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Sales and Use Tax Collection Report – February 2018

Issued March 12, 2018

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

FEBRUARY SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	6.0%	5.5%
Net Use Tax Collected:	-19.5%	-24.7%
Net Sales and Use Tax Collected:	0.8%	-0.5%

Year to date, sales and use tax collections excluding rebates are down 0.5% and total \$24.3M.

FEBRUARY SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	3.8%	2.9%
Net Use Tax Collected:	-7.9%	-0.6%
Net Sales and Use Tax Collected:	1.7%	2.4%

Year to date, the City has collected 2.4% more sales and use tax revenue, totaling \$569K over budget.

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

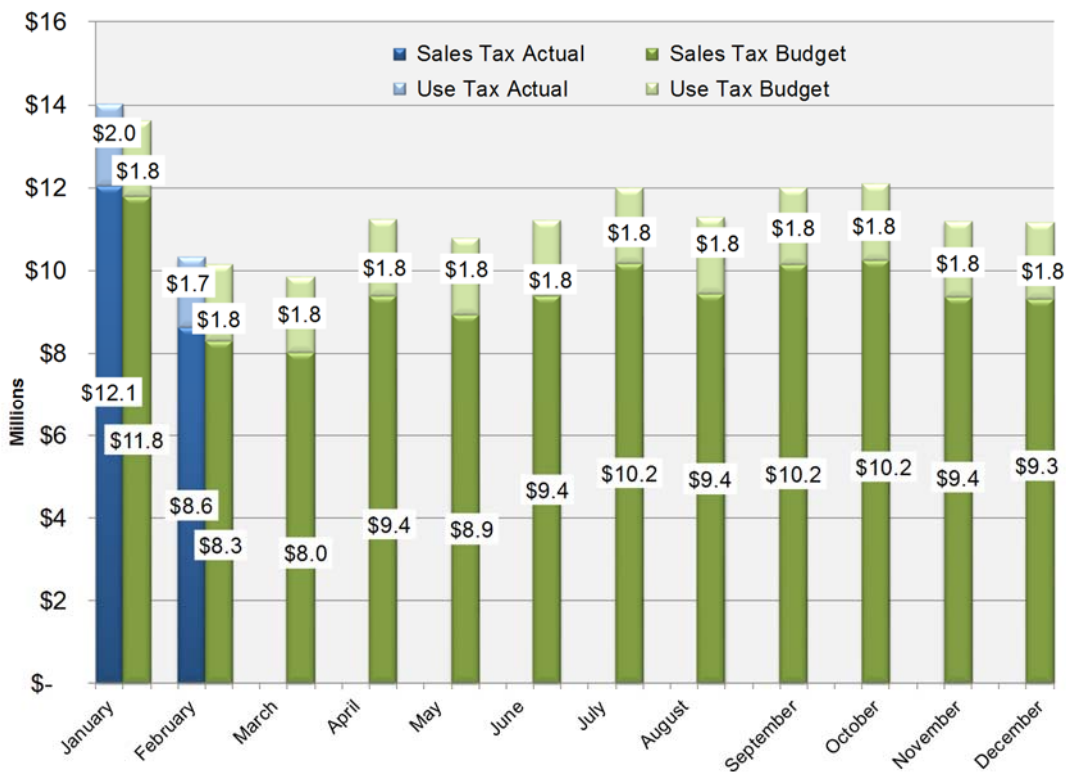


Figure 2. Sales and Use Tax Collected

	February			Year to Date		
	Actual 2017	Actual 2018	% Change	Actual 2017	Actual 2018	% Change
SALES TAX COLLECTIONS						
Grocery, Convenience, Liquor	\$1,108,695	\$1,150,754	3.8%	\$2,964,163	\$3,129,970	5.6%
Restaurants, Caterers and Bars	1,233,239	1,309,731	6.2%	2,651,333	2,867,797	8.2%
General Merchandise	746,972	765,375	2.5%	1,989,643	2,013,935	1.2%
Vehicle Sales, Parts and Repairs	695,533	664,594	-4.4%	1,558,842	1,429,407	-8.3%
Building Materials, Garden Equipment & Supplies	575,338	600,226	4.3%	1,281,907	1,428,050	11.4%
Sporting, Hobby, Book, Music	481,446	472,962	-1.8%	1,153,271	1,101,824	-4.5%
Broadcasting and Telecommunications	383,043	374,973	-2.1%	807,270	785,230	-2.7%
Electronics and Appliances	295,795	554,629	87.5%	869,831	1,306,175	50.2%
Miscellaneous Retailers	539,930	606,241	12.3%	1,493,704	1,619,590	8.4%
Utilities	569,821	543,200	-4.7%	983,589	930,770	-5.4%
Clothing and Accessories	229,145	273,721	19.5%	740,980	781,025	5.4%
Pharmacy, Salon and Laundry	319,097	382,781	20.0%	776,334	917,165	18.1%
Other	205,873	175,286	-14.9%	527,313	467,041	-11.4%
Rental and Leasing Services	209,967	192,761	-8.2%	451,332	413,326	-8.4%
Furniture and Home Furnishings	178,191	177,401	-0.4%	465,411	444,475	-4.5%
Wholesale Trade	118,975	142,805	20.0%	254,795	335,328	31.6%
Lodging	104,984	142,441	35.7%	223,068	301,104	35.0%
Manufacturing	150,320	120,838	-19.6%	421,265	430,573	2.2%
TOTAL SALES TAX	8,146,364	8,650,719	6.2%	19,614,051	20,702,785	5.6%
Less Mall Sales Tax Remittance*	0	(17,952)	100.0%	0	(17,952)	100.0%
NET SALES TAX	8,146,364	8,632,767	6.0%	19,614,051	20,684,833	5.5%
USE TAX COLLECTIONS						
Building Permits	870,821	340,823	-60.9%	2,183,456	947,626	-56.6%
Car Tax	477,149	569,065	19.3%	1,047,425	1,084,203	3.5%
Return Tax	772,522	778,442	0.8%	1,641,447	1,612,005	-1.8%
TOTAL USE TAX	2,120,492	1,688,330	-20.4%	4,872,328	3,643,834	-25.2%
Less Economic Rebates	(22,634)	0	-100.0%	(36,304)	0	-100.0%
NET USE TAX	2,097,858	1,688,330	-19.5%	4,836,024	3,643,834	-24.7%
SALES & USE TAX COLLECTIONS						
Total Sales & Use Tax	10,266,856	10,339,049	0.7%	24,486,379	24,346,619	-0.6%
Less Mall Sales Tax Remittance	0	(17,952)	100.0%	0	(17,952)	100.0%
Less Economic Rebates	(22,634)	0	-100.0%	(36,304)	0	-100.0%
NET SALES & USE TAX	10,244,222	10,321,097	0.8%	24,450,075	24,328,667	-0.5%
SALES & USE TAX DISTRIBUTION						
Streets and Transportation (.25%)	621,070	600,124	-3.4%	1,467,171	1,425,389	-2.8%
Community Capital Improvement Program (.25%)	621,070	600,124	-3.4%	1,467,171	1,425,389	-2.8%
Natural Areas (.25%)	621,070	600,124	-3.4%	1,467,171	1,425,389	-2.8%
Keep Fort Collins Great (.85%)	2,065,725	2,022,451	-2.1%	4,893,823	4,804,259	-1.8%
General Fund (2.25%)	6,337,921	6,516,226	2.8%	15,191,043	15,266,193	0.5%
Less General Fund Mall Sales Tax Remittance	0	(17,952)	100.0%	0	(17,952)	100.0%
Less General Fund Economic Rebates	(22,634)	0	-100.0%	(36,304)	0	-100.0%
NET SALES & USE TAX	\$10,244,222	\$10,321,097	0.8%	\$24,450,075	\$24,328,667	-0.5%

* 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

February Sales Tax Collected. In February 2018, sales tax collected in Fort Collins increased 6.0% compared to February 2017. Sales tax collected totaled \$8.6M compared to \$8.1M in 2017.

February Use Tax Collected. The total use tax collected in February was \$1.7M, a decrease of 20.4% compared to last February. The net use tax collections for February totaled \$1.7M for a net 19.5% decrease.

Net Sales and Use Tax Collected. Total tax collected of \$10.3M was 0.8% higher than February 2017.

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	\$ 12,052,066	11,782,121	\$ 269,945	2.3%	\$ 12,052,066	\$ 11,782,121	2.3%
February	8,632,767	8,312,751	320,016	3.8%	20,684,833	20,094,872	2.9%
March	-	-	-	0.0%	-	28,109,921	0.0%
April	-	-	-	0.0%	-	37,498,977	0.0%
May	-	-	-	0.0%	-	46,441,479	0.0%
June	-	-	-	0.0%	-	55,819,089	0.0%
July	-	-	-	0.0%	-	65,986,752	0.0%
August	-	-	-	0.0%	-	75,433,061	0.0%
September	-	-	-	0.0%	-	85,589,273	0.0%
October	-	-	-	0.0%	-	95,837,087	0.0%
November	-	-	-	0.0%	-	105,191,794	0.0%
December	-	-	-	0.0%	-	114,500,700	0.0%
Net Collections	20,684,833	20,094,872	589,961	2.9%			
YTD Rebates	17,952	0	17,952			-	
Total Collections	\$ 20,702,785	\$ 20,094,872	\$ 607,913	3.0%		\$ 114,500,700	

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	\$ 1,955,504	\$ 1,832,598	\$ 122,906	6.7%	\$ 1,955,504	\$ 1,832,598	6.7%
February	1,688,330	1,832,598	(144,268)	-7.9%	3,643,834	3,665,196	-0.6%
March	-	-	-	0.0%	-	5,497,794	0.0%
April	-	-	-	0.0%	-	7,330,392	0.0%
May	-	-	-	0.0%	-	9,162,990	0.0%
June	-	-	-	0.0%	-	10,995,588	0.0%
July	-	-	-	0.0%	-	12,828,186	0.0%
August	-	-	-	0.0%	-	14,660,784	0.0%
September	-	-	-	0.0%	-	16,493,382	0.0%
October	-	-	-	0.0%	-	18,325,980	0.0%
November	-	-	-	0.0%	-	20,158,578	0.0%
December	-	-	-	0.0%	-	22,000,000	0.0%
Net Collections	3,643,834	3,665,196	(21,362)	-0.6%			
YTD Rebates	-	0	-			-	
Total Collections	\$ 3,643,834	\$ 3,665,196	\$ (21,362)	-0.6%		\$ 22,000,000	

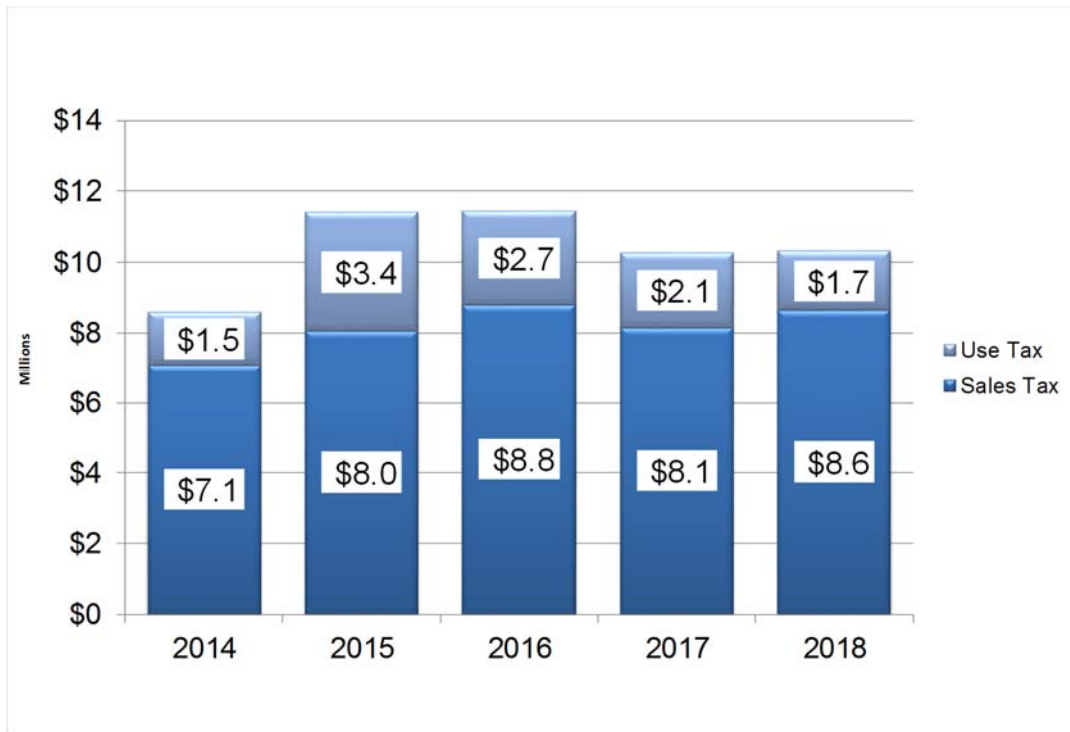
Figure 5. Budget to Actual – Sales and Use Tax Distribution

Fund	Actual Feb YTD	Budget Feb YTD	Over/(Under) Budget Feb YTD	% Over/(Under) Budget
Community Capital Improvement Program (.25%)	1,425,389	1,418,891	6,498	0.5%
Natural Areas and Parks (.25%)	1,425,389	1,418,891	6,498	0.5%
Keep Fort Collins Great (.85%)	4,804,259	4,824,297	(20,038)	-0.4%
General Fund (2.25%) (net of rebates)	15,248,241	14,679,098	569,143	3.9%
General Fund Economic Rebates	17,952	0	17,952	100.0%
Total Collections	\$ 24,346,619	\$ 23,760,068	\$ 586,551	

February Sales Tax Budget to Actual. In February 2018, sales tax collected in Fort Collins was \$320K more than budget. Year to date, sales tax collected in the City was \$590K more than budget.

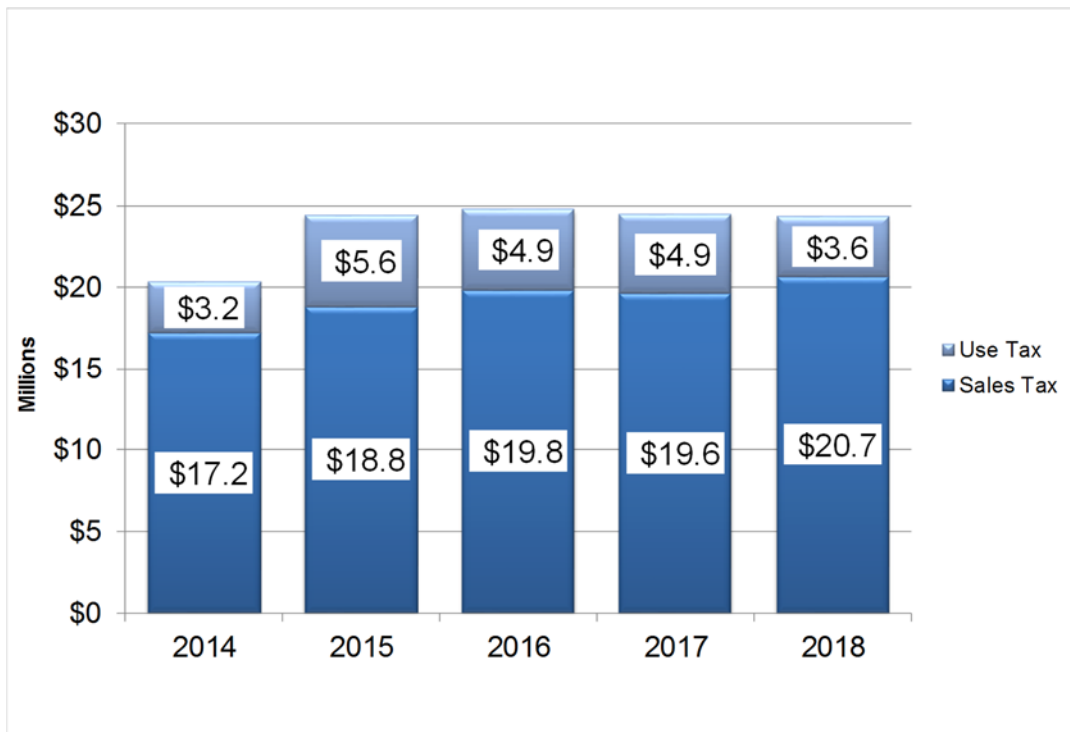
February Use Tax Budget to Actual Excluding Rebates. In February 2018, use tax collected in Fort Collins was \$144K less than budget. Year to date, use tax collected in the City was \$21K less than budget.

Figure 6. February Collections*



*Total collections prior to rebates.

Figure 7. Year to Date Collections*



*Total collections prior to rebates.

Figure 8. Net Taxable

	February			Year to Date		
	Actual 2017	Actual 2018	% Change	Actual 2017	Actual 2018	% Change
\$ in Millions						
SALES TAX						
Grocery, Convenience, Liquor	\$39.1	\$41.0	4.9%	\$106.0	\$112.3	5.9%
Restaurants, Caterers and Bars	32.5	34.1	4.9%	69.0	75.0	8.7%
General Merchandise	20.3	23.1	14.0%	56.1	59.1	5.5%
Vehicle Sales, Parts and Repairs	18.0	17.3	-3.9%	40.4	37.2	-8.0%
Building Materials, Garden Equipment & Supplies	15.4	15.6	1.2%	33.7	37.1	10.3%
Sporting, Hobby, Book, Music	12.5	12.2	-1.7%	29.9	28.5	-4.8%
Broadcasting and Telecommunications	9.9	9.7	-2.5%	21.0	20.4	-2.8%
Electronics and Appliances	9.7	14.4	48.9%	24.7	34.0	37.7%
Miscellaneous Retailers	14.0	15.8	12.7%	39.0	42.3	8.4%
Utilities	14.8	14.1	-4.7%	25.6	24.2	-5.5%
Clothing and Accessories	6.0	6.9	14.9%	19.3	20.3	5.2%
Pharmacy, Salon and Laundry	8.4	10.2	21.0%	20.4	24.1	18.3%
Other	4.6	4.6	0.4%	13.0	13.8	6.4%
Rental and Leasing Services	5.4	5.0	-7.4%	11.8	10.8	-9.2%
Furniture and Home Furnishings	4.6	4.6	0.2%	12.1	11.6	-4.2%
Wholesale Trade	3.2	3.8	18.1%	6.8	9.1	32.9%
Lodging	2.7	3.7	35.1%	5.8	7.7	34.0%
Manufacturing	3.9	3.2	-18.2%	11.1	11.2	1.4%
NET TAXABLE SUBJECT TO SALES TAX	225.0	239.3	6.3%	545.6	578.7	6.1%
USE TAX						
Building Permits	22.6	8.9	-60.9%	56.7	24.6	-56.6%
Car Tax	12.4	14.8	19.3%	27.2	28.2	3.5%
Return Tax	20.1	20.2	0.8%	42.6	41.9	-1.8%
NET TAXABLE SUBJECT TO USE TAX	55.1	43.9	-20.4%	126.6	94.6	-25.2%
TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX	\$280.1	\$283.2	1.1%	\$672.2	\$673.4	0.2%

Figure 9. Local Retail Compared to National Retail

Retail Sales Category	% Change from January 2017 United States	% Change from January 2017 Fort Collins
Grocery, Convenience, Liquor	3.6	4.9
Restaurants, Caterers & Bars	2.1	4.9
General Merchandise	3.0	14.0
Vehicle Sales, Parts & Repairs	1.5	-3.9
Building Materials, Garden Equipment & Supplies	3.6	1.2
Clothing & Accessories	1.9	14.9
Furniture & Home Furnishings	4.7	0.2
Total	3.6	6.3

At the national level, January 2018 retail sales (as reported on February 14, 2018) increased by 3.6% compared to an increase in Fort Collins' sales of 6.3%. January 2018 sales are the basis for the City's February 2018 sales tax collections and net taxable amounts (which are included in this report).

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

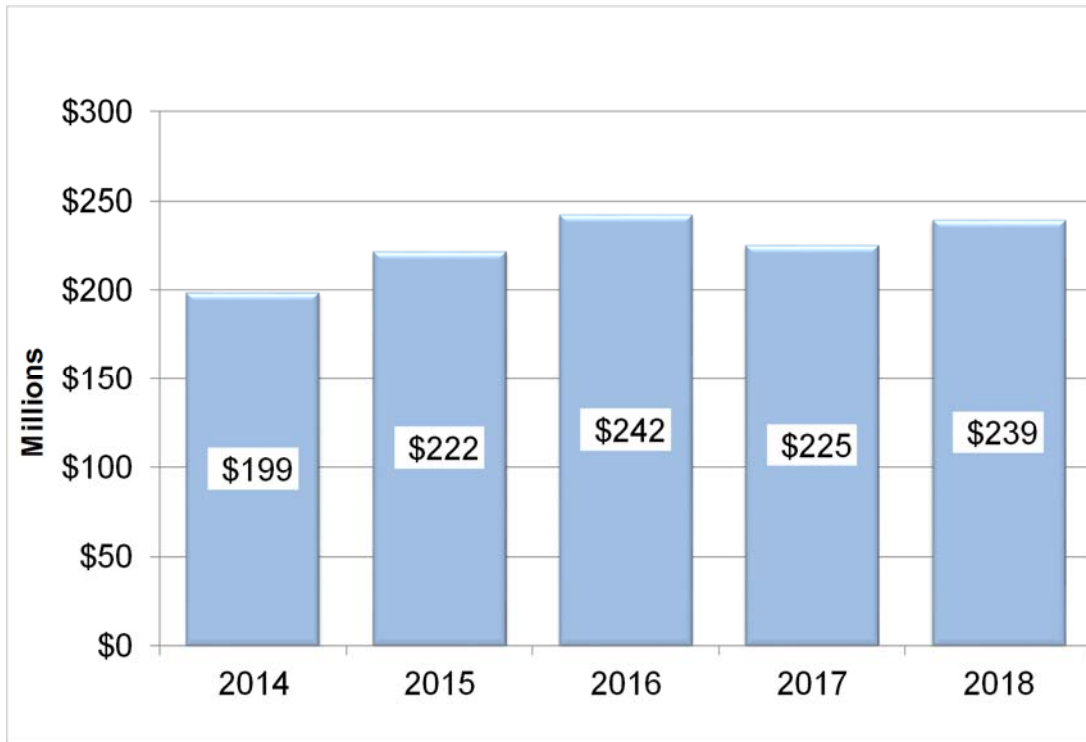


Figure 11. Year to Date - Net Taxable Sales Subject to Sales Tax

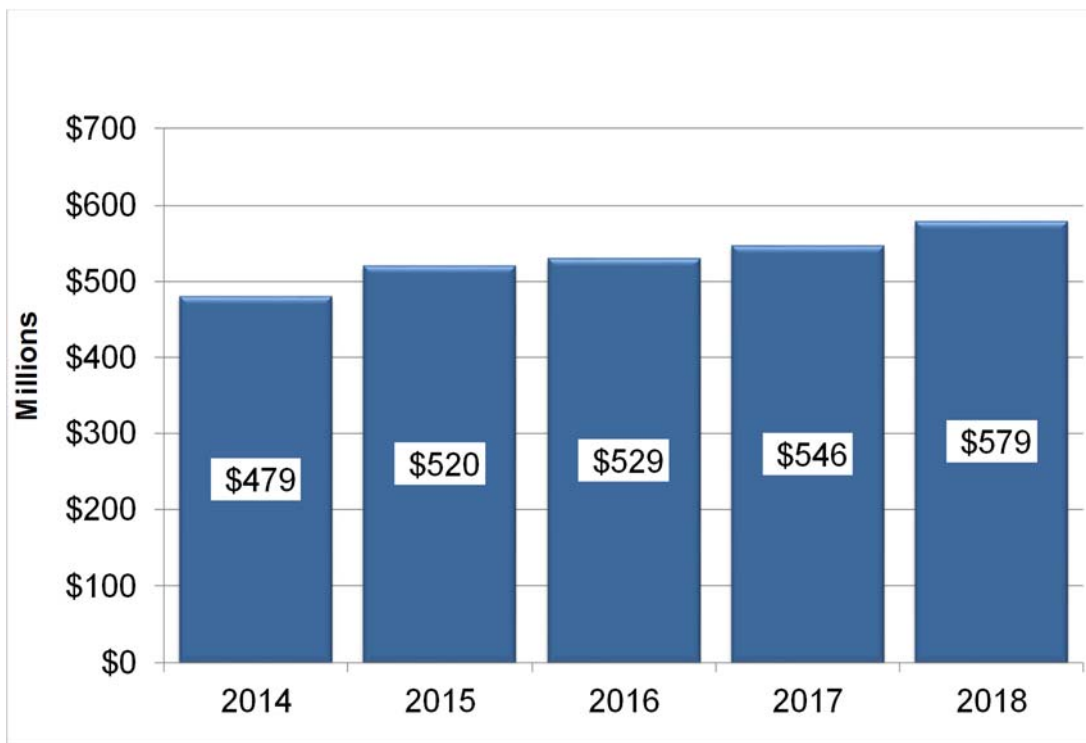
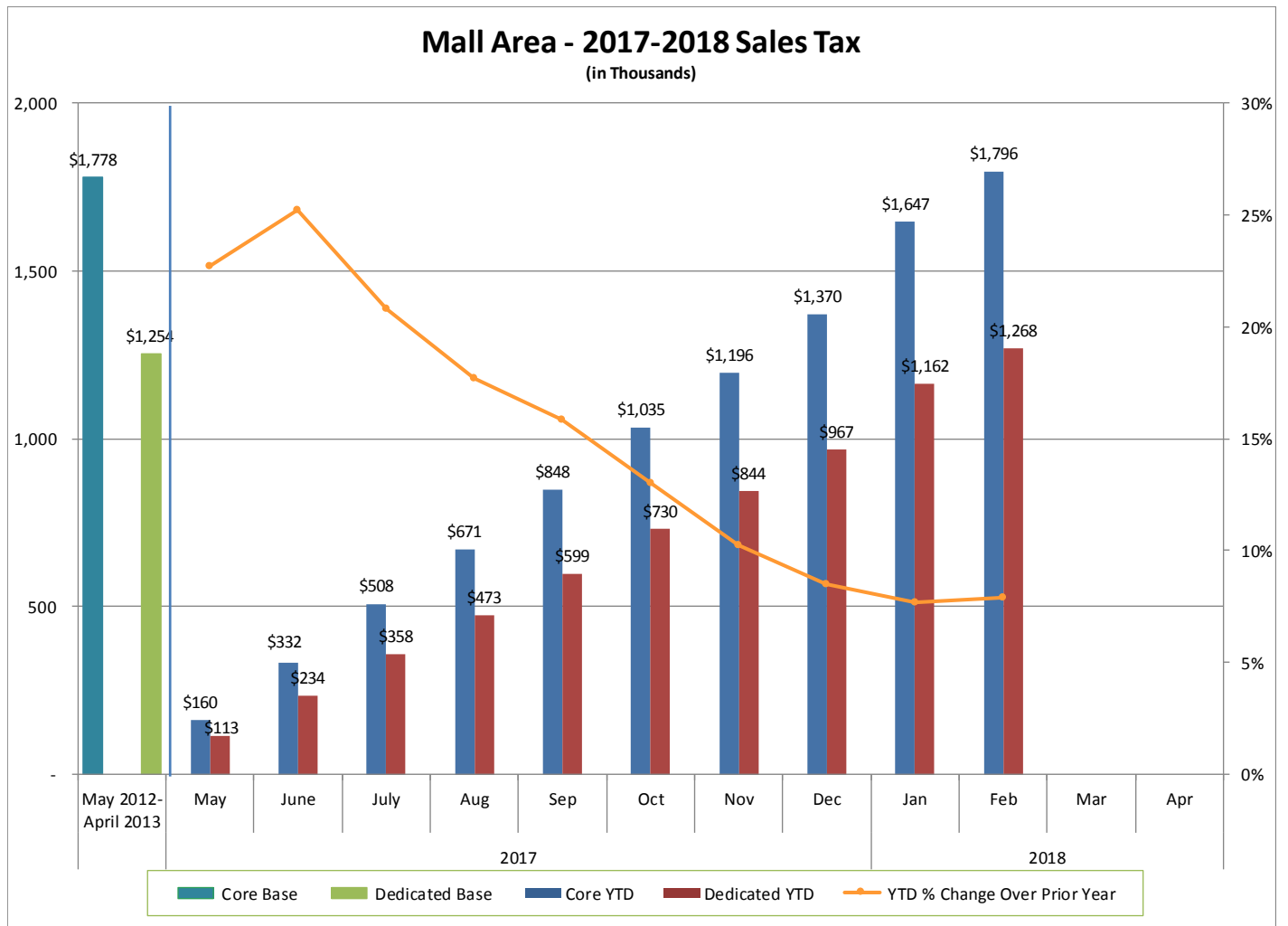


Figure 12. Metro District Reporting



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. No tax is remitted to the Metro District until the base of \$1.8M is reached. The chart above tracks both Core and Dedicated tax receipts for the period of May to April. As of February 28, 2018, the core amount collected is \$1.8M resulting in tax being due to the Metro District in the amount of \$18K.

Sales Tax in the City's Downtown Area. The sales tax collected in February for the downtown area increased 3.1% from the same period in 2017.

Lodging Tax Collections. The City collected \$84K in lodging taxes in February 2018. This was an increase of 10.6% from February 2017.

Sales Tax Licenses. There were 12,181 active sales tax licenses at the end of February.