



STATE SHARED REVENUE

Prepared by

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FY 2023 Final Report

June 3, 2022



State Shared Revenues - Final FY 2023 Budget Estimates June 3, 2022

The estimated state shared revenues for each city and town for FY 2022/2023 is set forth in this report. We obtained the total dollar figures subject to distribution from the Arizona Department of Transportation (ADOT) and the Arizona Department of Revenue (ADOR). Please recognize that most distribution figures are estimates, so the total distribution amounts are subject to change.

Population Figures for Shared Revenue Estimates

Per statute, the population figures used for the distribution of state shared revenues to cities and towns are the official U.S. Census Bureau population estimate for each city and town as of July 1 of the prior year, except in the year following a decennial census. As you recall, shared revenue allocations for FY 2021/2022 were based on the 2020 Decennial Census population numbers. The allocated amounts in this Final Shared Revenue Report were produced using the Census Bureau's population estimates as of July 1, 2021.

U.S. Census Bureau Populations	2020 Decennial Census	2021 July 1 Estimate
Designated Population for TPT/HURF/VLT:	5,728,859	5,828,853
Designated Population for URS:	5,735,279	5,835,264

Shared Revenue Estimates by Tax Type

The tables found in this report list the anticipated distribution of shared revenues to each city and town from the Vehicle License Tax (VLT), Highway User Revenue Fund (HURF), State Transaction Privilege Tax (TPT), and the State Income Tax, also known as Urban Revenue Sharing (URS).

Vehicle License Tax (VLT) – Approximately 20% of the revenues collected by ADOT for the licensing of motor vehicles are distributed to cities and towns. These monies are distributed monthly and may be expended for any municipal public purpose. A city or town receives its share of the vehicle license tax collections based on the "county of origin" where vehicles are registered and its population in relation to the total incorporated population of their county. The ADOT estimate of the cities VLT distribution for FY 2022/2023 is \$326,457,000, approximately 12.4% higher than last year's estimate of \$290,379,000. Since VLT distribution is based in part on allocation factors by county, the change in projected VLT for your city/town may vary from the overall increase/decrease percentage noted above.

Highway User Revenue Fund (HURF) – This is sometimes referred to as the "gas tax" but there are a number of additional sources that contribute to the Highway User Revenue Fund, including a portion of VLT revenues, a portion of the excise taxes collected on

marijuana sales, and others. HURF monies are distributed on a monthly basis and can only be used for street and highway expenditures. Cities and towns receive 27.5% of the total collections. One-half of the monies that a city or town receives under this formula is distributed based on the municipality's population in relation to the population of all incorporated cities and towns in the state. The remaining half is allocated based on "county of origin" of gasoline sales and the relation of a municipality's population to the population of all incorporated cities and towns in their county. The estimated HURF distribution base provided by ADOT for FY 2022/2023 is \$501,038,000, approximately 18.2% higher than last year's figure of \$423,959,000. This dramatic increase in revenues is largely attributed to a rebound in gasoline sales following the pandemic. Since HURF distribution is based in part on allocation factors by county, the change in projected HURF for your city/town may vary from the overall increase/decrease percentage noted above.

NOTE: The HURF distribution estimates discussed here and shown on the attached table do not include the additional 3% of all collections (\$54,569,000) distributed to cities with populations over 300,000.

State Transaction Privilege Tax (TPT) – Cities and towns share in a portion of the total collections of TPT imposed at the State level. Each tax classification has a designated sharing percentage that goes into the distribution base, and cities and towns receive 25% of that base. Shared TPT is distributed on a semi-monthly basis and may be expended for any municipal public purpose. A municipality receives its share of the state shared sales tax based on the relation of its population to the total population of all incorporated cities and towns. The FY 2022/2023 ADOR estimate for state shared TPT is \$820,000,000, approximately 20.6% higher than the estimated amount of \$680,000,000 provided in our final report last year.

State Income Tax (URS) – Cities and towns receive 15% of the total state income tax collected during each fiscal year. URS is distributed monthly and can be used for any municipal purpose. This money is distributed to a city or town based on its population in relation to the total population of all incorporated cities and towns. (Note: the nine smallest cities and towns receive URS based on the minimum population figure of 1,500.) The annual amount of urban revenue sharing money distributed is based on income tax collections during the fiscal year two years prior to the year in which the city or town receives the funds. The FY 2022/2023 ADOR estimate for state income tax is \$1,106,958,676, approximately 46.4% higher than last year's estimate of \$756,388,000. This is the lone shared revenue type that is most likely to remain unchanged over the course of the year because it is based on collections from two years ago, subject to slight changes due to various adjustments such as late refunds, court decisions, etc.

NOTE: The large increase in URS this year is due to several factors, including certain changes at the Federal level that served to temporarily increase state taxes. However, the most notable cause is the filing deadline extension provided in 2020 due to COVID-19. Since URS distribution is based on the income taxes collected during a particular fiscal year, moving the filing deadline for 2019 state income taxes

from April 2020 to July 2020 shifted a large number of tax returns and related tax collections from FY2020 to FY2021. This was a one-time event and we expect next year's report to indicate a large reduction in URS (relative to this year) as the timing of collections reverts to normal.

In summary, the total estimated shared revenues for distribution to cities and towns in the upcoming fiscal year from each source based on the current state laws are as follows:

Vehicle License Tax	\$326,457,000
Highway User Revenue Fund	\$501,038,000
State Transaction Privilege Tax	\$820,000,000
State Income Tax	\$1,106,958,676

Please recognize there is always the possibility an unforeseen circumstance could significantly alter these shared revenue forecasts, including changes enacted by the legislature in its current session. If there are any noteworthy changes to any of these numbers, we will deliver revised estimates to you as quickly as possible. If you have any questions, please give us a call.

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CITY/TOWN	2021 Population	VLT	HURF	TPT (SALES TAX)	URS (INCOME TAX)
APACHE JUNCTION	39,981	\$3,178,151	\$3,825,746	\$5,624,506	\$7,584,458
AVONDALE	90,564	\$4,624,469	\$7,060,937	\$12,740,496	\$17,180,132
BENSON	5,355	\$354,326	\$555,465	\$753,339	\$1,015,852
BISBEE	4,911	\$324,948	\$509,409	\$690,877	\$931,624
BUCKEYE	101,315	\$5,173,448	\$7,899,153	\$14,252,941	\$19,219,613
BULLHEAD CITY	42,232	\$3,675,290	\$4,908,873	\$5,941,176	\$8,011,476
CAMP VERDE	12,244	\$1,055,732	\$1,250,856	\$1,722,480	\$2,322,706
CAREFREE	3,685	\$188,167	\$287,306	\$518,404	\$699,050
CASA GRANDE	57,699	\$4,586,582	\$5,521,166	\$8,117,065	\$10,945,590
CAVE CREEK	5,015	\$256,081	\$391,001	\$705,508	\$951,353
CHANDLER	279,458	\$14,269,964	\$21,788,298	\$39,314,006	\$53,013,618
CHINO VALLEY	13,492	\$1,163,340	\$1,378,352	\$1,898,048	\$2,559,453
CLARKDALE	4,635	\$399,650	\$473,515	\$652,049	\$879,267
CLIFTON	3,847	\$419,100	\$446,540	\$541,194	\$729,782
COLORADO CITY	2,520	\$219,306	\$292,914	\$354,512	\$478,048
COOLIDGE	14,709	\$1,169,241	\$1,407,491	\$2,069,254	\$2,790,320
COTTONWOOD	12,440	\$1,072,632	\$1,270,879	\$1,750,053	\$2,359,887
DEWEY-HUMBOLDT	4,455	\$384,130	\$455,126	\$626,727	\$845,120
DOUGLAS	16,513	\$1,092,621	\$1,712,864	\$2,323,040	\$3,132,542
DUNCAN	677	\$73,754	\$78,583	\$95,240	\$284,552
EAGAR	4,439	\$461,869	\$1,310,646	\$624,476	\$842,085
EL MIRAGE	36,016	\$1,839,085	\$2,808,033	\$5,066,712	\$6,832,291
ELOY	15,450	\$1,228,144	\$1,478,397	\$2,173,498	\$2,930,889
FLAGSTAFF	76,989	\$4,681,831	\$10,524,284	\$10,830,772	\$14,604,933
FLORENCE	26,205	\$2,083,076	\$2,507,533	\$3,686,506	\$4,971,129
FOUNTAIN HILLS	23,819	\$1,216,270	\$1,857,079	\$3,350,844	\$4,518,501
FREDONIA	1,322	\$80,393	\$180,715	\$185,978	\$284,552
GILA BEND	1,887	\$96,356	\$147,122	\$265,462	\$357,967
GILBERT	273,136	\$13,947,143	\$21,295,395	\$38,424,630	\$51,814,325
GLENDALE	249,630	\$12,746,857	\$19,462,720	\$35,117,818	\$47,355,200
GLOBE	7,162	\$632,368	\$990,556	\$1,007,546	\$1,358,643
GOODYEAR	101,733	\$5,194,792	\$7,931,743	\$14,311,745	\$19,298,909
GUADALUPE	5,307	\$270,991	\$413,767	\$746,586	\$1,006,746
HAYDEN	518	\$45,737	\$71,643	\$72,872	\$284,552
HOLBROOK	4,842	\$445,306	\$890,137	\$681,170	\$918,535
HUACHUCA CITY	1,624	\$107,456	\$168,455	\$228,463	\$308,075
JEROME	467	\$40,267	\$47,709	\$65,697	\$284,552
KEARNY	1,789	\$142,210	\$171,188	\$251,676	\$339,376
KINGMAN	33,822	\$2,943,399	\$3,931,329	\$4,758,061	\$6,416,086
LAKE HAVASU CITY	58,284	\$5,072,234	\$6,774,691	\$8,199,363	\$11,056,566
LITCHFIELD PARK	6,942	\$354,479	\$541,242	\$976,597	\$1,316,908
MAMMOTH	1,113	\$88,474	\$106,502	\$156,576	\$284,552
MARANA	54,895	\$3,064,133	\$5,016,007	\$7,722,600	\$10,413,667
MARICOPA	62,720	\$4,985,709	\$6,001,621	\$8,823,417	\$11,898,082
MESA	509,475	\$26,015,322	\$39,721,865	\$71,672,677	\$96,648,202
MIAMI	1,541	\$136,063	\$213,131	\$216,787	\$292,330

CITY/TOWN	2021 Population	VLT	HURF	TPT (SALES TAX)	URS (INCOME TAX)
NOGALES	19,766	\$2,210,080	\$2,728,202	\$2,780,671	\$3,749,641
ORO VALLEY	47,879	\$2,672,513	\$4,374,923	\$6,735,593	\$9,082,721
PAGE	7,375	\$448,486	\$1,008,152	\$1,037,511	\$1,399,049
PARADISE VALLEY	12,682	\$647,581	\$988,768	\$1,784,097	\$2,405,795
PARKER	3,338	\$600,681	\$2,429,303	\$469,588	\$633,224
PATAGONIA	793	\$88,667	\$109,454	\$111,559	\$284,552
PAYSON	16,516	\$1,458,279	\$2,284,282	\$2,323,462	\$3,133,111
PEORIA	194,917	\$9,953,047	\$15,196,951	\$27,420,822	\$36,976,059
PHOENIX	1,624,569	\$82,955,366	\$126,661,585	\$228,543,520	\$308,183,271
PIMA	2,905	\$221,328	\$296,518	\$408,674	\$551,083
PINETOP-LAKESIDE	4,102	\$377,250	\$754,098	\$577,067	\$778,156
PRESCOTT	46,833	\$4,038,147	\$4,784,493	\$6,588,442	\$8,884,293
PRESCOTT VALLEY	48,188	\$4,154,981	\$4,922,921	\$6,779,063	\$9,141,339
QUARTZSITE	2,358	\$424,327	\$1,716,087	\$331,722	\$447,316
QUEEN CREEK	66,346	\$3,387,826	\$5,172,750	\$9,333,521	\$12,585,940
SAFFORD	10,269	\$782,380	\$1,048,172	\$1,444,638	\$1,948,045
SAHUARITA	35,337	\$1,972,443	\$3,228,903	\$4,971,191	\$6,703,484
SAINT JOHNS	3,388	\$352,514	\$1,000,331	\$476,622	\$642,709
SAN LUIS	37,333	\$2,146,160	\$3,804,990	\$5,251,987	\$7,082,128
SCOTTSDALE	242,753	\$12,395,696	\$18,926,546	\$34,150,365	\$46,050,622
SEDONA	9,763	\$841,809	\$997,395	\$1,373,454	\$1,852,056
SHOW LOW	11,967	\$1,100,574	\$2,199,973	\$1,683,511	\$2,270,159
SIERRA VISTA	45,479	\$3,009,225	\$4,717,457	\$6,397,962	\$8,627,437
SNOWFLAKE	6,364	\$585,280	\$1,169,937	\$895,284	\$1,207,261
SOMERTON	14,311	\$822,696	\$1,458,581	\$2,013,264	\$2,714,819
SOUTH TUCSON	4,585	\$255,926	\$418,952	\$645,015	\$869,782
SPRINGERVILLE	1,716	\$178,546	\$506,661	\$241,406	\$325,528
STAR VALLEY	2,532	\$223,563	\$350,194	\$356,200	\$480,324
SUPERIOR	2,479	\$197,060	\$237,213	\$348,744	\$470,270
SURPRISE	149,191	\$7,618,140	\$11,631,866	\$20,988,112	\$28,301,765
TAYLOR	4,119	\$378,814	\$757,223	\$579,459	\$781,381
TEMPE	184,118	\$9,401,617	\$14,354,994	\$25,901,624	\$34,927,472
THATCHER	5,310	\$404,561	\$541,999	\$747,008	\$1,007,315
TOLLESON	7,295	\$372,505	\$568,764	\$1,026,257	\$1,383,873
TOMBSTONE	1,307	\$86,481	\$135,573	\$183,868	\$284,552
TUCSON	543,242	\$30,322,717	\$49,638,502	\$76,423,001	\$103,053,854
TUSAYAN	595	\$36,183	\$81,336	\$83,704	\$284,552
WELLTON	2,447	\$140,671	\$249,399	\$344,243	\$464,200
WICKENBURG	7,695	\$392,930	\$599,950	\$1,082,529	\$1,459,753
WILLCOX	3,205	\$212,066	\$332,449	\$450,878	\$607,993
WILLIAMS	3,267	\$198,672	\$446,594	\$459,600	\$619,755
WINKELMAN	297	\$26,224	\$41,077	\$41,782	\$284,552
WINSLOW	8,943	\$822,464	\$1,644,051	\$1,258,097	\$1,696,501
YOUNGTOWN	7,012	\$358,054	\$546,699	\$986,445	\$1,330,187
YUMA	97,093	\$5,581,580	\$9,895,747	\$13,658,993	\$18,418,693
TOTALS	5,828,853	\$326,457,000	\$501,038,000	\$820,000,000	\$1,106,958,676

