



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: April 21, 2005

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

FEBRUARY 2005 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>February 2005</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 64,550,411	\$ 1,573,266,223
Percent Change	84.1%	21.1%
Corporate Income Tax		
Net Collections	\$ 6,524,188	\$ 371,474,672
Percent Change	NA	62.9%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 282,930,176	\$ 2,387,329,550
Change	9.7%	10.2%
Total Big Three Tax Types		
Net Collections	\$ 354,004,775	\$ 4,332,070,445
Percent Change	21.9%	16.5%

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

TAX FACTS FEBRUARY 2005

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	February 2005	February 2004	% Change
Gross Collections	\$ 12,489,817	\$12,119,201	3.1%
Withholding	239,830,618	205,968,930	16.4%
Refunds	(156,680,643)	(152,600,153)	2.7%
Urban Revenue Sharing	(31,089,382)	(30,422,097)	2.2%
Net Collections	\$ 64,550,411	\$35,065,881	84.1%
	Fiscal Year Total (04/05)	Fiscal Year 2003/04	% Change
Gross Collections	\$ 363,034,118	\$272,200,804	33.4%
Withholding	1,708,582,774	1,534,703,407	11.3%
Refunds	(249,635,617)	(265,326,458)	(5.9%)
Urban Revenue Sharing	(248,715,052)	(243,376,772)	2.2%
Net Collections	\$ 1,573,266,223	\$1,298,200,981	21.2%

* FYTD 03/04 refunds and net collections do not include Ladewig attorney fees.

In February 2005, the department did not issue any individual or corporate income tax refunds for alternative fuel related credits.

Ladewig Refunds

In February 2005, the department issued 895 warrants totaling \$ 905,067 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 444,241 refunds have been issued for a total of \$ 127,415,924. Attorney payments are not included in the refund amount and total \$6,121,547 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,264	1,575,957	88,795	102,431	3	44,198	297,353	13,315	197,269	2,625	13	2,368,223
%	1.9	66.5	3.7	4.3	0.0	1.9	12.6	0.6	8.3	0.1	0.0	

In calendar year 2005 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	3,939	392,627	8,851	18,356	0	1,248	127,321	4,896	51,994	886	0	610,118
%	0.6	64.4	1.5	3.0	0.0	0.2	20.9	0.8	8.5	0.1	0.0	

The 610,118 returns, representing current and prior tax years, filed through February 2005 compares to 556,590 returns filed during the same period of time in 2004 for an annual increase of 9.6%. For tax year 2004 filed in 2005, 591,401 returns have been filed, a 10.3% increase over filings through February 2004 for tax year 2003.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 379,187 returns in calendar year 2005 for tax year 2004 from filers who also have returns on record from calendar year 2004 with the same marital status. On average, these filers experienced a 5.4% increase in FAGI and a 6.0% increase in tax liability. More specifically, 31.6% of these filers experienced a decrease in tax liability; on average a decrease of 13.4% in FAGI with a corresponding average decrease in tax liability of 27.8%. Filers with an increase in tax liability totaled 192,833 or 50.9% with an average FAGI increase of 18.4% and an average tax liability increase of 32.0%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2005 CYTD	\$ 415.51	442,926
2004 CYTD	437.48	424,883
% Change	(5.0)	4.2

"New" Filers in Calendar Year 2004

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 70,706 "new" returns have been filed thus far in 2005, representing approximately 83,245 persons, not including dependents. The average Federal Adjusted gross Income for these 70,706 returns is \$15,948 with an average tax liability of \$167. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 14.7% had a married filing joint filing status, 3.5% claimed a 65 and Over Exemption and 53.9% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2003 was \$297.2 million, for an average of \$1,670. An additional \$74.8 million in estimated payments came from 2002 tax returns that applied their refunds as a 2003 estimated payment, for an average of \$1,752. Estimated payments received through February 2005 for tax year 2004 are as follows:

02/05	140ES payment	\$ 16,827,469	Cumulative	\$ 387,020,034
02/04	140ES payment	1,348,933	Cumulative	288,172,979
	% change	1147.5		34.3
02/05	Average payment	\$ 1,930	Cumulative	\$ 2,057
02/04	Average payment	1,111	Cumulative	1,632
	% change	73.7		26.0
02/05	Applied refund	\$ 271,904	Cumulative	\$ 73,703,726
02/04	Applied refund	85,822	Cumulative	72,961,350
	% change	216.8		1.0
Total 02/05		\$ 17,099,373	Cumulative	\$ 460,723,760
Total 02/04		1,434,755	Cumulative	361,134,329
	% change	1091.8		27.6

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2004, \$559,506,453 was received for the first quarter of 2003. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2003, which shows an increase of 0.9% in withholding payments over the fourth quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2004	5.9%	3 rd Quarter 2004	6.7%
2 nd Quarter 2004	2.1%	4 th Quarter 2004	7.3%
		1 st Quarter 2005	9.8%

As of January 1, 2005, the current choices for withholding are 0%, 19%, 23%, 25%, 31%, or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2005	4,599	\$ 1,732,162	\$376.64
Calendar Year 2004	3,665	1,400,684	\$382.18
% Change	25.5%	23.7%	(1.4)

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2004:

	February 2005	Calendar Year Total
Check Off	\$ 813,110	\$ 922,521
Voluntary Donation	\$ 7,139	\$ 7,689
Number of Returns	118,443	136,505

Contributions on the Individual Income Tax Return

Through February 2005, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	2,136	\$ 33,350	\$15.61
Child Abuse	2,810	48,805	\$17.37
Special Olympics	1,167	21,246	\$18.21
Neighbors Helping	605	6,952	\$11.49
AID to Education	140	9,596	\$68.54
Domestic Violence Shelter	1,906	32,753	\$17.18
Democratic Party	190	4,138	\$21.78
Republican Party	171	3,302	\$19.31
Libertarian Party	15	185	\$12.33

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Feb 2005	Feb 2004	% Change
Gross Collections	\$18,432,601	\$9,833,590	87.4
Refunds	(\$11,908,414)	(\$12,420,688)	(4.1)
Net Collections	\$6,524,188	(\$2,587,099)	N/A
	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$430,170,689	\$321,035,275	34.0
Refunds	(\$58,696,017)	(\$93,011,750)	(36.9)
Net Collections	\$371,474,672	\$228,023,525	62.9

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Feb 2005	\$11,053,122	Calendar Year Total	\$32,936,262
Feb 2004	\$6,546,320	Calendar Year Total	\$22,259,010
% Change	68.8%	% Change	48.0%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for February 2005 and for the calendar year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Feb 2005	87	11	9	1	2	0	110	10.0
Feb 2004	83	7	8	1	1	0	100	
CY 2005	233	28	24	5	7	0	297	9.6
CY 2004	229	24	23	5	6	0	271	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 03/04 by corporate fiscal year. For example, in FY 03/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 03/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%
Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	11.6%	4.9%	1.6%	61.5%	20.3%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

Feb 2005	\$8,572,824	Calendar Year Total	\$11,381,217
Feb 2004	\$10,844,751	Calendar Year Total	\$19,107,252
% Change	(20.9%)	% Change	(40.4%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 108,944 corporate returns showing a fiscal year-end of 2003. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	310	34,904	61,775	391	11,564
%	0.3	32.0	56.7	0.4	10.6

Through February 2005, 10,599 documents were received for a fiscal year-end of 2004, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	34	7,685	596	81	2,203
%	0.3	72.5	5.6	0.8	20.8

The figures for the 2004 returns are most meaningful when compared to 2003 returns received during the same period of time in the previous year. Through February 2004, the Department of Revenue received 11,054 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 4.1% **decrease** in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for February 2005 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	February 2005	February 2004	% change
Distribution Base	\$ 116,838,320	\$ 107,923,843	8.3%
Non shared	220,997,568	202,955,326	8.9%
Other Revenues	49,268,926	45,191,970	9.0%
Education Tax	41,390,015	38,058,382	8.8%
Use Tax	21,635,072	17,630,604	22.7%
Total Collections	\$ 450,129,901	\$ 411,760,125	9.3%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Distribution Base	\$ 974,948,099	\$ 889,954,468	9.6%
Non shared	1,876,221,035	1,706,491,814	10.0%
Other Revenues	406,929,698	373,632,366	8.9%
Education Tax	353,149,129	321,858,297	9.7%
Use Tax	174,848,916	152,802,202	14.3%
Total Collections	\$ 3,786,096,876	\$ 3,444,739,147	9.9%

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained by State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	February 2005	February 2004	% change
Retained by State	\$ 282,930,176	\$ 257,808,864	9.7%
Returned to Counties	47,331,203	43,719,949	8.3%
Returned to Cities	29,209,580	26,980,961	8.3%
Education Tax	41,390,015	38,058,382	8.8%
Other Revenues	49,268,926	45,191,970	9.0%
Total Collections	\$ 450,129,901	\$ 411,760,125	9.3%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Retained by State	\$ 2,387,329,550	\$ 2,166,239,312	10.2%
Returned to Counties	394,951,475	360,520,555	9.6%
Returned to Cities	243,737,025	222,488,617	9.6%
Education Tax	353,149,129	321,858,297	9.7%
Other Revenues	406,929,697	373,632,366	8.9%
Total Collections	\$ 3,786,096,876	\$ 3,444,739,147	9.9%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	February 2005	% Chg	Fiscal Year Total	% Chg
Transporting	5.6%	\$ 128,311	(26.7%)	\$ 1,803,941	(30.4%)
Non-Metal Mining Oil/Gas	3.125%	709,099	12.9%	6,246,594	9.3%
Utilities	5.6%	27,119,946	8.4%	243,938,959	6.9%
Communications	5.6%	12,166,046	4.1%	97,293,517	4.0%
Private Car/Pipelines	5.6%	90,208	169.5%	479,697	(4.9%)
Publishing	5.6%	462,229	(7.2%)	4,418,025	3.8%
Job Printing	5.6%	1,485,996	10.4%	11,877,475	0.3%
Restaurants & Bars	5.6%	33,187,218	7.4%	249,646,486	9.3%
Amusements	5.6%	3,652,260	(2.4%)	26,188,971	3.9%
Commercial Lease	0%	78	33.8%	30,881	NA
Rental of Personal Property	5.6%	12,562,804	0.5%	106,038,580	2.0%
Contracting	3.75% - 5.6%	56,431,930	17.1%	514,581,599	18.8%
Feed Wholesale	Repealed	0	NA	0	NA
Retail	5.6%	176,931,062	7.2%	1,512,395,959	8.4%
Mining Severance	2.5%	1,421,398	96.3%	9,895,585	238.0%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	(135)	NA	5,515	(21.6%)
Hotel/Motel	5.5%	10,222,990	11.0%	62,527,505	9.0%
Membership Camping	5.6%	23,044	(24.6%)	103,420	15.0%
Use Tax	5.6%	22,243,444	23.6%	175,439,356	14.5%
Rental Occupancy Tax	3.0%	12,059	(25.1%)	16,639	(81.5%)
Jet Fuel	\$.0305/\$.0105 gal	601,814	(3.5%)	3,039,732	3.2%
Telecommunications Devices	1.1			0	NA
Telecomm	----	345,588	(10.4%)	2,864,885	(17.4%)
School for the Deaf and Blind		116,890	(9.1%)	886,696	7.9%
Poison Control	----	91,479	(9.1%)	837,345	(17.5%)
Teratogen Funding		5,082	NA	36,553	NA
911 Wireline	\$.037/month per active service	1,140,393	2.1%	9,285,682	1.7%
911 Wireless	\$.037/month per active service	1,117,701	11.9%	8,633,654	9.6%
Total		\$ 363,552,615	9.4%	\$ 3,048,513,248	10.0%

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	February 2005	% Chg	Fiscal Year Total	% Chg
Transporting	\$ 2,566,225	(26.7%)	\$ 36,152,325	(30.3%)
Non-Metal Mining Oil/Gas	22,691,157	12.9%	199,979,799	9.3%
Utilities	542,398,915	8.4%	4,880,808,838	7.0%
Communications	243,320,923	4.1%	1,946,757,019	4.0%
Private Car/Pipelines	1,804,159	169.5%	9,597,982	(4.9%)
Publishing	9,245,538	(7.2%)	88,429,563	3.9%
Job Printing	29,719,913	10.4%	237,662,412	0.4%
Restaurants & Bars	663,747,639	7.4%	4,995,269,840	9.3%
Amusements	73,045,208	(2.4%)	524,050,862	4.0%
Commercial Lease	3,426	76.9%	905,081	NA
Rental of Personal Property	251,267,734	0.5%	2,121,825,172	2.0%
Contracting	1,132,232,428	17.4%	10,350,325,658	19.5%
Feed Wholesale	0	NA	0	NA

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Retail	3,538,852,296	7.2%	30,263,273,126	8.5%
Mining Severance	56,855,912	96.3%	395,917,612	238.0%
Timber Severance	235	NA	3,031	(12.4%)
Hotel/Motel	185,880,094	11.0%	1,137,484,025	9.0%
Membership Camping	460,872	(24.6%)	2,069,934	19.5%
Use Tax	435,748,836	23.6%	3,511,095,093	15.0%
Rental Occupancy Tax	401,956	(25.1%)	556,419	(81.4%)
Total	\$ 7,190,243,468	9.7%	\$ 60,702,163,791	10.5%

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. Due to our new processing system, the report needed to provide this data is not available.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for February 2005 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 343,869	0.7%	\$ 2,955,925	8.0%
Coconino	1,051,445	2.2%	8,619,298	28.9%
Cochise	813,965	1.7%	8,474,703	(11.8%)
Gila	349,396	0.7%	3,015,507	5.4%
Graham	214,372	0.5%	1,778,552	8.0%
Greenlee	185,002	0.4%	1,651,502	37.8%
La Paz	171,088	0.4%	1,164,925	7.7%
Maricopa	30,605,513	64.7%	253,952,804	9.7%
Mohave	1,304,862	2.8%	11,196,919	13.4%
Navajo	725,964	1.5%	6,232,260	8.4%
Pima	7,062,625	14.9%	58,554,231	8.5%
Pinal	1,297,396	2.7%	10,718,382	11.4%
Santa Cruz	300,677	0.6%	2,559,389	7.1%
Yavapai	1,591,887	3.4%	13,739,667	12.2%
Yuma	1,313,143	2.8%	10,337,411	11.7%
Total	\$ 47,331,203		\$ 394,951,475	9.6%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for February 2005 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during February 2005 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		66,109							
Cochise		457,684							
Coconino		637,469	382,484					164,046	
Gila	200,768	194,362							
Graham		97,783							
Greenlee		51,777							
La Paz		117,396	117,396				303		
Maricopa	24,762,710		9,140,022	567,920	228				2,028,318
Mohave		482,070							
Navajo		449,947							
Pima				156,691		35,666			
Pinal	881,391	871,884							
Santa Cruz		195,441							
Yavapai		1,006,821	502,547						
Yuma		912,720	912,676					908,616	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in February 2005. The table compares the receipts to February 2004 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	February 2005	February 2004	% Change
Spirituous	\$ 969,639	\$ 1,860,241	(47.9)
Vinous	647,407	866,174	(25.3)
Malt	1,257,398	1,516,636	(17.1)
Cigarette	22,712,285	19,301,051	17.7
Other Tobacco	703,842	662,475	6.2
Tobacco Licenses	300	150	100
Total	\$ 26,290,871	\$ 24,206,727	8.6

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spirituous	\$ 15,464,203	\$ 15,439,937	0.2
Vinous	7,096,402	6,791,686	4.5
Malt	14,728,228	14,160,566	4.0
Cigarette*	181,348,666	174,253,560	4.1
Other Tobacco	5,697,596	5,189,521	9.8
Tobacco Licenses	2,475	2,900	(14.7)
Total	\$224,337,570	\$215,838,170	3.9 %

*Through February 2005, \$448,500 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	February 2005	Fiscal Year (04/05)
Spirituous	\$ 678,747	\$ 10,824,942
Vinous	161,340	1,768,570
Malt	314,349	3,682,056
Cigarette	2,901,678	24,113,807
Other Tobacco	109,096	887,819
Tobacco Licenses	300	2,475
Total	\$ 4,165,510	\$ 41,279,669

Other dedicated revenues from luxury taxes:

	February 2005	Fiscal Year (04/05)
Correction Fund revenues	\$ 1,617,111	\$ 17,896,138
Tobacco Tax & Health Care Fund ²	7,956,593	63,395,887
Tobacco Products Tax Fund ³	11,976,957	94,746,707
Wine Promotional Fund revenues	2,048	22,119
Drug Treatment & Education Fund revenues	410,371	5,006,946
Corrections Revolving Fund revenues	162,282	1,990,102

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

February 2005	\$ 2,423,895	Fiscal Year to Date	\$ 24,811,382
February 2004	\$ 4,785,108	Fiscal Year To Date	\$ 27,944,826
% Change	(49.3)	% Change	(11.2)

Bingo

February 2005	\$ 46,953	Fiscal Year to Date	\$ 407,679
February 2004	\$ 43,641	Fiscal Year to Date	\$ 414,959
% Change	7.6	% Change	(1.8)

Unclaimed Property

February 2005	\$ 21,432,805	Fiscal Year to Date	\$ 55,985,718
February 2004	\$ 1,925,078	Fiscal Year to Date	\$ 31,538,305
% Change	1013.3	% Change	77.5

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS,
ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2005 for Tax Year 2004
Through February 2005

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	209	0.3%	-\$7,397	\$0	19.1%	67.9%	11.6%	1.4%	17.7%	18.1%
\$0-\$5,000	14,024	19.8%	\$3,012	\$0	4.5%	72.2%	23.0%	0.3%	2.6%	34.9%
\$5,000-\$10,000	18,603	26.3%	\$7,418	\$19	6.8%	62.6%	30.2%	0.4%	3.3%	43.3%
\$10,000-\$15,000	11,941	16.9%	\$12,360	\$51	13.7%	35.6%	50.2%	0.5%	4.0%	65.7%
\$15,000-\$20,000	8,725	12.3%	\$17,416	\$102	21.9%	25.5%	51.9%	0.6%	4.2%	70.4%
\$20,000-\$25,000	5,445	7.7%	\$22,336	\$197	28.2%	24.6%	46.2%	1.1%	3.3%	71.1%
\$25,000-\$30,000	3,101	4.4%	\$27,329	\$319	30.7%	28.8%	39.3%	1.1%	2.7%	66.2%
\$30,000-\$40,000	3,620	5.1%	\$34,329	\$488	33.9%	31.3%	33.3%	1.6%	3.3%	59.9%
\$40,000-\$50,000	1,863	2.6%	\$44,421	\$736	43.2%	29.9%	25.1%	1.8%	3.2%	59.0%
\$50,000-\$75,000	2,134	3.0%	\$60,244	\$1,094	64.8%	20.0%	14.4%	0.7%	4.1%	60.4%
\$75,000-\$100,000	678	1.0%	\$85,462	\$1,733	77.4%	12.3%	9.4%	0.9%	4.8%	62.3%
\$100,000-\$200,000	336	0.5%	\$123,210	\$3,023	84.6%	9.5%	4.7%	1.2%	5.0%	58.9%
\$200,000-\$500,000	24	0.0%	\$254,813	\$7,632	83.3%	4.2%	8.3%	4.2%	8.3%	58.3%
\$500,000-\$1,000,000	3	0.0%	\$662,005	\$28,497	66.7%	33.3%	0.0%	0.0%	33.3%	33.3%
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	70,706		\$15,948	\$167	14.7%	39.6%	30.4%	0.5%	3.5%	53.9%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2004 FOR TAX YEAR 2003

Total	239,280		\$20,074	\$334	16.5%	49.4%	15.8%	1.7%	7.5%	32.9%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
February 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	236,245	30,848
Eagar	\$30,886	4,033	Tempe	1,214,808	158,625
St. Johns	27,172	3,548	Tolleson	38,093	4,974
Springerville	15,102	1,972	Wickenburg	38,920	5,082
<u>Cochise County</u>			Youngtown	23,052	3,010
Benson	36,079	4,711	<u>Mohave County</u>		
Bisbee	46,639	6,090	Bullhead City	258,615	33,769
Douglas	126,539	16,523	Colorado City	25,533	3,334
Huachuca City	13,410	1,751	Kingman	153,696	20,069
Sierra Vista	289,295	37,775	Lake Havasu City	321,176	41,938
Tombstone	11,518	1,504	<u>Navajo County</u>		
Willcox	28,589	3,733	Holbrook	37,656	4,917
<u>Coconino County</u>			Pinetop-Lakeside	27,432	3,582
Flagstaff	405,082	52,894	Show Low	58,931	7,695
Fredonia	7,934	1,036	Snowflake	34,156	4,460
Page	52,146	6,809	Taylor	24,323	3,176
Williams	21,765	2,842	Winslow	72,908	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	57,331	7,486	Marana	103,817	13,556
Hayden	6,831	892	Oro Valley	244,562	31,934
Miami	14,827	1,936	Sahuarita	24,828	3,242
Payson	104,307	13,620	South Tucson	42,044	5,490
Winkelman	3,393	443	Tucson	3,727,318	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	15,232	1,989	Apache Junction	243,643	31,814
Safford	70,702	9,232	Casa Grande	193,175	25,224
Thatcher	30,802	4,022	Coolidge	59,628	7,786
<u>Greenlee County</u>			Eloy	79,456	10,375
Clifton	19,881	2,596	Florence	131,785	17,208
Duncan	6,219	812	Kearny	17,224	2,249
<u>La Paz County</u>			Mammoth	13,494	1,762
Parker	24,047	3,140	Maricopa	38,277	4,998
Quartzsite	25,686	3,354	Superior	24,920	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	274,805	35,883	Nogales	159,891	20,878
Buckeye	65,073	8,497	Patagonia	6,747	881
Carefree	22,416	2,927	<u>Yavapai County</u>		
Cave Creek	28,550	3,728	Camp Verde	72,379	9,451
Chandler	1,355,063	176,939	Chino Valley	62,546	8,167
El Mirage	58,272	7,609	Clarkdale	26,207	3,422
Fountain Hills	154,967	20,235	Cottonwood	70,296	9,179
Gila Bend	15,164	1,980	Jerome	2,520	329
Gilbert	840,100	109,697	Prescott	259,910	33,938
Glendale	1,675,742	218,812	Prescott Valley	180,240	23,535
Goodyear	144,827	18,911	Sedona	78,054	10,192
Guadalupe	40,038	5,228	<u>Yuma County</u>		
Litchfield Park	29,178	3,810	San Luis	117,341	15,322
Mesa	3,046,313	397,776	Somerton	55,646	7,266
Paradise Valley	104,644	13,664	Wellton	14,007	1,829
Peoria	829,891	108,364	Yuma	594,940	77,685
Phoenix	10,117,043	1,321,045	TOTAL	\$ 31,089,382	4,059,533
Queen Creek	33,053	4,316			
Scottsdale	1,552,389	202,705			

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
February 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$ 1,458,524	202,705
Eagar	\$ 29,019	4,033	Surprise	221,961	30,848
Springerville	14,189	1,972	Tempe	1,141,355	158,625
St. Johns	25,529	3,548	Tolleson	35,789	4,974
<u>Cochise County</u>			Wickenburg	36,567	5,082
Benson	33,897	4,711	Youngtown	21,658	3,010
Bisbee	43,819	6,090	<u>Mohave County</u>		
Douglas	118,888	16,523	Bullhead City	242,978	33,769
Huachuca City	12,599	1,751	Colorado City	23,989	3,334
Sierra Vista	271,803	37,775	Kingman	144,403	20,069
Tombstone	10,822	1,504	Lake Havasu City	301,757	41,938
Willcox	26,860	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	35,379	4,917
Flagstaff	380,589	52,894	Pinetop/Lakeside	25,774	3,582
Fredonia	7,454	1,036	Show Low	55,368	7,695
Page	48,993	6,809	Snowflake	32,091	4,460
Williams	20,449	2,842	Taylor	22,852	3,176
<u>Gila County</u>			Winslow	68,499	9,520
Globe	53,864	7,486	<u>Pima County</u>		
Hayden	6,418	892	Marana	97,540	13,556
Miami	13,930	1,936	Oro Valley	229,775	31,934
Payson	98,000	13,620	Sahuarita	23,327	3,242
Winkelman	3,188	443	South Tucson	39,502	5,490
<u>Graham County</u>			Tucson	3,501,948	486,699
Pima	14,311	1,989	<u>Pinal County</u>		
Safford	66,427	9,232	Apache Junction	228,911	31,814
Thatcher	28,940	4,022	Casa Grande	181,494	25,224
<u>Greenlee County</u>			Coolidge	56,023	7,786
Clifton	18,679	2,596	Eloy	74,651	10,375
Duncan	5,843	812	Florence	123,817	17,208
<u>La Paz County</u>			Kearny	16,182	2,249
Parker	22,593	3,140	Mammoth	12,678	1,762
Quartzsite	24,133	3,354	Maricopa	35,962	4,998
<u>Maricopa County</u>			Superior	23,414	3,254
Avondale	258,189	35,883	<u>Santa Cruz County</u>		
Buckeye	61,139	8,497	Nogales	150,224	20,878
Carefree	21,061	2,927	Patagonia	6,339	881
Cave Creek	26,824	3,728	<u>Yavapai County</u>		
Chandler	1,273,130	176,939	Camp Verde	68,003	9,451
El Mirage	54,749	7,609	Chino Valley	58,764	8,167
Fountain Hills	145,597	20,235	Clarkdale	24,622	3,422
Gila Bend	14,247	1,980	Cottonwood	66,046	9,179
Gilbert	789,303	109,697	Jerome	2,367	329
Glendale	1,574,419	218,812	Prescott	244,194	33,938
Goodyear	136,070	18,911	Prescott Valley	169,342	23,535
Guadalupe	37,617	5,228	Sedona	73,335	10,192
Litchfield Park	27,414	3,810	<u>Yuma County</u>		
Mesa	2,862,120	397,776	Yuma Luis	110,246	15,322
Paradise Valley	98,317	13,664	Somerton	52,281	7,266
Peoria	779,712	108,364	Wellton	13,160	1,829
Phoenix	9,505,322	1,321,045	Yuma	558,967	77,685
Queen Creek	31,055	4,316	TOTAL		
				\$ 29,209,580	4,059,533