



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: December 21, 2005

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

September 2005 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>September 2005</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 287,522,977	\$ 704,304,678
Percent Change	26.5%	27.3%
Corporate Income Tax		
Net Collections	\$ 170,380,388	\$ 229,088,185
Percent Change	39.2%	39.2%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 343,784,559	\$ 1,025,610,790
Change	17.9%	17.0%
Total Big Three Tax Types		
Net Collections	\$ 801,687,924	\$ 1,959,003,653
Percent Change	25%	22.9%

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 distributed.

TAX FACTS

September 2005

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	September 2005	September 2004	% Change
Gross Collections	\$ 118,564,270	\$ 85,967,739	37.9
Withholding	217,514,066	184,456,860	17.9
Refunds	(13,119,615)	(12,125,353)	8.2
Urban Revenue Sharing	(35,435,744)	(31,089,382)	14.0
Net Collections	\$ 287,522,977	\$ 227,209,864	26.5

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% Change
Gross Collections	\$ 159,672,659	\$ 111,206,517	43.6
Withholding	691,893,323	576,155,521	20.1
Refunds	(40,954,072)	(40,788,002)	0.4
Urban Revenue Sharing	(106,307,232)	(93,268,145)	14.0
Net Collections	\$ 704,304,678	\$ 553,305,891	27.3

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In September 2005, the Department issued an individual income tax refund in the amount of \$6,277 for alternative fuel-related credits.

Ladewig Refunds

In September 2005, the department issued 1,135 warrants totaling \$298,166 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 305,789 refunds have been issued for a total of \$42,155,255. Attorney payments are not included in the refund amount and total \$4,853,277 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
#	39,313	1,611,396	81,468	112,422	0	38,133	274,696	12,923	187,034	3,157	8	2,360,550
%	1.7	68.3	3.5	4.8	0.0	1.6	11.6	0.5	7.9	0.1	0.0	

The 2,360,550 returns, representing current and prior tax years, filed through September 2005 compares to 2,284,771 returns filed during the same period of time in 2004 for an annual increase of 3.3%. For tax year 2004 filed in 2005, 2,255,181 returns have been filed, a 3.5% increase over filings in September 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 1,602,569 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 9.9% increase in FAGI and a 16.4% increase in tax liability. More specifically, 32.4% of these filers experienced a decrease in tax liability; on average a decrease of 20.3% with a corresponding average decrease in FAGI of 36.2%. Filers with an increase in tax liability totaled 880,493 or 54.9% with an average FAGI increase of 32.2% and an average tax liability increase of 60.3%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2005 CYTD	\$499.94	1,462,199
2004 CYTD	\$504.97	1,479,914
% Change	(1.3%)	(1.4%)

"New" Filers in Calendar Year 2005

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2005. "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 254,929 "new" returns have been filed thus far in 2005, representing approximately 309,853 persons, not including dependents. The average Federal Adjusted Gross Income is \$21,584 with an average tax liability of \$372. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.9% had a married filing joint filing status, 7.5% 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 \$397.1 million, for an average of \$2,081. An additional \$75.0 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,849. Estimated payments received through September 2005 for tax year 2005 are as follows:

9/05	140ES payment	\$45,590,555	Cumulative	\$212,968,740
9/04	140ES payment	\$75,436,574	Cumulative	\$193,037,528
	% change	(39.6)		10.3
9/05	Average payment	\$1,638	Cumulative	\$1,675
9/04	Average payment	\$1,784	Cumulative	\$1,481
	% change	(8.2)		13.1
9/05	Applied refund	\$5,205,512	Cumulative	\$38,679,117
9/04	Applied refund	\$5,114,610	Cumulative	\$36,274,441
	% change	1.8		6.6
Total 9/05		\$50,205,512	Cumulative	\$251,647,857
Total 9/04		\$80,551,184	Cumulative	\$229,311,969
	% change	(36.9)		9.7

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 third quarter of 2004, which shows an increase of 6.8% in withholding payments over the third quarter of 2003. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2004	10.8%	2 nd Quarter 2005	6.9%
1 st Quarter 2005	11.1%	3 rd Quarter 2005	24.3%

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 2005	14,634	\$5,182,860	\$354
Calendar Year 2004	14,971	\$5,273,190	\$352
% Change	(2.3)	(1.7)	0.6

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:

	September 2005	Calendar Year Total
Check Off	\$46,758	\$4,563,879
Voluntary Donation	(367)	\$50,798
Number of Returns	6,008	629,005

Contributions on the Individual Income Tax Return

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

	Number	Amount	Average
Wildlife	9,496	\$168,951	\$17.79
Child Abuse	10,469	\$193,270	\$18.46
Special Olympics	5,003	\$81,904	\$16.37
Neighbors Helping	2,958	\$39,640	\$13.40
AID to Education	721	\$33,458	\$46.40
Domestic Violence Shelter	7,689	\$141,509	\$18.40
Democratic Party	1,002	\$22,615	\$22.57
Republican Party	677	\$16,197	\$23.92
Libertarian Party	83	\$2,334	\$28.13

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	September 2005	September 2004	% Change
Gross Collections	\$176,288,184	\$128,929,320	36.7
Refunds	(\$5,907,796)	(\$6,570,919)	(10.1)
Net Collections	\$170,380,388	\$122,358,400	39.2
	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$241,388,310	\$177,891,090	35.7
Refunds	(\$12,300,125)	(\$13,286,337)	(7.4)
Net Collections	\$229,088,185	\$164,604,753	39.2

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.

Sept 2005	\$170,969,147	Calendar Year Total	\$498,606,686
Sept 2004	\$115,893,050	Calendar Year Total	\$366,963,561
% Change	47.5%	% Change	35.8%

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 September 2005 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
Sept 2005	536	104	125	27	25	1	818	22.1
Sept 2004	454	88	101	12	14	1	670	
CY 2005	2,339	367	458	83	71	1	3,319	16.5
CY 2004	2,098	301	345	50	55	1	2,850	

NEW INFORMATION

The next table shows the dollars of 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
Sept 2005	\$6,906,933	\$7,427,292	\$29,349,692	\$19,140,300	\$84,077,244	\$146,901,461	50.4%
Sept 2004	\$6,606,952	\$6,273,832	\$21,779,254	\$8,704,250	\$54,300,320	\$97,664,608	

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, 19.2% 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	19.2%	4.5%	3.8%	48.9%	23.4%	0.4%
Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	45.7%	11.7%	1.0%	32.4%	9.2%	0.0%

Corporate Refunds

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

Sept 2005	\$2,327,247	Calendar Year Total	\$46,165,012
Sept 2004	<u>\$8,872,986</u>	Calendar Year Total	<u>\$57,535,847</u>
% Change	(73.8%)	% Change	(19.8%)

Corporate Income Tax Document Count

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:

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

Through September, 2005, 88,092 documents were received for a fiscal year-end of 2004, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	170	25,423	51,725	287	10,487
%	0.2	28.9	58.7	0.3	11.9

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 September 2004, the Department of Revenue received 93,485 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 5.8% **decrease** 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 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for September 2005 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.

	September 2005	September 2004	% change
Distribution Base	\$ 137,319,569	\$ 115,621,740	18.8
Non shared	270,432,643	229,416,549	17.9
Use Tax	25,990,396	22,229,731	16.9
Education Tax	51,342,365	43,101,597	19.1
Other Revenues	57,395,256	48,434,236	18.5
Total Collections	\$ 542,480,230	\$ 458,803,853	18.2

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Distribution Base	\$411,935,487	\$350,764,809	17.4
Non shared	807,049,714	687,956,864	17.3
Use Tax	76,484,526	67,333,965	13.6
Education Tax	152,809,984	129,686,768	17.8
Other Revenues	172,382,708	147,034,572	17.2
Total Collections	\$1,620,662,419	\$1,382,776,979	17.2

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.

	September 2005	September 2004	% change
Retained by State	\$343,784,559	\$291,524,219	17.9
Returned to Counties	55,628,157	46,838,367	18.8
Returned to Cities	34,329,892	28,905,435	18.8
Education Tax	51,342,365	43,101,597	19.1
Other Revenues	57,395,256	48,434,236	18.5
Total Collections	\$542,480,230	\$458,803,853	18.2

	Fiscal Year Total (05/06)	Fiscal Year Total (04/05)	% change
Retained by State	\$1,025,610,790	\$876,269,612	17.0
Returned to Counties	166,875,066	142,094,824	17.4
Returned to Cities	102,983,872	87,691,202	17.4
Education Tax	152,809,984	129,686,768	17.8
Other Revenues	172,382,708	147,034,572	17.2
Total Collections	\$1,620,662,419	\$1,382,776,979	17.2

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	September 2005	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$257,936	(20.4%)	\$842,749	4.9%
Non-Metal Mining Oil/Gas	3.125%	894,953	21.8%	2,796,816	18.2%
Utilities	5.6%	40,420,002	10.7%	113,230,245	10.5%
Communications	5.6%	13,023,268	4.1%	38,707,396	4.1%
Private Car/Pipelines	5.6%	142,092	108.4%	732,983	288.6%
Publishing	5.6%	563,585	(0.6%)	1,927,747	13.0%
Job Printing	5.6%	1,505,945	2.1%	4,724,644	9.2%
Restaurants & Bars	5.6%	33,270,380	15.2%	100,187,488	13.2%
Amusements	5.6%	3,013,241	9.7%	10,280,368	8.9%
Commercial Lease	0%	3	(99.8%)	(3,292)	N/A
Rental of Personal Property	5.6%	14,027,508	12.5%	42,085,643	4.4%
Contracting	3.75% - 5.6%	80,492,190	23.7%	240,404,640	25.5%
Feed Wholesale	Repealed	0	N/A	0	N/A
Retail	5.6%	210,593,892	19.7%	631,629,646	17.9%
Mining Severance	2.5%	1,938,066	78.8%	6,312,869	101.8%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	688	(14.4%)	5,523	130.0%
Hotel/Motel	5.5%	7,013,271	13.3%	22,506,765	13.8%
Membership Camping	5.6%	3,879	6.4%	20,137	48.6%
Use Tax	5.6%	25,990,396	16.9%	76,484,526	13.6%
Rental Occupancy Tax	3.0%	9,256	417.8%	31,431	(N/A)
Jet Fuel		490,762	13.2%	1,646,831	35.9%
Jet Fuel Use Tax	\$.0305/\$.0105 gal	31,486	(19.8%)	102,246	(8.4%)
Telecommunications Devices	1.1				
Telecomm	----	309,116	(10.9%)	857,853	(19.6%)
School for the Deaf and Blind		104,554	(10.9%)	290,156	(19.2%)
Poison Control	----	81,825	(10.9%)	227,078	(19.2%)
Teratogen Funding		4,546	(10.9%)	12,616	24.7%
911 Wireline	\$0.37/month per active service	1,189,469	2.8%	3,497,809	1.6%
911 Wireless	\$0.37/month per active service	11,626	(98.9%)	2,331,889	(26.3%)
Total		\$ 435,383,935	17.7%	\$ 1,301,874,803	16.8%

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

	September 2005	% Chg	Fiscal Year Total	% Chg
Transporting	\$5,178,085	(20.1%)	\$16,874,341	4.9%
Non-Metal Mining Oil/Gas	28,758,796	22.3%	89,618,420	18.2%
Utilities	810,444,686	10.9%	2,266,649,550	10.4%
Communications	261,529,055	4.5%	775,211,603	4.1%
Private Car/Pipelines	2,848,094	108.8%	14,665,900	288.4%
Publishing	11,323,503	(0.1%)	38,611,883	13.0%
Job Printing	30,249,351	2.5%	94,623,486	9.2%
Restaurants & Bars	668,422,270	15.7%	2,006,765,604	13.2%
Amusements	60,610,540	10.3%	205,953,071	8.9%
Commercial Lease	99	(99.9%)	(110,641)	N/A
Rental of Personal Property	281,690,212	13.0%	842,868,971	4.4%
Contracting	1,625,450,476	22.9%	4,841,012,021	25.4%

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

	September 2005	% Chg	Fiscal Year Total	% Chg
Feed Wholesale	0	N/A	0	N/A
Retail	4,228,932,306	20.1%	12,651,215,758	17.9%
Mining Severance	77,805,220	79.5%	252,797,337	101.9%
Timber Severance	356	(27.1%)	2,626	114.2%
Hotel/Motel	128,335,799	14.0%	410,053,412	13.9%
Membership Camping	78,280	7.3%	403,442	48.0%
Use Tax	521,887,161	17.4%	1,533,981,746	13.8%
Rental Occupancy Tax	309,899	420.1%	1,049,062	N/A
Total	\$8,743,854,188	18.5%	\$26,042,247,592	17.3%

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.

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 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 September 2005 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$426,651	0.8%	\$1,277,138	18.2%
Cochise	1,458,891	2.6%	4,422,973	11.0%
Coconino	971,839	1.7%	2,922,125	13.7%
Gila	434,078	0.8%	1,317,899	17.6%
Graham	256,636	0.5%	757,400	16.9%
Greenlee	262,415	0.5%	756,059	28.7%
La Paz	157,991	0.3%	485,087	17.7%
Maricopa	35,553,329	63.9%	106,880,429	17.6%
Mohave	1,639,156	2.9%	4,880,314	18.6%
Navajo	880,036	1.6%	2,685,734	16.0%
Pima	8,214,200	14.8%	24,361,949	15.3%
Pinal	1,625,279	2.9%	4,808,415	25.9%
Santa Cruz	345,255	0.6%	1,073,027	18.9%
Yavapai	2,004,026	3.6%	6,068,944	22.2%
Yuma	1,398,377	2.5%	4,177,572	17.5%
Total	\$55,628,157		\$166,875,066	17.4%

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 September 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 September 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		117,181							
Cochise		564,975							
Coconino		1,072,771	643,661					267,217	
Gila	271,060	263,216							
Graham		126,174							
Greenlee		84,171							
La Paz		86,474	86,473				-61		
Maricopa	29,240,884		10,796,745	456,419	22				1,115,742
Mohave		681,869							
Navajo		556,970							
Pima				114,632		8,275			
Pinal	1,330,020	1,309,234							
Santa Cruz		215,493							
Yavapai		1,364,617	681,364						
Yuma		961,074	961,034				3,405	918,802	

OTHER TAXES

Luxury Taxes

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

	September 2005	September 2004	% Change
Spirituous	\$ 2,087,984	\$1,862,737	12.1
Vinous	859,019	522,060	64.5
Malt	1,814,712	1,528,553	18.7
Cigarette	26,002,613	22,123,760	17.5
Other Tobacco	873,707	762,658	14.6
Tobacco Licenses	375	250	50.0
Total	\$ 31,638,410	\$26,800,018	18.1

	Fiscal Year (05/06)	Fiscal Year (04/05)	% Change
Spirituous	\$ 5,651,418	\$5,347,740	5.7
Vinous	2,325,176	2,039,848	14.0
Malt	5,714,335	5,593,242	2.2
Cigarette*	71,852,800	67,945,451	5.8
Other Tobacco	2,395,915	2,124,077	12.8
Tobacco Licenses	1,400	875	60.0
Total	\$ 87,941,044	\$83,051,233	5.9

*Through September 2005, \$456,700 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>September 2005</u>	<u>Fiscal Year (05/06)</u>
Spirituos	\$1,461,589	\$ 3,955,993
Vinous	\$214,252	\$579,265
Malt	\$453,678	\$1,428,583
Cigarette	\$3,499,350	\$9,687,942
Other Tobacco	\$135,425	\$371,367
Tobacco Licenses	\$375	\$1,400
Total	\$ 5,764,669	\$ 16,024,550

Other dedicated revenues from luxury taxes:

	<u>September 2005</u>	<u>Fiscal Year (05/06)</u>
Correction Fund revenues	\$2,326,300	\$ 6,728,340
Tobacco Tax & Health Care Fund ²	9,123,399	25,166,585
Tobacco Products Tax Fund ³	13,545,306	37,440,465
Wine Promotional Fund revenues	2,010	8,117
Drug Treatment & Education Fund revenues	898,507	2,112,689
Corrections Revolving Fund revenues	249,660	731,841

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Estate Tax

September 2005	\$ 1,322,222	Fiscal Year to Date	\$ 8,930,668
September 2004	\$ 4,528,563	Fiscal Year to Date	\$ 12,754,492
% Change	(70.8)	% Change	(30.0)

Bingo

September 2005	\$36,987	Fiscal Year to Date	\$144,048
September 2004	\$38,303	Fiscal Year to Date	\$145,307
% Change	(3.4)	% Change	(0.9)

**Unclaimed
Property**

September 2005	\$4,048,239	Fiscal Year to Date	\$5,348,956
September 2004	\$681,226	Fiscal Year to Date	\$1,803,124
% Change	494.3	% Change	196.6

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

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 2005 for Tax Year 2004
Through September 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	2,838	1.1%	-\$18,998	\$5	18.3%	73.8%	5.2%	2.7%	13.0%	13.0%
\$0-\$5,000	51,497	20.2%	\$2,735	\$0	4.3%	84.4%	10.4%	0.9%	4.4%	16.0%
\$5,000-\$10,000	52,415	20.6%	\$7,382	\$25	6.6%	74.6%	17.6%	1.2%	5.6%	25.5%
\$10,000-\$15,000	36,760	14.4%	\$12,372	\$93	12.9%	58.7%	26.7%	1.7%	8.1%	38.0%
\$15,000-\$20,000	27,010	10.6%	\$17,365	\$168	20.1%	48.9%	28.8%	2.2%	8.3%	43.6%
\$20,000-\$25,000	18,883	7.4%	\$22,395	\$273	24.7%	44.0%	28.5%	2.8%	7.6%	46.8%
\$25,000-\$30,000	13,588	5.3%	\$27,390	\$392	27.7%	42.3%	26.5%	3.5%	7.4%	46.5%
\$30,000-\$40,000	17,761	7.0%	\$34,520	\$555	35.1%	38.1%	22.8%	4.0%	8.1%	46.0%
\$40,000-\$50,000	10,498	4.1%	\$44,571	\$787	46.0%	32.7%	17.7%	3.5%	9.9%	47.2%
\$50,000-\$75,000	13,457	5.3%	\$60,560	\$1,157	61.5%	24.7%	11.4%	2.4%	12.5%	47.1%
\$75,000-\$100,000	5,292	2.1%	\$85,691	\$1,825	72.4%	18.6%	7.0%	1.9%	15.0%	45.7%
\$100,000-\$200,000	3,926	1.5%	\$129,556	\$3,250	73.8%	18.8%	5.7%	1.8%	16.2%	44.0%
\$200,000-\$500,000	822	0.3%	\$284,216	\$9,404	68.9%	22.5%	6.5%	2.0%	19.9%	40.0%
\$500,000-\$1,000,000	114	0.0%	\$661,001	\$33,674	64.0%	24.6%	7.0%	4.4%	25.4%	36.8%
\$1,000,000 and over	68	0.0%	\$2,095,570	\$107,652	61.8%	32.4%	1.5%	4.4%	23.5%	26.5%
Total	254,929		\$21,584	\$372	16.9%	48.5%	16.1%	1.6%	7.5%	34.1%

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

NEW RETURNS FILED IN 2004 FOR TAX YEAR 2003

Total	239,280		\$20,074	\$334	16.5%	49.4%	15.8%	1.7%	7.5%	32.9%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
September 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$269,313	30,848
Eagar	\$36	4,033	Tempe	\$1,384,846	158,625
Springerville	\$30,975	3,548	Tolleson	\$43,425	4,974
St. Johns	\$17,216	1,972	Wickenburg	\$44,367	5,082
<u>Cochise County</u>			Youngtown	\$26,278	3,010
Benson	\$41,128	4,711	<u>Mohave County</u>		
Bisbee	\$53,168	6,090	Bullhead City	\$294,814	33,769
Douglas	\$144,251	16,523	Colorado City	\$29,107	3,334
Huachuca City	\$15,287	1,751	Kingman	\$175,209	20,069
Sierra Vista	\$329,788	37,775	Lake Havasu City	\$366,132	41,938
Tombstone	\$13,130	1,504	<u>Navajo County</u>		
Willcox	\$32,590	3,733	Holbrook	\$42,927	4,917
<u>Coconino County</u>			Pinetop-Lakeside	\$31,272	3,582
Flagstaff	\$461,781	52,894	Show Low	\$67,180	7,695
Fredonia	\$9,045	1,036	Snowflake	\$38,937	4,460
Page	\$59,445	6,809	Taylor	\$27,727	3,176
Williams	\$24,812	2,842	Winslow	\$83,113	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$65,355	7,486	Marana	\$118,348	13,556
Hayden	\$7,787	892	Oro Valley	\$278,794	31,934
Miami	\$16,902	1,936	Sahuarita	\$28,304	3,242
Payson	\$118,907	13,620	South Tucson	\$47,929	5,490
Winkelman	\$3,868	443	Tucson	\$4,249,034	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$17,365	1,989	Apache Junction	\$277,746	31,814
Safford	\$80,598	9,232	Casa Grande	\$220,213	25,224
Thatcher	\$35,113	4,022	Coolidge	\$67,974	7,786
<u>Greenlee County</u>			Eloy	\$90,577	10,375
Clifton	\$22,664	2,596	Florence	\$150,231	17,208
Duncan	\$7,089	812	Kearny	\$19,634	2,249
<u>La Paz County</u>			Mammoth	\$15,383	1,762
Parker	\$27,413	3,140	Maricopa	\$43,634	4,998
Quartzsite	\$29,281	3,354	Superior	\$28,408	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$313,270	35,883	Nogales	\$182,271	20,878
Buckeye	\$74,181	8,497	Patagonia	\$7,691	881
Carefree	\$25,554	2,927	<u>Yavapai County</u>		
Cave Creek	\$32,547	3,728	Camp Verde	\$82,510	9,451
Chandler	\$1,544,733	176,939	Chino Valley	\$71,300	8,167
El Mirage	\$66,429	7,609	Clarkdale	\$29,875	3,422
Fountain Hills	\$176,658	20,235	Cottonwood	\$80,136	9,179
Gila Bend	\$17,286	1,980	Dewey-Humboldt	\$29,928	3,428
Gilbert	\$957,689	109,697	Jerome	\$2,872	329
Glendale	\$1,910,297	218,812	Prescott	\$296,289	33,938
Goodyear	\$165,099	18,911	Prescott Valley	\$205,468	23,535
Guadalupe	\$45,642	5,228	Sedona	\$88,979	10,192
Litchfield Park	\$33,262	3,810	<u>Yuma County</u>		
Mesa	\$3,472,709	397,776	San Luis	\$133,766	15,322
Paradise Valley	\$119,291	13,664	Somerton	\$63,434	7,266
Peoria	\$946,052	108,364	Wellton	\$15,968	1,829
Phoenix	\$11,533,135	1,321,045	Yuma	\$678,214	77,685
Queen Creek	\$37,680	4,316			
Scottsdale	\$1,769,678	202,705	TOTAL	\$35,435,744	4,062,961

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

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$260,649	30,848
Eagar	\$34,077	4,033	Tempe	\$1,340,298	158,625
Springerville	\$16,662	1,972	Tolleson	\$42,028	4,974
St. Johns	\$29,979	3,548	Wickenburg	\$42,940	5,082
<u>Cochise County</u>			Youngtown	\$25,433	3,010
Benson	\$39,805	4,711	<u>Mohave County</u>		
Bisbee	\$51,457	6,090	Bullhead City	\$285,330	33,769
Douglas	\$139,611	16,523	Colorado City	\$28,171	3,334
Huachuca City	\$14,795	1,751	Kingman	\$169,573	20,069
Sierra Vista	\$319,179	37,775	Lake Havasu City	\$354,354	41,938
Tombstone	\$12,708	1,504	<u>Navajo County</u>		
Willcox	\$31,542	3,733	Holbrook	\$41,546	4,917
<u>Coconino County</u>			Pinetop/Lakeside	\$30,266	3,582
Flagstaff	\$446,927	52,894	Show Low	\$65,019	7,695
Fredonia	\$8,754	1,036	Snowflake	\$37,685	4,460
Page	\$57,532	6,809	Taylor	\$26,836	3,176
Williams	\$24,013	2,842	Winslow	\$80,439	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$63,253	7,486	Marana	\$114,541	13,556
Hayden	\$7,537	892	Oro Valley	\$269,826	31,934
Miami	\$16,358	1,936	Sahuarita	\$27,393	3,242
Payson	\$115,082	13,620	South Tucson	\$46,388	5,490
Winkelman	\$3,743	443	Tucson	\$4,112,352	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$16,806	1,989	Apache Junction	\$268,812	31,814
Safford	\$78,006	9,232	Casa Grande	\$213,130	25,224
Thatcher	\$33,984	4,022	Coolidge	\$65,788	7,786
<u>Greenlee County</u>			Eloy	\$87,663	10,375
Clifton	\$21,935	2,596	Florence	\$145,399	17,208
Duncan	\$6,861	812	Kearny	\$19,003	2,249
<u>La Paz County</u>			Mammoth	\$14,888	1,762
Parker	\$26,531	3,140	Maricopa	\$42,230	4,998
Quartzsite	\$28,340	3,354	Superior	\$27,495	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$303,193	35,883	Nogales	\$176,408	20,878
Buckeye	\$71,795	8,497	Patagonia	\$7,444	881
Carefree	\$24,732	2,927	<u>Yavapai County</u>		
Cave Creek	\$31,500	3,728	Camp Verde	\$79,856	9,451
Chandler	\$1,495,042	176,939	Chino Valley	\$69,007	8,167
El Mirage	\$64,292	7,609	Clarkdale	\$28,914	3,422
Fountain Hills	\$170,975	20,235	Cottonwood	\$77,558	9,179
Gila Bend	\$16,730	1,980	Dewey-Humboldt	\$28,965	3,428
Gilbert	\$926,882	109,697	Jerome	\$2,780	329
Glendale	\$1,848,847	218,812	Prescott	\$286,758	33,938
Goodyear	\$159,788	18,911	Prescott Valley	\$198,858	23,535
Guadalupe	\$44,174	5,228	Sedona	\$86,117	10,192
Litchfield Park	\$32,193	3,810	<u>Yuma County</u>		
Mesa	\$3,360,999	397,776	San Luis	\$129,463	15,322
Paradise Valley	\$115,454	13,664	Somerton	\$61,394	7,266
Peoria	\$915,619	108,364	Wellton	\$15,454	1,829
Phoenix	\$11,162,138	1,321,045	Yuma	\$656,398	77,685
Queen Creek	\$36,468	4,316	TOTAL	\$34,329,892	4,062,961
Scottsdale	\$1,712,751	202,705			