



# STATE SHARED REVENUE

Prepared by

League of Arizona Cities and Towns  
1820 West Washington Street  
Phoenix, Arizona 85007  
(602) 258-5786  
[www.azleague.org](http://www.azleague.org)

## FY 2023 Preliminary Report

May 10, 2022



## Shared Revenues - FY 2023 Budget Estimates May 10, 2022

The estimate of 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 the distribution figures are estimates, so the total distribution amounts are subject to change.

### Population Figures for Shared Revenue Estimates

As directed by statute, the population figures used for the distribution of state shared revenues during FY 2022-2023 will be based on the official U.S. Census Bureau population estimate for each city and town as of July 1, 2021. The distribution figures in this preliminary report were produced using the 2020 Decennial Census population figures. The July 2021 population estimates that will be used for shared revenue distribution are expected in late May. As soon as we receive those figures we will issue the Final version of this report.

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

### Shared Revenue Estimates by Tax Type

The tables found in this report list the distribution of revenue to each city and town from the Vehicle License Tax (VLT), Highway User Revenue Fund (HURF), State Transaction Privilege Tax (TPT) and 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 its population in relation to the total incorporated population of the 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 allocations 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 on adult-use marijuana sales. 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 allocations 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 reserved for those 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 receive 25% of the 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. 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 ADOR estimate for state income tax is \$1,106,958,676, approximately 46.4% higher than last year's estimate of \$756,388,000. (Note: This is the lone shared revenue type that is most likely to remain unchanged 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 the 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:

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

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.

**State Shared Revenue** is published annually by the **League of Arizona Cities and Towns**,  
**1820 W. Washington Street, Phoenix, AZ 85007**  
**Phone: (602) 258-5786**  
**Fax: (602) 253-3874**  
**Email: [league@azleague.org](mailto:league@azleague.org)**  
**Internet: [www.azleague.org](http://www.azleague.org)**

CITY/TOWN	2020 Population	VLT	HURF	TPT (SALES TAX)	URS (INCOME TAX)
APACHE JUNCTION	38,499	\$3,219,794	\$3,818,545	\$5,510,553	\$7,430,641
AVONDALE	89,334	\$4,640,995	\$7,086,412	\$12,786,818	\$17,242,238
BENSON	5,355	\$354,901	\$560,010	\$766,488	\$1,033,562
BISBEE	4,923	\$326,270	\$514,833	\$704,653	\$950,182
BUCKEYE	91,502	\$4,753,625	\$7,258,389	\$13,097,135	\$17,660,681
BULLHEAD CITY	41,348	\$3,684,482	\$4,909,635	\$5,918,344	\$7,980,523
CAMP VERDE	12,147	\$1,074,209	\$1,268,482	\$1,738,660	\$2,344,477
CAREFREE	3,690	\$191,699	\$292,709	\$528,168	\$712,202
CASA GRANDE	53,658	\$4,487,590	\$5,322,099	\$7,680,336	\$10,356,460
CAVE CREEK	4,892	\$254,145	\$388,058	\$700,216	\$944,199
CHANDLER	275,987	\$14,337,815	\$21,892,646	\$39,503,388	\$53,267,889
CHINO VALLEY	13,020	\$1,151,412	\$1,359,647	\$1,863,617	\$2,512,973
CLARKDALE	4,424	\$391,233	\$461,988	\$633,229	\$853,870
CLIFTON	3,933	\$418,931	\$453,073	\$562,950	\$759,103
COLORADO CITY	2,478	\$220,812	\$294,236	\$354,688	\$478,276
COOLIDGE	13,218	\$1,105,463	\$1,311,035	\$1,891,958	\$2,551,189
COTTONWOOD	12,029	\$1,063,774	\$1,256,159	\$1,721,770	\$2,321,702
DEWEY-HUMBOLDT	4,326	\$382,566	\$451,754	\$619,202	\$834,956
DOUGLAS	16,534	\$1,095,786	\$1,729,076	\$2,366,593	\$3,191,206
DUNCAN	694	\$73,923	\$79,947	\$99,336	\$289,513
EAGAR	4,395	\$457,963	\$1,302,580	\$629,078	\$848,273
EL MIRAGE	35,805	\$1,860,107	\$2,840,229	\$5,124,947	\$6,910,676
ELOY	15,635	\$1,307,605	\$1,550,766	\$2,237,915	\$3,017,691
FLAGSTAFF	76,831	\$4,680,010	\$10,572,324	\$10,997,202	\$14,829,051
FLORENCE	26,785	\$2,240,115	\$2,656,685	\$3,833,870	\$5,169,738
FOUNTAIN HILLS	23,820	\$1,237,474	\$1,889,520	\$3,409,475	\$4,597,467
FREDONIA	1,323	\$80,588	\$182,051	\$189,368	\$289,513
GILA BEND	1,892	\$98,291	\$150,083	\$270,811	\$365,172
GILBERT	267,918	\$13,918,622	\$21,252,574	\$38,348,432	\$51,710,502
GLENDALE	248,325	\$12,900,745	\$19,698,361	\$35,543,989	\$47,928,882
GLOBE	7,249	\$643,044	\$1,011,259	\$1,037,585	\$1,399,120
GOODYEAR	95,294	\$4,950,624	\$7,559,189	\$13,639,903	\$18,392,570
GUADALUPE	5,322	\$276,484	\$422,167	\$761,764	\$1,027,192
HAYDEN	512	\$45,418	\$71,426	\$73,285	\$289,513
HOLBROOK	4,858	\$453,672	\$907,282	\$695,350	\$937,636
HUACHUCA CITY	1,626	\$107,763	\$170,042	\$232,737	\$313,832
JEROME	464	\$41,033	\$48,454	\$66,415	\$289,513
KEARNY	1,741	\$145,605	\$172,682	\$249,198	\$336,028
KINGMAN	32,689	\$2,912,886	\$3,881,471	\$4,678,939	\$6,309,261
LAKE HAVASU CITY	57,144	\$5,092,048	\$6,785,242	\$8,179,304	\$11,029,288
LITCHFIELD PARK	6,847	\$355,709	\$543,138	\$980,045	\$1,321,530
MAMMOTH	1,076	\$89,989	\$106,724	\$154,013	\$289,513
MARANA	51,908	\$2,921,184	\$4,802,629	\$7,429,849	\$10,018,695
MARICOPA	58,125	\$4,861,179	\$5,765,161	\$8,319,720	\$11,218,630
MESA	504,258	\$26,196,734	\$40,000,225	\$72,176,948	\$97,326,175
MIAMI	1,541	\$136,699	\$214,975	\$220,571	\$297,426

CITY/TOWN	2020 Population	VLT	HURF	TPT (SALES TAX)	URS (INCOME TAX)
NOGALES	19,770	\$2,208,916	\$2,742,215	\$2,829,778	\$3,815,782
ORO VALLEY	47,070	\$2,648,920	\$4,355,008	\$6,737,363	\$9,084,919
PAGE	7,440	\$453,193	\$1,023,781	\$1,064,924	\$1,435,985
PARADISE VALLEY	12,658	\$657,596	\$1,004,095	\$1,811,802	\$2,443,104
PARKER	3,417	\$600,764	\$2,435,578	\$489,092	\$659,511
PATAGONIA	804	\$89,831	\$111,520	\$115,081	\$289,513
PAYSON	16,351	\$1,450,464	\$2,281,018	\$2,340,400	\$3,155,885
PEORIA	190,985	\$9,921,872	\$15,149,870	\$27,336,630	\$36,861,764
PHOENIX	1,608,139	\$83,544,514	\$127,565,496	\$230,180,910	\$310,384,799
PIMA	2,847	\$220,209	\$295,293	\$407,505	\$549,496
PINETOP-LAKESIDE	4,030	\$376,348	\$752,645	\$576,834	\$777,825
PRESCOTT	45,827	\$4,052,671	\$4,785,603	\$6,559,446	\$8,845,009
PRESCOTT VALLEY	46,785	\$4,137,391	\$4,885,645	\$6,696,569	\$9,029,911
QUARTZSITE	2,413	\$424,244	\$1,719,944	\$345,385	\$465,730
QUEEN CREEK	59,519	\$3,092,075	\$4,721,340	\$8,519,250	\$11,487,684
SAFFORD	10,129	\$783,454	\$1,050,587	\$1,449,814	\$1,954,985
SAHUARITA	34,134	\$1,920,931	\$3,158,144	\$4,885,769	\$6,588,159
SAINT JOHNS	3,417	\$356,054	\$1,012,723	\$489,092	\$659,511
SAN LUIS	35,257	\$2,079,173	\$3,673,533	\$5,046,509	\$6,804,907
SCOTTSDALE	241,361	\$12,538,958	\$19,145,942	\$34,547,197	\$46,584,770
SEDONA	9,684	\$856,396	\$1,011,277	\$1,386,119	\$1,869,096
SHOW LOW	11,732	\$1,095,611	\$2,191,074	\$1,679,259	\$2,264,378
SIERRA VISTA	45,308	\$3,002,775	\$4,738,174	\$6,485,159	\$8,744,838
SNOWFLAKE	6,104	\$570,032	\$1,139,986	\$873,696	\$1,178,125
SOMERTON	14,197	\$837,224	\$1,479,228	\$2,032,087	\$2,740,144
SOUTH TUCSON	4,613	\$259,602	\$426,804	\$660,282	\$890,349
SPRINGERVILLE	1,717	\$178,913	\$508,881	\$245,763	\$331,396
STAR VALLEY	2,484	\$220,351	\$346,526	\$355,547	\$479,434
SUPERIOR	2,407	\$201,305	\$238,740	\$344,526	\$464,572
SURPRISE	143,148	\$7,436,689	\$11,355,204	\$20,489,483	\$27,628,808
TAYLOR	3,995	\$373,079	\$746,108	\$571,824	\$771,070
TEMPE	180,587	\$9,381,685	\$14,325,049	\$25,848,313	\$34,854,860
THATCHER	5,231	\$404,606	\$542,563	\$748,739	\$1,009,628
TOLLESON	7,216	\$374,879	\$572,409	\$1,032,862	\$1,392,751
TOMBSTONE	1,308	\$86,687	\$136,787	\$187,221	\$289,513
TUCSON	542,629	\$30,537,093	\$50,205,092	\$77,669,180	\$104,732,111
TUSAYAN	603	\$36,731	\$82,976	\$86,310	\$289,513
WELLTON	2,375	\$140,058	\$247,458	\$339,946	\$458,396
WICKENBURG	7,474	\$388,282	\$592,874	\$1,069,791	\$1,442,547
WILLCOX	3,213	\$212,941	\$336,006	\$459,893	\$620,137
WILLIAMS	3,202	\$195,044	\$440,611	\$458,318	\$618,014
WINKELMAN	296	\$26,258	\$41,293	\$42,368	\$289,513
WINSLOW	9,005	\$840,946	\$1,681,778	\$1,288,930	\$1,738,043
YOUNGTOWN	7,056	\$366,567	\$559,717	\$1,009,960	\$1,361,869
YUMA	95,548	\$5,634,650	\$9,955,434	\$13,676,259	\$18,441,594
<b>TOTALS</b>	<b>5,728,859</b>	<b>\$326,457,000</b>	<b>\$501,038,000</b>	<b>\$820,000,000</b>	<b>\$1,106,958,676</b>

