



# ARIZONA DEPARTMENT OF REVENUE

## MEMORANDUM

**DATE:** September 8, 2005

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### *June 2005 TAX FACTS*

#### SUMMARY OF GENERAL FUND REVENUES

	<u>June 2005</u>	<u>Fiscal Year Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$250,886,277	\$2,599,939,210
Percent Change	20.0%	33.8%
<b>Corporate Income Tax</b>		
Net Collections	\$ 97,403,525	\$ 701,859,285
Percent Change	7.5 %	48.7%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$322,427,355	\$3,650,082,271
Change	14.5%	10.9%
<b>Total Big Three Tax Types</b>		
Net Collections	\$670,717,157	\$6,951,880,766
Percent Change	15.4%	21.8%

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

# TAX FACTS

## June 2005

### INDIVIDUAL INCOME TAX

#### Individual Income Tax Receipts

	June 2005	June 2004	% Change
Gross Collections	\$106,817,719	\$77,177,113	38.4
Withholding	\$215,867,519	\$195,929,652	10.2
Refunds	(\$40,709,580)	(\$33,622,750)	21.1
Urban Revenue Sharing	(\$31,089,382)	(\$30,422,097)	2.2
<b>Net Collections</b>	<b>\$250,886,276</b>	<b>\$209,061,918</b>	<b>20.0</b>
	<b>Fiscal Year Total (04/05)</b>	<b>Fiscal Year 2003/04</b>	<b>% Change</b>
%Gross Collections	\$1,105,381,346	\$757,527,785	45.9
Withholding	\$2,623,333,541	\$2,332,900,966	12.4
Refunds	(\$755,703,099)	(\$782,253,584)	(3.4)
Urban Revenue Sharing	(\$373,072,578)	(\$365,065,158)	2.2
<b>Net Collections</b>	<b>\$2,599,939,210</b>	<b>\$1,943,110,009</b>	<b>33.8</b>

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

In June 2005, the department issued one individual income tax refund for alternative fuel-related credits in the amount of \$6,000 which is included in the refunds listed above.

#### Ladewig Refunds

In June 2005, the department issued 296 warrants totaling \$282,579 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 445,590 refunds have been issued for a total of \$128,924,956. Attorney payments are not included in the refund amount and total \$ \$6,249,510.72 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

#### Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,264	1,575,957	88,795	102,431	3	44,198	297,353	13,315	197,269	2,625	13	2,368,223
%	1.9	66.5	3.7	4.3	0.0	1.9	12.6	0.6	8.3	0.1	0.0	

In calendar year 2005 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	31,806	1,538,561	72,825	107,434	0	34,382	267,599	12,876	183,767	3,159	5	2,252,414
%	1.4	68.3	3.2	4.8	0.0	1.5	11.9	0.6	8.2	0.1	0.0	

The 2,252,414 returns, representing current and prior tax years, filed through June 2005 compares to 2,112,253 returns filed during the same period of time in 2004 for an annual increase of 6.6%. For tax year 2004 filed in 2005, 2,166,247 returns have been filed, a 6.6% increase over filings through June 2004 for tax year 2003.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,528,590 returns in calendar year 2005 for tax year 2004 from filers who also have returns on record from calendar year 2004 with the same marital status. On average, these filers experienced a 9.1% increase in FAGI and a 14.7% increase in tax liability. More specifically, 67.7% of these filers experienced a decrease in tax liability; on average a decrease of 19.2% in FAGI with a corresponding average decrease in tax liability of 34.8%. Filers with an increase in tax liability totaled 841,875 or 44.9% with an average FAGI increase of 29.9% and an average tax liability increase of 55.4%.

### **Average Individual Income Tax Refund**

Net of Ladewig refunds.

	Average	Number
2005 CYTD	\$486.50	1,375,646
2004 CYTD	\$492.94	1,395,397
% Change	(1.3)	(1.4)

### **"New" Filers in Calendar Year 2004**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 244,431 "new" returns have been filed thus far in 2005, representing approximately 295,597 persons, not including dependents. The average Federal Adjusted gross Income for these 244,431 returns is \$20,988 with an average tax liability of \$349. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.6% had a married filing joint filing status, 7.4% 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 for tax year 2004 was \$394.9 million, for an average of \$2,074. An additional \$74.6 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,847. Estimated payments received through May 2005 for tax year 2005 are as follows:

06/05	140ES payment	\$66,551,542	Cumulative	\$130,289,630
06/04	140ES payment	\$23,052,299	Cumulative	\$ 69,051,186
	% change	188.7		88.7
06/05	Average payment	\$1,894	Cumulative	\$1,594
06/04	Average payment	\$ 976	Cumulative	\$1,095
	% change	94.1		45.6
06/05	Applied refund	\$5,536,204	Cumulative	\$24,322,012
06/04	Applied refund	\$3,382,613	Cumulative	\$22,792,167
	% change	63.7		6.7
Total 06/05		\$72,087,746	Cumulative	\$154,611,643
Total 06/04		\$26,434,912	Cumulative	\$ 91,843,353
	% change	172.7		68.3

### **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 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 second quarter of 2004, which shows an increase of 2.2% in withholding payments over the second quarter of 2003. Growth in quarters for which information is still being gathered is as follows:

3 <sup>rd</sup> Quarter 2004	6.8%	1 <sup>st</sup> Quarter 2005	11.1%
4 <sup>th</sup> Quarter 2004	10.8%	2 <sup>nd</sup> Quarter 2005	3.9%

As of January 1, 2005, the current choices for withholding are 0%, 19%, 23%, 25%, 31%, or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	<b>Number</b>	<b>Amount</b>	<b>Average</b>
Calendar Year 2005	14,306	\$5,058,128	\$353.57
Calendar Year 2004	14,651	\$5,156,568	\$351.96
% Change	(2.4)	(1.9)	0.5

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2004:

	<b>June 2005</b>	<b>Calendar Year Total</b>
Check Off	\$445,665	\$4,364,897
Voluntary Donation	\$6,485	\$49,837
Number of Returns	61,406	603,071

### **Contributions on the Individual Income Tax Return**

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

	<b>Number</b>	<b>Amount</b>	<b>Average</b>
Wildlife	9,163	\$161,643	\$17.64
Child Abuse	10,102	\$187,720	\$18.58
Special Olympics	4,812	\$80,791	\$16.79
Neighbors Helping	2,847	\$36,534	\$12.83
AID to Education	702	\$42,370	\$60.36
Domestic Violence Shelter	7,398	\$133,490	\$18.04
Democratic Party	953	\$20,889	\$21.92
Republican Party	647	\$15,151	\$23.42
Libertarian Party	75	\$2,041	\$27.22

## CORPORATE INCOME TAX

### Corporate Income Tax Receipts

	June 2005	June 2004	% Change
Gross Collections	\$110,596,348	\$94,099,134	17.5
Refunds	(\$13,192,824)	(\$3,528,826)	273.9
<b>Net Collections</b>	<b>\$97,403,525</b>	<b>\$90,570,308</b>	<b>7.5</b>

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$786,355,716	\$587,408,992	33.9
Refunds	(\$84,496,431)	(\$115,449,836)	(26.8)
<b>Net Collections</b>	<b>\$701,859,285</b>	<b>\$471,959,157</b>	<b>48.7</b>

### 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 2005	\$103,887,484	Calendar Year Total	\$279,371,973
June 2004	\$86,743,567	Calendar Year Total	\$218,413,179
% Change	19.8%	% Change	27.9%

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

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
June 2005	564	101	113	22	13	0	813	14.2
June 2004	506	83	98	10	15	0	712	
CY 2005	1,583	240	301	52	35	0	2,211	13.2
CY 2004	1,468	190	224	34	34	0	1,953	

### Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 03/04 by corporate fiscal year. For example, in FY 03/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>99 &amp; Prior</b>	<b>00</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>
FY 03/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%
<b>Corporate Fiscal Year-End:</b>	<b>00 &amp; Prior</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>
FY 04/05	19.2%	4.5%	3.8%	48.9%	23.4%	0.4%

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 2005	\$2,242,705	Calendar Year Total	\$32,751,278
June 2004	\$5,999,088	Calendar Year Total	\$38,733,981
% Change	(62.6%)	% Change	(15.4%)

## Corporate Income Tax Document Count

### NO UPDATED FIGURE FOR JUNE WERE AVAILABLE

The Arizona Department of Revenue received 108,944 corporate returns showing a fiscal year-end of 2003. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	310	34,904	61,775	391	11,564
%	0.3	32.0	56.7	0.4	10.6

Through May 2005, 44,608 documents were received for a fiscal year-end of 2004, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	70	17,072	19,704	154	7,608
%	0.2	38.3	44.2	0.3	17.1

The figures for the 2004 returns are most meaningful when compared to 2003 returns received during the same period of time in the previous year. Through May 2004, the Department of Revenue received 31,463 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 41.8% *increase* in the number of corporate returns received at this point of time in the calendar year.

## Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for May 2005 are shown on Table 2, at the end of this report.

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## 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.

	<b>June 2005</b>	<b>June 2004</b>	<b>% change</b>
Distribution Base	\$132,800,971	\$116,638,709	13.9%
Non shared	\$254,483,097	\$219,843,656	15.8%
Other Revenues	\$54,859,046	\$48,543,739	13.0%
Education Tax	\$47,756,334	\$41,827,414	14.2%
Use Tax	\$22,141,203	\$21,626,332	2.4%
<b>Total Collections</b>	<b>\$512,040,651</b>	<b>\$448,479,851</b>	<b>14.2%</b>

	<b>Fiscal Year Total (04/05)</b>	<b>Fiscal Year Total (03/04)</b>	<b>% change</b>
Distribution Base	\$1,504,851,881	\$1,362,143,376	10.5%
Non shared	\$2,871,370,865	\$2,588,198,146	10.9%
Other Revenues	\$625,516,977	\$570,392,709	9.7%
Education Tax	\$538,346,435	\$487,214,807	10.5%
Use Tax	\$259,687,993	\$232,457,218	11.7%
<b>Total Collections</b>	<b>\$5,799,744,150</b>	<b>\$5,240,406,256</b>	<b>10.7%</b>

### **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.

	<b>June 2005</b>	<b>June 2004</b>	<b>% change</b>
Retained by State	\$322,427,355	281,698,679	14.5%
Returned to Counties	\$53,797,673	47,250,341	13.9%
Returned to Cities	\$33,200,243	29,159,677	13.9%
Education Tax	\$47,756,334	41,827,414	14.2%
Other Revenues	\$54,859,046	48,543,739	13.0%
<b>Total Collections</b>	<b>\$512,040,651</b>	<b>448,479,851</b>	<b>14.2%</b>

	<b>Fiscal Year Total (04/05)</b>	<b>Fiscal Year Total (03/04)</b>	<b>% change</b>
Retained by State	\$3,650,082,271	\$3,290,458,614	10.9%
Returned to Counties	\$609,615,497	\$551,804,281	10.5%
Returned to Cities	\$376,212,970	\$340,535,844	10.5%
Education Tax	\$538,346,435	\$487,214,807	10.5%
Other Revenues	\$625,516,977	\$570,392,708	9.7%
<b>Total Collections</b>	<b>\$5,799,774,150</b>	<b>\$5,240,406,255</b>	<b>10.7%</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>June 2005</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	5.6%	\$236,973	45.7%	\$2,661,629	(21.1%)
Non-Metal Mining Oil/Gas	3.125%	\$872,300	(3.1%)	\$9,898,546	10.1%
Utilities	5.6%	\$26,649,371	6.9%	\$340,918,006	6.0%
Communications	5.6%	\$13,002,042	22.6%	\$146,523,206	4.3%
Private Car/Pipelines	5.6%	\$78,249	7.1%	\$740,876	-6.9%
Publishing	5.6%	\$639,123	17.0%	\$6,735,265	4.5%
Job Printing	5.6%	\$1,552,407	17.4%	\$18,323,292	5.0%
Restaurants & Bars	5.6%	\$35,719,585	12.9%	\$396,429,720	10.1%
Amusements	5.6%	\$3,793,988	17.3%	\$43,561,719	7.1%
Commercial Lease	0%	\$75	(86.5%)	\$31,163	(134.9%)
Rental of Personal Property	5.6%	\$13,614,457	8.6%	\$161,860,759	2.0%
Contracting	3.75% - 5.6%	\$76,443,322	33.0%	\$797,215,357	21.2%
Feed Wholesale	Repealed	0	N/A	0	N/A
Retail	5.6%	\$202,814,609	10.6%	\$2,315,028,967	9.2%
Mining Severance	2.5%	\$1,762,943	92.4%	\$16,399,086	150.7%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	\$33,318	N/A	\$39,952	273.0%
Hotel/Motel	5.5%	\$9,509,633	16.6%	\$113,372,263	12.6%
Membership Camping	5.6%	\$7,944	76.9%	\$144,548	(3.6%)
Use Tax	5.6%	\$22,201,775	2.7%	\$260,505,908	11.8%
Rental Occupancy Tax	3.0%	\$12,566	N/A	\$72,279	(42.7%)

	<b>Tax Rate</b>	<b>June 2005</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Jet Fuel	\$0.0305/\$0.0105 gal	\$511,260	(2.2%)	\$5,340,526	2.8%
Telecommunications Devices	1.1		N/A	0	0.0%
Telecomm	----	\$284,258	(28.1%)	\$4,035,765	(20.7%)
School for the Deaf and Blind		\$96,146	(27.0%)	\$1,282,729	(5.8%)
Poison Control	----	\$75,245	(27.0%)	\$1,147,283	(20.2%)
Teratogen Funding		\$4,180	N/A	\$53,771	N/A
911 Wireline	\$0.37/month per active service	\$1,173,391	3.6%	\$14,345,470	4.6%
911 Wireless	\$0.37/month per active service	\$1,194,972	13.3%	\$12,197,815	1.9%
<b>Total</b>		<b>\$412,284,133</b>	<b>14.3%</b>	<b>\$4,668,865,898</b>	<b>10.7%</b>

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 Class<sup>1</sup>**

	<b>June 2005</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	\$4,739,537	45.7%	\$53,371,189	(20.9%)
Non-Metal Mining Oil/Gas	\$27,914,239	(3.1%)	\$317,201,953	10.2%
Utilities	\$533,002,785	6.9%	\$6,828,178,785	6.2%
Communications	\$260,047,728	22.6%	\$2,934,857,677	4.5%
Private Car/Pipelines	\$1,565,027	7.2%	\$14,832,331	(6.8%)
Publishing	\$12,783,541	17.0%	\$134,924,680	4.7%
Job Printing	\$31,049,119	17.4%	\$367,010,013	5.2%
Restaurants & Bars	\$714,416,116	12.9%	\$7,939,964,059	10.2%
Amusements	\$75,881,821	17.3%	\$872,520,031	7.3%
Commercial Lease	\$1,691	(15.8%)	\$916,303	(114.1%)
Rental of Personal Property	\$272,329,349	8.6%	\$3,242,363,333	2.1%
Contracting	\$1,534,520,223	33.5%	\$16,044,846,683	22.0%
Feed Wholesale	0	N/A	0	N/A
Retail	\$4,057,439,031	10.6%	\$46,378,344,449	9.4%
Mining Severance	\$70,519,331	92.4%	\$656,631,022	151.0%
Timber Severance	\$16,006	N/A	\$19,580	271.9%
Hotel/Motel	\$172,907,690	16.6%	\$2,063,973,281	12.7%
Membership Camping	\$158,902	76.9%	\$2,896,795	(1.2%)
Use Tax	\$444,140,323	2.0%	\$5,218,535,456	12.3%
Rental Occupancy Tax	\$418,880	N/A	\$2,413,680	(42.6%)
<b>Total</b>	<b>\$8,213,851,338</b>	<b>14.6%</b>	<b>\$93,073,801,300</b>	<b>11.4%</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

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

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

**Taxable Sales by SIC Code Range**

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

**Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for June 2005 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$403,146	0.7%	\$4,542,978	9.8%
Cochise	\$949,584	1.8%	\$10,852,890	7.1%
Coconino	\$1,342,520	2.5%	\$15,127,441	5.3%
Gila	\$388,504	0.7%	\$4,600,625	6.6%
Graham	\$241,200	0.4%	\$2,735,648	9.4%
Greenlee	\$213,603	0.4%	\$2,511,678	27.2%
La Paz	\$153,031	0.3%	\$1,824,245	9.6%
Maricopa	\$34,666,894	64.4%	\$392,415,261	10.5%
Mohave	\$1,526,755	2.8%	\$17,231,461	13.1%
Navajo	\$843,299	1.6%	\$9,440,461	9.4%
Pima	\$7,915,443	14.7%	\$90,284,731	9.4%
Pinal	\$1,551,353	2.9%	\$16,911,027	14.5%
Santa Cruz	\$348,022	0.6%	\$3,949,677	8.9%
Yavapai	\$1,908,576	3.5%	\$21,183,714	14.4%
Yuma	\$1,345,744	2.5%	\$16,003,660	12.5%
<b>Total</b>	<b>\$53,797,673</b>		<b>\$609,615,497</b>	<b>10.5%</b>

**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 2005 is shown on Table 3, attached to this report.

**County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during June 2005 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		83,371							
Cochise		552,186							
Coconino		896,909	542,114					224,781	
Gila	160,309	149,819							
Graham		105,703							
Greenlee		57,847							
La Paz		78,546	78,545				121		
Maricopa	28,154,257		10,477,509	512,002	355				1,565,470
Mohave		577,789							
Navajo		519,051							
Pima				141,760		6,784			
Pinal	1,167,381	1,146,255							
Santa Cruz		223,488							
Yavapai		1,283,744	641,326						
Yuma		832,449	832,381					830,547	

## OTHER TAXES

### Luxury Taxes

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

	June 2005	June 2004	% Change
Spirituos	\$3,045,482	\$1,795,156	69.7
Vinous	\$1,227,390	\$710,727	72.7
Malt	\$2,147,023	\$1,816,683	18.2
Cigarette	\$24,795,987	\$23,791,395	4.2
Other Tobacco	\$715,642	\$635,308	12.6
Tobacco Licenses	\$2,000	\$1,725	15.9
<b>Total</b>	<b>\$31,933,524</b>	<b>\$28,750,994</b>	<b>11.1</b>

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spirituos	\$25,085,444	\$23,457,743	6.9
Vinous	\$11,473,203	\$10,410,881	10.2
Malt	\$22,664,420	\$22,111,190	2.5
Cigarette*	\$276,662,425	\$266,709,390	3.7
Other Tobacco	\$8,731,741	\$7,974,442	9.5
Tobacco Licenses	\$5,325	\$6,400	(16.8)
<b>Total</b>	<b>\$344,622,558</b>	<b>\$330,670,046</b>	<b>4.2</b>

\*Through June 2005, \$445,507 of cigarette and tobacco tax collection have been allocated for administrative expenses and is not included in the cigarette collections above.

### General Fund revenues from luxury taxes:

	June 2005	Fiscal Year (04/05)
Spirituos	\$2,131,837	\$17,559,811
Vinous	\$306,119	\$2,859,633
Malt	\$536,756	\$5,666,104
Cigarette	\$3,466,704	\$37,000,306
Other Tobacco	\$107,921	\$1,355,449
Tobacco Licenses	\$2,000	\$5,325
<b>Total</b>	<b>\$6,551,337</b>	<b>\$64,446,627</b>

### Other dedicated revenues from luxury taxes:

	June 2005	Fiscal Year (04/05)
Correction Fund revenues	\$2,836,101	\$28,048,981
Tobacco Tax & Health Care Fund <sup>2</sup>	\$14,139,126	\$102,310,127
Tobacco Products Tax Fund <sup>3</sup>	\$7,030,429	\$138,521,611
Wine Promotional Fund revenues	\$2,914	\$34,667
Drug Treatment & Education Fund revenues	\$820,054	\$7,894,513
Corrections Revolving Fund revenues	\$327,369	\$3,139,770

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**Estate Tax**

June 2005	\$1,302,368	Fiscal Year to Date	\$31,236,067
June 2004	\$2,131,642	Fiscal Year To Date	\$38,818,431
% Change	(38.9)	% Change	(19.5)

**Bingo**

June 2005	\$38,748	Fiscal Year to Date	\$610,055
June 2004	\$39,717	Fiscal Year to Date	\$624,501
% Change	(2.4)	% Change	(2.3)

**Unclaimed Property**

June 2005	(\$53,480,640)	Fiscal Year to Date	\$9,423,140
June 2004	(\$28,598,294)	Fiscal Year to Date	\$8,043,962
% Change	87.0	% Change	17.1

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS,  
ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2005 for Tax Year 2004**  
**Through June 2005**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,366	1.0%	-\$13,059	\$2	16.8%	75.5%	5.3%	2.4%	13.5%	11.6%
<b>\$0-\$5,000</b>	<b>49,731</b>	<b>20.3%</b>	<b>\$2,749</b>	<b>\$0</b>	<b>4.2%</b>	<b>84.4%</b>	<b>10.6%</b>	<b>0.8%</b>	<b>4.3%</b>	<b>16.2%</b>
\$5,000-\$10,000	50,914	20.8%	\$7,381	\$25	6.5%	74.7%	17.7%	1.1%	5.6%	25.6%
<b>\$10,000-\$15,000</b>	<b>35,489</b>	<b>14.5%</b>	<b>\$12,368</b>	<b>\$94</b>	<b>12.6%</b>	<b>59.0%</b>	<b>26.7%</b>	<b>1.6%</b>	<b>8.1%</b>	<b>37.8%</b>
\$15,000-\$20,000	25,982	10.6%	\$17,366	\$170	19.8%	49.2%	28.9%	2.1%	8.4%	43.3%
<b>\$20,000-\$25,000</b>	<b>18,097</b>	<b>7.4%</b>	<b>\$22,396</b>	<b>\$275</b>	<b>24.4%</b>	<b>44.3%</b>	<b>28.5%</b>	<b>2.8%</b>	<b>7.6%</b>	<b>46.5%</b>
\$25,000-\$30,000	13,059	5.3%	\$27,386	\$394	27.3%	42.6%	26.7%	3.4%	7.4%	46.3%
<b>\$30,000-\$40,000</b>	<b>17,017</b>	<b>7.0%</b>	<b>\$34,515</b>	<b>\$557</b>	<b>35.1%</b>	<b>38.1%</b>	<b>23.0%</b>	<b>3.8%</b>	<b>8.1%</b>	<b>46.2%</b>
\$40,000-\$50,000	10,002	4.1%	\$44,557	\$791	46.3%	32.7%	17.7%	3.3%	10.0%	47.3%
<b>\$50,000-\$75,000</b>	<b>12,669</b>	<b>5.2%</b>	<b>\$60,533</b>	<b>\$1,161</b>	<b>62.0%</b>	<b>24.4%</b>	<b>11.3%</b>	<b>2.3%</b>	<b>12.5%</b>	<b>47.2%</b>
\$75,000-\$100,000	4,882	2.0%	\$85,609	\$1,833	73.1%	18.1%	6.9%	1.8%	14.8%	46.2%
<b>\$100,000-\$200,000</b>	<b>3,459</b>	<b>1.4%</b>	<b>\$129,015</b>	<b>\$3,274</b>	<b>75.3%</b>	<b>18.0%</b>	<b>5.1%</b>	<b>1.6%</b>	<b>16.4%</b>	<b>44.1%</b>
\$200,000-\$500,000	638	0.3%	\$283,146	\$9,671	68.8%	22.7%	6.5%	2.0%	20.2%	38.0%
<b>\$500,000-\$1,000,000</b>	<b>85</b>	<b>0.0%</b>	<b>\$670,672</b>	<b>\$36,683</b>	<b>64.7%</b>	<b>22.4%</b>	<b>9.4%</b>	<b>3.5%</b>	<b>25.9%</b>	<b>35.3%</b>
\$1,000,000 and over	41	0.0%	\$2,285,232	\$100,109	68.3%	31.7%	0.0%	0.0%	22.0%	26.8%
<b>Total</b>	<b>244,431</b>		<b>\$20,988</b>	<b>\$349</b>	<b>16.6%</b>	<b>48.9%</b>	<b>16.3%</b>	<b>1.6%</b>	<b>7.4%</b>	<b>34.1%</b>

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

**NEW RETURNS FILED IN 2004 FOR TAX YEAR 2003**

<b>Total</b>	<b>239,280</b>		<b>\$20,074</b>	<b>\$334</b>	<b>16.5%</b>	<b>49.4%</b>	<b>15.8%</b>	<b>1.7%</b>	<b>7.5%</b>	<b>32.9%</b>
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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 2005**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Surprise	\$236,245	30,848
Eagar	\$30,886	4,033	Tempe	\$1,214,808	158,625
St. Johns	\$27,172	3,548	Tolleson	\$38,093	4,974
Springerville	\$15,102	1,972	Wickenburg	\$38,920	5,082
<b><u>Cochise County</u></b>			Youngtown	\$23,052	3,010
Benson	\$36,079	4,711	<b><u>Mohave County</u></b>		
Bisbee	\$46,639	6,090	Bullhead City	\$258,615	33,769
Douglas	\$126,539	16,523	Colorado City	\$25,533	3,334
Huachuca City	\$13,410	1,751	Kingman	\$153,696	20,069
Sierra Vista	\$289,295	37,775	Lake Havasu City	\$321,176	41,938
Tombstone	\$11,518	1,504	<b><u>Navajo County</u></b>		
Willcox	\$28,589	3,733	Holbrook	\$37,656	4,917
<b><u>Coconino County</u></b>			Pinetop-Lakeside	\$27,432	3,582
Flagstaff	\$405,082	52,894	Show Low	\$58,931	7,695
Fredonia	\$7,934	1,036	Snowflake	\$34,156	4,460
Page	\$52,146	6,809	Taylor	\$24,323	3,176
Williams	\$21,765	2,842	Winslow	\$72,908	9,520
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	\$57,331	7,486	Marana	\$103,817	13,556
Hayden	\$6,831	892	Oro Valley	\$244,562	31,934
Miami	\$14,827	1,936	Sahuarita	\$24,828	3,242
Payson	\$104,307	13,620	South Tucson	\$42,044	5,490
Winkelman	\$3,393	443	Tucson	\$3,727,318	486,699
<b><u>Graham County</u></b>			<b><u>Pinal County</u></b>		
Pima	\$15,232	1,989	Apache Junction	\$243,643	31,814
Safford	\$70,702	9,232	Casa Grande	\$193,175	25,224
Thatcher	\$30,802	4,022	Coolidge	\$59,628	7,786
<b><u>Greenlee County</u></b>			Eloy	\$79,456	10,375
Clifton	\$19,881	2,596	Florence	\$131,785	17,208
Duncan	\$6,219	812	Kearny	\$17,224	2,249
<b><u>La Paz County</u></b>			Mammoth	\$13,494	1,762
Parker	\$24,047	3,140	Maricopa	\$38,277	4,998
Quartzsite	\$25,686	3,354	Superior	\$24,920	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$274,805	35,883	Nogales	\$159,891	20,878
Buckeye	\$65,073	8,497	Patagonia	\$6,747	881
Carefree	\$22,416	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	\$28,550	3,728	Camp Verde	\$72,379	9,451
Chandler	\$1,355,063	176,939	Chino Valley	\$62,546	8,167
El Mirage	\$58,272	7,609	Clarkdale	\$26,207	3,422
Fountain Hills	\$154,967	20,235	Cottonwood	\$70,296	9,179
Gila Bend	\$15,164	1,980	Jerome	\$2,520	329
Gilbert	\$840,100	109,697	Prescott	\$259,910	33,938
Glendale	\$1,675,742	218,812	Prescott Valley	\$180,240	23,535
Goodyear	\$144,827	18,911	Sedona	\$78,054	10,192
Guadalupe	\$40,038	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	\$29,178	3,810	San Luis	\$117,341	15,322
Mesa	\$3,046,313	397,776	Somerton	\$55,646	7,266
Paradise Valley	\$104,644	13,664	Wellton	\$14,007	1,829
Peoria	\$829,891	108,364	Yuma	\$594,940	77,685
Phoenix	\$10,117,044	1,321,045	<b>TOTAL</b>		
Queen Creek	\$33,054	4,316		<b>\$31,089,382</b>	<b>4,059,533</b>
Scottsdale	\$1,552,389	202,705			

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

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,656,392	202,705
Eagar	\$32,955	4,033	Surprise	\$252,073	30,848
Springerville	\$16,114	1,972	Tempe	\$1,296,195	158,625
St. Johns	\$28,992	3,548	Tolleson	\$40,645	4,974
<b><u>Cochise County</u></b>			Wickenburg	\$41,527	5,082
Benson	\$38,496	4,711	Youngtown	\$24,596	3,010
Bisbee	\$49,764	6,090	<b><u>Mohave County</u></b>		
Douglas	\$135,017	16,523	Bullhead City	\$275,941	33,769
Huachuca City	\$14,308	1,751	Colorado City	\$27,244	3,334
Sierra Vista	\$308,676	37,775	Kingman	\$163,993	20,069
Tombstone	\$12,290	1,504	Lake Havasu City	\$342,694	41,938
Willcox	\$30,504	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$40,179	4,917
Flagstaff	\$432,220	52,894	Pinetop/Lakeside	\$29,270	3,582
Fredonia	\$8,466	1,036	Show Low	\$62,879	7,695
Page	\$55,639	6,809	Snowflake	\$36,445	4,460
Williams	\$23,223	2,842	Taylor	\$25,953	3,176
<b><u>Gila County</u></b>			Winslow	\$77,792	9,520
Globe	\$61,171	7,486	<b><u>Pima County</u></b>		
Hayden	\$7,289	892	Marana	\$110,772	13,556
Miami	\$15,820	1,936	Oro Valley	\$260,947	31,934
Payson	\$111,295	13,620	Sahuarita	\$26,492	3,242
Winkelman	\$3,620	443	South Tucson	\$44,861	5,490
<b><u>Graham County</u></b>			Tucson	\$3,977,032	486,699
Pima	\$16,253	1,989	<b><u>Pinal County</u></b>		
Safford	\$75,439	9,232	Apache Junction	\$259,966	31,814
Thatcher	\$32,866	4,022	Casa Grande	\$206,116	25,224
<b><u>Greenlee County</u></b>			Coolidge	\$63,623	7,786
Clifton	\$21,213	2,596	Eloy	\$84,779	10,375
Duncan	\$6,635	812	Florence	\$140,614	17,208
<b><u>La Paz County</u></b>			Kearny	\$18,378	2,249
Parker	\$25,658	3,140	Mammoth	\$14,398	1,762
Quartzsite	\$27,407	3,354	Maricopa	\$40,841	4,998
<b><u>Maricopa County</u></b>			Superior	\$26,590	3,254
Avondale	\$293,216	35,883	<b><u>Santa Cruz County</u></b>		
Buckeye	\$69,433	8,497	Nogales	\$170,603	20,878
Carefree	\$23,918	2,927	Patagonia	\$7,199	881
Cave Creek	\$30,463	3,728	<b><u>Yavapai County</u></b>		
Chandler	\$1,445,846	176,939	Camp Verde	\$77,228	9,451
El Mirage	\$62,176	7,609	Chino Valley	\$66,736	8,167
Fountain Hills	\$165,349	20,235	Clarkdale	\$27,963	3,422
Gila Bend	\$16,179	1,980	Cottonwood	\$75,006	9,179
Gilbert	\$896,382	109,697	Dewey-Humboldt	\$28,012	3,428
Glendale	\$1,788,009	218,812	Jerome	\$2,688	329
Goodyear	\$154,530	18,911	Prescott	\$277,322	33,938
Guadalupe	\$42,720	5,228	Prescott Valley	\$192,315	23,535
Litchfield Park	\$31,133	3,810	Sedona	\$83,283	10,192
Mesa	\$3,250,403	397,776	<b><u>Yuma County</u></b>		
Paradise Valley	\$111,655	13,664	San Luis	\$125,203	15,322
Peoria	\$885,490	108,364	Somerton	\$59,374	7,266
Phoenix	\$10,794,840	1,321,045	Wellton	\$14,946	1,829
Queen Creek	\$35,268	4,316	Yuma	\$634,798	77,685
			<b>TOTAL</b>	<b>\$33,200,243</b>	<b>4,062,961</b>