



Sales and Use Tax Collection Report – April 2016

Issued May 10, 2016

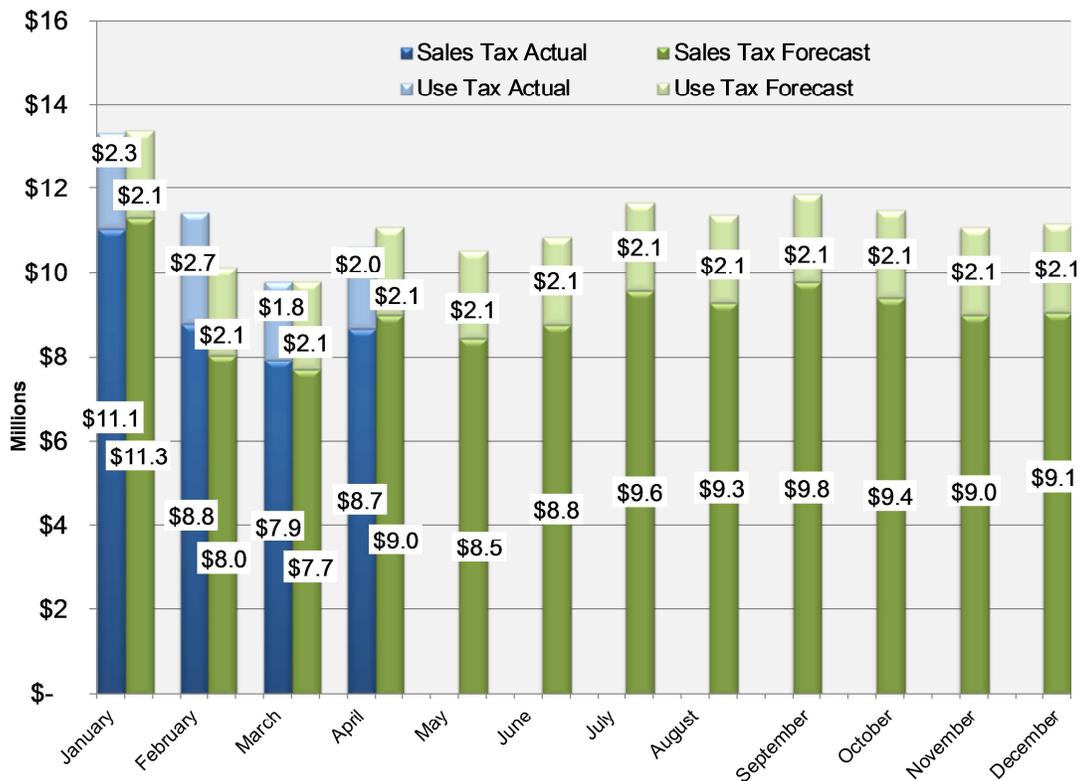
This report reflects Sales and Use Tax collected in April 2016 for economic activity that occurred in March 2016. Please note the sales and use tax collected in April is predominately from March sales but also includes delinquent collections from prior periods.

APRIL SUMMARY OVER PRIOR YEAR

| | Month | Year to Date |
|--|--------|--------------|
| Sales Tax Collected: | 1.1% | 4.5% |
| Use Tax Collected Excluding Rebates: | -22.4% | -10.8% |
| Sales and Use Tax Collected Excluding Rebates: | -4.2% | 1.2% |

Year to date, sales and use tax collections excluding rebates are up 1.2% and total \$45.2 million.

Figure 1. Forecast to Actual - Sales and Use Tax Collected Excluding Rebates



In April 2016, the forecast for sales and use tax collected in Fort Collins was \$400K less than forecast. Year-to-date, the City has collected 1.7% more sales and use tax revenue than forecast for a net gain of \$774K.

Figure 2. Forecast to Actual - Sales Tax Collected

| Month | Actual | Forecast | % Over/(Under) | | Year to Date Actual | Annual Forecast | Year to Date % Over/(Under) Annual Forecast |
|-----------|----------------------|----------------------|-----------------------|-----------------------|---------------------|-----------------|---|
| | | | Over/(Under) Forecast | Over/(Under) Forecast | | | |
| January | \$ 11,053,023 | 11,318,691 | \$ (265,668) | -2.3% | \$ 11,053,023 | \$ 11,318,691 | -2.3% |
| February | 8,794,650 | 8,045,682 | 748,968 | 9.3% | 19,847,673 | 19,364,373 | 2.5% |
| March | 7,945,983 | 7,706,344 | 239,639 | 3.1% | 27,793,656 | 27,070,717 | 2.7% |
| April | 8,677,776 | 9,008,975 | (331,199) | -3.7% | 36,471,432 | 36,079,692 | 1.1% |
| May | - | - | - | 0.0% | - | 44,530,395 | 0.0% |
| June | - | - | - | 0.0% | - | 53,309,494 | 0.0% |
| July | - | - | - | 0.0% | - | 62,898,634 | 0.0% |
| August | - | - | - | 0.0% | - | 72,203,167 | 0.0% |
| September | - | - | - | 0.0% | - | 81,978,399 | 0.0% |
| October | - | - | - | 0.0% | - | 91,381,446 | 0.0% |
| November | - | - | - | 0.0% | - | 100,390,421 | 0.0% |
| December | - | - | - | 0.0% | - | 109,465,072 | 0.0% |
| | <u>\$ 36,471,432</u> | <u>\$ 36,079,692</u> | <u>\$ 391,740</u> | | | | |

April Sales Tax Forecast to Actual In April 2016, sales tax collected in Fort Collins was \$331K under the forecast. Year to date, the City has collected 1.1% more sales tax revenue than forecast, for a net gain of \$392K. The forecast may be adjusted mid-year.

Figure 3. Forecast to Actual – Use Tax Collected

| Month | Actual | Forecast | % Over/(Under) | | Year to Date Actual | Annual Forecast | Year to Date % Over/(Under) Annual Forecast |
|-------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|----------------------|---|
| | | | Over/(Under) Forecast | Over/(Under) Forecast | | | |
| January | \$ 2,278,477 | \$ 2,082,768 | \$ 195,709 | 9.4% | \$ 2,278,477 | \$ 2,082,768 | 9.4% |
| February | 2,651,140 | 2,082,768 | 568,372 | 27.3% | 4,929,617 | 4,165,536 | 18.3% |
| March | 1,833,671 | 2,082,768 | (249,097) | -12.0% | 6,763,288 | 6,248,304 | 8.2% |
| April | 1,950,361 | 2,082,768 | (132,407) | -6.4% | 8,713,649 | 8,331,072 | 4.6% |
| May | - | - | - | 0.0% | - | 10,413,840 | 0.0% |
| June | - | - | - | 0.0% | - | 12,496,608 | 0.0% |
| July | - | - | - | 0.0% | - | 14,579,376 | 0.0% |
| August | - | - | - | 0.0% | - | 16,662,144 | 0.0% |
| September | - | - | - | 0.0% | - | 18,744,912 | 0.0% |
| October | - | - | - | 0.0% | - | 20,827,680 | 0.0% |
| November | - | - | - | 0.0% | - | 22,910,448 | 0.0% |
| December | - | - | - | 0.0% | - | 25,000,000 | 0.0% |
| Net Collections | 8,713,649 | 8,331,072 | 382,577 | 4.6% | | | |
| YTD Rebates | 63,148 | 0 | 63,148 | | | - | |
| Total Collections | <u>\$ 8,776,797</u> | <u>\$ 8,331,072</u> | <u>\$ 445,725</u> | <u>5.4%</u> | | <u>\$ 25,000,000</u> | |

April Use Tax Forecast to Actual Excluding Rebates. In April 2016, use tax collected in Fort Collins was \$132K less than the forecast. Year to date, the City has collected 4.6% more use tax revenue than forecasted for a net gain of \$383K.

Figure 4. Forecast to Actual – Sales and Use Tax Distribution

| Fund | Actual | | Forecast | |
|--|----------------------|----------------------|-------------------|---------|
| | Apr YTD | Apr YTD | Apr YTD | Apr YTD |
| Streets and Transportation (.25%) | 2,702,814 | 2,711,373 | (8,559) | -0.3% |
| Building on Basics Projects (.25%) | 874,622 | 816,127 | 58,495 | 7.2% |
| Community Capital Improvement Program (.25%) | 1,828,192 | 1,895,246 | (67,054) | -3.5% |
| Natural Areas and Parks (.25%) | 2,702,814 | 2,711,373 | (8,559) | -0.3% |
| Keep Fort Collins Great (.85%) | 8,945,325 | 9,218,673 | (273,348) | -3.0% |
| General Fund (2.25%) (net of rebates) | 28,131,314 | 27,057,976 | 1,073,338 | 4.0% |
| General Fund Economic Rebates | 63,148 | 0 | 63,148 | 100.0% |
| Total Collections | <u>\$ 45,248,229</u> | <u>\$ 44,410,768</u> | <u>\$ 837,461</u> | |

Figure 5. Sales Tax Budget to Actual

| Month | Actual | Budget | % | | Year to Date Actual | Annual Budget | Year to Date % Over/(Under) Annual Budget |
|-----------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------|---|
| | | | Over/(Under) Budget | Over/(Under) Budget | | | |
| January | \$ 11,053,023 | 11,318,691 | \$ (265,668) | -2.3% | \$ 11,053,023 | \$ 11,318,691 | -2.3% |
| February | 8,794,650 | 8,045,682 | 748,968 | 9.3% | 19,847,673 | 19,364,373 | 2.5% |
| March | 7,945,983 | 7,706,344 | 239,639 | 3.1% | 27,793,656 | 27,070,717 | 2.7% |
| April | 8,677,776 | 9,008,975 | (331,199) | -3.7% | 36,471,432 | 36,079,692 | 1.1% |
| May | - | - | - | 0.0% | - | 44,530,395 | 0.0% |
| June | - | - | - | 0.0% | - | 53,309,494 | 0.0% |
| July | - | - | - | 0.0% | - | 62,898,634 | 0.0% |
| August | - | - | - | 0.0% | - | 72,203,167 | 0.0% |
| September | - | - | - | 0.0% | - | 81,978,399 | 0.0% |
| October | - | - | - | 0.0% | - | 91,381,446 | 0.0% |
| November | - | - | - | 0.0% | - | 100,390,421 | 0.0% |
| December | - | - | - | 0.0% | - | 109,465,072 | 0.0% |
| | <u>\$ 36,471,432</u> | <u>\$ 36,079,692</u> | <u>\$ 391,740</u> | | | | |

April Sales Tax Budget to Actual. In April 2016, sales tax collected in Fort Collins was \$331K under the budget. Year to date, the City has collected 1.1% more sales tax revenue than budgeted, for a net gain of \$392K.

Figure 6. Use Tax Budget to Actual

| Month | Actual | Budget | % | | Year to Date Actual | Annual Budget | Year to Date % Over/(Under) Annual Budget |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---|
| | | | Over/(Under) Budget | Over/(Under) Budget | | | |
| January | \$ 2,278,477 | \$ 1,416,667 | \$ 861,810 | 60.8% | \$ 2,278,477 | \$ 1,416,667 | 60.8% |
| February | 2,651,140 | 1,416,667 | 1,234,473 | 87.1% | 4,929,617 | 2,833,333 | 74.0% |
| March | 1,833,671 | 1,416,667 | 417,004 | 29.4% | 6,763,288 | 4,250,000 | 59.1% |
| April | 1,950,361 | 1,416,667 | 533,694 | 37.7% | 8,713,649 | 5,666,667 | 53.8% |
| May | - | - | - | 0.0% | - | 7,083,333 | 0.0% |
| June | - | - | - | 0.0% | - | 8,500,000 | 0.0% |
| July | - | - | - | 0.0% | - | 9,916,667 | 0.0% |
| August | - | - | - | 0.0% | - | 11,333,333 | 0.0% |
| September | - | - | - | 0.0% | - | 12,750,000 | 0.0% |
| October | - | - | - | 0.0% | - | 14,166,667 | 0.0% |
| November | - | - | - | 0.0% | - | 15,583,333 | 0.0% |
| December | - | - | - | 0.0% | - | 17,000,000 | 0.0% |
| Net Collections | 8,713,649 | 5,666,667 | 3,046,982 | 53.8% | | | |
| YTD Rebates | 63,148 | 0 | 63,148 | | | - | |
| Total Collections | <u>\$ 8,776,797</u> | <u>\$ 5,666,667</u> | <u>\$ 3,110,130</u> | <u>54.9%</u> | | <u>\$ 17,000,000</u> | |

April Use Tax Budget to Actual Excluding Rebates. In April 2016, use tax collected in Fort Collins was \$533K over budget. Year to date, the City has collected 53.8% more use tax revenue than budgeted, for a net gain of \$3.0M.

Figure 7. Forecast to Actual – Sales and Use Tax Distribution

| Fund | Actual Apr YTD | Budget Apr YTD | Over/(Under) | |
|--|----------------------|----------------------|---------------------|-----------------------|
| | | | Budget Apr YTD | % Over/(Under) Budget |
| Streets and Transportation (.25%) | 2,702,814 | 2,538,357 | 164,457 | 6.5% |
| Building on Basics Projects (.25%) | 874,622 | 772,873 | 101,749 | 13.2% |
| Community Capital Improvement Program (.25%) | 1,828,192 | 1,765,484 | 62,708 | 3.6% |
| Natural Areas and Parks (.25%) | 2,702,814 | 2,538,357 | 164,457 | 6.5% |
| Keep Fort Collins Great (.85%) | 8,945,325 | 8,630,419 | 314,906 | 3.6% |
| General Fund (2.25%) (net of rebates) | 28,131,314 | 25,500,864 | 2,630,450 | 10.3% |
| General Fund Economic Rebates | 63,148 | 0 | 63,148 | 100.0% |
| Total Collections | <u>\$ 45,248,229</u> | <u>\$ 41,746,355</u> | <u>\$ 3,501,874</u> | |

Figure 8. Sales and Use Tax Collected

| | April | | | Year to Date | | |
|---|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | Actual 2015 | Actual 2016 | % Change | Actual 2015 | Actual 2016 | % Change |
| SALES TAX COLLECTIONS | | | | | | |
| Grocery, Convenience, Liquor | \$1,114,044 | \$1,201,904 | 7.9% | \$4,957,488 | \$5,329,706 | 7.5% |
| Restaurants, Caterers and Bars | 1,360,291 | 1,360,294 | 0.0% | 5,012,655 | 5,138,650 | 2.5% |
| General Merchandise | 871,217 | 850,226 | -2.4% | 3,529,908 | 3,481,711 | -1.4% |
| Vehicle Sales, Parts and Repairs | 713,685 | 746,111 | 4.5% | 2,785,978 | 2,838,316 | 1.9% |
| Building Materials, Garden Equipment & Supplies | 714,055 | 573,635 | -19.7% | 2,474,778 | 3,156,407 | 27.5% |
| Sporting, Hobby, Book, Music | 415,413 | 398,859 | -4.0% | 1,995,516 | 2,018,549 | 1.2% |
| Broadcasting and Telecommunications | 354,989 | 428,970 | 20.8% | 1,475,141 | 1,614,147 | 9.4% |
| Electronics and Appliances | 538,689 | 542,775 | 0.8% | 2,184,963 | 2,214,124 | 1.3% |
| Miscellaneous Retailers | 516,611 | 463,909 | -10.2% | 2,061,815 | 2,039,880 | -1.1% |
| Utilities | 446,214 | 404,217 | -9.4% | 1,872,467 | 1,784,189 | -4.7% |
| Clothing and Accessories | 277,949 | 328,267 | 18.1% | 1,053,268 | 1,346,365 | 27.8% |
| Pharmacy, Salon and Laundry | 267,521 | 308,183 | 15.2% | 1,036,531 | 1,213,004 | 17.0% |
| Other | 202,641 | 252,731 | 24.7% | 950,691 | 947,737 | -0.3% |
| Rental and Leasing Services | 181,880 | 203,389 | 11.8% | 729,770 | 782,178 | 7.2% |
| Furniture and Home Furnishings | 182,699 | 188,536 | 3.2% | 787,131 | 815,268 | 3.6% |
| Wholesale Trade | 152,898 | 145,654 | -4.7% | 806,897 | 619,243 | -23.3% |
| Lodging | 144,949 | 138,348 | -4.6% | 538,912 | 508,537 | -5.6% |
| Manufacturing | 126,830 | 141,768 | 11.8% | 632,570 | 623,421 | -1.4% |
| TOTAL SALES TAX | 8,582,575 | 8,677,776 | 1.1% | 34,886,479 | 36,471,432 | 4.5% |
| Less Mall Sales Tax Remittance* | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| NET SALES TAX | 8,582,575 | 8,677,776 | 1.1% | 34,886,479 | 36,471,432 | 4.5% |
| USE TAX COLLECTIONS | | | | | | |
| Building Permits | 816,163 | 520,481 | -36.2% | 2,514,600 | 1,865,321 | -25.8% |
| Car Tax | 472,015 | 449,211 | -4.8% | 1,726,685 | 1,877,930 | 8.8% |
| Return Tax | 1,228,657 | 1,000,764 | -18.5% | 5,540,492 | 5,033,546 | -9.1% |
| TOTAL USE TAX | 2,516,835 | 1,970,456 | -21.7% | 9,781,777 | 8,776,797 | -10.3% |
| Less Economic Rebates | (2,213) | (20,095) | 808.0% | (12,811) | (63,148) | 392.9% |
| NET USE TAX | 2,514,622 | 1,950,361 | -22.4% | 9,768,966 | 8,713,649 | -10.8% |
| SALES & USE TAX COLLECTIONS | | | | | | |
| Total Sales & Use Tax | 11,099,410 | 10,648,232 | -4.1% | 44,668,256 | 45,248,229 | 1.3% |
| Less Economic Rebates | (2,213) | (20,095) | 808.0% | (12,811) | (63,148) | 392.9% |
| NET SALES & USE TAX | 11,097,197 | 10,628,137 | -4.2% | 44,655,445 | 45,185,081 | 1.2% |
| SALES & USE TAX DISTRIBUTION | | | | | | |
| Streets and Transportation (.25%) | 677,518 | 638,303 | -5.8% | 2,711,966 | 2,702,814 | -0.3% |
| Building on Basics Projects (.25%) | 677,518 | 0 | -100.0% | 2,711,966 | 874,622 | -67.7% |
| Community Capital Improvement Program (.25%) | 0 | 638,303 | 100.0% | 0 | 1,828,192 | 100.0% |
| Natural Areas (.25%) | 677,518 | 638,303 | -5.8% | 2,711,966 | 2,702,814 | -0.3% |
| Keep Fort Collins Great (.85%) | 2,233,193 | 2,135,487 | -4.4% | 8,858,780 | 8,945,325 | 1.0% |
| General Fund (2.25%) | 6,833,663 | 6,597,836 | -3.5% | 27,673,578 | 28,194,462 | 1.9% |
| Less General Fund Economic Rebates | (2,213) | (20,095) | 808.0% | (12,811) | (63,148) | 392.9% |
| NET SALES & USE TAX | \$11,097,197 | \$10,628,137 | -4.2% | \$44,655,445 | \$45,185,081 | 1.2% |

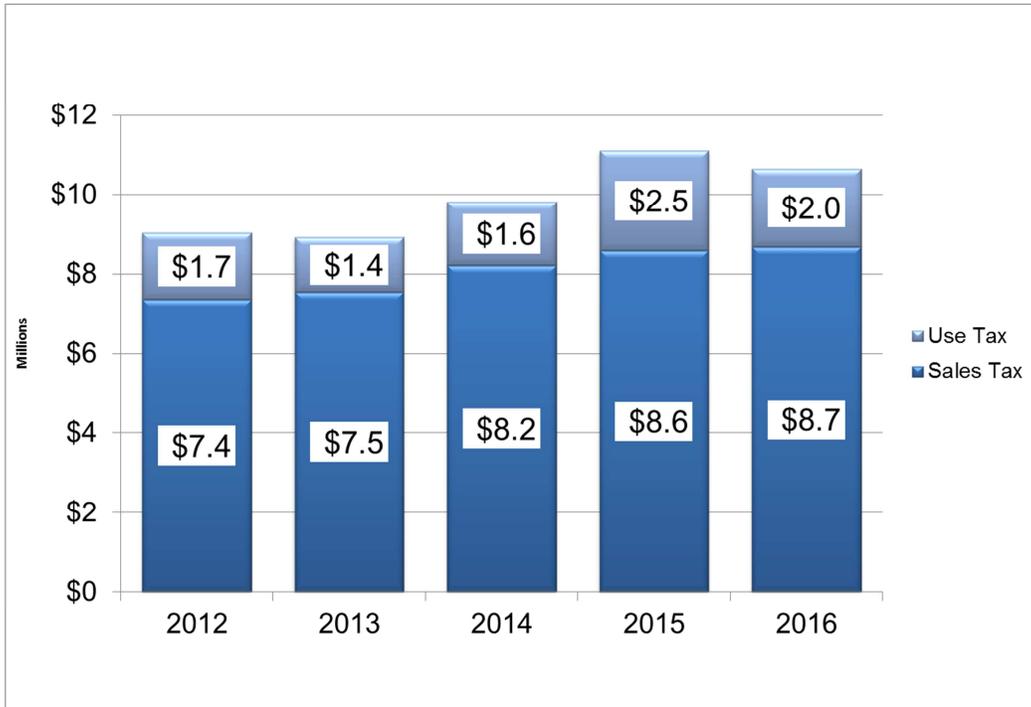
* Per the Mall Redevelopment Agreement, a portion of the sales tax generated at the Mall is remitted monthly to support the Metro District Debt Service

April Sales Tax Collected. In April 2016, sales tax collected in Fort Collins increased 1.1% over April 2015. Sales tax collected totaled \$8.7 million compared to \$8.6 million in 2015.

April Use Tax Collected. The total use tax collected in April was \$2.0 million, a decrease of 21.7% compared to last April. The estimated use tax collected in April related to economic incentive agreements was \$20K as illustrated on Figure 8. This amount will be rebated in the succeeding calendar year. The net use tax collections for April totaled \$2.0 million for a net 22.4% decrease.

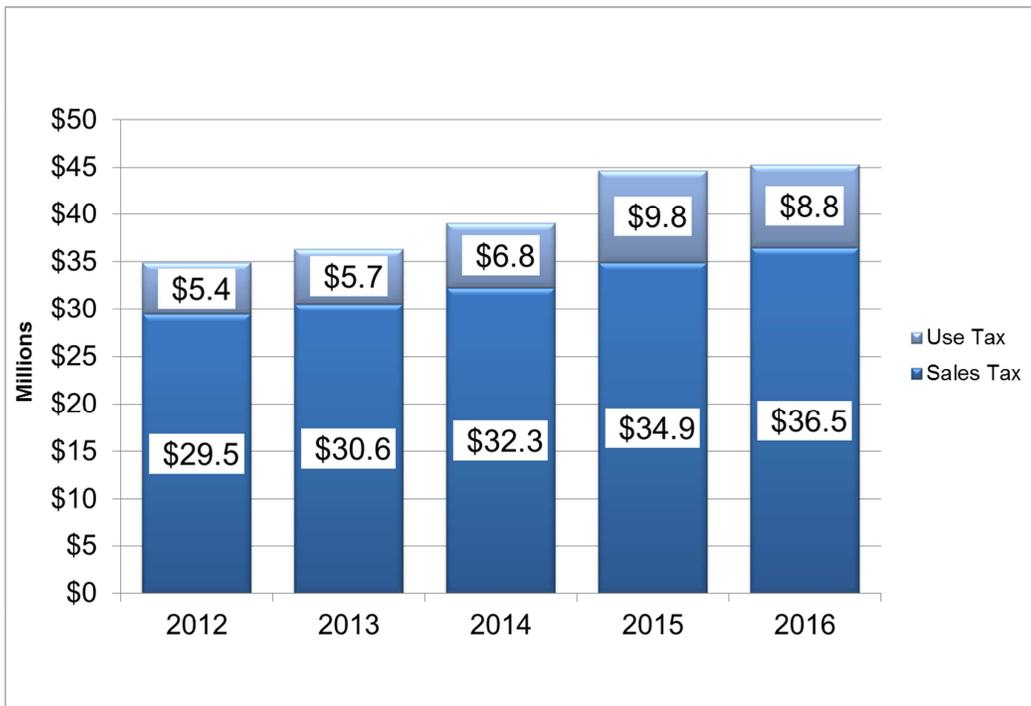
Total Sales and Use Tax Collected. Total tax collected of \$10.6M was 4.1% lower than last April.

Figure 9. April Collections*



*Total collections prior to rebates.

Figure 10. Year to Date Collections *



*Total collections prior to rebates.

Figure 11. Net Taxable

| \$ in millions | April | | | Year to Date | | |
|---|----------------|----------------|---------------|-----------------|-----------------|--------------|
| | Actual | Actual | % | Actual | Actual | % |
| | 2015 | 2016 | Change | 2015 | 2016 | Change |
| SALES TAX | | | | | | |
| Grocery, Convenience, Liquor | \$39.6 | \$42.4 | 7.0% | \$176.3 | \$189.6 | 7.6% |
| Restaurants, Caterers and Bars | 35.4 | 35.5 | 0.3% | 129.5 | 134.5 | 3.8% |
| General Merchandise | 25.1 | 25.2 | 0.5% | 101.8 | 102.3 | 0.5% |
| Vehicle Sales, Parts and Repairs | 18.6 | 19.4 | 4.3% | 72.2 | 73.5 | 1.8% |
| Building Materials, Garden Equipment & Supplies | 18.2 | 16.5 | -9.7% | 63.2 | 61.3 | -2.9% |
| Sporting, Hobby, Book, Music | 10.8 | 10.4 | -4.1% | 51.8 | 52.5 | 1.3% |
| Broadcasting and Telecommunications | 9.2 | 11.2 | 21.3% | 38.2 | 41.9 | 9.9% |
| Electronics and Appliances | 14.0 | 14.1 | 0.9% | 56.4 | 57.5 | 1.9% |
| Miscellaneous Retailers | 13.4 | 12.1 | -9.9% | 54.0 | 53.7 | -0.5% |
| Utilities | 11.6 | 10.5 | -9.4% | 48.6 | 46.3 | -4.7% |
| Clothing and Accessories | 7.2 | 8.6 | 18.6% | 27.3 | 35.0 | 28.1% |
| Pharmacy, Salon and Laundry | 7.2 | 8.2 | 14.7% | 27.5 | 32.3 | 17.6% |
| Other | 5.1 | 7.2 | 40.1% | 24.2 | 25.0 | 3.4% |
| Rental and Leasing Services | 4.8 | 5.3 | 10.4% | 18.9 | 20.3 | 7.4% |
| Furniture and Home Furnishings | 4.9 | 4.9 | 0.3% | 21.1 | 21.1 | 0.0% |
| Wholesale Trade | 4.1 | 3.9 | -5.2% | 21.2 | 16.4 | -22.5% |
| Lodging | 3.8 | 3.6 | -4.9% | 14.0 | 13.1 | -6.4% |
| Manufacturing | 3.4 | 3.8 | 12.0% | 16.3 | 16.6 | 1.7% |
| NET TAXABLE SUBJECT TO SALES TAX | 236.2 | 242.4 | 2.6% | 962.5 | 993.0 | 3.2% |
| USE TAX | | | | | | |
| Building Permits | 21.2 | 13.5 | -36.2% | 65.3 | 48.4 | -25.8% |
| Car Tax | 12.3 | 11.7 | -4.8% | 44.8 | 48.8 | 8.8% |
| Return Tax | 31.9 | 26.9 | -15.7% | 143.9 | 131.6 | -8.5% |
| NET TAXABLE SUBJECT TO USE TAX | 65.4 | 52.1 | -20.3% | 254.1 | 228.9 | -9.9% |
| TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX | \$301.6 | \$294.5 | -2.3% | \$1216.6 | \$1221.9 | 0.4% |

Figure 12. Local Retail Compared to National Retail

| Retail Sales Category | % Change from March 2015 United States | % Change from March 2015 Fort Collins |
|---|--|---|
| Grocery, Convenience, Liquor | 1.2 | 7.0 |
| Restaurants, Caterers & Bars | 5.5 | 0.3 |
| General Merchandise | 1.2 | 0.5 |
| Vehicle Sales, Parts & Repairs | 1.4 | 4.3 |
| Building Materials, Garden Equipment & Supplies | 10.8 | -9.7 |
| Clothing & Accessories | 0.1 | 18.6 |
| Furniture & Home Furnishings | 3.4 | 0.3 |
| Total | 1.7 | 2.6 |

At the national level, March 2016 retail sales (as reported on April 13, 2016) increased 1.7% compared to an increase in Fort Collins' sales of 2.6%. March 2016 sales are the basis for the City's April 2016 sales tax collections and net taxable amounts (which are included in this report).

Figure 13. April - Net Taxable Sales Subject to Sales Tax

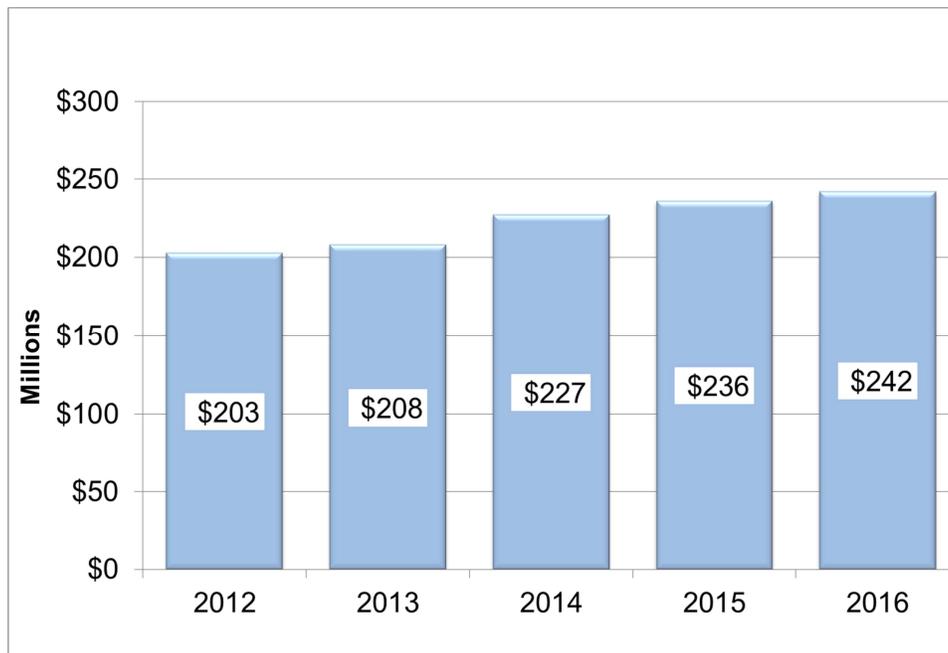


Figure 14. Year to Date - Net Taxable Sales Subject to Sales Tax

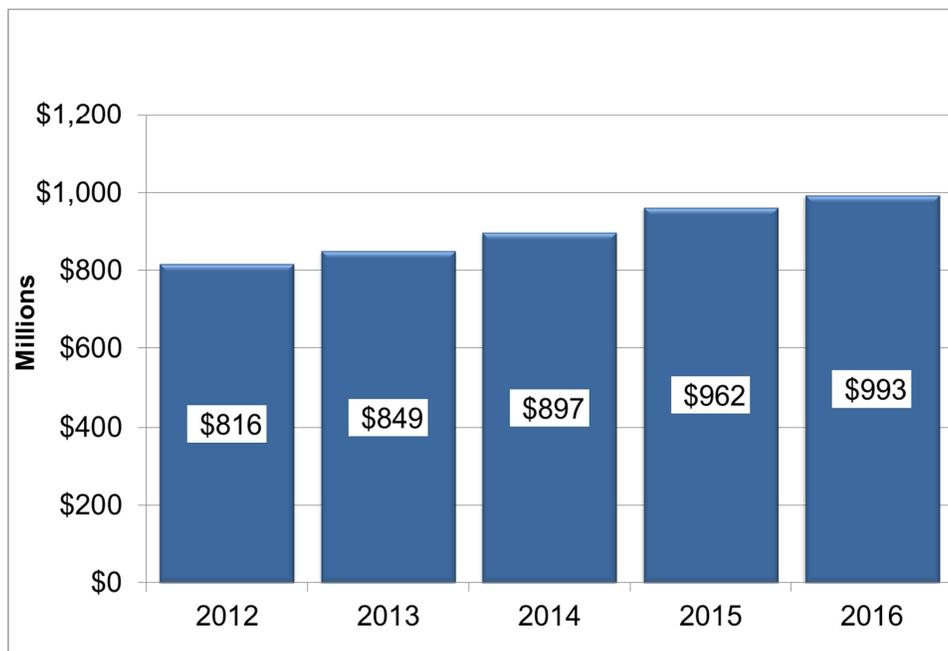
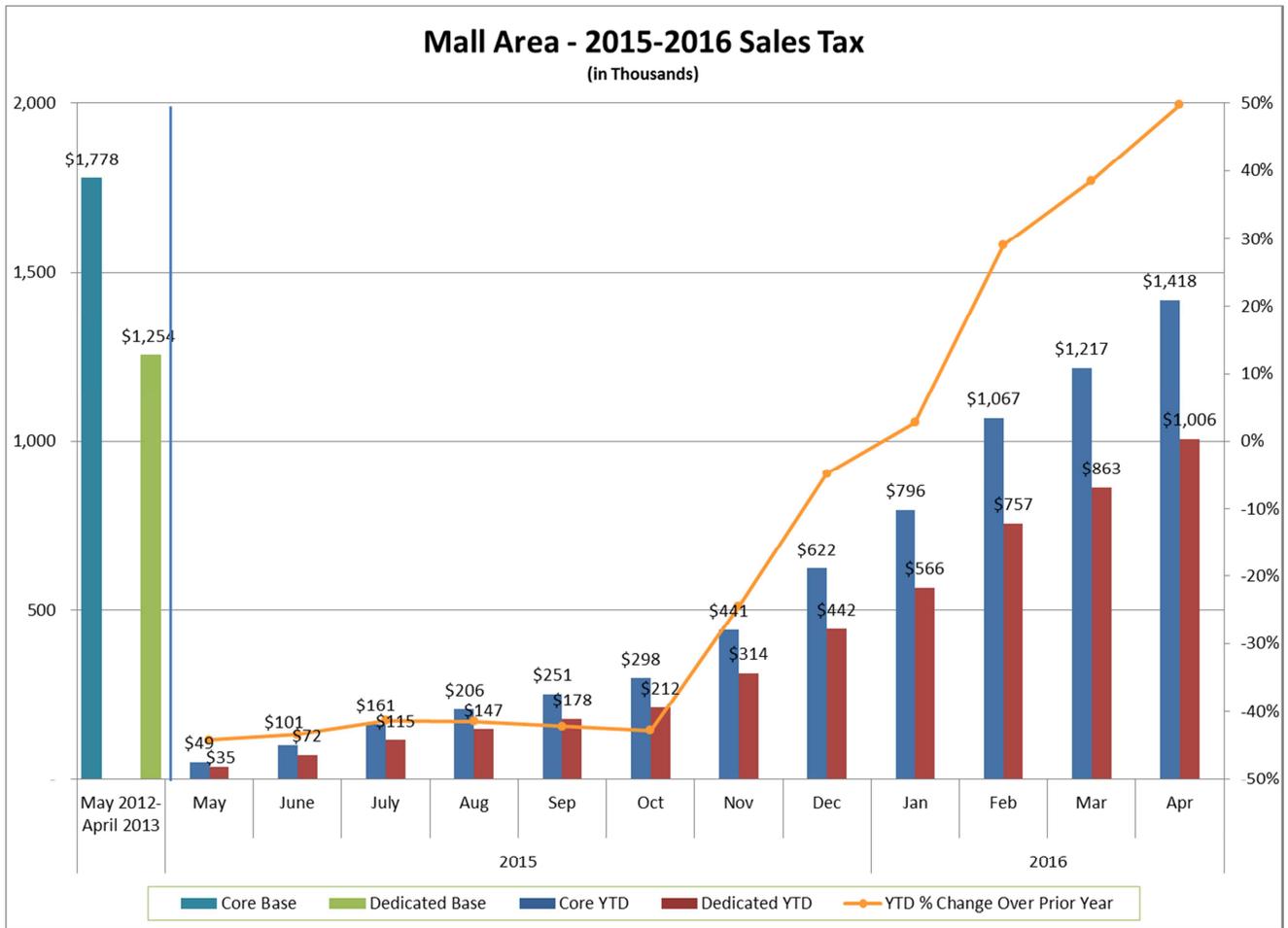


Figure 15. Metro District Reporting



The City's sales tax rate of 3.85% can be broken into two pieces:

- 2.25% comprises the Core Base rate and supports general fund activities
- 1.6% comprises the Dedicated Base and goes to four specific funds to support activities defined in the ballot language for that dedicated tax.

The Foothills Mall agreement outlines a base year of May 2012 to April 2013 to determine the core base sales tax (2.25%) received at \$1.8M. Anything remitted to the City above that core base amount will be returned to the Metro District to support debt service. The chart above tracks both Core and Dedicated tax receipts for the period of May to April. As of April 30, 2016, the core amount collected is \$1,418K. No tax is remitted to the Metro District until the base of \$1.8M is reached.

Figure 16. Supplementary Information

Sales Tax in the City's Downtown Area. The sales tax collected in April for the downtown area decreased 1.1% from the same period in 2015.

Lodging Tax Collections. The City collected \$95,108 in lodging taxes in April 2016. This was an decrease of 4.6% from April 2015.

Sales Tax Licenses. There were 10,959 active sales tax licenses at the end of April.