



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: April 25, 2007

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

February 2007 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>February 2007</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 37,758,536	\$ 2,050,609,828
Percent Change	(45.7%)	4.2%
Corporate Income Tax		
Net Collections	\$ 21,126,878	\$ 549,301,156
Percent Change	N/A	23.7%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 359,643,938	\$ 3,027,955,908
Change	8.8%	8.3%
Total Big Three Tax Types		
Net Collections	\$ 418,529,352	\$5,627,866,892
Percent Change	3.8%	8.0%

TAX FACTS

February 2007

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	February 2007	February 2006	% Change
Gross Collections	\$ 18,072,039	\$ 18,041,261	0.2
Withholding	\$ 294,196,141	\$ 269,407,378	9.2
Refunds	\$ (228,573,756)	\$ (182,472,975)	25.3
Urban Revenue Sharing	\$ (45,935,888)	\$ (35,435,744)	29.6
Net Collections	\$ 37,758,536	\$ 69,539,920	(45.7)

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% Change
Gross Collections	\$ 644,617,339	\$ 531,731,000	21.2
Withholding	\$ 2,201,762,042	\$ 2,010,223,811	9.5
Refunds*	\$ (428,282,446)	\$ (290,929,713)	47.2
Urban Revenue Sharing	\$ (367,487,107)	\$ (283,485,951)	29.6
Net Collections	\$ 2,050,609,828	\$ 1,967,539,147	4.2

*Refunds issued as a result of the Ladewig and FERC cases are not included in the total refunds listed in the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication. Ladewig refunds were finalized as of July 2006.

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In February 2007, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

Federal Employee Retirement Contribution Project (FERC)

Kerr vs. ADOR or FERC, a Supreme Court tax settlement case has resulted in the distribution of 1,487 refunds to individual income taxpayers during February 2007. These refunds totaled \$902,558* for an average of \$607. Attorney payments are not included in the refund amount and total \$225,639 for the month. Refunds issued as a result of the FERC case are not included in the total refunds listed in neither the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication.

*The amount shown as refunded may differ from AFIS totals due to timing issues.

Individual Income Tax Document Count

In calendar year 2006, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	50,299	1,666,899	120,181	130,505	0	46,956	396,130	12,156	177,185	3,480	14	2,603,805
%	1.9%	64.0%	4.6%	5.0%	0.0%	1.8%	15.2%	0.5%	6.8%	0.1%	0.0%	

In calendar year 2007 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	2,108	383,739	11,217	23,147	0	526	160,968	1,661	47,011	411	0	630,788
%	0.3%	60.8%	1.8%	3.7%	0.0%	0.1%	25.5%	0.3%	7.5%	0.1%	0.0%	100%

The 630,788 returns representing current and prior tax years, filed through February 2007 compares to 599,747 returns filed during the same period of time in 2006 for an annual increase of 5.2%. For the tax year 2006 filed in 2007, 612,190 returns have been filed, a 5.3% increase over filings through February 2006 for tax year 2005.

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 449,733 returns in calendar year 2007 for tax year 2006 from filers who also have returns on record from calendar year 2006 with the same marital status. On average, these filers experienced a 5.5% increase in FAGI and a 1.7% decrease in tax liability. More specifically, 39.3% of these filers experienced a decrease in tax liability; on average a decrease of 11.3% in FAGI with a corresponding average decrease in tax liability of 30.7%. Filers with an increase in tax liability totaled 206,676 or 46.0%, with an average FAGI increase of 23.9% and an average tax liability increase of 35.2%.

Average Individual Income Tax Refund

Net of Ladewig and FERC refunds.

	Average	Number
2007 CYTD	\$ 525.09	467,213
2006 CYTD	\$ 477.01	437,947
% Change	10.1	6.7

"New" Filers in Calendar Year 2007

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2007. "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 82,460 "new" returns have been filed thus far in 2007, representing approximately 96,555 persons, not including dependents. The average Federal Adjusted Gross Income is \$17,940 with an average tax liability of \$189. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 14.4% had a married filing joint filing status, 3.2% claimed a 65 and Over Exemption and 55.1% 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 2005 was \$584.7 million, for an average of \$2,709. An additional \$95.9 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,238. Estimated payments received through February 2007 for tax year 2006 are as follows:

01/07	140ES payment	\$	75,103,436	Cumulative \$	694,284,196
01/06	140ES payment	\$	6,076,722	Cumulative \$	569,847,588
	% change		N/A		21.8
01/07	Average payment	\$	3,712	Cumulative \$	2,980
01/06	Average payment	\$	3,492	Cumulative \$	2,670
	% change		6.3		11.4
01/07	Applied refund	\$	590,778	Cumulative \$	133,249,551
01/06	Applied refund	\$	204,433	Cumulative \$	93,467,122
	% change		N/A		42.6
Total 01/07		\$	75,694,214	Cumulative \$	827,533,747
Total 01/06		\$	6,281,155	Cumulative \$	663,314,710
	% change		N/A		24.8

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 July 2005 through September 2006, \$711.1 million was received for the third quarter of 2005. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2005, which shows an increase of 18.1% in withholding payments over the fourth quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2006	38.7%	3 rd Quarter 2006	4.8%
2 nd Quarter 2006	23.9%	4 th Quarter 2006	10.7%
		1 st Quarter 2007	(17.2%)

As of February 1, 2005, the current choices for withholding are 0%, 10%, 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 2007	1,740	\$ 717,627	\$ 412
Calendar Year 2006	3,392	\$ 1,338,387	\$ 395
% Change	(48.7)	(46.4)	4.3

Clean Elections

As a result of the December 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 returns filed in 2007.

	February 2007	Calendar Year Total
Check Off	\$ 998,335	\$1,201,095
Voluntary Donation	\$ 6,229	\$ 7,016
Number of Returns	145,313	178,307

Contributions on the Individual Income Tax Return

Through February 2007, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	2,295	\$ 41,255	\$ 17.98
Child Abuse	2,786	\$ 56,021	\$ 20.11
Special Olympics	1,175	\$ 21,170	\$ 18.02
Neighbors Helping	656	\$ 10,412	\$ 15.87
AID to Education	92	\$ 10,678	\$ 116.07
Domestic Violence Shelter	1,898	\$ 39,009	\$ 20.55
Democratic Party	237	\$ 4,656	\$ 19.65
Republican Party	163	\$ 4,360	\$ 26.75
Libertarian Party	32	\$ 648	\$ 20.25

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Feb 2007	Feb 2006	% Change
Gross Collections	\$22,671,285	\$29,206,362	(22.4)
Refunds	(\$1,544,406)	(\$26,798,202)	(94.2)
Net Collections	\$21,126,879	\$2,408,160	777.3
	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$612,332,165	\$517,762,684	18.3
Refunds	(\$63,031,009)	(\$73,844,589)	(14.6)
Net Collections	\$549,301,156	\$443,918,095	23.7

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.

PLEASE NOTE THAT THE DEPARTMENT OF REVENUE CHANGED PROCESSING SYSTEMS FOR CORPORATE TAX IN AUGUST 2006. AS WITH THE CHANGEOVER OF ANY SYSTEM, THERE WILL BE VARIATIONS IN DATA. THE PERCENTAGE CHANGES SHOWN IN THE FIRST YEAR OF THE NEW SYSTEM SHOULD BE INTERPRETED CAUTIOUSLY.

Feb 2007	\$18,918,703	Calendar Year Total	\$50,279,660
Feb 2006	\$16,440,236	Calendar Year Total	\$41,582,438
% Change	15.1%	% Change	20.9%

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

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 2007	96	12	15	3	3	0	129	37.2
Feb 2006	59	14	18	0	3	0	94	
CY 2007	270	25	46	4	9	0	354	26.0
CY 2006	196	35	39	5	6	0	281	

The next table shows the dollars of eft estimated payments received from those counts above.

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 and more	Total	% chg
Feb 2007	\$1,161,369	\$800,000	\$3,260,873	\$2,340,000	\$9,210,000	\$16,772,242	26.4%
Feb 2006	\$800,112	\$881,335	\$3,413,022	\$0	\$8,178,000	\$13,272,469	
CY 2007	\$3,219,714	\$1,636,113	\$10,620,890	\$3,090,000	\$22,042,018	\$40,608,735	13.2%
CY 2006	\$2,592,784	\$2,402,487	\$8,093,022	\$4,017,000	\$18,779,905	\$35,885,198	

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 05/06 by corporate fiscal year. For example, in FY 05/06, 20.8% of the refund dollars paid were for corporate fiscal years ending in 2001 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	20.8%	3.4%	4.2%	56.4%	13.4%	1.8%
Corporate Fiscal Year-End:	02 & Prior	03	04	05	06	07
FY 06/07	2.9%	1.4%	0.6%	78.3%	16.8%	0.0%

NO DATA IS AVAILABLE ON REFUNDS APPLIED AS ESTIMATED PAYMENTS.

Corporate Income Tax Document Count

The Arizona Department of Revenue received 125,212 corporate returns showing a fiscal year-end of 2005. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	190	39,637	72,116	454	12,815
%	0.1	31.7	57.6	0.4	10.2

Through February 2007, 4,885 documents were received for a fiscal year-end of 2006, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	7	2,106	2,082	6	684
%	0.2	43.1	42.6	0.1	14.0

The figures for the 2006 returns are most meaningful when compared to 2005 returns received during the same period of time in the previous year. Through February 2006, the Department of Revenue received 13,547 documents with a fiscal year-end of 2005. Compared to 2006 documents, the Department has seen a 63.9% **decrease** in the number of corporate returns processed 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 2006/07 is 15.0% of net proceeds from Fiscal Year 2004/05 income tax. Amounts returned for February 2007 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 2007	February 2006	% change
Distribution Base	\$147,417,646	\$135,442,823	8.8
Non shared	285,675,840	257,718,232	10.8
Use Tax	23,123,752	26,149,998	(11.6)
Education Tax	52,711,443	48,875,062	7.8
Other Revenues	68,820,912	56,817,651	21.1
Total Collections	\$577,749,593	\$525,003,766	10.0

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Distribution Base	\$1,222,294,942	\$1,133,847,946	7.8
Non shared	2,389,282,305	2,192,912,886	9.0
Use Tax	217,104,077	212,946,933	2.0
Education Tax	446,502,967	414,500,167	7.7
Other Revenues	553,477,773	474,434,789	16.7
Total Collections	4,828,662,065	\$4,428,642,722	9.0

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 2007	February 2006	% change
Retained by State	\$359,643,938	\$330,582,460	8.8
Returned to Counties	59,718,889	54,867,888	8.8
Returned to Cities	36,854,412	33,860,706	8.8
Education Tax	52,711,443	48,875,062	7.8
Other Revenues	68,820,912	56,817,651	21.1
Total Collections	\$577,749,593	\$525,003,766	10.0

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Retained by State	\$3,027,955,908	\$2,796,923,976	8.3
Returned to Counties	495,151,681	459,321,803	7.8
Returned to Cities	305,573,736	283,461,987	7.8
Education Tax	446,502,967	414,500,167	7.7
Other Revenues	553,477,773	474,434,789	16.7
Total Collections	\$4,828,662,065	\$4,428,642,722	9.0

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	February 2007	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$141,441	(3.8)	\$2,339,460	24.1
Non-Metal Mining Oil/Gas	3.125%	510,900	(14.0)	5,296,925	(30.5)
Utilities	5.6%	37,446,126	27.4	305,728,429	12.2
Communications	5.6%	14,784,152	22.9	117,142,745	13.7
Private Car/Pipelines	5.6%	122,806	38.5	641,060	(36.4)
Publishing	5.6%	554,037	22.2	4,412,682	(4.3)
Job Printing	5.6%	1,700,130	(3.0)	13,490,077	3.2
Restaurants & Bars	5.6%	41,532,194	9.8	309,798,861	9.5
Amusements	5.6%	3,953,262	(6.0)	30,964,549	6.2
Commercial Lease	0%	10	(31.1)	39	N/A
Rental of Personal Property	5.6%	17,058,451	14.9	127,729,380	9.3
Contracting	5.6%	84,787,106	12.2	762,132,691	16.2
Retail	5.6%	213,705,424	6.0	1,819,466,023	4.3
Mining Severance	2.5%	2,487,487	1.5	30,529,573	74.1
Timber Severance*	0%	1,735	75.4	15,615	1.9
Hotel/Motel	5.5%	13,019,774	14.7	76,601,974	8.4
Membership Camping*	0%	(4)	N/A	563	N/A
Use Tax	5.6%	23,123,752	(11.6)	217,772,740	2.3
Rental Occupancy Tax*	0%	(6,121)	N/A	48,878	(42.8)
Jet Fuel		873,634	10.4	3,653,064	(9.5)
Jet Fuel Use Tax	\$.0305/\$.0105 gal	325,622	440.3	659,122	217.4
Telecomm Devices	----	588,208	93.6	4,432,441	91.3
911 Wireline	\$0.28/month per active service	959,185	(18.6)	8,029,107	(12.7)
911 Wireless	\$0.28/month per active service	911,131	(12.0)	7,129,682	(15.3)
Total		\$458,580,441	8.7	\$3,848,015,683	8.1

*As of 11/1/06, these categories are no longer subject to county and state tax.

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 2007	% Chg	Fiscal Year Total	% Chg
Transporting	\$2,832,054	(3.9)	\$47,526,936	25.7
Non-Metal Mining Oil/Gas	16,357,406	(14.2)	169,671,005	(30.7)
Utilities	749,169,430	27.2	6,119,201,742	12.0
Communications	295,822,722	22.7	2,345,349,597	13.5
Private Car/Pipelines	2,456,936	38.5	12,834,862	(36.6)
Publishing	11,085,727	22.1	88,345,116	(4.5)
Job Printing	34,019,591	(3.1)	270,109,507	3.1
Restaurants & Bars	831,039,541	9.8	6,203,326,691	9.3
Amusements	79,116,212	(6.1)	620,265,686	6.1
Commercial Lease	337	(28.7)	2,548	N/A
Rental of Personal Property	341,332,931	14.8	2,557,644,991	9.1
Contracting	1,696,601,567	11.7	15,258,893,401	15.4
Retail	4,276,335,273	5.9	36,430,435,661	4.1

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.

Transaction Privilege and Severance Tax Taxable Sales By Class continued

	February 2007	% Chg	Fiscal Year Total	% Chg
Mining Severance	99,568,279	1.5	1,222,213,187	73.8
Timber Severance*	1,235	165.6	8,112	1.6
Hotel/Motel	236,843,068	14.6	1,395,102,705	8.3
Membership Camping*	0	N/A	12,276	N/A
Use Tax	470,869,516	(10.2)	4,371,612,059	2.2
Rental Occupancy Tax*	(204,031)	N/A	1,642,454	(42.5)
Total	\$9,143,247,794	8.5	\$77,114,198,535	8.2

*As of 11/1/06, these categories are no longer subject to county and state tax.

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. 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.

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 2007 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 404,371	0.7	\$ 3,332,022	(3.7)
Coconino	\$ 1,185,014	2.1	\$ 12,054,069	7.2
Cochise	\$ 935,248	1.7	\$ 8,370,004	4.7
Gila	\$ 403,220	0.7	\$ 3,601,861	2.3
Graham	\$ 253,120	0.5	\$ 2,240,226	6.5
Greenlee	\$ 300,000	0.6	\$ 3,463,104	53.4
La Paz	\$ 178,033	0.3	\$ 1,322,620	(1.4)
Maricopa	\$ 35,403,927	64.5	\$ 317,697,318	7.6
Mohave	\$ 1,575,016	3.0	\$ 14,566,551	10.5
Navajo	\$ 800,636	1.4	\$ 7,333,170	2.7
Pima	\$ 8,035,932	14.4	\$ 70,632,713	5.6
Pinal	\$ 1,673,329	3.3	\$ 16,759,931	23.8
Santa Cruz	\$ 337,563	0.6	\$ 3,267,889	9.2
Yavapai	\$ 1,901,853	3.5	\$ 17,833,965	8.7
Yuma	\$ 1,480,627	2.7	\$ 12,676,238	6.9
Total	\$ 54,867,888		\$ 495,151,681	7.8

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 2007 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 2007 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		\$ 74,067							
Cochise		\$ 610,619							
Coconino		\$ 760,904	\$ 761,284					\$ 190,394	
Gila	\$ 255,683	\$ 247,988							
Graham		\$ 173,519							
Greenlee		\$ 109,061							
La Paz		\$ 131,221	\$ 130,917				\$ 39		
Maricopa	\$ 31,773,470		\$ 11,744,112	\$ 542,076	\$ 132				\$ 2,541,222
Mohave		\$ 596,931							
Navajo		\$ 506,575							
Pima	\$ 6,026,612			\$ 144,832		\$ 35,542			
Pinal	\$ 1,467,245	\$ 1,433,373							
S Cruz		\$ 265,413	\$ 251,633						
Yavapai		\$ 1,321,490	\$ 660,523						
Yuma		\$ 1,077,180	\$ 1,077,183				\$ 213,757	\$ 1,070,415	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in February 2007. The table compares the receipts to February 2006 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	February 2007		February 2006		%
Spirituous	\$	1,642,349	\$	3,155,033	(47.9)
Vinous	\$	384,288	\$	1,151,209	(66.6)
Malt	\$	1,886,202	\$	1,448,169	30.2
Cigarette	\$	18,295,792	\$	21,926,270	(16.6)
Other Tobacco	\$	1,162,736	\$	662,341	75.5
Tobacco Licenses	\$	350	\$	250	40.0
Total	\$	23,371,717	\$	28,343,272	(17.5)
	Fiscal Year (06/07)		Fiscal Year (05/06)		%
Spirituous	\$	17,632,380	\$	17,266,148	2.1
Vinous	\$	7,364,955	\$	7,595,290	(3.0)
Malt	\$	16,229,270	\$	15,050,605	7.8
Cigarette*	\$	216,292,957	\$	188,712,255	14.6
Other Tobacco	\$	7,111,058	\$	6,059,098	17.4
Tobacco Licenses	\$	4,625	\$	3,600	28.5
Total	\$	264,635,245	\$	234,686,996	12.8

*Through February 2007, \$495,835 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 2007	FY06/07
Spirituos	\$ 1,149,644	\$ 12,342,666
Vinous	\$ 95,606	\$ 1,835,527
Malt	\$ 471,550	\$ 4,057,317
Cigarettes	\$ 1,232,112	\$ 26,220,785
Other Tobacco	\$ 19,111	\$ 588,351
Tobacco Licenses	\$ 350	\$ 4,625
	\$ 2,968,373	\$ 45,049,271

Other dedicated revenues from luxury taxes:

	February 2007	FY06/07
Corrections Fund	\$ 1,635,907	\$ 19,178,112
Tobacco Tax & Health Care Fund ²	\$ 3,082,095	\$ 69,058,234
Tobacco Products Tax Fund ³	\$ 4,745,760	\$ 103,574,472
Wine Promotional Fund	\$ 1,866	\$ 22,487
Drug Treatment & Education Fund	\$ 523,317	\$ 5,477,115
Corrections Rev. Fund	\$ 208,074	\$ 2,178,968
Smoke Free Arizona Fund ⁴	\$ 225,912	\$ 463,990
Early Childhood Development and Health Fund ⁵	\$ 9,980,412	\$ 19,632,236

Estate Tax

February 2007	\$ 71,962	Fiscal Year to Date	\$ (877,995)
February 2006	\$ 136,394	Fiscal Year to Date	\$ 11,027,067
% change	(47.2)	% Change	N/A

Bingo

February 2007	\$ 47,414	Fiscal Year to Date	\$ 420,755
February 2006	\$ 41,004	Fiscal Year to Date	\$ 411,669
% change	15.6	% Change	2.2

Unclaimed Property

February 2007	\$ 7,569,319	Fiscal Year to Date	\$ 68,545,332
February 2006	\$ 6,341,307	Fiscal Year to Date	\$ 47,888,049
% change	19.4	% Change	43.1

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

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.

⁴ This Fund was created by Prop. 201, which increased cigarette tax rates in December 2006.

⁵ This Fund was created by Prop. 203, which increased cigarette & other tobacco products tax rates in December 2006.

TABLE 1
“New” Returns Filed in 2007 for Tax Year 2006
Through February 2007

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	162	0.2%	-\$12,561	\$0	18.5%	66.0%	15.4%	0.0%	11.1%	26.5%
\$0-\$5,000	13,756	16.7%	\$3,049	\$0	4.2%	70.3%	25.3%	0.3%	2.6%	37.4%
\$5,000-\$10,000	19,930	24.2%	\$7,456	\$16	5.3%	61.2%	33.2%	0.4%	2.8%	45.8%
\$10,000-\$15,000	13,768	16.7%	\$12,337	\$50	11.1%	39.3%	49.2%	0.4%	3.8%	63.1%
\$15,000-\$20,000	10,417	12.6%	\$17,403	\$97	17.6%	29.3%	52.5%	0.6%	3.6%	68.3%
\$20,000-\$25,000	7,319	8.9%	\$22,348	\$191	23.6%	29.2%	46.4%	0.8%	2.8%	68.5%
\$25,000-\$30,000	4,511	5.5%	\$27,353	\$312	26.4%	33.5%	39.1%	1.0%	2.9%	63.1%
\$30,000-\$40,000	5,112	6.2%	\$34,404	\$461	31.3%	33.1%	34.1%	1.5%	2.8%	59.7%
\$40,000-\$50,000	2,784	3.4%	\$44,543	\$677	39.7%	31.9%	27.0%	1.4%	3.5%	58.3%
\$50,000-\$75,000	3,059	3.7%	\$60,484	\$1,006	62.0%	21.5%	15.7%	0.8%	4.5%	59.8%
\$75,000-\$100,000	1,079	1.3%	\$85,308	\$1,585	77.7%	14.7%	7.1%	0.5%	5.0%	61.5%
\$100,000-\$200,000	522	0.6%	\$124,953	\$2,718	80.7%	11.7%	7.5%	0.2%	3.6%	60.8%
\$200,000-\$500,000	40	0.0%	\$250,388	\$6,841	87.5%	10.0%	2.5%	0.0%	7.5%	42.5%
\$500,000-\$1,000,000	1	0.0%	\$592,871	\$22,020	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
\$1,000,000 and over	0	0.0%	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total	82,460		\$17,940	\$189	14.4%	39.0%	31.8%	0.5%	3.2%	55.1%

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

NEW RETURNS FILED IN 2006 FOR TAX YEAR 2005

Total	280,854		\$23,532	\$423	16.9%	48.9%	15.7%	1.5%	7.2%	33.9%
--------------	----------------	--	-----------------	--------------	--------------	--------------	--------------	-------------	-------------	--------------

“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 2007

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$835,070	88,265
Eagar	\$41,959	4,435	Tempe	\$1,568,586	165,796
St. Johns	\$36,567	3,865	Tolleson	\$61,477	6,498
Springerville	\$19,537	2,065	Wickenburg	\$57,494	6,077
<u>Cochise County</u>			Youngtown	\$58,308	6,163
Benson	\$44,845	4,740	<u>Mohave County</u>		
Bisbee	\$62,158	6,570	Bullhead City	\$361,503	38,210
Douglas	\$162,681	17,195	Colorado City	\$38,601	4,080
Huachuca City	\$17,314	1,830	Kingman	\$244,660	25,860
Sierra Vista	\$413,349	43,690	Lake Havasu City	\$505,545	53,435
Tombstone	\$15,232	1,610	<u>Navajo County</u>		
Willcox	\$36,756	3,885	Holbrook	\$51,326	5,425
<u>Coconino County</u>			Pinetop-Lakeside	\$39,405	4,165
Flagstaff	\$578,868	61,185	Show Low	\$95,509	9,885
Fredonia	\$10,502	1,110	Snowflake	\$46,690	4,935
Page	\$67,267	7,110	Taylor	\$38,790	4,100
Williams	\$29,755	3,145	Winslow	\$93,048	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$70,910	7,495	Marana	\$252,844	26,725
Hayden	\$8,439	892	Oro Valley	\$372,761	39,400
Miami	\$18,496	1,955	Sahuarita	\$132,359	13,990
Payson	\$145,982	15,430	South Tucson	\$53,265	5,630
Star Valley	\$18,979	2,006	Tucson	\$5,012,123	529,770
Winkelman	\$4,191	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$322,334	34,070
Pima	\$20,644	2,182	Casa Grande	\$307,197	32,470
Safford	\$88,554	9,360	Coolidge	\$77,390	8,180
Thatcher	\$43,047	4,550	Eloy	\$105,253	11,125
<u>Greenlee County</u>			Florence	\$194,233	20,530
Clifton	\$24,561	2,596	Kearny	\$21,278	2,249
Duncan	\$7,682	812	Mammoth	\$16,670	1,762
<u>La Paz County</u>			Maricopa	\$100,505	15,934
Parker	\$31,032	3,280	Superior	\$30,786	3,254
Quartzsite	\$34,059	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$206,532	21,830
Avondale	\$656,173	69,356	Patagonia	\$8,704	920
Buckeye	\$240,365	25,406	<u>Yavapai County</u>		
Carefree	\$34,854	3,684	Camp Verde	\$101,516	10,730
Cave Creek	\$45,091	4,766	Chino Valley	\$116,606	12,325
Chandler	\$2,184,011	230,845	Clarkdale	\$34,816	3,680
El Mirage	\$303,327	32,061	Cottonwood	\$102,746	10,860
Fountain Hills	\$231,717	24,492	Dewey-Humboldt	\$38,128	4,030
Gila Bend	\$18,733	1,980	Jerome	\$3,122	330
Gilbert	\$1,644,302	173,799	Prescott	\$385,723	40,770
Glendale	\$2,293,039	242,369	Prescott Valley	\$317,651	33,575
Goodyear	\$437,218	46,213	Sedona	\$103,455	10,935
Guadalupe	\$52,556	5,555	<u>Yuma County</u>		
Litchfield Park	\$42,839	4,528	San Luis	\$216,939	22,930
Mesa	\$4,239,410	448,096	Somerton	\$92,244	9,750
Paradise Valley	\$131,157	13,863	Wellton	\$18,638	1,970
Peoria	\$1,306,963	138,143	Yuma	\$839,895	88,775
Phoenix	\$13,962,778	1,475,834			
Queen Creek	\$155,292	16,414			
Scottsdale	\$2,220,975	234,752	TOTAL	\$45,935,888	4,860,420

**TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
February 2007**

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$669,274	88,265
Eagar	\$33,629	4,435	Tempe	\$1,257,158	165,796
Springerville	\$15,658	2,065	Tolleson	\$49,271	6,498
St. Johns	\$29,307	3,865	Wickenburg	\$46,079	6,077
<u>Cochise County</u>			Youngtown	\$46,731	6,163
Benson	\$35,941	4,740	<u>Mohave County</u>		
Bisbee	\$49,817	6,570	Bullhead City	\$289,730	38,210
Douglas	\$130,382	17,195	Colorado City	\$30,937	4,080
Huachuca City	\$13,876	1,830	Kingman	\$196,085	25,860
Sierra Vista	\$331,282	43,690	Lake Havasu City	\$405,174	53,435
Tombstone	\$12,208	1,610	<u>Navajo County</u>		
Willcox	\$29,458	3,885	Holbrook	\$41,135	5,425
<u>Coconino County</u>			Pinetop/Lakeside	\$31,581	4,165
Flagstaff	\$463,939	61,185	Show Low	\$74,954	9,885
Fredonia	\$8,417	1,110	Snowflake	\$37,420	4,935
Page	\$53,912	7,110	Taylor	\$31,088	4,100
Williams	\$23,847	3,145	Winslow	\$74,574	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$56,831	7,495	Marana	\$202,644	26,725
Hayden	\$6,764	892	Oro Valley	\$298,753	39,400
Miami	\$14,824	1,955	Sahuarita	\$106,080	13,990
Payson	\$116,999	15,430	South Tucson	\$42,690	5,630
Star Valley	\$15,211	2,006	Tucson	\$4,017,011	529,770
Winkelman	\$3,359	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$258,338	34,070
Pima	\$16,545	2,182	Casa Grande	\$246,206	32,470
Safford	\$70,973	9,360	Coolidge	\$62,025	8,180
Thatcher	\$34,501	4,550	Eloy	\$84,356	11,125
<u>Greenlee County</u>			Florence	\$155,670	20,530
Clifton	\$19,684	2,596	Kearny	\$17,053	2,249
Duncan	\$6,157	812	Mammoth	\$13,360	1,762
<u>La Paz County</u>			Maricopa	\$120,820	15,934
Parker	\$24,871	3,280	Superior	\$24,674	3,254
Quartzsite	\$27,297	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$165,527	21,830
Avondale	\$525,896	69,356	Patagonia	\$6,976	920
Buckeye	\$192,642	25,406	<u>Yavapai County</u>		
Carefree	\$27,934	3,684	Camp Verde	\$81,361	10,730
Cave Creek	\$36,138	4,766	Chino Valley	\$93,455	12,325
Chandler	\$1,750,395	230,845	Clarkdale	\$27,904	3,680
El Mirage	\$243,104	32,061	Cottonwood	\$82,347	10,860
Fountain Hills	\$185,712	24,492	Dewey-Humboldt	\$30,558	4,030
Gila Bend	\$15,013	1,980	Jerome	\$2,502	330
Gilbert	\$1,317,841	173,799	Prescott	\$309,141	40,770
Glendale	\$1,837,777	242,369	Prescott Valley	\$254,584	33,575
Goodyear	\$350,413	46,213	Sedona	\$82,915	10,935
Guadalupe	\$42,121	5,555	<u>Yuma County</u>		
Litchfield Park	\$34,334	4,528	San Luis	\$173,868	22,930
Mesa	\$3,397,713	448,096	Somerton	\$73,930	9,750
Paradise Valley	\$105,117	13,863	Wellton	\$14,938	1,970
Peoria	\$1,047,477	138,143	Yuma	\$673,141	88,775
Phoenix	\$11,190,595	1,475,834			
Queen Creek	\$124,460	16,414			
Scottsdale	\$1,780,020	234,752	TOTAL	\$36,854,412	4,860,420