



# ARIZONA DEPARTMENT OF REVENUE

## MEMORANDUM

**DATE:** January 31, 2005

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

### ***November 2004 TAX FACTS***

#### SUMMARY OF GENERAL FUND REVENUES

	<u>November 2004</u>	<u>Fiscal Year Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$ 188,786,852	\$ 915,532,778
Percent Change	24.3%	14.9%
<b>Corporate Income Tax</b>		
Net Collections	\$ 5,793,228	\$ 205,507,923
Percent Change	(NA)	61.4%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$ 289,546,242	\$ 1,459,962,077
Change	8.3%	9.5%
<b>Total Big Three Tax Types</b>		
Net Collections	\$ 484,126,322	\$ 2,581,002,778
Percent Change	8.9%	13.1%

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

# TAX FACTS NOVEMBER 2004

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	November 2004	November 2003	% Change
Gross Collections	\$ 11,359,321	\$ 8,398,521	35.3
Withholding	222,360,341	194,612,408	14.3
Refunds	(13,843,428)	(20,667,980)	(33.0)
Urban Revenue Sharing	(31,089,382)	(30,422,097)	2.2
<b>Net Collections</b>	<b>\$ 188,786,852</b>	<b>\$ 151,920,853</b>	<b>24.3</b>

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)*	% Change
Gross Collections	\$ 149,758,145	\$ 123,962,002	20.8
Withholding	985,588,801	909,875,505	8.3
Refunds	(64,367,261)	(84,959,634)	(24.2)
Urban Revenue Sharing	(155,446,908)	(152,110,483)	2.2
<b>Net Collections</b>	<b>\$ 915,532,777</b>	<b>\$ 796,767,390</b>	<b>14.9</b>

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

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In November 2004, the department did not issue any refunds for alternative fuel related credits.

### Ladewig Refunds

In November 2004, the department did not issue any new warrants for Ladewig, a Supreme Court tax settlement case. For the fiscal year, 435,158 refunds have been issued for a total of \$124,648,501. Attorney payments are not included in the refund amount and total \$5,706,555 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 2003, the following individual income tax returns were filed:

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

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

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,313	1,568,774	87,219	101,904	3	43,461	296,260	13,310	196,824	2,621	15	2,354,704
%	1.9	66.6	3.7	4.3	0.0	1.9	12.6	0.6	8.4	0.1	0.0	

The 2,354,704 returns, representing current and prior tax years, filed through November 2004 compares to 2,293,036 returns filed during the same period of time in 2003 for an annual increase of 2.7%. For tax year 2003 filed in 2004, 2,239,971 returns have been filed, a 2.7% increase over filings in November 2003 for tax year 2002.

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

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,567,405 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 3.9% increase in FAGI and a 6.8% increase in tax liability. More specifically, 35.8% of these filers experienced a decrease in tax liability; on average a decrease of 37.8% with a corresponding average decrease in FAGI of 22.5%. Filers with an increase in tax liability totaled 811,358 or 51.1% with an average FAGI increase of 27.4% and an average tax liability increase of 52.0%.

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

Net of Ladewig refunds.

	Average	Number
2004 CYTD	\$509.16	1,495,707
2003 CYTD	\$562.55	1,487,652
% Change	(9.5)	0.01

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

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 238,788 "new" returns have been filed thus far in 2004, representing approximately 289,152 persons, not including dependents. The average Federal Adjusted Gross Income for these 238,788 returns is \$20,049, with an average tax liability of \$333. 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, 7.4% claimed a 65 and Over Exemption and 32.9% 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 for tax year 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through November 2004 for tax year 2004 are as follows:

11/04	140ES payment	\$ 3,800,068	Cumulative	\$ 205,084,084
11/03	140ES payment	2,835,239	Cumulative	\$ 165,247,421
	% change	34.0		24.1
11/04	Average payment	\$ 2,169	Cumulative	\$ 1,502
11/03	Average payment	\$ 1,419	Cumulative	\$ 1,287
	% change	52.9		16.7
11/04	Applied refund	\$ 14,174,277	Cumulative	\$ 57,388,116
11/03	Applied refund	\$ 18,204,014	Cumulative	\$ 71,036,255
	% change	(22.1)		(19.2)
Total 11/04		\$ 17,974,345	Cumulative	\$ 262,472,200
Total 11/03		\$ 21,039,253	Cumulative	\$ 236,283,676
	% change	(14.6)		11.1

### **Withholding**

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

3 <sup>rd</sup> Quarter 2003	(2.8%)	1 <sup>st</sup> Quarter 2004	2.4%
4 <sup>th</sup> Quarter 2003	0.8%	2 <sup>nd</sup> Quarter 2004	(1.9%)
		3 <sup>rd</sup> Quarter 2004	(1.0%)

Current choices for withholding are 0%, 10%, 18.2%, 21.3%, 23.3%, 29.4% or 34.4% 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 2004	15,031	\$5,297,421	\$352.43
Calendar Year 2003	14,944	\$5,090,536	\$340.64
% Change	0.6	4.1	3.5

### **Clean Elections**

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

	<u>November 2004</u>	<u>Calendar Year Total</u>
Check Off	\$58,529	\$ 4,230,438
Voluntary Donation	\$616	\$ 47,489
Number of Returns	7,366	581,158

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

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

	<u>Number</u>	<u>Amount</u>	<u>Average</u>
Wildlife	9,588	\$ 168,931	\$17.62
Child Abuse	10,470	193,370	18.47
Special Olympics	5,045	79,289	15.72
Neighbors Helping	2,943	38,713	13.15
AID to Education	609	43,425	71.31
Domestic Violence Shelter	7,574	136,555	18.03
Democratic Party	1,120	27,404	24.47
Republican Party	709	17,080	24.09
Libertarian Party	86	1,730	20.11

## CORPORATE INCOME TAX

### Corporate Income Tax Receipts

	November 2004	November 2003	% Change
Gross Collections	\$ 17,598,692	\$ 15,761,963	11.7
Refunds	(\$ 11,805,464)	(\$ 18,047,246)	(34.6)
<b>Net Collections</b>	<b>\$ 5,793,228</b>	<b>(\$ 2,285,283)</b>	<b>N/A</b>

  

	Fiscal Year 2004/05	Fiscal Year 2003/04	% Change
Gross Collections	\$ 236,604,882	\$ 182,003,857	30.0
Refunds	(\$ 31,096,959)	(\$ 54,641,507)	(43.1)
<b>Net Collections</b>	<b>\$ 205,507,923</b>	<b>\$ 127,362,350</b>	<b>61.4</b>

### Corporate Estimated Payments

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

November 2004	\$ 9,855,041	Calendar Year Total	\$ 403,962,333
November 2003	\$ 8,544,085	Calendar Year Total	\$ 335,617,186
% Change	15.3%	% Change	20.4%

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 November 2004 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
Nov 2004	58	8	14	0	1	0	81	(6.9)
Nov 2003	65	9	9	2	2	0	87	
CY 2003	2,355	319	387	51	61	1	3,174	9.2
CY 2002	2,221	250	316	59	61	0	2,907	

### 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 2003/04 by corporate fiscal year. For example, in FY 2003/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>99 &amp; Prior</b>	<b>00</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>
FY 03/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%
<b>Corporate Fiscal Year-End:</b>	<b>00 &amp; Prior</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>
FY 04/05	6.1%	1.9%	1.5%	86.2%	4.2%	0.0%

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.

Nov 2004	\$57,505,716	Calendar Year Total	\$141,061,251
Nov 2003	\$28,554,030	Calendar Year Total	\$134,398,925
% Change	101.4%	% Change	5.0%

## Corporate Income Tax Document Count

The Arizona Department of Revenue received 100,794 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

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

Through November 2004, 103,044 documents were received for a fiscal year-end of 2003, distributed as follows:

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>	<u>120 A (short form)</u>
#	263	32,401	58,829	308	11,243
%	0.3	31.4	57.1	0.3	10.9

The figures for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through November 2003, the Department of Revenue received 95,597 documents with a fiscal year-end of 2002. Compared to 2003 documents, the department has seen a 7.8% **increase** in the number of corporate returns received at this point of time in the calendar year.

## Urban Revenue Sharing Returned to Cities/Towns

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

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### Transaction Privilege, Severance and Use Tax Receipts

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

At the close of each month, 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.

	<u>November 2004</u>	<u>November 2003</u>	<u>% change</u>
Distribution Base	\$ 118,247,650	\$ 108,011,404	9.5%
Non shared	248,762,628	209,537,646	18.7%
Other Revenues	28,979,760	46,718,945	-38.0%
Education Tax	42,608,212	40,142,812	6.1%
Use Tax	21,355,148	20,497,865	4.2%
<b>Total Collections</b>	<b>\$ 459,953,397</b>	<b>\$ 424,908,671</b>	<b>8.2%</b>

  

	<u>Fiscal Year Total (04/05)</u>	<u>Fiscal Year Total (03/04)</u>	<u>% change</u>
Distribution Base	\$ 587,617,648	\$ 538,161,205	9.2%
Non shared	1,169,278,647	1,050,505,814	11.3%
Other Revenues	225,875,122	228,401,065	-1.1%
Education Tax	215,703,511	198,015,850	8.9%
Use Tax	109,369,251	96,587,552	13.2%
<b>Total Collections</b>	<b>\$ 2,111,671,487</b>	<b>\$ 2,307,844,178</b>	<b>9.3%</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	<b>November 2004</b>	<b>November 2003</b>	<b>% change</b>
Retained by State	\$ 289,546,242	\$ 267,288,644	8.3%
Returned to Counties	47,902,123	43,755,420	9.5%
Returned to Cities	29,561,913	27,002,851	9.5%
Education Tax	42,608,212	40,142,812	6.1%
Other Revenues	50,334,908	46,718,945	7.7%
<b>Total Collections</b>	<b>\$ 459,953,397</b>	<b>\$ 424,908,671</b>	<b>8.2%</b>

  

	<b>Fiscal Year Total (04/05)</b>	<b>Fiscal Year Total (03/04)</b>	<b>% change</b>
Retained by State	\$ 1,459,962,077	\$ 1,332,705,166	9.5%
Returned to Counties	238,043,909	218,009,104	9.2%
Returned to Cities	146,904,412	134,540,301	9.2%
Education Tax	215,703,511	198,015,850	8.9%
Other Revenues	247,230,269	228,401,065	8.2%
<b>Total Collections</b>	<b>\$ 2,307,844,178</b>	<b>\$ 2,111,671,486</b>	<b>9.3%</b>

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

	<b>Tax Rate</b>	<b>November 2004</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	5.6%	\$ 232,166	-50.2%	\$ 1,252,281	-31.3%
Non-Metal Mining Oil/Gas	3.125%	859,246	12.7%	3,978,078	8.0%
Utilities	5.6%	29,075,915	2.2%	166,962,787	5.1%
Communications	5.6%	12,366,512	7.6%	61,365,014	5.1%
Private Car/Pipelines	5.6%	50,463	-32.2%	307,384	-19.2%
Publishing	5.6%	515,616	8.2%	2,831,327	1.3%
Job Printing	5.6%	1,543,168	-4.7%	7,397,753	-2.6%
Restaurants & Bars	5.6%	32,276,147	14.2%	150,565,685	9.8%
Amusements	5.6%	2,778,080	-16.4%	14,799,668	2.6%
Commercial Lease	0%	66	NA	30,491	NA
Rental of Personal Property	5.6%	13,746,947	1.3%	66,832,826	3.5%
Contracting	3.75% - 5.6%	63,074,199	10.8%	320,171,618	16.7%
Feed Wholesale	Repealed	0	NA	0	NA
Retail	5.6%	178,357,083	9.1%	895,183,044	8.0%
Mining Severance	2.5%	1,315,513	245.0%	5,682,567	318.9%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	752	-39.2%	3,941	1.8%
Hotel/Motel	5.5%	9,121,484	13.5%	36,203,759	10.6%
Membership Camping	5.6%	8,156	8.9%	32,334	-13.5%
Use Tax	5.6%	21,368,417	4.2%	109,446,239	13.3%
Rental Occupancy Tax	3.0%	1,000	-89.3%	(9,974)	NA
Jet Fuel	\$.0305/\$.0105 gal	311,218	3.2%	1,883,269	12.5%
Telecommunications Devices	1.1		NA	0	NA
Telecomm	----	385,994	-10.4%	1,792,558	-20.0%
School for the Deaf and Blind		102,175	-28.9%	551,110	33.7%
Poison Control	----	130,557	16.2%	526,381	-24.2%
Teratogen Funding		5,676	NA	20,783	NA
911 Wireline	\$0.37/month per active service	1,234,407	7.2%	5,768,708	2.9%
911 Wireless	\$0.37/month per active service	1,097,359	8.6%	5,307,490	6.5%
<b>Total</b>		<b>\$ 369,958,315</b>	<b>8.5%</b>	<b>\$ 1,858,887,122</b>	<b>9.4%</b>

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

**Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>November 2004</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	\$ 4,643,323	-50.2%	25,068,664	-31.3%
Non-Metal Mining Oil/Gas	27,495,863	12.7%	127,387,276	8.1%
Utilities	581,518,290	2.2%	3,341,285,390	5.2%
Communications	247,330,239	7.6%	1,228,186,973	5.2%
Private Car/Pipelines	1,009,255	-32.2%	6,151,716	-19.1%
Publishing	10,312,999	8.2%	56,691,903	1.4%
Job Printing	30,863,368	-4.7%	148,067,580	-2.5%
Restaurants & Bars	645,526,296	14.2%	3,013,641,450	9.9%
Amusements	55,561,594	-16.4%	296,264,797	2.7%
Commercial Lease	2,204	NA	891,242	NA
Rental of Personal Property	274,939,370	1.3%	1,337,697,600	3.5%
Contracting	1,267,496,039	11.4%	6,443,597,991	17.5%
Feed Wholesale	0	NA	0	NA
Retail	3,567,181,735	9.1%	17,918,258,200	8.1%
Mining Severance	52,620,510	245.0%	227,396,871	319.1%
Timber Severance	353	-39.2%	1,949	7.3%
Hotel/Motel	165,845,159	13.5%	658,862,916	10.7%
Membership Camping	163,118	8.9%	648,219	-4.7%
Use Tax	431,558,438	5.3%	2,192,346,473	13.7%
Rental Occupancy Tax	33,348	-89.3%	(330,658)	NA
<b>Total</b>	<b>\$ 7,364,101,500</b>	<b>9.1%</b>	<b>37,022,116,551</b>	<b>9.9%</b>

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

**Accounting Credit**

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

**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.

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

### **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 November 2004 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 363,519	0.8%	\$ 1,806,917	7.5%
Cochise	1,223,377	2.6%	5,070,299	24.7%
Coconino	852,109	1.8%	5,687,835	-8.0%
Gila	362,407	0.8%	1,853,391	4.6%
Graham	208,605	0.4%	1,074,049	6.7%
Greenlee	216,231	0.5%	1,015,908	41.1%
La Paz	135,605	0.3%	680,945	7.9%
Maricopa	30,928,328	64.6%	152,671,565	9.4%
Mohave	1,308,248	2.7%	6,795,331	12.1%
Navajo	769,642	1.6%	3,869,224	8.1%
Pima	6,966,519	14.5%	35,170,612	7.9%
Pinal	1,315,629	2.7%	6,418,552	10.3%
Santa Cruz	313,014	0.7%	1,515,390	7.0%
Yavapai	1,688,690	3.5%	8,368,289	11.4%
Yuma	1,251,198	2.6%	6,046,599	10.4%
<b>Total</b>	<b>\$ 47,902,123</b>		<b>\$ 238,043,909</b>	<b>9.2%</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for November 2004 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during November 2004 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
<b>Apache</b>		92,840							
<b>Cochise</b>		501,543							
<b>Coconino</b>		875,946	525,185					219,599	
<b>Gila</b>	208,505	202,502							
<b>Graham</b>		88,787							
<b>Greenlee</b>		71,911							
<b>La Paz</b>		71,130	71,132				191		
<b>Maricopa</b>	25,172,241		9,369,451	618,834	151				1,728,221
<b>Mohave</b>		485,185							
<b>Navajo</b>		494,184							
<b>Pima</b>				112,516		16,576			
<b>Pinal</b>	914,253	896,000							
<b>Santa Cruz</b>		211,400							
<b>Yavapai</b>		1,150,342	575,647						
<b>Yuma</b>		836,450	836,454					836,130	

## OTHER TAXES

### Luxury Taxes

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

	November 2004	November 2003	% Change
Spirituos	\$ 2,255,903	\$ 2,176,803	3.6
Vinous	1,108,614	1,091,275	1.6
Malt	1,766,648	1,852,214	(4.6)
Cigarette	24,039,023	22,982,499	4.6
Other Tobacco	813,642	600,063	35.6
Tobacco Licenses	200	425	(52.9)
<b>Total</b>	<b>\$ 29,983,220</b>	<b>\$ 28,703,279</b>	<b>4.5</b>

  

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spirituos	\$ 9,336,777	\$ 8,886,622	5.1
Vinous	3,953,520	3,807,631	3.8
Malt	9,670,218	9,082,331	6.5
Cigarette*	114,502,014	109,046,220	5.0
Other Tobacco	3,407,480	3,116,974	9.3
Tobacco Licenses	1,625	2,075	(21.7)
<b>Total</b>	<b>\$ 140,871,633</b>	<b>\$ 133,941,853</b>	<b>5.2</b>

\*Through November 2004, \$448,400 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:

	November 2004	Fiscal Year (04/05)
Spirituos	\$ 1,578,565	\$ 6,535,744
Vinous	276,356	985,263
Malt	441,662	2,417,554
Cigarette	3,022,201	15,218,542
Other Tobacco	126,115	532,851
Tobacco Licenses	200	1,625
<b>Total</b>	<b>\$ 5,445,099</b>	<b>\$ 25,691,579</b>

### Other dedicated revenues from luxury taxes:

	November 2004	Fiscal Year (04/05)
Correction Fund revenues	\$ 2,390,944	\$ 11,108,158
Tobacco Tax & Health Care Fund <sup>2</sup>	\$ 8,567,257	\$ 39,837,632
Tobacco Products Tax Fund <sup>3</sup>	\$ 12,611,203	\$ 59,414,803
Wine Promotional Fund revenues	\$ 3,189	\$ 12,466
Drug Treatment & Education Fund revenues	\$ 674,830	\$ 3,103,603
Corrections Revolving Fund revenues	\$ 268,698	\$ 1,232,892

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

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

**Estate Tax**

November 2004	\$ 3,262,715	Fiscal Year to Date	\$ 18,283,362
November 2003	\$ 1,867,901	Fiscal Year To Date	\$ 15,539,305
% Change	74.7	% Change	17.7

**Bingo**

November 2004	\$ 41,284	Fiscal Year to Date	\$ 247,582
November 2003	\$ 40,139	Fiscal Year to Date	\$ 253,472
% Change	2.9	% Change	(2.3)

**Unclaimed Property**

November 2004	\$ 23,522,938	Fiscal Year to Date	\$31,427,275
November 2003	\$ 16,100,030	Fiscal Year to Date	\$ 30,600,828
% Change	46.1	% Change	2.7

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

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

**TABLE 1**  
**“New” Returns Filed in 2004 for Tax Year 2003**  
**Through November 2004**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,902	1.2%	-\$20,235	\$2	17.4%	75.6%	4.1%	3.0%	13.8%	11.0%
<b>\$0-\$5,000</b>	<b>53,460</b>	<b>22.4%</b>	<b>\$2,682</b>	<b>\$1</b>	<b>3.9%</b>	<b>85.2%</b>	<b>9.9%</b>	<b>0.9%</b>	<b>3.9%</b>	<b>14.6%</b>
\$5,000-\$10,000	50,151	21.0%	\$7,363	\$25	7.2%	73.7%	17.9%	1.2%	5.7%	25.9%
<b>\$10,000-\$15,000</b>	<b>34,376</b>	<b>14.4%</b>	<b>\$12,347</b>	<b>\$91</b>	<b>14.0%</b>	<b>57.5%</b>	<b>26.8%</b>	<b>1.7%</b>	<b>8.4%</b>	<b>38.3%</b>
\$15,000-\$20,000	24,680	10.3%	\$17,362	\$169	20.4%	48.7%	28.4%	2.5%	8.6%	43.1%
<b>\$20,000-\$25,000</b>	<b>16,959</b>	<b>7.1%</b>	<b>\$2,260</b>	<b>\$272</b>	<b>25.3%</b>	<b>43.2%</b>	<b>28.4%</b>	<b>3.1%</b>	<b>8.0%</b>	<b>46.3%</b>
\$25,000-\$30,000	12,015	5.0%	\$27,382	\$390	29.3%	40.5%	26.3%	3.8%	8.1%	46.4%
<b>\$30,000-\$40,000</b>	<b>15,255</b>	<b>6.4%</b>	<b>\$34,487</b>	<b>\$553</b>	<b>36.4%</b>	<b>37.4%</b>	<b>21.9%</b>	<b>4.2%</b>	<b>8.6%</b>	<b>45.1%</b>
\$40,000-\$50,000	9,112	3.8%	\$44,637	\$776	47.8%	32.0%	16.8%	3.3%	10.3%	46.0%
<b>\$50,000-\$75,000</b>	<b>11,528</b>	<b>4.8%</b>	<b>\$60,643</b>	<b>\$1,157</b>	<b>62.5%</b>	<b>24.5%</b>	<b>10.5%</b>	<b>2.5%</b>	<b>12.9%</b>	<b>46.2%</b>
\$75,000-\$100,000	4,327	1.8%	\$85,480	\$1,851	72.1%	19.5%	6.7%	1.7%	14.6%	45.1%
<b>\$100,000-\$200,000</b>	<b>3,229</b>	<b>1.4%</b>	<b>\$129,485</b>	<b>\$3,315</b>	<b>73.7%</b>	<b>18.0%</b>	<b>6.4%</b>	<b>1.8%</b>	<b>16.0%</b>	<b>43.2%</b>
\$200,000-\$500,000	649	0.3%	\$284,587	\$9,457	70.3%	21.5%	5.6%	2.6%	20.0%	39.8%
<b>\$500,000-\$1,000,000</b>	<b>86</b>	<b>0.0%</b>	<b>\$657,925</b>	<b>\$24,670</b>	<b>55.1%</b>	<b>31.5%</b>	<b>7.9%</b>	<b>5.6%</b>	<b>23.6%</b>	<b>33.7%</b>
\$1,000,000 and over	59	0.0%	\$1,883,636	\$96,046	58.3%	35.0%	5.0%	1.7%	18.3%	25.0%
<b>Total</b>	<b>238,788</b>		<b>\$20,049</b>	<b>\$333</b>	<b>16.5%</b>	<b>49.5%</b>	<b>15.8%</b>	<b>1.7%</b>	<b>7.4%</b>	<b>32.9%</b>

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

**NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002**

<b>Total</b>	<b>220,129</b>		<b>\$20,256</b>	<b>\$329</b>	<b>20.2%</b>	<b>57.0%</b>	<b>20.6%</b>	<b>2.2%</b>	<b>7.6%</b>	<b>34.7%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**November 2004**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Surprise	\$236,358	30,848
Eagar	\$30,901	4,033	Tempe	\$1,215,497	158,625
Springerville	\$15,185	3,548	Tolleson	\$38,111	4,974
St. Johns	\$27,185	1,972	Wickenburg	\$38,938	5,082
<b><u>Cochise County</u></b>			Youngtown	\$23,063	3,010
Benson	\$36,096	4,711	<b><u>Mohave County</u></b>		
Bisbee	\$46,662	6,090	Bullhead City	\$258,739	33,769
Douglas	\$126,600	16,523	Colorado City	\$25,545	3,334
Huachuca City	\$13,416	1,751	Kingman	\$153,769	20,069
Sierra Vista	\$289,433	37,775	Lake Havasu City	\$321,330	41,938
Tombstone	\$11,524	1,504	<b><u>Navajo County</u></b>		
Willcox	\$28,603	3,733	Holbrook	\$37,674	4,917
<b><u>Coconino County</u></b>			Pinetop-Lakeside	\$27,445	3,582
Flagstaff	\$405,278	52,894	Show Low	\$58,959	7,695
Fredonia	\$7,938	1,036	Snowflake	\$34,173	4,460
Page	\$52,171	6,809	Taylor	\$24,335	3,176
Williams	\$21,776	2,842	Winslow	\$72,942	9,520
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	\$57,358	7,486	Marana	\$103,866	13,556
Hayden	\$6,835	892	Oro Valley	\$244,679	31,934
Miami	\$14,834	1,936	Sahuarita	\$24,840	3,242
Payson	\$104,357	13,620	South Tucson	\$42,065	5,490
Winkelman	\$3,394	443	Tucson	\$3,729,100	486,699
<b><u>Graham County</u></b>			<b><u>Pinal County</u></b>		
Pima	\$15,240	1,989	Apache Junction	\$243,760	31,814
Safford	\$70,736	9,232	Casa Grande	\$193,267	25,224
Thatcher	\$30,817	4,022	Coolidge	\$59,657	7,786
<b><u>Greenlee County</u></b>			Eloy	\$79,494	10,375
Clifton	\$19,891	2,596	Florence	\$116,777	15,241
Duncan	\$6,222	812	Kearny	\$17,232	2,249
<b><u>La Paz County</u></b>			Mammoth	\$13,500	1,762
Parker	\$24,059	3,140	Maricopa	\$38,295	4,998
Quartzsite	\$25,698	3,354	Superior	\$24,932	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$274,936	35,883	Nogales	\$159,968	20,878
Buckeye	\$65,104	8,497	Patagonia	\$6,750	881
Carefree	\$22,427	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	\$28,564	3,728	Camp Verde	\$72,414	9,451
Chandler	\$1,355,711	176,939	Chino Valley	\$62,576	8,167
El Mirage	\$58,300	7,609	Clarkdale	\$26,219	3,422
Fountain Hills	\$155,041	20,235	Cottonwood	\$70,330	9,179
Gila Bend	\$15,171	1,980	Jerome	\$2,521	329
Gilbert	\$840,501	109,697	Prescott	\$260,034	33,938
Glendale	\$1,676,543	218,812	Prescott Valley	\$180,326	23,535
Goodyear	\$144,897	18,911	Sedona	\$78,091	10,192
Guadalupe	\$40,057	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	\$29,193	3,810	San Luis	\$117,398	15,322
Mesa	\$3,047,770	397,776	Somerton	\$55,672	7,266
Paradise Valley	\$104,795	13,664	Wellton	\$14,014	1,829
Peoria	\$830,288	108,364	Yuma	\$595,224	77,685
Phoenix	\$10,121,880	1,321,045	<b>TOTAL</b>		
Queen Creek	\$33,069	4,316	<b>\$ 31,089,3812</b>	<b>4,057,566</b>	
Scottsdale	\$1,553,131	202,705			

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

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,476,117	202,705
Eagar	\$29,369	4,033	Surprise	\$224,638	30,848
Springerville	\$14,360	1,972	Tempe	\$1,155,123	158,625
St. Johns	\$25,837	3,548	Tolleson	\$36,221	4,974
<b><u>Cochise County</u></b>			Wickenburg	\$37,008	5,082
Benson	\$34,306	4,711	Youngtown	\$21,919	3,010
Bisbee	\$44,348	6,090	<b><u>Mohave County</u></b>		
Douglas	\$120,322	16,523	Bullhead City	\$245,909	33,769
Huachuca City	\$12,751	1,751	Colorado City	\$24,279	3,334
Sierra Vista	\$275,081	37,775	Kingman	\$146,144	20,069
Tombstone	\$10,952	1,504	Lake Havasu City	\$305,397	41,938
Willcox	\$27,184	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$35,806	4,917
Flagstaff	\$385,179	52,894	Pinetop/Lakeside	\$26,084	3,582
Fredonia	\$7,544	1,036	Show Low	\$56,036	7,695
Page	\$49,584	6,809	Snowflake	\$32,478	4,460
Williams	\$20,696	2,842	Taylor	\$23,128	3,176
<b><u>Gila County</u></b>			Winslow	\$69,326	9,520
Globe	\$54,514	7,486	<b><u>Pima County</u></b>		
Hayden	\$6,496	892	Marana	\$98,716	13,556
Miami	\$14,098	1,936	Oro Valley	\$232,546	31,934
Payson	\$99,182	13,620	Sahuarita	\$23,609	3,242
Winkelman	\$3,226	443	South Tucson	\$39,979	5,490
<b><u>Graham County</u></b>			Tucson	\$3,544,189	486,699
Pima	\$14,484	1,989	<b><u>Pinal County</u></b>		
Safford	\$67,228	9,232	Apache Junction	\$231,673	31,814
Thatcher	\$29,289	4,022	Casa Grande	\$183,684	25,224
<b><u>Greenlee County</u></b>			Coolidge	\$56,698	7,786
Clifton	\$18,904	2,596	Eloy	\$75,552	10,375
Duncan	\$5,913	812	Florence	\$125,310	17,208
<b><u>La Paz County</u></b>			Kearny	\$16,377	2,249
Parker	\$22,866	3,140	Mammoth	\$12,831	1,762
Quartzsite	\$24,424	3,354	Maricopa	\$36,396	4,998
<b><u>Maricopa County</u></b>			Superior	\$23,696	3,254
Avondale	\$261,303	35,883	<b><u>Santa Cruz County</u></b>		
Buckeye	\$61,876	8,497	Nogales	\$152,036	20,878
Carefree	\$21,315	2,927	Patagonia	\$6,416	881
Cave Creek	\$27,148	3,728	<b><u>Yavapai County</u></b>		
Chandler	\$1,288,487	176,939	Camp Verde	\$68,823	9,451
El Mirage	\$55,409	7,609	Chino Valley	\$59,473	8,167
Fountain Hills	\$147,353	20,235	Clarkdale	\$24,919	3,422
Gila Bend	\$14,419	1,980	Cottonwood	\$66,842	9,179
Gilbert	\$798,824	109,697	Jerome	\$2,396	329
Glendale	\$1,593,410	218,812	Prescott	\$247,140	33,938
Goodyear	\$137,712	18,911	Prescott Valley	\$171,384	23,535
Guadalupe	\$38,071	5,228	Sedona	\$74,219	10,192
Litchfield Park	\$27,745	3,810	<b><u>Yuma County</u></b>		
Mesa	\$2,896,643	397,776	San Luis	\$111,576	15,322
Paradise Valley	\$99,503	13,664	Somerton	\$52,912	7,266
Peoria	\$789,117	108,364	Wellton	\$13,319	1,829
Phoenix	\$9,619,978	1,321,045	Yuma	\$565,710	77,685
Queen Creek	\$31,430	4,316	<b>TOTAL</b>		
				<b>\$29,561,913</b>	<b>4,059,533</b>