| Issue Amount | Issue Description | Date of Final Official Statement | CUSIP No. of the Bonds | Captions Being Updated | Page No. |
|---|---|---|---|---|---|
| $ 275,362,352 | City of Phoenix Civic Improvement Corporation State of Arizona Distribution Revenue Bonds, Series 2005B (Civic Plaza Expansion Project) | 09/21/05 | 71884WAA9 71884WAV3<br>71884WAB7 71884WAW1<br>71884WAG6 71884WAX9<br>71884WAH4 71884WAY7<br>71884WAJ0 71884WAZ4<br>71884WAK7 71884WBA8<br>71884WAL5 71884WBB6<br>71884WAM3 71884WBC4<br>71884WAN1 71884WBD2<br>71884WAP6 71884WBE0<br>71884WAQ4 71884WBF7<br>71884WAR2 71884WBG5<br>71884WAS0 71884WBH3<br>71884WAT8 71884WBJ9<br>71884WAU5 | Appendix C - City of Phoenix, Arizona - Obligations Payable From Excise Taxes | C-1 |

## APPENDIX C

### CITY OF PHOENIX, ARIZONA
### OBLIGATIONS PAYABLE FROM EXCISE TAXES

The City of Phoenix Civic Improvement Corporation (the "*Corporation*") issued bonds, (the "*2005A Bonds* and the "*2005B Bonds*") to construct, expand, modify and improve the Phoenix Convention Center (the "*PCC*") to create additional rentable convention space through the construction of a new four-level meeting facility on the symphony terrace site adjacent to the existing original PCC, replacing the existing north building of the PCC with a new four-level facility, and providing transitional improvements and structural renovations to the south building of the original PCC, (the "*PCC Project*").

The Corporation assisted in the financing of the PCC Project by issuing its 2005A Bonds and 2005B Bonds (the 2005B Bonds are also referred to as the "*State Distribution Bonds*") for such purpose and by entering into a loan agreement with the City of Phoenix (the "*City*") related to each series of bonds. The 2005A Bonds funded the City's portion of the PCC Project and the debt service thereon will be paid from loan payments (the "*2005A Loan Payments*") from the City to the Corporation pursuant to a loan agreement entered into between the Corporation as lender and the City as obligor. The 2005A Loan Payments are payable from and secured solely by the City's Excise Taxes (as defined and described below). The 2005A Bonds were refunded in calendar year 2015 with the 2015A Bonds.

The 2005B Bonds funded the State-backed portion of the PCC Project and the debt service thereon is expected to be paid primarily from loan payments (the "*2005B Loan Payments*") from the City of Phoenix to the Corporation pursuant to a loan agreement entered into between the Corporation as lender and the City as obligor. **The 2005B Loan Payments will be paid from and secured solely by distributions (the "*State Distributions*") the City receives pursuant to legislation passed in 2003 authorizing State funding of up to fifty percent for certain convention center developments in the State (the "*2003 Legislation*").** The first State distribution was received on August 1, 2009, and payments continue to be made on time.

The following table shows City of Phoenix Civic Improvement Corporation State of Arizona Distribution Revenue obligations outstanding as of January 1, 2024:

**City of Phoenix Civic Improvement Corporation**
**State of Arizona Distribution Revenue Bonded Debt Outstanding**

| Issue Date | Original Issuance | Purpose | Bonds Outstanding As of 1-1-24 |
|---|---|---|---|
| 10-06-05 | $275,362,351.75 | Convention Center Expansion | $244,262,887.25 |

On April 6, 2011, the then-Governor of the State of Arizona signed into law Senate Bill ("*SB*") 1616 revising the annual amount of State Distributions to the City to pay debt service on the State Distribution Bonds. The revised schedule of State Distributions is sufficient to make loan payments when due and the City has agreed to make the loan payments required to pay debt service on the bonds when due from the State Distributions.

**NOTE**

At the time the 2005B Bonds were sold, the City pledged Excises Taxes for a temporary period prior to completion of the PCC Project. The ability of the City to make the required 2005B Loan Payments to pay debt service on the 2005B Bonds, when due, solely from the State Distributions was dependent upon timely completion of the PCC Project and on total non-City costs of the PCC Project being equal to $300,000,000. If the completion of construction had been delayed and the City was not able to certify construction completion by July 31, 2009, all State Distributions would have been delayed with the result that State Distributions may not have been sufficient to permit the City to make the 2005B Loan Payments in full during certain years. Likewise, if the total costs of the PCC Project backed by State Distributions were less than $300,000,000, under the 2003 Legislation, the State Distributions would have been reduced proportionately with the result that funds from the projected State Distributions would not have been sufficient to permit the City to make the loan payments. If either or both of these events were to have occurred, the City agreed in the 2005B Loan Agreement to advance the amount of any shortfall through additional loan payments (the "*Advance Payments*"). **To secure its obligation to make the Advance Payments, if needed, the City pledged its Excise Taxes. Since the PCC Project was certified complete by July 31, 2009, and PCC Project costs were $300,000,000, the City's obligation to make the Additional Loan Payments was terminated.**

Although not pledged to the State of Arizona Distribution Revenue Bonds, the following describes the Excise Tax pledge and presents all outstanding Excise Tax obligations.

**OUTSTANDING SENIOR OBLIGATIONS**

As of January 1, 2024, there are currently no outstanding Senior Obligations, but the senior lien priority remains available for future use.

**OUTSTANDING JUNIOR OBLIGATIONS**

There are currently no outstanding Junior Obligations.

## OUTSTANDING SUBORDINATED JUNIOR OBLIGATIONS

The City also entered into leases with the City of Phoenix Civic Improvement Corporation to finance the acquisition of certain municipal facilities, consisting of real property and equipment. The Corporation issued bonds for payment of the acquisition costs, and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations, although there are currently no junior lien excise tax obligations outstanding.

The City entered into lease and leaseback agreements with the City of Phoenix Civic Improvement Corporation for the purpose of acquiring and constructing a downtown multipurpose arena. The Corporation issued bonds for the payment of the City's portion of land acquisition and construction costs and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

The City entered into a leaseback agreement with the Phoenix Civic Plaza Building Corporation for the purpose of acquiring the site for and constructing and equipping a multi-level parking structure to serve the downtown area of the City. The Corporation issued bonds for the payment of acquisition and construction costs and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations. These bonds have been refunded through the City of Phoenix Civic Improvement Corporation.

The City entered into a leaseback agreement with the City of Phoenix Civic Improvement Corporation for the purpose of financing the acquisition of certain real property as well as the construction of certain improvements to the City's solid waste system. The Corporation issued bonds for the payment of acquisition and construction costs and the City pledged its excise tax collections to make lease payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations. In keeping with the City's policy of maintaining the City's solid waste system as a self-supporting enterprise, solid waste revenues are used to pay the debt service on bonds issued by the Corporation for solid waste improvements.

The City entered into a loan agreement with the City of Phoenix Civic Improvement Corporation to finance a portion of the costs to construct, expand, modify, and improve the Phoenix Convention Center. The Corporation issued bonds to fund a portion of the costs of the Phoenix Convention Center expansion project and the City pledged its excise tax collections to make loan payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

The City entered into a loan agreement with the City of Phoenix Civic Improvement Corporation for the purpose of financing the renovation of the 100 West Washington building, which after completion, will serve as the new Police Department Headquarters. The Corporation issued bonds to fund significant infrastructure upgrades and other build-out costs including the 911 call and dispatch center, which will be operating 24/7/365. The City pledged its excise tax collections to make loan payments sufficient to pay principal and interest on the bonds. This pledge is on a parity with all other outstanding subordinated excise tax obligations and is subordinate to the pledge on all outstanding senior lien and junior lien excise tax obligations.

As of January 1, 2024 there are no Senior Obligations outstanding, but the senior lien priority remains available for future use if necessary.

The following issues of City of Phoenix Civic Improvement Corporation Subordinated Junior Obligations are outstanding as of January 1, 2024:

**City of Phoenix Civic Improvement Corporation**
**Subordinated Junior Lien Debt Outstanding**

| Issue Date | Original Issuance | Purpose | Maturity Dates | Interest Rate | Outstanding As of 1-1-24 |
|---|---|---|---|---|---|
| 06-21-12 | $ 17,510,000 | Municipal Facilities Refunding | 7-1-14/25 | 4.62% | $ 220,000 |
| 05-12-15 | 319,305,000 | Municipal Facilities Refunding(1) | 7-1-17/41 | 4.98 | 266,480,000 |
| 05-12-15 | 60,895,000 | Municipal Facilities Refunding (Taxable) | 7-1-16/35 | 3.34 | 32,045,000 |
| 06-01-17 | 116,835,000 | Municipal Facilities | 7-1-18/32 | 4.39 | 54,110,000 |
| 06-01-17 | 101,895,000 | Municipal Facilities Refunding | 7-1-19/29 | 4.64 | 43,265,000 |
| 08-25-20 | 131,595,000 | Municipal Facilities(2) | 7-1-21/45 | 4.68 | 123,670,000 |
| 08-25-20 | 150,000,000 | Municipal Facilities-Arena (Taxable) | 7-1-21/45 | 2.36 | 135,595,000 |
| 08-25-20 | 116,685,000 | Municipal Facilities Refunding (Taxable) | 7-1-23/36 | 1.50 | 103,050,000 |
| 08-03-22 | 131,650,000 | Municipal Facilities | 7-1-25/47 | 5.00 | 131,650,000 |
| Total City of Phoenix Civic Improvement Corporation Subordinated Junior Lien Bonded Debt | | | | | $890,085,000 |

(1) Debt service requirements on $18,030,000 of these obligations are supported by solid waste revenues.

(2) Debt service requirements on $28,470,000 of these obligations are supported by solid waste revenues.

The City has agreed not to further encumber the Excise Taxes on a parity with the payments under the leaseback agreements unless the Prior Excise Taxes are at least equal to the highest combined total of the following for any succeeding 12 months: (i) principal and interest requirements on the Senior Obligations and the Junior Obligations during such period, plus (ii) two times the principal and interest requirements for all Subordinated Junior Obligations including the Bonds and parity obligations then outstanding and proposed to be issued during such period. In computing the interest requirements on obligations which bear or are to bear interest at a variable interest rate, such interest requirements shall be assumed to be a fixed interest rate equal to the greater of: (1) 9.2% or (2) (a) if any variable rate obligations secured by a pledge of Excise Taxes are outstanding, the highest variable rate actually borne by such obligations over the previous 24 months, or (b) if no such variable rate obligations are outstanding, then the highest rate borne by variable rate obligations over the previous 24 months for which the interest rate is computed by reference to an index, or based on factors, comparable to that to be utilized for the proposed obligations.

The City entered into a loan agreement with the City of Phoenix Civic Improvement Corporation to finance a portion of the costs to construct, expand, modify, and improve the Phoenix Convention Center to create additional rentable convention space (the "*Convention Center Project*"). The Corporation issued bonds (the "*State Distribution Bonds*") to fund a portion of the costs of the Convention Center Project. The source of revenue for the City's payment under the loan agreement is State distributions the City receives pursuant to legislation passed in 2003 authorizing up to fifty percent State funding for certain convention center developments in the State (the "*2003 Legislation*"). On April 6, 2011, the then-Governor of the State of Arizona signed into law Senate Bill (SB) 1616 revising the annual amount of State monies distributed to the City of Phoenix to pay debt service on the State Distribution Bonds. The revised schedule of State distributions will be sufficient to make loan payments when due and the City has agreed to make the loan payments required to pay debt service on the bonds when due from the State distributions. The State Distribution Bonds will be paid and secured solely by the State distribution under the 2003 Legislation. The first State distribution was received on August 1, 2009, and payments continue to be made on time.

The 2003 Legislation also requires the State Auditor General to conduct or contract for an economic and fiscal impact analysis of the Phoenix Convention Center expansion on State revenues beginning in its fifth year of operation after completion in January 2009. Under an amendment to the 2003 Legislation, beginning in 2014 and each year thereafter, if the Auditor General determines that the State has paid more in cumulative distributions than has been received in incremental revenue to the State general fund as a result of the Convention Center Project, the State can withhold State-Shared Sales Taxes from the next regularly scheduled distribution in an amount necessary to remedy the cumulative deficiency. The 2023 Economic and Fiscal Impact Analysis Update report released by the State Auditor General stated that from calendar year 2009 through calendar year 2022, the Phoenix Convention Center generated $7.0 million more in incremental revenue to the State general fund than had been paid out in cumulative distributions. Assuming moderate levels of event demand and inflationary growth of visitor spending, the report projects the Phoenix Convention Center would continue to have a net positive impact on the State general fund, but the City is unable to predict at this time whether the State may pay more in cumulative distributions than it receives in incremental revenue as a result of the Convention Center Project or to what extent State-Shared Revenues may be withheld or what defenses the City may have to such action. A debt service schedule for the State Distribution Bonds is set forth on the following page.

As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed Senate Bill 1828 (*"SB1828*"), which will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared Income Taxes, SB1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The City cannot predict what effect the passage of SB1828 will have on its revenues from State-Shared Income Taxes in future years.

## EXCISE TAXES AND COVERAGE

### Excise Taxes in General

The Excise Taxes pledged to the payment of the 2005A Bonds and other Excise Tax pledged loan payments include the City's unrestricted revenues from transaction privilege (sales) taxes, use taxes, State-Shared Sales Taxes (as defined herein), State-Shared Income Taxes (as defined herein), franchise taxes, permits and fees and fines and forfeitures. **Excise Taxes are NOT pledged to the 2005B State Distribution Bonds.** The major categories of such revenues are discussed more fully below.

### Potential for Reduction in State Shared Revenues

As shown in the tables under the caption "*Excise Taxes and Coverage*", State-Shared Income Taxes and State-Shared Sales Taxes constitute large components of Excise Taxes. The State could reduce or alter the existing formulas for determining State-Shared Revenues in connection with balancing the current years or future State budgets.

In 2016, the State Legislature passed Senate Bill 1487 ("*SB 1487*"). Under SB 1487, at the request of one or more members of the State Legislature, the State Attorney General must investigate any ordinance, regulation, order, or other official action ("Local Action") adopted or taken by the governing body of a county, city or town (a "Local Jurisdiction") that the legislator alleges violates State law or the State Constitution. The Attorney General must make a written report within 30 days after receipt of the request. The Local Jurisdiction then has 30 days to resolve the violation. If the Attorney General determines that the violation has not been resolved within 30 days, the Attorney General must notify the State Treasurer and the State Treasurer must withhold payment to the Local Jurisdiction of State-Shared Revenues otherwise due to the Local Jurisdiction pursuant to § 42-5029(L), Arizona Revised Statutes, until such time as the Attorney General determines that the violation has been resolved. However, the State Treasurer may not withhold any amount that the Local Jurisdiction certifies to the Attorney General and the State Treasurer as being necessary to make deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the Local Action occurred. The City is not aware of any Local Action taken or currently under consideration that does or if taken would violate State law of the State Constitution.

### City Transaction Privilege (Sales) Taxes

The City's transaction privilege (sales) tax ("*TPT*") is levied by the City upon persons on account of their business activities within the City. The amount of taxes due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities. The State Legislature passed House Bill 2111 ("*HB 2111*") in June 2013, which went into effect on January 1, 2017. Rather than filing separately to multiple jurisdictions, HB 2111 provides for a single point of collection for taxpayers to remit state, county and municipal TPT and affiliated excise taxes online. HB 2111 also centralizes audit functions with the Arizona Department of Revenue ("*ADOR*") but allows cities and towns to retain audit resources. Multi-jurisdictional audits will be the responsibility of ADOR, while businesses located solely within one jurisdiction can be audited by the local city or town.

HB 2111 also amends certain provisions relating to the taxation of the "prime contracting" (construction) category. HB 2111 maintains the current construction tax paid by prime contractors based on the location of the new construction but creates a new exemption for contractors who work directly for a property owner where their work is limited to the maintenance, repair or replacement of existing property (e.g., HVAC, plumbing and flooring). Instead of paying the construction tax, they will pay retail TPT on materials purchased as part of the service where those items are purchased.

On September 30, 2021, Arizona State Legislature established the Municipal Firefighters Cancer Reimbursement Fund ("*MFCR*") under the new statutes in Title 23, Chapter 11. The MFCR assessment is billed by the Industrial Commission of Arizona ("*ICA*"). Local governments can pay these obligations to ICA from any revenues source and these fees are not expected to reduce the City's State-Shared Revenues. State- statutes set the maximum total amount that can be collected from all jurisdictions at $15 million in any fiscal year. For fiscal year 2022-23, the City of Phoenix was assessed a fee of $4.2 million.

### State-Shared Sales Taxes

Pursuant to statutory formula, cities and towns in Arizona receive a portion of the State-levied transaction privilege (sales) tax. The State transaction privilege (sales) tax is levied against most of the categories of business activity as the City's transaction privilege (sales) tax. The rate of taxation varies among the different types of business activities taxed, with the most common rate being 5.6% of the amount or volume of business transacted.

Under current State law, the aggregate amount distributed to all Arizona cities and towns is equal to 25% of the "distribution share" of revenues attributable to each category of taxable activity. The allocation to each city and town of the revenues available to all cities and towns is based on their population relative to the aggregate population of all cities and towns as shown by the latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns ("*State-Shared Sales Taxes*").

**State-Shared Income Taxes**

Under current State law, Arizona cities and towns are preempted by the State from imposing a local income tax. Cities and towns are, however, entitled by statutory formula in fiscal year 2023-24 to receive 18% of State personal and corporate income tax collections ("*State-Shared Income Taxes*") collected by the State two years earlier. Distribution of such funds is made monthly based on the proportion of each city's and town's population to the total population of all incorporated cities and towns in the State as determined by the latest census.

As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed Senate Bill 1828 ("*SB1828*"), which will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared Income Taxes, SB1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The City cannot predict what effect the passage of SB1828 will have on its revenues from State-Shared Income Taxes in future years.

**Other Excise Tax Revenues**

Cities and towns in the State have exclusive control over public rights-of-way dedicated to the municipality and may grant franchise agreements to and impose franchise taxes on utilities using those rights-of-way. A franchise may be granted only with voter approval and the term of franchises is limited to 25 years. The City has granted franchises to and imposed franchise taxes on utility and cable television providers.

The City also imposes fees for licenses and permits to engage in certain activities within the City and for the right to utilize certain City property.

**Actual Excise Tax Receipts**
**For the Fiscal Years Ended June 30**

| Revenue Source | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Privilege License Tax & Fees (1) | $471,512,000 | $477,532,000 | $527,525,000 | $653,428,000 | $715,179,000 |
| Utility & Franchise (2).................... | 140,489,000 | 134,338,000 | 137,138,000 | 139,766,000 | 149,145,000 |
| Licenses & Permits......................... | 2,969,000 | 2,812,000 | 2,694,000 | 3,022,000 | 3,018,000 |
| State-Shared Sales Tax ................... | 165,066,000 | 171,926,000 | 201,292,000 | 229,901,000 | 241,813,000 |
| State-Shared Income Tax (3) .......... | 196,918,000 | 214,697,000 | 240,237,000 | 213,294,000 | 308,183,000 |
| Recreational Marijuana Sales Tax... | - | - | 3,424,000 | 12,812,000 | 15,175,000 |
| Total........................................... | $976,954,000 | $1,001,305,000 | $1,112,310,000 | $1,252,223,000 | $1,432,513,000 |

(1) Receipts do not include revenues from the 0.1% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on October 5, 1993. The revenues produced by the increase must be used to add police officers and firefighters and to expand neighborhood programs designed to deter crime. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications and mining and became effective December 1, 1993. The revenues resulting from this increase totaled $35.0 million in 2018-19, $36.2 in 2019-20, $40.9 in 2020-21, $49.2 in 2021-22, and $53.1 million in 2022-23.

Receipts do not include revenues from the 0.1% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on September 7, 1999, and to be levied for a 10-year period beginning November 1, 1999. The revenues produced by the increase will be used for the acquisition of desert preserve open space and the development and improvement of regional and neighborhood parks located within the City. On May 20, 2008, City of Phoenix voters approved a 30-year extension of this tax. This extension also increases the possible uses of these funds to include operational expenses such as salaries for park rangers and maintenance workers. Forty percent of the revenues produced by the extension will be used to acquire land for Phoenix's Sonoran Preserve. The remaining sixty percent will be used to finance improvements to parks throughout the City. The extension became effective July 1, 2008. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications, and mining. The revenues resulting from this increase totaled $35.0 million in 2018-19, $36.2 in 2019-20, $40.9 in 2020-21, $49.2 in 2021-22, and $53.1 million in 2022-23.

Receipts do not include revenues from the 0.4% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on March 14, 2000, and to be levied for a 20-year period. The revenues produced by the increase will be used for expanded bus service, the construction of a light rail system and other transportation improvements. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications, and mining and became effective June 1, 2000. On August 25, 2015, voters approved a new comprehensive transportation plan and funding tax proposal that increased the existing tax rate to 0.7%, effective January 1, 2016, with a sunset date of December 31, 2050. The revenues resulting from the increase totaled $239.2 million in 2018-19, $247.6 in 2019-20, $279.3 in 2020-21, $335.6 in 2021-22, and $362.5 million in 2022-23.

Receipts do not include revenues from the 0.2% increase in the City's privilege license (sales) tax rate approved by City of Phoenix voters on September 11, 2007. Eighty percent of the revenues produced by the increase will be used by the Phoenix Police Department to recruit, hire, train, and equip at least 500 police officers and police personnel; hire crime scene investigation (CSI) forensic teams; and to make service calls more efficient. Twenty percent of the revenues produced by the increase will be used by the Phoenix Fire Department to recruit, hire, train, and equip at least 100 firefighters and fire personnel to improve fire protection services. The increase affects all privilege license tax categories except advertising, utilities, cable television, jet fuel, telecommunications and mining and became effective December 1, 2007. The revenues resulting from this increase totaled $70.0 million in 2018-19, $72.5 in 2019-20, $81.9 in 2020-21, $98.3 in 2021-22, and $106.3 million in 2022-23.

(2) On March 8, 2005, Phoenix voters approved new franchise agreements between the City and certain utilities. Effective May 1, 2005, the 2.0% privilege (sales) tax credit offset from franchise fees paid to the City by persons engaged in or continuing in the business of producing, providing, or furnishing utility services was eliminated. The effect of the elimination of the tax credit was an increase in utility & franchise fee collections $26.0 million in 2018-19, $24.0 in 2019-20, $24.5 in 2020-21, $26.5 in 2021-22, and $30.1 million in 2022-23.

(3) As part of the State's fiscal year 2021-22 budget, on June 30, 2021, the then-Governor of the State signed Senate Bill 1828 ("*SB1828*"), which will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-Shared Income Taxes, SB1828 increased, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The City cannot predict what effect the passage of SB1828 will have on its revenues from State-Shared Income Taxes in future years.