



Sales and Use Tax Collection Report – September 2017

Issued October 10, 2017

This report reflects Sales and Use Tax collected in September 2017 for economic activity that occurred in August 2017. Please note the sales and use tax collected in September is predominately from August sales but also includes delinquent collections from prior periods.

SEPTEMBER SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	3.1%	1.7%
Net Use Tax Collected:	-32.8%	-10.4%
Net Sales and Use Tax Collected:	-4.2%	-0.7%

Year to date, sales and use tax collections excluding rebates are down 0.7% and total \$101.9M.

SEPTEMBER SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	-3.4%	-3.7%
Net Use Tax Collected:	-10.8%	11.1%
Net Sales and Use Tax Collected:	-4.5%	-1.4%

Year to date, the City has collected 1.4% less sales and use tax revenue, totaling \$1.4M under budget.

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

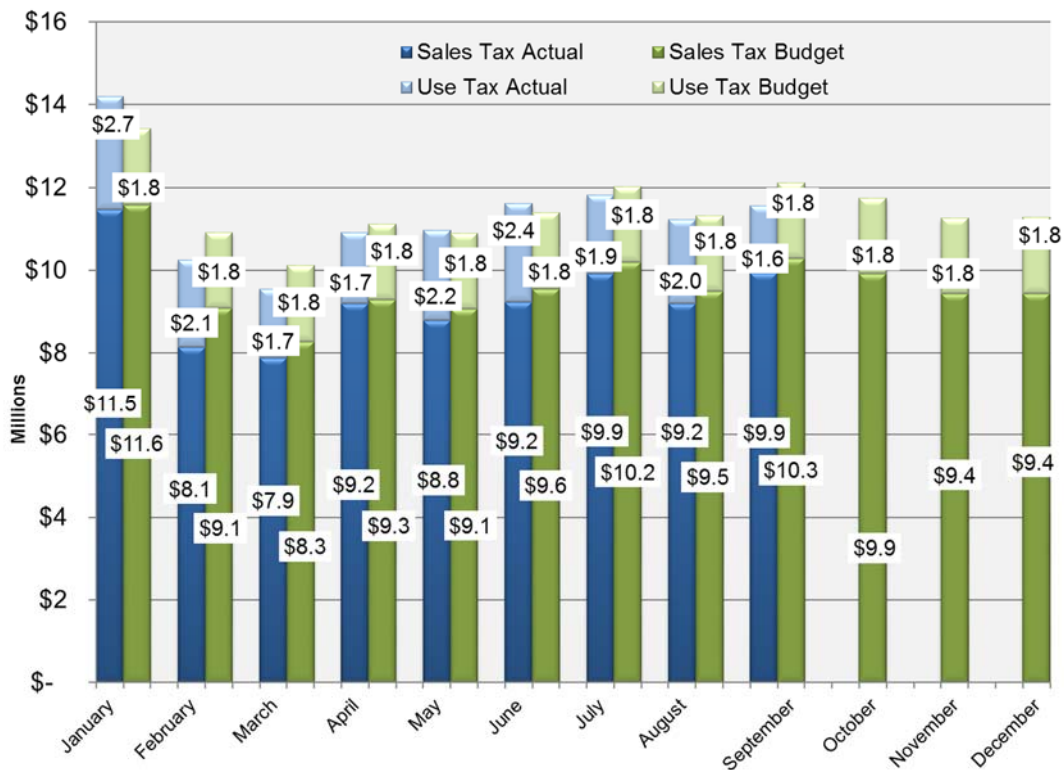


Figure 2. Sales and Use Tax Collected

	September			Year to Date		
	Actual 2016	Actual 2017	% Change	Actual 2016	Actual 2017	% Change
SALES TAX COLLECTIONS						
Grocery, Convenience, Liquor	\$1,182,995	\$1,285,393	8.7%	\$11,361,919	\$11,430,930	0.6%
Restaurants, Caterers and Bars	1,463,332	1,555,952	6.3%	12,279,522	12,800,897	4.2%
General Merchandise	933,631	957,194	2.5%	7,625,103	7,665,010	0.5%
Vehicle Sales, Parts and Repairs	802,788	811,159	1.0%	6,581,603	6,734,902	2.3%
Building Materials, Garden Equipment & Supplies	752,376	766,207	1.8%	7,432,376	6,987,921	-6.0%
Sporting, Hobby, Book, Music	630,481	569,638	-9.7%	4,390,068	3,986,098	-9.2%
Broadcasting and Telecommunications	406,014	374,499	-7.8%	3,516,937	3,504,540	-0.4%
Electronics and Appliances	483,729	530,664	9.7%	4,685,558	4,210,107	-10.1%
Miscellaneous Retailers	616,035	614,270	-0.3%	4,675,562	5,684,673	21.6%
Utilities	435,833	428,206	-1.7%	3,615,162	3,707,295	2.5%
Clothing and Accessories	338,669	352,393	4.1%	2,941,222	2,996,237	1.9%
Pharmacy, Salon and Laundry	343,252	386,629	12.6%	2,813,496	3,331,113	18.4%
Other	220,160	226,656	3.0%	2,049,344	2,141,551	4.5%
Rental and Leasing Services	236,750	220,313	-6.9%	1,900,023	2,001,494	5.3%
Furniture and Home Furnishings	263,554	268,640	1.9%	1,948,282	1,976,371	1.4%
Wholesale Trade	125,650	152,345	21.2%	1,390,739	1,199,559	-13.7%
Lodging	224,141	255,787	14.1%	1,565,403	1,582,343	1.1%
Manufacturing	174,873	174,450	-0.2%	1,375,156	1,832,000	33.2%
TOTAL SALES TAX	9,634,263	9,930,395	3.1%	82,147,475	83,773,041	2.0%
Less Mall Sales Tax Remittance*	0	0	0.0%	0	(205,255)	100.0%
NET SALES TAX	9,634,263	9,930,395	3.1%	82,147,475	83,567,786	1.7%
USE TAX COLLECTIONS						
Building Permits	1,242,584	364,966	-70.6%	6,655,625	7,406,923	11.3%
Car Tax	558,702	677,690	21.3%	4,371,259	4,742,369	8.5%
Return Tax	646,419	603,107	-6.7%	9,567,672	6,305,744	-34.1%
TOTAL USE TAX	2,447,705	1,645,763	-32.8%	20,594,556	18,455,036	-10.4%
Less Economic Rebates	(15,202)	(11,012)	-27.6%	(128,923)	(123,154)	-4.5%
NET USE TAX	2,432,503	1,634,751	-32.8%	20,465,633	18,331,882	-10.4%
SALES & USE TAX COLLECTIONS						
Total Sales & Use Tax	12,081,968	11,576,158	-4.2%	102,742,031	102,228,077	-0.5%
Less Mall Sales Tax Remittance*	0	0	0.0%	0	(205,255)	100.0%
Less Economic Rebates	(15,202)	(11,012)	-27.6%	(128,923)	(123,154)	-4.5%
NET SALES & USE TAX	12,066,766	11,565,146	-4.2%	102,613,108	101,899,668	-0.7%
SALES & USE TAX DISTRIBUTION						
Streets and Transportation (.25%)	733,999	698,210	-4.9%	6,183,690	6,168,427	-0.2%
Building on Basics Projects (.25%)	0	0	0.0%	874,622	0	-100.0%
Community Capital Improvement Program (.25%)	733,999	698,210	-4.9%	5,309,068	6,168,427	16.2%
Natural Areas (.25%)	733,999	698,210	-4.9%	6,183,690	6,168,427	-0.2%
Keep Fort Collins Great (.85%)	2,480,375	2,358,865	-4.9%	20,669,330	20,674,201	0.0%
General Fund (2.25%)	7,399,596	7,122,663	-3.7%	63,521,631	63,048,595	-0.7%
Less Mall Sales Tax Remittance*	0	0	0.0%	0	(205,255)	100.0%
Less General Fund Economic Rebates	(15,202)	(11,012)	-27.6%	(128,923)	(123,154)	-4.5%
NET SALES & USE TAX	\$12,066,766	\$11,565,146	-4.2%	\$102,613,108	\$101,899,668	-0.7%

September Sales Tax Collected. In September 2017, sales tax collected in Fort Collins increased 3.1% compared to September 2016. Sales tax collected totaled \$9.9M compared to \$9.6M in 2016.

September Use Tax Collected. The total use tax collected in September was \$1.6M, a decrease of 32.8% compared to last September. The estimated use tax collected in September related to economic incentive agreements was \$11K as illustrated on Figure 2. This amount will be rebated in the succeeding calendar year. The net use tax collections for September totaled \$1.6M for a net 32.8% decrease.

Sales and Use Tax Collected Excluding Rebates. Total tax collected of \$11.6M was 4.2% lower than last September 2016.

Figure 3. Budget to Actual - Sales Tax Collected

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date		Year to Date % Over/(Under) Annual Budget
					Actual	Annual Budget	
January	\$ 11,467,687	11,585,226	\$ (117,539)	-1.0%	\$ 11,467,687	\$ 11,585,226	-1.0%
February	8,146,364	9,086,855	(940,491)	-10.4%	19,614,051	20,672,081	-5.1%
March	7,851,532	8,275,653	(424,121)	-5.1%	27,465,583	28,947,734	-5.1%
April	9,024,839	9,285,241	(260,402)	-2.8%	36,490,422	38,232,975	-4.6%
May	8,794,816	9,066,995	(272,179)	-3.0%	45,285,238	47,299,970	-4.3%
June	9,235,551	9,550,179	(314,628)	-3.3%	54,520,789	56,850,149	-4.1%
July	9,916,992	10,191,556	(274,564)	-2.7%	64,437,781	67,041,705	-3.9%
August	9,199,610	9,484,660	(285,050)	-3.0%	73,637,391	76,526,365	-3.8%
September	9,930,395	10,280,796	(350,401)	-3.4%	83,567,786	86,807,161	-3.7%
October	-	-	-	0.0%	-	96,719,230	0.0%
November	-	-	-	0.0%	-	106,148,028	0.0%
December	-	-	-	0.0%	-	115,591,010	0.0%
	<u>\$ 83,567,786</u>	<u>\$ 86,807,161</u>	<u>\$ (3,239,375)</u>				

Figure 4. Budget to Actual – Use Tax Collected

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date		Year to Date % Over/(Under) Annual Budget
					Actual	Annual Budget	
January	\$ 2,738,166	\$ 1,833,333	\$ 904,833	49.4%	\$ 2,738,166	\$ 1,833,333	49.4%
February	2,097,858	1,833,333	264,525	14.4%	4,836,024	3,666,667	31.9%
March	1,673,581	1,833,333	(159,752)	-8.7%	6,509,605	5,500,000	18.4%
April	1,714,377	1,833,333	(118,956)	-6.5%	8,223,982	7,333,333	12.1%
May	2,168,921	1,833,333	335,588	18.3%	10,392,903	9,166,667	13.4%
June	2,374,364	1,833,333	541,031	29.5%	12,767,267	11,000,000	16.1%
July	1,898,488	1,833,333	65,155	3.6%	14,665,755	12,833,333	14.3%
August	2,031,376	1,833,333	198,043	10.8%	16,697,131	14,666,667	13.8%
September	1,634,751	1,833,333	(198,582)	-10.8%	18,331,882	16,500,000	11.1%
October	-	-	-	0.0%	-	18,333,333	0.0%
November	-	-	-	0.0%	-	20,166,667	0.0%
December	-	-	-	0.0%	-	22,000,000	0.0%
Net Collections	18,331,882	16,500,000	1,831,882	11.1%			
YTD Rebates	123,154	0	123,154			-	
Total Collections	<u>\$ 18,455,036</u>	<u>\$ 16,500,000</u>	<u>\$ 1,955,036</u>	<u>11.8%</u>		<u>\$ 22,000,000</u>	

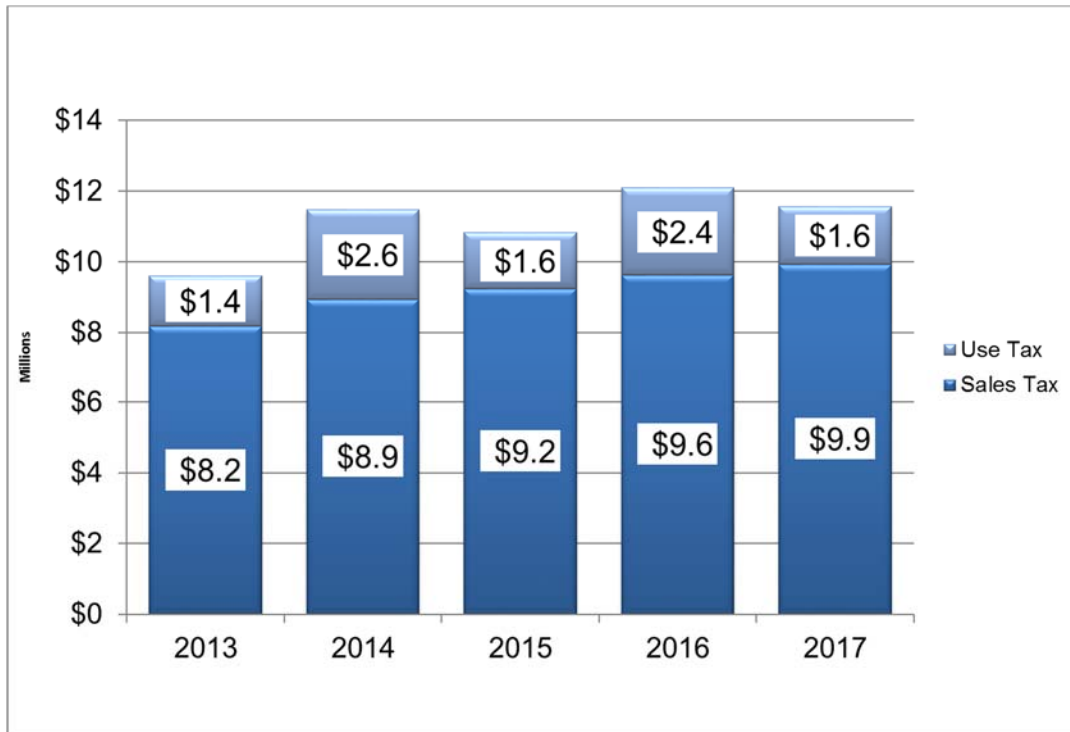
Figure 5. Budget to Actual – Sales and Use Tax Distribution

Fund	Actual	Budget	Over/(Under)	%
	Sept YTD	Sept YTD	Budget Sept YTD	Over/(Under) Budget
Streets and Transportation (.25%)	6,168,427	6,179,277	(10,850)	-0.2%
Community Capital Improvement Program (.25%)	6,168,427	6,179,277	(10,850)	-0.2%
Natural Areas and Parks (.25%)	6,168,427	6,179,277	(10,850)	-0.2%
Keep Fort Collins Great (.85%)	20,674,201	21,009,368	(335,167)	-1.6%
General Fund (2.25%) (net of rebates)	62,720,186	63,759,962	(1,039,776)	-1.6%
General Fund Economic Rebates	123,154	0	123,154	100.0%
Total Collections	<u>\$ 102,022,822</u>	<u>\$ 103,307,161</u>	<u>\$ (1,284,339)</u>	

September Sales Tax Budget to Actual. In September 2017, sales tax collected in Fort Collins was \$350K less than the budget. Year to date, sales tax collected in the City was \$3.2M less than budget.

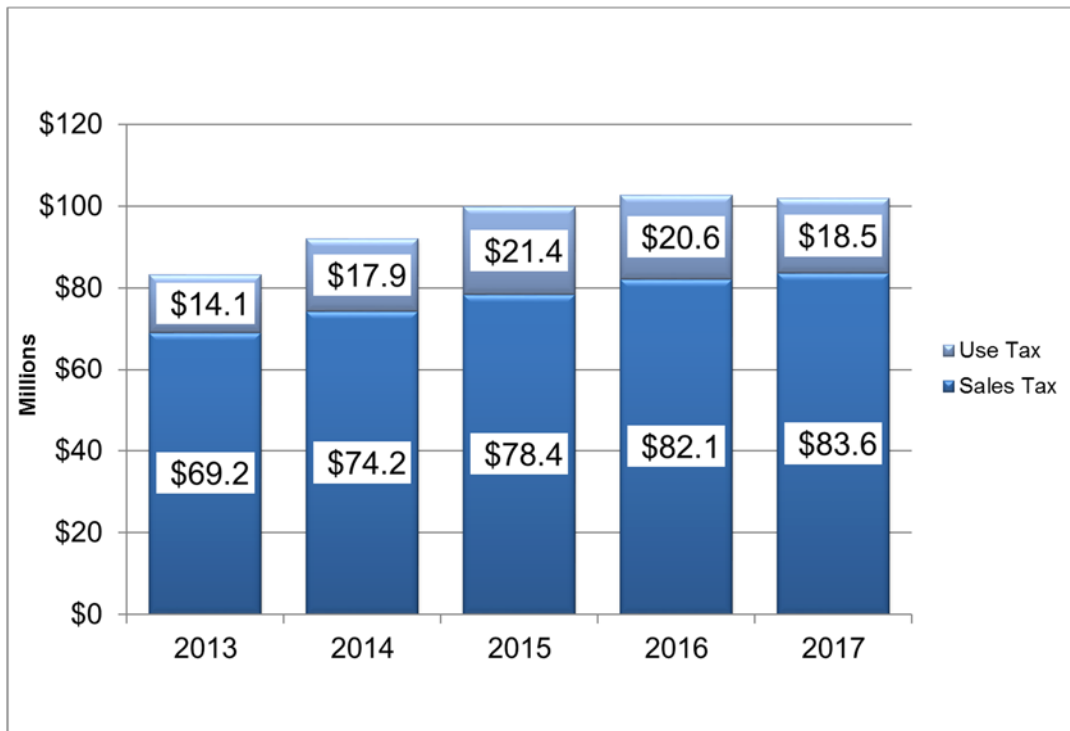
September Use Tax Budget to Actual Excluding Rebates. In September 2017, use tax collected in Fort Collins was \$198K less than the budget. Year to date, use tax collected in the City was \$1.8M more than budget.

Figure 6. September Collections*



*Total collections prior to rebates.

Figure 7. Year to Date Collections*



*Total collections prior to rebates.

Figure 8. Net Taxable

\$ in millions	September Sales			Year to Date		
	Actual	Actual	%	Actual	Actual	%
	2016	2017	Change	2016	2017	Change
SALES TAX						
Grocery, Convenience, Liquor	\$41.3	\$44.9	8.5%	\$400.6	\$402.6	0.5%
Restaurants, Caterers and Bars	38.2	40.5	6.1%	319.8	332.7	4.0%
General Merchandise	27.4	28.1	2.8%	224.9	224.8	0.0%
Vehicle Sales, Parts and Repairs	20.9	20.9	0.3%	170.5	174.8	2.6%
Building Materials, Garden Equipment & Supplies	19.5	19.9	1.6%	172.3	181.6	5.4%
Sporting, Hobby, Book, Music	16.3	14.8	-9.6%	114.0	103.6	-9.2%
Broadcasting and Telecommunications	10.5	9.7	-7.8%	91.8	91.0	-1.0%
Electronics and Appliances	12.6	13.8	9.5%	121.6	111.5	-8.4%
Miscellaneous Retailers	16.0	16.0	0.0%	122.3	149.0	21.8%
Utilities	11.3	11.1	-1.8%	93.9	96.3	2.6%
Clothing and Accessories	8.8	9.2	3.9%	76.4	77.9	2.0%
Pharmacy, Salon and Laundry	9.0	10.1	12.4%	74.5	87.6	17.7%
Other	5.7	6.0	4.7%	53.7	56.1	4.5%
Rental and Leasing Services	6.2	5.6	-9.8%	49.3	51.9	5.2%
Furniture and Home Furnishings	6.8	7.0	2.3%	50.5	51.3	1.6%
Wholesale Trade	3.3	4.0	20.9%	39.1	32.4	-17.2%
Lodging	5.7	6.6	15.2%	40.5	40.8	0.9%
Manufacturing	4.6	4.6	0.1%	36.6	48.2	31.8%
NET TAXABLE SUBJECT TO SALES TAX	264.3	272.8	3.2%	2,252.3	2,314.0	2.7%
USE TAX						
Building Permits	32.3	9.5	-70.6%	172.9	192.4	11.3%
Car Tax	14.5	17.6	21.3%	113.5	123.2	8.5%
Return Tax	16.8	15.7	-6.7%	248.5	163.8	-34.1%
NET TAXABLE SUBJECT TO USE TAX	63.6	42.7	-32.8%	534.9	479.4	-10.4%
TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX	\$327.9	\$315.5	-3.8%	\$2,787.3	\$2,793.3	0.2%

Figure 9. Local Retail Compared to National Retail

Retail Sales Category	% Change from August 2016 United States	% Change from August 2016 Fort Collins
Grocery, Convenience, Liquor	2.1	8.5
Restaurants, Caterers & Bars	2.3	6.1
General Merchandise	2.5	2.8
Vehicle Sales, Parts & Repairs	1.5	0.3
Building Materials, Garden Equipment & Supplies	7.5	1.6
Clothing & Accessories	0.6	3.9
Furniture & Home Furnishings	5.4	2.3
Total	3.2	3.2

At the national level, August 2017 retail sales (as reported on September 15, 2017) increased by 3.2% compared to an increase in Fort Collins' sales of 3.2%. August 2017 sales are the basis for the City's September 2017 sales tax collections and net taxable amounts (which are included in this report).

Figure 10. September - Net Taxable Sales Subject to Sales Tax

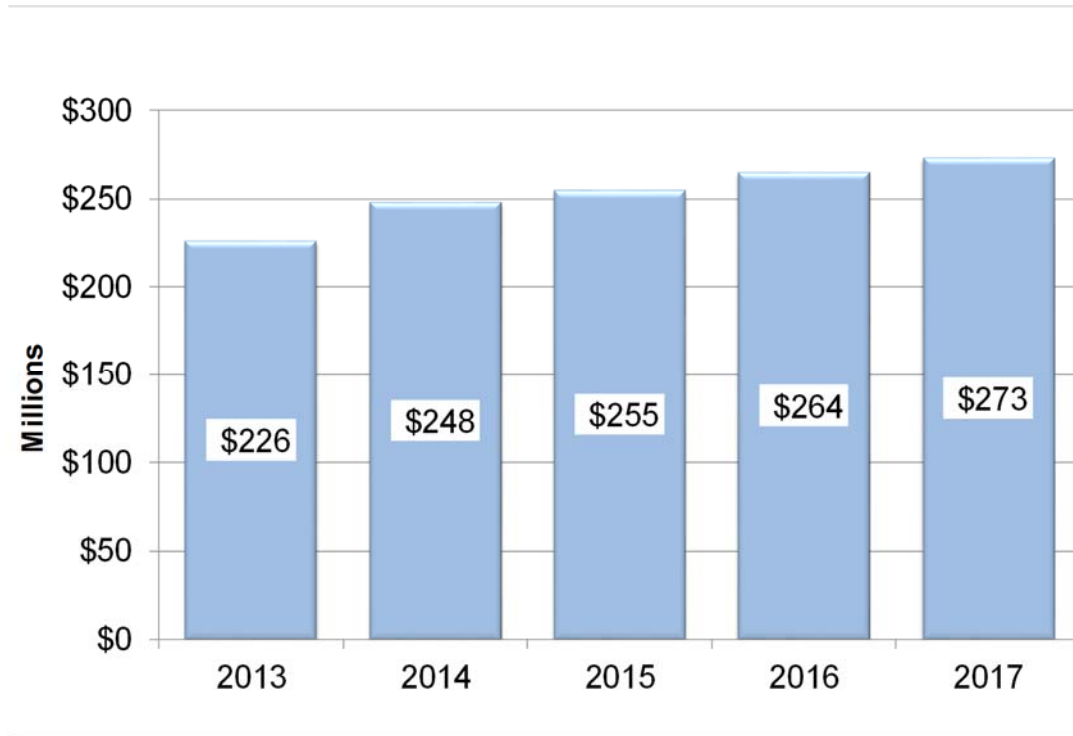


Figure 11. Year to Date - Net Taxable Sales Subject to Sales Tax

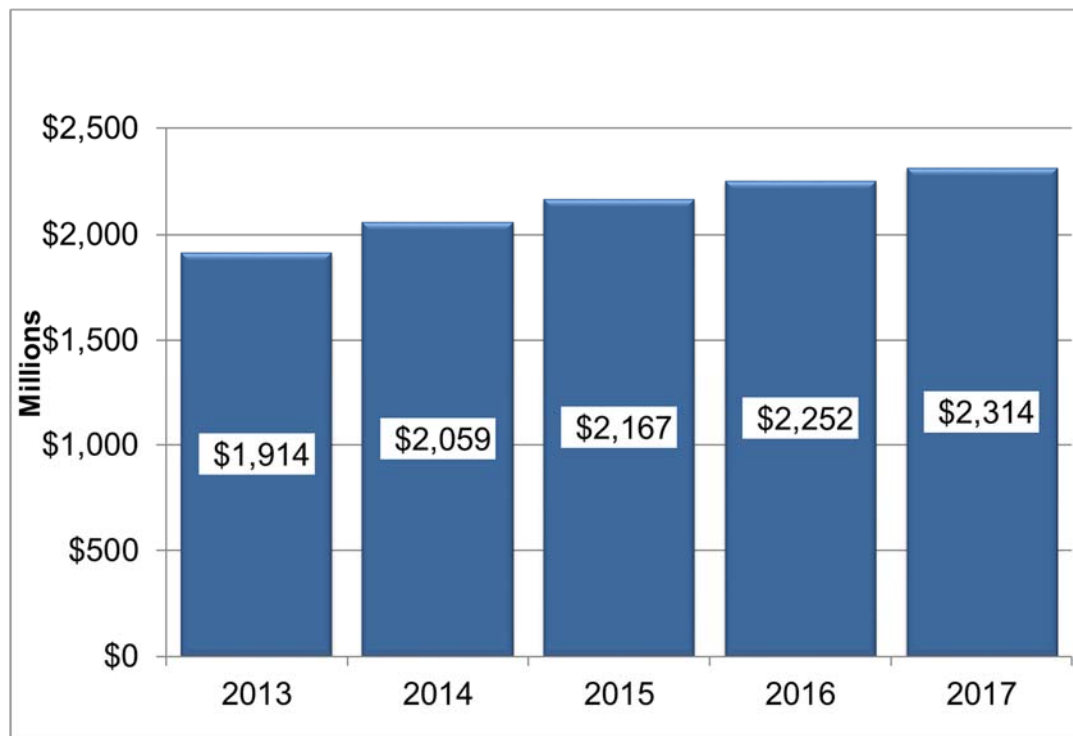
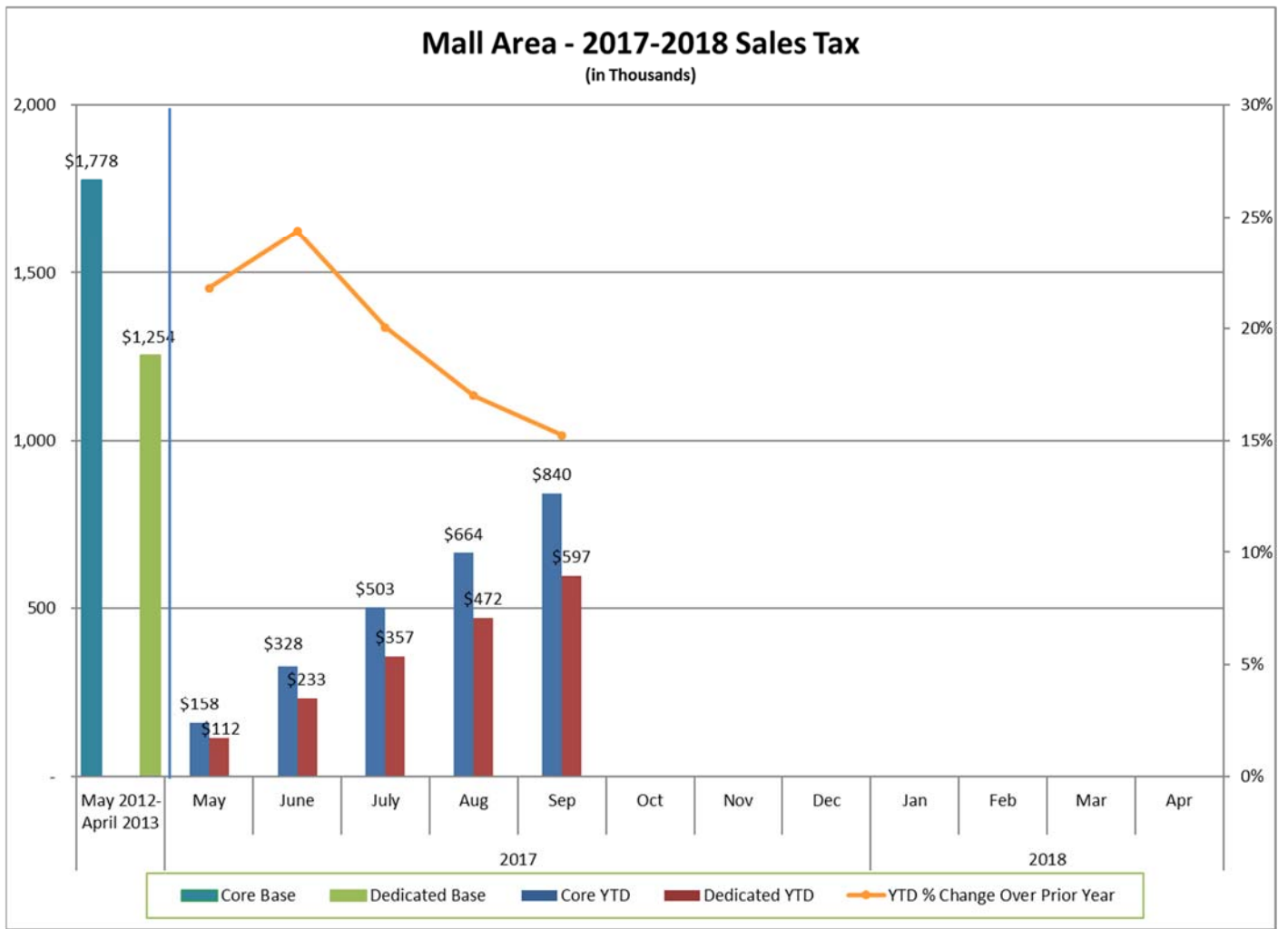


Figure 12. Metro District Reporting



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 September 30, 2017, the core amount collected is \$840K.

Sales Tax in the City's Downtown Area. The sales tax collected in September for the downtown area decreased 0.2% from the same period in 2016.

Lodging Tax Collections. The City collected \$184,716 in lodging taxes in September 2017. This was an increase of 15.8% from September 2016.

Sales Tax Licenses. There were 12,080 active sales tax licenses at the end of September.