



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: August 9, 2006

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

May 2006 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>May 2006</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$ 388,382,737	\$ 2,981,659,848
Percent Change	96.1%	26.9%
Corporate Income Tax		
Net Collections	\$ 52,843,691	\$ 733,473,646
Percent Change	(22.3%)	21.3%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 362,497,145	\$ 3,890,092,856
Change	14.8%	16.9%
Total Big Three Tax Types		
Net Collections	\$ 803,723,573	\$7,605,226,350
Percent Change	38.2%	21.0%

TAX FACTS

May 2006

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	<u>May-06</u>	<u>May-05</u>	<u>% Change</u>
Gross Collections	\$ 259,114,481	\$ 84,231,869	207.6
Withholding	\$ 276,966,197	\$ 244,198,666	13.4
Refunds	\$ (112,262,197)	\$ (99,308,501)	13.0
Urban Revenue Sharing	\$ (35,435,744)	\$ (31,089,382)	14.0
Net Collections	\$ 388,382,737	\$ 198,032,651	96.1

	<u>Fiscal Year Total (05/06)</u>	<u>Fiscal Year Total (04/05)</u>	<u>% Change</u>
Gross Collections	\$ 1,453,430,988	\$ 998,563,627	45.6
Withholding	\$ 2,780,125,509	\$ 2,407,466,022	15.5
Refunds	\$ (862,103,465)	\$ (714,993,519)	20.6
Urban Revenue Sharing	\$ (389,793,183)	\$ (341,983,197)	14.0
Net Collections	\$ 2,981,659,848	\$ 2,349,052,934	26.9

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In May 2006, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

Ladewig Refunds

In May 2006, the department issued 171 warrants totaling \$64,614 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 308,793 refunds have been issue for a total of \$44,040,490. Attorney payments are not included in the refund amount and total \$ 4,994,495 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 2005, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,957	1,675,324	99,248	115,957	12	45036	279,787	12,873	188,966	3,161	8	2,467,329
%	1.9%	67.9%	4.0%	4.7%	0.0%	1.8%	11.3%	0.5%	7.7%	0.1%	0.0%	

In calendar year 2006 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	20,998	1,429,055	78,165	114,532	0	28,647	362,433	9,664	153,945	3,358	7	2,200,804
%	1.0%	64.9%	3.6%	5.2%	0.0%	1.3%	16.5%	0.4%	7.0%	0.2%	0.0%	

Individual Income Tax Document Count continued

The 2,200,804 returns representing current and prior tax years, filed through May 2006 compares to 2,084,512 returns filed during the same period of time in 2005 for an annual increase of 5.6%. For the tax year 2005 filed in 2006, 2,133,664 returns have been filed, a 6.1% increase in filings through May 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 1,412,544 returns in calendar year 2006 for tax year 2005 from filers who also have returns on record from calendar year 2005 with the same marital status. On average, these filers experienced a 10.0% increase in FAGI and a 13.7% increase in tax liability. More specifically, 34.7% of these filers experienced a decrease in tax liability; on average a decrease of 18.6% in FAGI with a corresponding average decrease in tax liability of 36.4%. Filers with an increase in tax liability totaled 748,783 or 53.0%, with an average FAGI increase of 33.7% and an average tax liability increase of 60.4%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2006 CYTD	\$ 564.22	1,378,686
2005 CYTD	\$ 484.28	1,331,163
% Change	16.5	3.6

"New" Filers in Calendar Year 2006

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "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 232,142 "new" returns have been filed thus far in 2006, representing approximately 278,845 persons, not including dependents. The average Federal Adjusted Gross Income is \$20,836 with an average tax liability of \$342. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.2% had a married filing joint filing status, 7.3% claimed a 65 and Over Exemption and 34.1% 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 tax year 2005 was \$574.9 million, for an average of \$2,680. An additional \$94.1 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,356. Estimated payments received through May 2006 for tax year 2006 are as follows:

05/06	140ES payment	\$	49,701,456	Cumulative \$	85,976,154
05/05	140ES payment	\$	45,581,430	Cumulative \$	63,738,088
	% change		9.0%		34.9%
05/06	Average payment	\$	2,182	Cumulative \$	1,654
05/05	Average payment	\$	1,642	Cumulative \$	1,368
	% change		32.9%		20.9%
05/06	Applied refund	\$	8,846,585	Cumulative \$	17,926,489
05/05	Applied refund	\$	9,349,225	Cumulative \$	18,785,808
	% change		(5.4%)		(4.6%)
Total 05/06		\$	58,548,041	Cumulative \$	103,902,643
Total 05/05		\$	54,930,655	Cumulative \$	82,523,896
	% change		6.6%		25.9%

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, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2005, which shows an increase of 10.3% in withholding payments over the first quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

2 nd Quarter 2005	7.1%	1 st Quarter 2006	38.7%
3 rd Quarter 2005	28.2%	2 nd Quarter 2006	24.7%
4 th Quarter 2005	18.1%		

As of January 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.

	<u>Number</u>	<u>Amount</u>	<u>Average</u>
Calendar Year 2006	10,828	\$ 3,904,333	\$ 361
Calendar Year 2005	13,829	\$ 4,899,291	\$ 354
% Change	(21.7)	(20.3)	1.8

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 tax year 2005 filed in 2006.

	<u>May 2006</u>	<u>Calendar Year Total</u>
Check Off	\$717,835	\$4,069,519
Voluntary Donation	\$10,263	\$40,649
Number of Returns	95,995	563,773

Contributions on the Individual Income Tax Return

Through May 2006, individual income tax return filers have made the following contributions:

	<u>Number</u>	<u>Amount</u>	<u>Average</u>
Wildlife	9,321	\$ 182,001	\$ 19.53
Child Abuse	9,966	\$ 207,443	\$ 20.82
Special Olympics	4,799	\$ 89,651	\$ 18.68
Neighbors Helping	2,811	\$ 45,073	\$ 16.03
AID to Education	734	\$ 41,678	\$ 56.78
Domestic Violence Shelter	7,333	\$ 151,314	\$ 20.63
Democratic Party	969	\$ 23,143	\$ 23.88
Republican Party	569	\$ 14,701	\$ 25.84
Libertarian Party	64	\$ 1,750	\$ 27.34

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	May 2006	May 2005	% Change
Gross Collections	\$56,587,649	\$70,241,233	(19.4)
Refunds	(\$3,743,958)	(\$2,192,513)	70.8
Net Collections	\$52,843,691	\$68,048,720	(22.3)
	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$820,394,991	\$675,759,367	21.4
Refunds	(\$86,921,345)	(\$71,303,607)	21.9
Net Collections	\$733,473,646	\$604,455,760	21.3

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 2006	\$39,661,726	Calendar Year Total	\$252,189,905
May 2005	\$32,653,141	Calendar Year Total	\$175,484,489
% Change	21.5	% Change	43.7

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 May 2006 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
May 2006	96	13	18	3	10	0	140	(17.2)
May 2005	114	17	27	4	7	0	169	
CY 2006	1,043	178	210	44	36	0	1,511	8.1
CY 2005	1,016	142	188	31	21	0	1,398	

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
May 2006	\$1,260,388	\$932,792	\$4,173,758	\$1,880,000	\$27,042,300	\$35,289,238	24.8%
May 2005	\$1,400,504	\$1,214,240	\$5,868,440	\$2,476,661	\$17,305,800	\$28,265,645	
CY 2006	\$13,765,663	\$12,407,057	\$47,222,257	\$31,288,800	\$91,737,710	\$196,421,487	44.6%
CY 2005	\$12,419,194	\$9,993,725	\$42,168,028	\$20,733,165	\$50,508,202	\$135,822,314	

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 04/05 by corporate fiscal year. For example, in FY 04/05, 18.1% of the refund dollars paid were for corporate fiscal years ending in 2000 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	18.1%	14.7%	3.3%	44.0%	19.4%	0.5%
Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	19.9%	3.4%	4.2%	57.9%	12.8%	1.7%

Corporate Refunds

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 2006	\$8,715,938	Calendar Year Total	\$98,436,070
May 2005	<u>\$13,947,224</u>	Calendar Year Total	<u>\$30,508,573</u>
% Change	(37.5%)	% Change	222.7%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 112,597 corporate returns showing a fiscal year-end of 2004. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	274	35,862	64,351	379	11,731
%	0.2	31.8	57.2	0.3	10.4

Through May, 2006, 73,168 documents were received for a fiscal year-end of 2005, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	74	19,693	44,280	254	8,867
%	0.1	26.9	60.5	0.3	12.1

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. Through May 2005, the Department of Revenue received 44,608 documents with a fiscal year-end of 2004. Compared to 2004 documents, the Department has seen a 64.0% increase in the number of corporate returns received (*or at least keyed*) at this point of time in the calendar year. Please note that the processing area has focused more on corporate returns this spring than is normal due to the anticipated conversion this summer of the corporate system to BRITS, the new integrated tax system.

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 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for May 2006 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.

Transaction Privilege, Severance and Use Tax Receipts (continued)

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 2006	May 2005	% change
Distribution Base	\$153,005,620	\$132,121,796	15.8%
Non shared	288,042,661	248,443,479	15.9%
Use Tax	21,682,845	21,652,224	0.1%
Education Tax	51,850,312	46,570,838	11.3%
Other Revenues	61,797,992	54,742,134	12.9%
Total Collections	\$576,379,430	\$503,530,470	14.5%

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Distribution Base	\$1,588,296,797	\$1,372,050,909	15.8%
Non shared	3,054,708,348	2,616,960,104	16.7%
Use Tax	287,580,943	237,474,453	21.1%
Education Tax	574,023,437	490,590,101	17.0%
Other Revenues	663,405,601	570,657,932	16.3%
Total Collections	\$6,168,015,127	\$5,287,733,499	16.6%

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 2006	May 2005	% change
Retained by State	\$362,497,145	\$315,664,510	14.8%
Returned to Counties	61,982,577	53,522,540	15.8%
Returned to Cities	38,251,405	33,030,449	15.8%
Education Tax	51,850,312	46,570,838	11.3%
Other Revenues	61,797,992	54,742,134	12.9%
Total Collections	\$576,379,430	\$503,530,470	14.5%

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Retained by State	\$3,890,092,856	\$3,327,654,916	16.9%
Returned to Counties	643,419,033	555,817,823	15.8%
Returned to Cities	397,074,199	343,012,727	15.8%
Education Tax	574,023,437	490,590,101	17.0%
Other Revenues	663,405,601	570,657,932	16.3%
Total Collections	\$6,168,015,126	\$5,287,733,499	16.6%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	May 2006	% Chg	Fiscal Year	
				Total	% Ch
Transporting	5.6	\$312,139	27.7%	\$2,685,881	10.8%
Non-Metal Mining Oil/Gas	3.125%	554,631	(31.6%)	9,311,466	3.2%
Utilities	5.6%	25,416,819	10.8%	350,957,369	11.7%
Communications	5.6%	14,383,198	11.7%	146,418,295	9.7%
Private Car/Pipelines	5.6%	84,006	15.8%	1,171,250	76.8%
Publishing	5.6%	514,455	(12.8%)	6,098,609	0.0%
Job Printing	5.6%	1,748,763	8.8%	18,320,353	9.2%
Restaurants & Bars	5.6%	40,730,423	8.6%	406,232,064	12.6%
Amusements	5.6%	5,251,242	14.7%	44,453,217	11.8%
Commercial Lease	0%	10	n/a	(3,579)	n/a
Rental of Personal Property	5.6%	16,880,300	23.2%	165,889,811	11.9%
Contracting	3.75% - 5.6%	88,084,423	24.2%	921,427,542	27.8%
Feed Wholesale	Repealed				
Retail	5.6%	229,371,005	14.3%	2,423,062,921	14.7%
Mining Severance	2.5%	3,545,470	109.5%	25,470,625	74.0%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	2,750	342.6%	20,971	186.3%
Hotel/Motel	5.5%	13,580,942	15.6%	113,615,878	9.4%
Membership Camping	5.6%	7,848	(0.2%)	134,238	(1.7%)
Use Tax	5.6%	21,682,845	0.1%	287,580,943	21.1%
Rental Occupancy Tax	3.0%	667	(89.6%)	119,304	99.8%
Jet Fuel		482,185	(6.5%)	5,555,862	15.0%
Jet Fuel Use Tax	\$.0305/\$.0105 gal	52,640	4.7%	696,151	(16.1%)
Telecommunications Devices	1.1				
Telecomm	----	291,884	1.6%	3,310,046	(11.8%)
School for the Deaf and Blind		68,678	(29.3%)	867,140	(31.6%)
Poison Control	----	107,310	41.1%	1,128,620	13.8%
Teratogen Funding		4,292	1.6%	48,728	N/A
911 Wireline	\$0.37/month per active service	1,224,611	3.2%	12,810,596	3.6%
911 Wireless	\$0.37/month per active service	1,135,892	(3.6%)	12,285,998	(1.9%)
Total		\$465,519,430	14.9%	\$4,959,670,298	16.5%

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 2006	% Chg	Fiscal Year Total	% Chg
Transporting	\$6,232,127	27.2%	\$53,819,467	10.7%
Non-Metal Mining Oil/Gas	17,786,843	(31.6%)	298,711,481	3.3%
Utilities	509,646,127	10.8%	7,037,102,353	11.8%
Communications	288,320,909	11.8%	2,935,058,034	9.7%
Private Car/Pipelines	1,681,620	15.9%	23,483,021	77.0%
Publishing	10,312,326	(12.7%)	122,285,197	0.1%
Job Printing	35,056,932	8.8%	367,221,616	9.3%
Restaurants & Bars	816,660,241	8.7%	8,142,683,280	12.7%
Amusements	105,221,653	14.8%	890,805,740	11.8%
Commercial Lease	337	n/a	(119,606)	n/a
Rental of Personal Property	338,320,400	23.1%	3,325,279,803	12.0%
Contracting	1,773,908,928	24.1%	18,556,580,216	27.9%

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 Class¹ continued

	May 2006	% Chg	Fiscal Year Total	% Chg
Feed Wholesale	\$0	0.0	\$0	n/a
Retail	4,596,152,972	14.2%	48,571,253,392	14.8%
Mining Severance	142,020,478	109.7%	1,020,840,025	74.2%
Timber Severance	1,292	319.4%	9,780	173.6%
Hotel/Motel	247,484,021	15.7%	2,070,057,844	9.5%
Membership Camping	157,752	(0.1%)	2,688,402	(1.8%)
Use Tax	435,330,730	0.1%	5,780,714,779	21.1%
Rental Occupancy Tax	23,572	(89.0%)	3,991,110	100.1%
Total	\$9,324,319,260	15.4%	\$99,202,465,936	16.9%

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 April 2006 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$449,828	0.7%	\$4,798,270	15.9%
Coconino	1,464,963	2.4%	15,449,506	12.1%
Cochise	1,079,981	1.7%	11,198,890	13.1%
Gila	457,194	0.7%	4,885,563	16.0%
Graham	294,004	0.5%	2,978,535	19.4%
Greenlee	437,235	0.7%	3,341,955	45.4%
La Paz	177,266	0.3%	1,889,578	13.1%
Maricopa	39,846,420	64.3%	413,761,798	15.7%
Mohave	1,785,607	2.9%	18,536,726	18.0%
Navajo	948,801	1.5%	9,862,686	14.7%
Pima	9,000,461	14.5%	93,787,738	13.9%
Pinal	1,887,117	3.0%	19,197,982	25.0%
Santa Cruz	407,964	0.7%	4,205,127	16.8%
Yavapai	2,206,001	3.6%	22,873,682	18.7%
Yuma	1,539,734	2.5%	16,650,996	13.6%
Total	\$61,982,577		\$643,419,033	15.8%

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 May 2006 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 2006 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.

County Tax Collections continued

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svcs Dist	Capitol Projects	Tourism Authority
Apache		\$80,498							
Cochise		\$621,397							
Coconino		\$960,390	\$576,217					\$240,490	
Gila	\$229,742	\$224,126							
Graham		\$142,711							
Greenlee		\$76,796							
La Paz		\$95,368	\$95,368				\$210		
Maricopa	\$31,126,559		\$11,624,140	\$631,768	\$6,572				\$2,513,666
Mohave		\$661,093							
Navajo		\$560,661							
Pima				\$153,914		\$20,160			
Pinal	\$1,443,868	\$1,419,805							
S Cruz		\$270,443							
Yavapai		\$1,455,453	\$728,342						
Yuma		\$884,787	\$884,789				\$181,778	\$884,939	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in May 2006. The table compares the receipts to May 2005 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	May 2006		May 2005		% Change
Spirituos	\$	2,301,452	\$	2,493,826	(7.7%)
Vinous	\$	995,359	\$	835,319	19.2%
Malt	\$	2,536,561	\$	2,134,286	18.8%
Cigarette	\$	25,892,922	\$	24,014,152	7.8%
Other Tobacco	\$	949,130	\$	711,126	33.5%
Tobacco Licenses	\$	450	\$	350	28.6%
Total	\$	32,675,874	\$	30,189,059	8.2%

	Fiscal Year (05/06)		Fiscal Year (04/05)		% Change
Spirituos	\$	24,152,362	\$	22,039,963	9.6%
Vinous	\$	10,602,492	\$	10,245,812	3.5%
Malt	\$	21,856,394	\$	20,517,398	6.5%
Cigarette*	\$	263,020,015	\$	251,866,437	4.4%
Other Tobacco	\$	8,618,651	\$	8,016,099	7.5%
Tobacco Licenses	\$	4,450	\$	3,325	33.8%
Total	\$	328,254,363	\$	312,689,033	5.0%

*Through May 2006, \$469,800 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:

	<u>May 2006</u>	<u>FY05/06</u>
Spirituous	\$ 1,611,016	\$ 16,906,653
Vinous	\$ 248,202	\$ 2,641,554
Malt	\$ 634,140	\$ 5,464,097
Cigarette	\$ 3,465,919	\$ 35,184,230
Other Tobacco	\$ 71,185	\$ 969,508
Tobacco Licenses	\$ 450	\$ 4,450
Total	\$ 6,030,912	\$ 61,170,493

Other dedicated revenues from luxury taxes:

	<u>May 2006</u>	<u>FY05/06</u>
Correction Fund revenues	\$ 2,729,399	\$ 26,409,314
Tobacco Tax & Health Care Fund ²	\$ 9,120,210	\$ 92,155,205
Tobacco Products Tax Fund ³	\$ 13,680,314	\$ 137,962,189
Wine Promotional Fund revenues	\$ 2,552	\$ 36,271
Drug Treatment & Education Fund revenues	\$ 796,388	\$ 7,526,736
Corrections Revolving Fund revenues	\$ 316,099	\$ 2,994,154

Estate Tax

	May-06 \$ 81,923	Fiscal Year to Date \$ 11,644,833
	May-05 \$ 1,626,355	Fiscal Year to Date \$ 29,933,699
% change	(95.0%)	% Change (61.1%)

Bingo

	May-06 \$ 47,676	Fiscal Year to Date \$ 579,979
	May-05 \$ 42,522	Fiscal Year to Date \$ 571,308
% change	12.1%	% Change 1.5%

Unclaimed Property

	May-06 \$ 3,697,658	Fiscal Year to Date \$ 50,562,625
	May-05 \$ 6,643,227	Fiscal Year to Date \$ 62,903,782
% change	(44.3%)	% Change (19.6%)

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.

TABLE 1
“New” Returns Filed in 2006 for Tax Year 2005
Through May 2006

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	2,074	0.9%	(\$16,130)	\$3	17.3%	74.4%	5.9%	2.3%	14.1%	13.0%
\$0-\$5,000	49,208	21.2%	\$2,759	\$0	3.8%	85.3%	10.2%	0.7%	3.7%	16.2%
\$5,000-\$10,000	50,798	21.9%	\$7,344	\$23	5.8%	75.9%	17.4%	0.9%	4.9%	25.5%
\$10,000-\$15,000	32,277	13.9%	\$12,366	\$87	12.6%	57.0%	29.0%	1.4%	8.3%	39.8%
\$15,000-\$20,000	24,263	10.5%	\$17,372	\$155	20.2%	45.8%	32.4%	1.7%	8.9%	46.2%
\$20,000-\$25,000	16,615	7.2%	\$22,348	\$255	26.0%	41.5%	30.1%	2.4%	7.6%	49.4%
\$25,000-\$30,000	11,441	4.9%	\$37,383	\$384	28.8%	43.3%	25.2%	2.7%	8.1%	45.3%
\$30,000-\$40,000	15,099	6.5%	\$34,556	\$548	33.7%	40.8%	22.1%	3.4%	8.4%	45.2%
\$40,000-\$50,000	9,028	3.9%	\$44,637	\$777	43.2%	36.1%	17.5%	3.1%	9.9%	44.3%
\$50,000-\$75,000	11,823	5.1%	\$60,652	\$1,131	60.1%	26.3%	11.2%	2.3%	13.0%	45.8%
\$75,000-\$100,000	4,998	2.2%	\$85,628	\$1,790	73.4%	18.2%	6.9%	1.4%	14.8%	45.9%
\$100,000-\$200,000	3,736	1.6%	\$129,769	\$3,256	75.0%	17.6%	5.7%	1.6%	16.8%	44.8%
\$200,000-\$500,000	674	0.3%	\$285,138	\$9,667	67.5%	23.5%	6.9%	2.1%	28.1%	36.8%
\$500,000-\$1,000,000	80	0.0%	\$672,373	\$40,637	75.0%	20.0%	2.5%	2.5%	32.5%	33.8%
\$1,000,000 and over	28	0.0%	\$1,991,134	\$121,976	67.9%	21.4%	7.1%	3.6%	46.4%	25.0%
Total	232,142		\$20,836	\$342	16.2%	49.6%	16.6%	1.3%	7.3%	34.1%

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

NEW RETURNS FILED IN 2005 FOR TAX YEAR 2004										
Total	258,482		\$22,021	\$390	17.0%	48.3%	16.1%	1.7%	7.5%	34.2%

“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 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$269,135	30,848
Eagar	\$23,469	4,033	Tempe	\$1,383,930	158,625
Springerville	\$30,955	3,548	Tolleson	\$43,396	4,974
St. Johns	\$17,205	1,972	Wickenburg	\$44,338	5,082
<u>Cochise County</u>			Youngtown	\$26,261	3,010
Benson	\$41,101	4,711	<u>Mohave County</u>		
Bisbee	\$53,132	6,090	Bullhead City	\$294,619	33,769
Douglas	\$144,156	16,523	Colorado City	\$29,088	3,334
Huachuca City	\$15,277	1,751	Kingman	\$175,093	20,069
Sierra Vista	\$329,569	37,775	Lake Havasu City	\$365,890	41,938
Tombstone	\$13,122	1,504	<u>Navajo County</u>		
Willcox	\$32,569	3,733	Holbrook	\$42,899	4,917
<u>Coconino County</u>			Pinetop-Lakeside	\$31,251	3,582
Flagstaff	\$461,476	52,894	Show Low	\$67,135	7,695
Fredonia	\$9,039	1,036	Snowflake	\$38,911	4,460
Page	\$59,405	6,809	Taylor	\$27,709	3,176
Williams	\$24,795	2,842	Winslow	\$83,058	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$65,312	7,486	Marana	\$118,270	13,556
Hayden	\$7,782	892	Oro Valley	\$278,609	31,934
Miami	\$16,891	1,936	Sahuarita	\$28,285	3,242
Payson	\$118,828	13,620	South Tucson	\$47,898	5,490
Winkelman	\$3,865	443	Tucson	\$4,246,224	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,353	1,989	Apache Junction	\$277,562	31,814
Safford	\$80,545	9,232	Casa Grande	\$220,068	25,224
Thatcher	\$35,090	4,022	Coolidge	\$67,929	7,786
<u>Greenlee County</u>			Eloy	\$90,517	10,375
Clifton	\$22,649	2,596	Florence	\$150,132	17,208
Duncan	\$7,084	812	Kearny	\$19,621	2,249
<u>La Paz County</u>			Mammoth	\$15,373	1,762
Parker	\$27,395	3,140	Maricopa	\$43,605	4,998
Quartzsite	\$29,262	3,354	Superior	\$28,390	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$313,063	35,883	Nogales	\$182,151	20,878
Buckeye	\$74,132	8,497	Patagonia	\$7,686	881
Carefree	\$25,537	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,525	3,728	Camp Verde	\$82,456	9,451
Chandler	\$1,543,711	176,939	Chino Valley	\$71,253	8,167
El Mirage	\$66,385	7,609	Clarkdale	\$29,855	3,422
Fountain Hills	\$176,541	20,235	Cottonwood	\$80,083	9,179
Gila Bend	\$17,275	1,980	Dewey-Humboldt	\$29,908	3,428
Gilbert	\$957,056	109,697	Jerome	\$2,870	329
Glendale	\$1,909,034	218,812	Prescott	\$296,093	33,938
Goodyear	\$164,990	18,911	Prescott Valley	\$205,332	23,535
Guadalupe	\$45,612	5,228	Sedona	\$88,920	10,192
Litchfield Park	\$33,240	3,810	<u>Yuma County</u>		
Mesa	\$3,470,412	397,776	San Luis	\$133,677	15,322
Paradise Valley	\$119,212	13,664	Somerton	\$63,392	7,266
Peoria	\$945,426	108,364	Wellton	\$15,957	1,829
Phoenix	\$11,525,508	1,321,045	Yuma	\$677,766	77,685
Queen Creek	\$37,655	4,316			
Scottsdale	\$1,768,508	202,705	TOTAL	\$35,435,744	4,062,961

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
May 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$289,450	30,848
Eagar	\$37,842	4,033	Tempe	\$1,488,392	158,625
Springerville	\$18,504	1,972	Tolleson	\$46,672	4,974
St. Johns	\$33,291	3,548	Wickenburg	\$47,685	5,082
<u>Cochise County</u>			Youngtown	\$28,243	3,010
Benson	\$44,204	4,711	<u>Mohave County</u>		
Bisbee	\$57,143	6,090	Bullhead City	\$316,857	33,769
Douglas	\$155,037	16,523	Colorado City	\$31,283	3,334
Huachuca City	\$16,430	1,751	Kingman	\$188,309	20,069
Sierra Vista	\$354,446	37,775	Lake Havasu City	\$393,508	41,938
Tombstone	\$14,112	1,504	<u>Navajo County</u>		
Willcox	\$35,027	3,733	Holbrook	\$46,137	4,917
<u>Coconino County</u>			Pinetop/Lakeside	\$33,610	3,582
Flagstaff	\$496,309	52,894	Show Low	\$72,203	7,695
Fredonia	\$9,721	1,036	Snowflake	\$41,848	4,460
Page	\$63,890	6,809	Taylor	\$29,801	3,176
Williams	\$26,667	2,842	Winslow	\$89,327	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$70,242	7,486	Marana	\$127,197	13,556
Hayden	\$8,370	892	Oro Valley	\$299,639	31,934
Miami	\$18,166	1,936	Sahuarita	\$30,420	3,242
Payson	\$127,798	13,620	South Tucson	\$51,513	5,490
Star Valley	\$128,291	2,006	Tucson	\$4,566,739	486,699
Winkelman	\$4,157	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$298,514	31,814
Pima	\$18,663	1,989	Casa Grande	\$236,679	25,224
Safford	\$86,625	9,232	Coolidge	\$73,057	7,786
Thatcher	\$37,739	4,022	Eloy	\$97,350	10,375
<u>Greenlee County</u>			Florence	\$161,464	17,208
Clifton	\$24,358	2,596	Kearny	\$21,103	2,249
Duncan	\$7,619	812	Mammoth	\$16,533	1,762
<u>La Paz County</u>			Maricopa	\$46,897	4,998
Parker	\$29,463	3,140	Superior	\$30,533	3,254
Quartzsite	\$31,471	3,354	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$195,900	20,878
Avondale	\$336,693	35,883	Patagonia	\$8,267	881
Buckeye	\$79,728	8,497	<u>Yavapai County</u>		
Carefree	\$27,464	2,927	Camp Verde	\$88,680	9,451
Cave Creek	\$34,980	3,728	Chino Valley	\$76,632	8,167
Chandler	\$1,660,234	176,939	Clarkdale	\$32,109	3,422
El Mirage	\$71,396	7,609	Cottonwood	\$86,127	9,179
Fountain Hills	\$189,867	20,235	Dewey-Humboldt	\$32,165	3,428
Gila Bend	\$18,579	1,980	Jerome	\$3,087	329
Gilbert	\$1,029,296	109,697	Prescott	\$318,443	33,938
Glendale	\$2,053,132	218,812	Prescott Valley	\$220,831	23,535
Goodyear	\$177,444	18,911	Sedona	\$95,632	10,192
Guadalupe	\$49,055	5,228	<u>Yuma County</u>		
Litchfield Park	\$35,750	3,810	San Luis	\$143,768	15,322
Mesa	\$3,732,366	397,776	Somerton	\$68,177	7,266
Paradise Valley	\$128,210	13,664	Wellton	\$17,162	1,829
Peoria	\$1,016,789	108,364	Yuma	\$728,925	77,685
Phoenix	\$12,395,479	1,321,045			
Queen Creek	\$40,498	4,316			
Scottsdale	\$1,901,999	202,705	TOTAL	\$38,251,405	4,064,967