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Sales and Use Tax Report – August 2011

Issued September 12, 2011

July 2011 transactions are the basis for the August report. Please note that payments received in August are predominately from July sales but also include delinquent collections from prior periods.

Due to the .85% tax increase, tax collections are not a meaningful comparison for year to year business activity. To allow for analysis of activity, the monthly sales and use tax report now includes additional information on net taxable amounts, which are the amount of goods sold or purchased that are subject to sales or use tax.

AUGUST SUMMARY

	August	Year to Date
Net Taxable Subject to Sales Tax:	5.1%	4.5%
Net Taxable Subject to Use Tax:	-13.1%	-4.5%
Total Net Taxable:	2.2%	3.3%

Year to date, net taxable sales are up 4.5% and all but two of the eighteen categories are up.

The collections related to the 2B election are tracked in Figure 5 - Sales and Use Tax under the distribution section and labeled as Keep Fort Collins Great. The amount received in August was \$1.6 million.

August Net Taxable Subject to Sales Tax. In August 2011, net taxable sales in Fort Collins increased 5.1% over August 2010. Net taxable sales totaled \$188.3 million compared to \$179.2 million in 2010.

August Net Taxable Subject to Use Tax. The net taxable amount reported of \$29.5 million decreased 13.1% compared to last August. The net taxable amount subject to use tax on vehicles increased 3.8%. The amount subject to use tax related to building permits increased 57.0%. The net taxable amount reported on tax returns for use tax decreased 34.3% from 2010.

Total Net Taxable. Total net taxable (based on the 3.85% tax rate) of \$217.8 million was 2.2% higher than last August.

Retail Sales in the City's Downtown Area. The net taxable sales reported in August in the downtown area increased 3.2% from the same period in 2010.

Lodging Tax Collections. The City collected \$104,834 in lodging taxes in August. This was a decrease of 14.0% from August 2010.

Sales Tax Licenses. The City received 137 applications for sales tax licenses for new businesses and 41 businesses terminated their license in August. There were 10,649 active sales tax licenses at the end of August.

Figure 1. Net Taxable

	August			Year to Date		
	Actual 2010	Actual 2011	% Change	Actual 2010	Actual 2011	% Change
\$ in millions						
SALES TAX						
Grocery, Convenience, Liquor	\$29.3	\$32.6	11.0%	\$242.6	\$256.3	5.7%
Restaurants, Caterers and Bars	25.2	27.5	9.3%	194.5	208.3	7.1%
General Merchandise	23.7	23.1	-2.3%	196.6	199.8	1.6%
Vehicle Sales, Parts and Repairs	14.8	13.7	-7.6%	104.8	105.6	0.8%
Building Materials, Garden Equipment & Supplies	13.6	15.1	11.3%	97.0	99.2	2.2%
Sporting, Hobby, Book, Music	9.6	9.1	-4.3%	82.6	86.8	5.1%
Broadcasting and Telecommunications	9.5	9.6	0.8%	76.2	77.5	1.7%
Electronics and Appliances	8.7	10.3	18.7%	77.3	81.5	5.4%
Miscellaneous Retailers	7.7	8.5	9.9%	71.9	79.3	10.2%
Utilities	6.8	7.5	9.7%	75.3	74.3	-1.2%
Clothing and Accessories	5.5	6.1	12.0%	50.3	54.1	7.5%
Pharmacy, Salon and Laundry	4.2	4.7	12.2%	35.9	41.1	14.5%
Other	3.2	3.3	3.1%	29.4	31.4	6.7%
Rental and Leasing Services	3.8	3.7	-0.7%	29.2	28.3	-3.0%
Furniture and Home Furnishings	3.5	3.6	1.5%	26.8	27.3	1.9%
Wholesale Trade	2.8	2.8	0.8%	23.1	25.2	9.2%
Lodging	4.8	4.0	-17.5%	20.8	21.8	4.7%
Manufacturing	2.5	3.0	20.8%	20.6	23.0	11.4%
NET TAXABLE SUBJECT TO SALES TAX	179.2	188.3	5.1%	1,454.9	1,520.8	4.5%
USE TAX						
Building Permits	4.8	7.6	57.0%	38.6	53.4	38.4%
Car Tax	7.3	7.6	3.8%	52.1	52.8	1.2%
Return Tax	21.8	14.3	-34.3%	132.8	107.3	-19.2%
NET TAXABLE SUBJECT TO USE TAX	34.0	29.5	-13.1%	223.4	213.4	-4.5%
TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX	\$213.1	\$217.8	2.2%	\$1,678.4	\$1,734.3	3.3%

Figure 2. Local Retail Compared to National Retail

Retail Sales Category	% Change from July 2010 United States	% Change from July 2010 Fort Collins
Grocery, Convenience, Liquor	7.8	11.0
Restaurants, Caterers & Bars	5.6	9.3
General Merchandise	3.7	-2.3
Vehicle Sales, Parts & Repairs	8.1	-7.6
Building Materials, Garden Equipment & Supplies	7.5	11.3
Clothing & Accessories	7.7	12.0
Furniture & Home Furnishings	1.1	1.5

At the national level, July retail sales (as reported on August 12th) increased 8.5% compared to the increase in Fort Collins' sales of 5.1%. July sales are the basis for the City's August sales tax collections and net taxable amounts (which are included in this report).

Figure 3. August 2011 - Net Taxable Sales Subject to Sales Tax

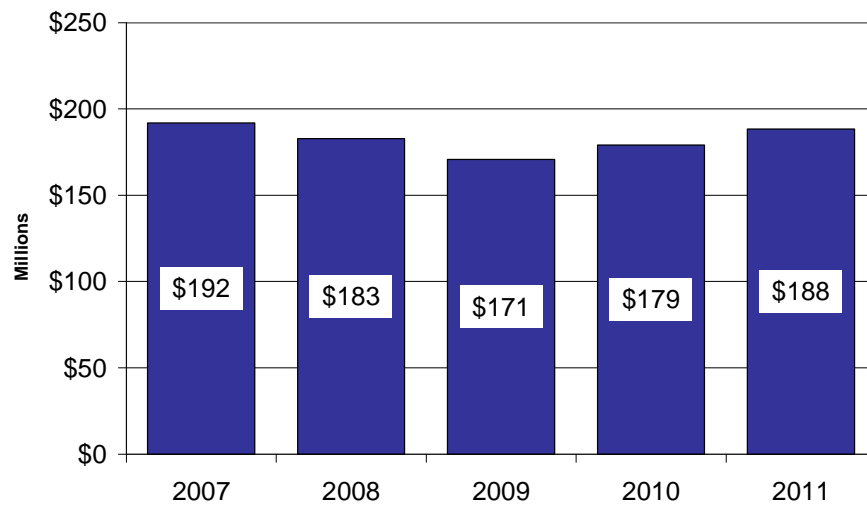


Figure 4. Year to Date - Net Taxable Sales Subject to Sales Tax

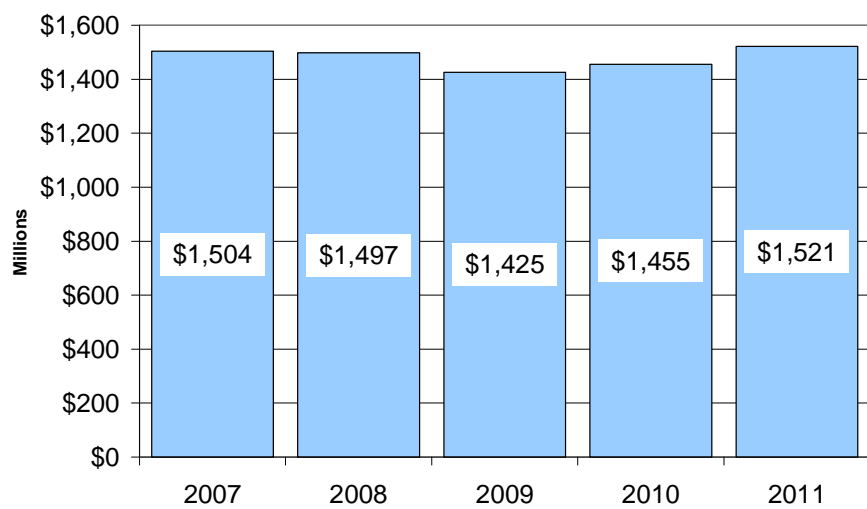
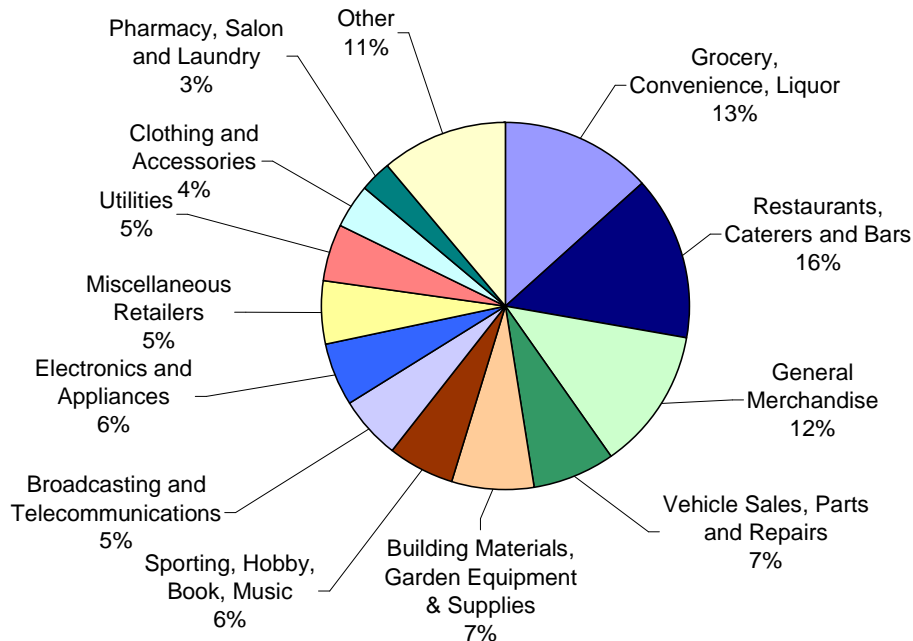


Figure 5. Sales and Use Tax

	August			Year to Date		
	Actual 2010	Actual 2011	% Change	Actual 2010	Actual 2011	% Change
SALES TAX RECEIPTS						
Grocery, Convenience, Liquor	\$744,394	\$946,058	27.1%	\$6,121,194	\$7,154,891	16.9%
Restaurants, Caterers and Bars	756,403	1,057,696	39.8%	5,834,659	7,743,657	32.7%
General Merchandise	660,130	780,041	18.2%	5,487,505	6,560,512	19.6%
Vehicle Sales, Parts and Repairs	446,399	529,512	18.6%	3,156,074	3,954,593	25.3%
Building Materials, Garden Equipment & Supplies	402,391	581,988	44.6%	2,897,660	3,790,185	30.8%
Sporting, Hobby, Book, Music	288,529	353,414	22.5%	2,484,852	3,192,505	28.5%
Broadcasting and Telecommunications	285,031	369,471	29.6%	2,285,333	2,883,109	26.2%
Electronics and Appliances	265,271	396,470	49.5%	2,332,645	2,992,902	28.3%
Miscellaneous Retailers	231,047	314,000	35.9%	2,149,988	2,913,387	35.5%
Utilities	205,276	289,062	40.8%	2,257,959	2,778,353	23.0%
Clothing and Accessories	163,961	238,169	45.3%	1,506,916	1,991,572	32.2%
Pharmacy, Salon and Laundry	124,872	176,193	41.1%	1,074,671	1,520,662	41.5%
Other	98,216	127,222	29.5%	904,821	1,156,431	27.8%
Rental and Leasing Services	113,116	144,088	27.4%	873,381	1,053,960	20.7%
Furniture and Home Furnishings	105,261	140,774	33.7%	1,004,810	1,054,535	4.9%
Wholesale Trade	83,811	108,252	29.2%	690,452	922,908	33.7%
Lodging	136,610	152,282	11.5%	618,478	821,464	32.8%
Manufacturing	75,416	113,208	50.1%	608,518	899,050	47.7%
TOTAL SALES TAX	5,186,134	6,817,900	31.5%	42,289,916	53,384,676	26.2%
USE TAX RECEIPTS						
Building Permits	145,099	292,408	101.5%	1,156,846	2,038,075	76.2%
Car Tax	220,182	293,403	33.3%	1,563,617	1,983,200	26.8%
Return Tax	654,196	551,499	-15.7%	3,983,010	3,978,656	-0.1%
TOTAL USE TAX	1,019,477	1,137,310	11.6%	6,703,473	7,999,931	19.3%
SALES & USE TAX DISTRIBUTION						
Streets and Transportation (.25%)	469,078	475,687	1.4%	3,671,895	3,779,745	2.9%
Building on Basics Projects (.25%)	469,078	475,687	1.4%	3,671,895	3,779,745	2.9%
Natural Areas and Parks (.25%)	469,078	475,687	1.4%	3,671,895	3,779,745	2.9%
Keep Fort Collins Great (.85%)	0	1,617,336	100.0%	0	10,895,980	100.0%
General Fund (2.25%)	4,798,377	4,910,813	2.3%	37,977,704	39,149,392	3.1%
TOTAL SALES & USE TAX	\$6,205,611	\$7,955,210	28.2%	\$48,993,389	\$61,384,607	25.3%

Figure 6. Year to Date Sales Tax by Business Type



Information on the various business type categories can be found at www.fcgov.com/salestax/salesreport.php.

Figure 7. Budget to Actual - Sales and Use Tax Collections

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date Actual	Year to Date Budget	Year to Date % Over/(Under) Budget
January	\$ 7,722,870	\$ 7,700,995	\$ 21,875	0.3%	\$ 7,722,870	\$ 7,700,995	0.3%
February	6,338,124	7,152,650	(814,526)	-11.4%	14,060,994	14,853,645	-5.3%
March	7,485,078	6,677,176	807,902	12.1%	21,546,072	21,530,821	0.1%
April	8,099,576	7,562,475	537,101	7.1%	29,645,648	29,093,295	1.9%
May	7,332,092	7,316,345	15,747	0.2%	36,977,740	36,409,640	1.6%
June	7,549,344	7,385,818	163,526	2.2%	44,527,084	43,795,458	1.7%
July	8,902,313	7,960,808	941,505	11.8%	53,429,397	51,756,267	3.2%
August	7,955,210	7,531,831	423,379	5.6%	61,384,607	59,288,098	3.5%
September	-	7,917,211	-	0.0%	-	67,205,309	0.0%
October	-	8,109,874	-	0.0%	-	75,315,183	0.0%
November	-	7,464,103	-	0.0%	-	82,779,286	0.0%
December	-	7,379,177	-	0.0%	-	90,158,462	0.0%
	\$ 61,384,607	\$ 90,158,462	\$ 2,096,509				

Figure 8. Historical Collections

August Monthly Year	<u>Sales Tax Collections</u>		<u>Use Tax Collections</u>		<u>Combined Tax Collections</u>	
	Month	Compared to Prior Year	Month	Compared to Prior Year	Month	Compared to Prior Year
2011	\$6,817,900	31.5%	\$1,137,310	11.6%	\$7,955,210	28.2%
2010	5,186,134	1.5%	1,019,477	-15.8%	6,205,611	-1.8%
2009	5,111,272	-3.1%	1,210,355	-5.7%	6,321,626	-3.6%
2008	5,275,312	-2.6%	1,283,398	4.9%	6,558,710	-1.2%
2007	5,415,219	11.2%	1,222,965	30.3%	6,638,184	14.3%
2006	4,871,136	-1.9%	938,910	-7.6%	5,810,046	-2.8%
2005	4,963,804	5.2%	1,015,851	-2.4%	5,979,655	3.8%
2004	4,717,044	2.4%	1,040,994	10.1%	5,758,038	3.7%
2003	4,607,279	-1.6%	945,612	-28.1%	5,552,891	-7.4%
2002	4,680,618		1,314,892		5,995,510	

August Year to Date Year	<u>Sales Tax Collections</u>		<u>Use Tax Collections</u>		<u>Combined Tax Collections</u>	
	Year to Date	Compared to Prior Year	Year to Date	Compared to Prior Year	Year to Date	Compared to Prior Year
2011	\$53,384,676	26.2%	\$7,999,931	19.3%	\$61,384,607	25.3%
2010	42,289,916	2.2%	6,703,473	12.1%	48,993,389	3.4%
2009	41,384,944	-4.2%	5,982,535	-22.1%	47,367,479	-6.9%
2008	43,215,373	0.4%	7,684,280	-17.4%	50,899,653	-2.8%
2007	43,055,356	-0.4%	9,300,469	36.1%	52,355,826	4.5%
2006	43,249,366	8.2%	6,833,110	-21.3%	50,082,476	2.9%
2005	39,969,571	2.5%	8,685,470	1.9%	48,655,041	2.4%
2004	39,004,079	4.8%	8,521,221	5.8%	47,525,300	4.9%
2003	37,231,921	-1.8%	8,054,578	0.0%	45,286,499	-1.5%
2002	37,906,152		8,058,128		45,964,280	

Figure 9. August Collections

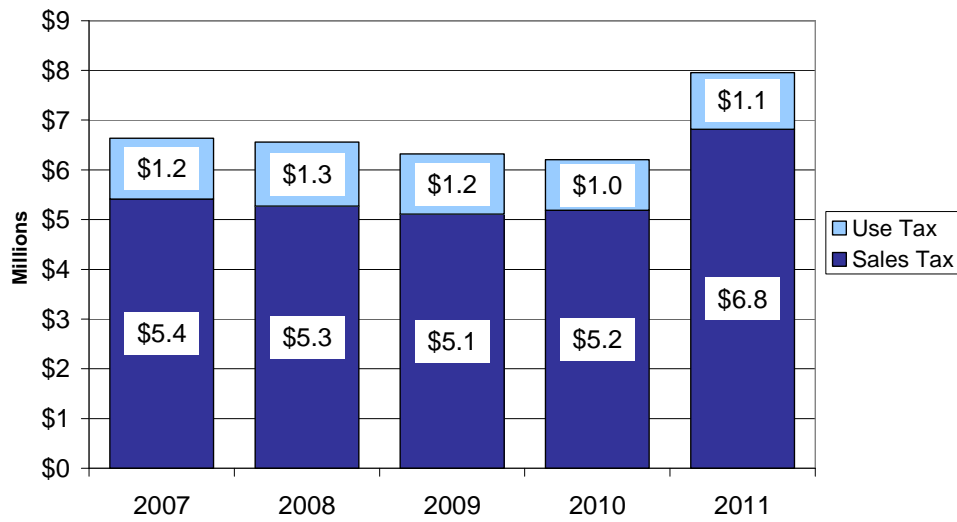


Figure 10. Year to Date Collections

