

# **Finance Advisory Committee**

## **Briefing Materials**

**April 13, 2011**

**JLBC**

# Finance Advisory Committee

## Briefing Materials

April 13, 2011

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## **Finance Advisory Committee**

### **Revenue and Budget Update**

**April 13, 2011**

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## **Summary of the Current Budget Status**

### **Improving, but Long Term Problems Remain**

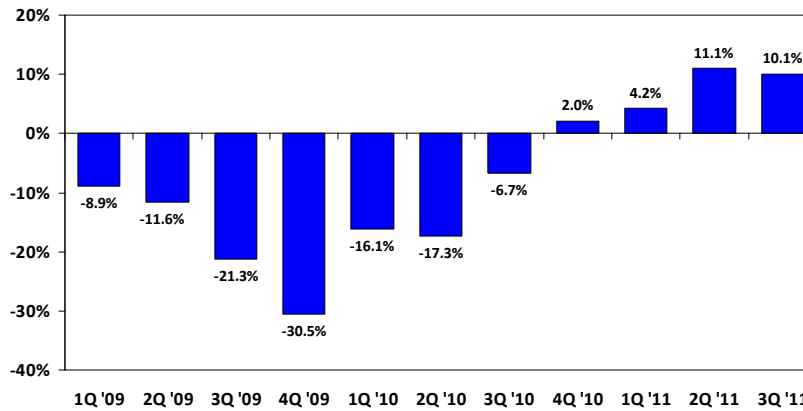
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- ❑ Since bottoming out in the winter of 2010, General Fund revenues continue to recover. The end of March marked the 4<sup>th</sup> consecutive quarter of growth.
- ❑ Prospects for rapid recovery are mixed:
  - February retail sales increased by 10% and corporate profits have been strong throughout the year.
  - We have reduced foreclosure inventory by one-third – but 35,000 still remain.
  - We are still 330,300 jobs short of the 2007 peak and any construction rebound is more than a year away.
- ❑ New FY '12 4-sector consensus growth rate of 4.2% is considerably less than budgeted rate of 5.7%.
  - One sector projects a (1.1)% decline in FY '12. Without that “double dip” recession scenario, forecast would have been 6.0%.
- ❑ In enacted FY '12 budget, permanent revenues exceed permanent spending – but structural gap reappears once 1 cent sales tax is eliminated in FY 14.

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## Arizona Just Finished 4<sup>th</sup> Consecutive Quarter of General Fund Revenue Growth



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Percent Change From Prior Year

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## Revenue Update - Base Growth of 8.1% Through March - May Not Be Sustainable for Entire Fiscal Year

	YTD '11 Over '10	
	<u>Dec</u>	<u>March</u>
Sales*	-0.6%	1.7%
Individual Income	9.7%	13.0%
Corporate Income	115.4%	54.8%

\* Without 1 Cent

- Unusually low '10 collections and higher business profits boosted corporate %.
- Individual Income Tax artificially high due to withholding change.
- After negative summer, sales tax collections have turned positive.
- Revenues \$104 M above January baseline forecast through March 2011.

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## Recently Enacted Budget Incorporated Some of the Year to Date Revenue Gain

- ❑ Of the \$104 M revenue surplus, \$72 M due to Individual Income Tax
- ❑ Due to possibility of overwithholding, the approved budget included only \$40 M of the \$104 M overage

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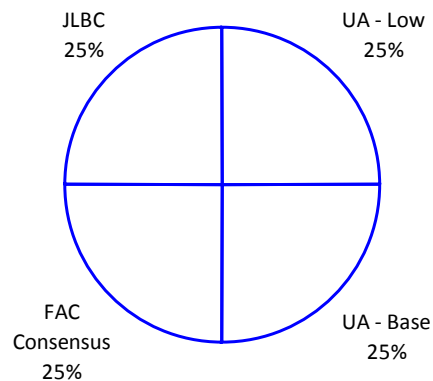
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## Where Are We Headed Over the Next Few Years?

- Four-Sector Consensus Forecast Incorporates Different Economics 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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## Forecasting Constraints In the Next 15 Months

- ❑ While revenue recovery has begun, it is difficult to forecast its speed
- ❑ Current forecasts are most useful in determining the direction of the economy, not its precise landing point
- ❑ Certain structural factors limit potential for rapid growth

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## The Road to Recovery Will Still Be Long

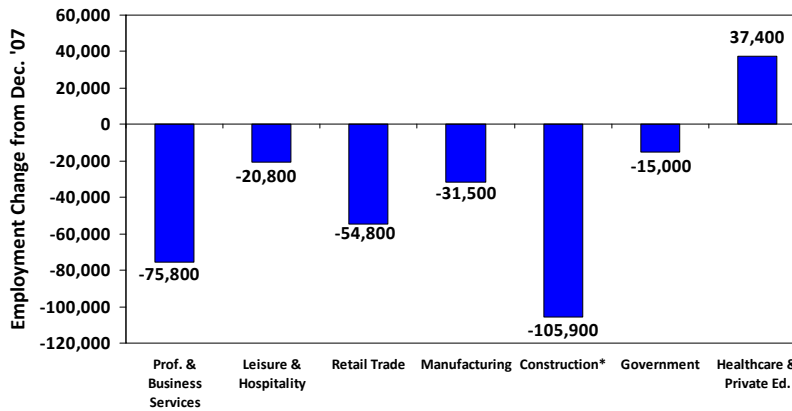
	Highpoint	Now
Jobs Lost Since December 2007	398,800 (July 2010)	330,300
Pending Foreclosures	51,500 (Dec. 2010)	35,500
Mortgages Underwater	51.3% (Q4, 2009)	50.9%

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## Job Losses Since December 2007 by Sector

- Of 330,300 lost jobs, 105,900 were in construction



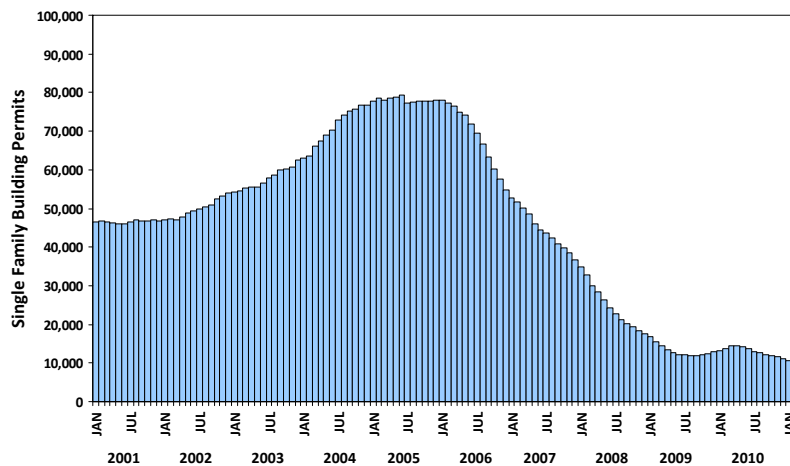
\* Construction employment peaked in June 2006. Total loss is 143,400 jobs.

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## Single Family Permits Suggest Construction Recovery Not Imminent

- 40K to 50K Annual Permits Would Reflect Healthy Economy



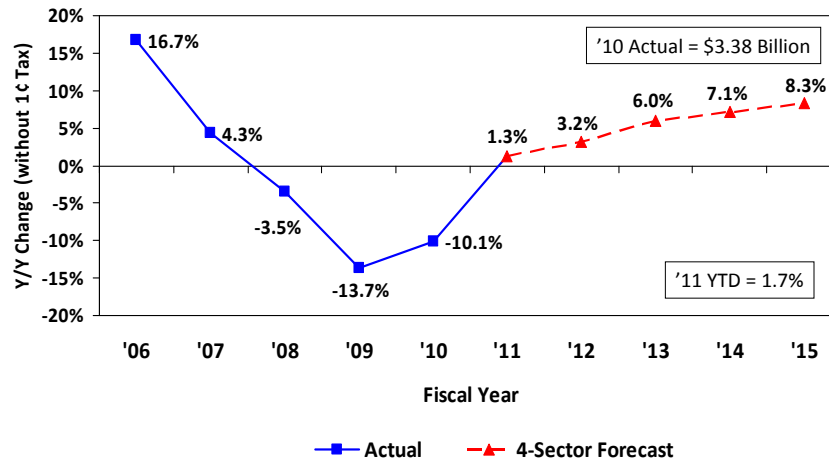
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\*12-Month Moving Sum

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## Sales Tax

- The Consensus Forecasts Growth of 1.3% in FY '11 and 3.2% in FY '12

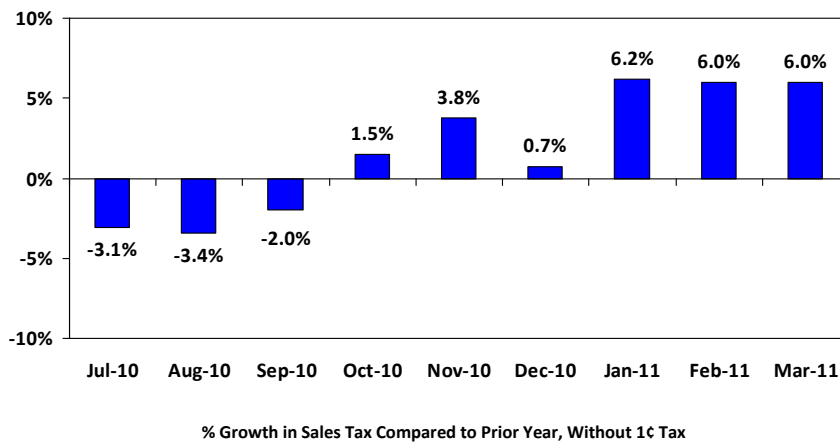


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Percentage Changes Are Prior To Tax Law Changes. 1¢ Sales Tax Is Not Included.

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## While Sales Tax Collections Are 1.7% Year to Date, Recent Months Have Been Higher

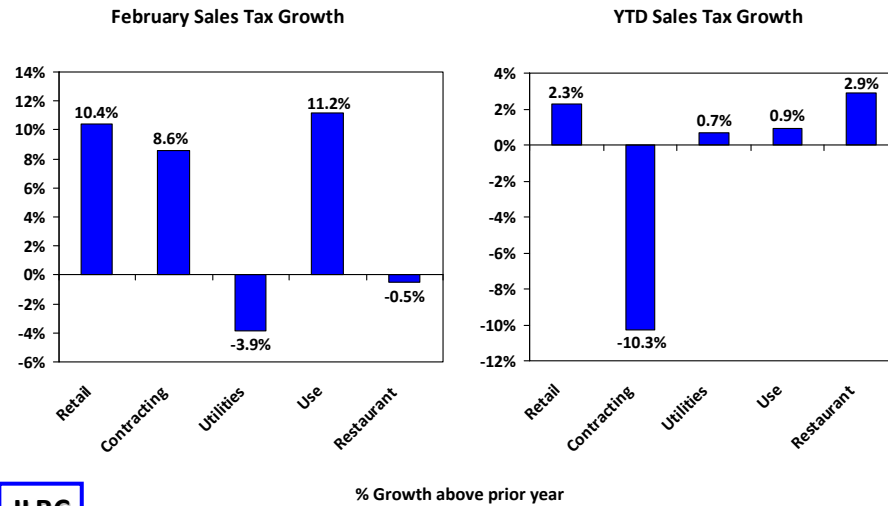


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## Sales Tax Collections by Category

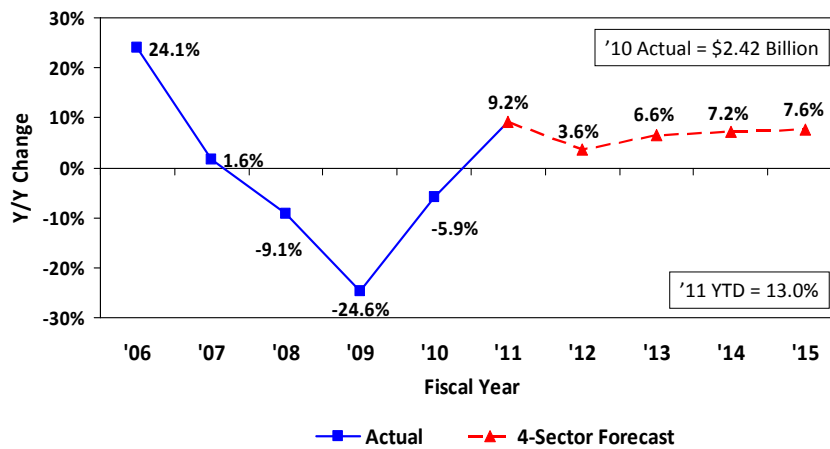


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## Individual Income Tax

- The Consensus Forecasts Growth of 9.2% in FY '11 and 3.6% in FY '12



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Percentage Changes Are Prior To Tax Law Changes  
 Without tax law changes, growth would have been 6.3% in FY '07 and (4.1)% in FY '08

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## Individual Income Tax Issues

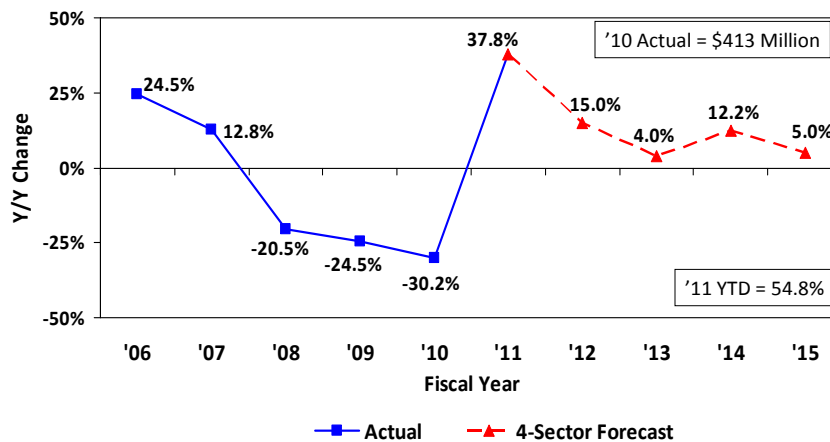
- 5.9% year to date withholding growth is stronger than expected
  - Far outpaces nominal job and salary growth
  - Due to July withholding table changes?
  - Or, is job data again lagging reality?
- At same time, however, refunds have declined to date
  - Processing issue?
  - Improved small business profitability?
  - Refunds usually decline in improving economy – may mask overwithholding

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## Corporate Income Tax

- The Consensus Forecasts Growth of 37.8% in FY '11 and 15.0% in FY '12

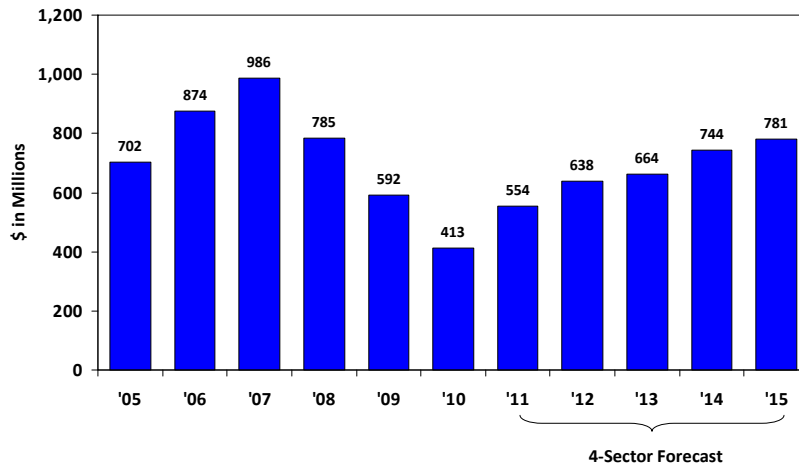


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Without tax law changes, decline would have been (17.2)% in FY '08, (20.7)% in FY '09, and (18.7)% in FY '10 <sup>16</sup>

## Corporate Income Tax

- Forecast Remains Substantially Below FY '07 High Point



Includes enacted tax law changes.

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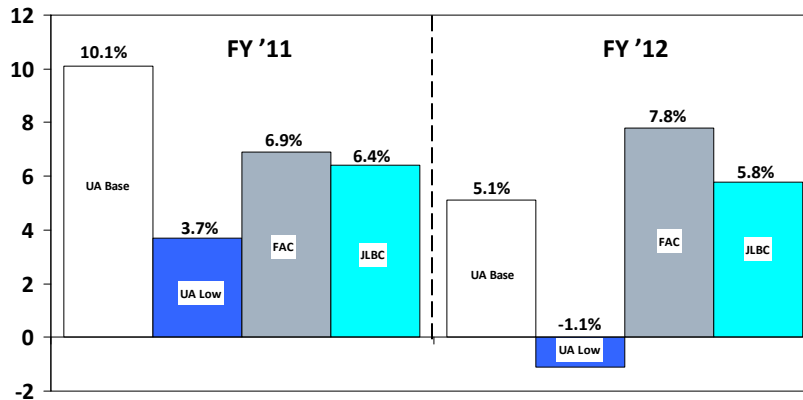
## Corporate Income Tax Could Experience Large % Gain in FY '11

- ☐ Net collections were up by 115% through December.
- ☐ FY '10 corporate refunds were inflated by extraordinarily large returns in November 2009.
- ☐ In FY '10, collections declined by (63)% in the 1<sup>st</sup> half of year compared to an increase of 5% in the 2<sup>nd</sup> half – as a result, expect lower % growth for rest of FY '11.
- ☐ Update: In January through March, corporate collections declined relative to FY '10. As a result, YTD growth down to 55% through March.

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## Consensus Predicts Growth of 5.6% in FY '11 and 4.2% in FY '12\*



Details in Appendix A

\* Weighted Big 3 average growth prior to 1 ¢ sales tax is 6.4% in FY '11 and 4.3% in FY '12. After adjusting for small tax categories, the base growth rate is 5.6% in FY '11 and 4.2% in FY '12.

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## Comparison of Consensus Forecast and March Budget

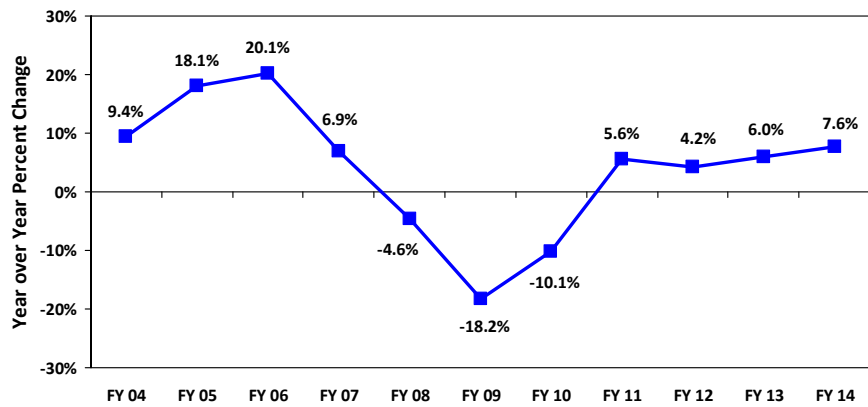
- March Budget Assumed 5.7% Base Growth in Both FY '11 and '12

- ❑ The April consensus is 0.1% less than the FY '11 March budgeted rate
- ❑ At 4.2%, the FY '12 consensus rate is considerably lower than the FY '12 budgeted rate
  - Without UA Low forecast of (1.1)% decline, the Consensus rate would have been 6.0%
  - A revenue decline would represent a “double dip” recession

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## Consensus Forecasts Higher Base Revenue Growth Rate in Both FY '13 and FY '14

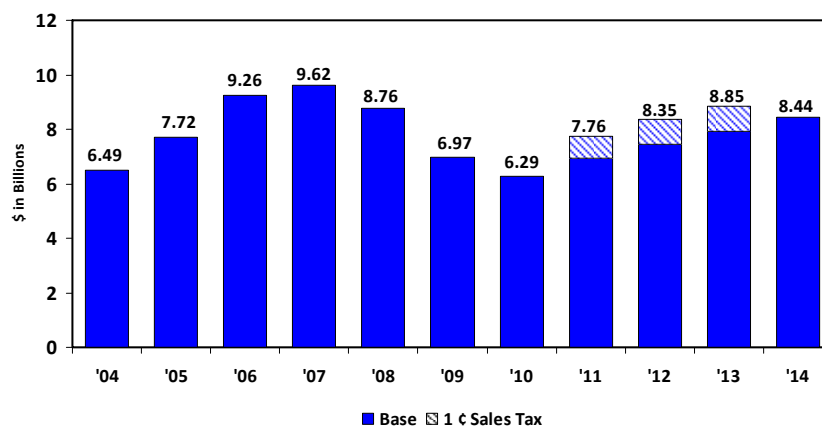


- To reflect underlying economic growth, "Base" revenues exclude balance forward, tax law changes, one-time revenues, and urban revenue sharing

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## Consensus Forecasts Still Below FY '07 Level



FY 12 represents budgeted revenue level.

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

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## Summary of Enacted Budget Impacts

### Impact of Enacted Budget

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- ❑ The projected FY '11 baseline shortfall was \$(543) M
  - The budget addressed this issue with \$211 M of spending reductions, fund transfers, and base revenue adjustments
  - The remaining \$332 M shortfall will be resolved in FY '12
- ❑ The projected FY '12 shortfall was \$1.48 B, including the \$332 M FY '11 shortfall
  - The budget primarily addressed this shortfall with \$1.14 B in net spending reductions

## The FY '11 and FY '12 Budget Solutions

	\$ in Millions	
	<u>FY 11</u>	<u>FY 12</u>
❑ Baseline Shortfall	\$(543)	\$(1,152)
• Unresolved '11 Shortfall	=	<u>(332)</u>
• Total Shortfall	(543)	(1,484)
❑ Solutions		
• Spending Reductions	121	1,143
• Fund Transfers	50	167
• Added Base Revenue	40	70
• Other Revenue	--	43
• New Local MVD/DPS/Cash Payments	=	<u>66</u>
Total Solutions	211	1,489
❑ Revised Surplus/Shortfall	\$(332)	\$5

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## Despite \$1.1 B in Reductions, Overall Spending Levels Remain Near \$8.3 B

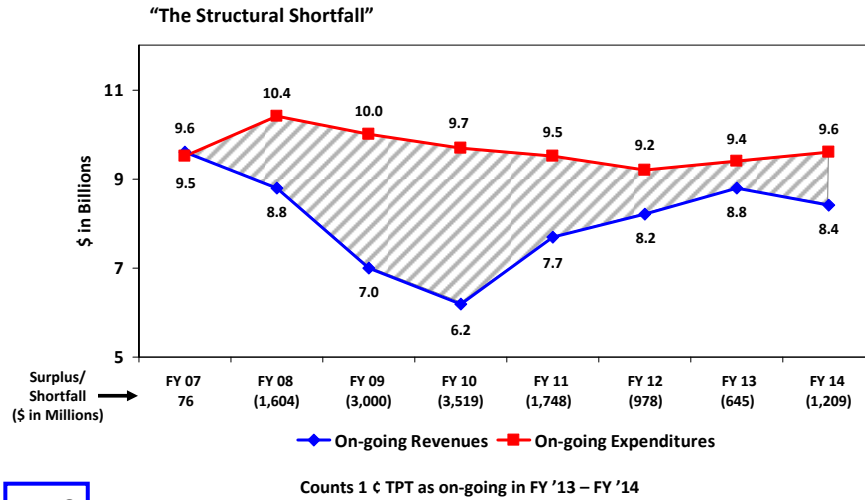
### - Backfill of Federal Stimulus Funds Offsets Reductions

	\$ in Millions		
	<u>Backfill/Caseload</u>	<u>Net Reductions</u>	<u>Net Change</u>
Department of Education	\$143	\$(163)	\$(20)
AHCCCS	499	(511)	(12)
Department of Corrections	(7)	10	3
Universities	0	(198)	(198)
DES	64	(50)	14
DHS	155	(97)	58
SFB	97	0	97
One Extra Payroll	79	0	79
Employee Benefit Savings	<u>0</u>	<u>(62)</u>	<u>(62)</u>
Total	\$1,030	\$1,071	\$(41)

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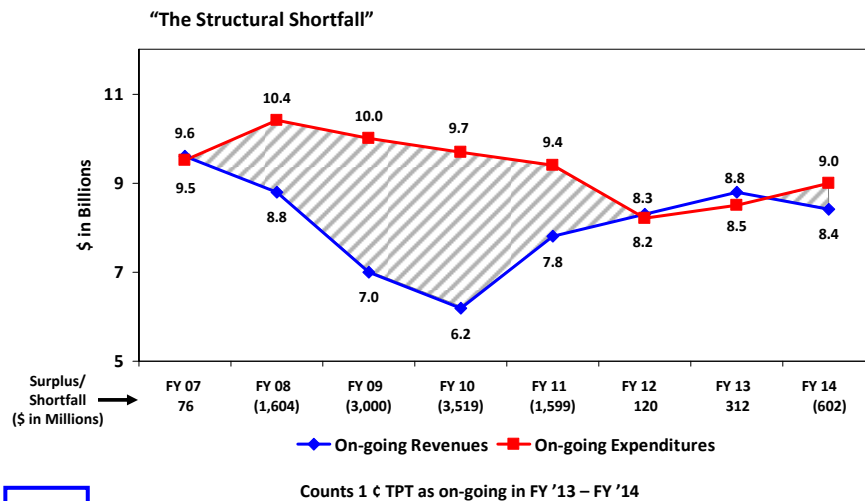
**In January, the FY 12 Structural Gap was \$(1) B**  
**- Represents On-Going Revenues Versus Ongoing Expenditures**



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**With the Newly Enacted Budget, the Structural Gap Has Been Eliminated Through FY '13**  
**- Gap Reappears in FY '14 with Lapse of 1¢ Sales Tax**



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## Appendix A: March 2011 4-Sector Forecast

	FY 2011	FY 2012	FY 2013	FY 2014
<b>Sales Tax</b>				
JLBC Forecast	2.8%	5.5%	6.7%	7.1%
UA – Low	-1.6%	-1.8%	5.1%	7.6%
UA – Base	1.5%	3.1%	6.6%	7.7%
FAC	2.3%	6.1%	5.6%	5.9%
Average:	<b>1.3%</b>	<b>3.2%</b>	<b>6.0%</b>	<b>7.1%</b>
<b>Individual Income Tax</b>				
JLBC Forecast	6.7%	6.4%	6.8%	7.0%
UA - Low	6.7%	-5.2%	6.1%	8.1%
UA – Base	15.7%	6.1%	7.1%	7.4%
FAC	7.8%	7.2%	6.4%	6.4%
Average:	<b>9.2%</b>	<b>3.6%</b>	<b>6.6%</b>	<b>7.2%</b>
<b>Corporate Income Tax</b>				
JLBC Forecast	34.5%	4.8%	2.9%	7.8%
UA – Low	29.3%	22.7%	-1.1%	8.6%
UA – Base	48.3%	11.6%	2.2%	24.9%
FAC	39.2%	20.9%	12.0%	7.7%
Average:	<b>37.8%</b>	<b>15.0%</b>	<b>4.0%</b>	<b>12.2%</b>
JLBC Weighted Average:	<b>6.4%</b>	<b>5.8%</b>	<b>6.4%</b>	<b>7.1%</b>
UA Low Weighted Average	<b>3.7%</b>	<b>-1.1%</b>	<b>4.8%</b>	<b>7.9%</b>
UA Base Weighted Average	<b>10.1%</b>	<b>5.1%</b>	<b>6.4%</b>	<b>9.1%</b>
FAC Weighted Average:	<b>6.9%</b>	<b>7.8%</b>	<b>6.5%</b>	<b>6.3%</b>
Consensus Weighted Average:	<b>5.6%*</b>	<b>4.2%*</b>	<b>6.0%</b>	<b>7.6%</b>
* Consensus forecast adjusted for small revenue categories				

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# Economic Update

To:  
JLBC FAC

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

April 13, 2011



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## Synopsis:

**Our employment recession only  
just recently ended...**

**...We previously thought it ended  
last summer.**



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# Synopsis:

**Our recovery will be slightly weaker than previously thought.**

**The longer term outlook hasn't changed all that much though.**



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# Synopsis:

**Revenues will still surprise on the upside.**

**Precisely when and to what extent is the unknown.**




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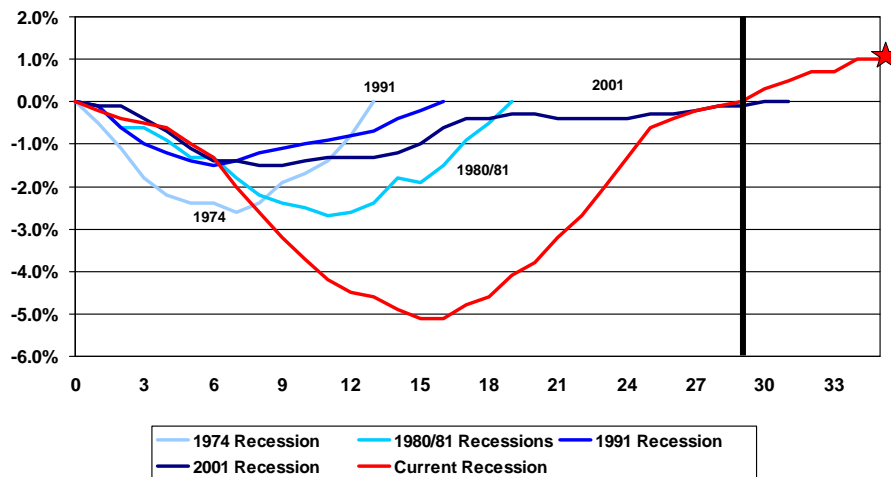
# The U.S. Recovery:




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## U.S. Y/Y Job Losses - Recent Recessions Duration in Months – BLS - March



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# US Employment\*

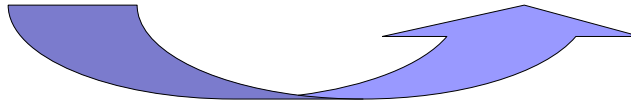
Source: Bureau of Labor Statistics

## Sectors in Decline

Construction	-0.6%
Information	-1.4%
Financial Activities	-0.4%
Government	-1.6%

## Sectors Improving

Natural Resources & Mining	11.4%
Education & Health Services	2.1%
Trade	0.8%
Prof. & Bus. Services	3.3%
Leisure & Hospitality	1.6%
Transp., Warehousing & Utilities	1.7%
Manufacturing	1.8%
Other Services	2.0%



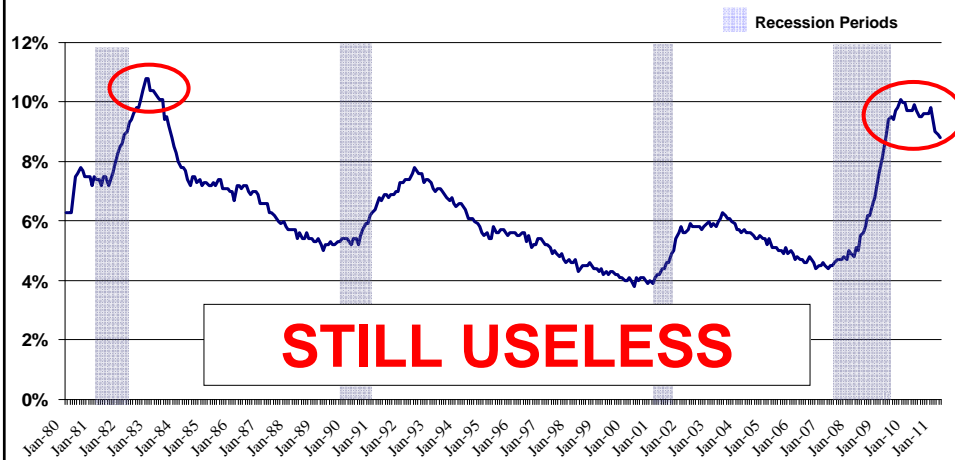
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\*March 2011/March 2010

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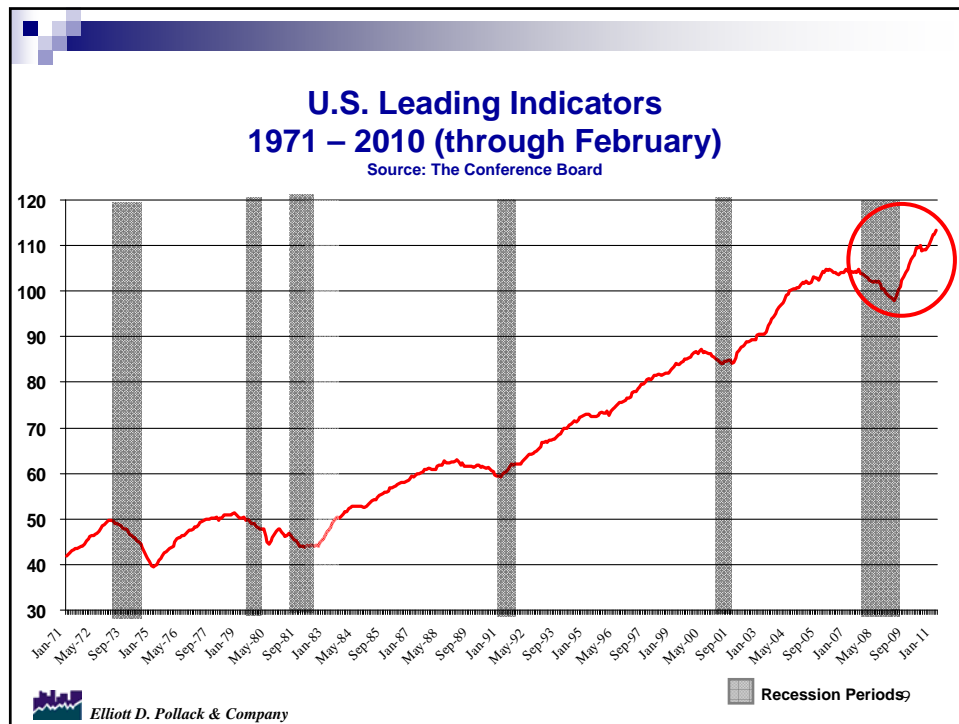
# U.S. Unemployment Rate 1980 – 2011\*

Source: Bureau of Labor Statistics



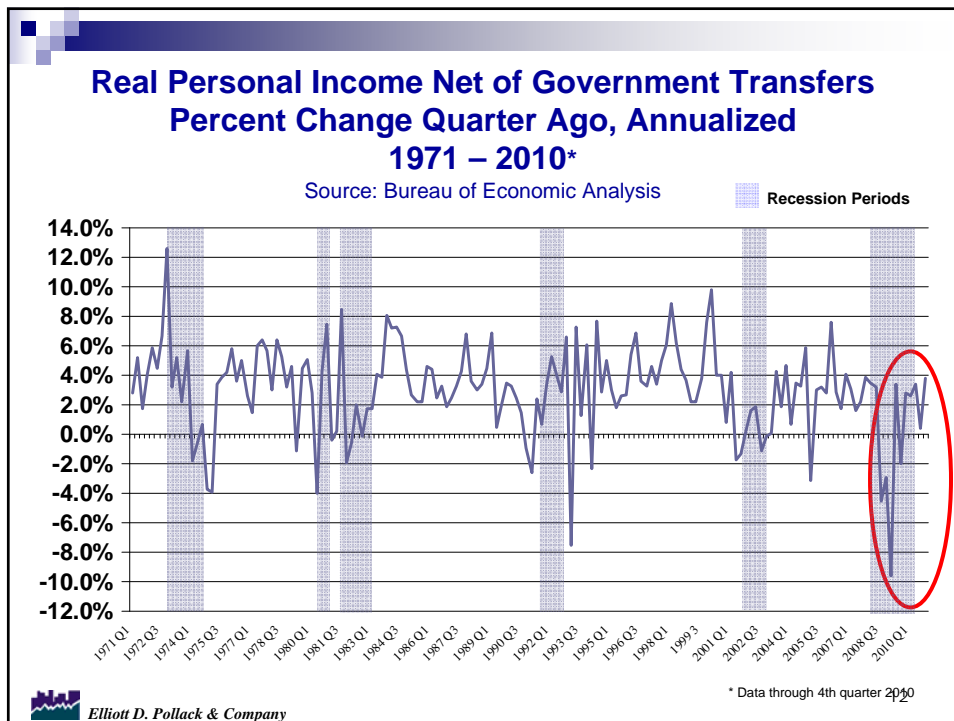
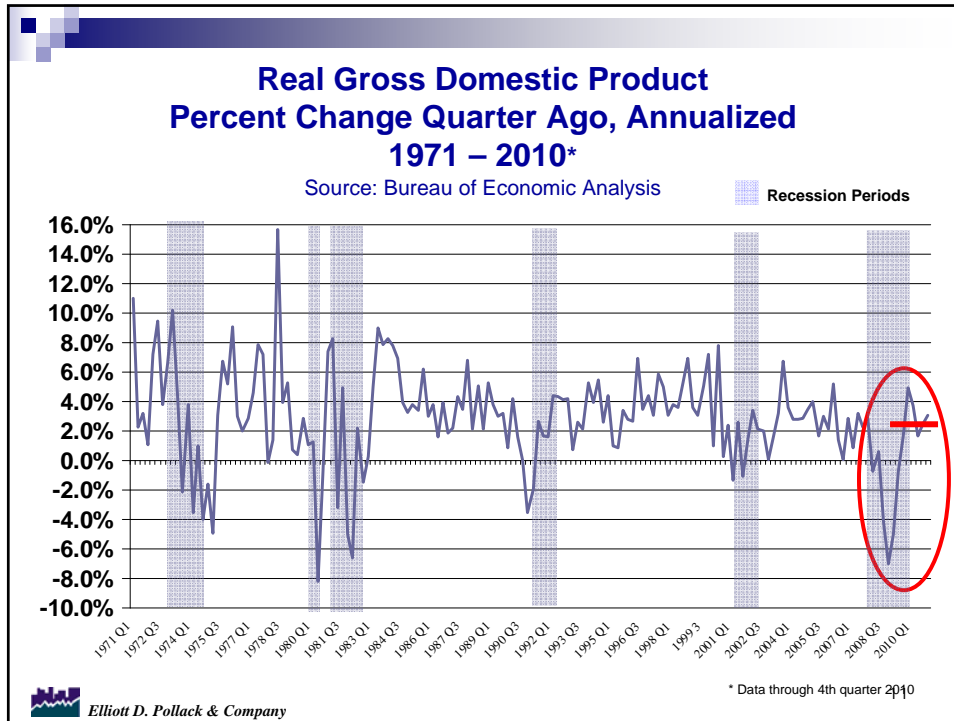
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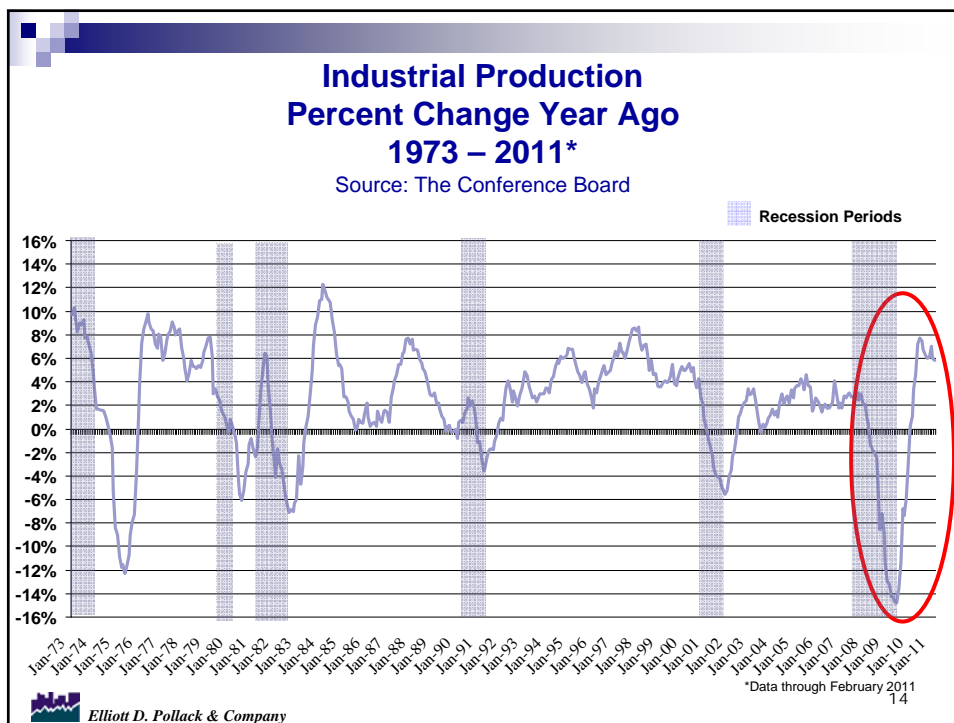
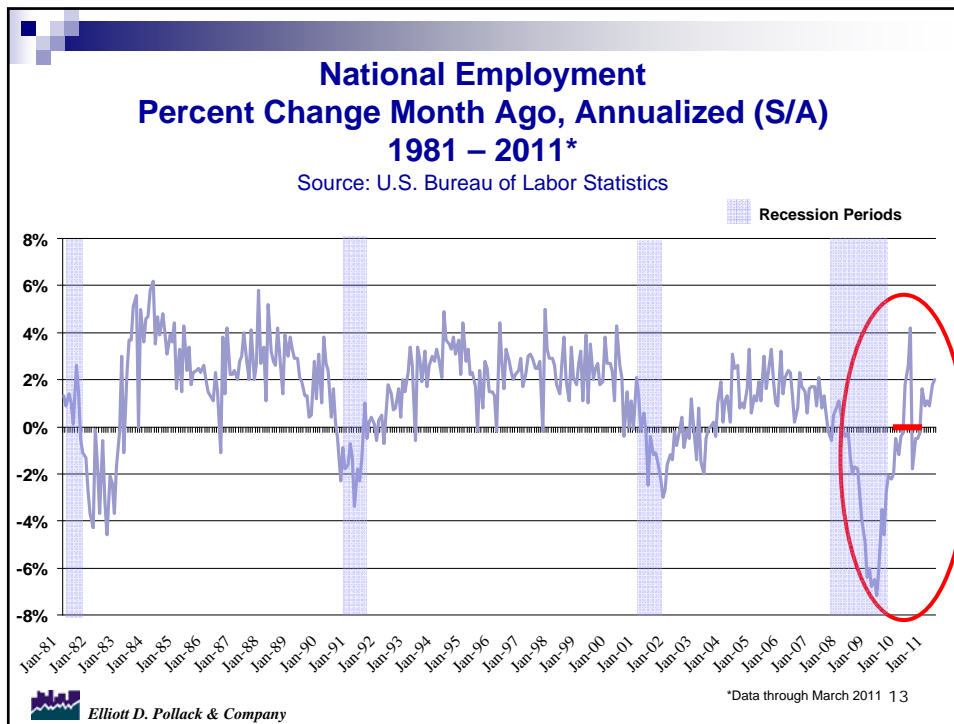
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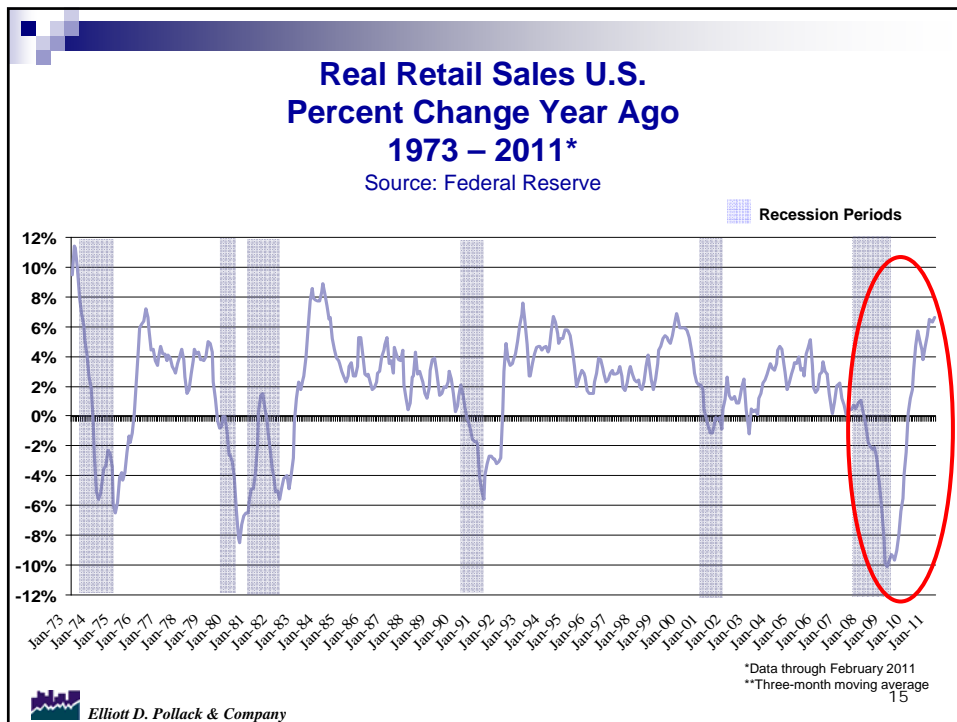
## Select Recession Indicators:

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









## Recession Indicators Summary: Still Moving Upward

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

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## Why is this Important?

- Things won't be getting WORSE...
- But, when will they be getting SIGNIFICANTLY BETTER?



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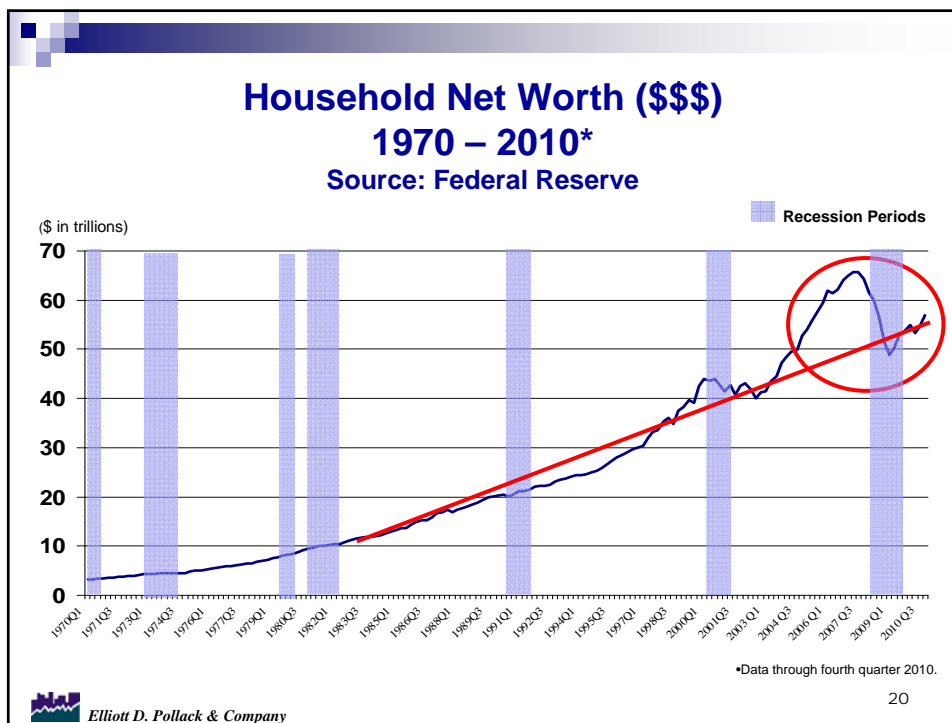
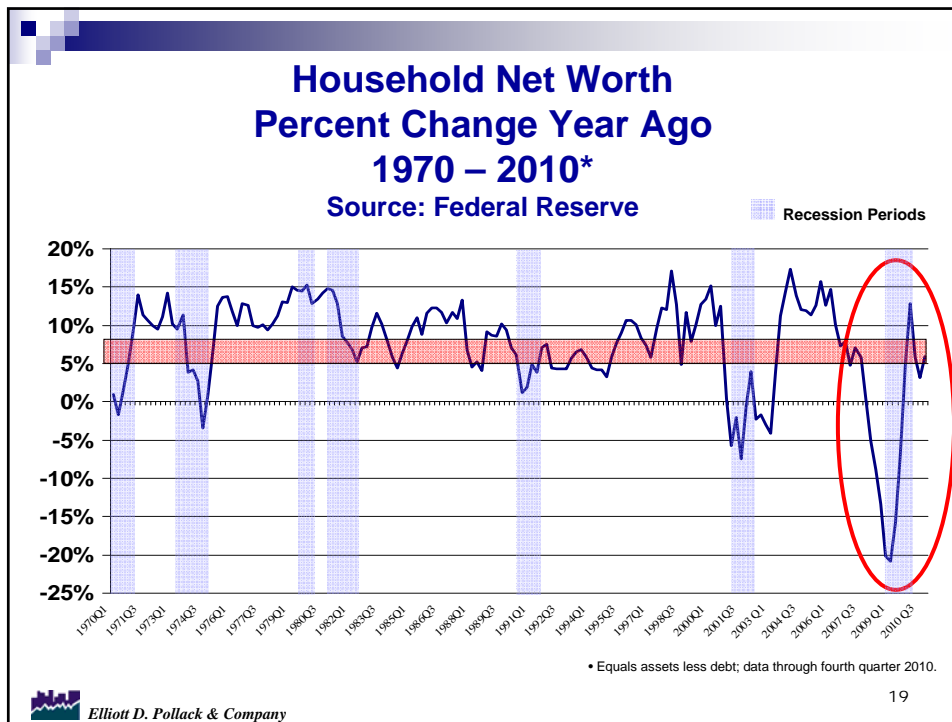
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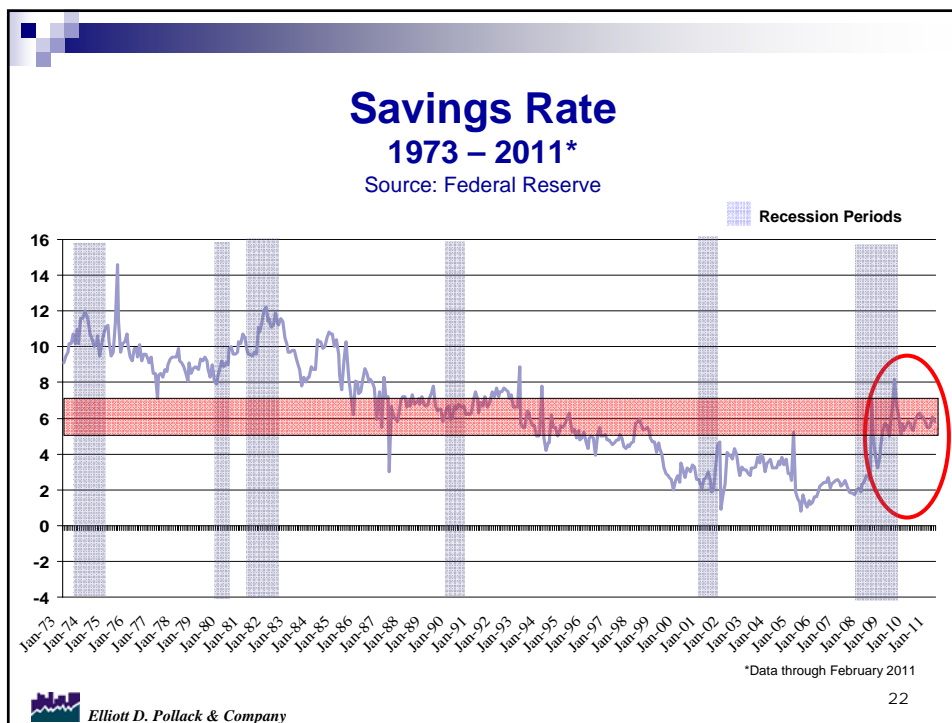
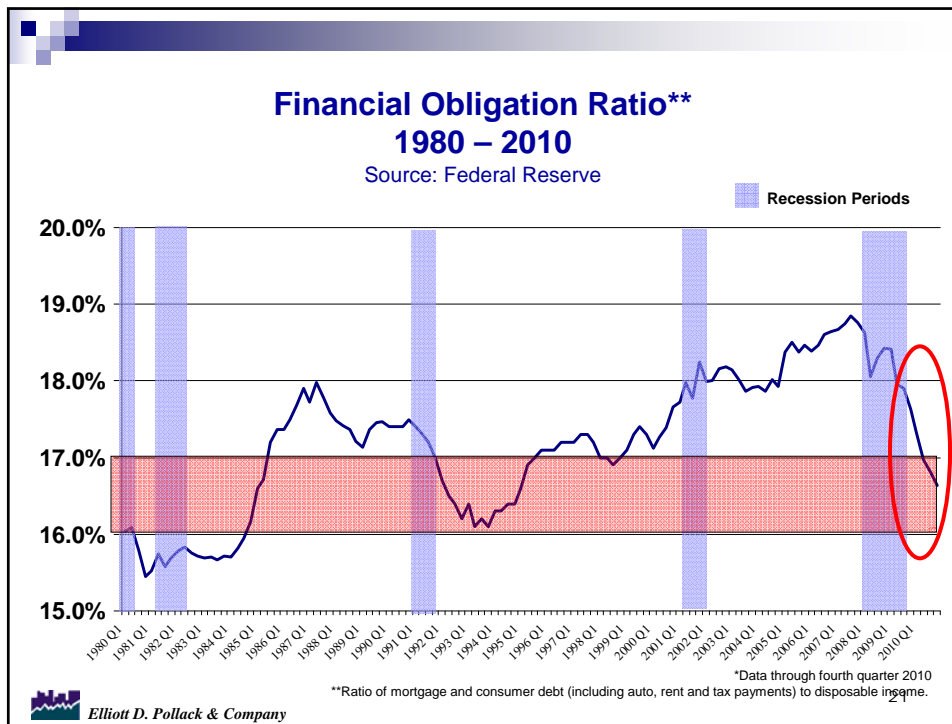
## *Consumers*

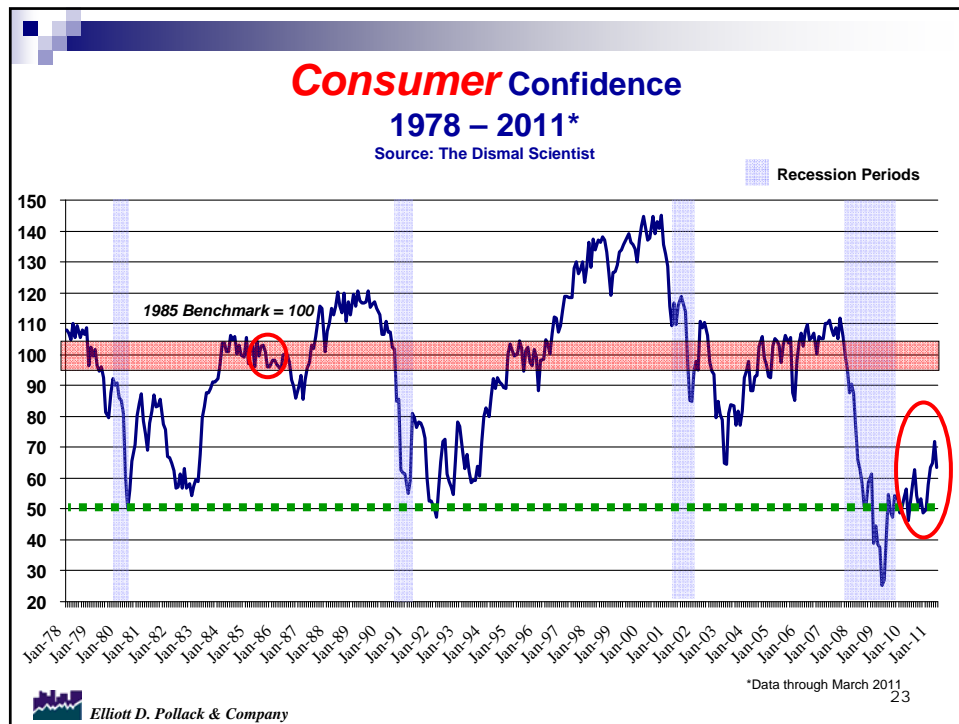


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## The Impact of Higher Oil Prices?

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



## The Impact of Higher Oil Prices?

### ■ Consumer Impact:

- A 1 cent increase at the pump costs consumers \$1.2B;
- Gas has increased in price by 80 cents in the last 12 months.
- Double that in the last 24.

### ■ Economy Impact (each \$10 per barrel increase):

- Real GDP down 0.2 in yr 1 and 0.5 in yr 2;
- GDP Deflator up 0.3 in yr 1 and 0.4 in yr 2;
- Unemployment up 0.1 in yr 1 and 0.2 in yr 2.



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## Consumer Recap: All the Same Stuff...

- Lots of pressure on the consumer.
- Situation is improving but VERY slowly.
- Wealth is still an issue.
- Less pent up demand than typical for a recovery.
- Some psychology in the numbers still.



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# Business

## Depends on the sector...



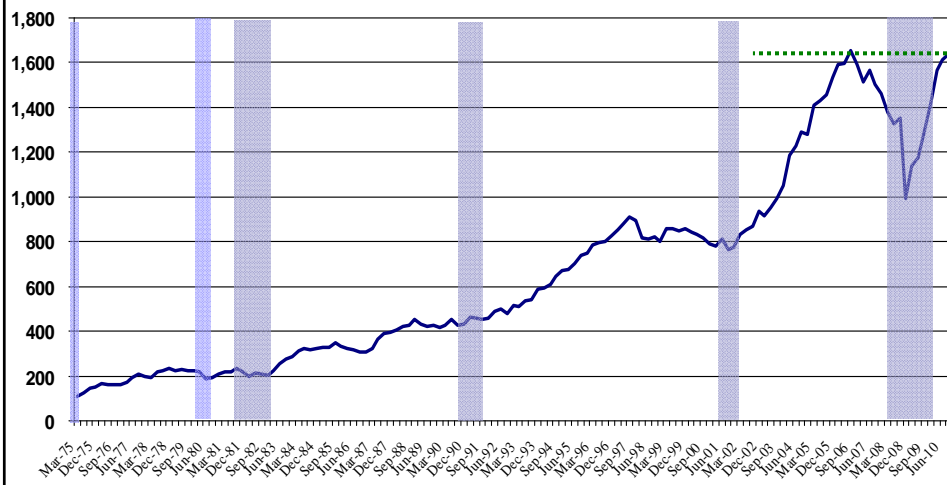
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### Corporate Profit (Billions of Dollars, SA) 1975-2010\*

Source: Freelunch.com

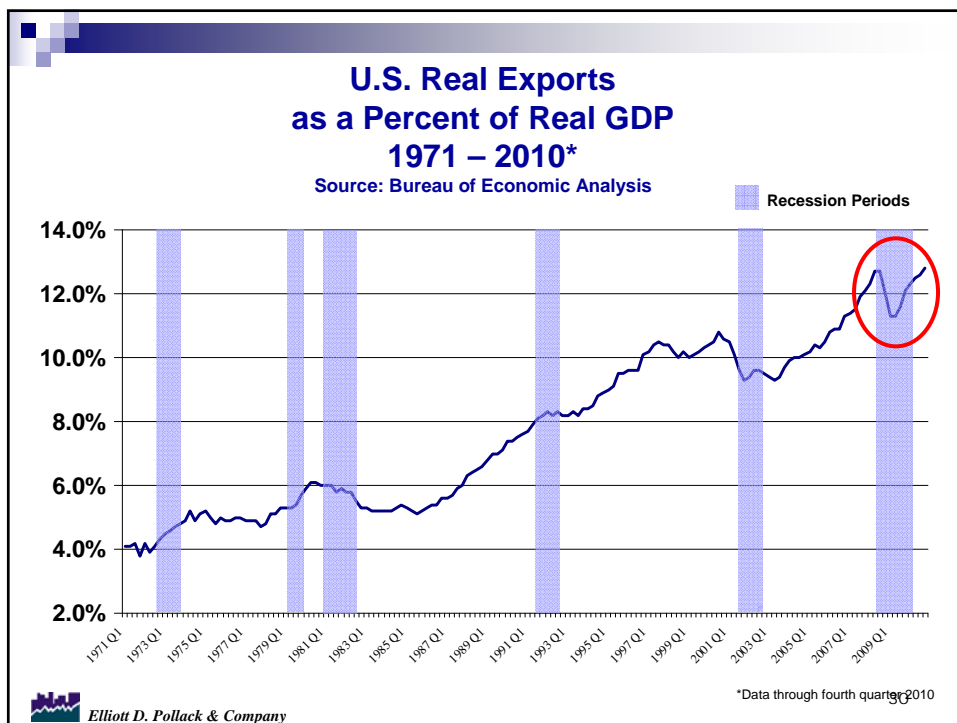
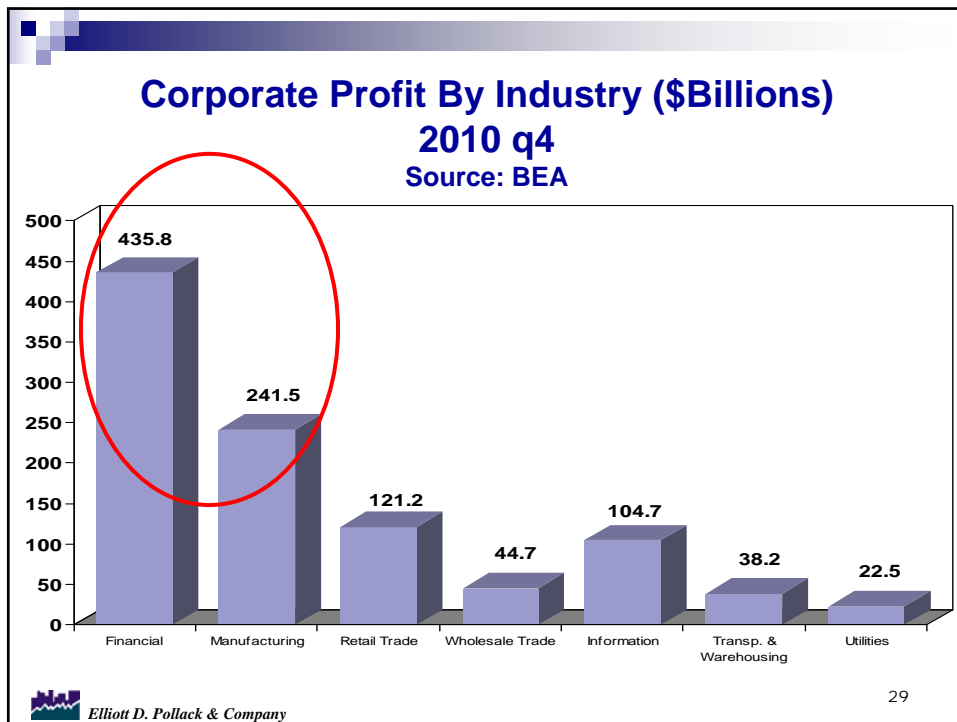
Recession Periods



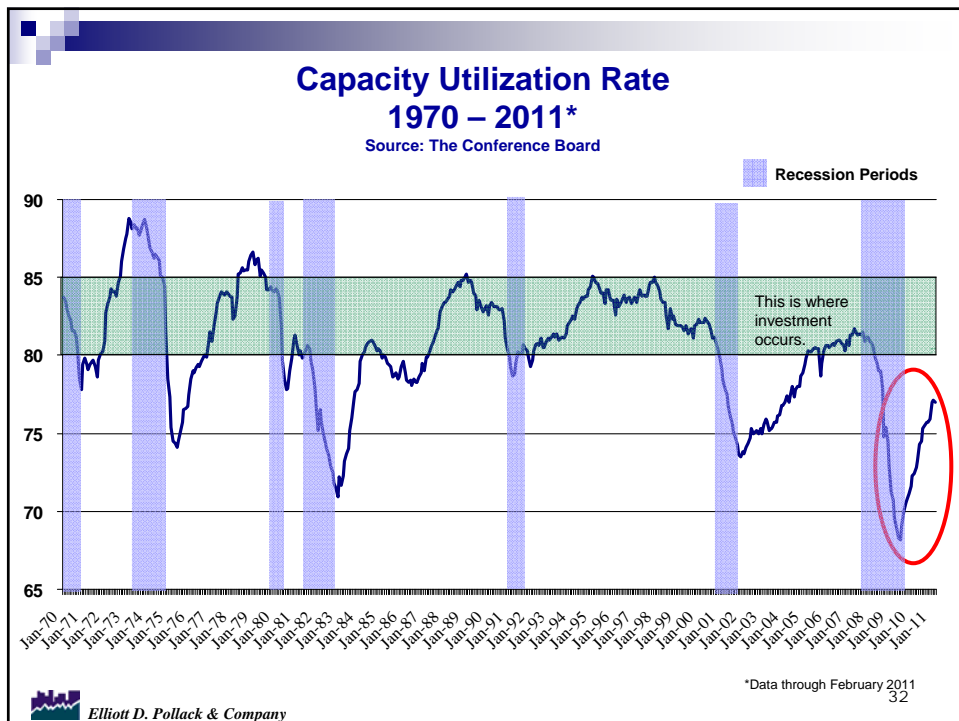
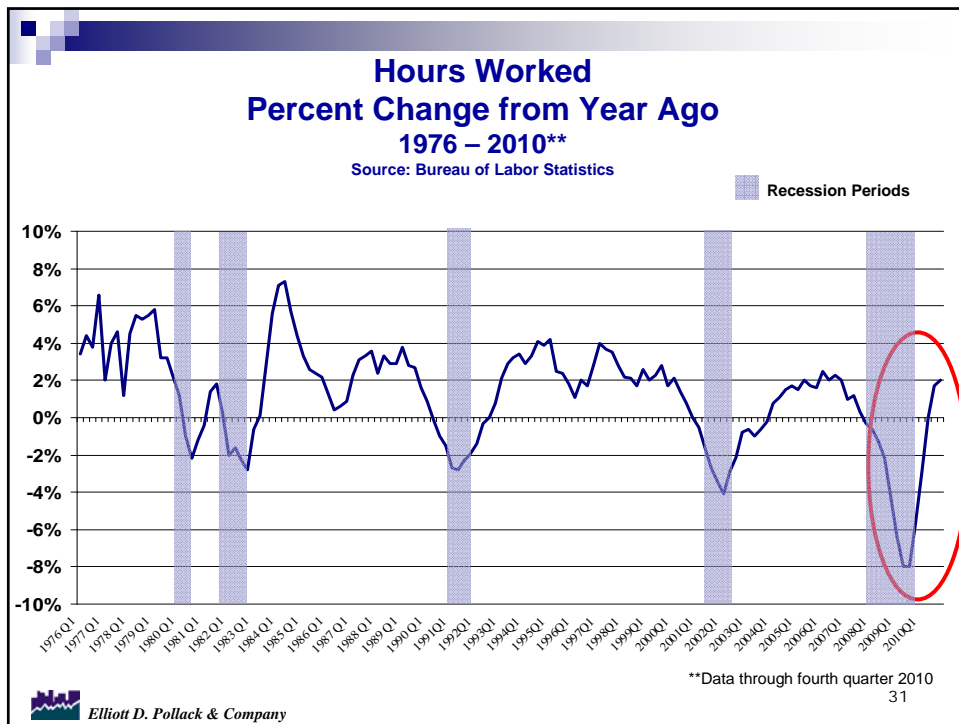
\*Data through fourth quarter 2010

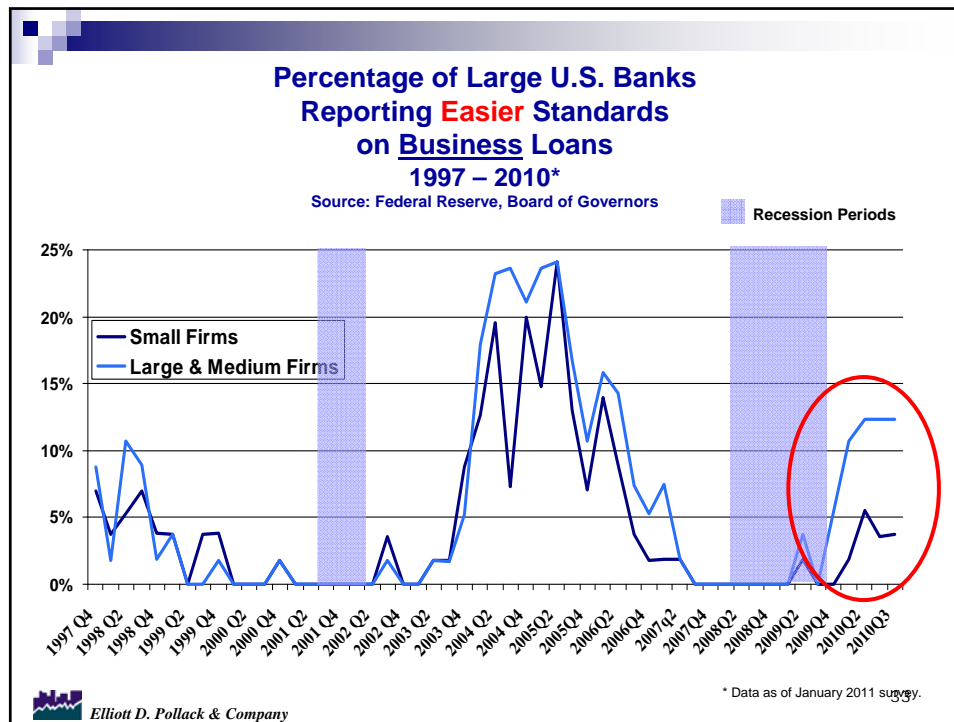


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## Business Recap: Similar to Before...

- Profits are high, but...
- Business spending on plant will be slow, but getting closer to seeing some investment.
- Spending on equipment will be up.
- Hiring will still be relatively slow.

# U.S. Summary:

**Recovering but not recovered.**

**Lots of small shocks occurring  
but none are game changers right  
now.**



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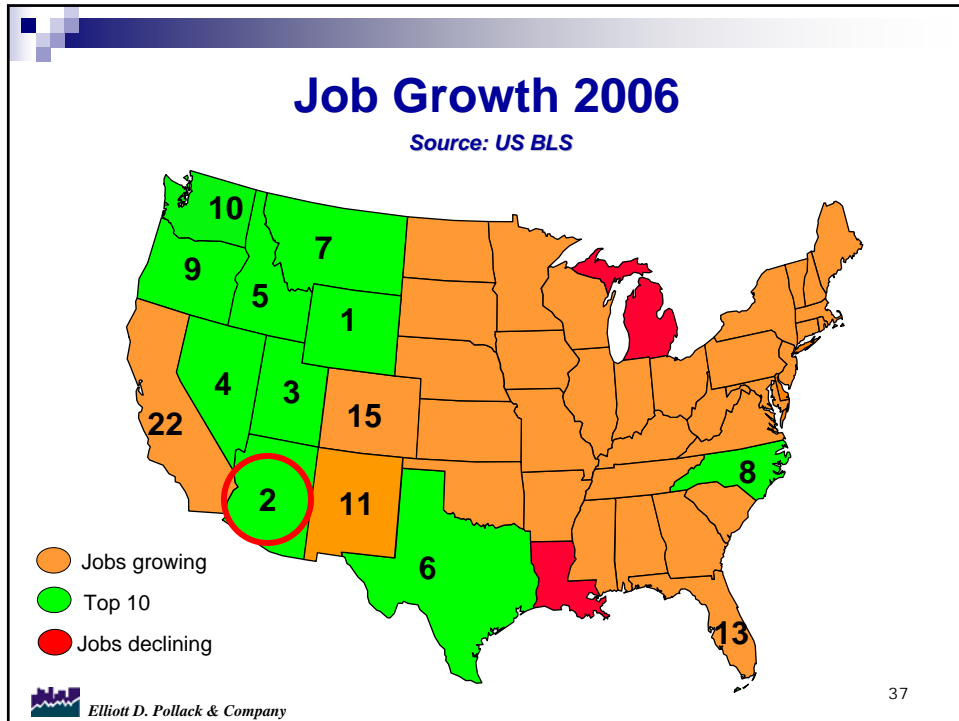
## Case Study:

**Arizona,  
performing  
worse than  
earlier  
reported...**

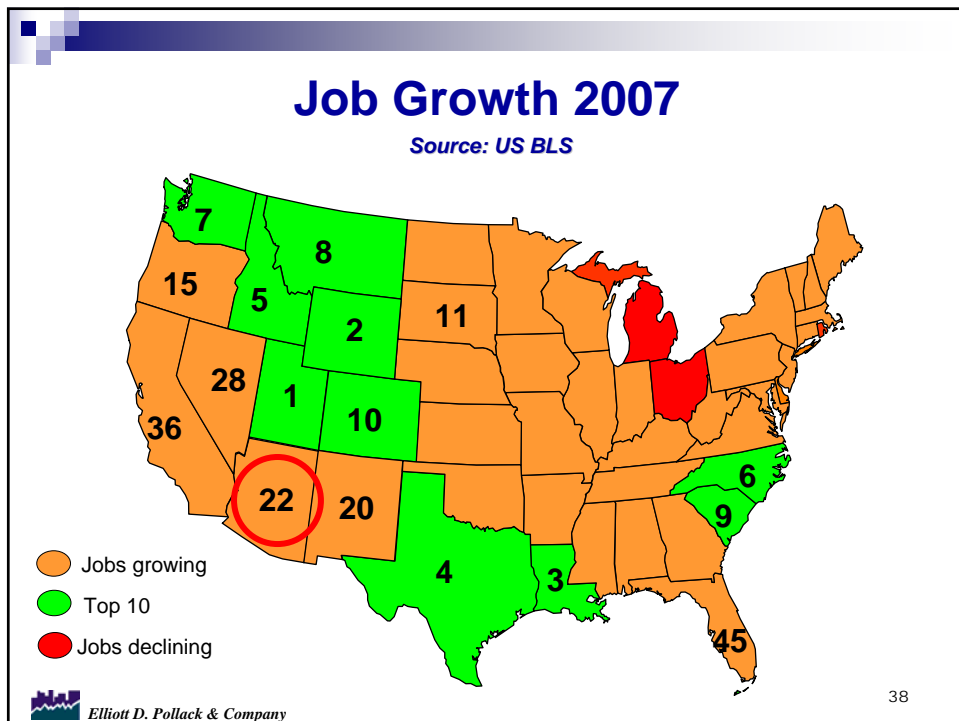


*Elliott D. Pollack & Company*

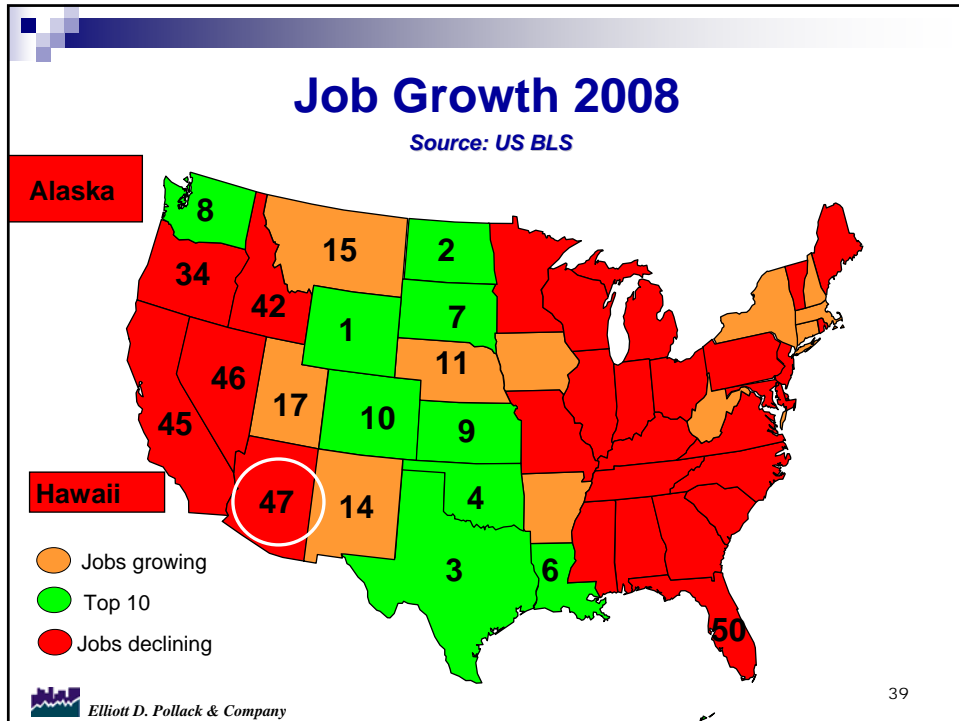
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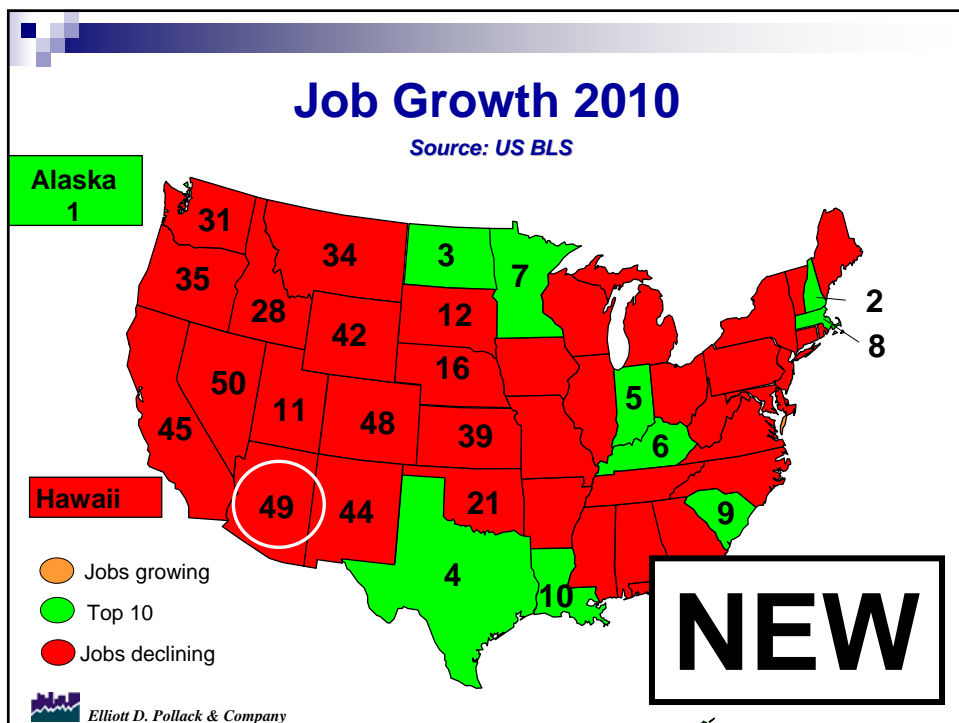
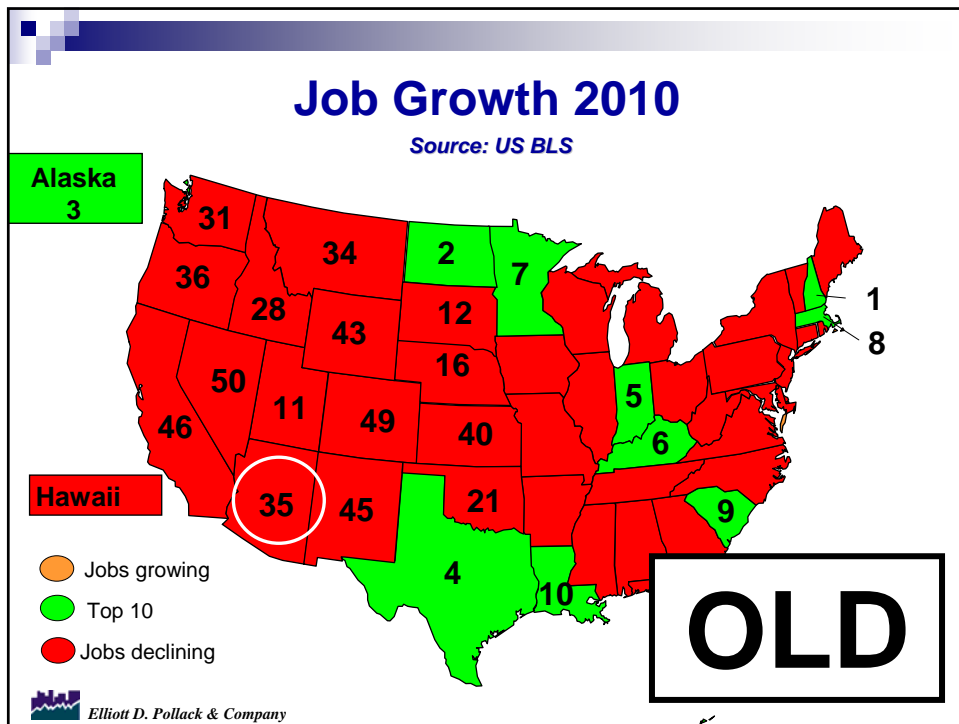


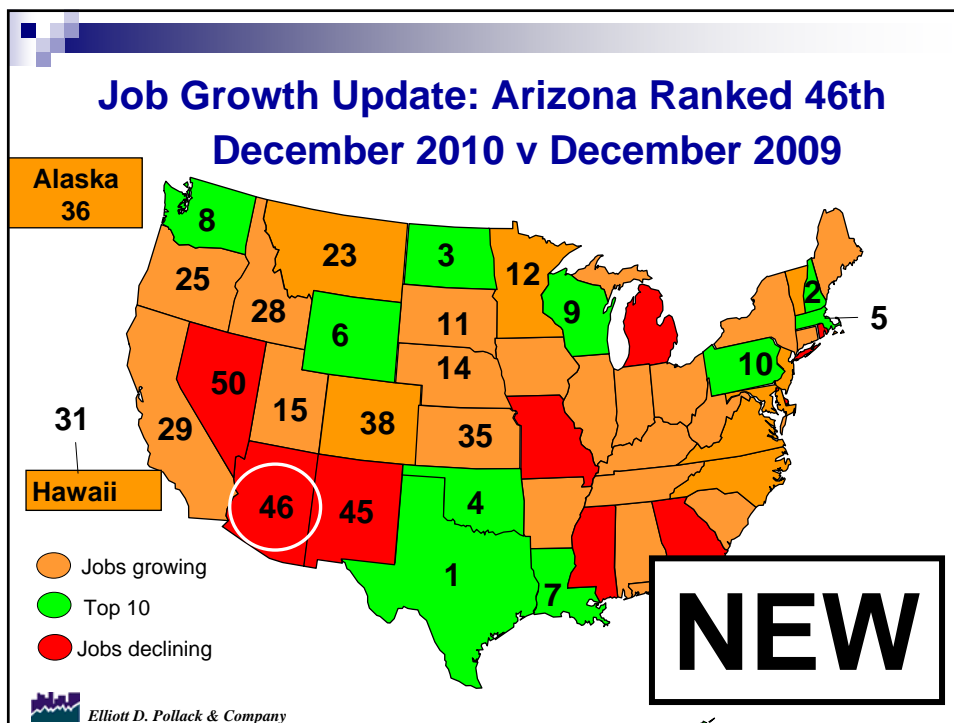
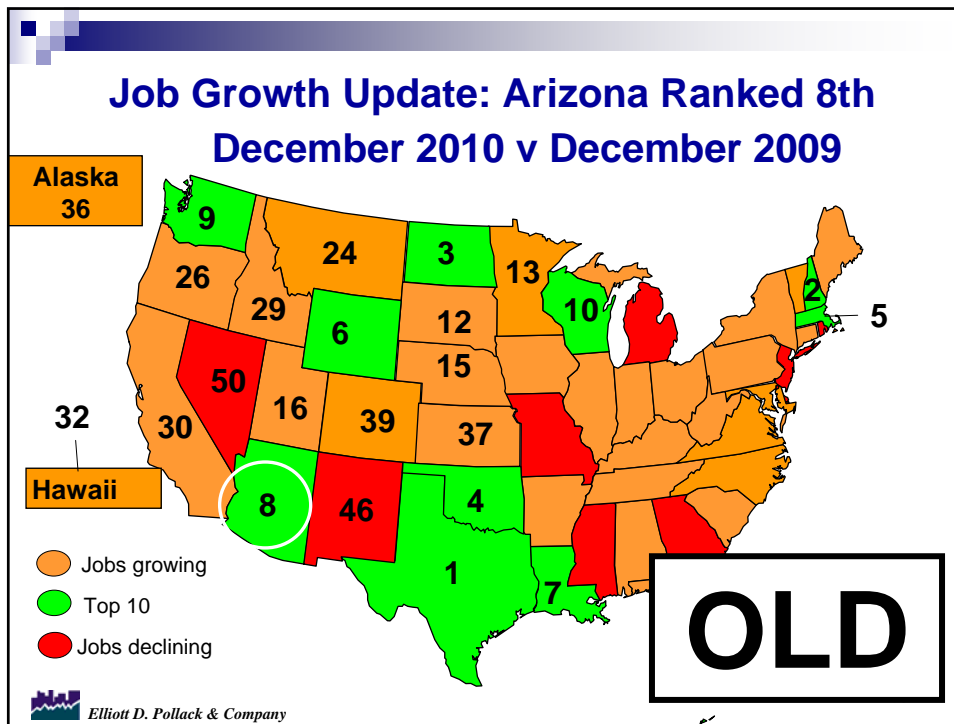
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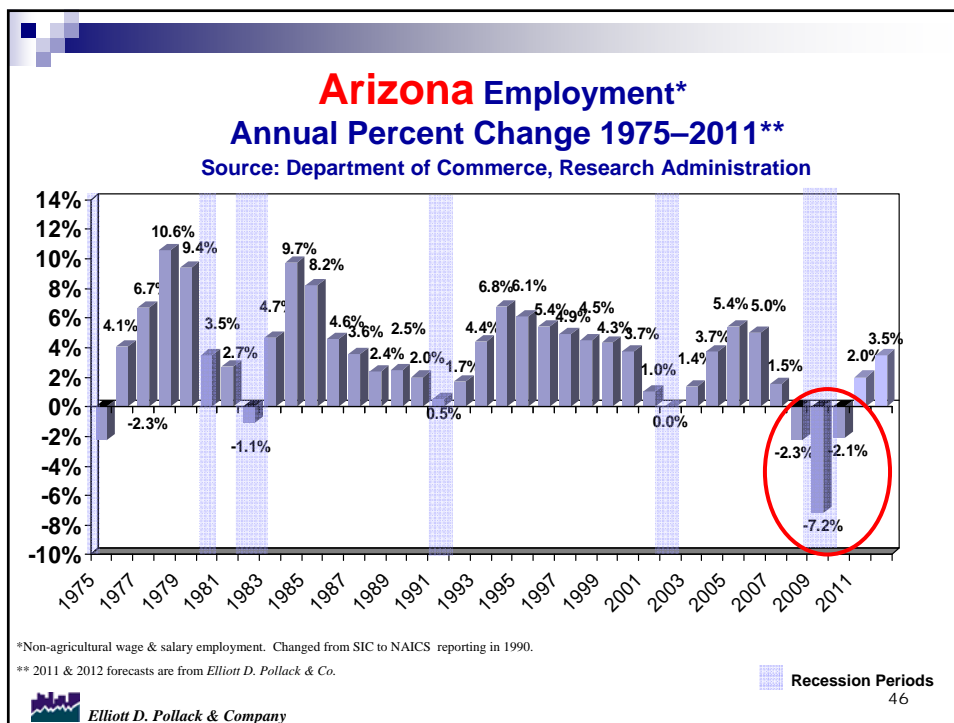
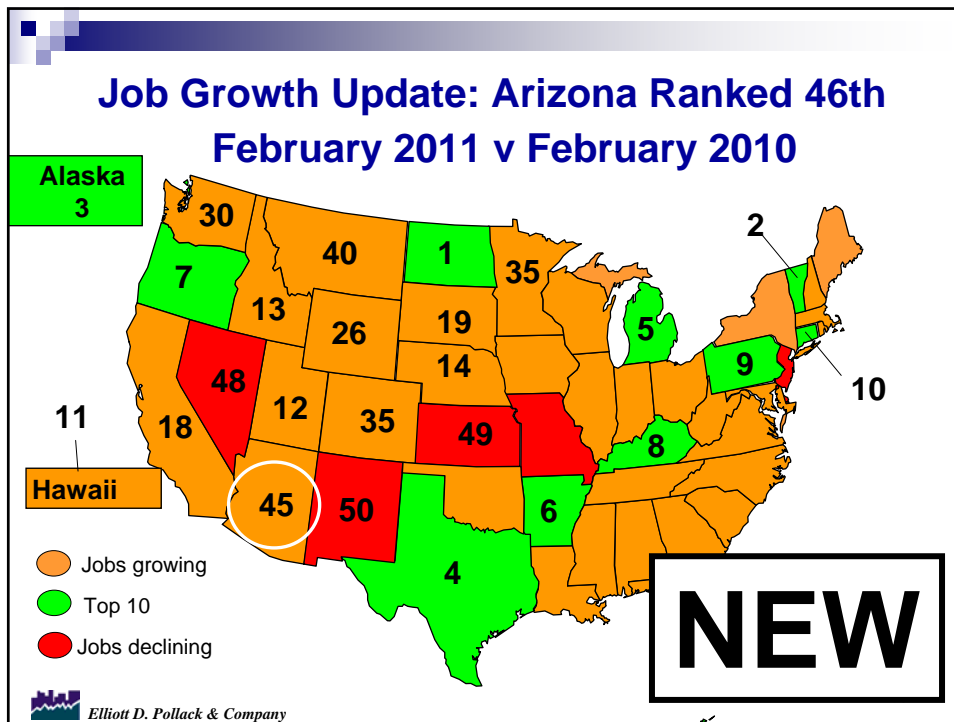


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\*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

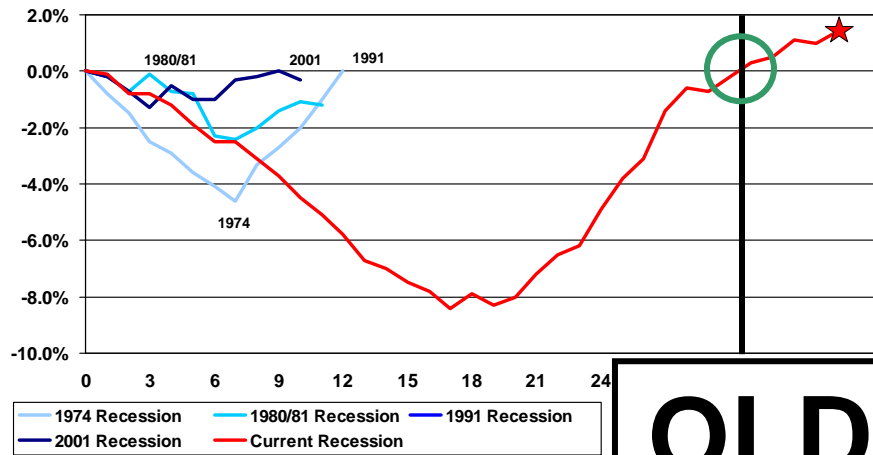
\*\* 2011 & 2012 forecasts are from Elliott D. Pollack & Co.

Recession Periods  
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## Arizona Y/Y Job Losses - Recent Recessions

Duration in Months – BLS - December



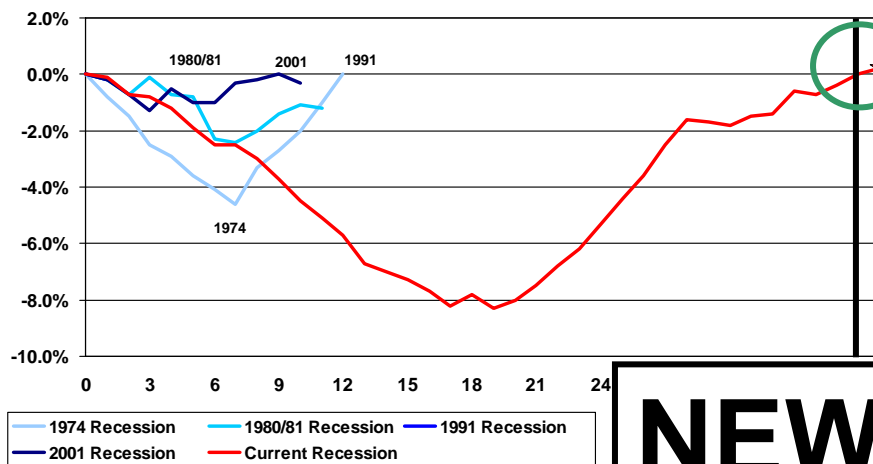
**OLD**



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## Arizona Y/Y Job Losses - Recent Recessions

Duration in Months – BLS - February



**NEW**



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## February AZ Employment

Source: Bureau of Labor Statistics

### Sectors in Decline

Construction	-4.5%
Information	-1.4%
Financial Activities	-0.9%
Government	-1.3%
Natural Resources & Mining	-0.9%
Prof. & Bus. Services	-1.2%
Other Services	-2.7%

### Sectors Improving

Education & Health Services	4.3%
Leisure & Hospitality	1.7%
Transp. Warehousing & Utilities	5.5%
Manufacturing	0.2%
Trade	0.1%

**NEW**



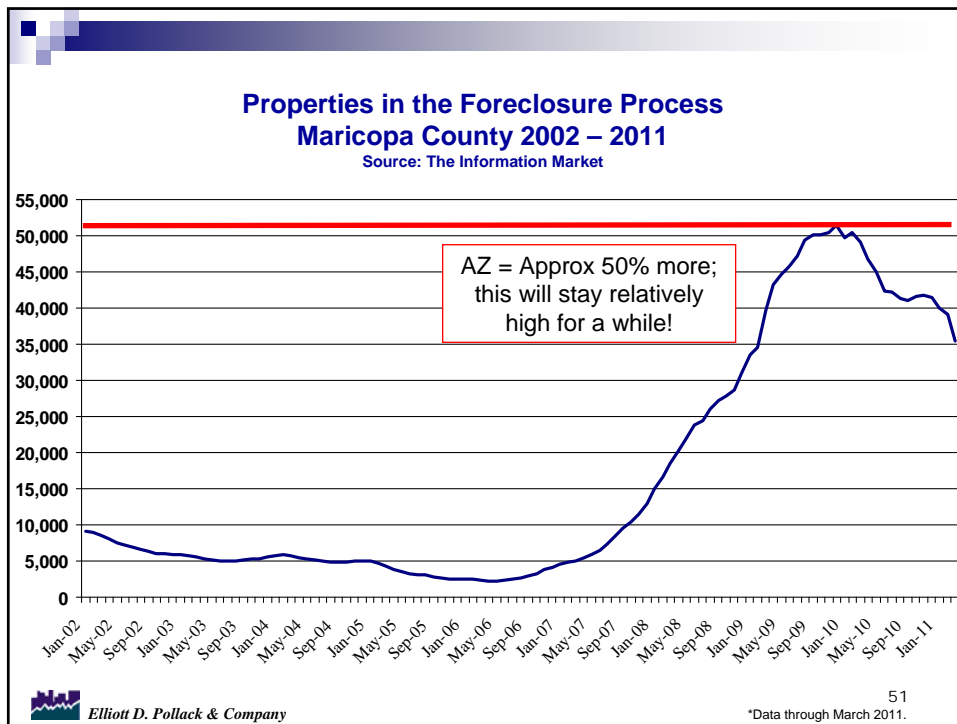
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**Real estate problems  
will continue...**



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## How Investors Impact the Market:

- Temporarily increase housing demand.
- This puts upward pressure on prices.

## How Weak Pop/Emp Flows Impact the Market:

- Temporarily decrease housing demand.
- This puts downward pressure on prices.



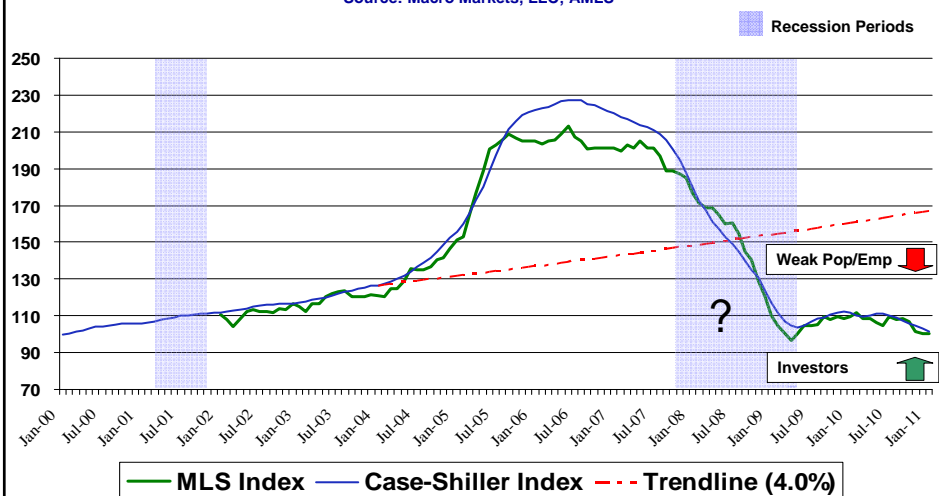
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## Home Prices Indices

2000 – 2011 (January)

Source: Macro Markets, LLC; AMLS



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## Negative Equity in Homes Affects Ability to Sell or Buy

Source: First American Core Logic

**50% of homes in  
Arizona have negative  
equity.**

**(National average about 25%)**

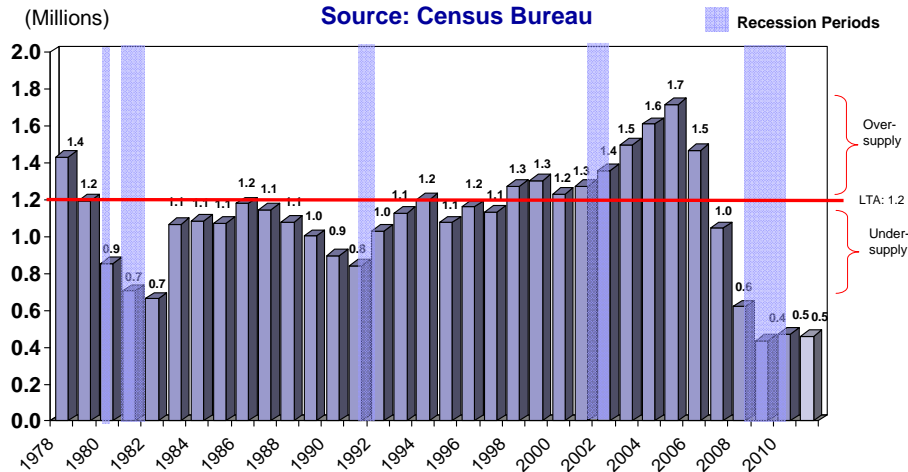


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## U.S. Single-Family Starts 1978–2011<sup>1/</sup>

Source: Census Bureau

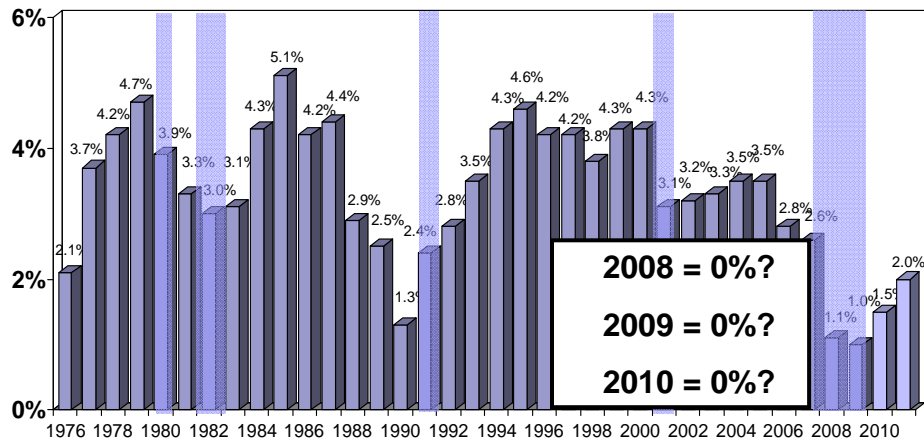


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1/ Through February 2011

## Greater Phoenix Population Annual Percent Change 1976–2011\*

Source: Arizona State University & Department of Commerce, Research Administration



2009 is an estimate put out by ADOC and may be subject to substantial revision.

\* 2010 & 2011 forecast is from Elliott D. Pollack & Co.



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Recession Periods

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## Single-Family Permits vs. Population Demand Greater Phoenix 1975–2015

# Permits

Source: PMHS / RL Brown

Recession Periods



\* 2011 - 2015 forecast is from Elliott D. Pollack & Co.

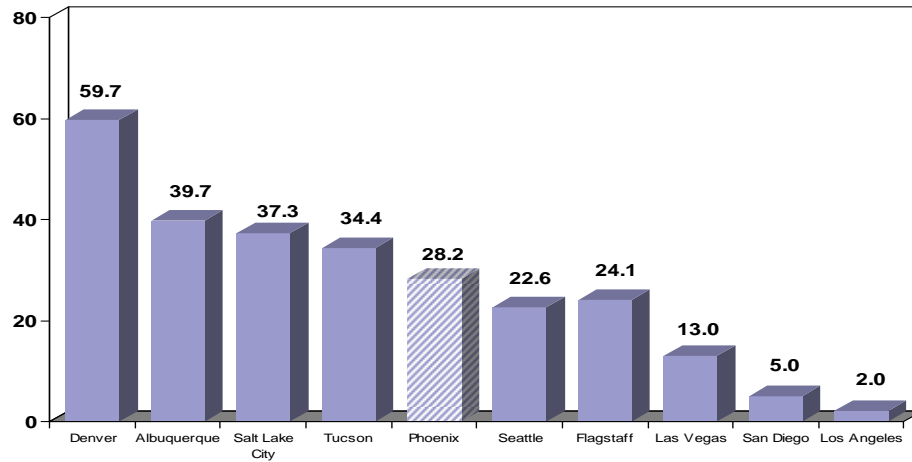


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## Housing Affordability Index 2006 Q4

Source: NAHB

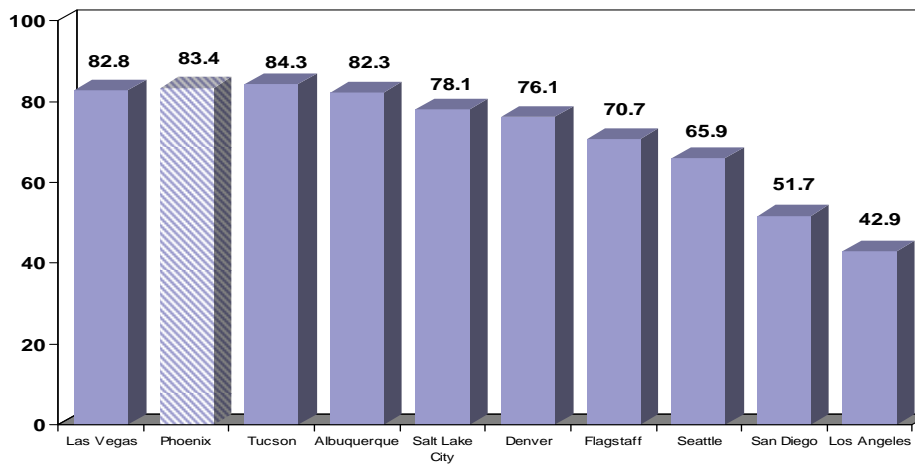


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## Housing Affordability Index 2010 Q4

Source: NAHB



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## Commercial Markets...




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## Back to Normal Vacancy?

- Office = 2014 - 2015
- Industrial = 2014 - 2015
- Retail = 2014 - 2015

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# Financial Problems...



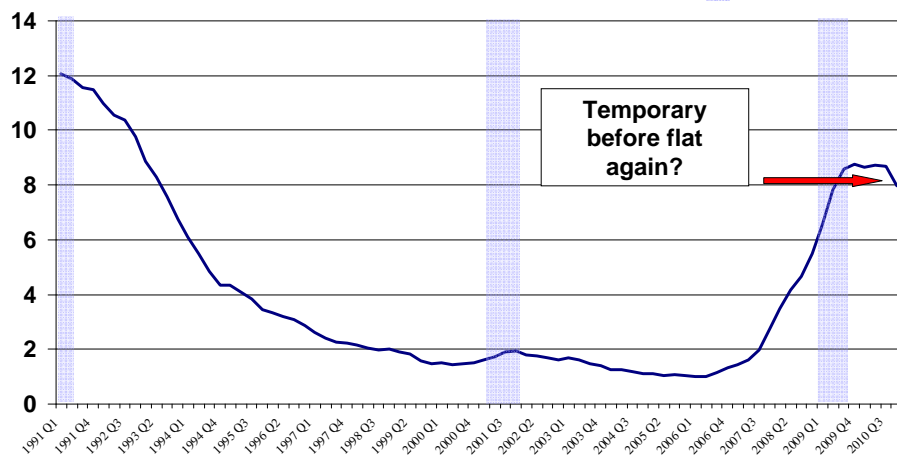
Elliott D. Pollack & Company

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## U.S. Problem Commercial Real Estate Loans Rise Delinquency Rates at Commercial Banks 1991 – 2010\*

Source: Federal Reserve

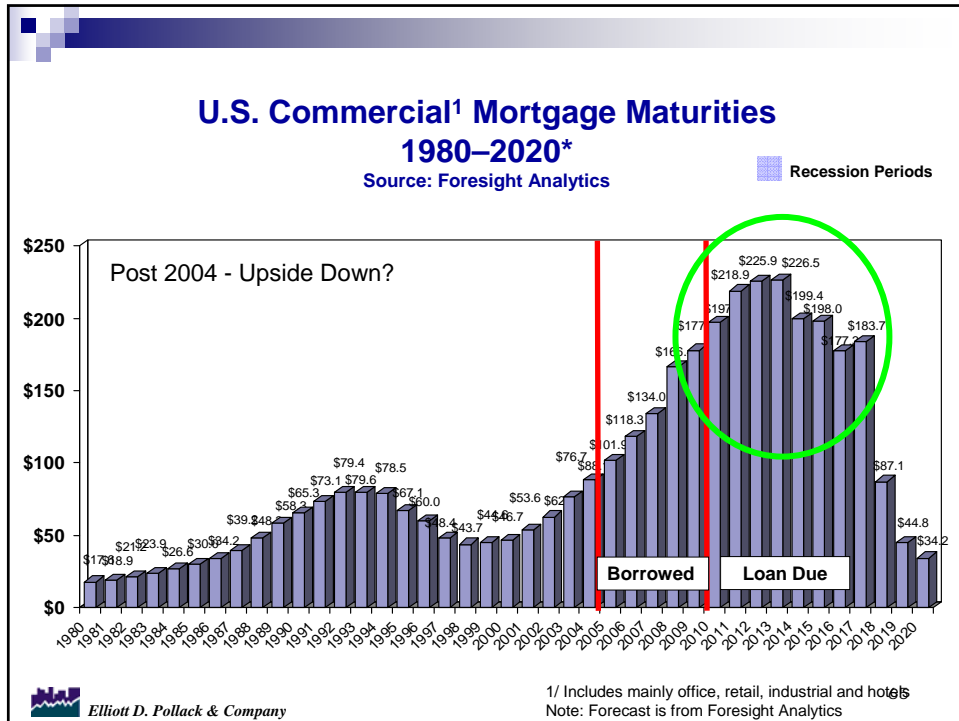
Recession Periods



\* Data through fourth quarter 2010



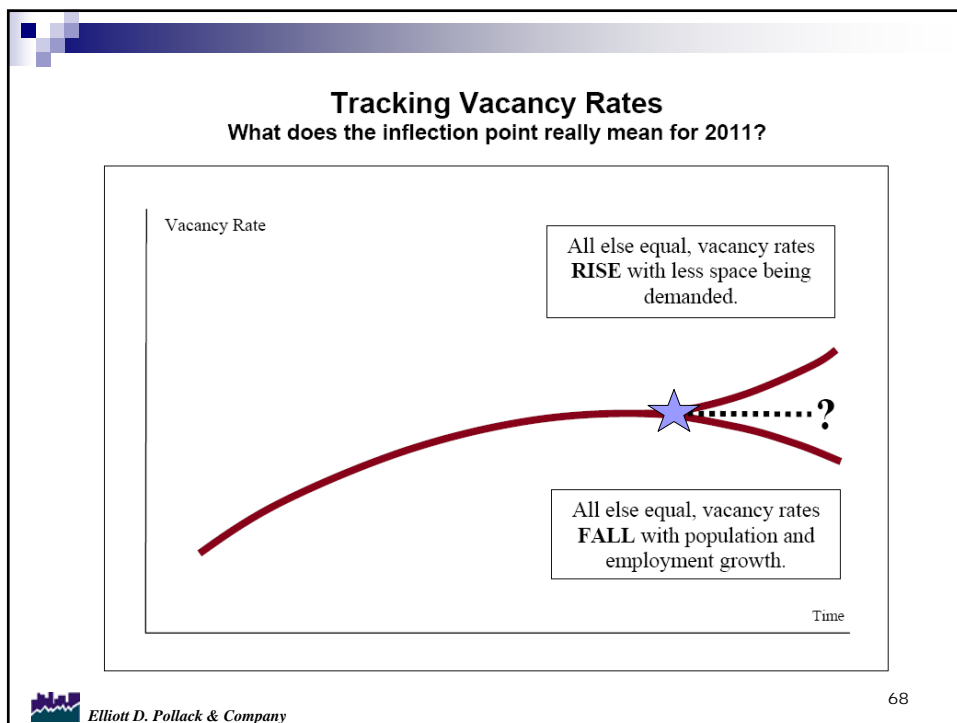
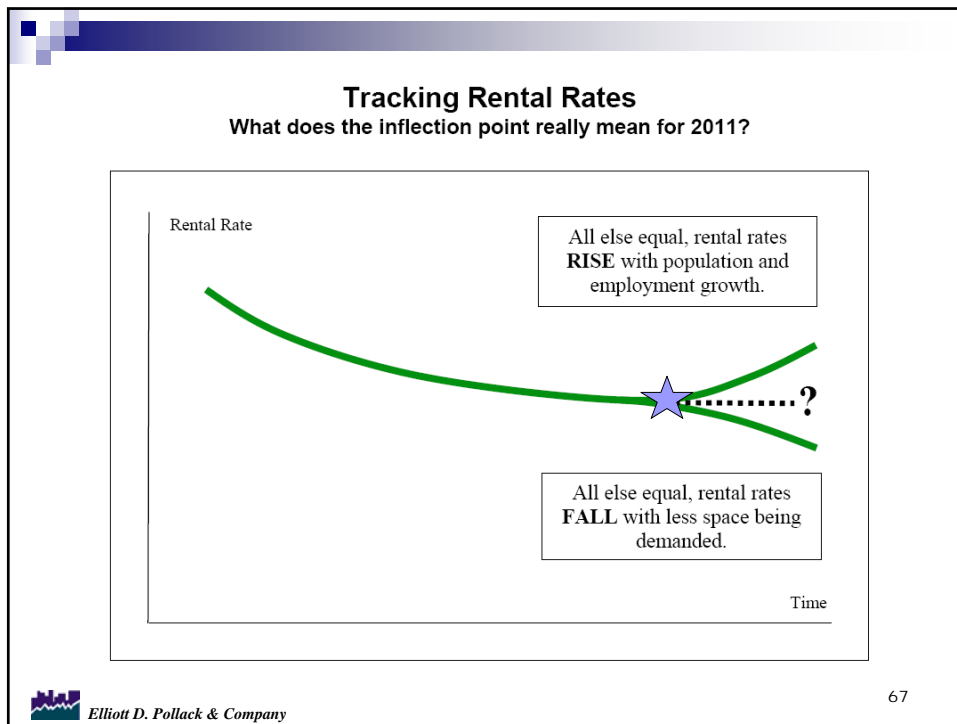
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# Commercial Property Values?

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## So which influence will be bigger?

- Pop/Emp gains may be offset by new leases adjusting for lower rents/less space, at least in 2011/2012.
- This means the possibility of relatively flat rental and vacancy rates in 2011/2012.
- 2012-2013 should see more improvement but not fully recovered until 2015-ish.



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## How does this impact commercial property values?

Flat activity often means flat prices. But, values through 2010 were propped up by:

- Owners depleting reserve funds (done);
- Extend and Pretend (still pretending?);
- Interest rates low (continues but small increase);
- Multi-year leases carrying higher rents (fewer).



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# Commercial Summary:

Flat activity but declining  
prices?



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## Arizona Forecast 2011 – 2012

<u>Indicator</u>	<u>2009</u>	<u>2010(e)</u>	<u>2011(f)</u>	<u>2012(f)</u>
Population	0.7%	0.9%	1.5%	2.0%
Employment	-7.2%	-2.1%	2.0%	3.5%
Retail Sales	-10.6%	-0.8%	5.0% <small>Conservative?</small>	8.0%
Personal Income	-2.2%	2.1%	2.5%	5.0%
Building Permits (total)	-36.2%	-15.0%	-12.0%	33.3%



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Source: Elliott D. Pollack & Company

# AZ Summary:

**Lagging the US in terms of full recovery; just now starting to expand the employment base.**



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# Full Recovery: 2015-ish

**Fully recovered in terms of:**

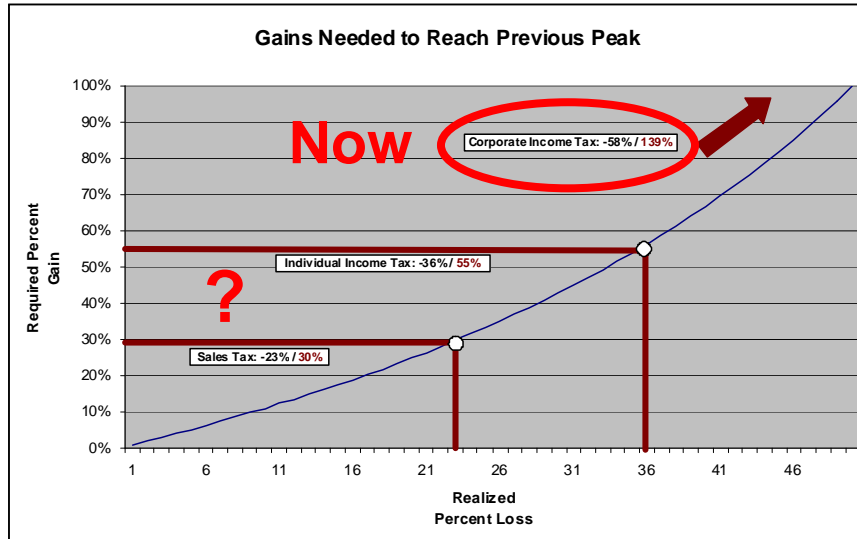
- 1) Housing oversupply;**
- 2) Commercial vacancy rates;**
- 3) Retail sales activity;**
- 4) Employment levels.**
- 5) STATE REVENUES?**



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## Remember The September Example?



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## What does this mean for policymakers?

- Same basic story, but with a slightly weaker recovery and occurring later than thought.
- Good to be cautious for now.
- Next two months will reveal much.
- Revenues will surprise on the upside (typical in a recovery).
- Might need a decent sized upward revision in the fall forecast.



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# Finance Advisory Committee Cash Flow Update

4.13.2011

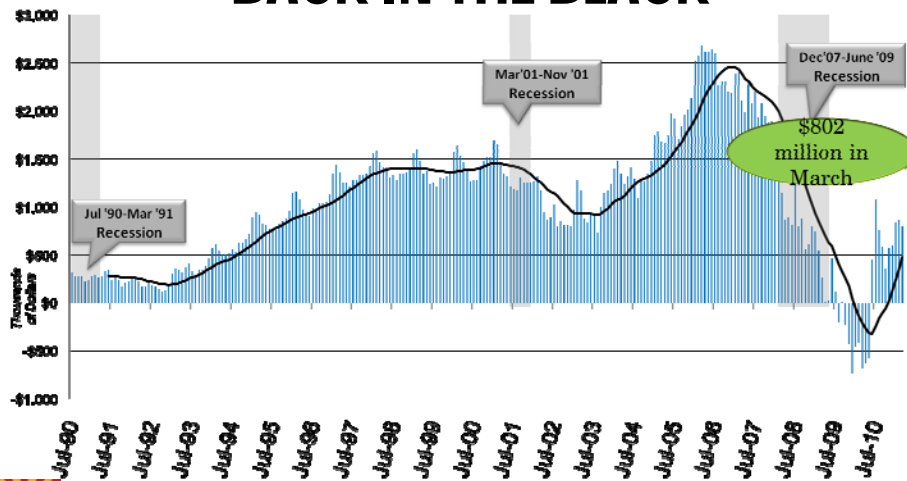
OFFICE OF THE ARIZONA STATE TREASURER



## STATE CASH FLOW

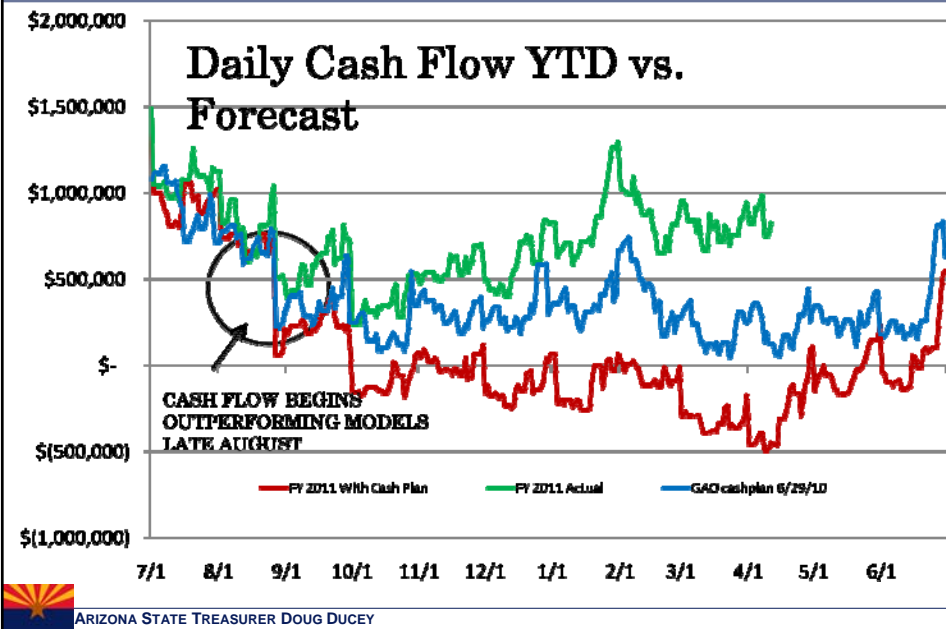
TOTAL OPERATING ACCOUNT AVERAGE MONTHLY BALANCE

### BACK IN THE BLACK

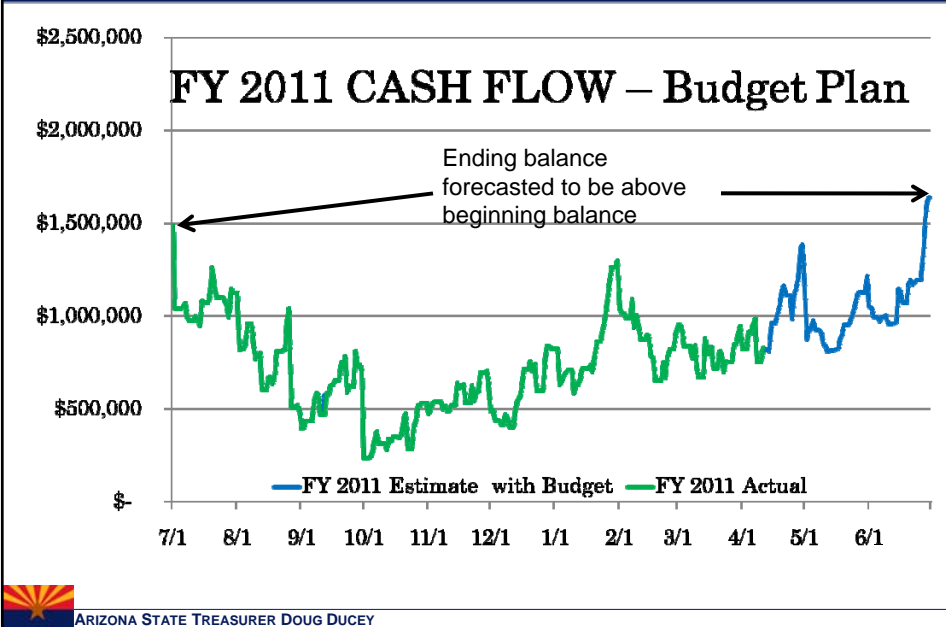


ARIZONA STATE TREASURER DOUG DUCEY

## STATE CASH FLOW



## STATE CASH FLOW



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# Tracking Arizona's Recovery

March 2011

JLBC

## Contents

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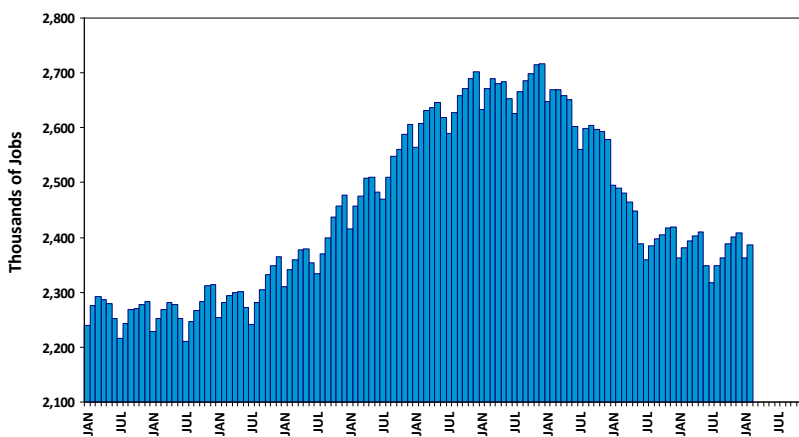
Slide:

- 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

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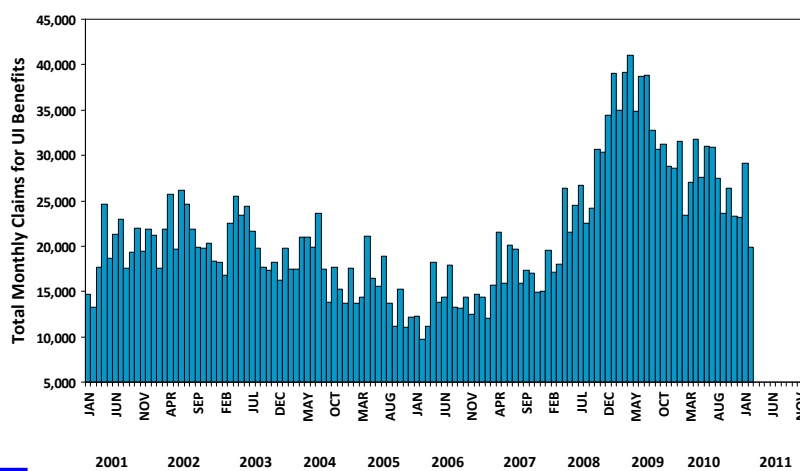
## Total Non-Farm Employment\*



3

\*not seasonally adjusted

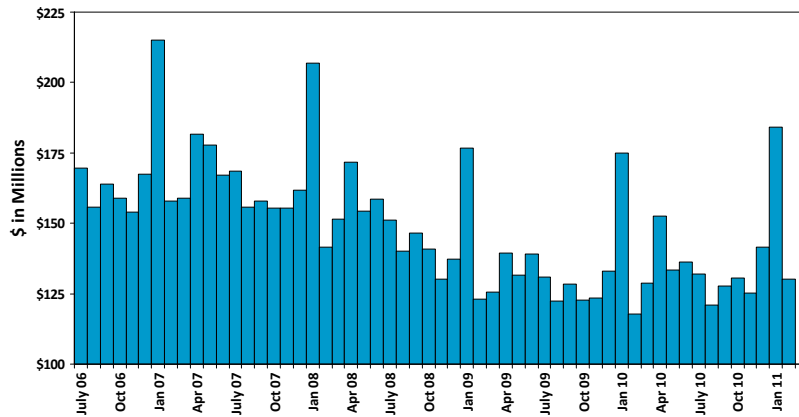
## Initial Claims for Unemployment Insurance\*



4

\*not seasonally adjusted

## State Sales Tax Collections – Retail Category\*

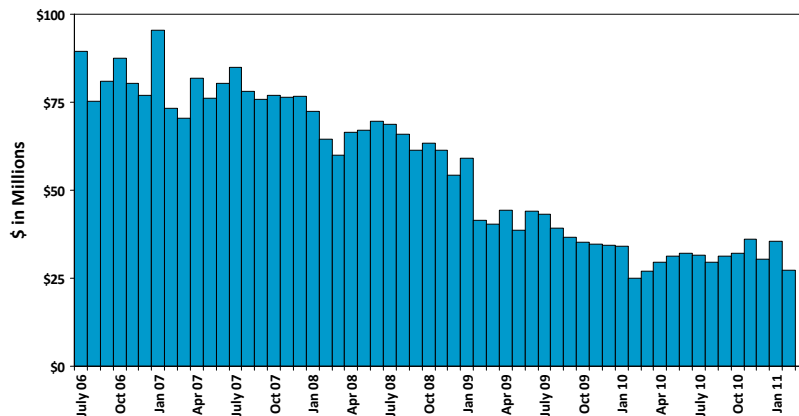


**JLBC**

\*excludes temporary 1 ¢ sales tax

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## State Sales Tax Collections – Contracting Category\*

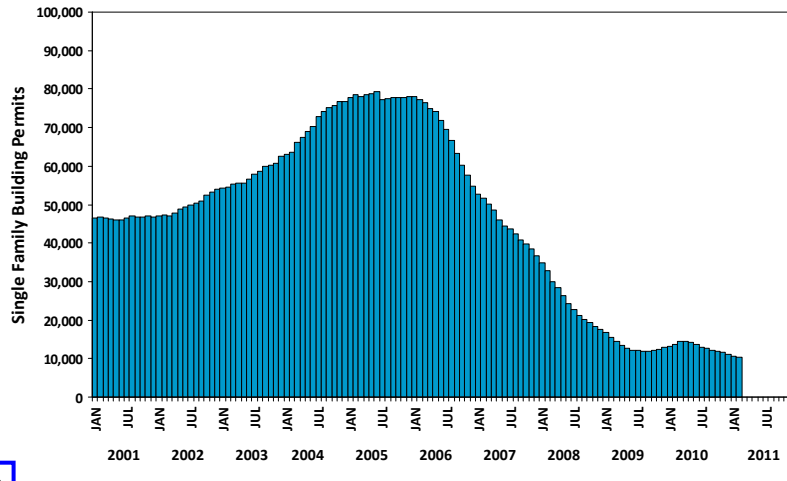


**JLBC**

\*excludes temporary 1 ¢ sales tax

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## Single Family Building Permits\*

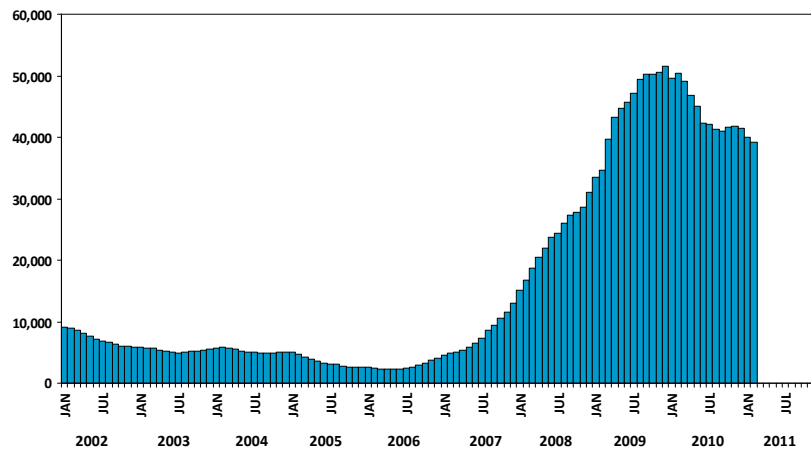


JLBC

\*12-Month Moving Sum

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## Maricopa County Pending Foreclosures\*

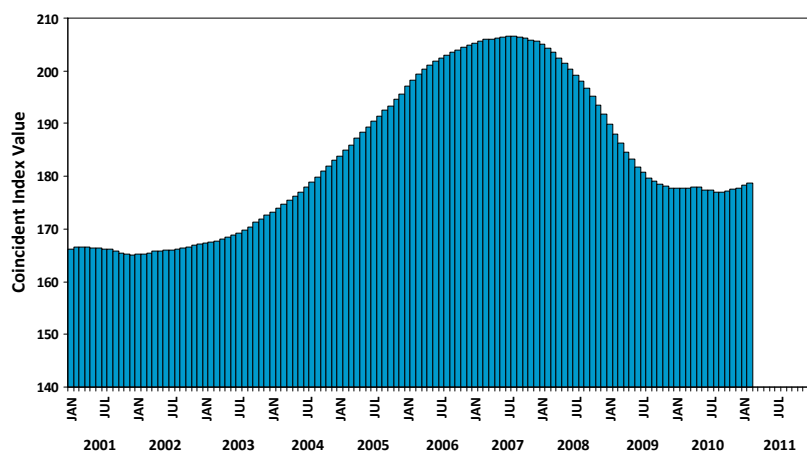


JLBC

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

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# Economic Activity Index\*



JLBC

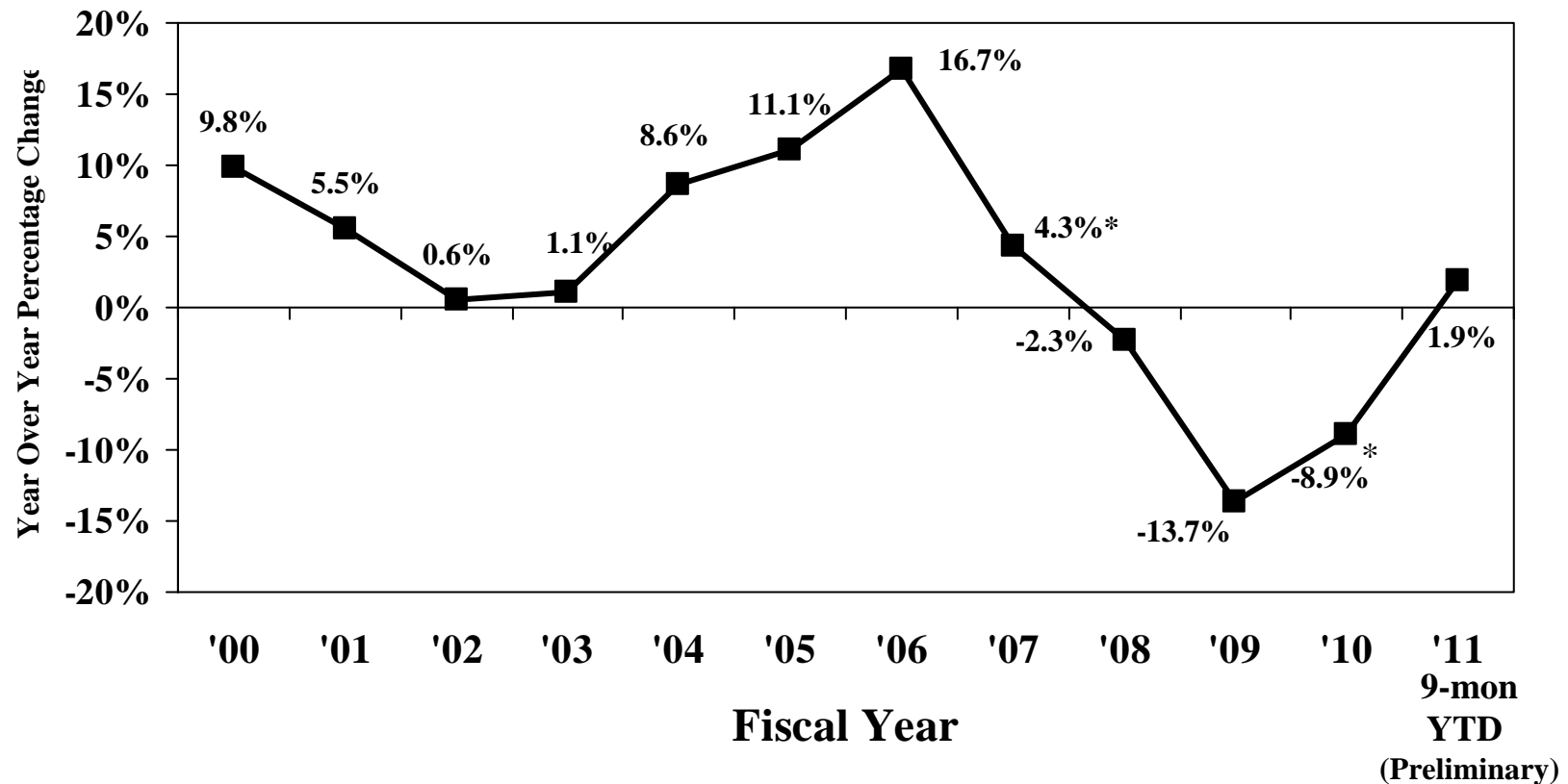
\*Source: Coincident Index – Federal Reserve Bank of Philadelphia. Combines four state-level indicators (employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements) to summarize current economic conditions.

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## **Sales Tax**



# Sales Tax Growth Rate



\* The '07 increase of 4.3% and the '10 decline of (8.9)% include the one-time impact of changes to the June estimated payment threshold enacted by the Legislature in 2006 and 2010. Excluding the impact of the one-time changes, baseline growth was 5.6% in '07 and (10.1)% in '10.

## Arizona Sales Tax - Total General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	390,460,231	12.3%	390,460,231	12.3%
	Aug 2006	353,466,457	5.8%	743,926,688	9.1%
	Sept 2006	379,889,665	10.5%	1,123,816,352	9.6%
	Oct 2006	376,890,480	9.4%	1,500,706,832	9.5%
	Nov 2006	365,372,337	9.4%	1,866,079,170	9.5%
	Dec 2006	362,236,390	6.0%	2,228,315,559	8.9%
	Jan 2007	439,996,411	4.7%	2,668,311,970	8.2%
	Feb 2007	359,643,938	8.8%	3,027,955,908	8.3%
	Mar 2007	353,088,173	2.1%	3,381,044,081	7.6%
	Apr 2007	398,196,373	3.5%	3,779,240,454	7.1%
	May 2007	357,610,064	-1.3%	4,136,850,518	6.3%
	June 2007	320,780,323	-16.3%	4,457,630,841	4.3%
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	287,708,085	12.5%	3,422,521,281	-8.9%
FY 2011	July 2010	281,714,731	-3.1% <sup>1/</sup>	281,714,731	-3.1%
	Aug 2010	277,734,908	-3.4% <sup>1/</sup>	559,449,639	-3.2%
	Sept 2010	282,192,808	-2.0% <sup>1/</sup>	841,642,447	-2.8%
	Oct 2010	282,177,988	1.5% <sup>1/</sup>	1,123,820,435	-1.8%
	Nov 2010	286,485,609	3.8% <sup>1/</sup>	1,410,306,044	-0.7%
	Dec 2010	274,456,847	0.7% <sup>1/</sup>	1,684,762,891	-0.5%
	Jan 2011	338,961,556	6.2% <sup>1/</sup>	2,023,724,447	0.6%
	Feb 2011	272,340,889	6.0% <sup>1/</sup>	2,296,065,336	1.2%
	Mar 2011	290,000,000	7.7% <sup>2/</sup>	2,586,065,336	1.9%
	Apr 2011				
	May 2011				
	June 2011				

<sup>1/</sup> The temporary 1-cent sales tax resulted in collections of \$64.6 million in July, \$64.2 million in August, \$66.2 million in September, \$66.3 million in October, \$66.7 million in November, \$67.0 million in December, \$82.6 million in January, and \$66.5 million in February. These figures are not reflected in the table.

<sup>2/</sup> The March total sales tax figure of \$290 million is preliminary. March sales tax by category is not yet available. The March 1-cent sales tax estimate is \$68 million.

## Arizona Sales Tax - Retail General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	169,723,491	6.7%	169,723,491	6.7%
	Aug 2006	155,842,572	2.8%	325,566,063	4.8%
	Sept 2006	163,988,894	5.6%	489,554,957	5.0%
	Oct 2006	158,869,642	4.7%	648,424,599	5.0%
	Nov 2006	153,908,793	2.5%	802,333,392	4.5%
	Dec 2006	167,464,043	6.2%	969,797,435	4.8%
	Jan 2007	215,189,656	1.0%	1,184,987,092	4.1%
	Feb 2007	157,706,055	6.0%	1,342,693,147	4.3%
	Mar 2007	158,858,656	2.0%	1,501,551,802	4.0%
	Apr 2007	181,559,289	3.5%	1,683,111,091	4.0%
	May 2007	177,671,344	5.0%	1,860,782,435	4.1%
	June 2007	166,994,609	-0.7%	2,027,777,044	3.7%
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				
	Apr 2011				
	May 2011				
	June 2011				

<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

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	89,602,967	22.0%	89,602,967	22.0%
	Aug 2006	75,238,759	15.3%	164,841,726	18.8%
	Sept 2006	80,938,291	16.1%	245,780,017	17.9%
	Oct 2006	87,594,136	21.9%	333,374,153	18.9%
	Nov 2006	80,499,919	22.2%	413,874,072	19.5%
	Dec 2006	76,849,517	5.0%	490,723,589	17.0%
	Jan 2007	95,496,438	14.4%	586,220,026	16.6%
	Feb 2007	73,418,261	12.2%	659,638,287	16.1%
	Mar 2007	70,403,512	-0.8%	730,041,799	14.2%
	Apr 2007	81,956,142	-0.9%	811,997,941	12.5%
	May 2007	76,125,717	-0.2%	888,123,658	11.3%
	June 2007	80,475,472	-3.0%	968,599,129	9.9%
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				
	Apr 2011				
	May 2011				
	June 2011				

# Arizona Sales Tax - Utilities

## General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	34,298,139	13.9%	34,298,139	13.9%
	Aug 2006	35,017,585	3.8%	69,315,725	8.5%
	Sept 2006	43,094,371	22.7%	112,410,096	13.5%
	Oct 2006	37,109,678	9.9%	149,519,773	12.6%
	Nov 2006	31,261,217	7.3%	180,780,991	11.7%
	Dec 2006	24,939,936	12.9%	205,720,927	11.8%
	Jan 2007	27,586,109	0.9%	233,307,036	10.4%
	Feb 2007	32,562,551	27.4%	265,869,586	12.2%
	Mar 2007	29,526,457	30.8%	295,396,043	13.8%
	Apr 2007	25,414,142	5.4%	320,810,186	13.1%
	May 2007	24,034,224	8.7%	344,844,410	12.8%
	June 2007	29,476,016	5.9%	374,320,426	12.2%
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	7.2%
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	0.4%
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	0.5%
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				
	Apr 2011				
	May 2011				
	June 2011				

# Arizona Sales Tax - Restaurants and Bars

## General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	28,025,509	8.8%	28,025,509	8.8%
	Aug 2006	25,406,213	7.6%	53,431,722	8.2%
	Sept 2006	25,474,093	3.8%	78,905,815	6.7%
	Oct 2006	27,567,943	8.8%	106,473,758	7.3%
	Nov 2006	32,249,878	20.7%	138,723,636	10.1%
	Dec 2006	28,295,767	7.2%	167,019,403	9.6%
	Jan 2007	30,950,667	8.5%	197,970,070	9.4%
	Feb 2007	30,649,098	9.8%	228,619,168	9.5%
	Mar 2007	29,694,899	1.0%	258,314,067	8.4%
	Apr 2007	34,392,336	9.1%	292,706,403	8.5%
	May 2007	31,957,682	6.3%	324,664,085	8.3%
	June 2007	29,936,887	3.1%	354,600,973	7.8%
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	0.4%
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	-5.8%
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	-0.8%
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				
	Apr 2011				
	May 2011				
	June 2011				

# Arizona Use Tax

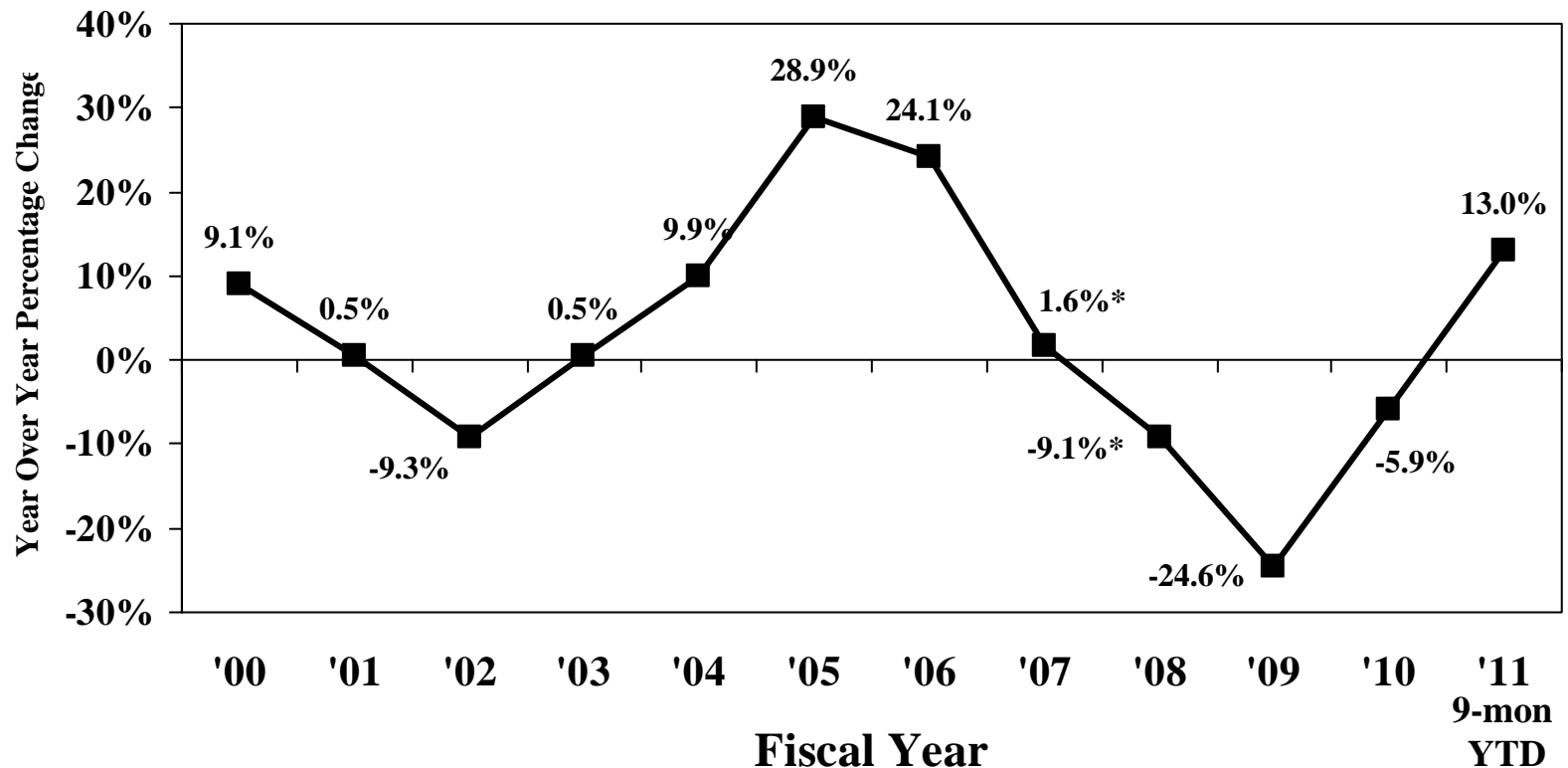
## General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	28,987,773	21.4%	28,987,773	21.4%
	Aug 2006	25,431,547	-4.5%	54,419,320	7.8%
	Sept 2006	28,561,796	9.9%	82,981,116	8.5%
	Oct 2006	28,527,152	1.4%	111,508,269	6.6%
	Nov 2006	27,484,263	8.4%	138,992,531	7.0%
	Dec 2006	23,756,958	-6.9%	162,749,489	4.7%
	Jan 2007	31,899,499	1.9%	194,648,988	4.2%
	Feb 2007	23,123,752	-11.6%	217,772,740	2.3%
	Mar 2007	22,628,801	-15.0%	240,401,541	0.3%
	Apr 2007	27,021,534	2.6%	267,423,075	0.6%
	May 2007	6,153,618	-71.6%	273,576,693	-4.9%
	June 2007	29,434,170	58.1%	303,010,863	-1.0%
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	12.5%
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	-14.1%
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	-7.2%
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				
	Apr 2011				
	May 2011				
	June 2011				

# **Individual Income Tax**



# Individual Income Tax Growth Rate



\* The '07 and '08 percentages include the impact of the 10% rate reduction passed by the Legislature, and phased in over 2 years beginning in tax year 2006. Excluding the rate reduction, baseline '07 growth was 6.3%, and '08 was (4.1)%.

# Arizona Individual Income Tax General Fund Collections

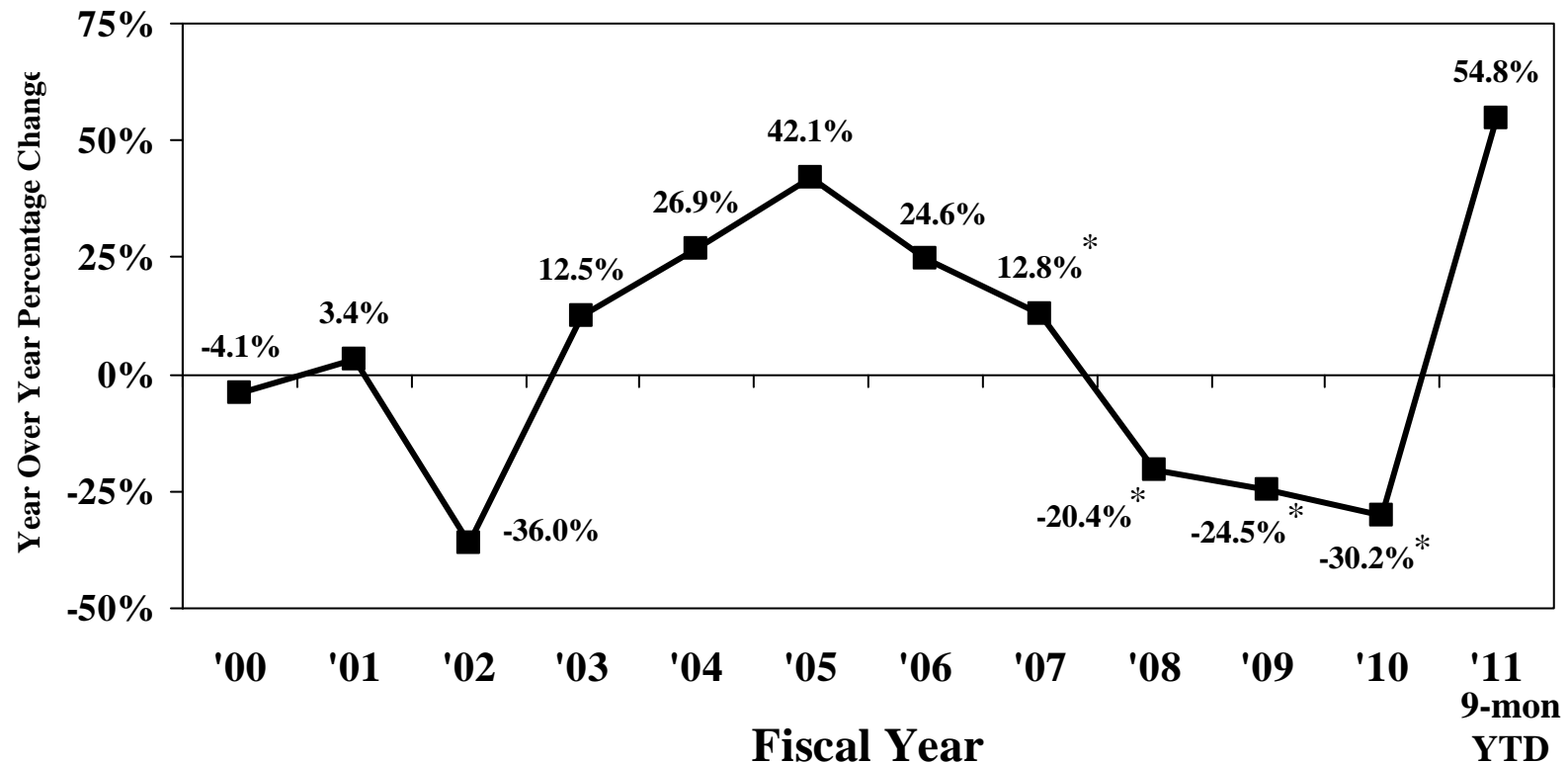
		Year-to-Date		YTD	Year-to-Date		YTD	Year-to-Date		YTD	Year-to-Date		YTD	Year-to-Date		YTD	
		Total	Y/Y Chg.	Total	Chg.	Withholding	Y/Y Chg.	Withholding	Chg.	Payments	Y/Y Chg.	Payments	Chg.	Refunds	Y/Y Chg.	Refunds	Chg.
FY 2007	Jul-06	232,882,593	4.0%	232,882,593	4.0%	233,180,431	5.4%	233,180,431	5.4%	17,937,645	16.5%	17,937,645	16.5%	(18,235,483)	42.9%	(18,235,483)	42.9%
	Aug	283,590,385	7.5%	516,472,978	5.9%	277,224,789	9.5%	510,405,220	7.6%	23,419,716	-8.9%	41,357,360	0.6%	(17,054,119)	13.1%	(35,289,602)	26.8%
	Sep	355,502,460	10.1%	871,975,438	7.6%	216,332,499	-0.5%	726,737,719	5.0%	157,891,628	33.2%	199,248,988	24.8%	(18,721,667)	42.7%	(54,011,269)	31.9%
	Oct	305,103,998	24.7%	1,177,079,435	11.5%	263,987,122	13.2%	990,724,841	7.1%	65,184,764	139.6%	264,433,753	41.5%	(24,067,889)	54.1%	(78,079,159)	38.0%
	Nov	249,526,954	1.3%	1,426,606,389	9.6%	259,238,972	3.2%	1,249,963,813	6.3%	31,853,112	98.4%	296,286,865	46.0%	(41,565,130)	99.3%	(119,644,288)	54.5%
	Dec	360,467,690	-1.6%	1,787,074,079	7.1%	308,908,979	12.1%	1,558,872,792	7.4%	90,557,275	-19.0%	386,844,140	22.9%	(38,998,564)	84.3%	(158,642,852)	60.9%
	Jan-07	544,268,647	17.9%	2,331,342,726	9.5%	339,575,980	17.5%	1,898,448,772	9.1%	239,701,160	31.4%	626,545,300	26.0%	(35,008,493)	254.8%	(193,651,346)	78.6%
	Feb	83,536,034	-20.4%	2,414,878,760	8.1%	292,673,483	8.6%	2,191,122,255	9.0%	18,072,039	0.2%	644,617,339	25.1%	(227,209,488)	24.5%	(420,860,834)	44.7%
	Mar	106,837,038	42.0%	2,521,715,798	9.2%	291,407,424	7.5%	2,482,529,679	8.8%	45,377,904	3.3%	689,995,243	23.4%	(229,948,290)	-4.1%	(650,809,124)	22.6%
	Apr	603,667,191	-2.8%	3,125,382,989	6.6%	253,149,529	14.2%	2,735,679,208	9.3%	642,965,695	3.9%	1,332,960,938	13.2%	(292,448,033)	33.5%	(943,257,157)	25.8%
May	310,268,127	-26.8%	3,435,651,116	2.4%	289,463,997	4.5%	3,025,143,205	8.8%	172,843,132	-33.3%	1,505,804,070	4.8%	(152,039,001)	35.4%	(1,095,296,158)	27.0%	
Jun	311,735,821	-6.8%	3,747,386,937	1.6%	249,174,420	-2.9%	3,274,317,624	7.8%	138,268,468	-5.0%	1,644,072,537	3.9%	(75,707,066)	11.7%	(1,171,003,225)	25.9%	
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%	543,817,294	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)	-207.6%	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	-132.7%	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)	-126.2%	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%	(1,298,280,511)	-8.4%	
Jun	2><																

## Arizona Individual Income Tax - Estimated and Final Payments

		Total		Year-to-Date		YTD	Y/Y	Year-to-Date		YTD	Y/Y	Year-to-Date		YTD
		Payments	Y/Y Chg.	Total Payments	Chg.			Estimated	Chg.			Estimated	Chg.	
FY 2007	Jul-06	17,937,645	16.5%	17,937,645	16.5%	6,371,696	30.4%	6,371,696	30.4%	11,565,948	10.0%	11,565,948	10.0%	
	Aug	23,419,716	-8.9%	41,357,360	0.6%	7,456,858	-2.9%	13,828,554	10.0%	15,962,858	-11.5%	27,528,806	-3.5%	
	Sep	157,891,628	33.2%	199,248,988	24.8%	145,469,802	31.6%	159,298,357	29.4%	12,421,826	54.6%	39,950,632	9.2%	
	Oct	65,184,764	139.6%	264,433,753	41.5%	11,339,308	47.5%	170,637,664	30.5%	53,845,457	175.8%	93,796,089	67.2%	
	Nov	31,853,112	98.4%	296,286,865	46.0%	5,472,606	-7.0%	176,110,270	28.9%	26,380,506	159.4%	120,176,594	81.4%	
	Dec	90,557,275	-19.0%	386,844,140	22.9%	80,299,660	-23.5%	256,409,930	6.1%	10,257,616	49.1%	130,434,210	78.3%	
	Jan-07	239,701,160	31.4%	626,545,300	26.0%	224,055,775	26.8%	480,465,704	14.9%	15,645,386	173.4%	146,079,596	85.2%	
	Feb	18,072,039	0.2%	644,617,339	25.1%	3,192,180	-7.4%	483,657,884	14.7%	14,879,859	2.0%	160,959,455	72.2%	
	Mar	45,377,904	3.3%	689,995,243	23.4%	5,005,202	34.9%	488,663,086	14.9%	40,372,702	0.4%	201,332,157	50.6%	
	Apr	642,965,695	3.9%	1,332,960,938	13.2%	56,965,976	-25.8%	545,629,062	8.6%	585,999,719	8.1%	787,331,876	16.6%	
FY 2008	May	172,843,132	-33.3%	1,505,804,070	4.8%	27,485,026	182.6%	573,114,089	11.9%	145,358,105	-41.7%	932,689,981	0.8%	
	Jun	138,268,468	-5.0%	1,644,072,537	3.9%	125,906,046	-1.3%	699,020,134	9.3%	12,362,422	-31.5%	945,052,403	0.2%	
	Jul-07	17,879,385	-0.3%	17,879,385	-0.3%	6,507,747	2.1%	6,507,747	2.1%	11,371,639	-1.7%	11,371,639	-1.7%	
	Aug	25,938,503	10.8%	43,817,888	5.9%	5,666,480	-24.0%	12,174,227	-12.0%	20,272,023	27.0%	31,643,661	14.9%	
	Sep	150,661,494	-4.6%	194,479,382	-2.4%	135,849,436	-6.6%	148,023,663	-7.1%	14,812,058	19.2%	46,455,719	16.3%	
	Oct	68,191,868	4.6%	262,671,250	-0.7%	10,396,440	-8.3%	158,420,103	-7.2%	57,795,428	7.3%	104,251,147	11.1%	
	Nov	17,879,843	-43.9%	280,551,093	-5.3%	4,759,688	-13.0%	163,179,791	-7.3%	13,120,155	-50.3%	117,371,302	-2.3%	
	Dec	62,901,960	-30.5%	343,453,053	-11.2%	55,908,594	-30.4%	219,088,385	-14.6%	6,993,366	-31.8%	124,364,668	-4.7%	
	Jan-08	195,882,391	-18.3%	539,335,444	-13.9%	186,098,584	-16.9%	405,186,969	-15.7%	9,783,807	-37.5%	134,148,475	-8.2%	
	Feb	17,557,877	-2.8%	556,893,322	-13.6%	2,689,455	-15.7%	407,876,424	-15.7%	14,868,423	-0.1%	149,016,897	-7.4%	
FY 2009	Mar	48,363,442	6.6%	605,256,764	-12.3%	4,708,386	-5.9%	412,584,810	-15.6%	43,655,056	8.1%	192,671,954	-4.3%	
	Apr	675,341,552	5.0%	1,280,598,316	-3.9%	68,112,029	19.6%	480,696,839	-11.9%	607,229,523	3.6%	799,901,477	1.6%	
	May	32,424,806	-81.2%	1,313,023,122	-12.8%	4,895,158	-82.2%	485,591,997	-15.3%	27,529,649	-81.1%	827,431,125	-11.3%	
	Jun	119,010,089	-13.9%	1,432,033,211	-12.9%	108,562,477	-13.8%	594,154,473	-15.0%	10,447,612	-15.5%	837,878,738	-11.3%	
	Jul-08	20,362,785	13.9%	20,362,785	13.9%	6,533,304	0.4%	6,533,304	0.4%	13,829,481	21.6%	13,829,481	21.6%	
	Aug	14,090,255	-45.7%	34,453,040	-21.4%	5,827,130	2.8%	12,360,434	1.5%	8,263,125	-59.2%	22,092,607	-30.2%	
	Sep	124,307,996	-17.5%	158,761,036	-18.4%	112,945,236	-16.9%	125,305,669	-15.3%	11,362,760	-23.3%	33,455,366	-28.0%	
	Oct	53,444,533	-21.6%	212,205,569	-19.2%	7,821,163	-24.8%	133,126,832	-16.0%	45,623,371	-21.1%	79,078,737	-24.1%	
	Nov	13,115,668	-26.6%	225,321,237	-19.7%	4,170,266	-12.4%	137,297,098	-15.9%	8,945,402	-31.8%	88,024,139	-25.0%	
	Dec	62,643,686	-0.4%	287,964,923	-16.2%	53,127,242	-5.0%	190,424,339	-13.1%	9,516,444	36.1%	97,540,583	-21.6%	
FY 2010	Jan-09	112,467,313	-42.6%	400,432,236	-25.8%	106,370,433	-42.8%	296,794,772	-26.8%	6,096,881	-37.7%	103,637,464	-22.7%	
	Feb	18,024,012	2.7%	418,456,248	-24.9%	2,892,677	7.6%	299,687,449	-26.5%	15,131,335	1.8%	118,768,799	-20.3%	
	Mar	41,170,355	-14.9%	459,626,603	-24.1%	2,695,780	-42.7%	302,383,229	-26.7%	38,474,575	-11.9%	157,243,374	-18.4%	
	Apr	380,676,278	-43.6%	840,302,881	-34.4%	36,311,877	-46.7%	338,695,105	-29.5%	344,364,402	-43.3%	501,607,776	-37.3%	
	May	28,189,735	-13.1%	868,492,616	-33.9%	3,073,214	-37.2%	341,768,319	-29.6%	25,116,521	-8.8%	526,724,297	-36.3%	
	Jun	74,985,704	-37.0%	943,478,320	-34.1%	60,902,615	-43.9%	402,670,934	-32.2%	14,083,089	34.8%	540,807,386	-35.5%	
	Jul-09	14,421,659	-29.2%	14,421,659	-29.2%	3,533,528	-45.9%	3,533,528	-45.9%	10,888,131	-21.3%	10,888,131	-21.3%	
	Aug	11,402,939	-19.1%	25,824,598	-25.0%	2,901,362	-50.2%	6,434,891	-47.9%	8,501,577	2.9%	19,389,708	-12.2%	
	Sep	76,677,365	-38.3%	102,501,964	-35.4%	65,960,270	-41.6%	72,395,161	-42.2%	10,717,095	-5.7%	30,106,803	-10.0%	
	Oct	35,790,908	-33.0%	138,292,872	-34.8%	5,226,487	-33.2%	77,621,648	-41.7%	30,564,422	-33.0%	60,671,225	-23.3%	
FY 2011	Nov	14,278,496	8.9%	152,571,368	-32.3%	4,253,363	2.0%	81,875,011	-40.4%	10,025,133	12.1%	70,696,358	-19.7%	
	Dec	46,197,669	-26.3%	198,769,037	-31.0%	37,826,999	-28.8%	119,702,010	-37.1%	8,370,670	-12.0%	79,067,028	-18.9%	
	Jan-10	91,066,420	-19.0%	289,835,457	-27.6%	84,630,973	-20.4%	204,332,982	-31.2%	6,435,447	5.6%	85,502,475	-17.5%	
	Feb	17,153,243	-4.8%	306,988,700	-26.6%	1,850,301	-36.0%	206,183,283	-31.2%	15,302,941	1.1%	100,805,417	-15.1%	
	Mar	40,585,225	-1.4%	347,573,925	-24.4%	3,076,667	14.1%	209,259,951	-30.8%	37,508,557	-2.5%	138,313,974	-12.0%	
	Apr	312,268,051	-18.0%	659,841,976	-21.5%	35,811,536	-1.4%	245,071,487	-27.6%	276,456,515	-19.7%	214,770,489	-17.3%	
	May	13,120,851	-53.5%	672,962,827	-22.5%	2,607,974	-15.1%	247,679,460	-27.5%	10,512,878	-58.1%	425,283,367	-19.3%	
	Jun	71,981,613	-4.0%	744,944,440	-21.0%	56,898,732	-6.6%	304,578,193	-24.4%	15,082,881	7.1%	440,366,247	-18.6%	
	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%	
FY 2012	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	11,775,618	-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%	
	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													
	May													
	Jun													

# **Corporate Income Tax**

# Corporate Income Tax Growth Rate



\* The '07, '08, '09, and '10 percentages include the impact of tax law changes, including the consolidated reporting credit, and the phase-in of the corporate sales factor enacted in 2005. Excluding these tax law changes, baseline growth for '07 – '10 would be 14.1%, (17.2)%, (20.7)%, and (24.6)%, respectively.

		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.
FY 2007	July 2006	43,353,146	10.0%	43,353,146	10.0%	(4,319,904)	4.7%	(4,319,904)	4.7%	39,033,242	10.6%	39,033,242	10.6%
	Aug 2006	36,550,203	42.2%	79,903,349	22.7%	(4,532,437)	99.9%	(8,852,342)	38.5%	32,017,766	36.7%	71,051,007	21.0%
	Sept 2006	191,640,170	8.7%	271,543,519	12.5%	(478,252)	-91.9%	(9,330,594)	-24.1%	191,161,918	12.2%	262,212,925	14.5%
	Oct 2006	59,655,446	85.9%	331,198,964	21.1%	(5,716,861)	63.5%	(15,047,455)	-4.7%	53,938,585	88.7%	316,151,510	22.7%
	Nov 2006	18,008,043	2.9%	349,207,007	20.0%	(12,842,981)	10.2%	(27,890,436)	1.6%	5,165,061	-11.8%	321,316,571	21.9%
	Dec 2006	199,892,212	34.3%	549,099,219	24.8%	(30,301,417)	122.9%	(58,191,853)	41.8%	169,590,795	25.4%	490,907,366	23.1%
	Jan 2007	40,561,661	1.4%	589,660,880	22.9%	(3,294,750)	-45.2%	(61,486,603)	30.7%	37,266,911	9.6%	528,174,277	22.0%
	Feb 2007	22,671,285	-22.4%	612,332,165	20.3%	(1,544,406)	-94.2%	(63,031,009)	-14.6%	21,126,878	777.3%	549,301,156	26.2%
	Mar 2007	81,308,195	-0.3%	693,640,360	17.5%	(2,647,466)	-60.4%	(65,678,475)	-18.4%	78,660,729	5.1%	627,961,885	23.1%
	Apr 2007	181,878,155	10.5%	875,518,516	16.0%	(4,248,464)	60.4%	(69,926,939)	-15.9%	177,629,692	9.7%	805,591,577	19.9%
FY 2008	May 2007	53,261,647	-5.9%	928,780,163	14.4%	(5,508,206)	47.1%	(75,435,144)	-13.2%	47,753,442	-9.6%	853,345,018	17.7%
	June 2007	138,851,344	-8.9%	1,067,631,507	10.7%	(6,026,798)	101.6%	(81,461,943)	-9.4%	132,824,546	-11.1%	986,169,564	12.8%
	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%	(155,087,567)	130.2%	21,391,706	1.3%	420,959,781	-23.4%
FY 2009	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%
	July 2008	30,855,446	-15.8%	30,855,446	-15.8%	(7,560,667)	167.5%	(7,560,667)					

# **Economic Indicators**

# Economic Indicators

## NATIONAL

The Conference Board's **U.S. Consumer Confidence Index** increased by 5.6 points in February to 70.4, the highest reading since February 2008. While the index is up by almost 52% year-over-year, it must be noted that this figure is inflated due to a recent change in the methodology used by the Conference Board. Nevertheless, the survey suggests that consumers are becoming increasingly more optimistic about their current and future economic outlook. It is not clear, however, to what extent the growing unrest in the Middle East and the fallout of the largest earthquake in Japan's recorded history will influence consumer sentiments in the coming months.

The Conference Board's **U.S. Index of Leading Economic Indicators** rose 0.8% in February, following a 0.1% increase in January, indicating that the economy will continue to expand despite ongoing problems in the housing market. A decrease in initial jobless claims, along with rising stock prices and a favorable interest-rate spread outweighed the negative effects of a decrease in building permits.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, rose by 0.5% in February, following a 0.4% increase in both January and December. The recent CPI increase is almost exclusively driven by rising energy and food prices. The price of gasoline and food increased by 4.7% and 0.6%, respectively, in February. Core inflation, which excludes energy and food, remains subdued, although it has been inching up in each of the last 4 months.

## ARIZONA

### Employment

As a result of the recent annual revision of employment data, known as "benchmarking," the Arizona Department of Commerce now reports that the state suffered considerably higher job losses in 2010 than previous estimates had indicated.

Prior to the March release of revised employment data, the state's job market was generally believed to have turned a corner in the fall of 2010, as monthly reports at that time showed modest but growing job gains. The revised data, however, shows that instead of adding an average of 21,000 jobs per month, year-over-year, in the last 5 months of 2010, the state actually lost an average of (22,000) jobs per month over the same period. For the

year as a whole, the state had on average (27,100) fewer jobs per month than previously reported.

The March revision indicates that the streak of year-over-year losses did not end in August of 2010, as previously reported, but instead continued through the remainder of the year. January's net job gain of 700 positions marked the end of 35 consecutive months of year-over-year job losses. The state saw another 5,300 year-over-year job gain in February. The revised data indicates that there were (330,300) fewer jobs in the state last month than at the outset of the last recession in December 2007. Contrary to what was previously reported, revised employment estimates now indicate that the state has just barely started to reverse an unprecedented 3-year streak of job losses.

The state's unemployment rate was also revised in March and the new estimates indicate that the state's job market was far more adversely affected by the recession than previous reports had shown. For example, under the previous estimates, the state's jobless rate never exceeded 9.7% during the recession, whereas revised data now indicates that the unemployment rate was 10% or higher for 12 consecutive months, beginning in July 2009. As a result of the revision, the state's jobless rate during the recession was about half a percentage point higher than previously estimated. The March release of revised unemployment data indicates that the jobless rate in the state has remained at 9.6% in each of the prior 4 months.

The state's unemployed filed a total of 19,880 **initial claims for unemployment insurance** in February, a (31.7)% decrease over the prior month, more than twice the average decline observed for the same month in the 10-year period leading up to the last recession. Also, February marked the first time since March 2008 when initial jobless were less than 20,000. Prior to the recession, February initial claims were typically less than 14,000. Compared to the same month in the prior year, first-time claims in February were down by (15.1)%, the 16<sup>th</sup> consecutive month with year-over-year declines.

Claims peaked in April 2009 when more than 41,000 individuals filed for initial jobless benefits. See [Tracking Arizona's Recovery](#), for additional historical information.





## Economic Indicators (Continued)

### Housing

In February, the number of new Maricopa County **foreclosure notices** decreased (24.8)% from January levels to 5,102.

The number of Maricopa County **pending foreclosures** decreased in February. The February total of 39,153 is (23.9)% below the peak in December 2009 (51,466). See [Tracking Arizona's Recovery](#), for additional historical information.

While foreclosure notices and pending foreclosures continue their decline from recent highs, they continue to be a major influence on existing home sales and the respective prices. In the Metropolitan Phoenix area in February, there were a total of 8,565 **existing single-family home sales** that resulted in a **median resale home price** of \$133,100. Relative to the prior year, the number of sales is up 8.1%, while prices are (8.2)% lower. Of the existing sales, 42.6%, or 3,650 were foreclosures.

### State Agency Data

In March **AHCCCS caseloads** equaled 1.34 million members, a (0.4)% decrease over the prior month. AHCCCS caseloads are currently (1.4)% below March 2010 levels. Total enrollment reached its peak in June 2010, and has declined slowly since then. The FY 2011 budget funded a projected March 2011 caseload growth of 5.4% above March 2010 levels, for a total of 1.43 million members.

There were 42,336 **TANF recipients** in the state in February, a monthly caseload decrease of (3.3)%. Year-over-year, the number of TANF recipients has declined by (47.7)%. This decline is the result of changes to the statutory lifetime limit a person may receive cash assistance. Beginning in July, recipients can only receive benefits for a maximum of 36 months in a lifetime. Previously, the maximum had been 60 months. This change resulted in a caseload decline of approximately (16,000) recipients. The FY 2011 budget assumed caseloads of approximately 70,000 in FY 2011.

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 (0.9)% decrease over the prior month. Compared to the same month last year, food stamp participation was up by 2.4%. 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** declined to 40,063 inmates between October and December 2010. Relative to the prior period the population has decreased by (83), and compared to a year ago the population has declined by (413) inmates.

# Economic Indicators (Continued)

Table 5

## ECONOMIC INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
<b>Arizona</b>				
- Unemployment Rate (SA)	February	9.6%	0.0%	(0.6)%
- Initial Unemployment Insurance Claims	February	19,880	(31.7)%	(15.1)%
- Unemployment Insurance Claimants	January	69,106	5.3%	(29.6)%
- Non-Farm Employment - Total	February	2.39 million	1.0%	0.2%
Manufacturing	February	148,200	0.1%	0.3%
Construction	February	104,100	(2.2)%	(4.5)%
- Average Weekly Hours, Manufacturing	January	40.2	(1.2)%	2.3%
- Contracting Tax Receipts (3-month average)	Dec-Feb	\$30.9 million	(8.7)%	(0.6)%*
- Retail Sales Tax Receipts (3-month average)	Dec-Feb	\$152.0 million	1.1%	6.1%*
- Residential Building Permits (3-month moving average)				
Single-unit	Nov-Feb	663	9.2%	(38.3)%
Multi-unit	Nov-Feb	191	30.5%	(1.7)%
- Greater Phoenix Existing Home Sales				
Single-Family	February	8,565	2.9%	8.1%
Townhouse/Condominium	February	1,460	10.6%	12.3%
- Greater Phoenix Median Home Sales Price				
Single-Family	February	\$133,100	1.1%	(8.2)%
Townhouse/Condominium	February	\$85,000	0.0%	(17.9)%
- Foreclosure Activity, Maricopa County				
Foreclosure Notices (Notice of Trustee's Sales Recorded)	February	5,102	(24.8)%	(32.9)%
Pending Foreclosures (Active Notices)	February	39,153	(2.0)%	(22.3)%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	January	101.54	(1.5)%	(9.1)%
- Arizona Months Supply of Housing, (ARMLS)	February	5.7 months	(0.9) months	(0.7) months
- Phoenix Sky Harbor Air Passengers	January	3.26 million	(2.1)%	6.1%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	December	\$6.64	10.5%	(0.7)%
- Arizona Consumer Confidence Index (1985 = 100)	1 <sup>st</sup> Quarter 2011	62.8	11.5%	25.1%
- Arizona Coincident Index (July 1992 = 100)	January	178.22	0.3%	0.3%
- Arizona Personal Income	4 <sup>th</sup> Quarter 2010	\$226.7 billion	1.1%	3.3%
- Arizona Population	April 1, 2010	6.39 million	N/A	N/A
- AHCCCS Recipients	March	1,338,942	(0.4)%	(1.4)%
- TANF Recipients	February	42,336	(3.3)%	(47.7)%
- SNAP (Food Stamps) Recipients	February	1,064,128	(0.9)%	2.4%
- ADC Inmate Growth (3-month average)	Jan-Mar	40,063	(83) inmates	(413) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	January	19,527	(68)	(237)
Maricopa County	January	26,112	19	(2,792)
<b>United States</b>				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	4 <sup>th</sup> Quarter 2010 (Final Estimate)	\$13.4 trillion	3.1%	2.8%
- Consumer Confidence Index (1985 = 100)	February	70.4	8.6%	51.7%
- Leading Indicators Index (2004 = 100)	February	113.4	0.8%	5.8%
- U.S. Semiconductor Billings (3-month moving average)	Nov-Jan	\$4.70 billion	2.1%	24.5%
- Consumer Price Index, SA (1982-84 = 100)	February	222.27	0.5%	2.2%

\*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 Director of Realty Studies and an Associate Professor 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 Corporate Economist 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, Revenue and Fuel Analysis and Forecast Group at Pinnacle West. He has been with Arizona Public Service/Pinnacle West for 17 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 Department of Commerce.

**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 28 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 28 years.

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