



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: August 28, 2006

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

June 2006 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>June 2006</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$ 299,008,248	\$3,280,668,097
Percent Change	19.2%	26.2%
Corporate Income Tax		
Net Collections	\$ 149,480,737	\$ 882,954,383
Percent Change	53.5%	25.8%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 367,824,479	\$4,257,917,335
Change	14.1%	16.7%
Total Big Three Tax Types		
Net Collections	\$ 816,313,464	\$8,421,539,815
Percent Change	21.7%	21.1%

TAX FACTS

June 2006

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	June-06	June-05	% Change
Gross Collections	\$ 145,568,069	\$ 106,817,719	36.3%
Withholding	\$ 256,634,913	\$ 215,867,519	18.9%
Refunds	\$ (67,758,989)	\$ (40,709,580)	66.4%
Urban Revenue Sharing	\$ (35,435,744)	\$ (31,089,382)	14.0%
Net Collections	\$ 299,008,248	\$ 250,886,276	19.2%

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% Change
Gross Collections	\$ 1,598,999,056*	\$ 1,105,381,346	44.7%
Withholding	\$ 3,036,760,422	\$ 2,623,333,541	15.8%
Refunds	\$ (929,862,455)	\$ (755,703,099)	23.0%
Urban Revenue Sharing	\$ (425,228,927)	\$ (373,072,578)	14.0%
Net Collections	\$ 3,280,668,097	\$ 2,599,939,210	26.2%

*FYTD 05/06 Gross collections adjusted to reflect BRITS payment of \$16.5 million made in October 2005.

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

Ladewig Refunds

In June 2006, the department issued 82 warrants totaling \$23,426 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 308,875 refunds have been issue for a total of \$44,063,916. Attorney payments are not included in the refund amount and total \$ 5,107,102 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2005, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,957	1,675,324	99,248	115,957	12	45,036	279,787	12,873	188,966	3,161	8	2,467,329
%	1.9%	67.9%	4.0%	4.7%	0.0%	1.8%	11.3%	0.5%	7.7%	0.1%	0.0%	

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

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	34,194	1,524,942	87,191	121,216	0	35,421	381,383	12,008	172,326	3,450	7	2,372,138
%	1.4%	64.3%	3.7%	5.1%	0.0%	1.5%	16.1%	0.5%	7.3%	0.1%	0.0%	

Individual Income Tax Document Count continued

The 2,372,138 returns representing current and prior tax years, filed through June 2006 compares to 2,252,414 returns filed during the same period of time in 2005 for an annual increase of 5.3%. For the tax year 2005 filed in 2006, 2,281,161 returns have been filed, a 5.3% increase in filings through June 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 1,547,610 returns in calendar year 2006 for tax year 2005 from filers who also have returns on record from calendar year 2005 with the same marital status. On average, these filers experienced a 10.3% increase in FAGI and a 13.9% increase in tax liability. More specifically, 34.3% 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 37.2%. Filers with an increase in tax liability totaled 834,523 or 53.9%, with an average FAGI increase of 34.6% and an average tax liability increase of 61.8%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2006 CYTD	\$ 567.68	1,459,547
2005 CYTD	\$ 486.54	1,375,646
% Change	16.7	6.1

"New" Filers in Calendar Year 2006

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 261,647 "new" returns have been filed thus far in 2006, representing approximately 315,662 persons, not including dependents. The average Federal Adjusted Gross Income is \$22,021 with an average tax liability of \$390. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.5% had a married filing joint filing status, 7.0% claimed a 65 and Over Exemption and 33.9% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES tax year 2005 was \$576.7 million, for an average of \$2,682. An additional \$94.3 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,352. Estimated payments received through June 2006 for tax year 2006 are as follows:

06/06	140ES payment	\$	25,008,950	Cumulative \$	110,985,104
06/05	140ES payment	\$	66,551,542	Cumulative \$	130,289,630
	% change		(62.4%)		(14.8%)
06/06	Average payment	\$	1,287	Cumulative \$	1,554
06/05	Average payment	\$	1,894	Cumulative \$	1,594
	% change		(32.0%)		(2.5%)
06/06	Applied refund	\$	8,400,394	Cumulative \$	26,326,883
06/05	Applied refund	\$	5,536,204	Cumulative \$	24,322,012
	% change		51.7%		8.2%
Total 06/06		\$	33,409,345	Cumulative \$	137,311,988
Total 06/05		\$	72,087,746	Cumulative \$	154,611,643
	% change		(53.7%)		(11.2%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2005, which shows an increase of 7.1% in withholding payments over the second quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2005	28.2%	1 st Quarter 2006	38.9%
4 th Quarter 2005	18.1%	2 nd Quarter 2006	22.6%

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

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

	Number	Amount	Average
Calendar Year 2006	13,137	\$ 4,696,780	\$ 358
Calendar Year 2005	14,306	\$ 5,058,128	\$ 354
% Change	(8.2)	(7.1)	1.1

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2005 filed in 2006.

	June 2006	Calendar Year Total
Check Off	\$458,437	\$4,527,956
Voluntary Donation	\$10,652	\$51,300
Number of Returns	65,764	629,537

Contributions on the Individual Income Tax Return

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

	Number	Amount	Average
Wildlife	10,057	\$ 198,306	\$ 19.72
Child Abuse	10,702	\$ 225,317	\$ 21.05
Special Olympics	5,200	\$ 96,157	\$ 18.49
Neighbors Helping	3,051	\$ 46,965	\$ 15.39
AID to Education	783	\$ 44,586	\$ 56.94
Domestic Violence Shelter	7,929	\$ 163,510	\$ 20.62
Democratic Party	1057	\$ 24,813	\$ 23.47
Republican Party	632	\$ 15,756	\$ 24.93
Libertarian Party	83	\$ 2,125	\$ 25.61

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	June 2006	June 2005	% Change
Gross Collections	\$152,469,682	\$110,596,348	37.9
Refunds	(\$2,988,945)	(\$13,192,824)	(77.3)
Net Collections	\$149,480,737	\$97,403,525	53.5

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$972,864,673	\$786,355,716	23.7
Refunds	(\$89,910,290)	(\$74,496,431)	6.4
Net Collections	\$882,954,383	\$701,859,285	25.8

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 2006	\$140,477,656	Calendar Year Total	\$392,667,561
June 2005	\$103,887,484	Calendar Year Total	\$279,371,973
% Change	35.2%	% Change	40.6%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for May 2006 and for the calendar year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
June 2006	595	101	125	26	21	0	868	6.8
June 2005	561	103	114	24	11	0	813	
CY 2006	1,638	279	335	70	57	0	2,379	7.6
CY 2005	1,577	245	302	55	32	0	2,211	

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
June 2006	\$8,781,436	\$7,274,910	\$26,445,539	\$18,598,500	\$48,588,456	\$109,688,841	30.2%
June 2005	\$7,637,477	\$7,408,757	\$24,209,905	\$17,706,963	\$27,260,956	\$84,224,058	
CY 2006	\$22,547,099	\$19,681,967	\$73,667,796	\$49,887,300	\$140,326,166	\$306,110,328	39.1%
CY 2005	\$20,056,671	\$17,402,482	\$66,377,933	\$38,440,128	\$77,769,158	\$220,046,372	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 04/05 by corporate fiscal year. For example, in FY 04/05, 18.1% of the refund dollars paid were for corporate fiscal years ending in 2000 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	18.1%	14.7%	3.3%	44.0%	19.4%	0.5%
Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	20.8%	3.4%	4.2%	56.4%	13.4%	1.8%

Corporate Refunds Applied as Estimated Payments

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 2006	\$2,366,680	Calendar Year Total	\$100,802,750
June 2005	<u>\$2,242,705</u>	Calendar Year Total	<u>\$32,751,278</u>
% Change	5.5%	% Change	207.8%

Corporate Income Tax Document Count

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

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

Through June, 2006, 77,542 documents were received for a fiscal year-end of 2005, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	94	21,142	46,778	277	9,251
%	0.1	27.3	60.3	0.4	11.9

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. **JUNE 2005 FIGURES WERE UNAVAILABLE LAST YEAR SO THE COMPARISON WILL BE WITH JULY 2005.** Through July 2005, the Department of Revenue received 77,252 documents with a fiscal year-end of 2004. Compared to 2004 documents, the Department has seen a 0.4% increase in the number of corporate returns received (*or at least keyed*) 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 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for June 2006 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

Transaction Privilege, Severance and Use Tax Receipts (continued)

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	June 2006	June 2005	% change
Distribution Base	\$ 153,976,194	\$ 132,800,971	15.9%
Non shared	296,100,224	254,483,097	16.4%
Use Tax	18,617,865	22,141,203	(15.9%)
Education Tax	54,447,754	47,756,334	14.0%
Other Revenues	63,558,030	54,859,046	15.9%
Total Collections	\$ 586,700,068	\$ 512,040,651	14.6%

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Distribution Base	\$ 1,742,272,992	\$ 1,504,851,880	15.8%
Non shared	3,350,808,572	2,871,443,202	16.7%
Use Tax	306,198,808	259,615,656	17.9%
Education Tax	628,471,192	538,346,435	16.7%
Other Revenues	726,963,631	625,516,977	16.2%
Total Collections	\$ 6,754,715,195	\$ 5,799,774,150	16.5%

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

	June 2006	June 2005	% change
Retained by State	\$ 367,824,479	\$ 322,427,355	14.1%
Returned to Counties	62,375,756	53,797,673	15.9%
Returned to Cities	38,494,049	33,200,243	15.9%
Education Tax	54,447,754	47,756,334	14.0%
Other Revenues	63,558,030	54,859,046	15.9%
Total Collections	\$ 586,700,068	\$ 512,040,651	14.6%

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Retained by State	\$ 4,257,917,335	\$ 3,650,082,271	16.7%
Returned to Counties	705,794,789	609,615,497	15.8%
Returned to Cities	435,568,248	376,212,970	15.8%
Education Tax	628,471,192	538,346,435	16.7%
Other Revenues	726,963,631	625,516,977	16.2%
Total Collections	\$ 6,754,715,194	\$ 5,799,774,150	16.5%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	June 2006	% Chg	Fiscal Year	
				Total	% Chg
Transporting	5.6	\$298,017	25.8%	\$2,983,898	12.1%
Non-Metal Mining Oil/Gas	3.125%	710,869	(18.5%)	10,022,335	1.3%
Utilities	5.6%	32,033,848	20.2%	382,991,217	12.3%
Communications	5.6%	14,191,546	9.1%	160,609,841	9.6%
Private Car/Pipelines	5.6%	113,198	44.7%	1,284,449	73.4%
Publishing	5.6%	567,593	(11.2%)	6,666,201	(1.0%)
Job Printing	5.6%	1,816,038	17.0%	20,136,391	9.9%
Restaurants & Bars	5.6%	39,358,772	10.2%	445,590,836	12.4%
Amusements	5.6%	5,376,236	41.7%	49,829,452	14.4%
Commercial Lease	0%	2	N/A	(3,577)	N/A
Rental of Personal Property	5.6%	15,333,958	12.6%	181,223,769	12.0%
Contracting	3.75% - 5.6%	95,796,838	25.3%	1,017,224,380	27.6%
Feed Wholesale	Repealed				
Retail	5.6%	227,871,860	12.4%	2,650,934,780	14.5%
Mining Severance	2.5%	4,969,349	181.9%	30,439,973	85.6%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	11,533	(65.4%)	32,504	(20.0%)
Hotel/Motel	5.5%	10,867,578	14.3%	124,483,456	9.8%
Membership Camping	5.6%	4,771	(39.9%)	139,009	(3.8%)
Use Tax	5.6%	18,617,865	(15.9%)	306,198,808	17.9%
Rental Occupancy Tax	3.0%	(15,686)	N/A	103,618	43.4%
Jet Fuel		503,881	(1.4%)	6,059,743	13.5%
Jet Fuel Use Tax	\$.0305/\$.0105 gal	27,954	(53.8%)	724,106	(18.7%)
Telecommunications Devices	1.1		0.0%	0	N/A
Telecomm	----	550,462	N/A	3,860,508	N/A
School for the Deaf and Blind		0	N/A	867,140	(36.4%)
Poison Control	----	0	N/A	1,128,620	5.8%
Teratogen Funding		0	N/A	48,728	N/A
911 Wireline	\$0.37/month per active service	1,305,722	11.8%	14,116,317	4.3%
911 Wireless	\$0.37/month per active service	1,183,358	(1.0%)	13,469,356	(1.8%)
Total		\$471,495,562	14.4%	\$5,431,165,860	16.3%

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

	June 2006	% Chg	Fiscal Year Total	% Chg
Transporting	\$5,981,144	26.2%	\$59,800,611	12.0%
Non-Metal Mining Oil/Gas	22,826,928	(18.2%)	321,538,409	1.4%
Utilities	642,879,645	20.6%	7,679,981,999	12.5%
Communications	285,003,644	9.6%	3,220,061,678	9.7%
Private Car/Pipelines	2,268,215	44.9%	25,751,236	73.6%
Publishing	11,394,337	(10.9%)	133,679,534	(0.9%)
Job Printing	36,464,475	17.4%	403,686,091	10.0%
Restaurants & Bars	790,775,499	10.7%	8,933,458,779	12.5%
Amusements	107,960,974	42.3%	998,766,714	14.5%
Commercial Lease	74	N/A	(119,532)	N/A
Rental of Personal Property	308,094,041	13.1%	3,633,373,845	12.1%
Contracting	1,931,336,852	25.9%	\$20,487,917,068	27.7%

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

Transaction Privilege and Severance Tax Taxable Sales By Class¹ continued

	June 2006	% Chg	Fiscal Year Total	% Chg
Feed Wholesale	\$0	0.0	\$0	n/a
Retail	4,576,717,971	12.8%	53,147,971,363	14.6%
Mining Severance	199,144,228	182.4%	1,219,984,252	85.8%
Timber Severance	5,420	(66.1%)	15,201	(22.4%)
Hotel/Motel	198,717,742	14.9%	2,268,775,587	9.9%
Membership Camping	96,438	(39.3%)	2,784,840	(3.9%)
Use Tax	375,244,155	(15.5%)	6,155,958,934	18.0%
Rental Occupancy Tax	(519,948)	N/A	3,471,162	43.8%
Total	\$9,494,391,835	15.6%	\$108,696,857,771	16.8%

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 June 2006 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$415,321	0.7%	\$5,213,591	14.8%
Coconino	1,540,905	2.5%	16,990,411	12.3%
Cochise	1,051,427	1.7%	12,250,317	12.9%
Gila	461,697	0.7%	5,347,259	16.2%
Graham	279,279	0.4%	3,257,813	19.1%
Greenlee	576,700	0.9%	3,918,655	56.0%
La Paz	160,548	0.3%	2,050,126	12.4%
Maricopa	40,008,172	64.1%	453,769,970	15.6%
Mohave	1,812,361	2.9%	20,349,087	18.1%
Navajo	922,464	1.5%	10,785,151	14.2%
Pima	8,831,571	14.2%	102,619,310	13.7%
Pinal	2,100,172	3.4%	21,298,154	25.9%
Santa Cruz	399,297	0.6%	4,604,423	16.6%
Yavapai	2,257,919	3.6%	25,131,601	18.6%
Yuma	1,557,923	2.5%	18,208,919	13.8%
Total	\$62,375,756		\$705,794,789	15.8%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for June 2006 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during June 2006 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

County Tax Collections continued

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svcs Dist	Capitol Projects	Tourism Authority
Apache		\$ 89,481							
Cochise		\$ 642,507							
Coconino		\$ 1,057,732	\$ 634,169					\$ 263,904	
Gila	\$ 285,197	\$ 277,657							
Graham		\$ 155,896							
Greenlee		\$ 123,784							
La Paz		\$ 84,662	\$ 84,662				\$ (91)		
Maricopa	\$ 32,173,238		\$11,967,713	\$ 639,344	\$ (498)				\$1,978,003
Mohave		\$ 677,164							
Navajo		\$ 564,398							
Pima				\$ 169,881		\$ 7,812			
Pinal	\$ 1,478,756	\$ 1,454,475							
S Cruz		\$ 280,682							
Yavapai		\$ 1,459,867	\$ 729,886						
Yuma		\$ 951,035	\$ 951,038				\$ 193,180	\$ 947,444	

OTHER TAXES

Luxury Taxes

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

	June 2006	June 2005	%
Spirituous	\$ 2,239,953	\$ 3,045,482	(26.4%)
Vinous	907,373	1,227,390	(26.1%)
Malt	1,388,787	2,147,023	(35.3%)
Cigarette	25,620,226	24,795,987	3.3%
Other Tobacco	741,411	715,642	3.6%
Tobacco Licenses	1,375	2,000	(31.3%)
Total	\$ 30,899,125	\$ 31,933,524	(3.2%)

	Fiscal Year (05/06)	Fiscal Year (04/05)	%
Spirituous	\$ 26,392,315	\$ 25,085,444	5.2%
Vinous	11,509,865	11,473,203	0.3%
Malt	23,245,180	22,664,420	2.6%
Cigarette*	288,640,241	276,662,425	4.3%
Other Tobacco	9,360,062	8,731,741	7.2%
Tobacco Licenses	5,900	5,325	10.8%
Total	\$ 359,153,562	\$ 344,622,557	4.2%

*Through June 2006, \$468,675 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 2006</u>	<u>FY05/06</u>
Spiritous	\$ 1,567,967	\$ 18,474,620
Vinous	\$ 226,291	\$ 2,867,845
Malt	\$ 347,197	\$ 5,811,294
Cigarette	\$ 3,363,461	\$ 38,547,691
Other Tobacco	\$ 55,609	\$ 1,025,118
Tobacco Licenses	\$ 1,375	\$ 5,900
Total	\$ 5,561,900	\$ 66,732,468

Other dedicated revenues from luxury taxes:

	<u>June 2006</u>	<u>FY05/06</u>
Correction Fund revenues	\$ 2,434,107	\$ 28,843,421
Tobacco Tax & Health Care Fund ²	\$ 14,665,840	\$ 106,821,045
Tobacco Products Tax Fund ³	\$ 7,437,585	\$ 145,399,774
Wine Promotional Fund revenues	\$ 2,210	\$ 38,481
Drug Treatment & Education Fund revenues	\$ 569,708	\$ 796,388
Corrections Revolving Fund revenues	\$ 227,775	\$ 3,221,929

Estate Tax

June-06	\$ 38,769	Fiscal Year to Date	\$ 11,683,602
June-05	<u>\$ 1,302,368</u>	Fiscal Year to Date	<u>\$ 31,236,067</u>
% change	N/A	% Change	(62.6%)

Bingo

June-06	\$ 43,502	Fiscal Year to Date	\$ 623,481
June-05	<u>\$ 38,748</u>	Fiscal Year to Date	<u>\$ 610,055</u>
% change	12.3%	% Change	2.2%

Unclaimed Property

June-06	\$ (40,306,472)	Fiscal Year to Date	\$ 10,256,153
June-05	<u>\$ (53,480,640)</u>	Fiscal Year to Date	<u>\$ 9,423,142</u>
% change	N/A	% Change	8.8%

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

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

² Formerly the Health Care Fund

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

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

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,249	0.9%	(\$15,572)	\$4	18.2%	73.5%	6.0%	2.3%	14.1%	13.4%
\$0-\$5,000	52,182	19.9%	\$2,743	\$0	3.9%	85.4%	10.0%	0.8%	3.7%	15.7%
\$5,000-\$10,000	53,884	20.6%	\$7,365	\$24	5.9%	76.3%	16.8%	1.0%	4.9%	24.8%
\$10,000-\$15,000	37,394	14.3%	\$12,382	\$95	11.7%	60.8%	26.1%	1.4%	7.6%	36.5%
\$15,000-\$20,000	28,159	10.8%	\$17,369	\$168	18.8%	50.0%	29.4%	1.8%	8.2%	43.0%
\$20,000-\$25,000	19,813	7.6%	\$22,345	\$269	24.4%	44.3%	28.8%	2.5%	6.9%	47.4%
\$25,000-\$30,000	14,156	5.4%	\$27,392	\$391	28.0%	43.0%	26.4%	2.6%	7.1%	46.4%
\$30,000-\$40,000	18,387	7.0%	\$34,530	\$554	34.6%	39.6%	22.5%	3.3%	7.5%	46.9%
\$40,000-\$50,000	10,824	4.1%	\$44,610	\$785	44.5%	34.7%	17.6%	3.1%	9.1%	46.0%
\$50,000-\$75,000	13,758	5.3%	\$60,550	\$1,139	60.8%	25.5%	11.3%	2.4%	12.4%	47.1%
\$75,000-\$100,000	5,657	2.2%	\$85,584	\$1,796	72.7%	18.8%	7.1%	1.5%	14.8%	46.3%
\$100,000-\$200,000	4,240	1.6%	\$129,883	\$3,269	73.8%	18.3%	6.2%	1.8%	17.3%	44.8%
\$200,000-\$500,000	810	0.3%	\$286,070	\$9,712	65.2%	25.3%	7.2%	2.2%	27.4%	35.9%
\$500,000-\$1,000,000	96	0.0%	\$681,370	\$38,560	74.2%	20.6%	2.1%	3.1%	34.0%	32.0%
\$1,000,000 and over	38	0.0%	\$2,216,770	\$137,763	60.5%	21.1%	7.9%	10.5%	39.5%	23.7%
Total	261,647		\$21,612	\$366	16.5%	49.6%	16.0%	1.4%	7.0%	33.9%

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

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

“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
June 2006

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

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

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$699,169	88,265
Eagar	\$35,131	4,435	Tempe	\$1,313,311	165,796
Springerville	\$16,357	2,065	Tolleson	\$51,472	6,498
St. Johns	\$30,616	3,865	Wickenburg	\$48,137	6,077
<u>Cochise County</u>			Youngtown	\$48,819	6,163
Benson	\$37,547	4,740	<u>Mohave County</u>		
Bisbee	\$52,043	6,570	Bullhead City	\$302,671	38,210
Douglas	\$136,206	17,195	Colorado City	\$32,319	4,080
Huachuca City	\$14,496	1,830	Kingman	\$204,843	25,860
Sierra Vista	\$346,079	43,690	Lake Havasu City	\$423,272	53,435
Tombstone	\$12,753	1,610	<u>Navajo County</u>		
Willcox	\$30,774	3,885	Holbrook	\$42,973	5,425
<u>Coconino County</u>			Pinetop/Lakeside	\$32,992	4,165
Flagstaff	\$484,661	61,185	Show Low	\$78,302	9,885
Fredonia	\$8,793	1,110	Snowflake	\$39,091	4,935
Page	\$56,320	7,110	Taylor	\$32,477	4,100
Williams	\$24,912	3,145	Winslow	\$77,905	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$59,370	7,495	Marana	\$211,695	26,725
Hayden	\$7,066	892	Oro Valley	\$312,097	39,400
Miami	\$15,486	1,955	Sahuarita	\$110,818	13,990
Payson	\$122,225	15,430	South Tucson	\$44,597	5,630
Star Valley	\$15,890	2,006	Tucson	\$4,196,438	529,770
Winkelman	\$3,509	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$269,877	34,070
Pima	\$16,516	2,085	Casa Grande	\$257,203	32,470
Safford	\$74,143	9,360	Coolidge	\$64,796	8,180
Thatcher	\$36,042	4,550	Eloy	\$88,124	11,125
<u>Greenlee County</u>			Florence	\$162,623	20,530
Clifton	\$20,564	2,596	Kearny	\$17,815	2,249
Duncan	\$6,432	812	Mammoth	\$13,957	1,762
<u>La Paz County</u>			Maricopa	\$126,217	15,934
Parker	\$25,982	3,280	Superior	\$25,776	3,254
Quartzsite	\$28,516	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$172,921	21,830
Avondale	\$549,386	69,356	Patagonia	\$7,288	920
Buckeye	\$201,247	25,406	<u>Yavapai County</u>		
Carefree	\$29,182	3,684	Camp Verde	\$84,995	10,730
Cave Creek	\$37,753	4,766	Chino Valley	\$97,629	12,325
Chandler	\$1,828,580	230,845	Clarkdale	\$29,150	3,680
El Mirage	\$253,963	32,061	Cottonwood	\$86,025	10,860
Fountain Hills	\$194,007	24,492	Dewey-Humboldt	\$31,923	4,030
Gila Bend	\$15,684	1,980	Jerome	\$2,614	330
Gilbert	\$1,370,946	173,072	Prescott	\$322,949	40,770
Glendale	\$1,919,864	242,369	Prescott Valley	\$265,956	33,575
Goodyear	\$366,064	46,213	Sedona	\$86,619	10,935
Guadalupe	\$44,003	5,555	<u>Yuma County</u>		
Litchfield Park	\$35,867	4,528	San Luis	\$181,634	22,930
Mesa	\$3,549,478	448,096	Somerton	\$77,232	9,750
Paradise Valley	\$109,812	13,863	Wellton	\$15,605	1,970
Peoria	\$1,094,265	138,143	Yuma	\$703,208	88,775
Phoenix	\$11,690,442	1,475,834			
Queen Creek	\$130,019	16,414			
Scottsdale	\$1,859,528	234,752	TOTAL	\$38,494,049	4,859,596