



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: December 17, 2007

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

September 2007 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>September 2007</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 305,219,399	\$ 726,832,517
Percent Change	(1.4%)	(1.0%)
Corporate Income Tax		
Net Collections	\$ 177,587,062	\$ 240,490,933
Percent Change	(7.1%)	(8.3%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 366,842,873	\$1,126,360,250
Change	(3.4%)	0.2%
Total Big Three Tax Types		
Net Collections	\$ 849,649,333	\$2,093,683,700
Percent Change	(3.5%)	(1.3%)

TAX FACTS

September 2007

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	September 2007	September 2006	% Change
Gross Collections	\$ 150,661,494	\$ 157,891,628	(4.6)
Withholding	\$ 237,285,048	\$ 217,098,127	9.3
Refunds	\$ (25,682,232)	\$ (19,487,296)	31.8
Urban Revenue Sharing	\$ (57,044,911)	\$ (45,935,888)	24.2
Net Collections	\$ 305,219,399	\$ 309,566,571	(1.4)

	Fiscal Year Total (07/08)	Fiscal Year Total (06/07)	% Change
Gross Collections	\$ 194,479,382	\$ 199,248,988	(2.4)
Withholding	\$ 787,261,198	\$ 729,034,406	8.0
Refunds	\$ (83,773,331)	\$ (56,307,957)	48.8
Urban Revenue Sharing	\$ (171,134,732)	\$ (137,807,665)	24.2
Net Collections	\$ 726,832,517	\$ 734,167,772	(1.0)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In September 2007, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

Federal Employee Retirement Contribution Project (FERC)

Kerr vs. ADOR or FERC, a Supreme Court tax settlement case has resulted in the distribution of 11 refunds to individual income taxpayers during September 2007. These refunds totaled \$7,443* for an average refund of \$677. Attorney payments are not included in the refund amount and total \$1,861 for the month. Refunds issued as a result of the FERC case are not included in the total refunds listed in neither the "Individual Income Tax Receipts" section above nor the "Average Individual Income Tax Refund" section later mentioned in this publication.

*The amount shown as refunded may differ from AFIS totals due to timing issues.

Individual Income Tax Document Count

In calendar year 2006, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	50,299	1,666,899	120,181	130,505	0	46,956	396,130	12,156	177,185	3,480	14	2,603,805
%	1.9%	64.0%	4.6%	5.0%	0.0%	1.8%	15.2%	0.5%	6.8%	0.1%	0.0%	100%

In calendar year 2007 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,532	1,697,409	104,295	125,778	0	39,888	392,853	11,210	187,471	3,506	6	2,608,948
%	1.8%	65.1%	4.0%	4.8%	0.0%	1.5%	15.1%	0.4%	7.2%	0.1%	0.0%	100%

The 2,608,948 returns representing current and prior tax years, filed through September 2007 compares to 2,471,091 returns filed during the same period of time in 2006 for an annual increase of 5.6%. For the tax year 2006 filed in 2007, 2,480,690 returns have been filed, a 5.2% increase over filings through September 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 1,703,059 returns in calendar year 2007 for tax year 2006 from filers who also have returns on record from calendar year 2006 with the same marital status. On average, these filers experienced a 6.5% increase in FAGI and a 2.0% increase in tax liability. More specifically, 38.7% of these filers experienced a decrease in tax liability; on average a decrease of 21.0% in FAGI with a corresponding average decrease in tax liability of 41.7%. Filers with an increase in tax liability totaled 850,482 or 49.9%, with an average FAGI increase of 37.3% and an average tax liability increase of 62.2%.

Average Individual Income Tax Refund

Net of Ladewig and FERC refunds.

	Average	Number
2007 CYTD	\$ 636.06	1,687,392
2006 CYTD	\$ 571.38	1,542,099
% Change	11.4	9.4

"New" Filers in Calendar Year 2007

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2007. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 291,771 "new" returns have been filed thus far in 2007, representing approximately 351,852 persons, not including dependents. The average Federal Adjusted Gross Income is \$23,290 with an average tax liability of \$386. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.2% had a married filing joint filing status, 7.1% claimed a 65 and Over Exemption and 35.1% 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 2006 received through September 2007 were \$706.4 million, for an average of \$2,996. An additional \$137.0 million in estimated payments came from 2005 tax returns that applied their refunds as a 2006 estimated payment, for an average of \$3,083. Estimated payments received through September 2007 for tax year 2007 are as follows:

			Monthly	Cumulative
September-07	140 ES Payment	\$	137,672,377	\$ 358,079,336
September-06	140 ES Payment	\$	48,420,893	\$ 271,578,923
	% change		184.3	31.9
September-07	Average Payment	\$	2,560	\$ 2,105
September-06	Average Payment	\$	1,643	\$ 1,930
	% change		55.8	9.1
September-07	Applied Refund	\$	10,802,827	\$ 58,263,362
September-06	Applied Refund	\$	8,004,161	\$ 45,260,518
	% change		35.0	28.7
September-07	Monthly Total	\$	148,475,204	\$ 416,342,698
September-06	Monthly Total	\$	56,425,055	\$ 316,839,441
	% change		163.1	31.4

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from July 2005 through September 2006, \$711.1 million was received for the third quarter of 2005. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2006, which shows an increase of 4.8% in withholding payments over the third quarter of 2005. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2006	4.8%	1 st Quarter 2007	(7.8%)
4 th Quarter 2006	10.7%	2 nd Quarter 2007	1.3%
		3 rd Quarter 2007	9.3%

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

Property Tax Credits

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

	<u>Number</u>	<u>Amount</u>	<u>Average</u>
Calendar Year 2007	13,234	\$ 4,755,280	\$ 359
Calendar Year 2006	13,795	\$ 4,911,886	\$ 356
% Change	(4.1)	(3.2)	0.9

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for returns filed in 2007.

	<u>September 2007</u>	<u>Calendar Year Total</u>
Check Off	\$ 82,865	\$ 5,863,185
Voluntary Donation	\$ 715	\$ 98,861
Number of Returns	10,897	815,549

Contributions on the Individual Income Tax Return

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

	<u>Number</u>	<u>Amount</u>	<u>Average</u>
Wildlife	11,030	\$ 231,216	\$ 20.96
Child Abuse	11,443	\$ 242,398	\$ 21.18
Special Olympics	5,381	\$ 101,764	\$ 18.91
Neighbors Helping	3,183	\$ 49,279	\$ 15.48
AID to Education	644	\$ 45,241	\$ 70.25
Domestic Violence Shelter	8,690	\$ 186,022	\$ 21.41
National Guard Contributions*	144	\$ 6,959	\$ 48.33
Democratic Party	1176	\$ 29,769	\$ 25.31
Republican Party	592	\$ 20,587	\$ 34.77
Libertarian Party	102	\$ 3,497	\$ 34.28

*Revised numbers through July – September 2007

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	September 2007	September 2006	% Change
Gross Collections	\$190,463,885	\$191,640,170	(0.6)
Refunds	(\$12,876,823)	(\$478,252)	2,592.5
Net Collections	\$177,587,062	\$191,161,918	(7.1)
	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$258,325,043	\$271,543,519	(4.9)
Refunds	(\$17,834,110)	(\$9,330,594)	91.1
Net Collections	\$240,490,933	\$262,212,925	(8.3)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

September 2007	\$177,731,812	Calendar Year Total	\$557,793,469
September 2006	\$178,421,878	Calendar Year Total	\$619,773,451
% Change	(0.4%)	% Change	(10.0%)

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

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,001 up to \$500,000	\$500,001 up to \$1,000,000	\$1,000,001 up to \$10,000,000	\$10,000,001 and more	Total	% chg
September 2007	637	99	124	35	23	1	919	(1.1)
September 2006	576	129	161	32	30	1	929	
CY 2007	2,724	400	477	95	85	1	3,782	(10.4)
CY 2006	3,009	466	533	114	97	1	4,220	

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	\$100,001 up to \$500,000	\$500,001 up to \$1,000,000	\$1,000,001 and more	Total	% chg
September 2007	\$8,383,477	\$7,189,862	\$27,573,024	\$24,104,277	\$69,037,030	\$136,287,670	(9.2)
September 2006	\$7,769,834	\$8,993,898	\$37,398,337	\$22,212,100	\$73,783,828	\$150,157,997	
CY 2007	\$34,657,025	\$28,260,487	\$108,682,538	\$65,822,267	\$214,217,692	\$451,640,009	(9.9)
CY 2006	\$34,116,435	\$32,525,659	\$118,887,995	\$82,218,350	\$233,393,014	\$501,141,453	

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 06/07 by corporate fiscal year. For example, in FY 06/07, 6.1% of the refund dollars paid were for corporate fiscal years ending in 2002 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	02 & Prior	03	04	05	06	07
FY 06/07	6.1%	1.7%	1.0%	71.2%	20.0%	0.0%
Corporate Fiscal Year-End:	03 & Prior	04	05	06	07	08
FY 07/08	22.7%	1.3%	7.4%	64.4%	4.2%	0.0%

NO DATA IS AVAILABLE ON REFUNDS APPLIED AS ESTIMATED PAYMENTS.

Corporate Income Tax Document Count

The Arizona Department of Revenue received 121,005 corporate returns showing a fiscal year-end of 2005. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	319	36,521	71,922	421	11,822
%	0.3	30.2	59.4	0.3	9.8

Through September 2007, 97,897 documents were received for a fiscal year-end of 2006, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	121	26,212	60,337	357	10,870
%	0.1	26.8	61.6	0.4	11.1

The figures for the 2006 returns are most meaningful when compared to 2005 returns received during the same period of time in the previous year. Through September 2006, the Department of Revenue received 92,816 documents with a fiscal year-end of 2005. Compared to 2006 documents, the Department has seen a 5.5% increase in the number of corporate returns processed at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2007/08 is 15.0% of net proceeds from Fiscal Year 2005/06 income tax. Amounts returned for September 2007 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

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

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

The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	September 2007	September 2006	% change
Distribution Base	\$145,131,324	\$150,082,193	(3.3)
Non shared	287,350,016	299,564,520	(4.1)
Use Tax	29,437,063	28,561,796	3.1
Education Tax	53,803,373	55,830,892	(3.6)
Other Revenues	65,768,661	68,470,577	(3.9)
Total Collections	\$581,490,438	\$602,509,977	(3.5)

	Fiscal Year Total (07/08)	Fiscal Year Total (06/07)	% change
Distribution Base	\$446,188,312	\$448,318,163	(0.5)
Non shared	882,628,921	886,210,302	(0.4)
Use Tax	89,840,980	82,981,116	8.3
Education Tax	165,173,935	165,532,639	(0.2)
Other Revenues	202,452,404	198,756,788	1.9
Total Collections	\$1,786,284,552	\$1,781,799,009	0.3

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 2007	September 2006	% change
Retained by State	\$366,842,873	\$379,889,665	(3.4)
Returned to Counties	58,792,700	60,798,296	(3.3)
Returned to Cities	36,282,831	37,520,548	(3.3)
Education Tax	53,803,373	55,830,892	(3.6)
Other Revenues	65,768,661	68,470,577	(3.9)
Total Collections	\$581,490,438	\$602,509,977	(3.5)

	Fiscal Year Total (07/08)	Fiscal Year Total (06/07)	% change
Retained by State	1,126,360,250	1,123,816,353	0.2
Returned to Counties	180,750,885	181,613,688	(0.5)
Returned to Cities	111,547,078	112,079,541	(0.5)
Education Tax	165,173,935	165,532,639	(0.2)
Other Revenues	202,452,404	198,756,788	1.9
Total Collections	\$1,786,284,552	\$1,781,799,009	0.3

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	September 2007	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$ 222,254	(30.9)	\$ 653,398	(39.9)
Non-Metal Mining Oil/Gas	3.125	\$ 974,371	44.4	\$ 2,182,060	0.8
Utilities	5.6	\$ 44,808,822	(9.6)	\$ 132,141,100	2.2
Communications	5.6	\$ 14,665,361	(1.2)	\$ 45,302,815	4.4
Private Car/Pipelines	5.6	\$ 84,947	5.0	\$ 283,411	16.9
Publishing	5.6	\$ 668,771	7.6	\$ 1,832,648	(3.9)
Job Printing	5.6	\$ 1,674,785	4.8	\$ 4,990,102	6.3
Restaurants & Bars	5.6	\$ 36,297,374	5.2	\$ 112,231,870	5.0
Amusements	5.6	\$ 3,654,768	9.0	\$ 12,745,041	6.5
Commercial Lease	0	\$ -	N/A	N/A	N/A
Rental of Personal Property	5.6	\$ 15,760,624	N/A	\$ 48,498,793	3.7
Contracting	5.6	\$ 87,904,934	(6.3)	\$ 275,932,174	(2.9)
Retail	5.6	\$ 213,776,305	(3.8)	\$ 653,562,577	(1.5)
Mining Severance	2.5	\$ 3,574,241	(14.2)	\$ 11,718,562	(11.2)
Timber Severance*	0	\$ (14)	N/A	\$ 3,618	(64.3)
Hotel/Motel	5.5	\$ 7,981,213	7.0	\$ 25,136,362	6.0
Membership Camping*	0	\$ (9)	N/A	\$ 697	N/A
Use Tax	5.6	\$ 29,437,063	3.1	\$ 89,840,980	8.3
Rental Occupancy Tax*	0	\$ 249	(69.3)	\$ (79,757)	N/A
Jet Fuel		\$ 427,741	(28.4)	\$ 1,364,234	(12.3)
Jet Fuel Use Tax	\$.0305/\$.0105 gal	\$ 40,989	10.6	\$ 138,761	5.1
Telecomm Devices	----	\$ 534,354	(5.8)	\$ 1,693,566	4.3
911 Telecommunications		\$ 1,426,762		\$ 2,893,978	N/A
911 Wireline	\$0.20/month per active service	\$ (11,117)	N/A	\$ 940,425	(71.2)
911 Wireless	\$0.20/month per active service	\$ 13,096	N/A	\$ 908,671	(69.6)
Total		\$ 463,917,883	(3.5)	\$ 1,424,916,088	0.0

*As of 11/1/06, these categories are no longer subject to county and state tax.

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	September 2007	% Chg	Fiscal Year Total	% Chg
Transporting	\$4,459,527	(30.8)	\$13,094,630	(39.8)
Non-Metal Mining Oil/Gas	31,213,568	44.4	69,894,366	0.8
Utilities	897,129,940	(9.6)	2,644,771,135	2.2
Communications	293,762,656	(1.2)	907,074,997	4.4
Private Car/Pipelines	1,702,252	5.1	5,674,813	16.9
Publishing	13,392,992	7.7	36,690,679	(3.8)
Job Printing	33,553,008	4.9	99,927,828	6.3
Restaurants & Bars	727,219,902	5.2	2,247,505,219	5.0
Amusements	73,265,793	9.0	255,276,802	6.6
Commercial Lease	0	N/A	0	N/A
Rental of Personal Property	315,718,788	(0.6)	971,143,108	3.7

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 Class (continued)

	September 2007	% Chg	Fiscal Year Total	% Chg
Contracting	1,761,090,577	(6.3)	5,525,100,869	(2.8)
Retail	4,284,821,963	(3.7)	13,089,526,346	(1.4)
Mining Severance	143,256,673	(14.1)	469,306,985	(11.1)
Timber Severance*	0	N/A	2,409	(50.7)
Hotel/Motel	145,454,879	7.0	457,850,173	6.0
Membership Camping*	0	N/A	14,440	N/A
Use Tax	591,063,959	3.2	1,803,312,556	8.5
Rental Occupancy Tax*	7,768	N/A	(2,659,075)	N/A
Total	\$9,317,114,247	(3.4)	\$28,593,508,280	0.0

*As of 11/1/06, these categories are no longer subject to county and state tax.

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

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for September 2007 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 403,220	0.7	\$ 1,242,305	(0.1)
Coconino	\$ 1,572,431	2.7	\$ 4,823,808	3.6
Cochise	\$ 1,053,582	1.8	\$ 3,171,659	3.8
Gila	\$ 457,317	0.8	\$ 1,395,124	1.7
Graham	\$ 290,459	0.5	\$ 885,293	9.7
Greenlee	\$ 450,054	0.8	\$ 1,391,872	(8.7)
La Paz	\$ 150,631	0.3	\$ 467,253	(0.7)
Maricopa	\$ 37,334,622	63.5	\$ 114,980,059	(1.2)
Mohave	\$ 1,751,349	3.0	\$ 5,423,512	2.8
Navajo	\$ 917,029	1.6	\$ 2,831,785	2.0
Pima	\$ 8,492,314	14.4	\$ 25,904,321	1.0
Pinal	\$ 1,930,302	3.3	\$ 5,972,868	(4.3)
Santa Cruz	\$ 365,326	0.6	\$ 1,169,231	(0.1)
Yavapai	\$ 2,166,746	3.7	\$ 6,644,630	0.9
Yuma	\$ 1,457,320	2.5	\$ 4,447,164	(0.1)
Total	\$ 58,792,700		\$ 180,750,885	(0.5)

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 2007 is shown on Table 3, attached to this report.

County Tax Collections

The county-imposed tax collections received by the Department of Revenue during September 2007 and returned to the counties are shown on Table 4, attached to this report. 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.

OTHER TAXES

Luxury Taxes

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

	September 2007	September 2006	% Change
Spirituos	\$ 2,669,962	\$ 1,146,158	132.9
Vinous	\$ 1,134,750	\$ 606,694	87.0
Malt	\$ 2,157,128	\$ 1,624,032	32.8
Cigarette	\$ 38,521,755	\$ 30,087,218	28.0
Other Tobacco	\$ 1,482,263	\$ 764,280	93.9
Tobacco Licenses	\$ 400	\$ 525	(23.8)
Total	\$ 45,966,258	\$ 34,228,907	34.3

	Fiscal Year (07/08)	Fiscal Year (06/07)	% Change
Spirituos	\$ 5,958,704	\$ 4,998,199	19.2
Vinous	\$ 2,531,982	\$ 2,165,359	16.9
Malt	\$ 6,133,995	\$ 6,350,083	(3.4)
Cigarette*	\$ 101,690,960	\$ 76,752,472	32.5
Other Tobacco	\$ 4,171,198	\$ 2,335,135	78.6
Tobacco Licenses	\$ 1,450	\$ 2,375	(38.9)
Total	\$ 120,488,289	\$ 92,603,623	30.1

*Through September 2007, \$589,440 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:

	September 2007	FY 07/08
Spirituos	\$ 1,868,973	\$ 4,171,093
Vinous	\$ 282,996	\$ 631,244
Malt	\$ 539,282	\$ 1,533,499
Cigarettes	\$ 3,046,837	\$ 8,156,761
Other Tobacco	\$ 66,702	\$ 188,106
Tobacco Licenses	\$ 400	\$ 1,450
Total	\$ 5,805,190	\$ 14,682,153

Other dedicated revenues from luxury taxes:

	September 2007	FY07/08
Corrections Fund	\$ 2,626,104	\$ 6,728,927
Tobacco Tax & Health Care Fund ²	\$ 8,088,064	\$ 21,105,405
Tobacco Products Tax Fund ³	\$ 12,132,096	\$ 31,658,107
Wine Promotional Fund	\$ 2,767	\$ 7,007
Drug Treatment & Education Fund	\$ 778,937	\$ 1,975,724
Corrections Rev. Fund	\$ 310,337	\$ 784,889
Smoke Free Arizona Fund ⁴	\$ 380,855	\$ 1,020,522
Early Childhood Development and Health Fund ⁵	\$ 15,841,910	\$ 42,525,556

Estate Tax

	Monthly	FYTD
September-07	\$ -	\$ 254,076
September-06	\$ 40,505	\$ 145,219
% change	N/A	75.0

Bingo Tax

	Monthly	FYTD
September-07	\$ 35,913	\$ 135,126
September-06	\$ 37,842	\$ 144,803
% change	(5.1)	(6.7)

Unclaimed Property

	Monthly	FYTD
September-07	\$ 2,710,677	\$ 18,216,986
September-06	\$ 277,613	\$ 8,111,042
% change	N/A	124.6

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

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

² Formerly the Health Care Fund

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

⁴ This Fund was created by Prop. 201, which increased cigarette tax rates in December 2006.

⁵ This Fund was created by Prop. 203, which increased cigarette & other tobacco products tax rates in December 2006.

TABLE 1
"New" Returns Filed in 2007 for Tax Year 2006
Through September 2007

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					Married Joint	Single	Unmarried Head	Married Separate	Over 65	With Dependents
Negative FAGI	2,242	0.8%	-\$18,977	\$2	22.5%	68.6%	6.2%	2.6%	14.5%	16.7%
\$0-\$5,000	53,767	18.4%	\$2,733	\$1	3.9%	84.8%	10.5%	0.8%	4.5%	15.6%
\$5,000-\$10,000	57,140	19.6%	\$7,387	\$22	5.6%	75.2%	18.0%	1.1%	4.9%	25.5%
\$10,000-\$15,000	41,271	14.1%	\$12,394	\$88	10.7%	60.7%	27.3%	1.3%	7.6%	37.2%
\$15,000-\$20,000	31,552	10.8%	\$17,368	\$152	17.1%	49.9%	31.1%	1.9%	7.4%	44.6%
\$20,000-\$25,000	22,974	7.9%	\$22,379	\$251	21.5%	45.2%	30.8%	2.5%	6.5%	48.2%
\$25,000-\$30,000	17,130	5.9%	\$27,390	\$363	24.9%	43.4%	29.0%	2.7%	6.7%	48.0%
\$30,000-\$40,000	22,222	7.6%	\$34,516	\$524	30.7%	40.9%	24.8%	3.6%	6.9%	46.5%
\$40,000-\$50,000	13,203	4.5%	\$44,615	\$741	40.6%	37.1%	18.9%	3.4%	8.2%	46.4%
\$50,000-\$75,000	16,674	5.7%	\$60,705	\$1,078	57.1%	28.3%	11.8%	2.8%	12.1%	46.6%
\$75,000-\$100,000	7,005	2.4%	\$85,734	\$1,702	70.0%	21.1%	6.8%	2.1%	14.7%	45.8%
\$100,000-\$200,000	5,299	1.8%	\$129,977	\$3,033	72.8%	19.5%	5.9%	1.8%	17.7%	43.7%
\$200,000-\$500,000	1,039	0.4%	\$281,841	\$9,049	66.5%	24.5%	6.6%	2.4%	25.0%	35.4%
\$500,000-\$1,000,000	163	0.1%	\$684,198	\$24,320	63.9%	25.3%	7.2%	3.6%	33.7%	28.9%
\$1,000,000 and over	90	0.0%	\$1,821,876	\$112,990	54.8%	30.1%	8.6%	6.5%	21.5%	31.2%
Total	291,771		\$23,290	\$386	16.2%	48.8%	17.3%	1.5%	7.1%	35.1%

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

NEW RETURNS FILED IN 2006 FOR TAX YEAR 2005

Total	280,854		\$23,532	\$423	16.9	48.9	15.7	1.5	7.2	33.9
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
September 2007**

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$1,035,135	88,265
Eagar	\$52,012	4,435	Tempe	\$1,944,387	165,796
St. Johns	\$45,327	3,865	Tolleson	\$76,206	6,498
Springerville	\$24,217	2,065	Wickenburg	\$71,269	6,077
<u>Cochise County</u>			Youngtown	\$72,277	6,163
Benson	\$55,589	4,740	<u>Mohave County</u>		
Bisbee	\$77,050	6,570	Bullhead City	\$448,111	38,210
Douglas	\$201,656	17,195	Colorado City	\$47,849	4,080
Huachuca City	\$21,461	1,830	Kingman	\$303,275	25,860
Sierra Vista	\$512,378	43,690	Lake Havasu City	\$626,664	53,435
Tombstone	\$18,881	1,610	<u>Navajo County</u>		
Willcox	\$45,562	3,885	Holbrook	\$63,622	5,425
<u>Coconino County</u>			Pinetop-Lakeside	\$48,845	4,165
Flagstaff	\$717,552	61,185	Show Low	\$115,927	9,885
Fredonia	\$13,018	1,110	Snowflake	\$57,876	4,935
Page	\$83,383	7,110	Taylor	48,083	4,100
Williams	\$36,883	3,145	Winslow	115,341	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$87,898	7,495	Marana	313,420	26,725
Hayden	\$10,461	892	Oro Valley	462,067	39,400
Miami	\$22,927	1,955	Sahuarita	164,069	13,990
Payson	\$180,957	15,430	South Tucson	66,026	5,630
Star Valley	\$23,526	2,006	Tucson	6,212,923	529,770
Winkelman	\$5,195	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	399,559	34,070
Pima	\$25,590	2,182	Casa Grande	380,795	32,470
Safford	\$109,770	9,360	Coolidge	95,932	8,180
Thatcher	\$53,361	4,550	Eloy	130,469	11,125
<u>Greenlee County</u>			Florence	240,767	20,530
Clifton	\$30,445	2,596	Kearny	26,375	2,249
Duncan	\$9,523	812	Mammoth	20,664	1,762
<u>La Paz County</u>			Maricopa	186,867	15,934
Parker	\$38,466	3,280	Superior	38,162	3,254
Quartzsite	\$42,219	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	256,013	21,830
Avondale	\$813,378	69,356	Patagonia	10,789	920
Buckeye	\$297,951	25,406	<u>Yavapai County</u>		
Carefree	\$43,204	3,684	Camp Verde	125,837	10,730
Cave Creek	\$55,894	4,766	Chino Valley	144,542	12,325
Chandler	\$2,707,254	230,845	Clarkdale	43,158	3,680
El Mirage	\$375,998	32,061	Cottonwood	127,362	10,860
Fountain Hills	\$287,232	24,492	Dewey-Humboldt	47,262	4,030
Gila Bend	\$23,221	1,980	Jerome	3,870	330
Gilbert	\$2,082,162	177,544	Prescott	478,134	40,770
Glendale	\$2,842,403	242,369	Prescott Valley	393,754	33,575
Goodyear	\$541,967	46,213	Sedona	128,241	10,935
Guadalupe	\$65,147	5,555	<u>Yuma County</u>		
Litchfield Park	\$53,103	4,528	San Luis	268,914	22,930
Mesa	\$5,255,084	448,096	Somerton	114,344	9,750
Paradise Valley	\$162,580	13,863	Wellton	23,103	1,970
Peoria	\$1,620,084	138,143	Yuma	1,041,116	88,775
Phoenix	\$17,307,969	1,475,834			
Queen Creek	\$192,497	16,414			
Scottsdale	\$2,753,074	234,752	TOTAL	\$57,044,910	4,864,165

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

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$658,387	88,265
Eagar	\$33,082	4,435	Tempe	\$1,236,707	165,796
Springerville	\$15,403	2,065	Tolleson	\$48,470	6,498
St. Johns	\$28,830	3,865	Wickenburg	\$45,330	6,077
<u>Cochise County</u>			Youngtown	\$45,971	6,163
Benson	\$35,357	4,740	<u>Mohave County</u>		
Bisbee	\$49,007	6,570	Bullhead City	\$285,016	38,210
Douglas	\$128,261	17,195	Colorado City	\$30,434	4,080
Huachuca City	\$13,650	1,830	Kingman	\$192,895	25,860
Sierra Vista	\$325,893	43,690	Lake Havasu City	\$398,583	53,435
Tombstone	\$12,009	1,610	<u>Navajo County</u>		
Willcox	\$28,979	3,885	Holbrook	\$40,466	5,425
<u>Coconino County</u>			Pinetop/Lakeside	\$31,068	4,165
Flagstaff	\$456,392	61,185	Show Low	\$73,734	9,885
Fredonia	\$8,280	1,110	Snowflake	\$36,811	4,935
Page	\$53,035	7,110	Taylor	\$30,583	4,100
Williams	\$23,459	3,145	Winslow	\$73,361	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$55,907	7,495	Marana	\$199,347	26,725
Hayden	\$6,654	892	Oro Valley	\$293,893	39,400
Miami	\$14,583	1,955	Sahuarita	\$104,354	13,990
Payson	\$115,096	15,430	South Tucson	\$41,995	5,630
Star Valley	\$14,963	2,006	Tucson	\$3,951,666	529,770
Winkelman	\$3,304	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$254,135	34,070
Pima	\$16,276	2,182	Casa Grande	\$242,201	32,470
Safford	\$69,818	9,360	Coolidge	\$61,016	8,180
Thatcher	\$33,939	4,550	Eloy	\$82,984	11,125
<u>Greenlee County</u>			Florence	\$153,138	20,530
Clifton	\$19,364	2,596	Kearny	\$16,776	2,249
Duncan	\$6,057	812	Mammoth	\$13,143	1,762
<u>La Paz County</u>			Maricopa	\$118,855	15,934
Parker	\$24,466	3,280	Superior	\$24,272	3,254
Quartzsite	\$26,853	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$162,835	21,830
Avondale	\$517,341	69,356	Patagonia	\$6,862	920
Buckeye	\$189,509	25,406	<u>Yavapai County</u>		
Carefree	\$27,480	3,684	Camp Verde	\$80,037	10,730
Cave Creek	\$35,551	4,766	Chino Valley	\$91,935	12,325
Chandler	\$1,721,921	230,845	Clarkdale	\$27,450	3,680
El Mirage	\$239,150	32,061	Cottonwood	\$81,007	10,860
Fountain Hills	\$182,691	24,492	Dewey-Humboldt	\$30,061	4,030
Gila Bend	\$14,769	1,980	Jerome	\$2,462	330
Gilbert	\$1,324,338	177,544	Prescott	\$304,112	40,770
Glendale	\$1,807,881	242,369	Prescott Valley	\$250,443	33,575
Goodyear	\$344,713	46,213	Sedona	\$81,566	10,935
Guadalupe	\$41,436	5,555	<u>Yuma County</u>		
Litchfield Park	\$33,775	4,528	San Luis	\$171,040	22,930
Mesa	\$3,342,442	448,096	Somerton	\$72,727	9,750
Paradise Valley	\$103,407	13,863	Wellton	\$14,695	1,970
Peoria	\$1,030,438	138,143	Yuma	\$662,191	88,775
Phoenix	\$11,008,557	1,475,834			
Queen Creek	\$122,435	16,414			
Scottsdale	\$1,751,065	234,752	TOTAL	\$36,282,831	4,864,165

TABLE 4
County Tax Collections
September 2007

	Road	Excise	Jail	Rental Car	Stadium	RV Surchage	Hospital/ Health Svc	Capital Projects	Sports & Tourism Authority
Apache		\$ 106,013							
Cochise		\$ 695,386							
Coconino		\$ 1,150,128	\$ 1,144,879					\$ 287,100	
Gila	\$ 302,454	\$ 295,907							
Graham		\$ 188,984							
Greenlee		\$ 137,892							
La Paz		\$ 79,757	\$ 79,757				\$ (32)		
Maricopa	\$ 30,963,544		\$ 11,493,273	\$471,770	\$ 58				\$ 1,338,175
Mohave		\$ 602,310							
Navajo		\$ 611,992							
Pima	\$ 6,195,318			\$ 143,798		\$ 8,640	\$ 351		
Pinal	\$ 1,391,825	\$ 1,362,669							
Santa Cruz		\$ 235,221	\$ 234,013						
Yavapai		\$ 1,365,254	\$ 682,582						
Yuma		\$ 907,265	\$ 907,266				\$ 180,562	\$ (6,656)	