



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: July 27, 2007

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

May 2007 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>May 2007</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 264,332,239	\$ 2,930,356,341
Percent Change	(31.9%)	(1.7%)
Corporate Income Tax		
Net Collections	\$ 47,753,441	\$ 853,345,018
Percent Change	(9.6%)	16.3%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 357,610,064	\$ 4,136,850,519
Change	(1.3%)	6.3%
Total Big Three Tax Types		
Net Collections	\$ 669,695,745	\$7,920,551,878
Percent Change	(16.7%)	4.1%

TAX FACTS May 2007

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	May 2007	May 2006	% Change
Gross Collections	\$ 172,843,132	\$ 259,114,481	(33.3)
Withholding	\$ 289,381,352	\$ 276,966,197	4.5
Refunds	\$ (151,956,356)	\$ (112,262,197)	35.4
Urban Revenue Sharing	\$ (45,935,888)	\$ (35,435,744)	29.6
Net Collections	\$ 264,332,239	\$ 388,382,737	(31.9)

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% Change
Gross Collections	\$ 1,505,804,070	\$ 1,453,430,988	3.6
Withholding	\$ 3,041,565,857	\$ 2,780,125,509	9.4
Refunds*	\$ (1,111,718,814)	\$ (862,103,465)	29.0
Urban Revenue Sharing	\$ (505,294,772)	\$ (389,793,183)	29.6
Net Collections	\$ 2,930,356,341	\$ 2,981,659,848	(1.7)

*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 May 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 2,237 refunds to individual income taxpayers during May 2007. These refunds totaled \$1,411,436* for an average refund of \$631. Attorney payments are not included in the refund amount and total \$352,816 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%	100%

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
#	25,620	1,542,057	81,887	114,612	0	31,601	368,906	9,237	167,835	3,303	4	2,345,062
%	1.1%	65.8%	3.5%	4.9%	0.0%	1.3%	15.7%	0.4%	7.2%	0.1%	0.0%	100%

The 2,345,062 returns representing current and prior tax years, filed through May 2007 compares to 2,200,804 returns filed during the same period of time in 2006 for an annual increase of 6.6%. For the tax year 2006 filed in 2007, 2,266,564 returns have been filed, a 6.2% increase over 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 1,536,486 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 5.8% increase in FAGI and a 0.02% decrease in tax liability. More specifically, 39.1% of these filers experienced a decrease in tax liability; on average a decrease of 19.3% in FAGI with a corresponding average decrease in tax liability of 39.8%. Filers with an increase in tax liability totaled 756,632 or 49.2%, with an average FAGI increase of 34.0% and an average tax liability increase of 54.6%.

Average Individual Income Tax Refund

Net of Ladewig and FERC refunds.

	Average	Number
2007 CYTD	\$ 622.84	1,482,203
2006 CYTD	\$ 564.22	1,378,686
% Change	10.4	7.5

"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 255,273 "new" returns have been filed thus far in 2007, representing approximately 305,168 persons, not including dependents. The average Federal Adjusted Gross Income is \$22,111 with an average tax liability of \$346. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 15.8% had a married filing joint filing status, 7.2% claimed a 65 and Over Exemption and 34.8% 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 2006 received through May 2007 was \$702.2 million, for an average of \$2,990. An additional \$134.8 million in estimated payments came from 2005 tax returns that applied their refunds as a 2006 estimated payment, for an average of \$3,083. Estimated payments received through May 2007 for tax year 2007 are as follows:

		Monthly	Cumulative
May-07	140 ES Payment \$	67,417,213	\$ 83,586,932
May-06	140 ES Payment \$	49,701,456	\$ 85,976,154
	% change	35.6	(2.8)
May-07	Average Payment \$	1,903	\$ 1,554
May-06	Average Payment \$	2,182	\$ 1,654
	% change	(12.8)	(6.0)
May-07	Applied Refund \$	13,043,239	\$ 25,869,590
May-06	Applied Refund \$	8,846,585	\$ 17,926,489
	% change	47.4	44.3
May-07	Monthly Total \$	80,460,453	\$ 109,456,522
May-06	Monthly Total \$	58,548,041	\$ 103,902,643
	% change	37.4	5.3

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 first quarter of 2006, which shows an increase of 38.7% in withholding payments over the first quarter of 2005. Growth in quarters for which information is still being gathered is as follows:

2 nd Quarter 2006	24.0%	1 st Quarter 2007	(7.9%)
3 rd Quarter 2006	4.8%	2 nd Quarter 2007	7.9%
4 th Quarter 2006	10.6%		

As of May 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 2007	10,321	\$ 3,735,349	\$ 362
Calendar Year 2006	10,828	\$ 3,904,333	\$ 361
% Change	(4.7)	(4.3)	0.3

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.

	<u>May 2007</u>	<u>Calendar Year Total</u>
Check Off	\$ 938,365	\$ 5,027,820
Voluntary Donation	\$ 55,700	\$ 88,759
Number of Returns	127,539	698,673

Contributions on the Individual Income Tax Return

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

	<u>Number</u>	<u>Amount</u>	<u>Average</u>
Wildlife	9,954	\$ 206,988	\$ 20.79
Child Abuse	10,395	\$ 221,378	\$ 21.30
Special Olympics	4,866	\$ 92,858	\$ 19.08
Neighbors Helping	2,822	\$ 43,237	\$ 15.32
AID to Education	575	\$ 40,052	\$ 69.66
Domestic Violence Shelter	7,816	\$ 166,861	\$ 21.35
National Guard Contributions	4,532	\$ 129,150	\$ 28.50
Democratic Party	1015	\$ 24,091	\$ 23.74
Republican Party	545	\$ 17,506	\$ 32.12
Libertarian Party	94	\$ 3,144	\$ 33.44

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	May 2007	May 2006	% Change
Gross Collections	\$53,261,647	\$56,587,649	(5.9)
Refunds	(\$5,508,206)	(\$3,743,958)	47.1
Net Collections	\$47,753,441	\$52,843,691	(9.6)
	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$928,780,163	\$820,394,991	13.2
Refunds	(\$75,435,145)	(\$86,921,345)	(13.2)
Net Collections	\$853,345,018	\$733,473,646	16.3

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.

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.

May 2007	\$37,484,726	Calendar Year Total	\$206,447,799
May 2006	\$39,661,726	Calendar Year Total	\$252,189,904
% Change	(5.5%)	% Change	(18.1%)

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
May 2007	107	8	17	6	8	0	146	4.3
May 2006	96	13	18	3	10	0	140	
CY 2007	1,160	163	194	30	34	0	1,581	4.6
CY 2006	1,043	178	211	43	36	0	1,511	

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 2007	\$1,314,587	\$609,300	\$4,082,726	\$4,102,000	\$24,215,000	\$34,323,613	(2.7)
May 2006	\$1,260,388	\$932,792	\$4,173,758	\$1,880,000	\$27,042,300	\$35,289,238	
CY 2007	\$14,130,983	\$11,493,754	\$43,825,972	\$20,006,724	\$86,723,662	\$176,181,095	(10.3)
CY 2006	\$13,765,663	\$12,407,057	\$47,545,007	\$30,966,050	\$91,737,710	\$196,421,487	

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	4.8%	1.6%	1.0%	74.3%	18.3%	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 May 2007, 44,989 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)
#	17	9,061	29,570	44	6,297
%	0.0	20.2	65.7	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 April 2006, the Department of Revenue received 73,168 documents with a fiscal year-end of 2005. Compared to 2006 documents, the Department has seen a 38.5% 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 May 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.

	May 2007	May 2006	% change
Distribution Base	\$159,181,004	\$153,005,620	4.0
Non shared	296,641,462	288,042,661	3.0
Use Tax	6,067,074	21,682,845	(72.0)
Education Tax	53,549,444	51,850,312	3.3
Other Revenues	68,649,491	61,797,992	11.1
Total Collections	\$584,088,475	\$576,379,430	1.3

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Distribution Base	\$1,694,204,047	\$1,588,296,797	6.7
Non shared	3,279,698,057	3,054,708,348	7.4
Use Tax	272,821,487	287,580,943	(5.1)
Education Tax	610,397,836	574,023,437	6.3
Other Revenues	765,029,241	663,405,601	15.3
Total Collections	\$6,622,150,667	\$6,168,015,127	7.4

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 2007	May 2006	% change
Retained by State	\$357,610,064	\$362,497,145	(1.3)
Returned to Counties	64,484,225	61,982,577	4.0
Returned to Cities	39,795,251	38,251,405	4.0
Education Tax	53,549,444	51,850,312	3.3
Other Revenues	68,649,491	61,797,992	11.1
Total Collections	\$584,088,475	\$576,379,430	1.3

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Retained by State	\$4,136,850,519	\$3,890,092,856	6.3
Returned to Counties	686,322,059	643,419,033	6.7
Returned to Cities	423,551,012	397,074,199	6.7
Education Tax	610,397,836	574,023,437	6.3
Other Revenues	765,029,241	663,405,601	15.3
Total Collections	\$6,622,150,667	\$6,168,015,126	7.4

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	May 2007	% Chg	Fiscal Year	
				Total	% Chg
Transporting	5.6	\$(509,097)	N/A	\$2,456,467	(8.5)
Non-Metal Mining Oil/Gas	3.125	596,973	7.6	7,164,591	(23.1)
Utilities	5.6	27,545,564	8.4	396,425,803	13.0
Communications	5.6	12,670,809	(11.9)	159,420,889	8.9
Private Car/Pipelines	5.6	79,704	(5.1)	891,027	(23.9)
Publishing	5.6	500,888	(2.6)	5,934,823	(2.7)
Job Printing	5.6	1,766,787	1.0	18,605,877	1.6
Restaurants & Bars	5.6	43,305,440	6.3	439,948,080	8.3
Amusements	5.6	4,831,083	(8.0)	48,265,355	8.6
Commercial Lease	0	0	N/A	67	N/A
Rental of Personal Property	5.6	17,395,725	3.1	178,753,013	7.8
Contracting	5.6	88,181,625	0.1	1,026,505,297	11.4
Retail	5.6	240,760,128	5.0	2,521,522,082	4.1
Mining Severance	2.5	3,992,991	12.6	39,579,627	55.4
Timber Severance*	0	(74)	N/A	11,287	(46.2)
Hotel/Motel	5.5	13,958,183	2.8	121,346,778	6.8
Membership Camping*	0	(4)	N/A	545	N/A
Use Tax	5.6	6,153,618	(71.6)	273,576,693	(4.9)
Rental Occupancy Tax*	0	(433)	N/A	30,537	(74.4)
Jet Fuel		586,251	21.6	5,176,827	(6.8)
Jet Fuel Use Tax	\$.0305/\$.0105 gal	58,756	11.6	881,993	26.7
Telecomm Devices	----	580,320	98.8	6,101,019	84.3
911 Wireline	\$0.28/month per active service	958,636	(21.7)	10,663,424	(16.8)
911 Wireless	\$0.28/month per active service	\$1,009,671	(11.1)	10,541,057	(14.2)
Total		\$464,423,546	(0.2)	\$5,273,803,158	6.3

*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

	May 2007	% Chg	Fiscal Year	
			Year Total	% Chg
Transporting	\$(10,177,970)	N/A	\$49,880,071	(7.3)
Non-Metal Mining Oil/Gas	19,114,419	7.5	229,473,284	(23.2)
Utilities	551,234,365	8.2	7,934,208,686	12.7
Communications	253,598,954	(12.0)	3,191,511,856	8.7
Private Car/Pipelines	1,595,144	(5.1)	17,837,699	(24.0)
Publishing	10,024,304	(2.8)	118,809,378	(2.8)
Job Printing	35,357,962	0.9	372,498,374	1.4
Restaurants & Bars	866,626,505	6.1	8,808,008,769	8.2
Amusements	96,688,372	(8.1)	966,500,528	8.5
Commercial Lease	51	(84.9)	3,606	N/A
Rental of Personal Property	348,128,981	2.9	3,578,820,961	7.6

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)

	May 2007	% Chg	Fiscal Year Total	% Chg
Contracting	1,764,757,038	(0.5)	20,550,033,165	10.7
Retail	4,818,116,233	4.8	50,481,111,613	3.9
Mining Severance	159,809,687	12.5	1,424,700,872	55.2
Timber Severance*	(48)	N/A	5,742	(41.8)
Hotel/Motel	253,942,027	2.6	1,955,217,049	6.7
Membership Camping*	14	N/A	12,243	(99.5)
Use Tax	123,465,161	(71.6)	5,367,669,038	(5.0)
Rental Occupancy Tax*	(14,413)	N/A	1,045,545	(74.2)
Total	\$9,292,266,785	(0.3)	\$96,292,284,121	6.4

*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 May 2007 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	Change
Apache	\$ 438,736	0.7	\$ 4,600,207	(4.1)
Coconino	\$ 1,548,231	2.4	\$ 16,491,363	6.7
Cochise	\$ 1,066,468	1.7	\$ 11,596,084	3.5
Gila	\$ 450,921	0.7	\$ 4,918,141	0.7
Graham	\$ 298,199	0.5	\$ 3,115,465	4.6
Greenlee	\$ 490,317	0.8	\$ 4,662,481	39.5
La Paz	\$ 170,980	0.3	\$ 1,862,388	(1.4)
Maricopa	\$ 41,715,189	64.7	\$ 440,980,597	6.6
Mohave	\$ 1,890,067	2.9	\$ 20,181,151	8.9
Navajo	\$ 919,043	1.4	\$ 10,046,316	1.9
Pima	\$ 9,023,233	14.0	\$ 97,940,458	4.4
Pinal	\$ 2,136,437	3.3	\$ 23,147,701	20.6
Santa Cruz	\$ 425,609	0.7	\$ 4,513,970	7.3
Yavapai	\$ 2,316,476	3.6	\$ 24,552,497	7.3
Yuma	\$ 1,594,317	2.5	\$ 17,720,851	6.4
Total	\$ 64,484,225		\$ 686,329,671*	6.7

*FYTD totals include correcting entry for prior year-end distribution error.

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 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 May 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		\$ 116,155							
Cochise		\$ 596,418							
Coconino		\$ 1,019,701	\$ 995,267					\$ 253,884	
Gila	\$ 265,426	\$ 257,343							
Graham		\$ 172,664							
Greenlee		\$ 126,471							
La Paz		\$ 99,466	\$ 99,466				\$ (9)		
Maricopa	\$ 31,842,353		\$ 11,747,562	\$ 603,467	\$ 160				\$ 2,549,824
Mohave		\$ 623,258							
Navajo		\$ 541,155							
Pima	\$ 6,073,011			\$ 160,841		\$ 15,840			
Pinal	\$ 1,507,646	\$ 1,477,003							
S Cruz		\$ 286,845	\$ 279,888						
Yavapai		\$ 1,399,708	\$ 700,808						
Yuma		\$ 950,654	\$ 950,699				\$ 189,763	\$ 18,165	

OTHER TAXES

Luxury Taxes

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

	May 2007	May 2006	% Change
Spirituous	\$ 2,429,148	\$ 2,301,452	5.5
Vinous	\$ 1,047,724	\$ 995,359	5.3
Malt	\$ 2,390,700	\$ 2,536,561	(5.8)
Cigarette	\$ 33,809,870	\$ 25,892,922	30.6
Other Tobacco	\$ 1,225,555	\$ 949,130	29.1
Tobacco Licenses	\$ 975	\$ 525	85.7
Total	\$ 40,903,972	\$ 32,675,949	25.2

	Fiscal Year (06/07)	Fiscal Year (05/06)	% Change
Spirituous	\$ 25,310,482	\$ 24,152,361	4.8
Vinous	\$ 9,771,334	\$ 10,602,493	(7.8)
Malt	\$ 22,680,246	\$ 21,856,394	3.8
Cigarette*	\$ 308,796,457	\$ 263,020,015	17.4
Other Tobacco	\$ 10,996,832	\$ 8,618,651	27.6
Tobacco Licenses	\$ 6,425	\$ 4,525	42.0
Total	\$ 377,561,776	\$ 328,254,438	15.0

*Through May 2007, \$503,300 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 2007</u>	<u>FY06/07</u>
Spirituos	\$ 1,700,404	\$ 17,717,338
Vinous	\$ 260,848	\$ 2,434,345
Malt	\$ 597,675	\$ 5,670,060
Cigarettes	\$ 2,707,898	\$ 33,712,398
Other Tobacco	\$ 55,150	\$ 763,011
Tobacco Licenses	\$ 975	\$ 6,425
Total	\$ 5,322,950	\$ 60,303,577

Other dedicated revenues from luxury taxes:

	<u>May 2007</u>	<u>FY06/07</u>
Corrections Fund	\$ 2,596,512	\$ 26,247,970
Tobacco Tax & Health Care Fund ²	\$ 6,993,955	\$ 88,093,290
Tobacco Products Tax Fund ³	\$ 10,490,933	\$ 132,106,717
Wine Promotional Fund	\$ 4,333	\$ 33,949
Drug Treatment & Education Fund	\$ 788,177	\$ 7,606,907
Corrections Rev. Fund	\$ 313,261	\$ 3,028,549
Smoke Free Arizona Fund ⁴	\$ 338,814	\$ 1,402,088
Early Childhood Development and Health Fund ⁵	\$ 14,055,039	\$ 58,738,729

Estate Tax

May 2007	\$ 0.0	Fiscal Year to Date	\$ (571,457)
May 2006	\$ 81,923	Fiscal Year to Date	\$ 11,562,910
% Change	N/A	% Change	N/A

Bingo

May 2007	\$ 45,176	Fiscal Year to Date	\$ 583,735
May 2006	\$ 47,676	Fiscal Year to Date	\$ 579,980
% Change	(5.2)	% Change	0.6

Unclaimed Property

May 2007	\$ 3,633,531	Fiscal Year to Date	\$ 70,977,513
May 2006	\$ 3,697,658	Fiscal Year to Date	\$ 50,562,625
% Change	(1.7)	% Change	40.4

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 May 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	1,858	0.7%	-\$15,953	\$2	21.2%	70.4%	6.3%	2.1%	14.5%	15.5%
\$0-\$5,000	50,149	19.6%	\$2,755	\$1	3.7%	84.6%	10.9%	0.7%	4.4%	16.2%
\$5,000-\$10,000	53,442	20.9%	\$7,374	\$21	5.4%	75.0%	18.5%	1.0%	5.0%	26.0%
\$10,000-\$15,000	35,645	14.0%	\$12,370	\$82	11.1%	58.1%	29.6%	1.2%	8.1%	39.4%
\$15,000-\$20,000	26,678	10.5%	\$17,372	\$144	17.7%	47.2%	33.2%	1.9%	8.1%	46.3%
\$20,000-\$25,000	19,071	7.5%	\$22,370	\$245	22.3%	44.3%	31.0%	2.4%	7.3%	48.4%
\$25,000-\$30,000	13,713	5.4%	\$27,388	\$359	25.1%	44.3%	27.9%	2.7%	7.4%	46.2%
\$30,000-\$40,000	18,055	7.1%	\$34,522	\$519	30.2%	42.2%	24.0%	3.6%	7.5%	44.4%
\$40,000-\$50,000	11,029	4.3%	\$44,599	\$735	39.4%	38.3%	18.9%	3.4%	8.6%	44.7%
\$50,000-\$75,000	14,141	5.5%	\$60,738	\$1,073	56.5%	28.9%	11.9%	2.7%	12.5%	45.2%
\$75,000-\$100,000	6,113	2.4%	\$85,758	\$1,704	70.6%	21.0%	6.5%	1.9%	14.1%	45.6%
\$100,000-\$200,000	4,470	1.8%	\$129,418	\$3,045	74.5%	18.3%	5.7%	1.5%	16.2%	44.2%
\$200,000-\$500,000	752	0.3%	\$276,899	\$8,680	69.9%	21.9%	6.6%	1.6%	23.9%	38.8%
\$500,000-\$1,000,000	110	0.0%	\$667,271	\$25,309	68.5%	21.6%	8.1%	1.8%	27.0%	37.8%
\$1,000,000 and over	47	0.0%	\$1,630,630	\$102,475	58.3%	33.3%	2.1%	6.3%	31.3%	31.3%
Total	255,273		\$22,111	\$346	15.8%	49.4%	17.6%	1.4%	7.2%	34.8%

*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
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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 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	TOTAL		
Queen Creek	\$155,292	16,414		\$45,935,888	4,860,420
Scottsdale	\$2,220,975	234,752			

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

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$722,124	88,265
Eagar	\$36,284	4,435	Tempe	\$1,356,429	165,796
Springerville	\$16,894	2,065	Tolleson	\$53,162	6,498
St. Johns	\$31,621	3,865	Wickenburg	\$49,718	6,077
<u>Cochise County</u>			Youngtown	\$50,421	6,163
Benson	\$38,779	4,740	<u>Mohave County</u>		
Bisbee	\$53,751	6,570	Bullhead City	\$312,608	38,210
Douglas	\$140,678	17,195	Colorado City	\$33,380	4,080
Huachuca City	\$14,972	1,830	Kingman	\$211,569	25,860
Sierra Vista	\$357,442	43,690	Lake Havasu City	\$437,168	53,435
Tombstone	\$13,172	1,610	<u>Navajo County</u>		
Willcox	\$31,784	3,885	Holbrook	\$44,384	5,425
<u>Coconino County</u>			Pinetop/Lakeside	\$34,075	4,165
Flagstaff	\$500,574	61,185	Show Low	\$80,872	9,885
Fredonia	\$9,081	1,110	Snowflake	\$40,375	4,935
Page	\$58,169	7,110	Taylor	\$33,543	4,100
Williams	\$25,730	3,145	Winslow	\$80,463	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$61,319	7,495	Marana	\$218,646	26,725
Hayden	\$7,298	892	Oro Valley	\$322,344	39,400
Miami	\$15,994	1,955	Sahuarita	\$114,457	13,990
Payson	\$126,238	15,430	South Tucson	\$46,061	5,630
Star Valley	\$16,412	2,006	Tucson	\$4,334,214	529,770
Winkelman	\$3,624	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$278,737	34,070
Pima	\$17,852	2,182	Casa Grande	\$265,647	32,470
Safford	\$76,577	9,360	Coolidge	\$66,923	8,180
Thatcher	\$37,225	4,550	Eloy	\$91,017	11,125
<u>Greenlee County</u>			Florence	\$167,962	20,530
Clifton	\$21,239	2,596	Kearny	\$18,400	2,249
Duncan	\$6,643	812	Mammoth	\$14,415	1,762
<u>La Paz County</u>			Maricopa	\$130,361	15,934
Parker	\$26,835	3,280	Superior	\$26,622	3,254
Quartzsite	\$29,453	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$178,598	21,830
Avondale	\$567,423	69,356	Patagonia	\$7,527	920
Buckeye	\$207,854	25,406	<u>Yavapai County</u>		
Carefree	\$30,140	3,684	Camp Verde	\$87,785	10,730
Cave Creek	\$38,992	4,766	Chino Valley	\$100,835	12,325
Chandler	\$1,888,615	230,845	Clarkdale	\$30,107	3,680
El Mirage	\$262,301	32,061	Cottonwood	\$88,849	10,860
Fountain Hills	\$200,377	24,492	Dewey-Humboldt	\$32,971	4,030
Gila Bend	\$16,199	1,980	Jerome	\$2,700	330
Gilbert	\$1,452,543	177,544	Prescott	\$333,552	40,770
Glendale	\$1,982,896	242,369	Prescott Valley	\$274,688	33,575
Goodyear	\$378,083	46,213	Sedona	\$89,463	10,935
Guadalupe	\$45,447	5,555	<u>Yuma County</u>		
Litchfield Park	\$37,045	4,528	San Luis	\$187,597	22,930
Mesa	\$3,666,013	448,096	Somerton	\$79,768	9,750
Paradise Valley	\$113,418	13,863	Wellton	\$16,117	1,970
Peoria	\$1,130,191	138,143	Yuma	\$726,296	88,775
Phoenix	\$12,074,258	1,475,834			
Queen Creek	\$134,288	16,414			
Scottsdale	\$1,920,579	234,752	TOTAL	\$39,795,251	4,864,165