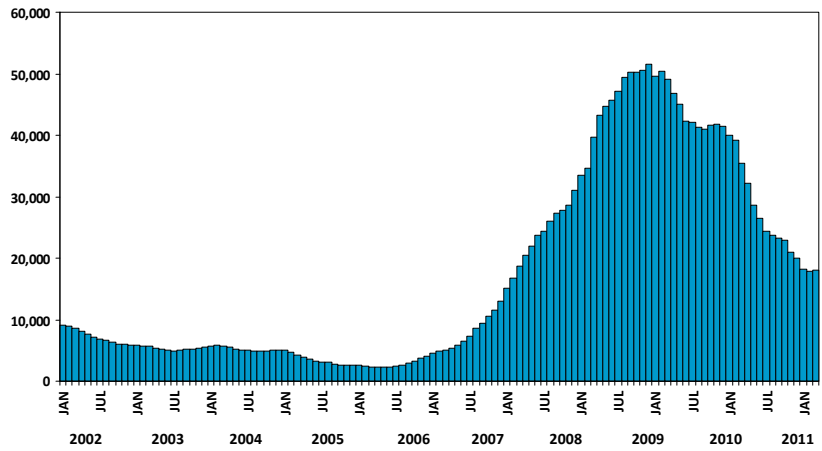
## Single Family Building Permits



JLBC

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## Maricopa County Pending Foreclosures

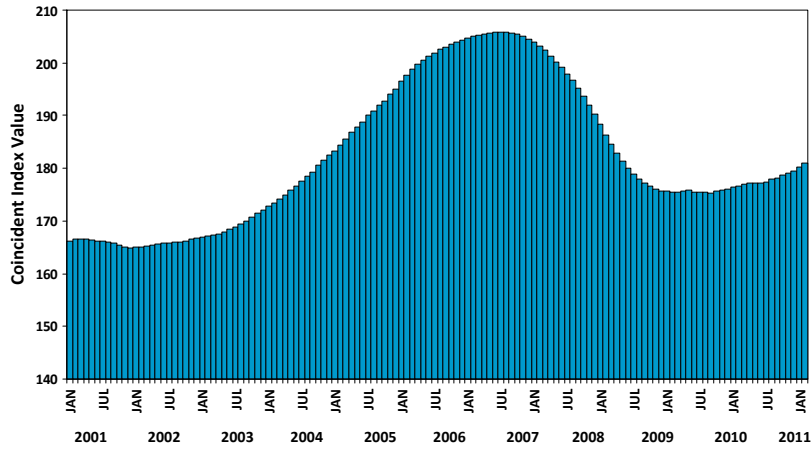


JLBC

An initial notice of trustee sale has been recorded but final sale has not yet occurred

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## Economic Activity Index



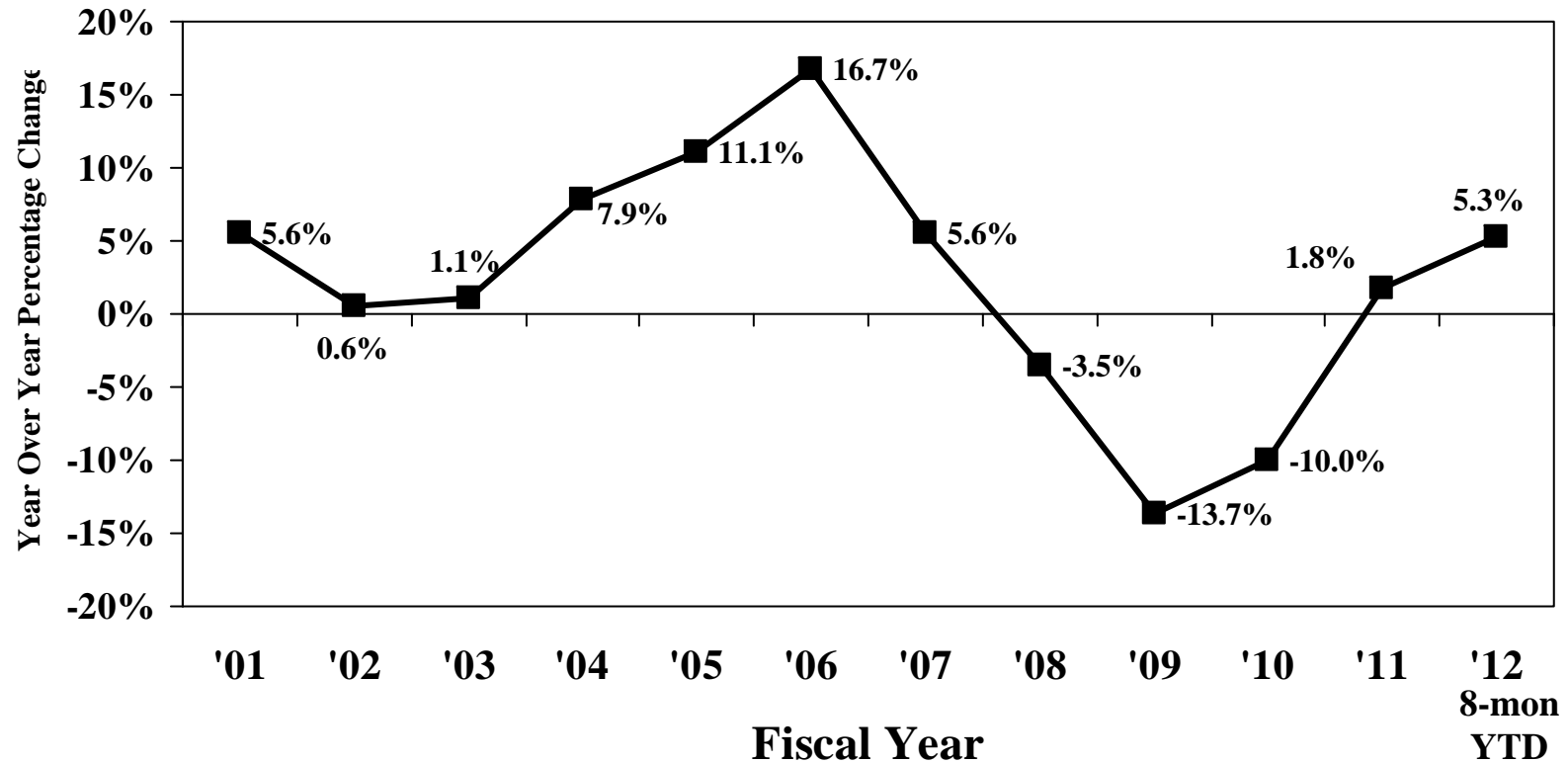
JLBC

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

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# **Sales Tax**

# Sales Tax Base % Change\*



\* Base % change represents revenue growth prior to tax law and one-time changes

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

		Year-to-Year	Year-to-Year	Year-to-Date	Year-to-Date
		Collections (\$)	% Change	Collections (\$)	% Change
FY 2008	July 2007	392,889,822	0.6%	392,889,822	0.6%
	Aug 2007	366,627,555	3.7%	759,517,377	2.1%
	Sept 2007	366,842,873	-3.4%	1,126,360,250	0.2%
	Oct 2007	373,831,498	-0.8%	1,500,191,748	0.0%
	Nov 2007	366,084,157	0.2%	1,866,275,905	0.0%
	Dec 2007	362,105,035	0.0%	2,228,380,940	0.0%
	Jan 2008	406,881,740	-7.5%	2,635,262,680	-1.2%
	Feb 2008	342,061,289	-4.9%	2,977,323,969	-1.7%
	Mar 2008	349,634,579	-1.0%	3,326,958,548	-1.6%
	Apr 2008	373,838,251	-6.1%	3,700,796,799	-2.1%
	May 2008	353,973,221	-1.0%	4,054,770,020	-2.0%
	June 2008	298,794,828	-6.9%	4,353,564,848	-2.3%
FY 2009	July 2008	356,253,718	-9.3%	356,253,718	-9.3%
	Aug 2008	345,178,741	-5.9%	701,432,459	-7.6%
	Sept 2008	342,275,305	-6.7%	1,043,707,764	-7.3%
	Oct 2008	337,313,340	-9.8%	1,381,021,104	-7.9%
	Nov 2008	317,474,089	-13.3%	1,698,495,193	-9.0%
	Dec 2008	302,821,227	-16.4%	2,001,316,420	-10.2%
	Jan 2009	357,760,734	-12.1%	2,359,077,154	-10.5%
	Feb 2009	280,674,594	-17.9%	2,639,751,748	-11.3%
	Mar 2009	282,169,633	-19.3%	2,921,921,381	-12.2%
	Apr 2009	299,864,274	-19.8%	3,221,785,655	-12.9%
	May 2009	278,889,778	-21.2%	3,500,675,433	-13.7%
	June 2009	255,731,805	-14.4%	3,756,407,238	-13.7%
FY 2010	July 2009	290,628,634	-18.4%	290,628,634	-18.4%
	Aug 2009	287,604,077	-16.7%	578,232,711	-17.6%
	Sept 2009	287,827,907	-15.9%	866,060,618	-17.0%
	Oct 2009	277,910,648	-17.6%	1,143,971,266	-17.2%
	Nov 2009	275,994,428	-13.1%	1,419,965,694	-16.4%
	Dec 2009	272,663,118	-10.0%	1,692,628,812	-15.4%
	Jan 2010	319,313,439	-10.7%	2,011,942,251	-14.7%
	Feb 2010	256,963,944	-8.4%	2,268,906,195	-14.0%
	Mar 2010	269,271,852	-4.6%	2,538,178,047	-13.1%
	Apr 2010	319,285,645	6.5%	2,857,463,692	-11.3%
	May 2010	277,349,504	-0.6%	3,134,813,196	-10.5%
	June 2010	242,708,085	-5.1%	3,377,521,281	-10.1%
FY 2011	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%
	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%
FY 2012	July 2011	306,929,173	9.0%	306,929,173	9.0%
	Aug 2011	293,482,631	5.7%	600,411,804	7.3%
	Sep 2011	299,647,673	6.2%	900,059,477	6.9%
	Oct 2011	303,049,504	7.4%	1,203,108,980	7.1%
	Nov 2011	286,297,169	-0.1%	1,489,406,150	5.6%
	Dec 2011	294,279,967	7.2%	1,783,686,116	5.9%
	Jan 2012	347,418,964	2.5%	2,131,105,081	5.3%
	Feb 2012	287,779,634	5.7%	2,418,884,715	5.3%
	Mar 2012				
	Apr 2012				
	May 2012				
	June 2012				

## Arizona Sales Tax - Temporary 1% Tax General Fund Collections

		Year-to-Year % Collections (\$)	Change	Year-to-Date Collections (\$)	Year-to-Date % Change	
FY 2011	↑	July 2010	64,609,954	n/a	64,609,954	n/a
		Aug 2010	64,211,200	n/a	128,821,154	n/a
		Sep 2010	66,155,030	n/a	194,976,184	n/a
		Oct 2010	66,278,389	n/a	261,254,573	n/a
		Nov 2010	66,653,153	n/a	327,907,726	n/a
		Dec 2010	66,977,935	n/a	394,885,661	n/a
		Jan 2011	82,561,609	n/a	477,447,270	n/a
		Feb 2011	66,471,235	n/a	543,918,505	n/a
		Mar 2011	70,646,937	n/a	614,565,442	n/a
		Apr 2011	77,108,546	n/a	691,673,988	n/a
		May 2011	72,303,792	n/a	763,977,780	n/a
		↓	June 2011	100,523,929	n/a	864,501,709
FY 2012	↑	July 2011	75,468,031	16.8%	75,468,031	16.8%
		Aug 2011	71,743,198	11.7%	147,211,229	14.3%
		Sep 2011	74,476,988	12.6%	221,688,217	13.7%
		Oct 2011	74,682,481	12.7%	296,370,698	13.4%
		Nov 2011	70,971,858	6.5%	367,342,555	12.0%
		Dec 2011	73,649,842	10.0%	440,992,397	11.7%
		Jan 2012	87,970,921	6.6%	528,963,318	10.8%
		Feb 2012	72,088,159	8.5%	601,051,477	10.5%
		Mar 2012				
		Apr 2012				
		May 2012				
		↓	June 2012			

## Arizona Sales Tax - Retail General Fund Collections

		Year-to-Year Collections (\$)	% Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2008	July 2007	168,701,610	-0.6%	168,701,610	-0.6%
	Aug 2007	155,843,067	0.0%	324,544,677	-0.3%
	Sept 2007	157,758,362	-3.8%	482,303,039	-1.5%
	Oct 2007	155,232,586	-2.3%	637,535,625	-1.7%
	Nov 2007	155,481,940	1.0%	793,017,565	-1.2%
	Dec 2007	161,715,960	-3.4%	954,733,525	-1.6%
	Jan 2008	206,954,506	-3.8%	1,161,688,031	-2.0%
	Feb 2008	141,687,651	-10.2%	1,303,375,682	-2.9%
	Mar 2008	151,347,983	-4.7%	1,454,723,665	-3.1%
	Apr 2008	171,895,140	-5.3%	1,626,618,805	-3.4%
	May 2008	154,399,548	-13.1%	1,781,018,353	-4.3%
	June 2008	158,533,239	-5.1%	1,939,551,592	-4.4%
FY 2009	July 2008	151,221,528	-10.4%	151,221,528	-10.4%
	Aug 2008	141,997,515	-8.9%	293,219,043	-9.7%
	Sept 2008	148,418,887	-5.9%	441,637,930	-8.4%
	Oct 2008	142,632,579	-8.1%	584,270,509	-8.4%
	Nov 2008	132,015,121	-15.1%	716,285,630	-9.7%
	Dec 2008	139,180,130	-13.9%	855,465,760	-10.4%
	Jan 2009	178,527,187	-13.7%	1,033,992,947	-11.0%
	Feb 2009	125,137,464	-11.7%	1,159,130,411	-11.1%
	Mar 2009	127,627,909	-15.7%	1,286,758,320	-11.5%
	Apr 2009	141,459,474	-17.7%	1,428,217,794	-12.2%
	May 2009	133,598,827	-13.5%	1,561,816,621	-12.3%
	June 2009	140,981,387	-11.1%	1,702,798,008	-12.2%
FY 2010	July 2009	132,848,837	-12.1%	132,848,837	-12.1%
	Aug 2009	124,372,918	-12.4%	257,221,755	-12.3%
	Sept 2009	130,342,126	-12.2%	387,563,881	-12.2%
	Oct 2009	124,549,991	-12.7%	512,113,872	-12.3%
	Nov 2009	125,386,948	-5.0%	637,500,820	-11.0%
	Dec 2009	134,894,514	-3.1%	772,395,334	-9.7%
	Jan 2010	176,814,678	-1.0%	949,210,012	-8.2%
	Feb 2010	117,915,774	-5.8%	1,067,125,786	-7.9%
	Mar 2010	128,700,198	0.8%	1,195,825,984	-7.1%
	Apr 2010	117,673,704	-16.8% <sup>1/</sup>	1,313,499,688	-8.0%
	May 2010	133,490,735	-0.1%	1,446,990,423	-7.4%
	June 2010	136,163,202	-3.4%	1,583,153,625	-7.0%
FY 2011	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%
	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%
FY 2012	July 2011	141,789,976	7.5%	141,789,976	7.5%
	Aug 2011	130,998,912	8.4%	272,788,888	7.9%
	Sep 2011	138,796,056	8.8%	411,584,944	8.2%
	Oct 2011	140,704,804	7.8%	552,289,747	8.1%
	Nov 2011	134,310,400	7.2%	686,600,147	7.9%
	Dec 2011	148,448,948	4.9%	835,049,095	7.4%
	Jan 2012	190,783,275	3.5%	1,025,832,370	6.7%
	Feb 2012	137,359,143	5.5%	1,163,191,513	6.5%
	Mar 2012				
	Apr 2012				
	May 2012				
	June 2012				

<sup>1/</sup> The (16.8)% decline in April retail collections does not reflect economic activity. In April about \$35 million collected throughout the past year was reclassified to the communications category instead of retail. Without this reclassification, retail collections would have been slightly positive for the month.



## Arizona Sales Tax - Contracting General Fund Collections

		Year-to-Year	Year-to-Year	Year-to-Date	Year-to-Date
		Collections (\$)	% Change	Collections (\$)	% Change
FY 2008	July 2007	84,908,206	-5.2%	84,908,206	-5.2%
	Aug 2007	78,149,544	3.9%	163,057,749	-1.1%
	Sept 2007	75,884,177	-6.2%	238,941,927	-2.8%
	Oct 2007	77,120,496	-12.0%	316,062,423	-5.2%
	Nov 2007	76,543,383	-4.9%	392,605,806	-5.1%
	Dec 2007	76,723,853	-0.2%	469,329,659	-4.4%
	Jan 2008	72,469,751	-24.1%	541,799,410	-7.6%
	Feb 2008	64,593,368	-12.0%	606,392,778	-8.1%
	Mar 2008	59,879,686	-14.9%	666,272,464	-8.7%
	Apr 2008	66,449,725	-18.9%	732,722,189	-9.8%
	May 2008	66,990,187	-12.0%	799,712,376	-10.0%
	June 2008	69,569,046	-13.6%	869,281,422	-10.3%
FY 2009	July 2008	68,881,661	-18.9%	68,881,661	-18.9%
	Aug 2008	65,910,704	-15.7%	134,792,365	-17.3%
	Sept 2008	61,476,833	-19.0%	196,269,198	-17.9%
	Oct 2008	63,339,249	-17.9%	259,608,447	-17.9%
	Nov 2008	61,291,312	-19.9%	320,899,759	-18.3%
	Dec 2008	54,311,200	-29.2%	375,210,959	-20.1%
	Jan 2009	58,954,479	-18.6%	434,165,438	-19.9%
	Feb 2009	41,459,848	-35.8%	475,625,286	-21.6%
	Mar 2009	40,464,401	-32.4%	516,089,687	-22.5%
	Apr 2009	44,382,960	-33.2%	560,472,647	-23.5%
	May 2009	38,522,448	-42.5%	598,995,095	-25.1%
	June 2009	44,002,721	-36.7%	642,997,816	-26.0%
FY 2010	July 2009	43,223,253	-37.2%	43,223,253	-37.2%
	Aug 2009	39,127,079	-40.6%	82,350,332	-38.9%
	Sept 2009	36,572,916	-40.5%	118,923,248	-39.4%
	Oct 2009	35,326,726	-44.2%	154,249,974	-40.6%
	Nov 2009	34,718,292	-43.4%	188,968,266	-41.1%
	Dec 2009	34,412,620	-36.6%	223,380,886	-40.5%
	Jan 2010	33,949,000	-42.4%	257,329,886	-40.7%
	Feb 2010	25,036,775	-39.6%	282,366,661	-40.6%
	Mar 2010	26,858,734	-33.6%	309,225,395	-40.1%
	Apr 2010	29,471,248	-33.6%	338,696,643	-39.6%
	May 2010	31,108,958	-19.2%	369,805,601	-38.3%
	June 2010	32,019,234	-27.2%	401,824,835	-37.5%
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	-	-	-	-
	Apr 2012	-	-	-	-
	May 2012	-	-	-	-
	June 2012	-	-	-	-

## Arizona Sales Tax - Utilities General Fund Collections

		Year-to-Year		Year-to-Date		
		Collections (\$)	% Change	Collections (\$)	% Change	
FY 2008	↑	July 2007	38,942,178	13.5%	38,942,178	13.5%
		Aug 2007	37,039,168	5.8%	75,981,346	9.6%
		Sept 2007	38,939,736	-9.6%	114,921,082	2.2%
		Oct 2007	43,658,875	17.6%	158,579,957	6.1%
		Nov 2007	34,702,176	11.0%	193,282,133	6.9%
		Dec 2007	28,029,896	12.4%	221,312,029	7.6%
		Jan 2008	27,510,799	-0.3%	248,822,828	6.7%
		Feb 2008	35,515,285	9.1%	284,338,113	6.9%
		Mar 2008	34,338,536	16.3%	318,676,649	7.9%
		Apr 2008	24,546,221	-3.4%	343,222,870	7.0%
		May 2008	27,297,353	13.6%	370,520,223	7.4%
		↓	June 2008	30,641,891	4.0%	401,162,114
FY 2009	↑	July 2008	37,561,735	-3.5%	37,561,735	-3.5%
		Aug 2008	46,879,131	26.6%	84,440,866	11.1%
		Sept 2008	45,036,032	15.7%	129,476,898	12.7%
		Oct 2008	40,502,312	-7.2%	169,979,210	7.2%
		Nov 2008	35,158,491	1.3%	205,137,701	6.1%
		Dec 2008	27,056,247	-3.5%	232,193,948	4.9%
		Jan 2009	27,856,644	1.3%	260,050,592	4.5%
		Feb 2009	31,978,738	-10.0%	292,029,330	2.7%
		Mar 2009	28,377,783	-17.4%	320,407,113	0.5%
		Apr 2009	26,572,955	8.3%	346,980,068	1.1%
		May 2009	26,330,652	-3.5%	373,310,720	0.8%
		↓	June 2009	29,475,056	-3.8%	402,785,776
FY 2010	↑	July 2009	39,433,004	5.0%	39,433,004	5.0%
		Aug 2009	45,144,745	-3.7%	84,577,749	0.2%
		Sept 2009	43,433,690	-3.6%	128,011,439	-1.1%
		Oct 2009	41,500,856	2.5%	169,512,295	-0.3%
		Nov 2009	35,744,468	1.7%	205,256,763	0.1%
		Dec 2009	27,481,690	1.6%	232,738,453	0.2%
		Jan 2010	28,568,590	2.6%	261,307,043	0.5%
		Feb 2010	32,482,738	1.6%	293,789,781	0.6%
		Mar 2010	28,002,677	-1.3%	321,792,458	0.4%
		Apr 2010	27,426,255	3.2%	349,218,713	0.6%
		May 2010	25,799,797	-2.0%	375,018,510	0.5%
		↓	June 2010	29,792,806	1.1%	404,811,316
FY 2011	↑	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%
		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
FY 2012	↑	July 2011	40,111,460	11.8%	40,111,460	11.8%
		Aug 2011	40,875,038	-9.1%	80,986,498	0.2%
		Sep 2011	46,646,194	1.7%	127,632,693	0.7%
		Oct 2011	45,842,935	6.3%	173,475,628	2.2%
		Nov 2011	34,149,040	-10.2%	207,624,668	-0.1%
		Dec 2011	29,540,842	6.2%	237,165,510	0.6%
		Jan 2012	29,367,167	1.6%	266,532,677	0.8%
		Feb 2012	30,658,712	-1.8%	297,191,389	0.5%
		Mar 2012				
		Apr 2012				
		May 2012				
		↓	June 2012			

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

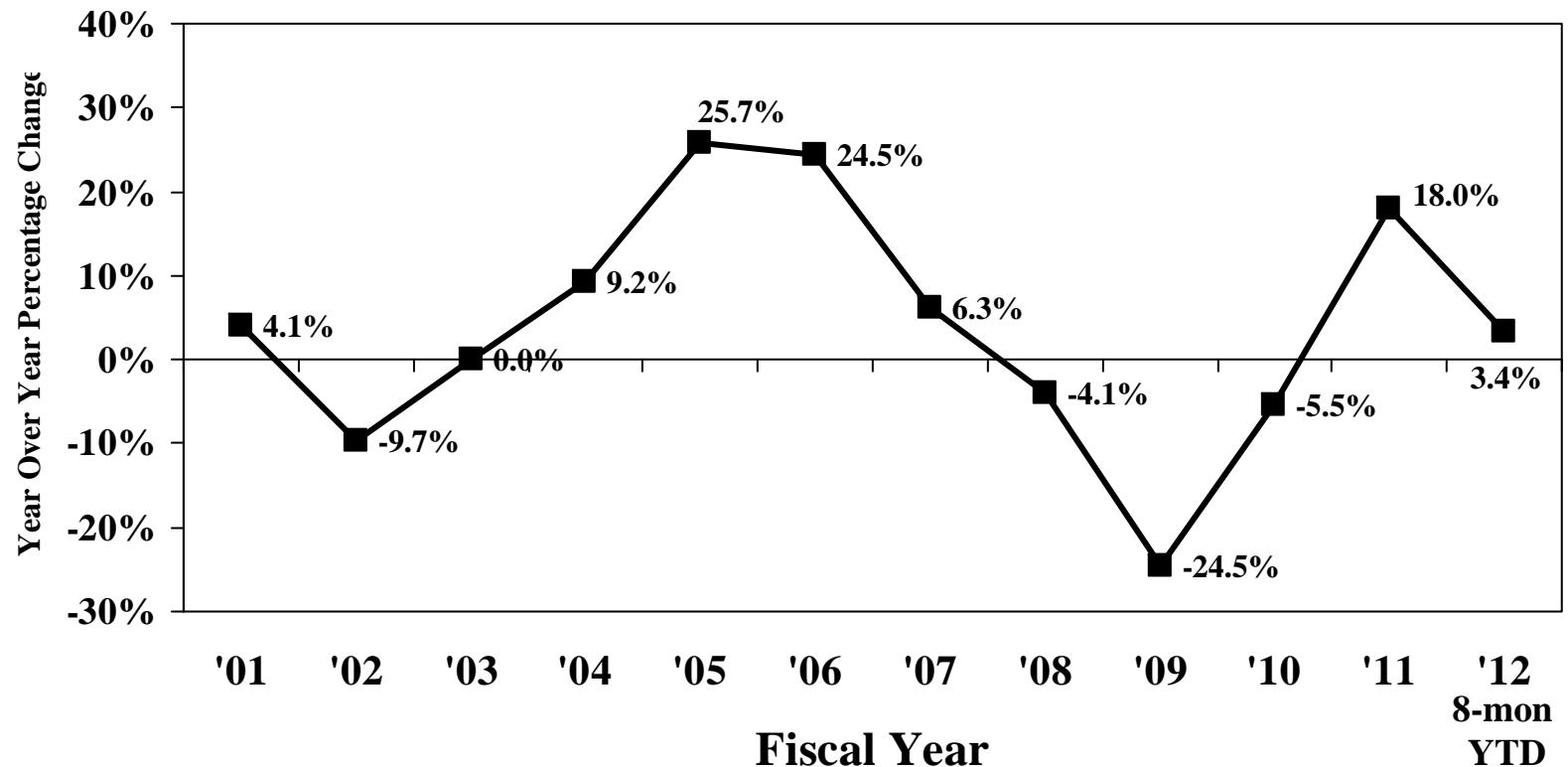
		Year-to-Year Collections (\$)	% Change	Year-to-Date Collections (\$)	Year-to-Date % Change	
FY 2008	↑	July 2007	29,101,596	3.8%	29,101,596	3.8%
		Aug 2007	26,935,024	6.0%	56,036,620	4.9%
		Sept 2007	26,786,010	5.2%	82,822,630	5.0%
		Oct 2007	28,689,796	4.1%	111,512,426	4.7%
		Nov 2007	29,377,274	-8.9%	140,889,700	1.6%
		Dec 2007	30,275,107	7.0%	171,164,807	2.5%
		Jan 2008	27,452,580	-11.3%	198,617,387	0.3%
		Feb 2008	29,995,413	-2.1%	228,612,800	0.0%
		Mar 2008	30,895,077	4.0%	259,507,877	0.5%
		Apr 2008	34,037,313	-1.0%	293,545,190	0.3%
		May 2008	30,786,989	-3.7%	324,332,179	-0.1%
		↓	June 2008	31,854,667	6.4%	356,186,846
FY 2009	↑	July 2008	26,987,359	-7.3%	26,987,359	-7.3%
		Aug 2008	25,927,019	-3.7%	52,914,378	-5.6%
		Sept 2008	26,558,833	-0.8%	79,473,211	-4.0%
		Oct 2008	26,485,387	-7.7%	105,958,598	-5.0%
		Nov 2008	27,624,767	-6.0%	133,583,365	-5.2%
		Dec 2008	27,609,854	-8.8%	161,193,219	-5.8%
		Jan 2009	27,811,860	1.3%	189,005,079	-4.8%
		Feb 2009	27,934,981	-6.9%	216,940,060	-5.1%
		Mar 2009	29,329,829	-5.1%	246,269,889	-5.1%
		Apr 2009	31,257,185	-8.2%	277,527,074	-5.5%
		May 2009	28,180,810	-8.5%	305,707,884	-5.7%
		↓	June 2009	29,708,010	-6.7%	335,415,894
FY 2010	↑	July 2009	26,111,923	-3.2%	26,111,923	-3.2%
		Aug 2009	24,537,663	-5.4%	50,649,586	-4.3%
		Sept 2009	24,808,137	-6.6%	75,457,723	-5.1%
		Oct 2009	25,345,305	-4.3%	100,803,028	-4.9%
		Nov 2009	26,669,073	-3.5%	127,472,101	-4.6%
		Dec 2009	26,594,225	-3.7%	154,066,326	-4.4%
		Jan 2010	27,400,919	-1.5%	181,467,245	-4.0%
		Feb 2010	27,580,642	-1.3%	209,047,887	-3.6%
		Mar 2010	30,482,587	3.9%	239,530,474	-2.7%
		Apr 2010	33,231,989	6.3%	272,762,463	-1.7%
		May 2010	29,382,192	4.3%	302,144,655	-1.2%
		↓	June 2010	30,660,418	3.2%	332,805,073
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
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				
		Apr 2012				
		May 2012				
		↓	June 2012			

## Arizona Use Tax General Fund Collections

		Year-to-Year Collections (\$)	% Change	Year-to-Date Collections (\$)	Year-to-Date % Change	
FY 2008	↑	July 2007	31,300,389	8.0%	31,300,389	8.0%
		Aug 2007	29,103,528	14.4%	60,403,917	11.0%
		Sept 2007	29,437,063	3.1%	89,840,980	8.3%
		Oct 2007	30,750,858	7.8%	120,591,838	8.1%
		Nov 2007	30,042,343	9.3%	150,634,181	8.4%
		Dec 2007	26,487,663	11.5%	177,121,844	8.8%
		Jan 2008	33,730,459	5.7%	210,852,303	8.3%
		Feb 2008	27,581,711	19.3%	238,434,014	9.5%
		Mar 2008	26,927,528	19.0%	265,361,542	10.4%
		Apr 2008	28,924,084	7.0%	294,285,626	10.0%
		May 2008	27,402,823	345.3%	321,688,449	17.6%
		↓	June 2008	19,220,885	-34.7%	340,909,334
FY 2009	↑	July 2008	31,696,678	1.3%	31,696,678	1.3%
		Aug 2008	30,505,018	4.8%	62,201,696	3.0%
		Sept 2008	28,148,827	-4.4%	90,350,523	0.6%
		Oct 2008	29,703,678	-3.4%	120,054,201	-0.4%
		Nov 2008	25,398,587	-15.5%	145,452,788	-3.4%
		Dec 2008	20,945,415	-20.9%	166,398,203	-6.1%
		Jan 2009	32,438,853	-3.8%	198,837,056	-5.7%
		Feb 2009	21,418,330	-22.3%	220,255,386	-7.6%
		Mar 2009	20,507,125	-23.8%	240,762,511	-9.3%
		Apr 2009	19,245,339	-33.5%	260,007,850	-11.6%
		May 2009	19,198,904	-29.9%	279,206,754	-13.2%
		↓	June 2009	13,491,820	-29.8%	292,698,574
FY 2010	↑	July 2009	18,370,135	-42.0%	18,370,135	-42.0%
		Aug 2009	24,958,659	-18.2%	43,328,794	-30.3%
		Sept 2009	24,529,411	-12.9%	67,858,205	-24.9%
		Oct 2009	22,089,247	-25.6%	89,947,452	-25.1%
		Nov 2009	21,157,908	-16.7%	111,105,360	-23.6%
		Dec 2009	17,049,569	-18.6%	128,154,929	-23.0%
		Jan 2010	24,234,599	-25.3%	152,389,528	-23.4%
		Feb 2010	18,626,941	-13.0%	171,016,469	-22.4%
		Mar 2010	20,119,332	-1.9%	191,135,801	-20.6%
		Apr 2010	41,050,828	113.3%	232,186,629	-10.7%
		May 2010	20,087,055	4.6%	252,273,684	-9.6%
		↓	June 2010	19,490,162	44.5%	271,763,846
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
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				
		Apr 2012				
		May 2012				
		↓	June 2012			

# **Individual Income Tax**

# Individual Income Tax Base % Change\*



\* Base % change represents revenue growth prior to tax law and one-time changes

## Arizona Individual Income Tax General Fund Collections

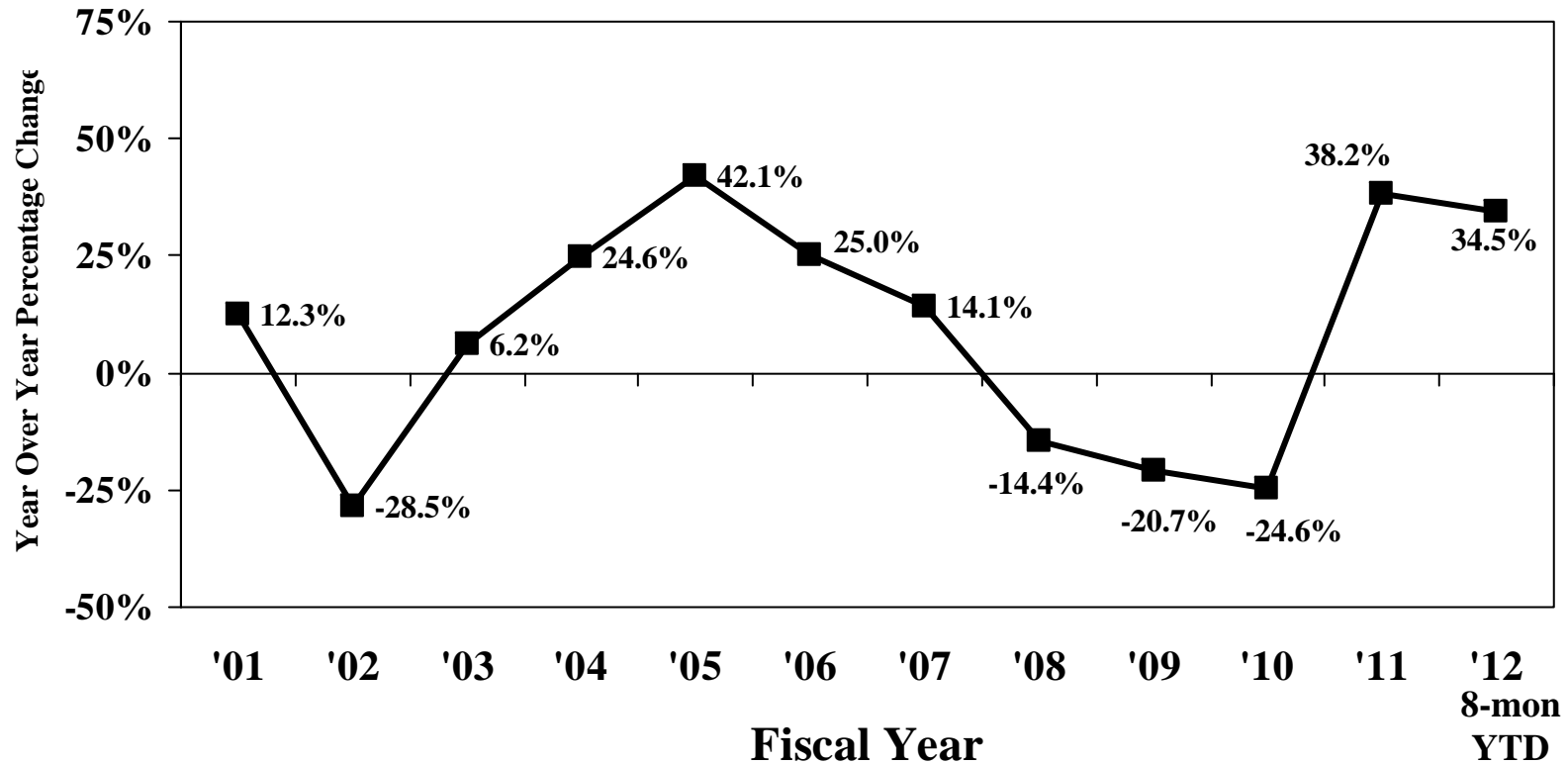
		Year-to-Date		YTD Chg.	Withholding	Year-to-Date		YTD Chg.	Payments	Year-to-Date		YTD Chg.	Refunds	Year-to-Date		YTD Chg.	
		Total	Y/Y Chg.			Total	Y/Y Chg.			Total	Y/Y Chg.			Total	Y/Y Chg.		Total
FY 2008	Jul-07	266,413,536	14.4%	266,413,536	14.4%	267,840,071	14.9%	267,840,071	14.9%	17,879,385	-0.3%	17,879,385	-0.3%	(19,305,920)	5.9%	(19,305,920)	5.9%
	Aug	267,438,218	-5.7%	533,851,754	3.4%	274,123,223	-1.1%	541,963,294	6.2%	25,938,503	10.8%	43,817,888	5.9%	(32,623,508)	91.3%	(51,929,428)	47.2%
	Sep	362,253,396	1.9%	896,105,150	2.8%	232,690,269	7.6%	774,653,563	6.6%	150,661,494	-4.6%	194,479,382	-2.4%	(21,098,367)	12.7%	(73,027,795)	35.2%
	Oct	275,463,139	-9.7%	1,171,568,289	-0.5%	279,036,817	5.7%	1,053,690,379	6.4%	68,191,868	4.6%	262,671,250	-0.7%	(71,765,546)	198.2%	(144,793,341)	85.4%
	Nov	235,208,302	-5.7%	1,406,776,591	-1.4%	267,231,175	3.1%	1,320,921,554	5.7%	17,879,843	-43.9%	280,551,093	-5.3%	(49,902,715)	20.1%	(194,696,056)	62.7%
	Dec	363,991,640	1.0%	1,770,768,231	-0.9%	302,000,571	-2.2%	1,622,922,125	4.1%	62,901,960	-30.5%	343,453,053	-11.2%	(910,892)	-97.7%	(195,606,947)	23.3%
	Jan-08	479,616,749	-11.9%	2,250,384,980	-3.5%	323,018,735	-4.9%	1,945,940,861	2.5%	195,882,391	-18.3%	539,335,444	-13.9%	(39,284,377)	12.2%	(234,891,325)	21.3%
	Feb	39,043,896	-53.3%	2,289,428,876	-5.2%	294,334,015	0.6%	2,240,274,876	2.2%	17,557,877	-2.8%	556,893,322	-13.6%	(272,847,997)	20.1%	(507,739,322)	20.6%
	Mar	61,928,889	-42.0%	2,351,357,765	-6.8%	297,732,417	2.2%	2,538,007,293	2.2%	48,363,442	6.6%	605,256,764	-12.3%	(284,166,970)	23.6%	(791,906,292)	21.7%
	Apr	605,994,371	0.4%	2,957,352,136	-5.4%	251,826,796	-0.5%	2,789,834,089	2.0%	675,341,552	5.0%	1,280,598,316	-3.9%	(321,173,977)	9.8%	(1,113,080,269)	18.0%
	May	146,065,658	-52.9%	3,103,417,794	-9.7%	282,129,773	-2.5%	3,071,963,862	1.5%	32,424,806	-81.2%	1,313,023,122	-12.8%	(168,488,921)	10.8%	(1,281,569,190)	17.0%
	Jun	303,035,518	-2.8%	3,406,453,313	-9.1%	250,638,790	0.6%	3,322,602,652	1.5%	119,010,089	-13.9%	1,432,033,211	-12.9%	(66,613,361)	-12.0%	(1,348,182,550)	15.1%
FY 2009	Jul-08	265,360,890	-0.4%	265,360,890	-0.4%	270,267,357	0.9%	270,267,357	0.9%	20,362,785	13.9%	20,362,785	13.9%	(25,269,252)	30.9%	(25,269,252)	30.9%
	Aug	231,680,201	-13.4%	497,041,091	-6.9%	245,741,515	-10.4%	516,008,871	-4.8%	14,090,255	-45.7%	34,453,040	-21.4%	(28,151,568)	-13.7%	(53,420,820)	2.9%
	Sep	355,393,041	-1.9%	852,434,133	-4.9%	255,433,501	9.8%	771,442,372	-0.4%	124,307,996	-17.5%	158,761,036	-18.4%	(24,348,455)	15.4%	(77,769,275)	6.5%
	Oct	260,640,864	-5.4%	1,113,074,996	-5.0%	274,469,795	-1.6%	1,045,912,167	-0.7%	53,444,533	-21.6%	212,205,569	-19.2%	(67,273,464)	-6.3%	(145,042,740)	0.2%
	Nov	200,335,179	-14.8%	1,313,410,176	-6.6%	250,315,933	-6.3%	1,296,228,100	-1.9%	13,115,668	-26.6%	225,321,237	-19.7%	(63,096,422)	26.4%	(208,139,162)	6.9%
	Dec	341,281,282	-6.2%	1,654,691,458	-6.6%	297,480,818	-1.5%	1,593,708,918	-1.8%	62,643,686	-0.4%	287,964,923	-16.2%	(18,843,222)	1968.7%	(226,982,384)	16.0%
	Jan-09	331,952,295	-30.8%	1,986,643,752	-11.7%	275,506,543	-14.7%	1,869,215,461	-3.9%	112,467,313	-42.6%	400,432,236	-25.8%	(56,021,561)	42.6%	(283,003,945)	20.5%
	Feb	(42,022,417)	N/A	1,944,621,335	-15.1%	237,953,256	-19.2%	2,107,168,717	-5.9%	17,921,395	2.1%	418,353,631	-24.9%	(297,897,068)	9.2%	(580,901,013)	14.4%
	Mar	71,833,625	16.0%	2,016,454,961	-14.2%	280,243,314	-5.9%	2,387,412,031	-5.9%	41,170,355	-14.9%	459,523,985	-24.1%	(249,580,043)	-12.2%	(830,481,055)	4.9%
	Apr	173,242,869	-71.4%	2,189,697,829	-26.0%	221,860,727	-11.9%	2,609,272,758	-6.5%	380,676,278	-43.6%	840,200,264	-34.4%	(429,294,136)	33.7%	(1,259,775,192)	13.2%
	May	98,543,700	-32.5%	2,288,241,529	-26.3%	228,007,994	-19.2%	2,837,280,752	-7.6%	28,189,735	-13.1%	868,389,998	-33.9%	(157,654,029)	-6.4%	(1,417,429,221)	10.6%
	Jun	279,619,636	-7.7%	2,567,861,165	-24.6%	242,090,316	-3.4%	3,079,371,068	-7.3%	74,985,704	-37.0%	943,375,703	-34.1%	(37,456,384)	-43.8%	(1,454,885,605)	7.9%
FY 2010	Jul-09	234,779,283	-11.5%	234,779,283	-11.5%	252,192,662	-6.7%	252,192,662	-6.7%	14,421,659	-29.2%	14,421,659	-29.2%	(31,835,038)	26.0%	(31,835,038)	26.0%
	Aug	231,115,137	-0.2%	465,894,420	-6.3%	244,862,570	-0.4%	497,055,232	-3.7%	11,402,939	-19.1%	25,824,598	-25.0%	(25,150,372)	-10.7%	(56,985,410)	6.7%
	Sep	267,006,804	-24.9%	732,901,224	-14.0%	227,631,601	-10.9%	724,686,833	-6.1%	76,677,365	-38.3%	102,501,963	-35.4%	(37,302,162)	53.2%	(94,287,572)	21.2%
	Oct	170,528,545	-34.6%	903,429,769	-18.8%	244,430,237	-10.9%	969,117,070	-7.3%	35,790,908	-33.0%	138,292,871	-34.8%	(109,692,600)	63.1%	(203,980,172)	40.6%
	Nov	231,605,947	15.6%	1,135,035,715	-13.6%	248,734,450	-0.6%	1,217,851,519	-6.0%	14,278,495	8.9%	152,571,366	-32.3%	(31,406,998)	-50.2%	(235,387,170)	13.1%
	Dec	317,770,210	-6.9%	1,452,805,926	-12.2%	276,785,971	-7.0%	1,494,637,491	-6.2%	46,197,669	-26.3%	198,769,035	-31.0%	(5,213,430)	-72.3%	(240,600,600)	6.0%
	Jan-10	326,599,118	-1.6%	1,779,405,044	-10.4%	265,599,905	-3.6%	1,760,237,396	-5.8%	91,066,420	-19.0%	289,835,455	-27.6%	(30,067,207)	-46.3%	(270,667,807)	-4.4%
	Feb	13,744,414	N/A	1,793,149,457	-7.8%	253,051,927	6.3%	2,013,289,322	-4.5%	17,153,243	-4.3%	306,988,698	-26.6%	(256,460,756)	-13.9%	(527,128,563)	-9.3%
	Mar	(18,809,855)	N/A	1,774,339,602	-12.0%	282,794,701	0.9%	2,296,084,023	-3.8%	40,585,225	-1.4%	347,573,923	-24.4%	(342,189,781)	37.1%	(869,318,344)	4.7%
	Apr	211,434,444	22.0%	1,985,774,046	-9.3%	235,329,032	6.1%	2,531,413,055	-3.0%	312,268,051	-18.0%	659,841,974	-21.5%	(336,162,639)	-21.7%	(1,205,480,983)	-4.3%
	May	159,976,798	62.3%	2,145,750,845	-6.2%	239,655,475	5.1%	2,771,068,530	-2.3%	13,120,851	-53.5%	672,962,825	-22.5%	(92,799,528)	-41.1%	(1,298,580,511)	-8.4%
	Jun	270,545,462	-3.2%	2,416,296,306	-5.9%	236,036,185	-2.5%	3,007,104,715	-2.3%	71,981,613	-4.0%	744,944,438	-21.0%	(37,472,336)	0.0%	(1,335,752,847)	-8.2%
FY 2011	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%	494,922,164	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%	781,919,599	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%	(70,172,213)	-25.6%
	Oct	203,824,222	19.5%	985,743,822	9.1%	262,217,057	7.3%	1,010,970,645	4.3%	34,496,970	-3.6%	137,835,014	-0.3%	(92,889,625)	-15.3%	(163,061,837)	-20.1%
	Nov	266,193,369	14.9%	1,251,937,191	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%
	Dec	342,502,655	7.8%	1,594,439,846	9.7%	297,288,208	7.4%	1,577,812,442	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%	(210,742,975)	-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%	(454,665,952)	-13.7%
	Mar	(4,565,068)	N/A	2,004,351,587	13.0%	275,844,176	-2.5%	2,430,951,270	5.9%	43,187,275	6.4%	351,662,788	1.2%	(323,596,519)	-5.4%	(778,262,471)	-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%	(1,117,326,031)	-7.3%
	May	240,755,062	50.5%	2,551,147,517	18.9%	290,699,994	21.3%	2,975,062,101	7.4%	19,620,661	49.5%	762,977,039	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%	3,227,622,126	7.3%	81,464,192	13.2%	844,441,230	13.4%	(21,513,753)	-42.6%	(1,208,405,376)	-9.5%
FY 2012	Jul-11	258,103,165	8.6%	258,103,165	8.6%	259,065,966	4.6%	259,065,966	4.6%	13,992,743	4.6%	13,992,743	4.6%	(14,955,544)	-35.8%	(14,955,544)	-35.8%
	Aug	279,592,728	8.7%	537,695,894	8.6%	280,171,827	6.9%	539,237,793	5.8%	16,559,244	16.4%	30,551,987	10.7%	(17,138,342)	-10.3%	(32,093,886)	-24.3%
	Sep	316,659,381	10.3%	854,355,275	9.3%	247,943,193	3.7%	787,180,985	5.1%	84,818,311	12.0%	115,370,298	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							





# **Corporate Income Tax**

# Corporate Income Tax Base % Change\*



\* Base % change represents revenue growth prior to tax law and one-time changes

## Arizona Corporate Income Tax General Fund Collections

	Gross			Year-to-Date			Year-to-Date			Year-to-Date			
	Revenue	Y/Y Chg.	Gross Revenue	YTD Chg.	Refunds	Y/Y Chg.	Refunds	YTD Chg.	Net Revenue	Y/Y Chg.	Net Revenue	YTD Chg.	
FY 2008	July 2007	36,629,629	-15.5%	36,629,629	-15.5%	(2,826,419)	-34.6%	(2,826,419)	-34.6%	33,803,210	-13.4%	33,803,210	-13.4%
	Aug 2007	31,231,530	-14.6%	67,861,159	-15.1%	(2,130,868)	-53.0%	(4,957,287)	-44.0%	29,100,662	-9.1%	62,903,872	-11.5%
	Sept 2007	190,463,884	-0.6%	258,325,043	-4.9%	(12,876,823)	2592.5%	(17,834,110)	91.1%	177,587,061	-7.1%	240,490,933	-8.3%
	Oct 2007	66,882,299	12.1%	325,207,342	-1.8%	(10,751,410)	88.1%	(28,585,520)	90.0%	56,130,889	4.1%	296,621,822	-6.2%
	Nov 2007	20,550,859	14.1%	345,758,201	-1.0%	(23,194,074)	80.6%	(51,779,594)	85.7%	(2,643,215)	N/A	293,978,607	-8.5%
	Dec 2007	159,569,186	-20.2%	505,327,387	-8.0%	(39,476,416)	30.3%	(91,256,010)	56.8%	120,092,770	-29.2%	414,071,377	-15.7%
	Jan 2008	30,393,356	-25.1%	535,720,743	-9.1%	(44,896,658)	1262.7%	(136,152,668)	121.4%	(14,503,302)	N/A	399,568,075	-24.3%
	Feb 2008	30,326,605	33.8%	566,047,348	-7.6%	(8,934,899)	478.5%	(145,087,567)	130.2%	21,391,706	1.3%	420,959,781	-23.4%
	Mar 2008	77,714,008	-4.4%	643,761,356	-7.2%	(16,372,625)	518.4%	(161,460,192)	145.8%	61,341,383	-22.0%	482,301,164	-23.2%
	Apr 2008	132,091,079	-27.4%	775,852,435	-11.4%	(6,877,514)	61.9%	(168,337,706)	140.7%	125,213,565	-29.5%	607,514,729	-24.6%
	May 2008	49,477,589	-7.1%	825,330,024	-11.1%	(22,932,737)	316.3%	(191,270,443)	153.6%	26,544,852	-44.4%	634,059,581	-25.7%
	June 2008	156,770,836	12.9%	982,100,860	-8.0%	(6,319,532)	4.9%	(197,589,975)	142.6%	150,451,304	13.3%	784,510,885	-20.4%
FY 2009	July 2008	30,855,446	-15.8%	30,855,446	-15.8%	(7,560,667)	167.5%	(7,560,667)	167.5%	23,294,779	-31.1%	23,294,779	-31.1%
	Aug 2008	27,451,899	-12.1%	58,307,345	-14.1%	(8,301,008)	289.6%	(15,861,675)	220.0%	19,150,891	-34.2%	42,445,670	-32.5%
	Sept 2008	141,909,038	-25.5%	200,216,383	-22.5%	(9,825,536)	-23.7%	(25,687,211)	44.0%	132,083,502	-25.6%	174,529,172	-27.4%
	Oct 2008	38,739,976	-42.1%	238,956,359	-26.5%	(17,578,552)	63.5%	(43,265,763)	51.4%	21,161,424	-62.3%	195,690,596	-34.0%
	Nov 2008	19,710,774	-4.1%	258,667,133	-25.2%	(22,199,167)	-4.3%	(65,464,930)	26.4%	(2,488,393)	N/A	193,202,203	-34.3%
	Dec 2008	142,148,266	-10.9%	400,815,399	-20.7%	(30,686,844)	-22.3%	(96,151,774)	5.4%	111,461,422	-7.2%	304,663,625	-26.4%
	Jan 2009	24,401,184	-19.7%	425,216,583	-20.6%	(27,865,899)	-37.9%	(124,017,673)	-8.9%	(3,464,715)	N/A	301,198,910	-24.6%
	Feb 2009	44,210,646	45.8%	469,427,229	-17.1%	(9,879,797)	10.6%	(133,897,470)	-7.7%	34,330,849	60.5%	335,529,759	-20.3%
	Mar 2009	47,075,868	-39.4%	516,503,097	-19.8%	(2,253,816)	-86.2%	(136,151,286)	-15.7%	44,822,052	-26.9%	380,351,811	-21.1%
	Apr 2009	71,283,316	-46.0%	587,786,413	-24.2%	(4,946,992)	-28.1%	(141,098,278)	-16.2%	66,336,324	-47.0%	446,688,135	-26.5%
	May 2009	53,388,261	7.9%	641,174,674	-22.3%	(4,456,156)	-80.6%	(145,554,435)	-23.9%	48,932,104	84.3%	495,620,239	-21.8%
	June 2009	107,127,377	-31.7%	748,302,051	-23.8%	(10,590,361)	87.6%	(156,144,796)	-21.0%	96,537,016	-35.8%	592,157,255	-24.5%
FY 2010	July 2009	40,229,569	30.4%	40,229,569	30.4%	(6,588,858)	-12.9%	(6,588,858)	-12.9%	33,640,711	44.4%	33,640,711	44.4%
	Aug 2009	13,201,777	-51.9%	53,431,346	-8.4%	(7,345,503)	-11.5%	(13,934,361)	-12.2%	5,856,274	-69.4%	39,496,985	-6.9%
	Sept 2009	90,726,618	-36.1%	144,157,964	-28.0%	(22,780,171)	131.8%	(36,714,532)	42.9%	67,946,447	-48.6%	107,443,432	-38.4%
	Oct 2009	39,451,245	1.8%	183,609,209	-23.2%	(20,639,272)	17.4%	(57,353,804)	32.6%	18,811,973	-11.1%	126,255,405	-35.5%
	Nov 2009	16,805,252	-14.7%	200,414,461	-22.5%	(93,858,118)	322.8%	(151,211,922)	131.0%	(77,052,866)	N/A	49,202,539	-74.5%
	Dec 2009	98,450,482	-30.7%	298,864,943	-25.4%	(35,820,862)	16.7%	(187,032,784)	94.5%	62,629,620	-43.8%	111,832,159	-63.3%
	Jan 2010	40,858,296	67.4%	339,723,239	-20.1%	(4,841,954)	-82.6%	(191,874,738)	54.7%	36,016,342	N/A	147,848,501	-50.9%
	Feb 2010	14,730,212	-66.7%	354,453,451	-24.5%	(19,376,637)	96.1%	(211,251,375)	57.8%	(4,646,425)	N/A	143,202,076	-57.3%
	Mar 2010	81,015,354	72.1%	435,468,805	-15.7%	(14,531,056)	544.7%	(225,782,431)	65.8%	66,484,298	48.3%	209,686,374	-44.9%
	Apr 2010	64,763,045	-9.1%	500,231,850	-14.9%	(3,233,749)	-34.6%	(229,016,180)	62.3%	61,529,296	-7.2%	271,215,670	-39.3%
	May 2010	54,199,831	1.5%	554,431,681	-13.5%	(2,771,945)	-37.8%	(231,788,125)	59.2%	51,427,886	5.1%	322,643,556	-34.9%
	June 2010	95,679,976	-10.7%	650,111,657	-13.1%	(5,130,226)	-51.6%	(236,918,351)	51.7%	90,549,750	-6.2%	413,193,306	-30.2%
FY 2011	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%
	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%
FY 2012	July 2011	29,025,322	-7.2%	29,025,322	-7.2%	(3,384,799)	-56.8%	(3,384,799)	-56.8%	25,640,524	9.4%	25,640,524	9.4%
	Aug 2011	42,313,720	87.4%	71,339,042	32.5%	(9,940,301)	128.0%	(13,325,100)	9.3%	32,373,418	77.7%	58,013,942	39.2%
	Sept 2011	120,105,342	-2.8%	191,444,384	7.9%	(3,943,140)	-30.0%	(17,268,240)	-3.1%	116,162,203	-1.5%	174,176,145	9.2%
	Oct 2011	36,309,111	17.0%	227,753,495	9.3%	(12,402,526)	11.1%	(29,670,766)	2.3%	23,906,584	20.4%	198,082,729	10.4%
	Nov 2011	24,880,266	164.6%	252,633,761	16.0%	(30,713,346)	-34.1%	(60,384,112)	-20.1%	(5,833,080)	N/A	192,249,649	35.2%
	Dec 2011	131,961,174	40.8%	384,594,935	23.5%	(2,135,074)	N/A	(62,519,186)	-11.4%	129,826,100	31.5%	322,075,749	33.7%
	Jan 2012	34,263,313	19.3%	418,858,248	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%	(66,569,103)	-17.8%	12,347,155	75.7%	367,550,198	34.5%
	Mar 2012												
	Apr 2012												
	May 2012												
	June 2012												

1/ August collections included a one-time audit recovery of approximately \$20 million.

2/ December collections included a one-time audit recovery of approximately \$23 million.

# **Economic Indicators**

# Economic Indicators – March 2012

## NATIONAL

The Conference Board's **Leading Economic Index** increase of 0.6% in January marked the fourth straight month of growth in the index. January's increase, primarily the result of improvement in the financial climate and growth in average manufacturing hours worked, signals continued growth in the next few months.

The Conference Board's **U.S. Consumer Confidence Index** surged by 9.3 points in January, to a reading of 70.8. This amount represents the index's highest reading in the last 12 months and a month-over-month percentage increase of 15.1%. Consumer optimism was likely bolstered in February by continued reports of a steadily improving labor market and a modest upward revision to 2011 gross domestic product. However, gasoline prices have the potential to dampen confidence in coming months if they continue their ascent.

## ARIZONA

### Housing

The number of Maricopa County **pending foreclosures** decreased from 18,287 in January to 17,833 in February. The February total is (65.3)% below the peak in December 2009 (51,466). See [Tracking Arizona's Recovery](#) for additional historical information.

Another measure of the health of the Arizona real estate market is permitting activity. Single-family housing permits showed a slight improvement in January 2012. For the 12-month period through January, a total of 10,909 **single-family building permits** had been issued statewide, a 2.9% increase from last year. See [Tracking Arizona's Recovery](#) for additional historical information.

The performance of the multi-family housing sector has been significantly better than single-family housing. For the 12-month period ending in January, a total of 2,984 **multi-family building permits** had been issued in the state, a 101.8% increase from the prior year. Even with this growth, multi-family permitting activity still remains (77)% below the peak of activity in June 2006.

### Employment

As a result of the annual benchmarking revision of establishment survey data, the Department of Administration (DOA) reported in March that Arizona nonfarm employment growth in 2010 and 2011 was marginally higher than previous estimates had indicated. By incorporating more comprehensive data based on unemployment insurance records, the Bureau of Labor Statistics (BLS) determined that the state added on average 4,700 more jobs per month in both 2010 and 2011 than previously reported. The historical revision was relatively small compared to previous years.

The largest positive revision occurred in the professional and business services sector of the economy. This industry added on average 6,200 more jobs per month in 2011 than previously reported. A large portion of these job gains were attributable to temporary staffing agencies. In the past, increases in temporary employment have typically been followed by an acceleration in permanent job growth.

The benchmarking process revealed that the educational and health services sector did not perform as well in 2011 as previous estimates had shown. Prior to the March revision, employer survey data indicated that private education and health care employment grew by 4.5% in 2011. The revised data indicated that the actual 2011 job growth in this sector was (1.6)% less, or 2.9%. In spite of this downward revision, this industry still remains one of the strongest engines of job growth in Arizona.

The latest estimate of **nonfarm employment** showed that the state shed (34,300) jobs in January over December in the prior year. Job losses typically occur in January when the holiday season comes to an end. The average job reduction for the month of January in the prior 10 years was (59,700). Compared to January 2011, nonfarm employment is up by 1.6%, or 37,800 jobs.

As of January of 2012, nonfarm employment was (303,000) jobs below pre-recession levels. While this figure is somewhat overstated due to seasonal factors, it still shows that the road to full recovery is not months but years away.

*"As a result of the annual benchmarking revision of establishment survey data, the Department of Administration (DOA) reported in March that Arizona nonfarm employment growth in 2010 and 2011 was marginally higher than previous estimates had indicated."*

## Economic Indicators (Continued)

**Manufacturing employment** shrank by (0.1)%, or (100) jobs, in January over December. The state typically loses manufacturing jobs in January. The industry employed 0.7% more workers in January 2012 than January 2011. The March benchmark revision revealed that the manufacturing sector did not grow as quickly in 2011 as previously reported. New, revised data indicates that manufacturing employment increased by 0.8% in 2011 compared to the previous estimate of 1.9%.

**Construction employment** also decreased by (100) jobs, month over month, in January. This was significantly less than the 10-year average loss for January of (5,700) jobs. Year over year, construction employment is up by 5.1%. The March data revision indicates that construction employment bottomed out in February 2011. Despite recent gains, construction employment remains (55)% below peak in June 2006.

The household survey data used to estimate the state's **unemployment rate** was also revised in March. The historical revision, which covered the period from 2007 to 2011, showed that state's jobless rate during the recession was significantly higher than first estimated. The average unemployment rate in 2010 was on average 0.5% higher than previously reported. The corresponding figure for 2011 was 0.3%. This revision in the unemployment rate data contrasts with the higher than anticipated overall employment figure as the 2 measures are developed using samples from 2 separate surveys.

### State Agency Data

In March, total AHCCCS caseloads equaled 1.30 million members, a (1.0)% decrease from the prior month. Overall AHCCCS caseloads are currently (2.6)% below March 2011 levels.

The traditional AHCCCS population, which consists primarily of lower-income children and their parents, decreased (0.6)% from February and increased 5.3% from a year ago. The total population in this program is almost 900,000. This growth has been offset by declines in other populations. The Proposition 204 childless adult program has not allowed new participants since July and this population has declined (86,185) since July to 138,307. Of the decline, (10,757) is attributed to members who were transferred to the SSI program. As a whole, the Proposition 204 program has declined (2.8)% compared to the prior month, and (21.5)% from the prior year.

There were 39,454 **TANF recipients** in the state in February, a monthly caseload decrease of (0.7)% Year-over-year, the number of TANF recipients has declined

by (6.8)%. This decline is the result of changes to the statutory lifetime limit a person may receive cash assistance. The FY 2011 budget reduced the lifetime limit to 36 months. The FY 2012 budget further reduces this limit to 24 months. Previously, the maximum had been 60 months. The FY 2012 budget assumed caseloads of approximately 36,000 in FY 2012.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In February, there were a total 1.1 million food stamp recipients in the state, a (1.2)% decrease over the prior month. Compared to the same month last year, food stamp participation was up by 8.5%. The number of food stamp recipients began increasing steadily in July 2007, after several years in the 550,000 to 575,000 range.

The 3-month average count of the **Department of Correction's (ADC) inmate population** decreased to 39,901 inmates between December 2011 and February 2012. Relative to the prior 3-month period, the population has decreased by (64) inmates. Compared to a year ago, the population has declined by (162) inmates.

# Economic Indicators (Continued)

Table 5

## ECONOMIC INDICATORS

<u>Indicator</u>	<u>Time Period</u>	<u>Current Value</u>	<u>Change From Prior Period</u>	<u>Change From Prior Year</u>
<b>Arizona</b>				
- Unemployment Rate (SA)	January	8.7%	(0.3)%	(1.2)%
- Initial Unemployment Insurance Claims	January	26,870	25.7%	(7.7)%
- Unemployment Insurance Claimants	January	56,418	2.3%	(18.4)%
- Non-Farm Employment - Total	January	2.41 million	(1.4)%	1.6%
Manufacturing	January	149,400	(0.1)%	0.7%
Construction	January	112,000	(0.1)%	5.1%
- Average Weekly Hours, Manufacturing	January	40.3	(3.6)%	0.0%
- Contracting Tax Receipts (3-month average)	Dec-Feb	\$33.2 million	(3.6)%	7.4%*
- Retail Sales Tax Receipts (3-month average)	Dec-Feb	\$158.9 million	0.6%	4.5%*
- Residential Building Permits (3-month moving average)				
Single-family	Nov-Jan	815	4.5%	34.2%
Multi-unit	Nov-Jan	314	19.8%	114.8%
- Greater Phoenix Home Sales				
Single-Family	January	7,926	(0.2)%	(4.8)%
Townhouse/Condominium	January	1,219	2.4%	(7.7)%
- Greater Phoenix Median Home Price				
Single-Family	January	\$120,500	(3.6)%	(8.5)%
Townhouse/Condominium	January	\$70,000	(10.6)%	(17.6)%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	December	101.91	0.8%	(1.2)%
- Foreclosure Activity, Maricopa County				
Pending Foreclosures (Active Notices)	February	17,833	(2.5)%	(54.5)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	February	23,736	(5.2)%	(41.6)%
- Phoenix Sky Harbor Air Passengers	January	3.20 million	(5.0)%	(1.5)%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	December	\$5.01	(8.6)%	(24.5)%
- Arizona Consumer Confidence Index (1985 = 100)	1 <sup>st</sup> Quarter 2012	69.5	20.9%	10.7%
- Arizona Coincident Index (July 1992 = 100)	December	178.48	0.0%	1.7%
- Arizona Leading Index -- 6 month projected growth rate	Oct-Dec	1.6%	(0.6)%	(0.3)%
- Arizona Personal Income	3rd Quarter 2011	\$232.2 billion	0.2%	4.3%
- Arizona Population	July 1, 2011	6.48 million	N/A	1.1%
- AHCCCS Recipients	March	1,303,625	(1.0)%	(2.6)%
Acute Care Traditional		890,414	(0.6)%	5.3%
Spend Down		-	(100.0)%	(100.0)%
Prop 204 Childless Adults		138,307	(4.9)%	(37.5)%
Other Prop 204		153,653	(0.8)%	2.1%
Kids Care		11,647	(4.1)%	(44.7)%
Long-Term Care - Elderly & DD		52,028	0.5%	2.2%
Emergency Services		57,576	1.5%	31.2%
- TANF Recipients	February	39,454	(0.7)%	(6.8)%
- SNAP (Food Stamps) Recipients	February	1,137,136	(1.2)%	8.5%
- ADC Inmate Growth (3-month average)	Dec-Feb	39,901	(64) inmates	(162) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	January	18,417	(213)	(1,110)
Maricopa County	January	25,630	(7)	(482)
<b>United States</b>				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	4th Quarter 2011 (2nd Estimate)	\$13.4 trillion	3.0%	1.7%
- Consumer Confidence Index (1985 = 100)	February	70.8	15.1%	(1.7)%
- Leading Indicators Index (2004 = 100)	January	94.9	0.6%	
- U.S. Semiconductor Billings (3-month moving average)	Oct-Dec	\$4.36 billion	(4.9)%	(4.6)%
- Consumer Price Index, SA (1982-84 = 100)	January	227.51	0.2%	2.9%

\*Adjusted for 1¢ sales tax

## 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.

**Dr. Jay Q. Butler** is Professor Emeritus of Real Estate in the Morrison School at Arizona State University at the Polytechnic campus. He also holds the Arizona Realtors Professorship in Real Estate. Dr. Butler has been at ASU since 1972. He has been a member of the FAC since 1994.

**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.

**Tracy L. Clark** is Data Integrity Manager for the Arizona Department of Transportation. Previously, he was with Arizona State University as the Associate Director of the JPMorgan Chase Economic Outlook Center. He produced national and local economic forecasts, as well as, gathering forecasts from other economists for Center publications. Mr. Clark has been a member of the FAC since 1989.

**State Treasurer Doug Ducey** serves as the Arizona's Chief Banker and Investment Officer overseeing more than \$9.7 billion in state assets. Treasurer Ducey 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. With a degree in Finance from Arizona State University, he was inducted into the W.P. Carey School of Business *Hall of Fame* in 2004 and joined the Treasurer's Office from the private sector where he built and developed two Arizona businesses.

**Pete Ewen** is Chief Economist and Manager of the Revenue and Fuel Analysis and Forecast Group at Pinnacle West. He has been with Arizona Public Service/Pinnacle West for more than 20 years.

**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** is Chief Economist for the Arizona Department of Revenue. She 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.

**Debra J. Roubik** is the Chief Economist and Founder of VisionEcon, a consulting firm. Ms. Roubik began her career as an economist at Chicago's Harris Trust and Savings Bank where she was responsible for the bank's macroeconomic model. She also held the positions of Vice President of Stotler Economics, Manager of Revenue Forecasting for Atchison Topeka & Santa Fe Railway, and Economist for the Arizona Department of Economic Security's Research Administration. Ms. Roubik has been a member of the FAC since 2001.

**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.

**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.

**Marshall J. Vest** is Director of the Economic and Business Research Center at the University of Arizona's Eller College of Management. Mr. Vest has headed the College's Forecasting Project for over 30 years. He is past-president of the Association for University Economic and Business Research, whose membership includes university-based applied research centers from across the country. Mr. Vest has been a member of the FAC for over 30 years.

**John Arnold** is the Director of the Governor's Office of Strategic Planning and Budgeting (OSP).