



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: August 3, 2004

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

JUNE 2004 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>June 2004</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$209,061,918	\$1,941,110,009
Percent Change	7.9%	16.4%
Corporate Income Tax		
Net Collections	\$90,570,308	\$471,959,157
Percent Change	8.1%	21.2%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$281,698,679	\$3,290,458,614
Change	8.8%	8.7%
Total Big Three Tax Types		
Net Collections	\$581,330,905	\$5,703,527,780
Percent Change	8.4%	12.2%

January 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

June 2004

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	June 2004	June 2003	% Change
Gross Collections	\$77,177,113	\$62,895,078	22.7
Withholding	195,929,652	194,218,952	0.9
Refunds	(33,622,750)	(27,525,704)	22.2
Urban Revenue Sharing	(30,422,097)	(35,879,921)	(15.2)
Net Collections	\$209,061,918	\$193,708,405	7.9

	Fiscal Year 2003/04	Fiscal Year 2002/03	% Change
Gross Collections	\$757,527,785	\$640,628,165	18.2
Withholding	2,332,900,966	2,306,331,271	1.2
Refunds	(784,253,584)	(849,220,126)	(7.7)
Urban Revenue Sharing	(365,065,158)	(430,559,053)	(15.2)
Net Collections	\$1,941,110,009	\$1,667,180,256	16.4

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. During May 2004, no refunds were issued for individual alternative fuel vehicle claims.

Individual Income Tax Document Count

In calendar year 2003, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,149	1,546,452	84,078	99,313	12	43,604	287,618	13,546	190,019	2,632	24	2,311,447
%	1.9	66.9	3.6	4.3	0.0	1.9	12.4	0.6	8.2	0.1	0.0	

In calendar year 2004 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	26,782	1,419,581	64,229	92,405	2	32,320	278,763	13,161	182,475	2,524	11	2,112,253
%	1.3	67.2	3.0	4.4	0.0	1.5	13.2	0.6	8.6	0.1	0.0	

The 2,112,253 returns, representing current and prior tax years, filed through June 2004 compares to 2,124,819 returns filed during the same period of time in 2003 for an annual decrease of 0.6%. For tax year 2003 filed in 2004, 2,031,943 returns have been filed, a 0.7% decrease over filings in June 2003 for tax year 2002.

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 1,466,614 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 3.2% increase in FAGI and a 5.1% increase in tax liability. More specifically, 35.9% of these filers experienced a decrease in tax liability; on average a decrease of 35.7% with a corresponding average decrease in FAGI of 20.9%. Filers with an increase in tax liability totaled 747,016 or 50.9% with an average FAGI increase of 24.2% and an average tax liability increase of 45.5%.

Average Individual Income Tax Refund

	Average	Number
2004 CYTD	\$491.59	1,434,357
2003 CYTD	\$537.48	1,399,232
% Change	(8.5%)	2.5%

"New" Filers in Calendar Year 2003

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 223,731 "new" returns have been filed thus far in 2004, representing approximately 268,979 persons, not including dependents. The average Federal Adjusted Gross Income for these 223,731 returns is \$19,135, with an average tax liability of \$298. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.3% had a married filing joint filing status, 7.3% claimed a 65 and Over Exemption and 33.2% 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 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through June 2004 for tax year 2004 are as follows:

6/04	140ES payment	\$23,052,299	Cumulative	\$69,051,186
6/03	140ES payment	\$31,865,609	Cumulative	\$56,778,464
	Percent change	(27.7%)		21.6%
6/04	Average payment	\$976	Cumulative	\$1,095
6/03	Average payment	\$1,028	Cumulative	\$989
	Percent change	(5.1%)		10.7%
6/04	Applied refund	\$3,382,613	Cumulative	\$22,792,167
6/03	Applied refund	\$3,414,021	Cumulative	\$28,194,349
	Percent change	(0.9%)		(19.2%)
Total 6/04		\$26,434,912	Cumulative	\$91,843,353
Total 6/03		\$35,279,629	Cumulative	\$84,972,814
	Percent change	(25.1%)		8.1%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2003, which shows an increase of 2.5% in withholding payments over the second quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2003	0.0%	1 st Quarter 2004	1.8%
4 th Quarter 2003	1.6%	2 nd Quarter 2004	(3.0%)

Current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% 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 2004	14,982	\$5,102,431	\$351.96
Calendar Year 2003	14,478	\$4,930,088	\$340.52
% Change	3.5%	3.5%	3.4%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2003:

	June 2004	Calendar Year Total
Check Off	\$260,509	\$3,842,568
Voluntary Donation	\$2,822	\$40,418
Number of Returns	35,784	530,147

Contributions on the Individual Income Tax Return

Through June 2004, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,073	\$159,132	\$17.54
Child Abuse	9,923	\$184,745	\$18.62
Special Olympics	4,747	\$73,450	\$15.47
Neighbors Helping	2,748	\$39,254	\$14.28
AID to Education	580	\$45,577	\$78.58
Domestic Violence Shelter	7,170	\$132,091	\$18.42
Democratic Party	1,041	\$24,994	\$24.01
Republican Party	673	\$15,801	\$23.48
Libertarian Party	78	\$1,489	\$19.09

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	June 2004	June 2003	% Change
Gross Collections	\$94,099,134	\$86,037,542	9.4
Refunds	(3,528,826)	(2,244,003)	57.3
Net Collections	\$90,570,308	\$83,793,539	8.1
	Fiscal Year 2003/04	Fiscal Year 2002/03	% Change
Gross Collections	\$587,408,992	\$514,984,823	14.1
Refunds	(115,449,836)	(125,578,477)	(8.1)
Net Collections	\$471,959,157	\$389,406,346	21.2

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.

June 2004	\$86,743,567	Calendar Year Total	\$218,413,179
June 2003	\$74,645,359	Calendar Year Total	\$193,324,540
% Change	16.2%	% Change	13.0%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for June 2004 and for the fiscal 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
June 2004	506	83	98	10	15	0	712	10.1
June 2003	484	66	72	13	12	0	647	
CY 2004	1,468	193	224	34	34	0	1,953	9.5
CY 2003	1,384	154	77	37	31	0	1,783	

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 2002/03 by corporate fiscal year. For example, in FY 2002/03, 7.0% of the refund dollars paid were for corporate fiscal years ending in 1998 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 2002/03	7.0%	6.0%	7.4%	66.3%	13.1%	0.2%
Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 2003/04	9.2%	2.7%	3.0%	74.5%	10.4%	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.

June 2004	\$5,999,088	Calendar Year Total	\$38,733,931
June 2003	\$1,334,753	Calendar Year Total	\$55,461,850
% Change	349.5%	% Change	(30.2%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	289	34,612	54,649	355	10,889
%	0.3	34.3	54.2	0.4	10.8

Through June 2004, 37,857 documents have been received for a fiscal year-end of 2003, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	91	14,741	16,590	132	6,303
%	0.2	38.9	43.8	0.4	16.6

The figures shown above for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through June 2003, the Arizona Department of Revenue received 67,879 documents with a fiscal year-end of 2002. Compared to 2003 documents, the department has seen a 44.2% decrease in the number of corporate returns received at this point of time in the calendar year. **The Department is behind in processing corporate income tax returns.**

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 2003/04 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for June 2004 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, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. 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 prop 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.

	June 2004	June 2003	% change
Distribution Base	\$116,638,709	\$108,562,840	7.4
Non shared	219,843,311	203,813,305	7.9
Use Tax	21,626,677	17,601,352	22.9
Education Tax	41,827,414	38,623,030	8.3
Other Revenues	48,543,739	44,953,603	8.0
Total Collections	\$448,479,851	\$413,554,130	8.4

	Fiscal Year 2003/04	Fiscal Year 2002/03	% change
Distribution Base	\$1,362,143,376	\$1,265,625,175	7.6
Non shared	2,588,068,666	2,400,432,714	7.8
Use Tax	232,586,698	190,186,057	22.3
Education Tax	487,214,807	447,841,034	8.8
Other Revenues	570,392,708	413,554,130	37.9
Total Collections	\$5,240,406,255	\$4,830,827,216	8.5

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 prop 301. "Other" revenues are returned to the administering authority.

	June 2004	June 2003	% change
Retained by State	\$281,698,679	\$258,857,980	8.8
Returned to Counties	47,250,341	43,978,806	7.4
Returned to Cities	29,159,677	27,140,710	7.4
Education Tax	41,827,414	38,623,030	8.3
Other Revenues	48,543,739	44,953,603	8.0
Total Collections	\$448,479,851	\$413,554,130	8.4

	Fiscal Year 2003/04	Fiscal Year 2002/03	% change
Retained by State	\$3,290,458,614	\$3,027,135,359	8.7
Returned to Counties	551,804,281	512,703,234	7.6
Returned to Cities	340,535,844	316,405,353	7.6
Education Tax	487,214,807	447,841,034	8.8
Other Revenues	570,392,708	526,742,236	8.3
Total Collections	\$5,240,406,255	\$4,830,827,216	8.5

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	June 2004	% Chg	Fiscal Year Total	% Chg
Transporting ¹	5.6%	\$162,606	(67.6)	3,374,325	158.5
Non-Metal Mining/Oil & Gas	3.125%	900,660	39.1	8,993,330	7.4
Utilities	5.6%	24,940,567	13.5	321,515,306	8.2
Communications	5.6%	10,608,860	0.7	140,475,425	(2.1)
Private Car/Pipelines	5.6%	73,028	(20.5)	795,995	29.5
Publishing	5.6%	546,088	30.4	6,445,538	(3.4)
Printing	5.6%	1,321,819	(14.6)	17,446,185	(18.4)
Restaurants/Bars	5.6%	31,641,222	6.2	360,101,715	8.2
Amusements	5.6%	3,233,482	(0.7)	40,674,434	3.9
Commercial Lease	0%	554	N/A	(89,511)	21.6
Rental of Personal Property	5.6%	12,534,102	(2.3)	158,747,229	(4.4)
Contracting	3.75% - 5.6%	57,471,864	13.5	657,824,442	13.8
Feed Wholesale	Repealed	0	N/A	(38)	88.1
Retail	5.6%	183,362,484	6.8	2,120,452,747	7.6
Mining Severance	2.5%	916,153	564.3	6,540,587	480.7
Timber Severance	\$2.13/\$1.51 per 1000 board ft	1,226	57.5	9,922	92.3
Hotel/Motel	5.5%	8,156,567	4.7	100,713,460	7.8
Membership Camping	5.6%	4,491	(17.2)	149,917	24.6
Use/Use Inventory	5.6%	21,626,677	22.9	232,586,698	22.3
Rental Occupancy Tax	3.0%	(2,523)	N/A	126,047	194.3
Jet Fuel Tax	\$.0305/\$.0105 gal	522,986	4.2	5,195,175	(11.0)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	395,204	(25.1)	5,091,661	(19.5)
School for the Deaf	----	131,735	N/A	1,362,312	N/A
Poison Control Fund	----	103,096	(47.2)	1,437,566	(38.6)
911 Wireline/Excise	\$0.37 monthly per activated service	1,132,930	1.9	13,718,911	(1.4)
911 Wireless Service	\$0.37 monthly per activated service	1,054,592	26.2	11,972,954	24.8
Total		\$360,840,469	8.5	\$4,215,662,331	8.4

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.

¹ The category transporting/towing has been combined with railroads/aircraft and will now be called "Transporting".

Transaction Privilege and Severance Tax Taxable Sales By Class²

	June 2004	% Chg	Fiscal Year Total	% Chg
Transporting ³	\$3,252,117	(67.6)	\$67,486,500	158.5
Non-Metal Mining/Oil & Gas	28,821,123	39.1	287,786,559	7.4
Utilities	498,811,332	13.5	6,430,306,112	8.2
Communications	212,177,200	0.7	2,809,508,501	(2.1)
Private Car/Pipelines	1,460,562	(20.5)	15,919,891	27.4
Publishing	10,921,768	30.4	128,910,761	(3.2)
Printing	26,436,386	(14.6)	348,923,705	(18.4)
Restaurants/Bars	632,824,434	6.2	7,202,034,300	8.2
Amusements	64,669,634	(0.7)	813,488,687	3.9
Commercial Lease	2,008	N/A	(6,517,860)	14.0
Rental of Personal Property	250,682,033	(2.3)	3,174,944,574	(4.4)
Contracting	1,149,437,279	13.5	13,156,487,728	13.8
Feed Wholesale	0	N/A	(8,021)	88.1
Retail	3,667,249,672	6.8	42,409,054,931	7.6
Mining Severance	36,646,106	564.3	261,623,478	480.7
Timber Severance	650	N/A	4,889	934.3
Hotel/Motel	148,301,215	4.7	1,831,153,819	7.8
Membership Camping	89,827	(17.2)	2,998,348	24.6
Use/Use Inventory	435,293,017	23.8	4,648,050,969	22.5
Rental Occupancy Tax	(84,110)	N/A	4,201,556	194.3
Total	\$7,168,378,813	8.9	\$83,587,953,148	8.6

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. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In June 2004, 18,533,645 gallons of jet fuel were taxed, a 7.5% increase from the 17,239,911 reported for June 2003. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

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

Taxable Sales by SIC Code Range

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

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

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 June 2004 is shown in the County Share column.

²These 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.

³ The category transporting/towing has been combined with railroads/aircraft and will now be called "Transporting".

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$160,668	\$337,721	0.7	\$4,135,998	6.6
Cochise	1,755,768	860,911	1.8	10,135,220	8.5
Coconino	3,309,642	1,278,668	2.7	14,362,293	3.3
Gila	717,013	365,909	0.8	4,314,601	6.3
Graham	350,387	215,911	0.5	2,500,199	5.0
Greenlee	557,012	186,339	0.4	1,975,250	12.8
La Paz	254,391	136,453	0.3	1,665,084	9.3
Maricopa	77,142,110	30,181,976	63.9	355,145,845	7.9
Mohave	3,644,302	1,392,279	2.9	15,239,251	10.1
Navajo	1,725,287	765,428	1.6	8,627,859	4.1
Pima	17,822,954	7,186,816	15.2	82,562,254	6.2
Pinal	2,446,623	1,268,705	2.7	14,773,417	10.8
Santa Cruz	735,625	312,329	0.7	3,627,497	8.0
Yavapai	3,522,559	1,569,903	3.3	18,519,004	8.9
Yuma	2,494,367	1,190,995	2.5	14,220,509	8.4
Total	\$116,638,709	\$47,250,341		\$551,804,281	7.6

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for June 2004 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 June 2004 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge 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		\$39,105							
Cochise		\$480,755							
Coconino		\$880,154	\$528,405					\$217,135	
Gila	\$218,078	\$212,665							
Graham		\$98,467							
Greenlee		\$64,658							
La Paz		\$74,614	\$74,613				\$17,050		
Maricopa	\$24,555,576		\$9,149,746	\$440,903	\$12,776				\$1,639,429
Mohave		\$525,524							
Navajo		\$506,848							
Pima				\$131,260		\$6,864			
Pinal	\$833,822	\$816,588							
Santa Cruz		\$210,194							
Yavapai		\$1,016,532	\$544,907						
Yuma		\$756,348	\$756,305					\$749,985	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in June 2004. The table compares the receipts to June 2003 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<u>June 2004</u>	<u>June 2003</u>	<u>% Change</u>
Spirituos	\$1,795,156	\$1,662,735	8.0
Vinous	710,727	701,369	1.3
Malt	1,816,683	1,955,092	(7.1)
Cigarette	23,791,395	24,002,371	(0.9)
Other Tobacco	635,308	567,788	11.9
Tobacco Licenses	1,725	2,025	(14.8)
Total	\$28,750,994	\$28,891,379	(0.5)

	<u>Fiscal Year 2003/04</u>	<u>Fiscal Year 2002/03</u>	<u>% Change</u>
Spirituos	\$23,457,743	\$22,004,331	6.6
Vinous	10,410,881	9,924,749	4.9
Malt	22,111,190	22,137,764	(0.1)
Cigarette*	266,709,390	206,575,174	29.1
Other Tobacco	7,974,442	5,765,674	38.3
Tobacco Licenses	6,400	5,950	7.6
Total	\$330,670,046	\$266,413,642	24.1

*Through June 2004, \$414,329 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>June 2004</u>	<u>Fiscal Year 2003/04</u>
Spirituos	\$1,256,609	\$16,420,420
Vinous	177,259	2,595,720
Malt	454,171	5,527,796
Cigarette	3,045,590	35,515,247
Other Tobacco	98,473	1,235,433
Tobacco Licenses	1,725	6,400
Total	\$5,033,826	\$61,301,017

Other dedicated revenues from luxury taxes:

	<u>June 2004</u>	<u>Fiscal Year 2003/04</u>
Correction Fund revenues	\$2,632,900	\$27,145,262
Tobacco Tax & Health Care Fund ⁴	\$13,427,745	\$98,163,310
Tobacco Products Tax Fund ⁵	\$6,843,886	\$133,563,168
Wine Promotional Fund revenues	\$1,691	\$27,995
Drug Treatment & Education Fund revenues	\$580,290	\$7,490,976
Corrections Revolving Fund revenues	\$230,655	\$2,978,318

⁴ Formerly the Health Care Fund

⁵ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

	June 2004	\$2,131,642	Fiscal year To Date	\$38,818,431
	June 2003	<u>\$8,272,494</u>	Fiscal year To Date	<u>\$94,217,919</u>
% Change		(74.2%)	% Change	(58.8%)

Bingo

	June 2004	\$39,717	Fiscal year To Date	\$624,501
	June 2003	<u>\$38,261</u>	Fiscal year To Date	<u>\$626,770</u>
% Change		3.8%	% Change	(0.4%)

Unclaimed Property

	June 2004	(\$25,598,294)	Fiscal year To Date	\$8,043,962
	June 2003	<u>(\$21,466,676)</u>	Fiscal year To Date	<u>\$6,745,652</u>
% Change		(19.2%)	% Change	19.2%

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 2004 for Tax Year 2003
Through June 2004

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	2,234	1.0%	-\$14,079	\$1	15.0%	78.5%	4.0%	2.4%	14.5%	9.4%
\$0-\$5,000	51,182	22.9%	\$2,695	\$1	3.8%	85.2%	10.1%	0.9%	3.9%	14.9%
\$5,000-\$10,000	48,094	21.5%	\$7,354	\$25	7.0%	73.7%	18.1%	1.2%	5.6%	26.2%
\$10,000-\$15,000	32,244	14.4%	\$12,343	\$90	14.0%	56.8%	27.6%	1.6%	8.6%	39.1%
\$15,000-\$20,000	23,135	10.3%	\$17,362	\$167	20.3%	48.1%	29.3%	2.3%	8.7%	43.8%
\$20,000-\$25,000	15,792	7.1%	\$22,368	\$271	25.2%	42.8%	29.2%	2.9%	8.0%	46.9%
\$25,000-\$30,000	11,177	5.0%	\$27,386	\$391	29.1%	40.4%	27.0%	3.5%	8.0%	46.7%
\$30,000-\$40,000	14,148	6.3%	\$34,487	\$554	36.3%	37.4%	22.3%	4.0%	8.4%	45.6%
\$40,000-\$50,000	8,322	3.7%	\$44,617	\$777	47.8%	31.7%	17.3%	3.2%	10.1%	46.7%
\$50,000-\$75,000	10,416	4.7%	\$60,581	\$1,157	63.2%	24.0%	10.6%	2.2%	12.6%	46.6%
\$75,000-\$100,000	3,808	1.7%	\$85,404	\$1,854	73.4%	18.3%	6.6%	1.6%	14.2%	45.6%
\$100,000-\$200,000	2,694	1.2%	\$128,514	\$3,298	75.2%	17.7%	5.7%	1.5%	15.2%	43.5%
\$200,000-\$500,000	407	0.2%	\$281,331	\$9,743	71.1%	22.0%	5.4%	1.5%	21.3%	35.7%
\$500,000-\$1,000,000	47	0.0%	\$642,166	\$25,590	55.3%	29.8%	4.3%	10.6%	23.4%	36.2%
\$1,000,000 and over	31	0.0%	\$1,791,312	\$80,761	58.1%	38.7%	3.2%	0.0%	16.1%	12.9%
Total	223,731		\$19,135	\$298	19.3%	59.5%	19.4%	1.9%	7.3%	33.2%

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

NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002

Total	220,129	\$20,256	\$329	20.2%	57.0%	20.6%	2.2%	7.6%	34.7%
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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
June 2004

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,522,767	202,705
Eagar	\$30,297	4,033	Surprise	231,737	30,848
Springerville	14,814	1,972	Tempe	1,191,628	158,625
St. Johns	26,653	3,548	Tolleson	37,366	4,974
<u>Cochise County</u>			Wickenburg	38,177	5,082
Benson	35,390	4,711	Youngtown	22,612	3,010
Bisbee	45,750	6,090	<u>Mohave County</u>		
Douglas	124,125	16,523	Bullhead City	253,681	33,769
Huachuca City	13,154	1,751	Colorado City	25,046	3,334
Sierra Vista	283,775	37,775	Kingman	150,763	20,069
Tombstone	11,298	1,504	Lake Havasu City	315,048	41,938
Willcox	28,043	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	36,938	4,917
Flagstaff	397,352	52,894	Pinetop-Lakeside	26,909	3,582
Fredonia	7,783	1,036	Show Low	57,807	7,695
Page	51,151	6,809	Snowflake	33,505	4,460
Williams	21,350	2,842	Taylor	23,859	3,176
<u>Gila County</u>			Winslow	71,516	9,520
Globe	56,237	7,486	<u>Pima County</u>		
Hayden	6,701	892	Marana	101,836	13,556
Miami	14,544	1,936	Oro Valley	239,896	31,934
Payson	102,317	13,620	Sahuarita	24,355	3,242
Winkelman	3,328	443	South Tucson	41,242	5,490
<u>Graham County</u>			Tucson	3,656,197	486,699
Pima	14,942	1,989	<u>Pinal County</u>		
Safford	69,353	9,232	Apache Junction	238,994	31,814
Thatcher	30,214	4,022	Casa Grande	189,489	25,224
<u>Greenlee County</u>			Coolidge	58,490	7,786
Clifton	19,502	2,596	Eloy	77,939	10,375
Duncan	6,100	812	Florence	114,494	15,241
<u>La Paz County</u>			Kearny	16,895	2,249
Parker	23,588	3,140	Mammoth	13,237	1,762
Quartzsite	25,196	3,354	Superior	24,445	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	269,561	35,883	Nogales	156,840	20,878
Buckeye	63,831	8,497	Patagonia	6,618	881
Carefree	21,988	2,927	<u>Yavapai County</u>		
Cave Creek	28,006	3,728	Camp Verde	70,998	9,451
Chandler	1,326,518	176,581	Chino Valley	61,352	8,167
El Mirage	38,110	7,609	Clarkdale	25,707	3,422
Fountain Hills	152,010	20,235	Cottonwood	68,955	9,179
Gila Bend	14,874	1,980	Jerome	2,472	329
Gilbert	824,069	109,697	Prescott	254,950	33,938
Glendale	1,643,767	218,812	Prescott Valley	176,800	23,535
Goodyear	142,064	18,911	Sedona	76,565	10,192
Guadalupe	39,274	5,228	<u>Yuma County</u>		
Litchfield Park	28,622	3,810	San Luis	115,102	15,322
Mesa	2,988,186	397,776	Somerton	54,584	7,266
Paradise Valley	102,647	13,664	Wellton	13,740	1,829
Peoria	814,056	108,364	Yuma	583,588	77,685
Phoenix	9,923,998	1,321,045	TOTAL		
Queen Creek	32,423	4,316		\$30,422,097	4,052,210

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
June 2004

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	1,456,738	202,705
Eagar	\$28,983	4,033	Surprise	221,689	30,848
Springerville	14,172	1,972	Tempe	1,139,958	158,625
St. Johns	25,498	3,548	Tolleson	35,746	4,974
<u>Cochise County</u>			Wickenburg	36,522	5,082
Benson	33,856	4,711	Youngtown	21,631	3,010
Bisbee	43,766	6,090	<u>Mohave County</u>		
Douglas	118,742	16,523	Bullhead City	242,681	33,769
Huachuca City	12,584	1,751	Colorado City	23,960	3,334
Sierra Vista	271,470	37,775	Kingman	144,226	20,069
Tombstone	10,809	1,504	Lake Havasu City	301,387	41,938
Willcox	26,827	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	35,336	4,917
Flagstaff	380,122	52,894	Pinetop/Lakeside	25,742	3,582
Fredonia	7,445	1,036	Show Low	55,300	7,695
Page	48,933	6,809	Snowflake	32,052	4,460
Williams	20,424	2,842	Taylor	22,824	3,176
<u>Gila County</u>			Winslow	68,415	9,520
Globe	53,798	7,486	<u>Pima County</u>		
Hayden	6,410	892	Marana	97,420	13,556
Miami	13,913	1,936	Oro Valley	229,494	31,934
Payson	97,880	13,620	Sahuarita	23,299	3,242
Winkelman	3,184	443	South Tucson	39,454	5,490
<u>Graham County</u>			Tucson	3,497,660	486,699
Pima	14,294	1,989	<u>Pinal County</u>		
Safford	66,346	9,232	Apache Junction	228,631	31,814
Thatcher	28,904	4,022	Casa Grande	181,272	25,224
<u>Greenlee County</u>			Coolidge	55,954	7,786
Clifton	18,656	2,596	Eloy	74,560	10,375
Duncan	5,835	812	Florence	109,529	15,241
<u>La Paz County</u>			Kearny	16,162	2,249
Parker	22,566	3,140	Mammoth	12,663	1,762
Quartzsite	24,104	3,354	Maricopa	35,918	4,998
<u>Maricopa County</u>			Superior	23,385	3,254
Avondale	257,873	35,883	<u>Santa Cruz County</u>		
Buckeye	61,064	8,497	Nogales	150,040	20,878
Carefree	21,035	2,927	Patagonia	6,331	881
Cave Creek	26,791	3,728	<u>Yavapai County</u>		
Chandler	1,271,571	176,939	Camp Verde	67,920	9,451
El Mirage	54,682	7,609	Chino Valley	58,692	8,167
Fountain Hills	145,419	20,235	Clarkdale	24,592	3,422
Gila Bend	14,229	1,980	Cottonwood	65,965	9,179
Gilbert	788,337	109,697	Jerome	2,364	329
Glendale	1,572,491	218,812	Prescott	243,895	33,938
Goodyear	135,904	18,911	Prescott Valley	169,134	23,535
Guadalupe	37,571	5,228	Sedona	73,245	10,192
Litchfield Park	27,381	3,810	<u>Yuma County</u>		
Mesa	2,858,615	397,776	San Luis	110,111	15,322
Paradise Valley	98,196	13,664	Somerton	52,217	7,266
Peoria	778,757	108,364	Wellton	13,144	1,829
Phoenix	9,493,683	1,321,045	Yuma	558,283	77,685
Queen Creek	31,017	4,316			
			TOTAL	\$29,159,677	4,057,566

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