

Lake Havasu City

Transaction Privilege Tax (TPT) Collections Report

July 2023



This month's TPT Collection Report includes all collections through July (merchant collections through June 2023). Arizona Department of Revenue provides tax collection information.

Fiscal Year 2023 ended with TPT collection decreasing by \$69,543 compared to the previous year, but still ending \$180,677 above budget. In July, TPT collection increased by 2.4% month-over-month, equivalent to \$81,344.

Fiscal YTD vs. Budget

| Current Year Actual 2023 FYTD | Budget 2023 FYTD | % Increase/Decrease over Budget |
|----------------------------------|---------------------|------------------------------------|
| \$ 38,895,997 | \$ 38,715,320 | 0.5% |

Fiscal YTD vs. Prior Fiscal YTD

| Current Year Actual 2023 FYTD | Prior Year Actual 2022 FYTD | % Increase/Decrease over Prior FYTD |
|----------------------------------|--------------------------------|--|
| \$ 38,895,997 | \$ 38,965,540 | -0.2% |

Month vs. Month Prior Year

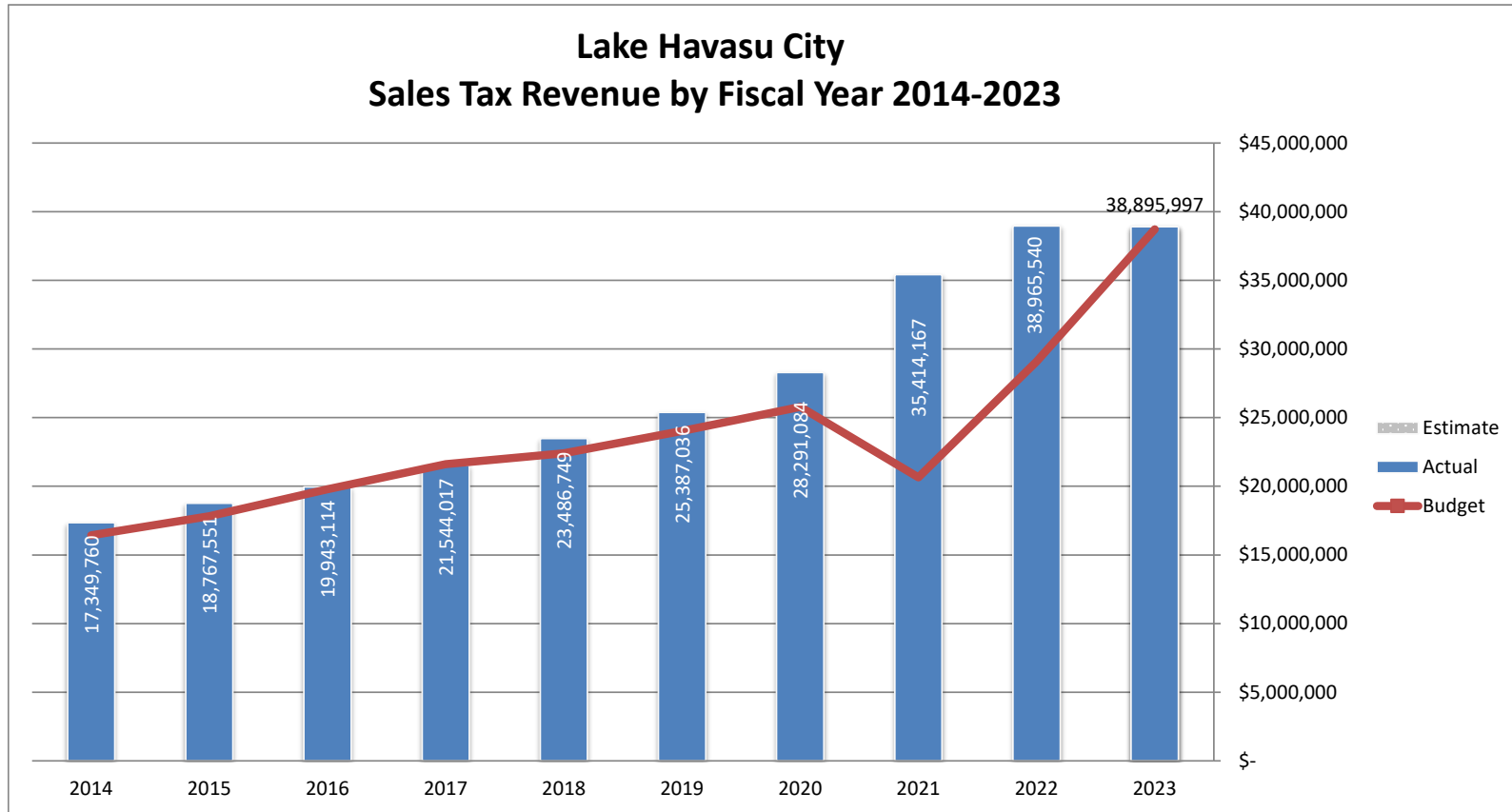
| July 2023 | July 2022 | % Increase/Decrease over Prior Year |
|--------------|--------------|--|
| \$ 3,540,009 | \$ 3,458,664 | 2.4% |

Year-over-year TPT collections increased overall in July, with the highest impact in the Restaurant & Bar, Construction, and Communications sectors. Construction increased by \$43,195 or 11.5%, Restaurant and Bar increased by \$59,475 or 10.4%, while Retail declined by \$13,458 or 0.7%.

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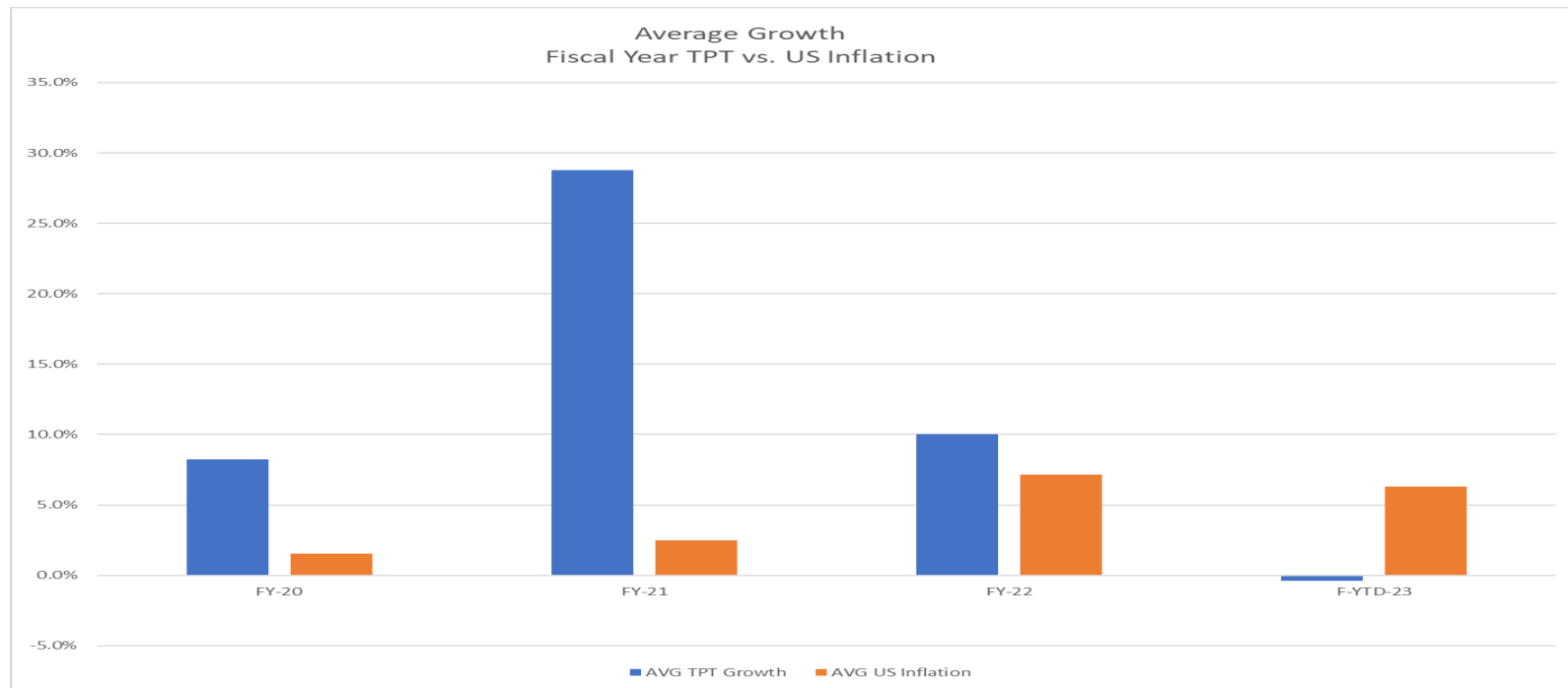
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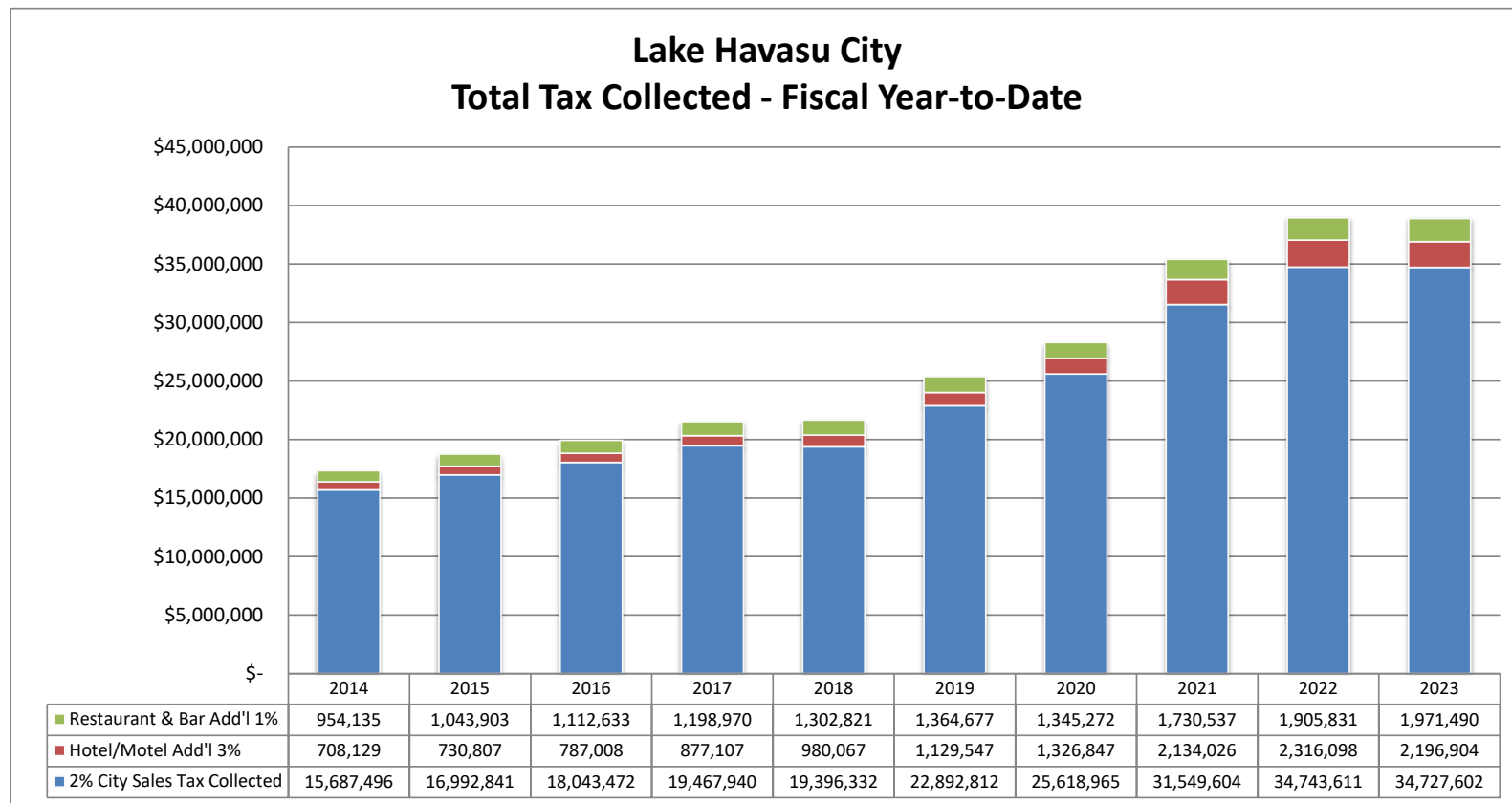


The high growth in FY21 is due to the influx of visitors from neighboring states with stricter COVID restrictions. In addition, we experienced large growth in online market retail and vacation rentals due to new Arizona tax law changes and reporting.

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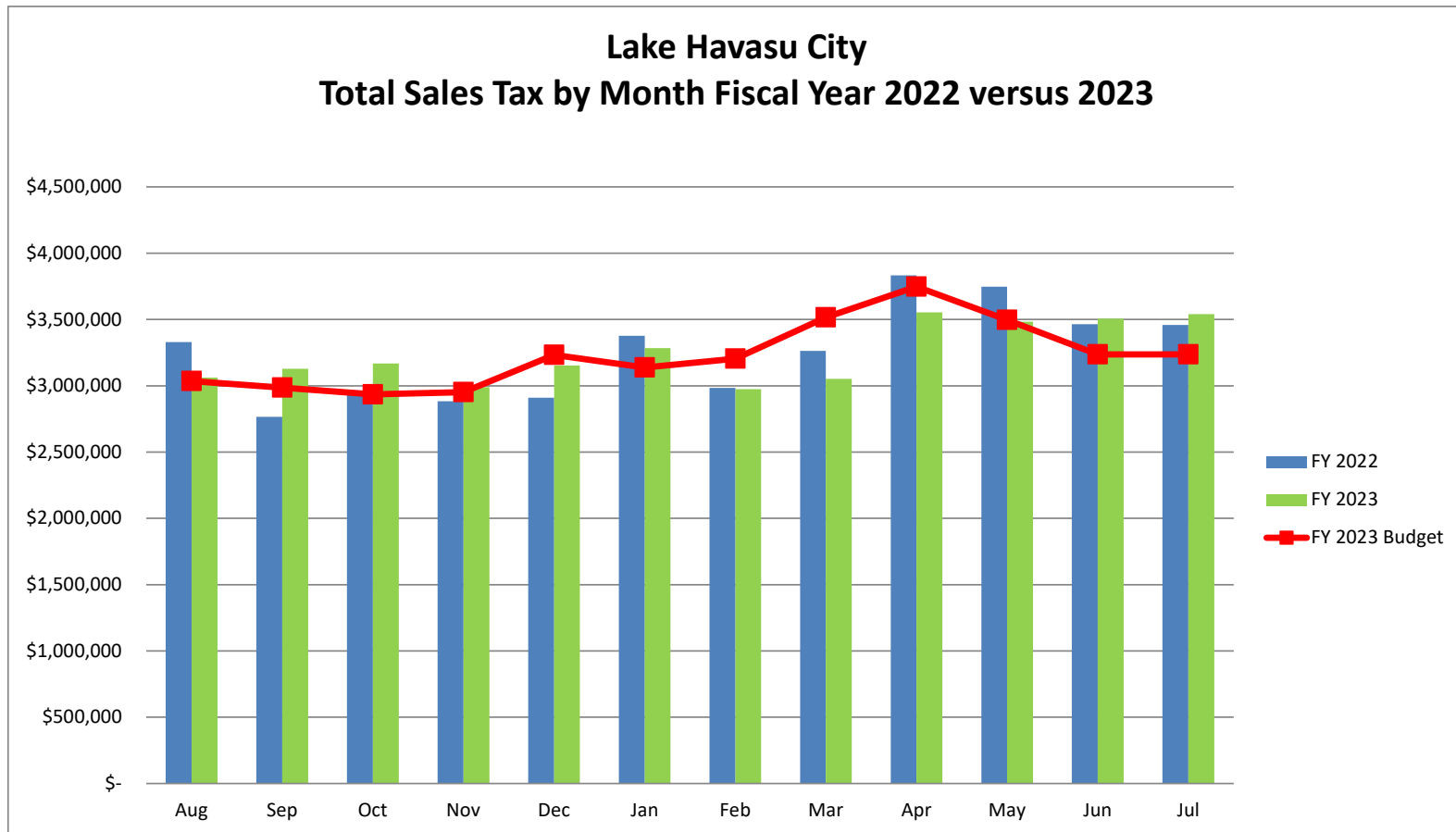
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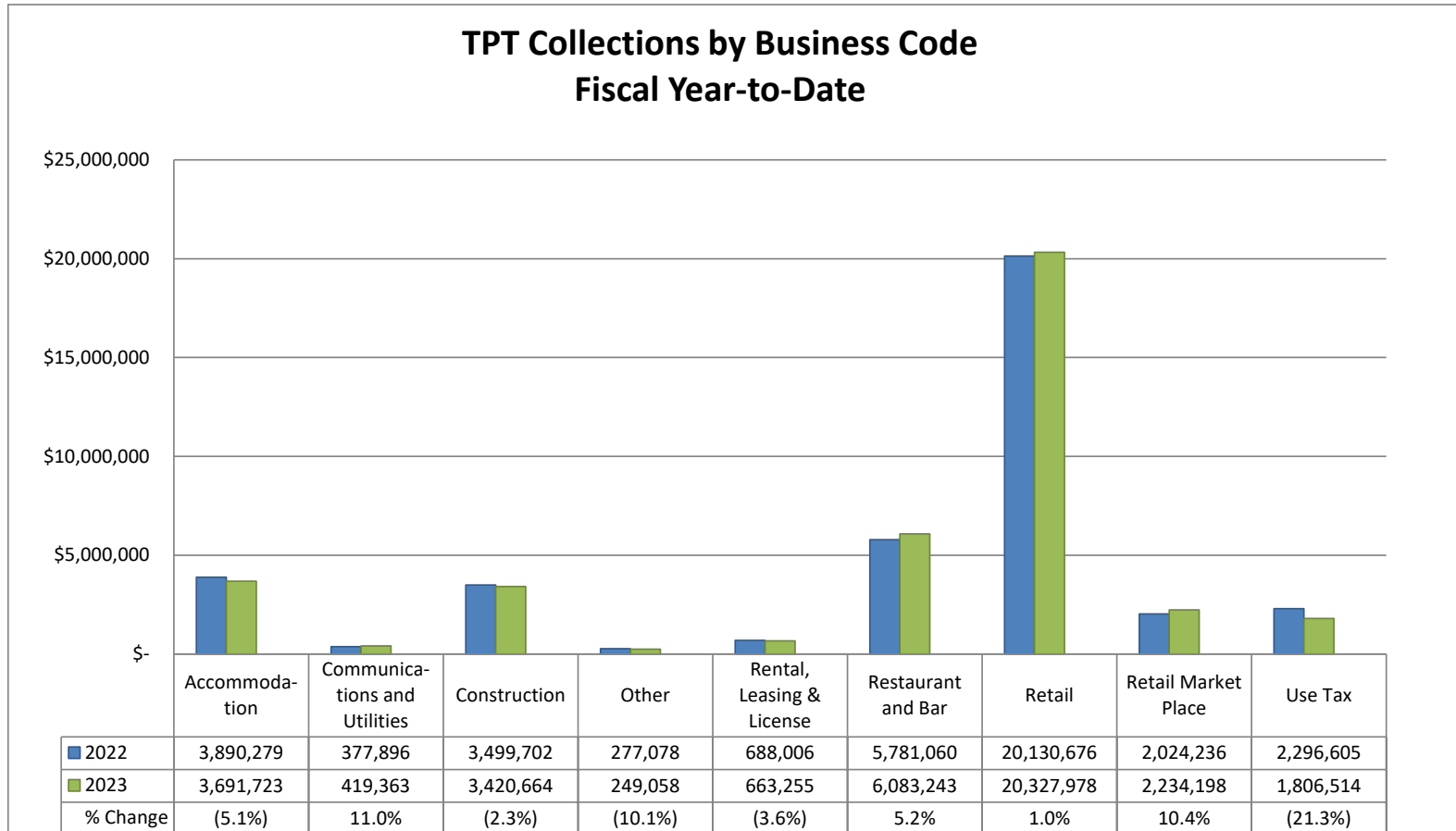
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Retail Sales

Retail sales are the most significant component of the City's overall TPT collections. In June, retail sales tax collections decreased by \$13,458 or .7% from the previous year.

Month vs. Month Prior Year

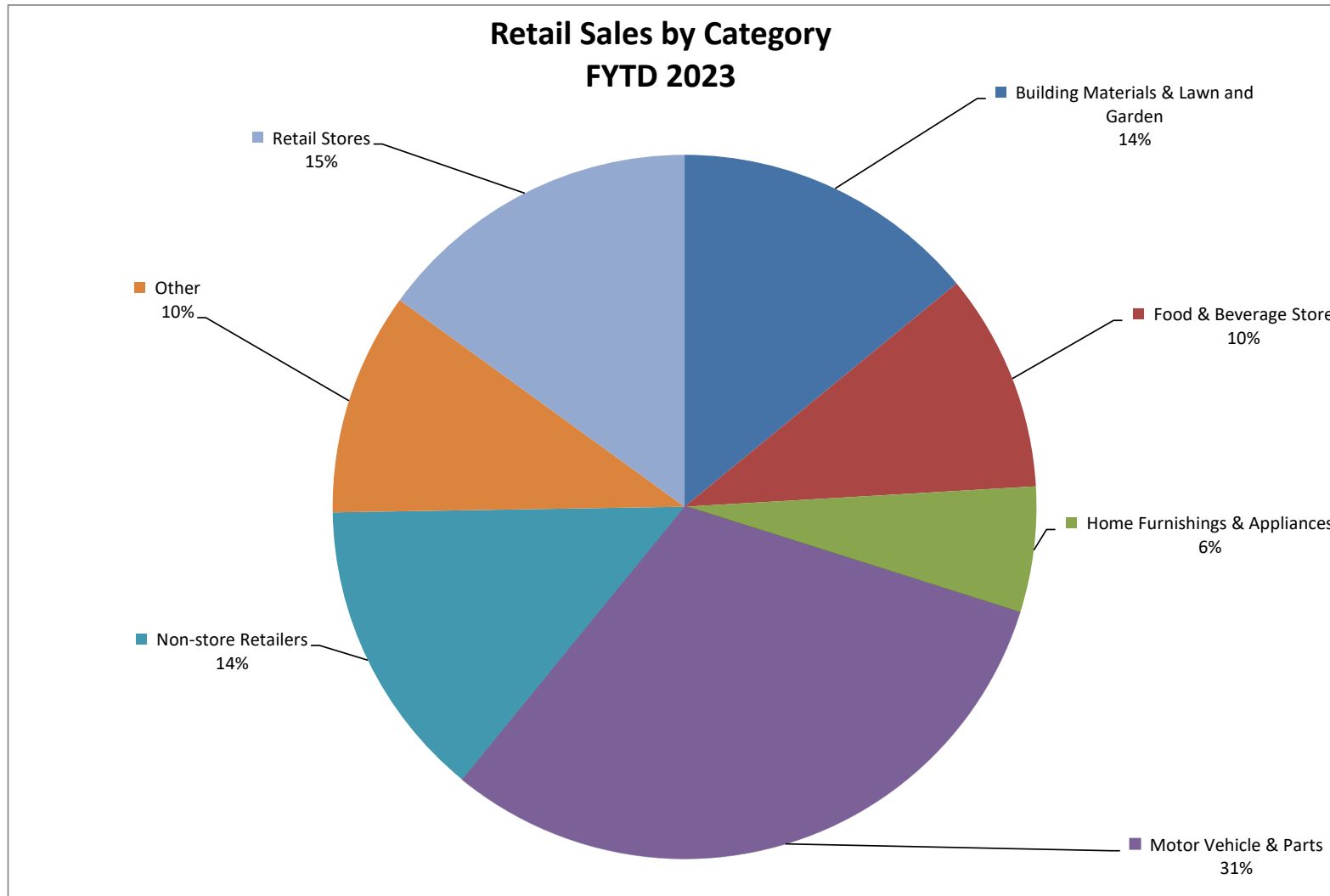
| Month | FY 2023 | FY 2022 | % Increase/Decrease over Prior Year |
|-------|--------------|--------------|-------------------------------------|
| July | \$ 1,877,971 | \$ 1,891,429 | -0.7% |

Fiscal YTD vs. Prior Fiscal YTD

| 2023 FYTD | 2022 FYTD | % Increase/Decrease over Prior FYTD |
|---------------|---------------|-------------------------------------|
| \$ 22,562,176 | \$ 22,154,913 | 1.8% |

Month vs. Month Prior Year Retail Sales Categories

| Retail Trade Categories | July 2023 | July 2022 | Change % |
|--------------------------------------|---------------------|---------------------|--------------|
| Building Materials & Lawn and Garden | \$ 244,781 | \$ 242,681 | 0.9% |
| Food & Beverage Store | \$ 151,579 | \$ 159,467 | -4.9% |
| Home Furnishings & Appliances | \$ 96,804 | \$ 91,948 | 5.3% |
| Motor Vehicle & Parts | \$ 576,978 | \$ 594,138 | -2.9% |
| Non-Store Retailers | \$ 257,248 | \$ 250,484 | 2.7% |
| Other | \$ 301,775 | \$ 308,675 | -2.2% |
| Retail Stores | \$ 248,806 | \$ 244,038 | 2.0% |
| Total | \$ 1,877,971 | \$ 1,891,429 | -0.7% |



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Accommodations and Restaurant & Bar

Lake Havasu City collects an additional tax on accommodations (3%) and restaurant & bar sales (1%). The revenues generated by these additional taxes support tourism and economic development. The Partnership of Economic Development (PED) receives \$500,000 annually, and the Convention & Visitor's Bureau (Go Lake Havasu) receives \$1.6 million annually.

Month vs. Month Prior Year

| Tax Type | July 2023 | July 2022 | % Increase/Decrease over Prior Year |
|--------------------------------|--------------|--------------|-------------------------------------|
| Restaurant & Bar Additional 1% | \$ 175,016 | \$ 154,024 | 13.6% |
| Hotel/Motel Additional 3% | \$ 259,799 | \$ 256,648 | 1.2% |
| 2% City Sales Tax Collected | \$ 3,105,194 | \$ 3,047,992 | 1.9% |

| Tax Type | 2023 FYTD | 2022 FYTD | % Increase/Decrease over Prior Year |
|--------------------------------|---------------|---------------|-------------------------------------|
| Restaurant & Bar Additional 1% | \$ 1,971,490 | \$ 1,905,831 | 3.4% |
| Hotel/Motel Additional 3% | \$ 2,196,904 | \$ 2,316,098 | -5.1% |
| 2% City Sales Tax Collected | \$ 34,727,602 | \$ 34,743,611 | 0.0% |