



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: July 13, 2005

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

May 2005 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>May 2005</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$198,032,651	\$2,352,611,230
Percent Change	88.9%	35.7%
Corporate Income Tax		
Net Collections	\$ 68,048,720	\$ 604,455,760
Percent Change	138.2 %	58.5%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$315,664,510	\$3,327,654,916
Change	13.8%	10.6%
Total Big Three Tax Types		
Net Collections	\$581,745,881	\$6,284,721,906
Percent Change	41.6%	22.7%

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 May 2005

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	May 2005	May 2004	% Change
Gross Collections	\$84,231,869	\$46,712,145	80.3
Withholding	\$244,198,666	\$195,496,444	24.9
Refunds	(\$99,308,501)	(\$106,930,525)	(7.1)
Urban Revenue Sharing	(\$31,089,382)	(\$30,422,097)	2.2
Net Collections	\$198,032,651	\$104,855,968	88.9

	Fiscal Year Total (04/05)	Fiscal Year 2003/04	% Change
%Gross Collections	\$998,563,627	\$680,350,673	46.3
Withholding	\$2,407,466,022	\$2,136,971,314	12.7
Refunds	(\$711,435,223)	(\$748,630,835)	(5.0)
Urban Revenue Sharing	(\$341,983,197)	(\$334,643,062)	2.2
Net Collections	\$2,352,611,230	\$1,734,048,091	35.7

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

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

Ladewig Refunds

In May 2005, the department issued 268 warrants totaling \$398,011 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 445,294 refunds have been issued for a total of \$128,642,377. Attorney payments are not included in the refund amount and total \$ 6,216,512 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
#	23,444	1,435,987	64,577	101,065	1	28,112	250,903	12,778	164,500	3,141	4	2,084,512
%	1.1	68.9	3.1	4.8	0.0	1.3	12.0	0.6	7.9	0.2	0.0	

The 2,084,512 returns, representing current and prior tax years, filed through May 2005 compares to 1,980,585 returns filed during the same period of time in 2004 for an annual increase of 5.2%. For tax year 2004 filed in 2005, 2,010,405 returns have been filed, a 5.1% increase over filings through May 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 1,441,237 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 7.7% increase in FAGI and an 11.4% increase in tax liability. More specifically, 67.4% of these filers experienced a decrease in tax liability; on average a decrease of 18.9% in FAGI with a corresponding average decrease in tax liability of 34.5%. Filers with an increase in tax liability totaled 782,104 or 45.7% with an average FAGI increase of 27.6% and an average tax liability increase of 50.2%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2005 CYTD	\$484.28	1,331,163
2004 CYTD	\$490.45	1,358,507
% Change	(1.3)	(2.0)

"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 231,039 "new" returns have been filed thus far in 2005, representing approximately 278,422 persons, not including dependents. The average Federal Adjusted gross Income for these 231,039 returns is \$20,233 with an average tax liability of \$319. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.4% had a married filing joint filing status, 7.4% claimed a 65 and Over Exemption and 34.6% 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 2004 was \$393.2 million, for an average of \$2,076. An additional \$74.4 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,848. Estimated payments received through May 2005 for tax year 2005 are as follows:

05/05	140ES payment	\$45,581,430	Cumulative	\$63,738,088
05/04	140ES payment	\$27,841,673	Cumulative	\$45,998,887
	% change	63.7		38.6
05/05	Average payment	\$1,642	Cumulative	\$1,368
05/04	Average payment	\$1,587	Cumulative	\$1,167
	% change	3.5		17.2
05/05	Applied refund	\$9,349,225	Cumulative	\$18,785,808
05/04	Applied refund	\$9,238,953	Cumulative	\$19,409,554
	% change	1.2		(3.2)
Total 05/05		\$54,930,655	Cumulative	\$82,523,896
Total 05/04		\$37,080,626	Cumulative	\$65,408,441
	% change	48.1		26.2

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 2004 through March 2005, \$592,616,122 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2004, which shows an increase of 2.1% in withholding payments over the second quarter of 2003. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2004	6.7%	1 st Quarter 2005	8.5%
4 th Quarter 2004	7.1%	2 nd Quarter 2005	(0.1%)

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	13,829	\$4,899,291	\$354.28
Calendar Year 2004	13,532	\$4,797,066	\$354.50
% Change	2.2	2.1	(0.1)

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:

	May 2005	Calendar Year Total
Check Off	\$909,966	\$3,919,232
Voluntary Donation	\$13,089	\$43,352
Number of Returns	123,312	541,665

Contributions on the Individual Income Tax Return

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

	Number	Amount	Average
Wildlife	8,679	\$153,479	\$17.68
Child Abuse	9,639	\$180,447	\$18.72
Special Olympics	4,567	\$77,096	\$16.88
Neighbors Helping	2,693	\$35,091	\$13.03
AID to Education	678	\$41,663	\$61.45
Domestic Violence Shelter	7,028	\$127,725	\$18.17
Democratic Party	893	\$19,947	\$22.34
Republican Party	609	\$12,758	\$20.95
Libertarian Party	73	\$1,939	\$26.56

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	May 2005	May 2004	% Change
Gross Collections	\$70,241,233	\$29,648,387	136.9
Refunds	(\$2,192,513)	(\$1,084,383)	102.2
Net Collections	\$68,048,720	\$28,564,004	138.2

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$675,759,367	\$493,309,858	37.0
Refunds	(\$71,303,607)	(\$111,921,010)	(36.3)
Net Collections	\$604,455,760	\$381,388,849	58.5

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.

May 2005	\$32,653,141	Calendar Year Total	\$175,484,489
May 2004	\$22,797,860	Calendar Year Total	\$131,669,612
% Change	43.2%	% Change	33.3%

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.

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
May 2005	114	17	27	4	7	0	169	37.4
May 2004	89	12	15	2	5	0	123	
CY 2005	1,019	139	188	30	22	0	1,398	12.7
CY 2004	962	110	126	24	19	0	1,241	

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	16.5%	4.6%	3.8%	51.5%	23.4%	0.2%

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

May 2005	\$13,947,224	Calendar Year Total	\$30,508,573
May 2004	\$307,813	Calendar Year Total	\$32,734,893
% Change	4431.1%	% Change	(6.8%)

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 May 2005, 44,608 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)
#	70	17,072	19,704	154	7,608
%	0.2	38.3	44.2	0.3	17.1

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 May 2004, the Department of Revenue received 31,463 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 41.8% *increase* 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 May 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.

	May 2005	May 2004	% change
Distribution Base	\$132,121,796	\$116,352,798	13.6%
Non shared	\$248,443,479	\$218,137,208	13.9%
Other Revenues	\$54,742,133	\$47,774,272	14.6%
Education Tax	\$46,570,838	\$40,180,293	15.9%
Use Tax	\$21,652,224	\$19,101,957	13.4%
Total Collections	\$503,530,470	\$441,546,527	14.0%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Distribution Base	\$1,372,050,910	\$1,245,504,666	10.1%
Non shared	\$2,616,887,768	\$2,368,354,490	10.5%
Other Revenues	\$570,657,931	\$521,848,969	9.4%
Education Tax	\$490,590,101	\$445,387,393	10.1%
Use Tax	\$237,546,790	\$210,830,886	12.7%
Total Collections	\$5,287,733,499	\$4,791,926,405	10.3%

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.

	May 2005	May 2004	% change
Retained by State	\$315,664,510	\$277,369,244	13.8%
Returned to Counties	\$53,522,540	\$47,134,518	13.6%
Returned to Cities	\$33,030,449	\$29,088,199	13.6%
Education Tax	\$46,570,838	\$40,180,293	15.9%
Other Revenues	\$54,742,133	\$47,774,272	14.6%
Total Collections	\$503,530,470	\$441,546,527	14.0%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Retained by State	\$3,327,654,916	\$3,008,759,935	10.6%
Returned to Counties	\$555,817,823	\$504,553,940	10.2%
Returned to Cities	\$343,012,727	\$311,376,167	10.2%
Education Tax	\$490,590,101	\$445,387,393	10.1%
Other Revenues	\$570,657,931	\$521,848,969	9.4%
Total Collections	\$5,287,733,498	\$4,791,926,405	10.3%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	May 2005	% Chg	Fiscal Year Total	% Chg
Transporting	5.6%	\$244,527	11.6%	\$2,424,656	(24.5%)
Non-Metal Mining Oil/Gas	3.125%	\$810,939	24.6%	\$9,026,246	11.5%
Utilities	5.6%	\$22,938,562	5.1%	\$314,268,635	6.0%
Communications	5.6%	\$12,872,988	7.3%	\$133,521,164	2.8%
Private Car/Pipelines	5.6%	\$72,554	26.3%	\$662,627	(8.3%)
Publishing	5.6%	\$589,669	0.7%	\$6,096,142	3.3%
Job Printing	5.6%	\$1,607,615	14.3%	\$16,770,885	4.0%
Restaurants & Bars	5.6%	\$37,496,656	16.8%	\$360,710,135	9.8%
Amusements	5.6%	\$4,577,247	37.1%	\$39,767,731	6.2%
Commercial Lease	0%	(\$82)	N/A	\$31,089	N/A
Rental of Personal Property	5.6%	\$13,702,027	(3.4%)	\$148,246,303	1.4%
Contracting	3.75% - 5.6%	\$70,909,401	22.9%	\$720,771,992	20.1%
Feed Wholesale	Repealed	0	N/A	0	N/A
Retail	5.6%	\$200,670,511	12.4%	\$2,112,214,358	9.0%
Mining Severance	2.5%	\$1,692,081	111.6%	\$14,636,143	160.2%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	\$621	(34.5%)	\$6,633	(30.1%)
Hotel/Motel	5.5%	\$11,746,064	11.0%	\$103,862,629	12.2%
Membership Camping	5.6%	\$7,862	(17.3%)	\$136,604	(6.1%)
Use Tax	5.6%	\$21,702,498	13.6%	\$238,304,132	12.8%
Rental Occupancy Tax	3.0%	\$6,392	(37.5%)	\$59,713	(53.6%)

	Tax Rate	May 2005	% Chg	Fiscal Year Total	% Chg
Jet Fuel	\$.0305/\$.0105 gal	\$515,456	14.9%	\$4,829,266	3.4%
Telecommunications Devices	1.1	0	N/A	0	N/A
Telecomm	----	\$287,320	(25.9%)	\$3,751,507	(20.1%)
School for the Deaf and Blind		\$97,182	(24.8%)	\$1,186,583	(3.6%)
Poison Control	----	\$76,055	(24.8%)	\$1,072,038	(19.7%)
Teratogen Funding		\$4,225	N/A	\$49,591	N/A
911 Wireline	\$0.37/month per active service	\$1,216,172	7.4%	\$13,172,079	4.7%
911 Wireless	\$0.37/month per active service	\$1,177,801	14.9%	\$11,002,843	0.8%
Total		\$405,022,342	13.7%	\$4,256,581,765	10.4%

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

	May 2005	% Chg	Fiscal Year Total	% Chg
Transporting	\$4,899,754	11.8%	\$48,631,652	(24.3%)
Non-Metal Mining Oil/Gas	\$26,000,401	24.9%	\$289,287,714	11.7%
Utilities	\$459,771,259	5.3%	\$6,295,176,001	6.1%
Communications	\$257,984,406	7.5%	\$2,674,809,949	3.0%
Private Car/Pipelines	\$1,451,316	26.3%	\$13,267,304	(8.2%)
Publishing	\$11,816,796	0.9%	\$122,141,139	3.5%
Job Printing	\$32,217,154	14.5%	\$335,960,894	4.2%
Restaurants & Bars	\$751,277,286	17.0%	\$7,225,547,943	10.0%
Amusements	\$91,685,457	37.3%	\$796,638,209	6.4%
Commercial Lease	(\$12,157)	N/A	\$914,612	N/A
Rental of Personal Property	\$274,756,012	(3.1%)	\$2,970,033,984	1.6%
Contracting	\$1,428,889,088	23.8%	\$14,510,326,460	20.8%
Feed Wholesale	0	N/A	0	N/A
Retail	\$4,023,647,618	12.7%	\$42,320,905,419	9.2%
Mining Severance	\$67,726,843	111.8%	\$586,111,691	160.5%
Timber Severance	\$308	(30.9%)	\$3,574	(22.6%)
Hotel/Motel	\$213,842,929	11.1%	\$1,891,065,591	12.4%
Membership Camping	\$157,863	(17.0%)	\$2,737,893	(3.6%)
Use Tax	\$434,749,540	14.1%	\$4,774,395,133	13.3%
Rental Occupancy Tax	\$213,916	(37.3%)	\$1,994,800	(53.5%)
Total	\$8,081,075,789	14.4%	\$84,859,949,962	11.0%

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.

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.

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 May 2005 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$390,713	0.7%	\$4,139,833	9.0%
Coconino	\$1,288,596	2.4%	\$13,784,922	5.4%
Cochise	942,778	1.8%	9,903,306	6.8%
Gila	\$402,978	0.8%	\$4,212,121	6.7%
Graham	\$239,501	0.4%	\$2,494,448	9.2%
Greenlee	\$229,445	0.4%	\$2,298,075	28.5%
La Paz	\$155,091	0.3%	\$1,671,214	9.3%
Maricopa	\$34,546,386	64.5%	\$357,748,368	10.1%
Mohave	\$1,515,363	2.8%	\$15,704,706	13.4%
Navajo	\$802,419	1.5%	\$8,597,162	9.3%
Pima	\$7,896,220	14.8%	\$82,369,287	9.3%
Pinal	\$1,532,368	2.9%	\$15,359,674	13.7%
Santa Cruz	\$347,135	0.6%	\$3,601,655	8.6%
Yavapai	\$1,866,706	3.5%	\$19,275,138	13.7%
Yuma	\$1,366,842	2.6%	\$14,657,916	12.5%
Total	\$53,522,540		\$555,817,823	10.2%

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 April 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 May 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		76,769							
Cochise		542,882							
Coconino		844,231	506,544					210,641	
Gila	230,286	222,625							
Graham		105,585							
Greenlee		70,062							
La Paz		82,676	82,675				119		
Maricopa	27,557,536		10,287,097	605,177	189				2,229,366
Mohave		565,325							
Navajo		468,274							
Pima				155,487		13,250			
Pinal	1,141,161	1,114,379							
Santa Cruz		227,371							
Yavapai		1,197,482	598,776						
Yuma		876,759	876,719					876,515	

OTHER TAXES

Luxury Taxes

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

	May 2005	May 2004	%
			Change
Spirituous	\$2,493,826	\$2,064,927	20.8
Vinous	\$835,319	\$798,892	4.6
Malt	\$2,134,286	\$2,018,087	5.8
Cigarette	\$24,014,152	\$22,215,081	8.1
Other Tobacco	\$711,126	\$819,429	(13.2)
Tobacco Licenses	\$350	\$1,125	(68.9)
Total	\$30,189,059	\$27,917,540	8.1

	Fiscal Year (04/05)	Fiscal Year (03/04)	%
			Change
Spirituous	\$22,039,962	\$21,662,587	1.7
Vinous	\$10,245,812	\$9,700,154	5.6
Malt	\$20,517,397	\$20,294,507	1.1
Cigarette*	\$251,866,438	\$242,917,995	3.7
Other Tobacco	\$8,016,099	\$7,339,134	9.2
Tobacco Licenses	\$3,325	\$4,675	(28.9)
Total	\$312,689,033	\$301,919,052	3.6

*Through May 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:

	May 2005	Fiscal Year (04/05)
Spirituous	\$1,745,678	\$15,427,974
Vinous	\$208,119	\$2,553,514
Malt	\$533,571	\$5,129,348
Cigarette	\$3,248,008	\$33,533,075
Other Tobacco	\$110,566	\$1,247,528
Tobacco Licenses	\$350	\$3,325
Total	\$5,846,293	\$57,894,764

Other dedicated revenues from luxury taxes:

	May 2005	Fiscal Year (04/05)
Correction Fund revenues	\$2,498,714	\$25,212,880
Tobacco Tax & Health Care Fund ²	\$8,385,964	\$88,171,238
Tobacco Products Tax Fund ³	\$12,464,173	\$131,300,538
Wine Promotional Fund revenues	\$2,841	\$31,754
Drug Treatment & Education Fund revenues	\$708,585	\$7,074,459
Corrections Revolving Fund revenues	\$282,488	\$2,812,401

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

May 2005	\$1,626,355	Fiscal Year to Date	\$29,933,699
May 2004	\$4,513,856	Fiscal Year To Date	\$36,686,789
% Change	(64.0)	% Change	(18.4)

Bingo

May 2005	\$42,522	Fiscal Year to Date	\$571,308
May 2004	\$39,272	Fiscal Year to Date	\$584,784
% Change	8.3	% Change	(2.3)

Unclaimed Property

May 2005	\$6,643,227	Fiscal Year to Date	\$62,903,780
May 2004	\$3,567,934	Fiscal Year to Date	\$36,642,256
% Change	86.2	% Change	71.7

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 May 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	2,237	1.0%	-\$11,668	\$2	16.2%	76.5%	5.1%	2.3%	13.5%	11.2%
\$0-\$5,000	48,764	21.1%	\$2,753	\$0	4.2%	84.3%	10.7%	0.8%	4.3%	16.3%
\$5,000-\$10,000	49,338	21.4%	\$7,363	\$24	6.5%	74.3%	18.0%	1.1%	5.6%	26.1%
\$10,000-\$15,000	33,011	14.3%	\$12,366	\$89	13.2%	56.9%	28.3%	1.5%	8.3%	39.8%
\$15,000-\$20,000	24,224	10.5%	\$17,370	\$164	20.3%	47.4%	30.3%	1.9%	8.6%	45.1%
\$20,000-\$25,000	16,791	7.3%	\$22,386	\$268	24.9%	42.8%	29.7%	2.6%	7.6%	48.3%
\$25,000-\$30,000	12,006	5.2%	\$27,383	\$388	27.5%	41.8%	27.5%	3.1%	7.6%	47.4%
\$30,000-\$40,000	15,702	6.8%	\$34,519	\$551	34.8%	37.8%	23.8%	3.6%	8.1%	46.9%
\$40,000-\$50,000	9,208	4.0%	\$44,560	\$786	45.8%	32.9%	18.3%	3.0%	9.9%	47.9%
\$50,000-\$75,000	11,659	5.0%	\$60,532	\$1,157	61.7%	24.5%	11.5%	2.2%	12.3%	47.6%
\$75,000-\$100,000	4,444	1.9%	\$85,567	\$1,830	73.1%	18.1%	7.2%	1.7%	14.3%	46.2%
\$100,000-\$200,000	3,035	1.3%	\$128,464	\$3,248	75.5%	17.9%	5.2%	1.5%	15.8%	45.1%
\$200,000-\$500,000	531	0.2%	\$280,312	\$9,681	69.9%	20.6%	7.3%	2.2%	18.5%	40.2%
\$500,000-\$1,000,000	67	0.0%	\$665,353	\$25,610	62.7%	25.4%	6.0%	6.0%	29.9%	26.9%
\$1,000,000 and over	22	0.0%	\$2,176,125	\$99,765	68.2%	31.8%	0.0%	0.0%	18.2%	31.8%
Total	231,039		\$20,233	\$319	16.4%	48.9%	16.8%	1.4%	7.4%	34.6%

*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
May 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		
Queen Creek	\$33,053	4,316	\$31,089,382	4,059,533	
Scottsdale	\$1,552,389	202,705			

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

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,647,921	202,705
Eagar	\$32,787	4,033	Surprise	\$250,783	30,848
Springerville	\$16,032	1,972	Tempe	\$1,289,566	158,625
St. Johns	\$28,844	3,548	Tolleson	\$40,437	4,974
<u>Cochise County</u>			Wickenburg	\$41,315	5,082
Benson	\$38,299	4,711	Youngtown	\$24,470	3,010
Bisbee	\$49,510	6,090	<u>Mohave County</u>		
Douglas	\$134,326	16,523	Bullhead City	\$274,530	33,769
Huachuca City	\$14,235	1,751	Colorado City	\$27,104	3,334
Sierra Vista	\$307,097	37,775	Kingman	\$163,154	20,069
Tombstone	\$12,227	1,504	Lake Havasu City	\$340,941	41,938
Willcox	\$30,348	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$39,973	4,917
Flagstaff	\$430,010	52,894	Pinetop/Lakeside	\$29,120	3,582
Fredonia	\$8,422	1,036	Show Low	\$62,558	7,695
Page	\$55,355	6,809	Snowflake	\$36,258	4,460
Williams	\$23,104	2,842	Taylor	\$25,820	3,176
<u>Gila County</u>			Winslow	\$77,394	9,520
Globe	\$60,859	7,486	<u>Pima County</u>		
Hayden	\$7,252	892	Marana	\$110,206	13,556
Miami	\$15,739	1,936	Oro Valley	\$259,612	31,934
Payson	\$110,726	13,620	Sahuarita	\$26,356	3,242
Winkelman	\$3,601	443	South Tucson	\$44,632	5,490
<u>Graham County</u>			Tucson	\$3,956,692	486,699
Pima	\$16,170	1,989	<u>Pinal County</u>		
Safford	\$75,053	9,232	Apache Junction	\$258,637	31,814
Thatcher	\$32,697	4,022	Casa Grande	\$205,062	25,224
<u>Greenlee County</u>			Coolidge	\$63,297	7,786
Clifton	\$21,105	2,596	Eloy	\$84,345	10,375
Duncan	\$6,601	812	Florence	\$139,895	17,208
<u>La Paz County</u>			Kearny	\$18,284	2,249
Parker	\$25,527	3,140	Mammoth	\$14,324	1,762
Quartzsite	\$27,267	3,354	Maricopa	\$40,632	4,998
<u>Maricopa County</u>			Superior	\$26,454	3,254
Avondale	\$291,716	35,883	<u>Santa Cruz County</u>		
Buckeye	\$69,078	8,497	Nogales	\$169,731	20,878
Carefree	\$23,796	2,927	Patagonia	\$7,162	881
Cave Creek	\$30,307	3,728	<u>Yavapai County</u>		
Chandler	\$1,438,452	176,939	Camp Verde	\$76,833	9,451
El Mirage	\$61,859	7,609	Chino Valley	\$66,395	8,167
Fountain Hills	\$164,503	20,235	Clarkdale	\$27,820	3,422
Gila Bend	\$16,097	1,980	Cottonwood	\$74,622	9,179
Gilbert	\$891,798	109,697	Dewey-Humboldt	\$27,868	3,428
Glendale	\$1,778,865	218,812	Jerome	\$2,675	329
Goodyear	\$153,740	18,911	Prescott	\$275,904	33,938
Guadalupe	\$42,502	5,228	Prescott Valley	\$191,331	23,535
Litchfield Park	\$30,974	3,810	Sedona	\$82,857	10,192
Mesa	\$3,233,779	397,776	<u>Yuma County</u>		
Paradise Valley	\$111,084	13,664	San Luis	\$124,562	15,322
Peoria	\$880,961	108,364	Somerton	\$59,070	7,266
Phoenix	\$10,739,633	1,321,045	Wellton	\$14,869	1,829
Queen Creek	\$35,088	4,316	Yuma	\$631,552	77,685
			TOTAL	\$33,030,449	4,062,961