

Finance Advisory Committee

Briefing Materials

December 10, 2007

JLBC

Finance Advisory Committee

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Current Economic Conditions Have Had Widespread Impact on Revenue Collections

- Through November, collections are down (0.6)%
- General Fund revenues are \$(310) million below forecast
 - Sales tax: (0.2)%.
 - Individual income tax: (1.0)%
 - Corporate income tax: (2.4)%.

3 Main Problems

- Housing Market
 - Imbalance in supply and demand.
 - Mortgage financing.
- Inflated Revenue Base
 - Revenues grew 38% in '05 and '06 compared to 19% personal income growth.
- “Wealth effect”
 - Declining housing values affect consumer psyche.

2 of 3 Real-Time Indicators Have Dropped This Fiscal Year

- Retail spending – down (1.7) %.
- Jobs – 45,000 jobs created
compared to 135,000 a year ago.
- Withholding – up 6%.

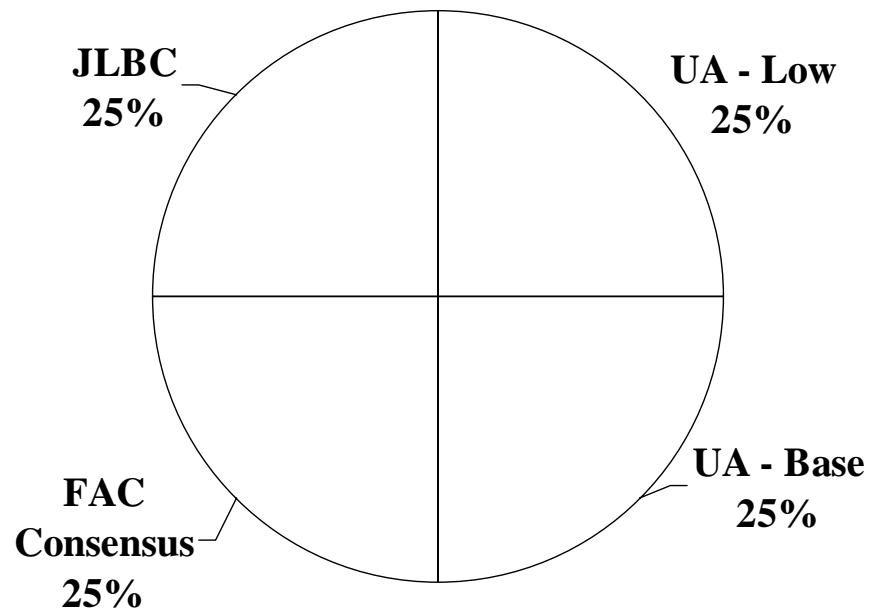
Overall Revenue Forecast

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:

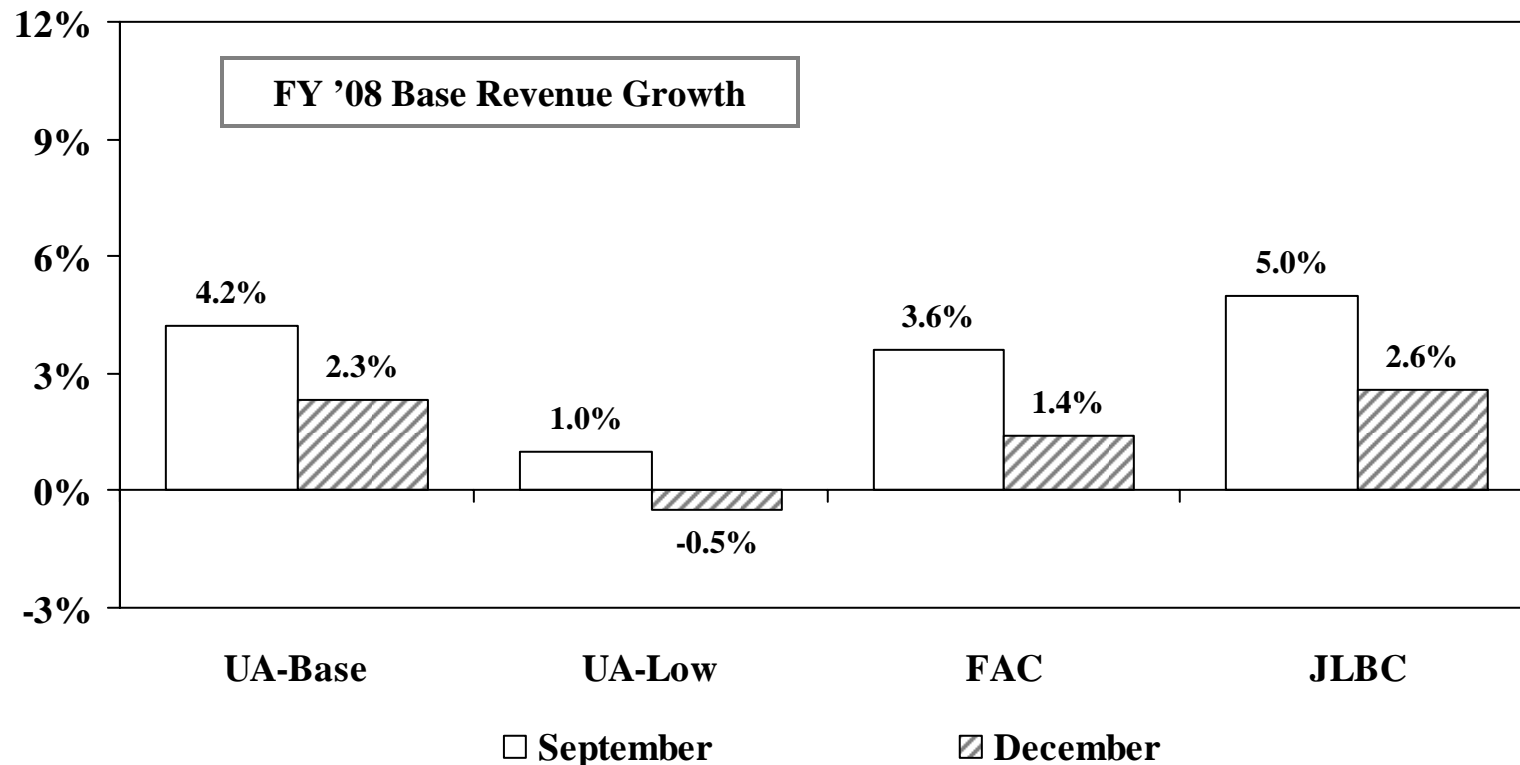
- **FAC average**
- **UofA model - base**
- **UofA model - low**
- **JLBC Staff forecast**
- **Remaining revenues (4% of total) are staff forecast**



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

New FY '08 4-Sector Growth Forecast is 1.5%

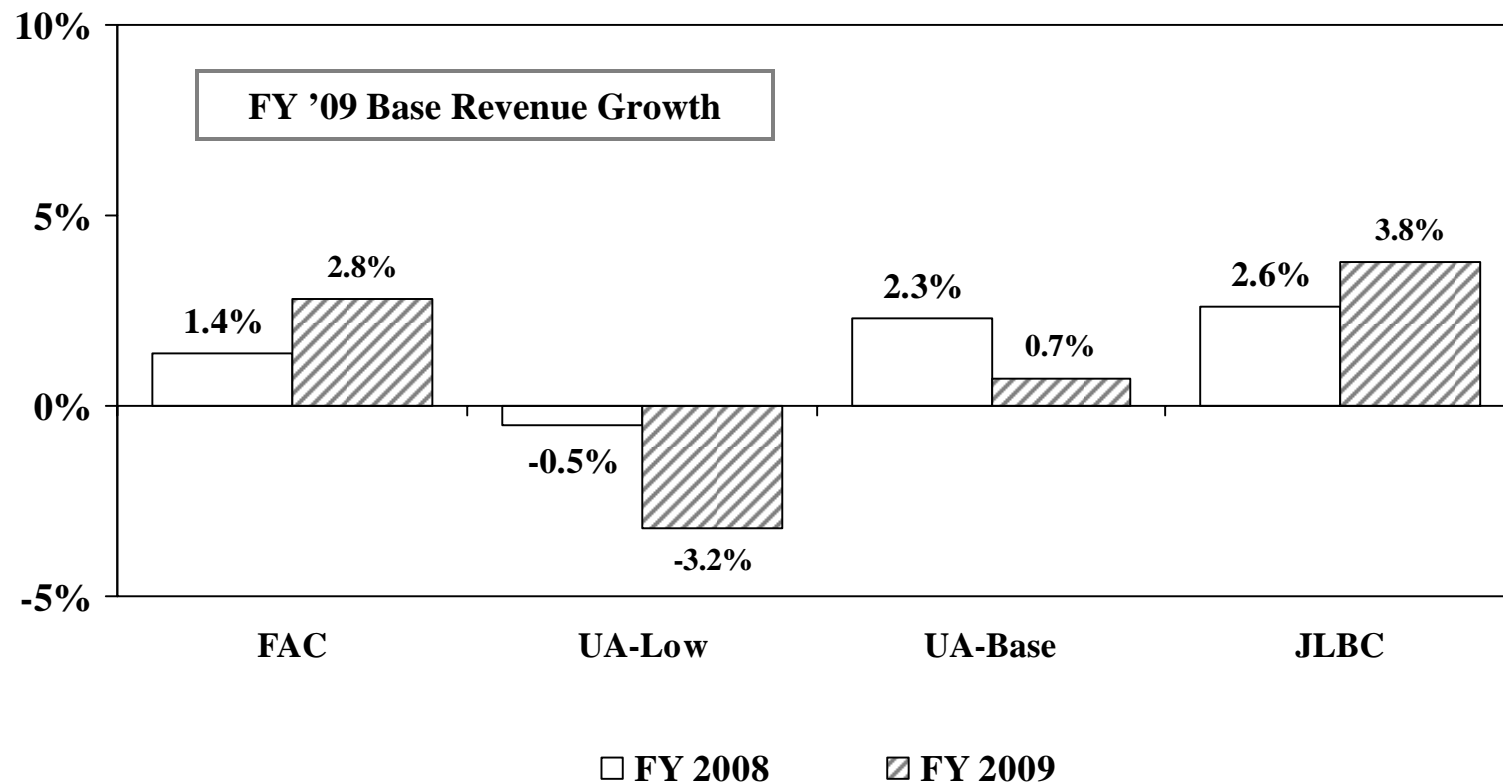
- Compares to 3.5% in September and a Budgeted Rate of 8.4%



**Weighted Big 3 Average
Prior to Tax Law Changes**

New FY '09 4-Sector Growth Drops from 1.5% in '08 to 1.0% in '09

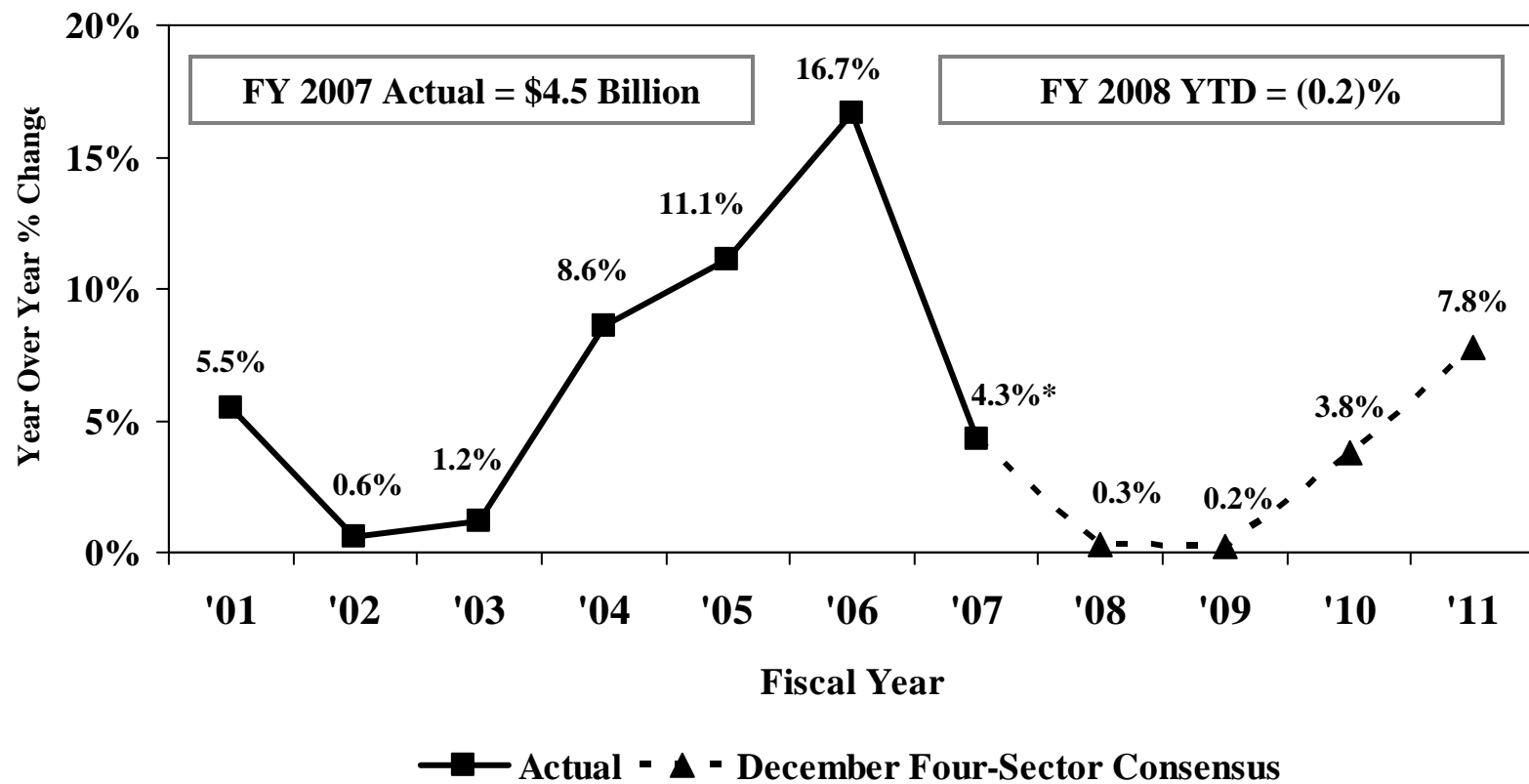
- In September, '09 Growth Was 2.6%



Weighted Big 3 Average
Prior to Tax Law Changes

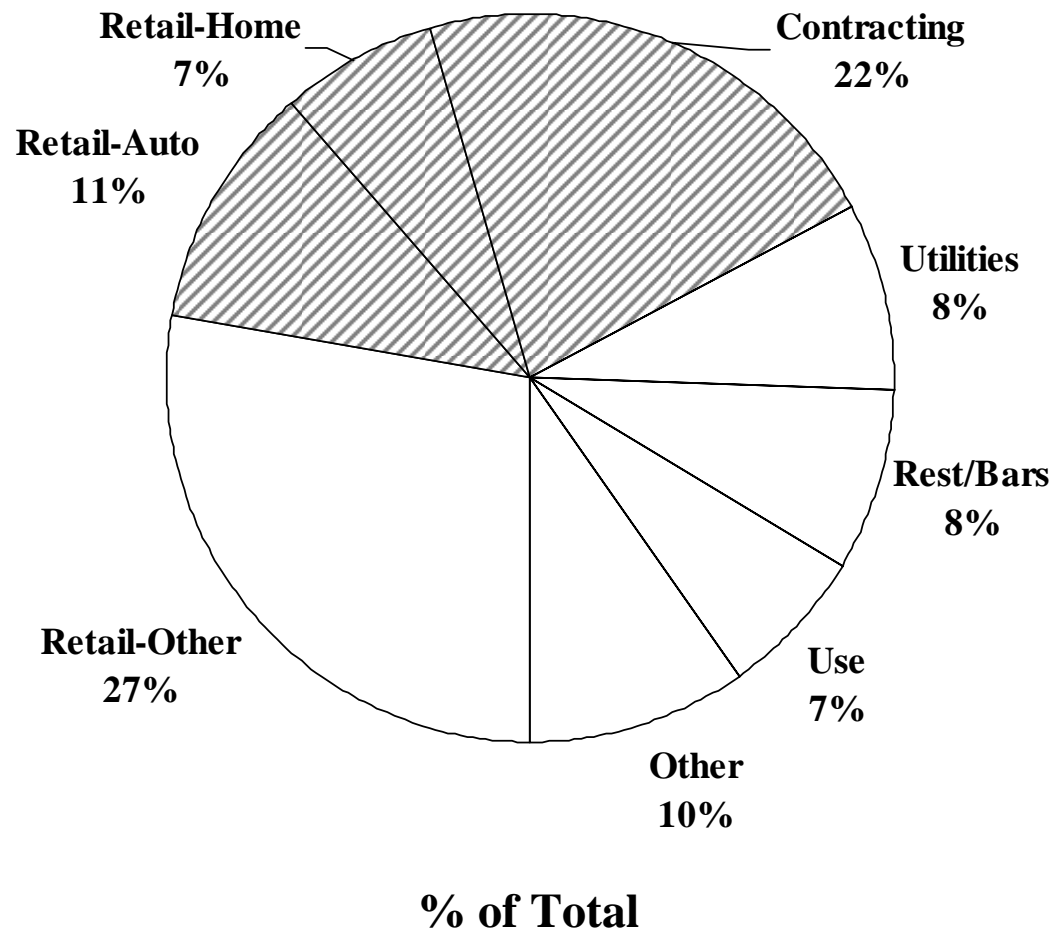
Revenue Forecast by Category

Sales Tax Growth Flat in '08 and '09

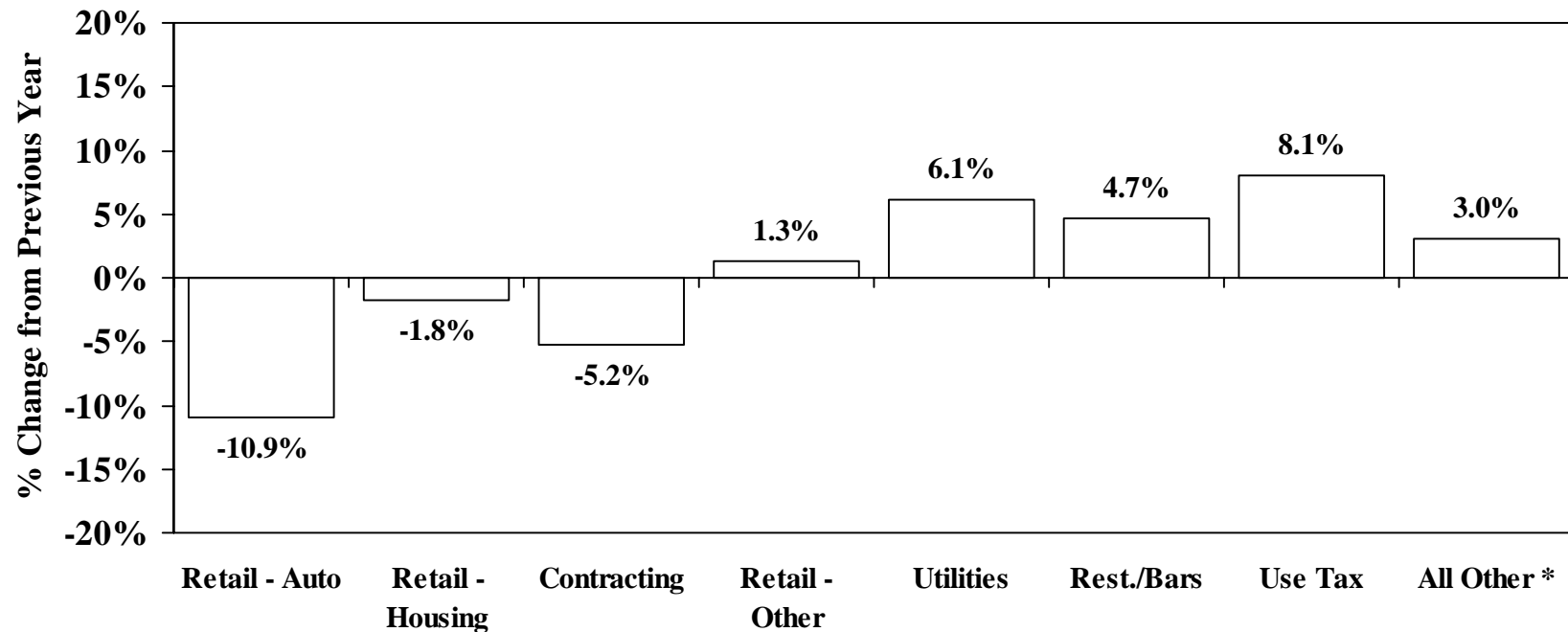


* 5.6% without the \$(55.2) million estimated payment threshold change.

Construction and Vehicles Constitute 39% of Sales Tax Collections



The Decline in Construction and Vehicle Spending Are Offsetting Gains Elsewhere



FY 2008 Year to Date – (Through October)

Falling Home Prices Affecting Consumer Spending

The “Wealth Affect”

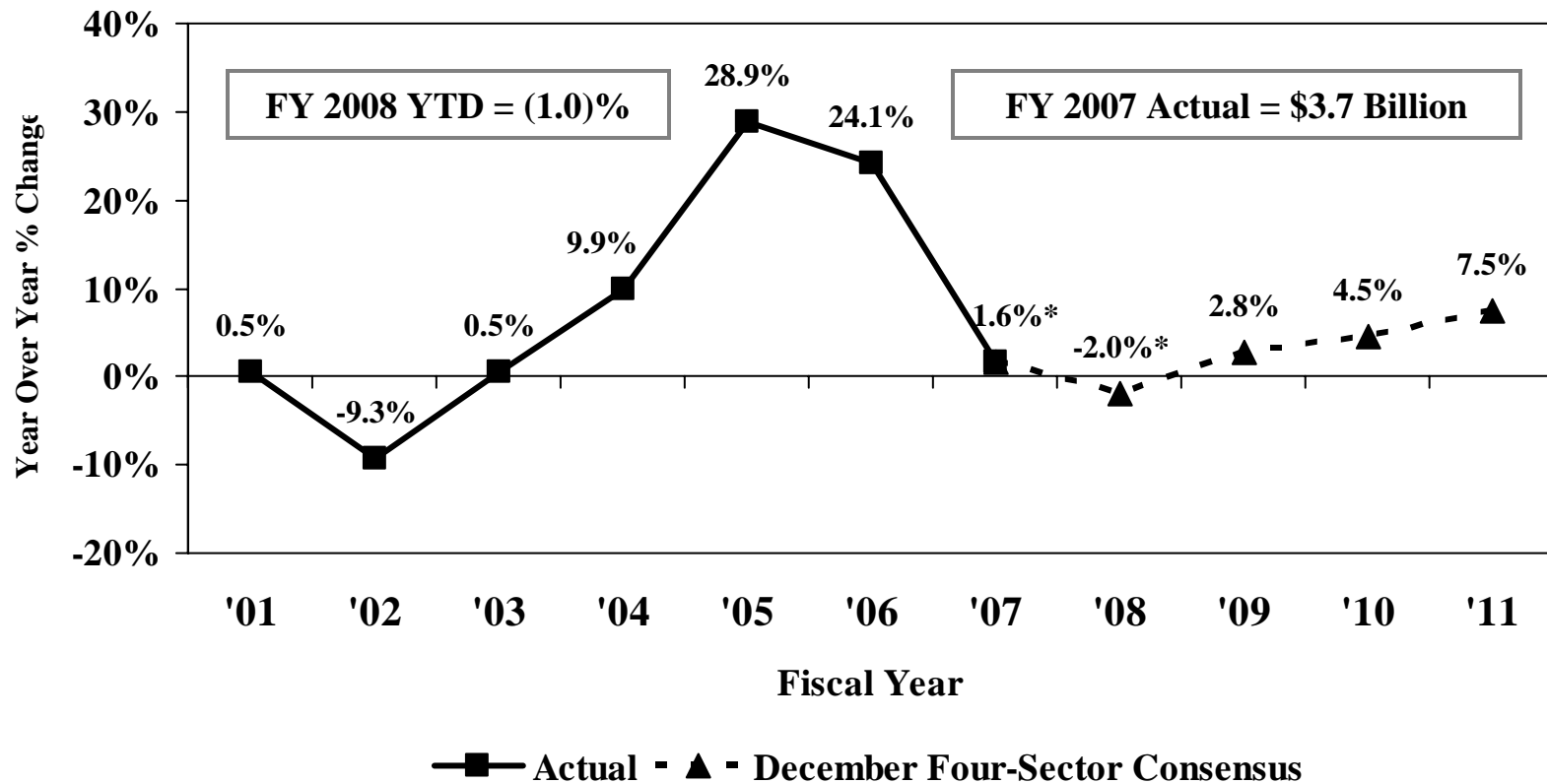
- Even if consumers are not selling their homes, declining housing values are thought to reduce their spending habits.
- National studies estimate that consumers reduce spending by 4-9¢ for every \$1 decline in house value.
- With a 10% decline in housing prices, Arizona sales tax would decline \$50 million, or (1)%.

Will Mortgage Proposals Help?

- Proposal only affects 11% of subprime loans.
- For owner occupied homes, the Feds are proposing a 5 year rate freeze and refinancing assistance.
- Arizona has the 3rd highest rate of subprime loans, including 132,000 subprime ARMS.
- Feds' mortgage relief plan could affect an estimated 6,500 – 54,000 owner-occupied homes in the state.

Individual Income Tax Forecast

- Falls (2.0)% in '08 With A Slow '09 Recovery



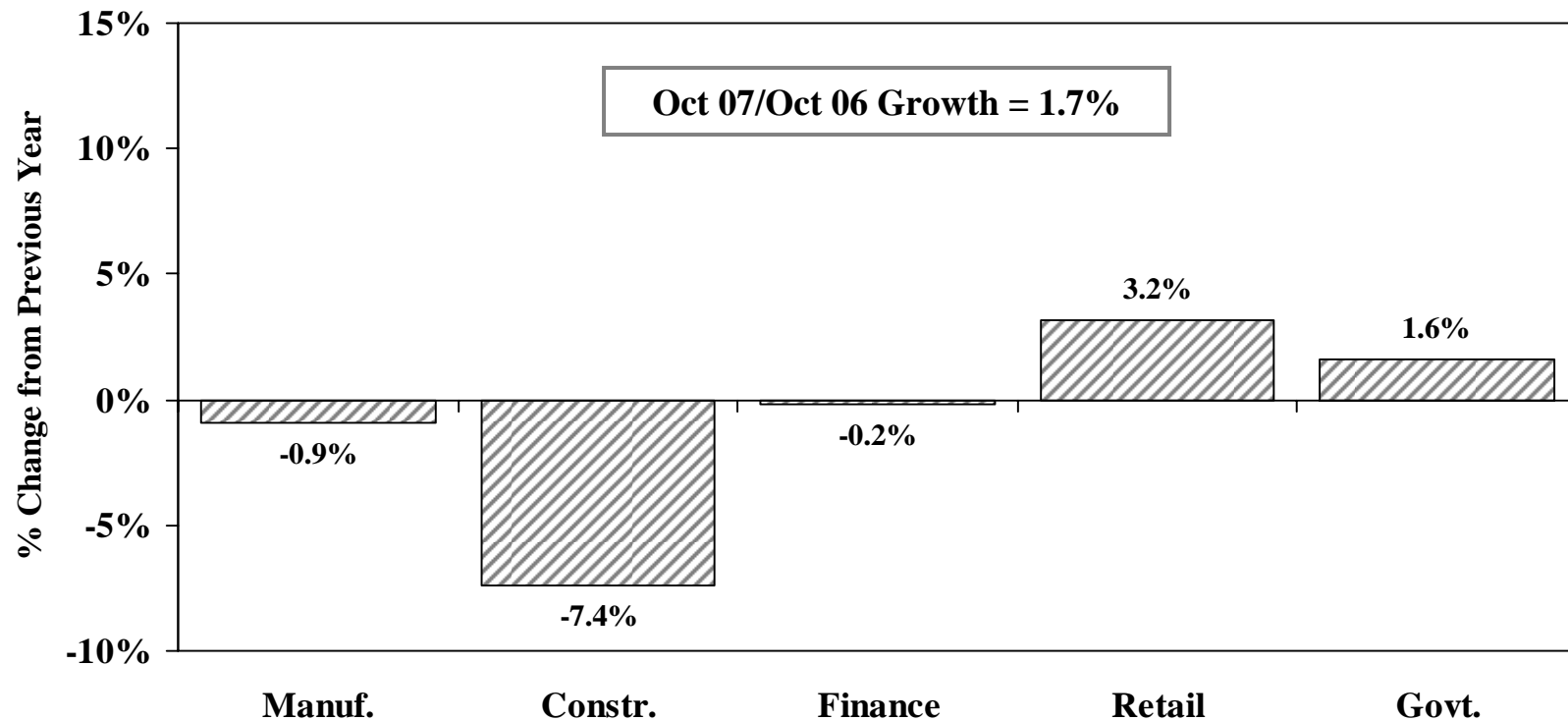
* Includes reduction for tax law changes.

Individual Income Tax 5-Month Collections Down (1.0)%

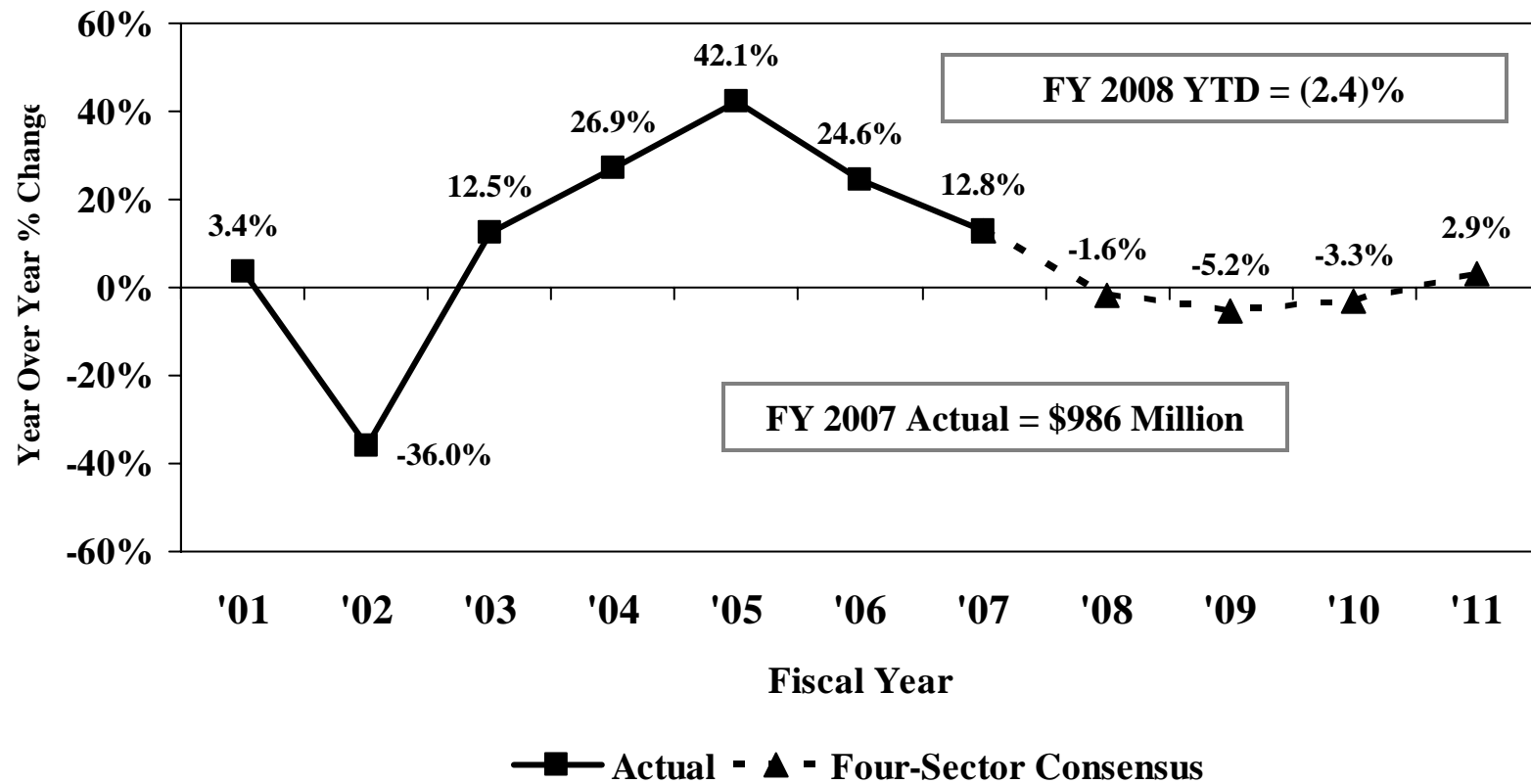
- Refunds have increased over 60%
 - May be “hangover” effect – April extensions resulted in refunds paid out in last 2 months.
- Final payments are down (2)% YTD.
- Positive sign: withholding has maintained 6% growth for the first 5 months.

Job Losses May Moderate Further Withholding Growth

- Construction Sector Has Experienced Largest Job Loss



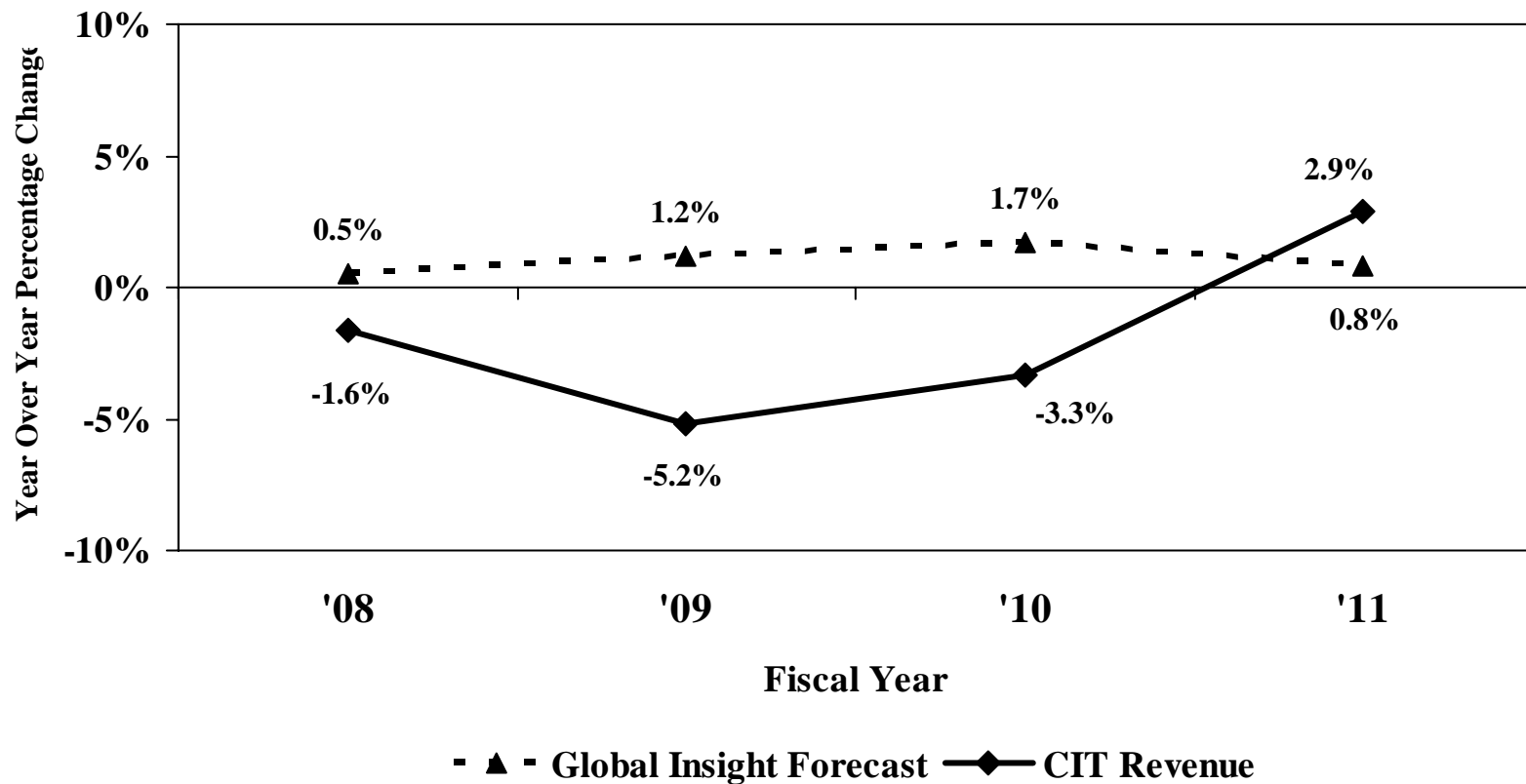
Corporate Income Tax Projected to Decline in Both FY '08 and FY '09



* Includes reduction for tax law changes.

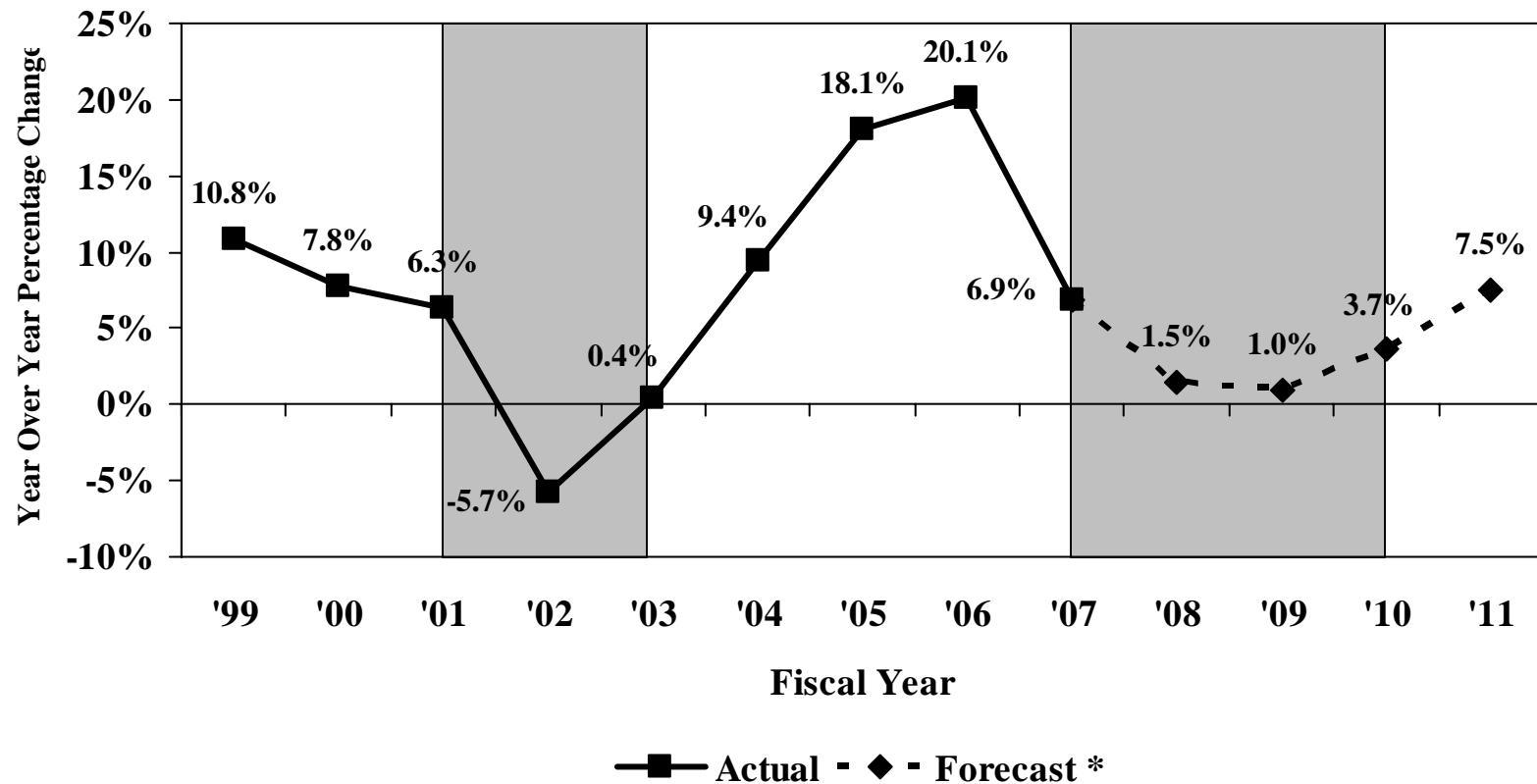
U.S. Corporate Profits are Expected to Slow

- National Forecasts Generally Support 4-Sector Revenue Projection



Growth Remains Slow Until FY 2011

- September Forecast Had Similar “U” Shaped Curve



* 4-sector forecast weighted average growth.

4-Sector Projections Further Increase Budget Shortfall

- FY '08 budget shortfall is projected to be \$970 million.
- If none of FY '08 solutions are on-going, FY '09 budget shortfall is \$1.8 billion.

FY 2008-FY 2011 Quartile Forecast Worksheet

	FY 2008	FY 2009	FY 2010	FY 2011
<u>Sales Tax</u>				
JLBC Forecast (11/07)	2.5%	3.0%	4.9%	6.7%
UA - Low (11/07 revision)	-1.9%	-4.3%	-0.1%	6.3%
UA - Base (11/07 revision)	-1.1%	-1.3%	3.7%	8.8%
FAC (12/10/07 Survey)	1.7%	3.5%	6.8%	9.4%
Average:	0.3%	0.2%	3.8%	7.8%
<u>Individual Income Tax</u>				
JLBC Forecast (11/07)	3.0%	4.8%	6.8%	7.8%
UA - Low (11/07 revision)	0.6%	-0.6%	0.3%	5.2%
UA - Base (11/07 revision)	5.8%	3.7%	3.9%	7.7%
FAC (12/10/07 Survey)	2.1%	3.1%	7.1%	9.2%
Average:	2.9%	2.8%	4.5%	7.5%
<u>Corporate Income Tax</u>				
JLBC Forecast (11/07)	1.9%	3.2%	2.2%	7.8%
UA - Low (11/07 revision)	1.6%	-8.5%	-5.5%	5.5%
UA - Base (11/07 revision)	4.9%	-2.3%	0.5%	2.7%
FAC (12/10/07 Survey)	-2.4%	-1.5%	2.2%	7.8%
Average:	1.5%	-2.3%	-0.2%	6.0%
Consensus Weighted Average:	1.5%	1.0%	3.7%	7.5%
JLBC Weighted Average:	2.6%	3.8%	5.4%	7.3%
UA Low Weighted Average:	-0.5%	-3.2%	-0.5%	5.8%
UA Base Weighted Average:	2.3%	0.7%	3.4%	7.7%
FAC Consensus Weighted Average:	1.4%	2.8%	6.5%	9.2%

National Economic Outlook

Presented by:

Elliott D. Pollack

Presented for:

Finance Advisory Committee

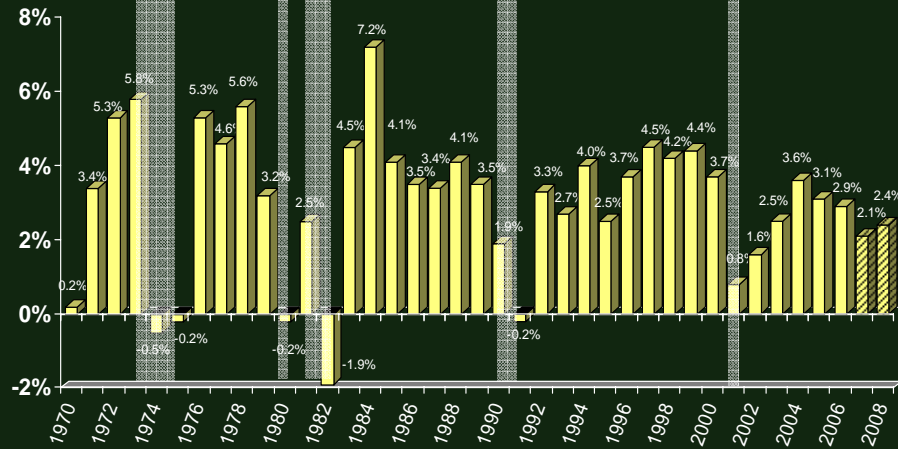
December 10th, 2007



**What
causes
economies
to slow
and where
do we
stand?**

United States Real Gross Domestic Product* Annual Growth 1970 - 2008**

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



* Based on chained 2000 dollars.

** 2007 - 2008 are forecasts from the *Blue Chip Economic Indicators*, November 2007

Recession Periods

ODDS OF A RECESSION

Source: National Blue Chip Panel

November 07 consensus: 33.6%

September 07 consensus: 32.1%

August 07 consensus: 25.8%

November 06 consensus: 24.8%

Odds of a recession survey question was not asked in October 2007
November's survey was conducted November 5th and 6th, 2007

Is a RECESSION Imminent?

Economic expansions do not die of old age.

They die from:

- 1. Structural imbalances**
 - 2. Fiscal and monetary policy errors**
- ...Combined with unusual shocks**

TYPICAL IMBALANCES

- Consumers holding too much debt**
- Real incomes decline**
- Excess capacity**
- Business has too much debt**
- Too much inventory**
- Employment markets too tight**
- Inflation**
- Bad tax policy**
- Bad monetary policy**

**Few of these
imbalances presently
exist to any
significant degree.**

PRESENTLY

- Employment still growing
- Real incomes growing
- Business awash in cash
- Capacity utilization at a level associated with increases in plant spending
- Employment markets do not appear to be tight
- Inflation still appears under control
- Exports booming
- Fed has reacted well

**The economy is no longer
running on 8 cylinders;
more like 3 or 4, but still
driving forward....**

...Slowly.



...hopefully.



**LAST YEAR
WE SAID:**

Weakening economies are more sensitive to shocks.



Examples of Direct Shocks:

- Unexpected oil supply disruption.
- Unexpected oil price escalation.
- Terrorist event (especially to financial or commerce infrastructure).
- Decline in housing prices.

THIS YEAR'S SHOCK:

- **Housing prices**
- **Mortgage backed securities**

Liquidity dried up...



Market re-prices risk.



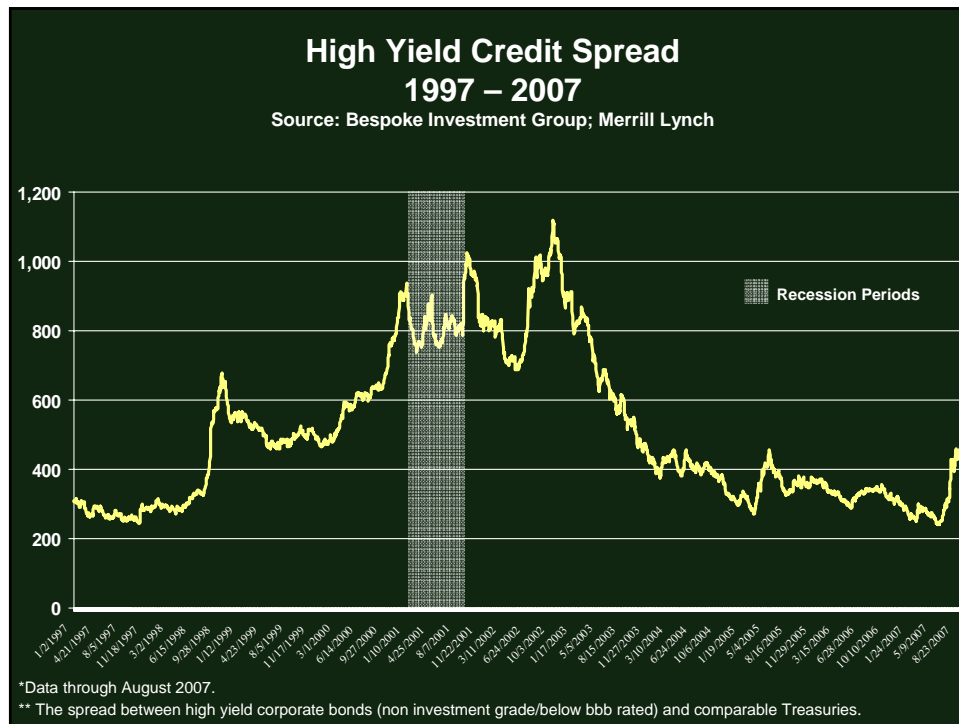
High Yield Credit Spread 2004 – 2007

Source: Bespoke Investment Group; Merrill Lynch



*Data through August 2007.

** The spread between high yield corporate bonds (non investment grade/below bbb rated) and comparable Treasuries.



Credit Crunch

**Banks and others
significantly curtail their
lending to all sectors.**

Problem Areas Linked to Most Leveraged Sectors

- **Mortgage Backed Bonds**
- **Leveraged Buyout Loans**
- **Junk Bonds**

To Get a *Full Blown* Credit Crunch you need:

1. FEAR –

Of big losses on current & future loans.

2. UNCERTAINTY –

***How big* will the losses be?**

***When* will the market stabilize?**

***At what price* will it stabilize?**

NOW – A Limited Credit Crunch

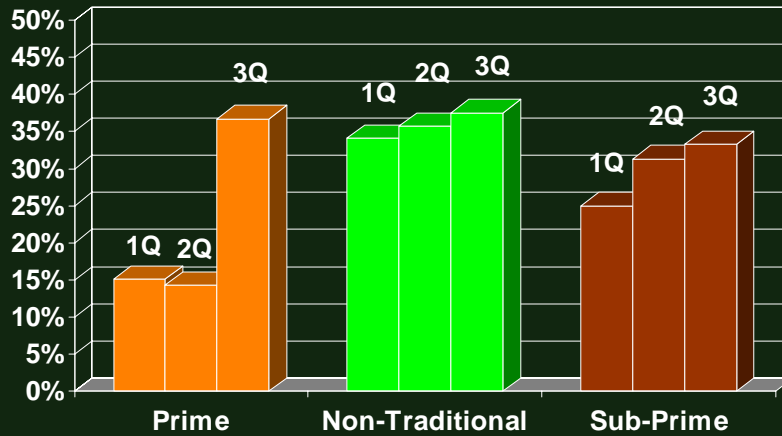
**The crunch has not yet spread
to the general economy.**

Characteristics of a Limited Credit Crunch:

- **Banks are still lending to consumers & businesses.**
- **Credit card agencies are still issuing credit.**
- **Mortgage lenders are still lending to qualified borrowers.**

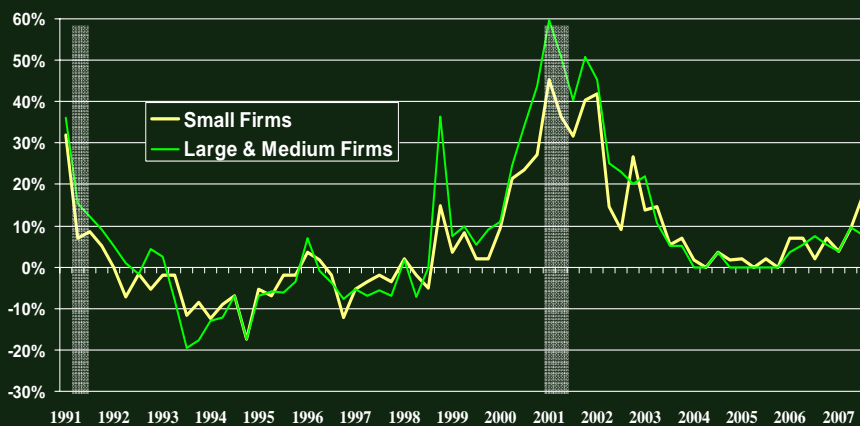
Net Percentage of Large U.S. Banks Reporting Tougher Standards on Residential Loans 2007

Source: Federal Reserve, Board of Governors



Net Percentage of Large U.S. Banks Reporting Tougher Standards on Business Loans 1991 – 2007*

Source: Federal Reserve, Board of Governors



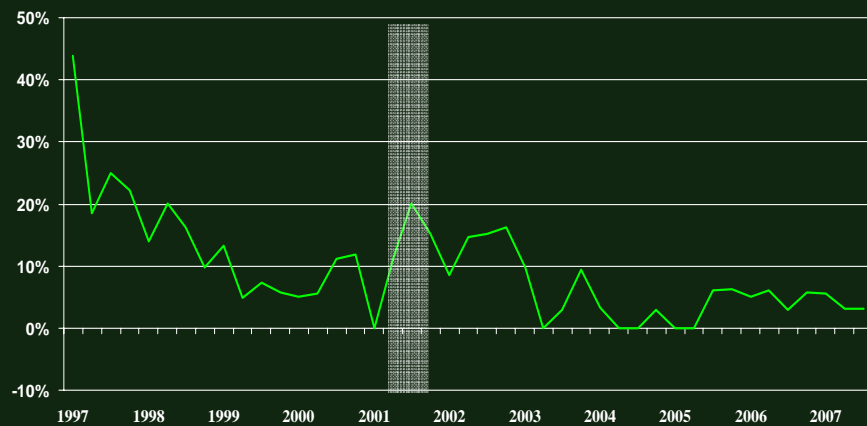
*Data as of October 2007 survey.

Recession Periods

Net Percentage of Large U.S. Banks Reporting Tougher Standards on Consumer Loans

1997 – 2007*

Source: Federal Reserve, Board of Governors



*Data as of October 2007 survey.

Recession Periods

ACTIONS OF THE FED



Common Themes of Manias



- Extreme speculative hype.
- Frenzy by all levels of investors.
- Severe departure from the investments “intrinsic value.”
- Huge flows of new credit – usually new types of instruments.
- No formidable barriers to entry.

The “Busting of the Bubble” shares similar features:



- Liquidity contracts
- Exogenous events may cause/exacerbate situation
- Prices decline, then plunge

The **Perfect Storm** in the Housing Market?



What Happened:

- Falling prices
 - Fear
 - Tightening of credit
 - Less money to loan

**Scheduled re-pricing of
sub-prime loans pushes up
delinquent and foreclosure
rates, adding new supply that
pushes down housing prices...**

**...which starts the process
over again.**

Danger Ahead – ARMS to Reset

**\$263 billion (Jan-07 to Aug-07)
+
\$700 billion (Sep-07 to Dec-08)**

Source: Banc of America Securities, Business Week, 9/17/07

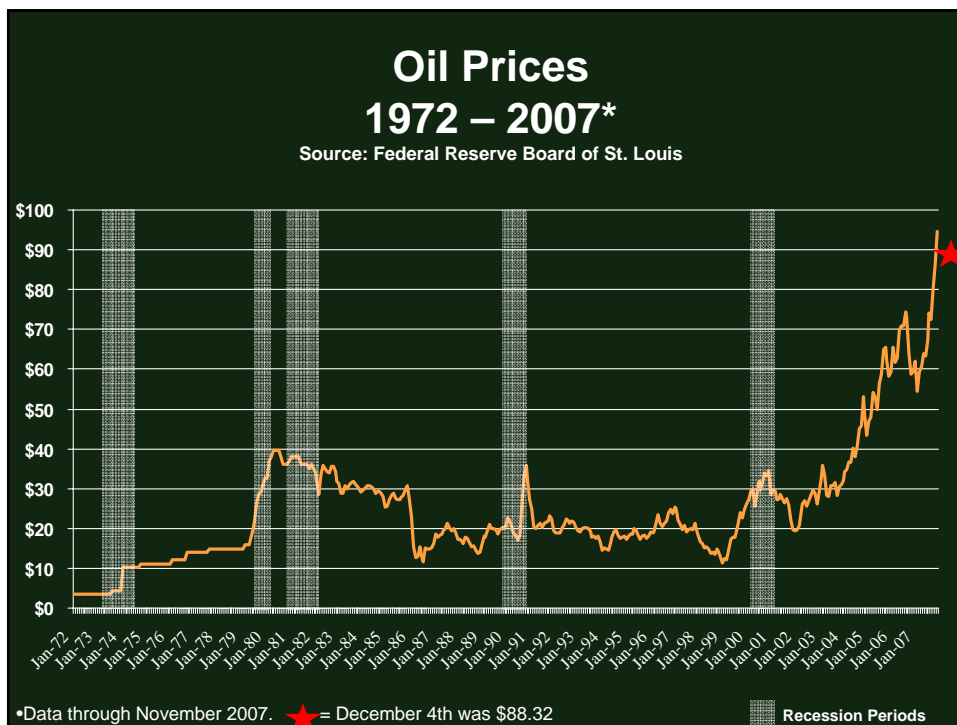
**The credit crunch
ends when banks
see stability.**

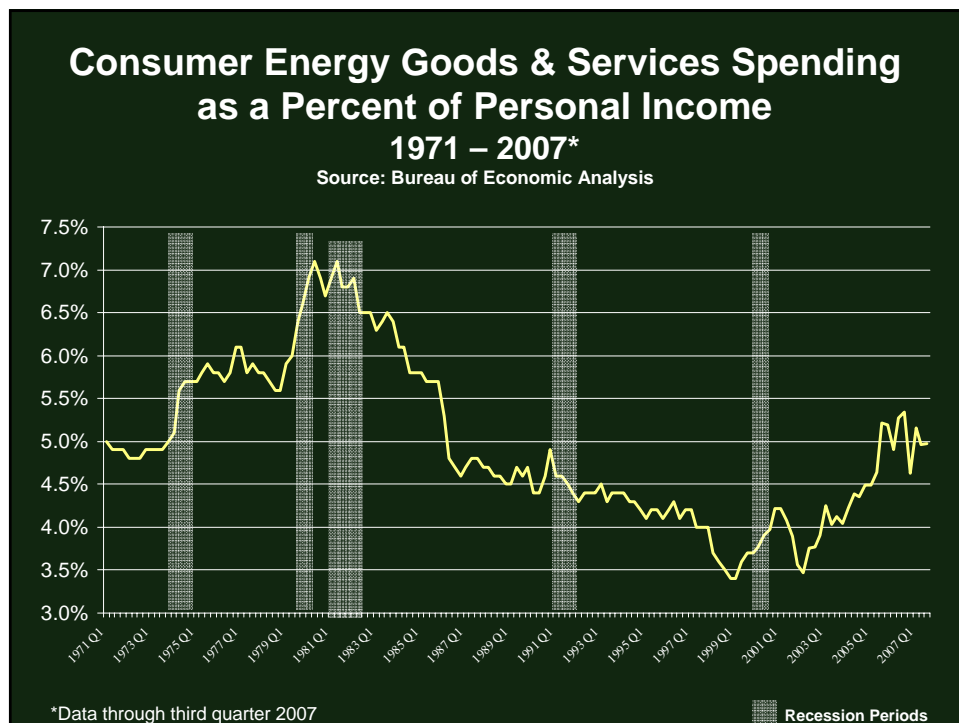
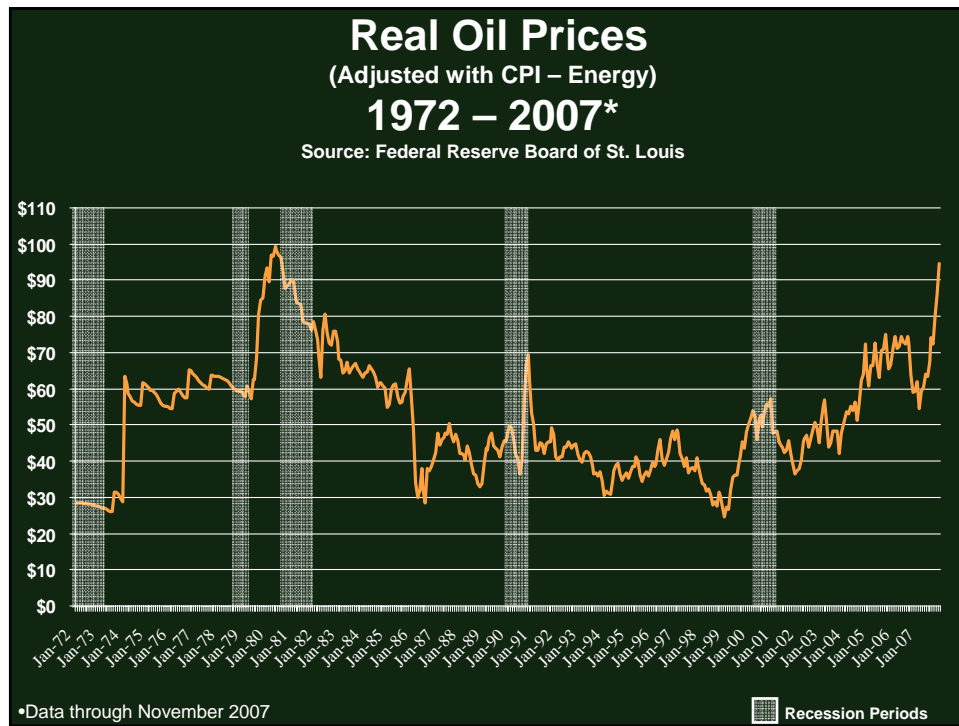
Synopsis: Economy-Wide Negatives

- Credit crunch
- Housing market
- Consumer spending
- Inflation ??? (food & energy)

Synopsis: Economy-Wide Positives

- Employment still positive.
- Businesses lean and mean.
- Recession would be pointless, so Fed will try to avoid one.





For perspective, if oil prices stabilize at around \$100 per barrel, gas prices will escalate to about \$4 per gallon.



National Perspective

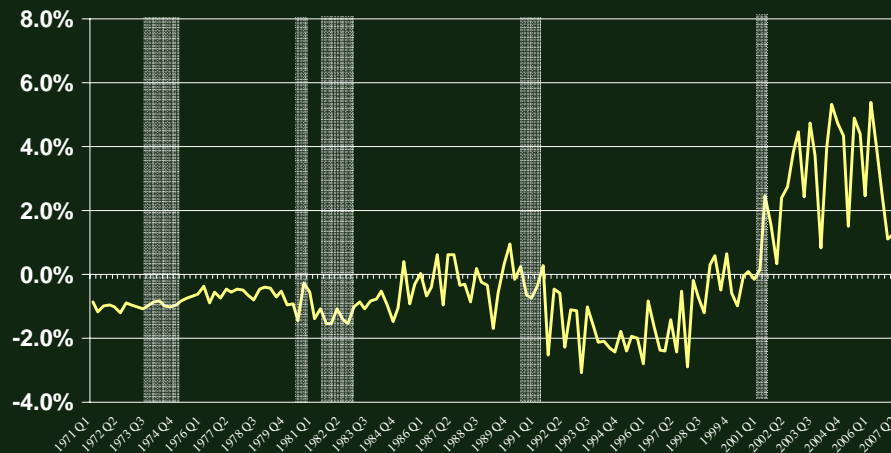
Let's look at some data.

CONSUMER SPENDING: Causes of Consumer Caution

- Reduced home-related spending on home improvement items such as furnishings, appliances, and building materials .
(Look at completions not starts)
- Housing-related industries are now cutting jobs.
- Mortgage equity withdrawal slowing.

Mortgage Equity Withdrawal as a share of Disposable Income U.S.: 1971 – 2007*

Source: Bureau of Economic Analysis



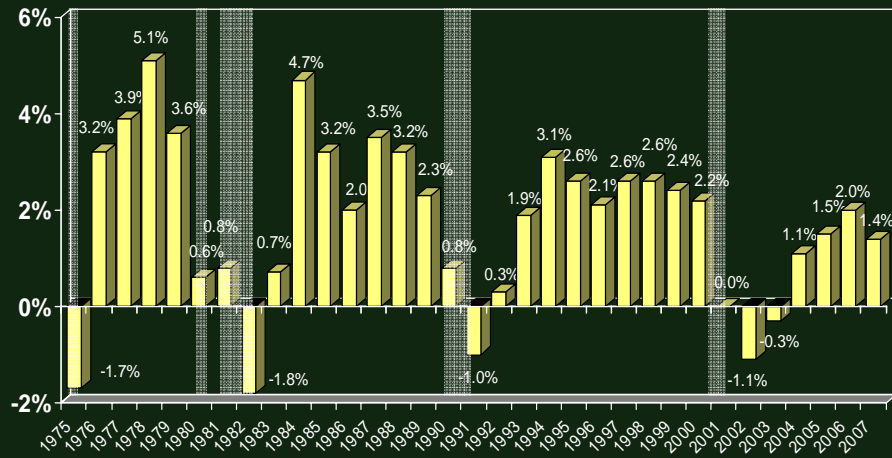
* Data through second quarter 2007

Recession Periods

National Employment*

Annual Percent Change 1975–2007**

Source: Bureau of Labor Statistics



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

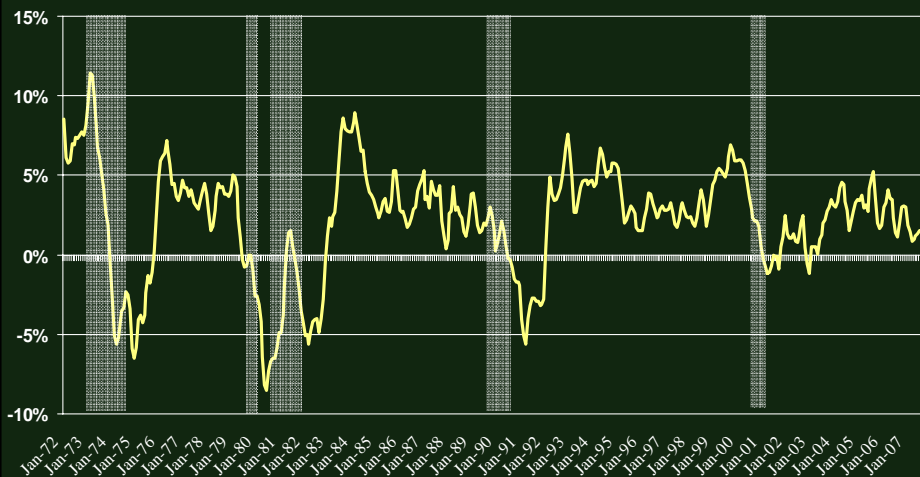
** YTD October 07

Recession Periods

U.S. Real Retail Sales

Percent Change Year Ago, 3-Month Moving Average 1972 – 2007*

Source: Federal Reserve Board of St. Louis

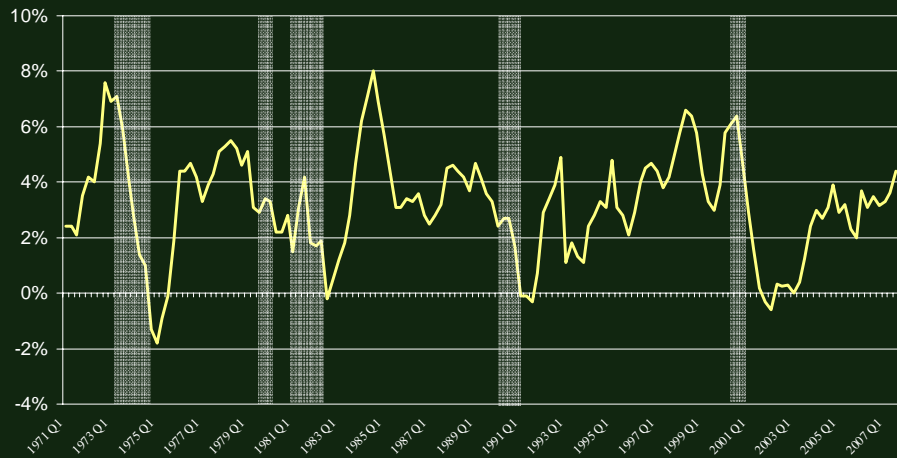


* Data through October 2007

Recession Periods

U.S. Real Personal Income Percent Change Year Ago 1971 – 2007*

Source: Bureau of Economic Analysis



*Data through third quarter 2007

Recession Periods

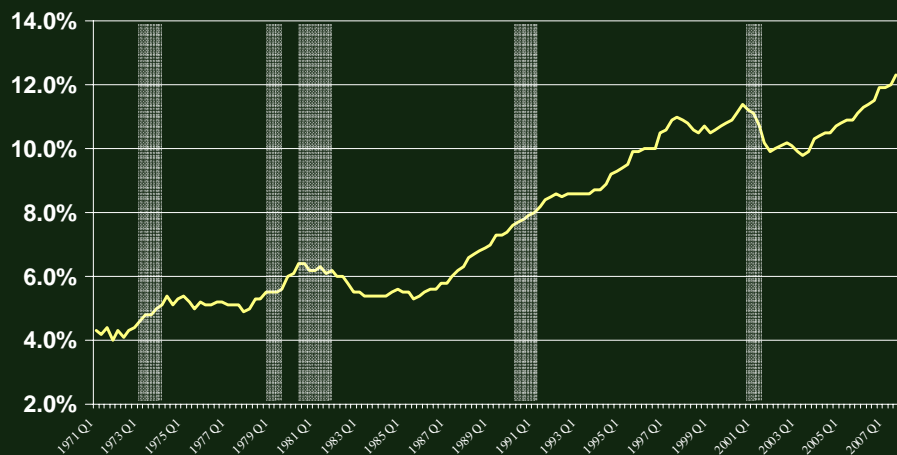
**The inflation threat goes
away if the economy slows
significantly.**

Business



U.S. Real Exports as a Percent of Real GDP 1971 – 2007*

Source: Bureau of Economic Analysis

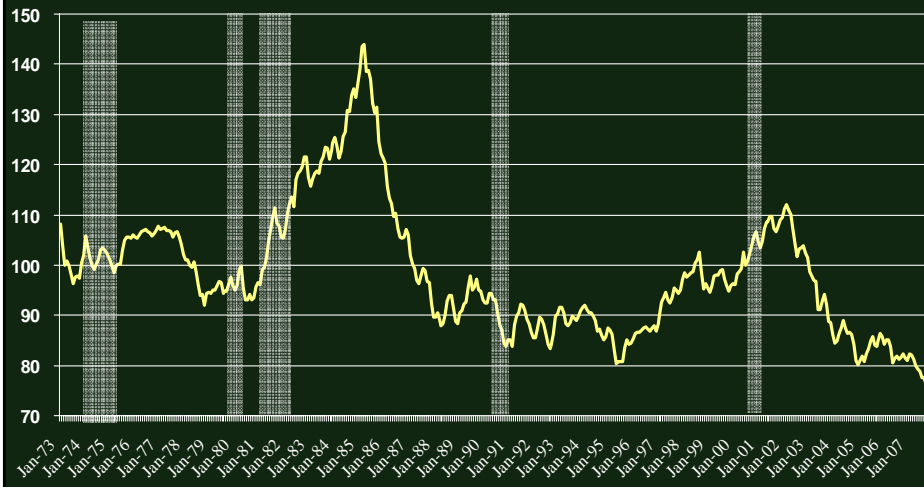


*Data through third quarter 2007

Recession Periods

US Dollar Trade Weighted Exchange v. Major Currencies (1973 = 100) 1973 – 2007*

Source: The Federal Reserve

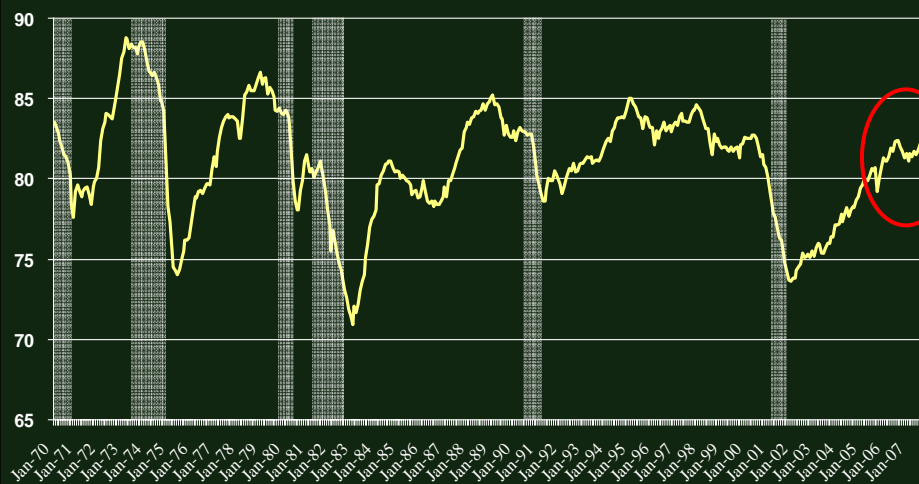


*Data through November 2007

Recession Periods

Capacity Utilization Rate 1970 – 2007*

Source: The Conference Board

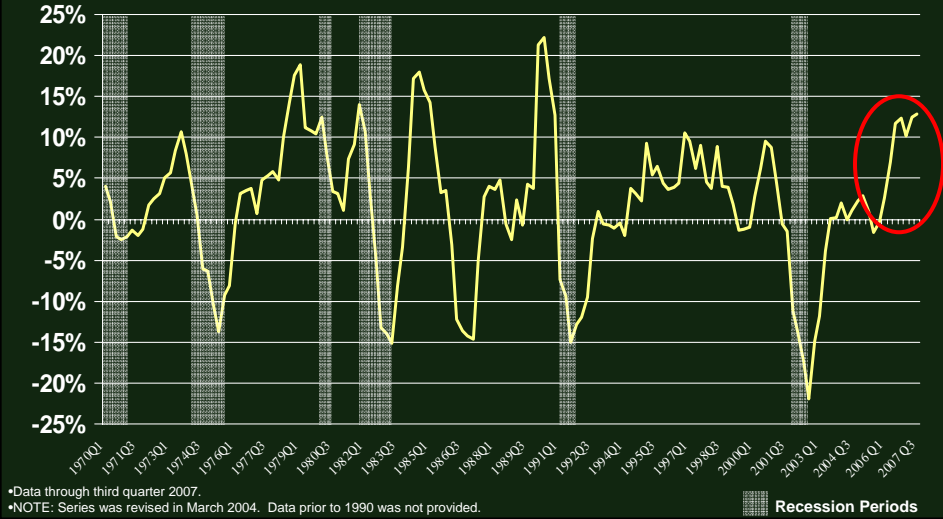


*Data through October 2007

Recession Periods

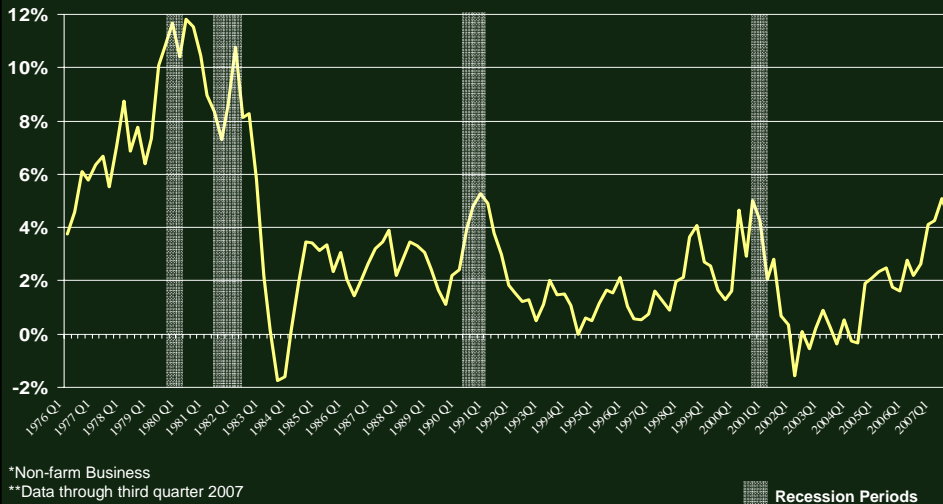
Total Plant Spending Percent Change Year Ago (Real Dollars) 1970 – 2007*

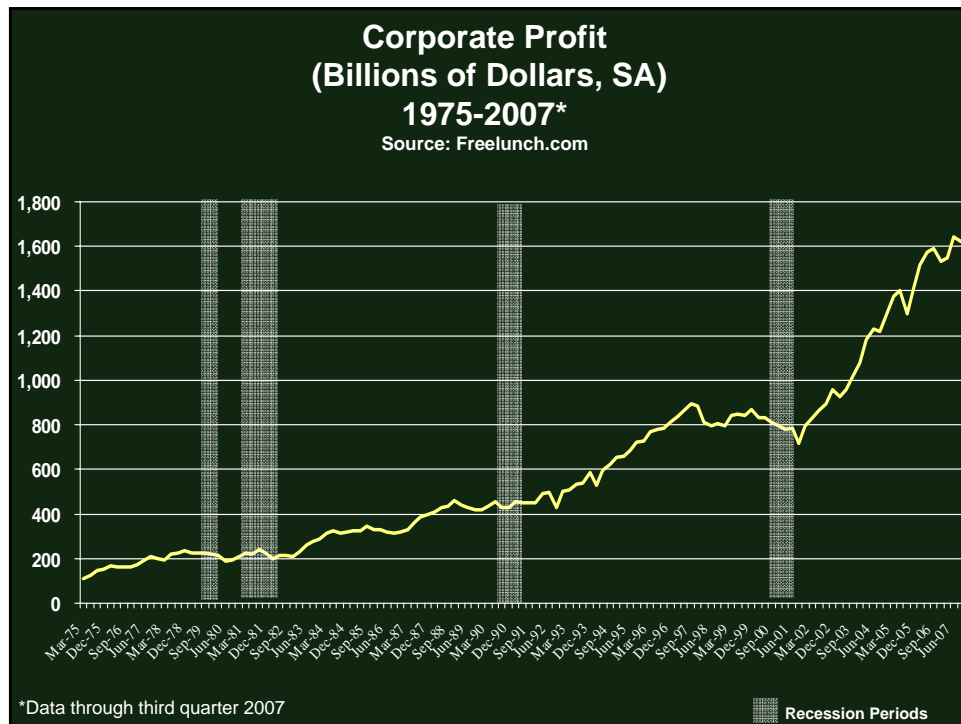
Source: Bureau of Economic Analysis



Unit Labor Costs* Percent Change from Year Ago 1976 – 2007**

Source: Bureau of Labor Statistics





U.S. OUTLOOK - 2008

- Housing (-)
- Inflation (-)
- Productivity growth slowing (-)
- Consumer spending (-)
- Fiscal stimulus (+/-)
- Low interest rates (+)
- Business spending (+)
- Monetary stimulus (+)
- Real incomes (+)
- Businesses mean and lean (+)
- Job growth (+)
- Exports (+)



ELLIOTT D. POLLACK
& Company
Economic and Real Estate Consulting

WWW.ARIZONAECONOMY.COM

INFO @ EDPCO.COM

7505 East Sixth Avenue, Suite 100 Scottsdale, Arizona 85251
480-423-9200 P 480-423-5942 F www.arizonaeconomy.com

Joint Legislative Budget
Committee
Finance Advisory Committee

December 10, 2007

CRUCIAL CONCEPTS

- Housing market has rebounded
 - Over hang of homes for sale, vacant and foreclosed
 - Geopolitical Risks
 - Financing: Cost & Availability
 - Recession
 - Affordability
 - Resource Cost & Availability: Energy, time and water
 - Consumer confidence & net income
-

EXPECTATIONS

	PERMITS	RESALES
■ 2007	33,400	51,000
■ 2008	37,500	59,000
■ 2009	43,600	68,000

Note: Permits include Pinal; resales are just Maricopa

Arizona Single Family Construction Activity

County	2002	2005	2007
■ Maricopa	63 %	52 %	60%
■ Pinal	8	16	18
■ Pima	12	13	10
■ Coconino	2	1	1
■ Yavapai	4	5	3

Arizona Single Family Average Permit Value

County	2002	2005	2007
■ Maricopa	\$155,080	\$184,025	\$182,520
■ Pinal	108,130	125,090	82,445
■ Pima	151,220	168,725	188,805
■ Coconino	145,910	200,835	205,500
■ Yavapai	136,725	179,985	194,190

Arizona Commercial Construction Activity

Share of State Commercial Activity

County	2005	2007
■ Maricopa	75 percent	79 percent
■ Pinal	4	2
■ Pima	10	7
■ Coconino	1	2
■ Yavapai	1	2

Arizona Commercial Construction Activity

Share of County Total Construction Activity

County	2005	2007
■ Maricopa	23 percent	37 percent
■ Pinal	6	9
■ Pima	12	24

NEW HOME MARKET

■ PERMITS	Maricopa	Pinal
▣ 2007 YTD	19,294	6,964
▣ 2006	27,976	10,788
▣ 2005	43,256	18,191
▣ 2004	48,136	11,495
▣ 2000s	293,046	
▣ 1990s	242,161	
▣ 1980s	151,796	
▣ 1970s	171,406	

NEW HOME MEDIAN SALES PRICE

■ Area	Third Qtr. 2006	Third Qtr. 2007
■ Maricopa County	\$273,665	\$276,000
■ Maryvale	245,830	197,120
■ South Phoenix	272,500	256,735
■ Western Suburbs	294,000	247,825
■ Union Hills	781,630	347,715
■ Deer Valley	429,900	360,535

NEW HOME MEDIAN SALES PRICE

■ Area	Third Qtr. 2006	Third Qtr. 2007
■ Pinal County	\$229,850	\$196,180
■ Apache Junction	285,225	218,500
■ Casa Grande	232,875	198,000
■ Maricopa	251,010	197,555
■ Queen Creek	220,995	192,645

Resale Median Sales Price Maricopa County

■ Area	Second Qtr. 2005	Second Qtr. 2006
Maricopa County	\$235,500	\$265,000
■ Scottsdale	521,250	615,000
■ Phoenix	182,500	223,000
■ Mesa	210,000	248,000
■ Surprise	231,000	255,000
■ Glendale	215,000	250,000

RESALE MEDIAN SALES PRICE

■ Area	Third Qtr. 2006	Third Qtr. 2007
■ Pinal County	\$199,900	\$193,000
■ Apache Junction	224,000	218,500
■ Casa Grande	175,000	157,995
■ Maricopa	217,625	215,000
■ Queen Creek	220,000	193,050

Housing Indicators Maricopa County

■ Affordability

■ Year	Resale	New
□ 2001	124	108
□ 2002	124	113
□ 2003	126	113
□ 2004	114	102
□ 2005	84	80
□ 2006	74	63
□ 2007 3 rd Qtr	75	70

COMPARATIVE RESALE HOUSING PRICES

■ Areas	2005	2006
United States	\$219,000	222,200
Phoenix	247,400	268,200
San Diego	604,300	601,800
Las Vegas	304,700	317,400
Dallas	147,600	149,500
Atlanta	167,200	171,800

Source: NAR

Median Rate of Appreciation Maricopa County

■ 2002	6.0 percent
■ 2003	6.3 percent
■ 2004	8.4 percent
■ 2005	14.1 percent
■ 2006	16.2 percent
■ 1981-2006	4.6 percent

Housing Indicators Maricopa County

■ Inventory Turnover

■ Year	Resale	New
□ 2002	7 percent	3 percent
□ 2003	8 percent	4 percent
□ 2004	11 percent	5 percent
□ 2005	11 percent	4 percent
□ 2006	7 percent	4 percent
□ 1982-2004	7 percent	3 percent

Housing Indicators Maricopa County

■ Year	Jobs Resale	Jobs Permits
□ 2001	26	44
□ 2002	25	41
□ 2003	22	35
□ 2004	16	28
□ 2005	15	29
□ 2006	27	49
□ 1982-2005	28	46

CONDOMINIUM MARKET NEW HOMES

■ Permits	
□ 2007 YTD	5,831
□ 2006	6,187
□ 2005	4,526
■ Median New Unit Sales Price	
□ 2007	\$ 245,155
□ 2006	225,400
□ 2005	214,615

CONDOMINIUM MARKET RESALE HOMES

■ Sales Activity

□ 2007 YTD	9,530
□ 2006	13,995
□ 2005	21,290

■ Median Resale Home Price

□ 2007 YTD	\$180,000
□ 2006	174,000
□ 2005	150,000

APARTMENT MARKET

■ UNITS AUTHORIZED

□ 2007 YTD	5,647
□ 2006	3,922
□ 2005	3,250
□ 2004	4,997
□ 1990s	51,608
□ 1980s	137,436

RETAIL SQUARE FOOTAGE

	2000	2007
Regional	13,172,016	14,713,507
Power	27,163,988	49,584,416
Neighborhood	36,255,761	46,336,967
Strip	10,556,947	12,874,864
Total	87,238,712	123,509,854

RETAIL MARKET Third Quarter 2007

■ Inventory	123,509,854 sq.ft.
■ Occupied Space	111,531,020 sq.ft.
■ Vacant Space	12,675,765 sq.ft.
■ Absorption	2,823,131 sq.ft.
■ New Space	8,215,551 sq.ft.
■ Under Construction	10,521,517 sq.ft.
■ Planned	11,611,486 sq.ft.

OFFICE SQUARE FOOTAGE

	2000	2007
Downtown	5,147,967	6,184,767
Uptown	11,119,594	11,119,594
Camelback	6,778,534	7,570,108
Northeast	8,807,153	13,458,239
Northwest	4,802,079	8,084,145
Southeast	6,082,653	9,770,720
Total	47,511,703	61,368,368

OFFICE MARKET Third Qtr. 2007

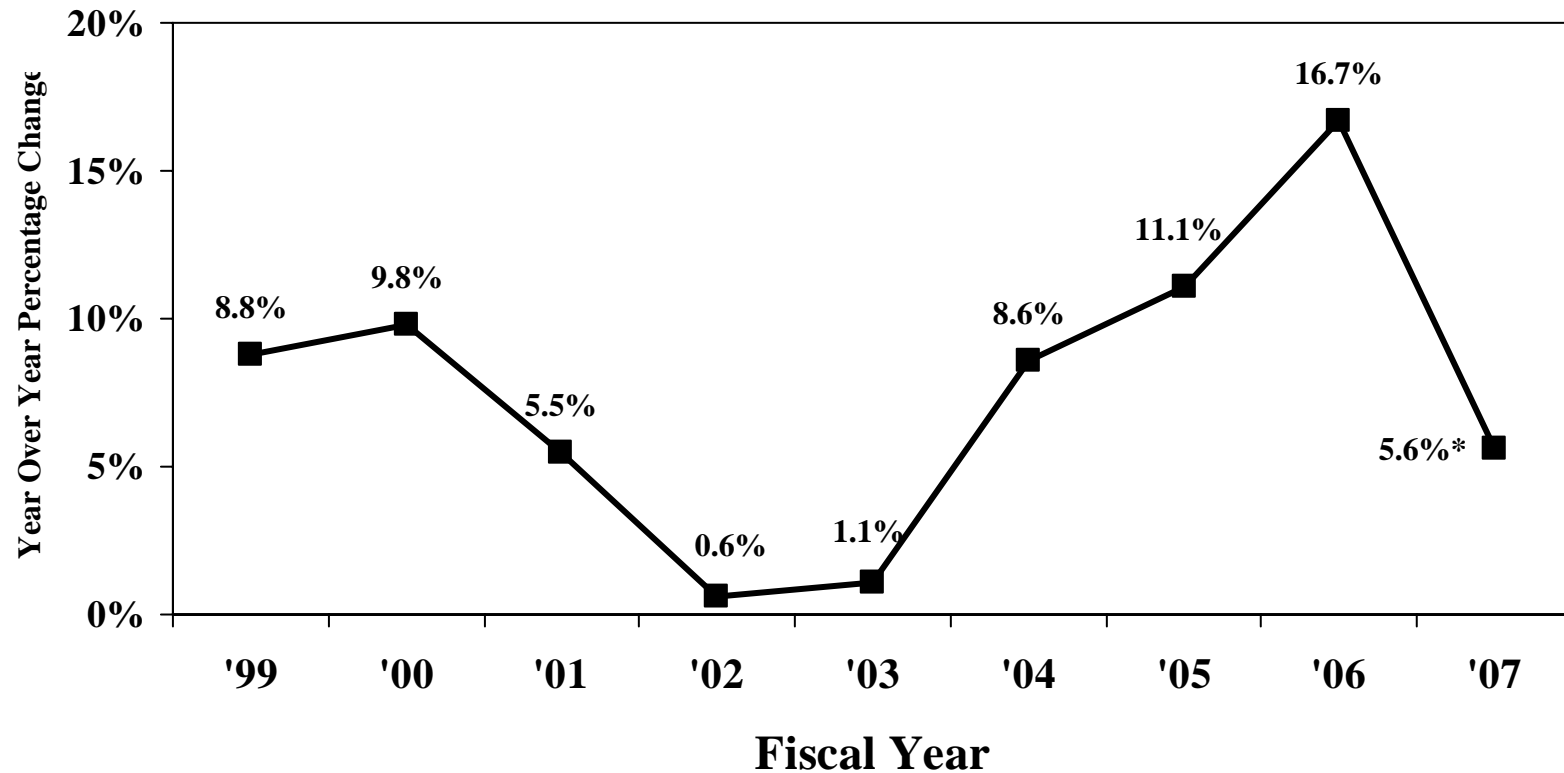
■ Inventory	61,368,368 sq.ft.
■ Occupied Space	51,226,345 sq.ft.
■ Vacant Space	10,142,023 sq.ft.
■ Absorption	-5,357 sq.ft.
■ New Space	1,293,591 sq.ft.
■ Under Construction	7,296,440 sq.ft.
■ Planned	6,221,814 sq.ft.

Contact

- WWW.POLY.ASU.EDU/AREC

Sales Tax

Sales Tax Growth Rate



* The '07 increase of 5.6% does not include the one-time impact of the revised June estimated payment threshold from \$100,000 to \$1.0 million enacted by the Legislature.

Including the impact of the one-time change, actual collections grew by 4.3%

Arizona Sales Tax - Total General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date % Change	
FY 2004	↑	July 2003	271,097,895	5.1%	5.1%
		Aug 2003	261,639,289	7.4%	6.2%
		Sept 2003	266,948,000	6.9%	6.5%
		Oct 2003	265,731,338	9.6%	7.2%
		Nov 2003	267,288,644	8.3%	7.4%
		Dec 2003	261,734,569	8.4%	7.6%
		Jan 2004	313,990,713	5.9%	7.3%
		Feb 2004	257,808,864	9.3%	7.5%
		Mar 2004	264,404,198	10.8%	7.9%
		Apr 2004	300,747,181	14.0%	8.5%
		May 2004	277,369,244	10.3%	8.7%
	↓	June 2004	286,028,384	7.7%	8.6%
FY 2005	↑	July 2004	297,753,472	9.8%	9.8%
		Aug 2004	286,991,921	9.7%	9.8%
		Sept 2004	291,524,219	9.2%	9.6%
		Oct 2004	294,146,223	10.7%	9.9%
		Nov 2004	289,546,242	8.3%	9.5%
		Dec 2004	287,618,657	9.9%	9.6%
		Jan 2005	356,818,639	13.6%	10.3%
		Feb 2005	282,930,176	9.7%	10.2%
		Mar 2005	291,854,753	10.4%	10.2%
		Apr 2005	332,806,103	10.7%	10.3%
		May 2005	315,664,510	13.8%	10.6%
	↓	June 2005	333,513,707	16.6%	11.1%
FY 2006	↑	July 2005	347,621,329	16.7%	16.7%
		Aug 2005	334,204,902	16.5%	16.6%
		Sept 2005	343,784,559	17.9%	17.0%
		Oct 2005	344,584,769	17.1%	17.1%
		Nov 2005	334,011,412	15.4%	16.7%
		Dec 2005	341,852,219	18.9%	17.1%
		Jan 2006	420,282,327	17.8%	17.2%
		Feb 2006	330,582,460	16.8%	17.2%
		Mar 2006	345,767,996	18.5%	17.3%
		Apr 2006	384,904,139	15.7%	17.1%
		May 2006	362,497,362	14.8%	16.9%
	↓	June 2006	383,265,378	14.9%	16.7%
FY 2007	↑	July 2006	390,460,231	12.3%	12.3%
		Aug 2006	353,466,457	5.8%	9.1%
		Sept 2006	379,889,665	10.5%	9.6%
		Oct 2006	376,890,480	9.4%	9.5%
		Nov 2006	365,372,337	9.4%	9.5%
		Dec 2006	362,236,390	6.0%	8.9%
		Jan 2007	439,996,411	4.7%	8.2%
		Feb 2007	359,643,938	8.8%	8.3%
		Mar 2007	353,088,173	2.1%	7.6%
		Apr 2007	398,196,373	3.5%	7.1%
		May 2007	357,610,064	-1.3%	6.3%
	↓	June 2007	320,780,323	-16.3%	4.3%
FY 2008	↑	July 2007	392,889,822	0.6%	0.6%
		Aug 2007	366,627,555	3.7%	2.1%
		Sept 2007	366,842,873	-3.4%	0.2%
		Oct 2007			
		Nov 2007			
		Dec 2007			
		Jan 2008			
		Feb 2008			
		Mar 2008			
		Apr 2008			
		May 2008			
	↓	June 2008			

Arizona Sales Tax - Retail General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date % Change	
FY 2004	↑	July 2003	127,577,005	3.2%	3.2%
		Aug 2003	118,490,608	8.3%	5.6%
		Sept 2003	124,602,196	4.5%	5.2%
		Oct 2003	120,412,104	8.0%	5.9%
		Nov 2003	120,653,650	6.4%	6.0%
		Dec 2003	127,258,077	7.1%	6.2%
		Jan 2004	168,746,929	8.0%	6.5%
		Feb 2004	121,833,836	9.5%	6.8%
		Mar 2004	123,543,299	8.6%	7.0%
		Apr 2004	144,618,793	13.8%	7.8%
		May 2004	131,759,387	7.0%	7.7%
	↓	June 2004	135,314,178	6.8%	7.6%
FY 2005	↑	July 2004	135,655,865	6.3%	6.3%
		Aug 2004	129,780,078	9.5%	7.9%
		Sept 2004	129,817,746	4.2%	6.6%
		Oct 2004	133,734,938	11.1%	7.7%
		Nov 2004	131,620,393	9.1%	8.0%
		Dec 2004	138,559,574	8.9%	8.1%
		Jan 2005	186,350,807	10.4%	8.6%
		Feb 2005	130,567,977	7.2%	8.4%
		Mar 2005	136,300,442	10.3%	8.6%
		Apr 2005	158,048,274	9.3%	8.7%
		May 2005	148,086,810	12.4%	9.0%
	↓	June 2005	149,656,276	10.6%	9.2%
FY 2006	↑	July 2005	159,056,661	17.3%	17.3%
		Aug 2005	151,650,858	16.9%	17.1%
		Sept 2005	155,323,150	19.6%	17.9%
		Oct 2005	151,719,291	13.4%	16.8%
		Nov 2005	150,085,277	14.0%	16.2%
		Dec 2005	157,743,736	13.8%	15.8%
		Jan 2006	213,093,761	14.4%	15.5%
		Feb 2006	148,801,215	14.0%	15.4%
		Mar 2006	155,769,534	14.3%	15.2%
		Apr 2006	175,368,144	11.0%	14.8%
		May 2006	169,266,627	14.3%	14.7%
	↓	June 2006	168,160,318	12.4%	14.5%
FY 2007	↑	July 2006	169,723,491	6.7%	6.7%
		Aug 2006	155,842,572	2.8%	4.8%
		Sept 2006	163,988,894	5.6%	5.0%
		Oct 2006	158,869,642	4.7%	5.0%
		Nov 2006	153,908,793	2.5%	4.5%
		Dec 2006	167,464,043	6.2%	4.8%
		Jan 2007	215,189,656	1.0%	4.1%
		Feb 2007	157,706,055	6.0%	4.3%
		Mar 2007	158,858,656	2.0%	4.0%
		Apr 2007	181,559,289	3.5%	4.0%
		May 2007	177,671,344	5.0%	4.1%
	↓	June 2007	166,994,609	-0.7%	3.7%
FY 2008	↑	July 2007	168,701,610	-0.6%	-0.6%
		Aug 2007	155,843,067	0.0%	-0.3%
		Sept 2007	157,758,362	-3.8%	-1.5%
		Oct 2007			
		Nov 2007			
		Dec 2007			
		Jan 2008			
		Feb 2008			
		Mar 2008			
		Apr 2008			
		May 2008			
	↓	June 2008			

Arizona Sales Tax - Contracting

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date % Change	
FY 2004	↑	July 2003	48,134,741	10.4%	10.4%
		Aug 2003	45,929,526	8.7%	9.6%
		Sept 2003	47,083,613	13.8%	10.9%
		Oct 2003	48,219,491	18.0%	12.7%
		Nov 2003	49,324,030	15.5%	13.2%
		Dec 2003	43,970,907	6.9%	12.2%
		Jan 2004	52,042,704	10.5%	11.9%
		Feb 2004	41,840,685	16.5%	12.4%
		Mar 2004	44,020,667	13.4%	12.5%
		Apr 2004	51,032,178	25.2%	13.8%
		May 2004	50,115,540	15.8%	13.9%
	↓	June 2004	49,842,749	13.3%	13.9%
FY 2005	↑	July 2004	56,625,508	17.6%	17.6%
		Aug 2004	53,051,419	15.5%	16.6%
		Sept 2004	56,478,418	20.0%	17.7%
		Oct 2004	56,912,069	18.0%	17.8%
		Nov 2004	54,698,652	10.9%	16.4%
		Dec 2004	55,495,541	26.2%	17.9%
		Jan 2005	64,083,984	23.1%	18.7%
		Feb 2005	48,999,303	17.1%	18.5%
		Mar 2005	53,376,960	21.3%	18.8%
		Apr 2005	64,008,264	25.4%	19.5%
		May 2005	61,389,981	22.5%	19.8%
	↓	June 2005	66,300,608	33.0%	21.0%
FY 2006	↑	July 2005	73,449,566	29.7%	29.7%
		Aug 2005	65,280,791	23.1%	26.5%
		Sept 2005	69,736,836	23.5%	25.5%
		Oct 2005	71,875,989	26.3%	25.7%
		Nov 2005	65,866,408	20.4%	24.6%
		Dec 2005	73,197,845	31.9%	25.8%
		Jan 2006	83,495,930	30.3%	26.6%
		Feb 2006	65,409,736	33.5%	27.3%
		Mar 2006	70,980,348	33.0%	27.9%
		Apr 2006	82,734,326	29.3%	28.1%
		May 2006	76,269,575	24.2%	27.7%
	↓	June 2006	82,977,855	25.2%	27.5%
FY 2007	↑	July 2006	89,602,967	22.0%	22.0%
		Aug 2006	75,238,759	15.3%	18.8%
		Sept 2006	80,938,291	16.1%	17.9%
		Oct 2006	87,594,136	21.9%	18.9%
		Nov 2006	80,499,919	22.2%	19.5%
		Dec 2006	76,849,517	5.0%	17.0%
		Jan 2007	95,496,438	14.4%	16.6%
		Feb 2007	73,418,261	12.2%	16.1%
		Mar 2007	70,403,512	-0.8%	14.2%
		Apr 2007	81,956,142	-0.9%	12.5%
		May 2007	76,125,717	-0.2%	11.3%
	↓	June 2007	80,475,472	-3.0%	9.9%
FY 2008	↑	July 2007	84,908,206	-5.2%	-5.2%
		Aug 2007	78,149,544	3.9%	-1.1%
		Sept 2007	75,884,177	-6.2%	-2.8%
		Oct 2007			
		Nov 2007			
		Dec 2007			
		Jan 2008			
		Feb 2008			
		Mar 2008			
		Apr 2008			
		May 2008			
	↓	June 2008			

Arizona Sales Tax - Utilities

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date % Change	
FY 2004	↑	July 2003	26,176,823	9.0%	9.0%
		Aug 2003	28,509,948	1.4%	4.9%
		Sept 2003	29,336,072	9.7%	6.5%
		Oct 2003	29,307,263	9.2%	7.2%
		Nov 2003	24,724,948	5.9%	7.0%
		Dec 2003	18,604,298	4.7%	6.7%
		Jan 2004	19,831,633	5.8%	6.6%
		Feb 2004	21,735,545	7.2%	6.7%
		Mar 2004	21,098,647	18.4%	7.7%
		Apr 2004	19,424,570	10.0%	7.9%
		May 2004	18,972,977	7.1%	7.8%
	↓	June 2004	21,672,854	13.5%	8.2%
FY 2005	↑	July 2004	27,013,184	3.2%	3.2%
		Aug 2004	30,325,703	6.4%	4.8%
		Sept 2004	31,741,960	8.2%	6.0%
		Oct 2004	30,740,200	4.9%	5.7%
		Nov 2004	25,266,623	2.2%	5.1%
		Dec 2004	20,437,208	9.9%	5.7%
		Jan 2005	22,887,268	15.4%	6.8%
		Feb 2005	23,568,912	8.4%	6.9%
		Mar 2005	21,093,834	0.0%	6.3%
		Apr 2005	20,088,226	3.4%	6.0%
		May 2005	19,934,242	5.1%	6.0%
	↓	June 2005	23,163,752	6.9%	6.0%
FY 2006	↑	July 2005	30,123,635	11.5%	11.5%
		Aug 2005	33,750,711	11.3%	11.4%
		Sept 2005	35,125,817	10.7%	11.1%
		Oct 2005	33,780,817	9.9%	10.8%
		Nov 2005	29,135,783	15.3%	11.6%
		Dec 2005	22,091,021	8.1%	11.2%
		Jan 2006	27,326,797	19.4%	12.2%
		Feb 2006	25,560,400	8.4%	11.8%
		Mar 2006	22,568,311	7.0%	11.3%
		Apr 2006	24,117,190	20.1%	12.0%
		May 2006	22,105,984	10.9%	11.9%
	↓	June 2006	27,844,657	20.2%	12.6%
FY 2007	↑	July 2006	34,298,139	13.9%	13.9%
		Aug 2006	35,017,585	3.8%	8.5%
		Sept 2006	43,094,371	22.7%	13.5%
		Oct 2006	37,109,678	9.9%	12.6%
		Nov 2006	31,261,217	7.3%	11.7%
		Dec 2006	24,939,936	12.9%	11.8%
		Jan 2007	27,586,109	0.9%	10.4%
		Feb 2007	32,562,551	27.4%	12.2%
		Mar 2007	29,526,457	30.8%	13.8%
		Apr 2007	25,414,142	5.4%	13.1%
		May 2007	24,034,224	8.7%	12.8%
	↓	June 2007	29,476,016	5.9%	12.2%
FY 2008	↑	July 2007	38,942,178	13.5%	13.5%
		Aug 2007	37,039,168	5.8%	9.6%
		Sept 2007	38,939,736	-9.6%	2.2%
		Oct 2007			
		Nov 2007			
		Dec 2007			
		Jan 2008			
		Feb 2008			
		Mar 2008			
		Apr 2008			
		May 2008			
	↓	June 2008			

Arizona Sales Tax - Restaurants and Bars

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date % Change
FY 2004	July 2003	20,792,336	2.6%	2.6%
	Aug 2003	19,298,370	9.7%	5.9%
	Sept 2003	19,651,921	9.1%	6.9%
	Oct 2003	20,622,120	7.6%	7.1%
	Nov 2003	20,860,459	3.3%	6.3%
	Dec 2003	21,904,960	10.2%	7.0%
	Jan 2004	22,636,406	6.3%	6.9%
	Feb 2004	22,798,497	8.6%	7.1%
	Mar 2004	23,967,651	14.5%	8.0%
	Apr 2004	26,173,173	7.9%	8.0%
	May 2004	23,684,814	12.9%	8.4%
	June 2004	23,349,956	6.2%	8.2%
FY 2005	July 2004	22,708,857	9.2%	9.2%
	Aug 2004	21,278,820	10.3%	9.7%
	Sept 2004	21,320,496	8.5%	9.3%
	Oct 2004	21,984,775	6.6%	8.6%
	Nov 2004	23,818,505	14.2%	9.8%
	Dec 2004	22,326,535	1.9%	8.4%
	Jan 2005	26,300,293	16.2%	9.6%
	Feb 2005	24,490,839	7.4%	9.3%
	Mar 2005	26,750,839	11.6%	9.6%
	Apr 2005	27,538,659	5.2%	9.1%
	May 2005	27,671,032	16.8%	9.8%
	June 2005	26,359,625	12.9%	10.1%
FY 2006	July 2005	25,760,478	13.4%	13.4%
	Aug 2005	23,621,671	11.0%	12.3%
	Sept 2005	24,552,209	15.2%	13.2%
	Oct 2005	25,332,188	15.2%	13.7%
	Nov 2005	26,717,800	12.2%	13.4%
	Dec 2005	26,402,748	18.3%	14.2%
	Jan 2006	28,524,262	8.5%	13.3%
	Feb 2006	27,902,255	13.9%	13.3%
	Mar 2006	29,389,750	9.9%	12.9%
	Apr 2006	31,522,229	14.5%	13.1%
	May 2006	30,057,423	8.6%	12.6%
	June 2006	29,045,199	10.2%	12.4%
FY 2007	July 2006	28,025,509	8.8%	8.8%
	Aug 2006	25,406,213	7.6%	8.2%
	Sept 2006	25,474,093	3.8%	6.7%
	Oct 2006	27,567,943	8.8%	7.3%
	Nov 2006	32,249,878	20.7%	10.1%
	Dec 2006	28,295,767	7.2%	9.6%
	Jan 2007	30,950,667	8.5%	9.4%
	Feb 2007	30,649,098	9.8%	9.5%
	Mar 2007	29,694,899	1.0%	8.4%
	Apr 2007	34,392,336	9.1%	8.5%
	May 2007	31,957,682	6.3%	8.3%
	June 2007	29,936,887	3.1%	7.8%
FY 2008	July 2007	29,101,596	3.8%	3.8%
	Aug 2007	26,935,024	6.0%	4.9%
	Sept 2007	26,786,010	5.2%	5.0%
	Oct 2007			
	Nov 2007			
	Dec 2007			
	Jan 2008			
	Feb 2008			
	Mar 2008			
	Apr 2008			
	May 2008			
	June 2008			

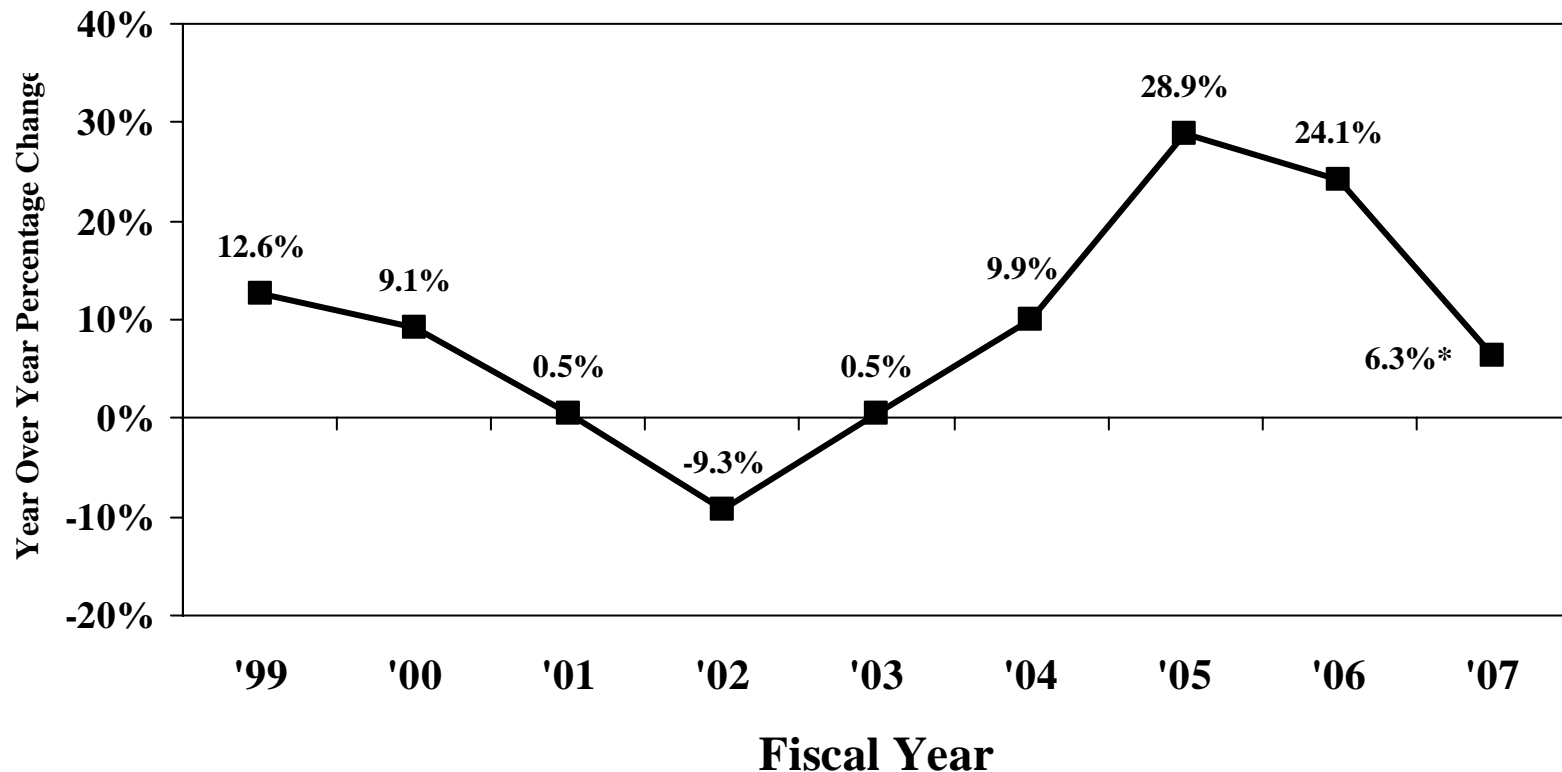
Arizona Use Tax

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date % Change	
FY 2004	↑	July 2003	17,860,978	32.4%	32.4%
		Aug 2003	19,887,972	24.3%	28.0%
		Sept 2003	19,482,321	14.2%	23.0%
		Oct 2003	18,728,981	19.7%	22.2%
		Nov 2003	20,488,151	38.7%	25.3%
		Dec 2003	18,658,810	53.0%	29.1%
	↓	Jan 2004	19,912,056	-3.2%	23.1%
		Feb 2004	17,630,604	13.9%	21.9%
		Mar 2004	17,707,908	22.8%	22.0%
		Apr 2004	21,218,819	23.0%	22.1%
		May 2004	19,055,304	25.1%	22.4%
		June 2004	21,584,318	22.8%	22.4%
FY 2005	↑	July 2004	22,547,132	26.2%	26.2%
		Aug 2004	22,557,101	13.4%	19.5%
		Sept 2004	22,229,731	14.1%	17.7%
		Oct 2004	20,607,802	10.0%	15.8%
		Nov 2004	21,355,148	4.2%	13.3%
		Dec 2004	19,586,986	5.0%	12.0%
	↓	Jan 2005	24,134,289	21.2%	13.3%
		Feb 2005	21,758,390	23.4%	14.5%
		Mar 2005	18,691,567	5.6%	13.6%
		Apr 2005	22,354,083	5.4%	12.7%
		May 2005	21,652,224	13.6%	12.7%
		June 2005	22,141,203	2.6%	11.8%
FY 2006	↑	July 2005	23,872,256	5.9%	5.9%
		Aug 2005	26,621,874	18.0%	11.9%
		Sept 2005	25,990,396	16.9%	13.6%
		Oct 2005	28,124,088	36.5%	19.0%
		Nov 2005	25,350,591	18.7%	18.9%
		Dec 2005	25,520,731	30.3%	20.6%
	↓	Jan 2006	31,316,999	29.8%	22.1%
		Feb 2006	26,149,998	20.2%	21.8%
		Mar 2006	26,624,546	42.4%	23.8%
		Apr 2006	26,326,619	17.8%	23.2%
		May 2006	21,682,845	0.1%	21.1%
		June 2006	18,617,865	-15.9%	17.9%
FY 2007	↑	July 2006	28,987,773	21.4%	21.4%
		Aug 2006	25,431,547	-4.5%	7.8%
		Sept 2006	28,561,796	9.9%	8.5%
		Oct 2006	28,527,152	1.4%	6.6%
		Nov 2006	27,484,263	8.4%	7.0%
		Dec 2006	23,756,958	-6.9%	4.7%
	↓	Jan 2007	31,899,499	1.9%	4.2%
		Feb 2007	23,123,752	-11.6%	2.3%
		Mar 2007	22,628,801	-15.0%	0.3%
		Apr 2007	27,021,534	2.6%	0.6%
		May 2007	6,153,618	-71.6%	-4.9%
		June 2007	29,434,170	58.1%	-1.0%
FY 2008	↑	July 2007	31,300,389	8.0%	8.0%
		Aug 2007	29,103,528	14.4%	11.0%
		Sept 2007	29,437,063	3.1%	8.3%
		Oct 2007			
		Nov 2007			
		Dec 2007			
	↓	Jan 2008			
		Feb 2008			
		Mar 2008			
		Apr 2008			
		May 2008			
		June 2008			

Individual Income Tax

Individual Income Tax Growth Rate



* The '07 increase of 6.3% does not include the impact of the 10% rate reduction passed by the Legislature, and phased in over 2 years beginning in tax year 2006. Including the rate reduction, actual '07 growth was 1.6%.

**Individual Income Tax
Estimated/Final Payments Worksheet
(by Month)**

Actual Collections														
FY2004			FY2005			FY2006			FY2007			FY2008		
Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final
9,818,564	2,774,158	7,044,406	7,982,042	3,053,848	4,928,193	15,395,021	4,885,194	10,509,827	17,937,645	6,371,696	11,565,948	17,879,385	6,507,747	11,371,639
13,138,440	2,732,267	10,406,173	17,256,736	4,162,399	13,094,337	25,713,368	7,683,379	18,029,988	23,419,716	7,456,858	15,962,858	25,938,503	5,666,480	20,272,023
71,246,053	65,075,592	6,170,461	85,967,739	78,273,024	7,694,715	118,564,270	110,531,138	8,033,132	157,891,628	145,469,802	12,421,826	150,661,494	135,849,436	14,812,058
21,360,425	3,772,407	17,588,018	27,192,307	5,023,144	22,169,162	27,206,826	7,685,799	19,521,027	65,184,764	11,339,308	53,845,457	68,191,868	10,396,440	57,795,428
8,398,521	2,538,181	5,860,340	11,359,321	3,013,046	8,346,275	16,055,089	5,885,793	10,169,296	31,853,112	5,472,606	26,380,506	-	-	-
56,932,488	51,357,168	5,575,321	81,181,241	73,782,471	7,398,770	111,812,195	104,933,642	6,878,553	90,557,275	80,299,660	10,257,616	-	-	-
79,187,113	73,720,063	5,467,050	119,604,915	113,808,450	5,796,464	182,419,323	176,696,056	5,723,266	239,701,160	224,055,775	15,645,386	-	-	-
12,119,201	1,203,674	10,915,527	12,489,817	2,222,960	10,266,858	18,041,261	3,446,602	14,594,659	18,072,039	3,192,180	14,879,859	-	-	-
36,041,044	3,044,584	32,996,460	39,089,384	4,321,854	34,767,531	43,912,674	3,710,949	40,201,725	45,377,904	5,005,202	40,372,702	-	-	-
325,396,679	44,070,748	281,325,931	512,208,256	60,279,400	451,928,857	618,672,832	76,814,795	541,858,037	642,965,695	56,965,976	585,999,719	-	-	-
46,712,145	3,646,483	43,065,661	84,231,869	4,464,003	79,767,865	259,114,481	9,724,645	249,389,836	172,843,132	27,485,026	145,358,105	-	-	-
77,177,113	67,435,337	9,741,775	106,817,719	93,912,110	12,905,609	145,568,069	127,531,819	18,036,250	138,268,468	125,906,046	12,362,422	-	-	-
757,527,785	321,370,662	436,157,123	1,105,381,346	446,316,710	659,064,637	1,582,475,408	639,529,812	942,945,597	1,644,072,537	699,020,134	945,052,403	262,671,250	158,420,103	104,251,147
Percent Change														
FY2004			FY2005			FY2006			FY2007			FY2008		
Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final
0.3%	-20.6%	12.0%	-18.7%	10.1%	-30.0%	92.9%	60.0%	113.3%	16.5%	30.4%	10.0%	-0.3%	2.1%	-1.7%
19.0%	8.7%	22.1%	31.3%	52.3%	25.8%	49.0%	84.6%	37.7%	-8.9%	-2.9%	-11.5%	10.8%	-24.0%	27.0%
3.3%	2.2%	16.9%	20.7%	20.3%	24.7%	37.9%	41.2%	4.4%	33.2%	31.6%	54.6%	-4.6%	-6.6%	19.2%
8.4%	14.1%	7.3%	27.3%	33.2%	26.0%	0.1%	53.0%	-11.9%	139.6%	47.5%	175.8%	4.6%	-8.3%	7.3%
24.1%	33.4%	20.5%	35.3%	18.7%	42.4%	41.3%	95.3%	21.8%	98.4%	-7.0%	159.4%			
16.6%	16.5%	17.6%	42.6%	43.7%	32.7%	37.7%	42.2%	-7.0%	-19.0%	-23.5%	49.1%			
7.6%	6.4%	26.2%	51.0%	54.4%	6.0%	52.5%	55.3%	-1.3%	31.4%	26.8%	173.4%			
21.0%	13.4%	21.9%	3.1%	84.7%	-5.9%	44.4%	55.0%	42.2%	0.2%	-7.4%	2.0%			
38.4%	19.5%	40.4%	8.5%	42.0%	5.4%	12.3%	-14.1%	15.6%	3.3%	34.9%	0.4%			
19.6%	26.4%	18.6%	57.4%	36.8%	60.6%	20.8%	27.4%	19.9%	3.9%	-25.8%	8.1%			
50.8%	53.1%	50.6%	80.3%	22.4%	85.2%	207.6%	117.8%	212.6%	-33.3%	182.6%	-41.7%			
22.7%	24.9%	9.3%	38.4%	39.3%	32.5%	36.3%	35.8%	39.8%	-5.0%	-1.3%	-31.5%			
18.2%	13.5%	22.0%	45.9%	38.9%	51.1%	43.2%	43.3%	43.1%	3.9%	9.3%	0.2%			
Percent to Total														
FY2004			FY2005			FY2006			FY2007			FY2008		
Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final	Total	Estimated	Final
1.3%	0.9%	1.6%	0.7%	0.7%	0.7%	1.0%	0.8%	1.1%	1.1%	0.9%	1.2%	N/A	N/A	N/A
1.7%	0.9%	2.4%	1.6%	0.9%	2.0%	1.6%	1.2%	1.9%	1.4%	1.1%	1.7%	N/A	N/A	N/A
9.4%	20.2%	1.4%	7.8%	17.5%	1.2%	7.5%	17.3%	0.9%	9.6%	20.8%	1.3%	N/A	N/A	N/A
2.8%	1.2%	4.0%	2.5%	1.1%	3.4%	1.7%	1.2%	2.1%	4.0%	1.6%	5.7%	N/A	N/A	N/A
1.1%	0.8%	1.3%	1.0%	0.7%	1.3%	1.0%	0.9%	1.1%	1.9%	0.8%	2.8%	N/A	N/A	N/A
7.5%	16.0%	1.3%	7.3%	16.5%	1.1%	7.1%	16.4%	0.7%	5.5%	11.5%	1.1%	N/A	N/A	N/A
10.5%	22.9%	1.3%	10.8%	25.5%	0.9%	11.5%	27.6%	0.6%	14.6%	32.1%	1.7%	N/A	N/A	N/A
1.6%	0.4%	2.5%	1.1%	0.5%	1.6%	1.1%	0.5%	1.5%	1.1%	0.5%	1.6%	N/A	N/A	N/A
4.8%	0.9%	7.6%	3.5%	1.0%	5.3%	2.8%	0.6%	4.3%	2.8%	0.7%	4.3%	N/A	N/A	N/A
43.0%	13.7%	64.5%	46.3%	13.5%	68.6%	39.1%	12.0%	57.5%	39.1%	8.1%	62.0%	N/A	N/A	N/A
6.2%	1.1%	9.9%	7.6%	1.0%	12.1%	16.4%	1.5%	26.4%	10.5%	3.9%	15.4%	N/A	N/A	N/A
10.2%	21.0%	2.2%	9.7%	21.0%	2.0%	9.2%	19.9%	1.9%	8.4%	18.0%	1.3%	N/A	N/A	N/A
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A	N/A

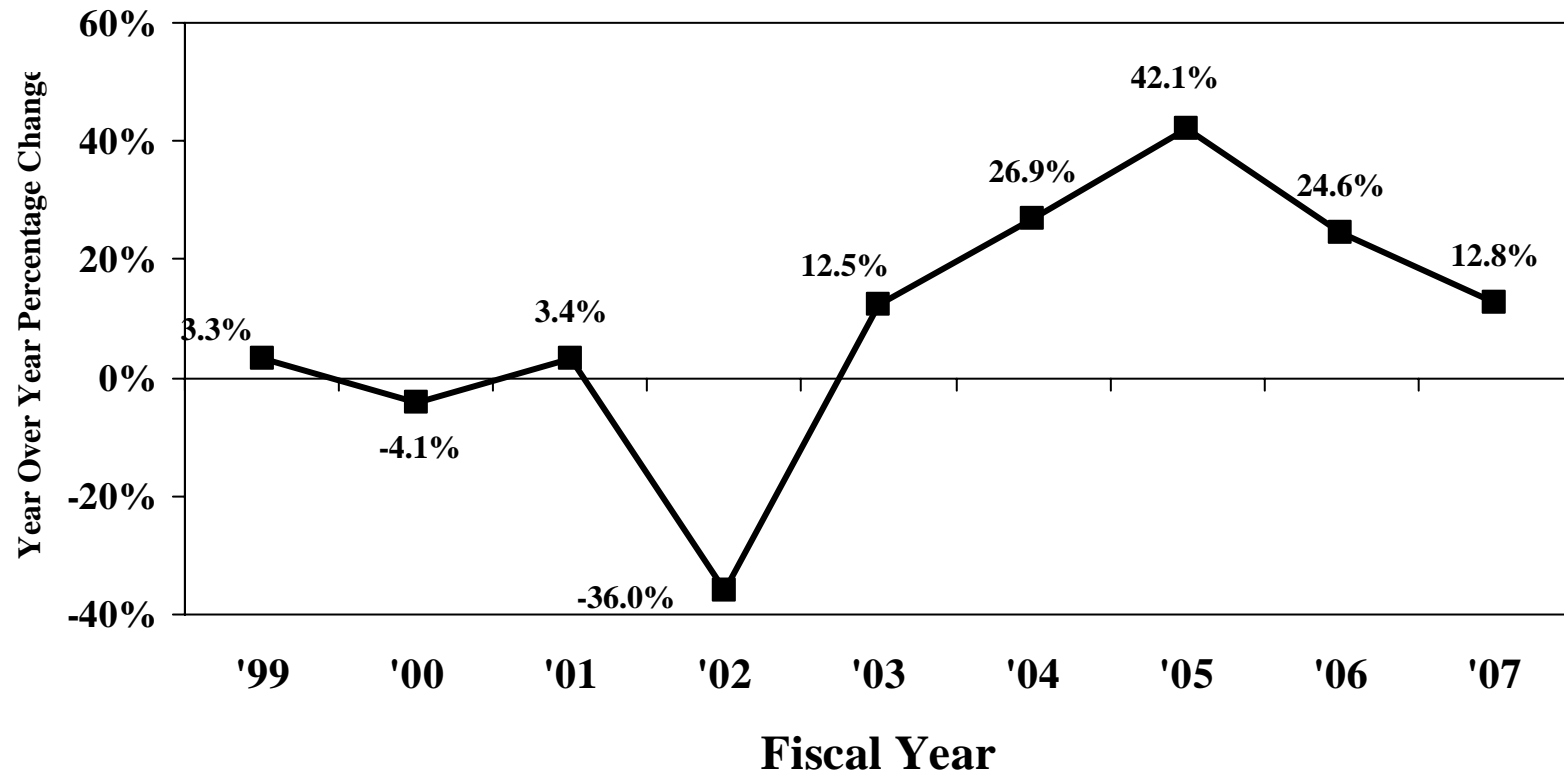
INDIVIDUAL INCOME TAX

% Change From Prior Year

		Total PIT	Y/Y Chg.	FYTD Chg.	Withholdings	Y/Y Chg.	FYTD Chg.	Est. & Final Payments	Y/Y Chg.	FYTD Chg.	Refunds	Y/Y Chg.	FYTD Chg.
FY 2004	Jul-03	165,870,019	-3.5%	-3.5%	168,192,384	-9.6%	-9.6%	9,818,564	0.3%	0.3%	(12,140,929)	-49.5%	-49.5%
	Aug	181,887,528	4.3%	0.5%	179,843,713	-0.3%	-5.1%	13,138,440	19.0%	10.2%	(11,094,625)	-35.3%	-43.6%
	Sep	230,980,848	-0.9%	-0.1%	179,587,853	2.8%	-2.5%	71,246,053	3.3%	4.9%	(19,853,058)	85.9%	-16.9%
	Oct	185,796,530	2.3%	0.5%	187,639,147	1.3%	-1.5%	21,360,425	8.4%	5.6%	(23,203,042)	-0.2%	-11.8%
	Nov	182,342,949	-4.4%	-0.5%	194,612,408	-0.5%	-1.3%	8,398,521	24.1%	6.6%	(20,667,980)	78.5%	0.3%
	Dec	260,146,909	7.4%	1.1%	213,979,177	2.2%	-0.7%	56,932,488	16.6%	9.6%	(10,764,756)	-32.4%	-4.8%
	Jan	267,064,993	0.2%	0.9%	204,879,796	-2.0%	-0.9%	79,187,113	7.6%	9.0%	(17,001,915)	6.1%	-3.3%
	Feb	65,487,978	-1.7%	0.8%	205,968,930	6.9%	0.1%	12,119,201	21.0%	9.5%	(152,600,153)	12.1%	4.9%
	Mar	89,513,594	214.3%	4.7%	220,645,285	9.9%	1.2%	36,041,044	38.4%	12.2%	(167,172,735)	-15.7%	-4.1%
	Apr	302,321,741	41.2%	9.1%	186,126,178	-0.7%	1.0%	325,396,679	19.6%	15.9%	(209,201,115)	-14.8%	-7.9%
	May	135,278,064	37.2%	10.6%	195,496,444	2.5%	1.2%	46,712,145	50.8%	17.8%	(106,930,525)	-13.2%	-8.6%
	Jun	239,484,015	4.3%	9.9%	195,929,652	0.9%	1.2%	77,177,113	22.7%	18.2%	(33,622,750)	22.2%	-7.6%
FY 2005	Jul-04	180,258,486	8.7%	8.7%	185,359,849	10.2%	10.2%	7,982,042	-18.7%	-18.7%	(13,083,405)	7.8%	7.8%
	Aug	208,007,549	14.4%	11.6%	206,338,811	14.7%	12.5%	17,256,736	31.3%	9.9%	(15,587,998)	40.5%	23.4%
	Sep	258,308,001	11.8%	11.7%	184,456,860	2.7%	9.2%	85,967,739	20.7%	18.0%	(12,116,599)	-39.0%	-5.3%
	Oct	203,622,310	9.6%	11.2%	187,072,940	-0.3%	6.7%	27,192,307	27.3%	19.8%	(10,642,937)	-54.1%	-22.4%
	Nov	218,542,604	19.9%	12.9%	222,360,341	14.3%	8.3%	11,359,321	35.3%	20.8%	(15,177,058)	-26.6%	-23.4%
	Dec	296,768,719	14.1%	13.1%	233,620,890	9.2%	8.5%	81,181,241	42.6%	27.7%	(18,033,413)	67.5%	-13.4%
	Jan	357,209,039	33.8%	16.9%	249,542,466	21.8%	10.5%	119,604,915	51.0%	34.8%	(11,938,341)	-29.8%	-15.8%
	Feb	95,639,793	46.0%	18.1%	239,830,618	16.4%	11.3%	12,489,817	3.1%	33.4%	(156,680,643)	2.7%	-5.3%
	Mar	108,697,181	21.4%	18.3%	245,076,317	11.1%	11.3%	39,089,384	8.5%	30.5%	(175,468,521)	5.0%	-1.3%
	Apr	534,861,186	76.9%	27.5%	209,608,264	12.6%	11.4%	512,208,256	57.4%	44.3%	(186,955,334)	-10.6%	-4.4%
	May	229,122,033	69.4%	30.2%	244,198,666	24.9%	12.7%	84,231,869	80.3%	46.8%	(99,308,501)	-7.1%	-4.7%
	Jun	282,679,372	18.0%	28.9%	215,867,519	10.2%	12.4%	106,817,719	38.4%	45.9%	(40,005,867)	19.0%	-3.7%
FY 2006	Jul-05	223,953,189	24.2%	24.2%	221,317,607	19.4%	19.4%	15,395,021	92.9%	92.9%	(12,759,440)	-2.5%	-2.5%
	Aug	263,700,000	26.8%	25.6%	253,061,649	22.6%	21.1%	25,713,368	49.0%	62.9%	(15,075,017)	-3.3%	-2.9%
	Sep	322,958,721	25.0%	25.4%	217,514,066	17.9%	20.1%	118,564,270	37.9%	43.6%	(13,119,615)	8.3%	0.4%
	Oct	244,717,144	20.2%	24.1%	233,132,229	24.6%	21.2%	27,206,826	0.1%	35.0%	(15,621,911)	46.8%	10.0%
	Nov	246,397,916	12.7%	21.8%	251,199,672	13.0%	19.3%	16,055,089	41.3%	35.5%	(20,856,845)	37.4%	16.3%
	Dec	366,228,870	23.4%	22.1%	275,574,553	18.0%	19.1%	111,812,195	37.7%	36.3%	(21,157,877)	17.3%	16.5%
	Jan	461,569,947	29.2%	23.6%	289,016,657	15.8%	18.5%	182,419,323	52.5%	41.8%	(9,866,032)	-17.4%	12.3%
	Feb	104,975,664	9.8%	22.9%	269,407,378	12.3%	17.7%	18,041,261	44.4%	41.9%	(182,472,975)	16.5%	14.9%
	Mar	75,235,164	-30.8%	19.9%	271,172,800	10.6%	16.8%	43,912,674	12.3%	39.0%	(239,850,310)	36.7%	23.8%
	Apr	621,374,286	16.2%	19.1%	221,762,700	5.8%	15.7%	618,672,832	20.8%	28.8%	(219,061,246)	17.2%	21.8%
	May	423,818,481	85.0%	24.7%	276,966,197	13.4%	15.5%	259,114,481	207.6%	43.9%	(112,262,197)	13.0%	20.6%
	Jun	334,443,992	18.3%	24.1%	256,634,913	18.9%	15.8%	145,568,069	36.3%	43.2%	(67,758,989)	69.4%	23.2%
FY 2007	Jul-06	232,882,593	4.0%	4.0%	233,180,431	5.4%	5.4%	17,937,645	16.5%	16.5%	(18,235,483)	42.9%	42.9%
	Aug	283,590,385	7.5%	5.9%	277,224,789	9.5%	7.6%	23,419,716	-8.9%	0.6%	(17,054,119)	13.1%	26.8%
	Sep	355,502,460	10.1%	7.6%	216,332,499	-0.5%	5.0%	157,891,628	33.2%	24.8%	(18,721,667)	42.7%	31.9%
	Oct	305,103,998	24.7%	11.5%	263,987,122	13.2%	7.1%	65,184,764	139.6%	41.5%	(24,067,889)	54.1%	38.0%
	Nov	249,526,954	1.3%	9.6%	259,238,972	3.2%	6.3%	31,853,112	98.4%	46.0%	(41,565,130)	99.3%	54.5%
	Dec	360,467,690	-1.6%	7.1%	308,908,979	12.1%	7.4%	90,557,275	-19.0%	22.9%	(38,998,564)	84.3%	60.9%
	Jan	544,268,647	17.9%	9.5%	339,575,980	17.5%	9.1%	239,701,160	31.4%	26.0%	(35,008,493)	254.8%	78.6%
	Feb	83,536,034	-20.4%	8.1%	292,673,483	8.6%	9.0%	18,072,039	0.2%	25.1%	(227,209,488)	24.5%	44.7%
	Mar	106,837,038	42.0%	9.2%	291,407,424	7.5%	8.8%	45,377,904	3.3%	23.4%	(229,948,290)	-4.1%	22.6%
	Apr	603,667,191	-2.8%	6.6%	253,149,529	14.2%	9.3%	642,965,695	3.9%	13.2%	(292,448,033)	33.5%	25.8%
	May	310,268,127	-26.8%	2.4%	289,463,997	4.5%	8.8%	172,843,132	-33.3%	4.8%	(152,039,001)	35.4%	27.0%
	Jun	311,735,821	-6.8%	1.6%	249,174,420	-2.9%	7.8%	138,268,468	-5.0%	3.9%	(75,707,066)	11.7%	25.9%
FY 2008	Jul-07	268,029,537	15.1%	15.1%	267,840,071	14.9%	14.9%	17,879,385	-0.3%	-0.3%	(17,689,920)	-3.0%	-3.0%
	Aug	267,673,402	-5.6%	3.7%	274,123,223	-1.1%	6.2%	25,938,503	10.8%	5.9%	(32,388,324)	89.9%	41.9%
	Sep	362,262,598	1.9%	3.0%	232,690,269	7.6%	6.6%	150,661,494	-4.6%	-2.4%	(21,089,165)	12.6%	31.8%
	Oct	275,455,820	-9.7%	-0.3%	279,036,817	5.7%	6.4%	68,191,868	4.6%	-0.7%	(71,772,864)	198.2%	83.1%
	Nov	-	-	-	-	-	-	-	-	-	-	-	-
	Dec	-	-	-	-	-	-	-	-	-	-	-	-
	Jan	-	-	-	-	-	-	-	-	-	-	-	-
	Feb	-	-	-	-	-	-	-	-	-	-	-	-
	Mar	-	-	-	-	-	-	-	-	-	-	-	-
	Apr	-	-	-	-	-	-	-	-	-	-	-	-
	May	-	-	-	-	-	-	-	-	-	-	-	-
	Jun	-	-	-	-	-	-	-	-	-	-	-	-

Corporate Income Tax

Corporate Income Tax Growth Rate



Arizona Corporate Income Tax General Fund Collections

		Gross	Year-to-Year	Year-to-Date		Year-to-Year	Year-to-Date	Net	Year-to-Year	Year-to-Date	
		Revenue (\$)	% Change	% Change	Refunds (\$)	% Change	% Change	Revenue (\$)	% Change	% Change	
FY 2004	↑	July 2003	23,301,575	-12.6%	-12.6%	(6,333,153)	-39.3%	-39.3%	16,968,422	4.5%	4.5%
		Aug 2003	11,271,363	-36.0%	-21.9%	(4,015,351)	-46.5%	-42.3%	7,256,012	-28.3%	-8.0%
		Sept 2003	94,502,857	22.8%	6.5%	(6,579,280)	42.9%	-24.9%	87,923,577	21.5%	13.6%
		Oct 2003	37,166,100	46.8%	13.4%	(19,666,477)	179.0%	23.7%	17,499,623	-4.2%	10.8%
		Nov 2003	28,413,161	151.9%	23.3%	(18,047,246)	22.6%	23.3%	10,365,915	-401.2%	23.3%
		Dec 2003	108,992,703	60.7%	34.6%	(23,791,682)	-19.0%	6.5%	85,201,021	121.6%	48.2%
		Jan 2004	20,205,126	-4.0%	31.3%	(2,157,873)	-74.1%	-1.7%	18,047,254	41.7%	47.7%
		Feb 2004	9,833,589	21.9%	31.0%	(12,420,688)	86.3%	4.9%	(2,587,099)	-285.4%	44.9%
		Mar 2004	42,492,506	-19.7%	22.3%	(15,059,660)	50.0%	9.5%	27,432,846	-36.0%	28.3%
		Apr 2004	100,133,690	6.4%	18.5%	(2,765,216)	-72.6%	1.9%	97,368,474	15.9%	24.7%
	↓	May 2004	39,082,901	43.9%	20.2%	(1,084,383)	-92.5%	-9.3%	37,998,517	200.9%	32.0%
	June 2004	94,099,134	9.4%	18.3%	(3,528,826)	57.3%	-8.1%	90,570,308	8.1%	26.9%	
FY 2005	↑	July 2004	25,278,574	8.5%	8.5%	(4,286,201)	-32.3%	-32.3%	20,992,373	23.7%	23.7%
		Aug 2004	23,683,196	110.1%	41.6%	(2,429,217)	-39.5%	-35.1%	21,253,979	192.9%	74.4%
		Sept 2004	128,929,320	36.4%	37.8%	(6,570,919)	-0.1%	-21.5%	122,358,400	39.2%	46.8%
		Oct 2004	41,115,100	10.6%	31.7%	(6,005,157)	-69.5%	-47.3%	35,109,943	100.6%	54.0%
		Nov 2004	17,598,692	-38.1%	21.6%	(11,805,464)	-34.6%	-43.1%	5,793,228	-44.1%	46.8%
		Dec 2004	148,651,887	36.4%	26.9%	(11,419,097)	-52.0%	-45.8%	137,232,790	61.1%	52.2%
		Jan 2005	26,481,318	31.1%	27.1%	(4,271,547)	98.0%	-41.9%	22,209,771	23.1%	50.0%
		Feb 2005	18,432,601	87.4%	28.9%	(11,908,414)	-4.1%	-36.9%	6,524,188	-352.2%	54.3%
		Mar 2005	67,086,220	57.9%	32.2%	(3,257,603)	-78.4%	-42.7%	63,828,617	132.7%	62.4%
		Apr 2005	108,261,223	8.1%	27.1%	(7,157,472)	158.8%	-37.6%	101,103,751	3.8%	46.8%
	↓	May 2005	70,241,233	79.7%	31.1%	(2,192,513)	102.2%	-36.3%	68,048,720	79.1%	49.8%
	June 2005	110,861,193	17.8%	29.1%	(13,192,824)	273.9%	-26.8%	97,668,369	7.8%	42.1%	
FY 2006	↑	July 2005	39,403,420	55.9%	55.9%	(4,125,396)	-3.8%	-3.8%	35,278,025	68.1%	68.1%
		Aug 2005	25,696,715	8.5%	33.0%	(2,266,943)	-6.7%	-4.8%	23,429,772	10.2%	39.0%
		Sept 2005	176,288,184	36.7%	35.7%	(5,907,796)	-10.1%	-7.4%	170,380,388	39.2%	39.2%
		Oct 2005	32,084,843	-22.0%	24.9%	(3,496,533)	-41.8%	-18.1%	28,588,309	-18.6%	29.0%
		Nov 2005	17,504,745	-0.5%	23.0%	(11,649,227)	-1.3%	-11.7%	5,855,519	1.1%	28.2%
		Dec 2005	148,830,193	0.1%	14.2%	(13,593,465)	19.0%	-3.5%	135,236,728	-1.5%	16.3%
		Jan 2006	40,013,321	51.1%	16.5%	(6,007,037)	40.6%	0.6%	34,006,284	53.1%	18.6%
		Feb 2006	29,206,362	58.4%	18.3%	(26,798,202)	125.0%	25.8%	2,408,160	-63.1%	17.2%
		Mar 2006	81,512,645	21.5%	18.8%	(6,684,270)	105.2%	30.0%	74,828,375	17.2%	17.2%
		Apr 2006	164,532,013	52.0%	24.7%	(2,648,528)	-63.0%	20.4%	161,883,485	60.1%	25.3%
	↓	May 2006	56,587,649	-19.4%	20.1%	(3,743,958)	70.8%	21.9%	52,843,691	-22.3%	19.9%
	June 2006	152,469,682	37.5%	22.6%	(2,988,945)	-77.3%	6.4%	149,480,737	53.0%	24.5%	
FY 2007	↑	July 2006	43,353,146	10.0%	10.0%	(4,319,904)	4.7%	4.7%	39,033,242	10.6%	10.6%
		Aug 2006	36,550,203	42.2%	22.7%	(4,532,437)	99.9%	38.5%	32,017,766	36.7%	21.0%
		Sept 2006	191,640,170	8.7%	12.5%	(478,252)	-91.9%	-24.1%	191,161,918	12.2%	14.5%
		Oct 2006	59,655,446	85.9%	21.1%	(5,716,861)	63.5%	-4.7%	53,938,585	88.7%	22.7%
		Nov 2006	18,008,043	2.9%	20.0%	(12,842,981)	10.2%	1.6%	5,165,061	-11.8%	21.9%
		Dec 2006	199,892,212	34.3%	24.8%	(30,301,417)	122.9%	41.8%	169,590,795	25.4%	23.1%
		Jan 2007	40,561,661	1.4%	22.9%	(3,294,750)	-45.2%	30.7%	37,266,911	9.6%	22.0%
		Feb 2007	22,671,285	-22.4%	20.3%	(1,544,406)	-94.2%	-14.6%	21,126,878	777.3%	26.2%
		Mar 2007	81,308,195	-0.3%	17.5%	(2,647,466)	-60.4%	-18.4%	78,660,729	5.1%	23.1%
		Apr 2007	181,878,155	10.5%	16.0%	(4,248,464)	60.4%	-15.9%	177,629,692	9.7%	19.9%
	↓	May 2007	53,261,647	-5.9%	14.4%	(5,508,206)	47.1%	-13.2%	47,753,442	-9.6%	17.7%
	June 2007	138,851,344	-8.9%	10.7%	(6,026,798)	101.6%	-9.4%	132,824,546	-11.1%	12.8%	
FY 2008	↑	July 2007	36,629,629	-15.5%	-15.5%	(2,826,419)	-34.6%	-34.6%	33,803,210	-13.4%	-13.4%
		Aug 2007	31,231,530	-14.6%	-15.1%	(2,130,868)	-53.0%	-44.0%	29,100,662	-9.1%	-11.5%
		Sept 2007	190,463,884	-0.6%	-4.9%	(12,876,823)	2592.5%	91.1%	177,587,061	-7.1%	-8.3%
		Oct 2007	66,882,299	12.1%	-1.8%	(10,751,410)	88.1%	90.0%	56,130,889	4.1%	-6.2%
		Nov 2007									
		Dec 2007									
		Jan 2008									
		Feb 2008									
		Mar 2008									
		Apr 2008									
↓	May 2008										
	June 2008										

Economic Indicators

Recent Economic Indicators

NATIONAL

The **U.S. Index of Leading Economic Indicators** increased 0.3% in September, continuing the trend of alternating monthly increases and decreases since January that have essentially offset each other. Seven of the 10 components that make up the composite index increased in September. The building permit component made the largest negative contribution, but was offset by large positive contributions from vendor performance, stock prices, and unemployment insurance claims.

U.S. semiconductor billings increased 3.2% in August (3-month moving average) to \$3.59 billion, though year over year chip sales were down (6.3%). The Semiconductor Industry Association (SIA) states that flash memory products are the leading product contributing to sales growth in this month.

The **U.S. Consumer Price Index (CPI)** (3-month moving average) remained unchanged in September. The year-over-year increase was 2.4%. All sub-indices of the CPI increased slightly in the month of September, but were offset primarily by lower gasoline and natural gas prices in the month of August. Excluding the impact of food and energy prices, the core CPI increased 0.2% in September and was 2.1% higher than a year ago.

ARIZONA

September total statewide **non-farm employment** increased, year over year, by 2.6%. By comparison, the September year-over-year average growth rate in the prior 10 years was 3.4%. Arizona's **unemployment rate** decreased by (10.8)% in September to 3.3%, a historically low figure for Arizona's jobless rate and considerably below the 4.7% U.S. average.

The **construction** sector continued to lose ground with (2,200) jobs lost between August and September, leaving statewide construction employment (5.1)% below the level reported a year ago. The average year-over-year growth rate for September in the prior 10 years was 6.5%.

Manufacturing employment was essentially flat again in September, but compared to the same month last year, the industry is employing (1,300) fewer workers.

The Greater Phoenix real estate market exhibited continued weakness throughout September as the market transitioned into a period of the year when traditionally fewer homes are being bought and sold. Contributing factors to the continued weakness in real estate include the excess supply of homes and tighter mortgage underwriting guidelines.

According to statistics released by the Realty Studies group at Arizona State University (ASU), the number of existing **single-family homes sold** plummeted to 3,051 homes in September, (28.1)% below August levels and (37.4)% below sales in September 2006. To a lesser extent, the **single-family median home sales price** also decreased in September – falling to \$250,000 or (2.7)% below the median September 2006 price.

Consistent with the decrease in sales of existing single family-homes, sales of existing **townhouse-condominium units** fell (28.3)% from the prior month, to 685 units. This reduction in sales activity adversely impacted the prices in September as the price **median sales price** fell (6.8)% to \$170,000.

Statewide **single-family residential building permits** (3-month moving average) fell (9.4)% from the prior period and (26.6)% on a year-over year basis, to 3,440. However, despite this decrease, the comparable number of **multi-family building permits** authorized increased to 789, resulting in month-to-month and year-to-year increases of 7.0% and 18.9%, respectively. Permitting activity of the multi-family segment of the market tends to have significant volatility from month-to-month.

The **Arizona Business Conditions Index (BCI)** dropped (6.0)% to 55.3 in September, marking the third monthly decline in a row in this index. The component of the overall index that has dropped the most in the past two months is the number of new orders recorded, which was down by (21.2)% relative to July. However, the overall index is still above the critical 50-point mark.



"Contributing factors to the continued weakness in real estate include the excess supply of homes and tighter mortgage underwriting guidelines."

Recent Economic Indicators (Continued)

The number of AHCCCS recipients increased to 1,082,594, 1.2 % above September 2007 levels. This increase is the highest monthly growth rate experienced since November 2004. While AHCCCS participation is now 5.1% above October 2006, the FY 2008 budget projected the AHCCCS caseload would grow by 2.5%.

The number of TANF recipients increased 4.2% to 82,417 in September, above August, and was (6.2)% below the level reported in September 2006. The FY 2008 budget projects the TANF caseload will grow by 2.5%.

Between July and September, the Department of Corrections' inmate population increased by an average of 182 inmates per month, similar to the increase realized in FY

2006. The total population grew by 2,345 inmates from a year ago. The budget for FY 2008 anticipates inmate population growth of 1,920, or a net increase of 160 inmates per month.

Table 5

RECENT 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>
Arizona				
- Unemployment Rate	September	3.3%	(10.8)%	(17.5)%
- Non-Farm Employment – Total	September	2.74 million	1.1%	2.6%
Manufacturing	September	186,500	0.1%	(0.7)%
Construction	September	240,000	(0.9)%	(5.1)%
- Contracting Tax Receipts (3-month average)	Jul-Sep	\$79.6 million	(2.8)%	(2.8)%
- Retail Sales Tax Receipts (3-month average)	Jul-Sep	\$160.8 million	(1.5)%	(0.4)%
- Residential Building Permits (3-month moving average)				
Single-unit	Jun-Aug	3,440	(9.4)%	(26.6)%
Multi-unit	Jun-Aug	789	7.0%	18.9%
- Greater Phoenix Existing Home Sales				
Single-Family	September	3,050	(28.1)%	(37.4)%
Townhouse/Condominium	September	685	(28.3)%	(26.3)%
- Greater Phoenix Median Home Sales Price				
Single-Family	September	\$250,000	(2.0)%	(2.7)%
Townhouse/Condominium	September	\$170,000	(6.8)%	(2.0)%
- Phoenix Sky Harbor Air Passengers	August	3.60 million	(3.3)%	3.7%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	July	\$7.46	(8.0)%	6.9%
- Leading Indicators Index	July	121.1	1.0%	2.3%
- Business Conditions Index (>50 signifies expansion)	September	55.3	(6.0)%	(10.2)%
- Consumer Confidence Index	3 rd Quarter 2007	101.9	(4.1)%	(0.8)%
- Business Leaders Confidence Index	4 th Quarter 2007	42.5	(15.8)%	(11.6)%
- Arizona Personal Income	2 nd Quarter 2007	\$209.2 billion	1.1%	7.5%
- Arizona Population	July 1, 2006	6.17 million	3.6%	3.6%
- AHCCCS Recipients	October	1,082,594	1.2%	5.1%
- TANF Recipients	August	82,417	4.2%	(6.2)%
- DOC Inmate Growth (3-month average)	Jul-Sept	37,489	182 inmates	2,345 inmates
United States				
- Gross Domestic Product (seasonally adjusted annual growth rate)	2 nd Quarter 2007	\$11.5 trillion	3.8%	1.9%
- Consumer Confidence Index	September	99.8	(5.5)%	(5.8)%
- Leading Indicators Index	September	137.9	0.3%	0.1%
- U.S. Semiconductor Billings (3-month moving average)	Jun-Aug	\$3.59 billion	3.2%	(6.3)%
- Consumer Price Index (3-month moving average)	Jul-Sep	208.2	0.0%	2.4%

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.

James Apperson is Director of the Governor's Office of Strategic Planning and Budgeting (OSPB). He joined the Napolitano Administration as OSPB Deputy Director in October 2006 and was appointed OSPB Director in December 2006. Mr. Apperson most recently served in the private sector as President and CEO of the Arizona Chamber of Commerce. He has been a member of the FAC since December 2006.

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 Associate Director for the JPMorgan Chase Economic Outlook Center. He is editor of the JPMorgan Chase Arizona Blue Chip Economic Forecast; economics editor of the Greater Phoenix Economic Forecast; managing editor of the Western Blue Chip Economic Forecast and managing editor for the Mexico Consensus Economic Forecast. He produces a quarterly national and local economic forecast as well as the Arizona Leading Index. Mr. Clark has been a member of the FAC since 1989.

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.

State Treasurer Dean Martin serves as the chief financial officer for the State Treasury in Arizona. He previously served as a State Senator from 2001 to 2007 and was Chairman of the Senate Finance Committee, responsible for legislation related to taxes, retirement, insurance and financial issues. The State Treasurer has been a member of the Finance Advisory Committee since its inception. Mr. Martin has been a member of the FAC since he became State Treasurer in January 2007.

Georganna Meyer is Chief Economist for the Arizona Department of Revenue. She has been a member of the FAC since 1984.

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.

Hank Reardon is principal of H.C. Reardon Economics. Mr. Reardon served as Chief Economist and Revenue Section Chief during his 28-year tenure with the JLBC staff. Mr. Reardon also worked for 20 years at the General Electric Company, where he held positions in auditing, accounting and forecasting. He has been a member of the FAC since 2000.

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 1999.

Martin Shultz is Vice President of Government Affairs for Pinnacle West Capital Corporation. In that role he manages public affairs and government relations for Pinnacle West Capital Corporation and its subsidiaries: Arizona Public Service (APS), APS Energy Services, Pinnacle West Energy Corporation, El Dorado and SunCor. 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.

Additional FAC Panel Members:

Don Wehby – Arizona Department of Economic Security