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## Sales and Use Tax Collection Report – October 2018

Issued November 13, 2018

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

### OCTOBER SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	1.2%	3.8%
Net Use Tax Collected:	33.1%	-11.3%
Net Sales and Use Tax Collected:	6.1%	1.1%

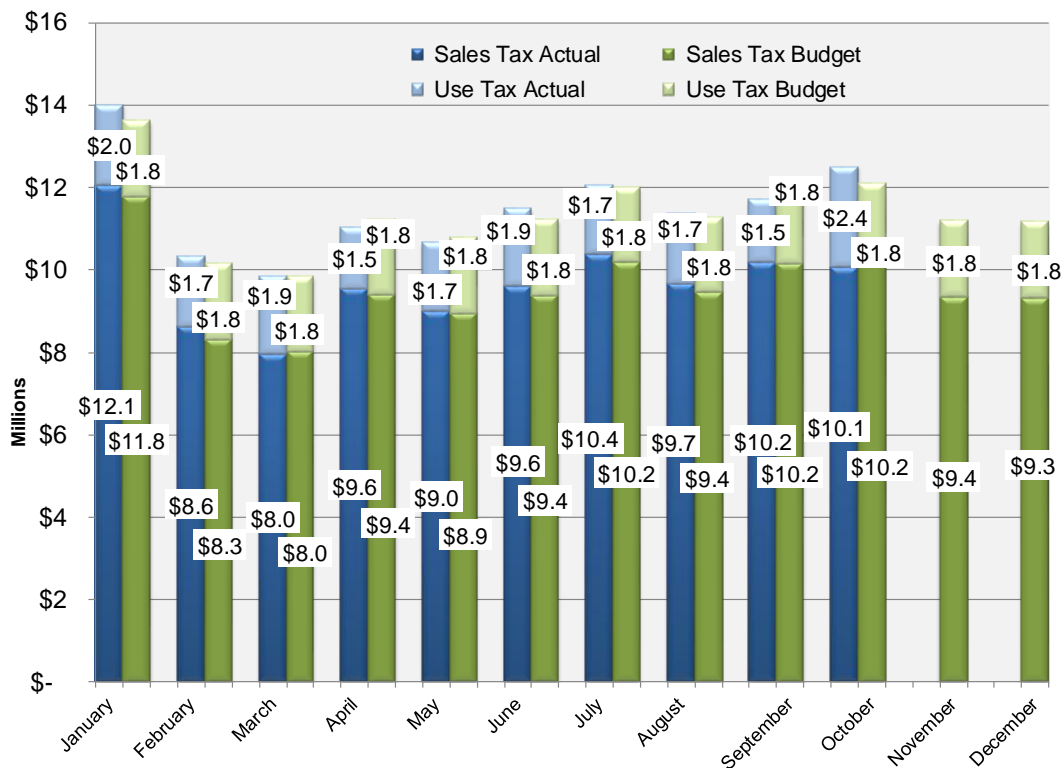
Year to date, sales and use tax collections excluding rebates are up 1.1% and total \$115.0M.

### OCTOBER SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	-1.7%	1.3%
Net Use Tax Collected:	32.9%	-2.5%
Net Sales and Use Tax Collected:	3.5%	0.7%

Year to date, the City has collected 0.7% more sales and use tax revenue, totaling \$811K over budget.

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



**Figure 2. Sales and Use Tax Collected**

	October			Year to Date		
	Actual 2017	Actual 2018	% Change	Actual 2017	Actual 2018	% Change
<b>SALES TAX COLLECTIONS</b>						
Grocery, Convenience, Liquor	\$1,267,983	\$1,298,083	2.4%	\$12,698,913	\$13,179,707	3.8%
Restaurants, Caterers and Bars	1,536,258	1,610,211	4.8%	14,337,155	15,157,540	5.7%
General Merchandise	856,793	865,918	1.1%	8,521,803	8,875,870	4.2%
Vehicle Sales, Parts and Repairs	810,114	769,372	-5.0%	7,545,016	7,566,658	0.3%
Building Materials, Garden Equipment & Supplies	794,118	846,178	6.6%	7,782,039	8,302,952	6.7%
Sporting, Hobby, Book, Music	512,860	406,718	-20.7%	4,498,958	4,336,361	-3.6%
Broadcasting and Telecommunications	397,307	441,179	11.0%	3,901,847	4,187,113	7.3%
Electronics and Appliances	582,201	328,491	-43.6%	4,792,308	4,434,403	-7.5%
Miscellaneous Retailers	677,776	762,636	12.5%	6,362,449	6,937,278	9.0%
Utilities	357,679	359,592	0.5%	4,064,974	4,083,257	0.4%
Clothing and Accessories	382,854	393,376	2.7%	3,379,091	3,469,591	2.7%
Pharmacy, Salon and Laundry	405,922	458,899	13.1%	3,737,035	4,215,575	12.8%
Other	273,022	259,482	-5.0%	2,414,573	2,214,464	-8.3%
Rental and Leasing Services	222,679	216,671	-2.7%	2,224,173	2,104,575	-5.4%
Furniture and Home Furnishings	242,833	222,637	-8.3%	2,219,204	2,229,871	0.5%
Wholesale Trade	136,415	188,499	38.2%	1,335,974	1,740,168	30.3%
Lodging	241,319	317,075	31.4%	1,823,662	2,293,610	25.8%
Manufacturing	256,220	325,053	26.9%	2,088,220	2,108,729	1.0%
<b>TOTAL SALES TAX</b>	<b>9,954,353</b>	<b>10,070,070</b>	<b>1.2%</b>	<b>93,727,394</b>	<b>97,437,722</b>	<b>4.0%</b>
Less Mall Sales Tax Remittance*	0	0	0.0%	(205,255)	(339,423)	65.4%
<b>NET SALES TAX</b>	<b>9,954,353</b>	<b>10,070,070</b>	<b>1.2%</b>	<b>93,522,139</b>	<b>97,098,299</b>	<b>3.8%</b>
<b>USE TAX COLLECTIONS</b>						
Building Permits	524,702	1,173,017	123.6%	7,931,625	5,846,106	-26.3%
Car Tax	549,519	578,056	5.2%	5,291,888	5,264,359	-0.5%
Return Tax	774,369	684,679	-11.6%	7,080,113	6,765,187	-4.4%
<b>TOTAL USE TAX</b>	<b>1,848,590</b>	<b>2,435,752</b>	<b>31.8%</b>	<b>20,303,626</b>	<b>17,875,652</b>	<b>-12.0%</b>
Less Economic Rebates	(18,419)	0	-100.0%	(141,573)	0	-100.0%
<b>NET USE TAX</b>	<b>1,830,171</b>	<b>2,435,752</b>	<b>33.1%</b>	<b>20,162,053</b>	<b>17,875,652</b>	<b>-11.3%</b>
<b>SALES &amp; USE TAX COLLECTIONS</b>						
Total Sales & Use Tax	<b>11,802,943</b>	<b>12,505,822</b>	6.0%	<b>114,031,020</b>	<b>115,313,374</b>	1.1%
Less Mall Sales Tax Remittance*	0	0	0.0%	(205,255)	(339,423)	65.4%
Less Economic Rebates	(18,419)	0	-100.0%	(141,573)	0	-100.0%
<b>NET SALES &amp; USE TAX</b>	<b>11,784,524</b>	<b>12,505,822</b>	<b>6.1%</b>	<b>113,684,192</b>	<b>114,973,951</b>	<b>1.1%</b>
<b>SALES &amp; USE TAX DISTRIBUTION</b>						
Streets and Transportation (.25%)	714,761	757,660	6.0%	6,883,188	6,933,957	0.7%
Community Capital Improvement Program (.25%)	714,761	757,660	6.0%	6,883,188	6,933,957	0.7%
Natural Areas (.25%)	714,761	757,660	6.0%	6,883,188	6,933,957	0.7%
Keep Fort Collins Great (.85%)	2,386,532	2,553,642	7.0%	23,060,733	23,370,529	1.3%
General Fund (2.25%)	7,272,128	7,679,200	5.6%	70,320,723	71,140,974	1.2%
Less Mall Sales Tax Remittance*	0	0	0.0%	(205,255)	(339,423)	65.4%
Less General Fund Economic Rebates	(18,419)	0	-100.0%	(141,573)	0	-100.0%
<b>NET SALES &amp; USE TAX</b>	<b>\$11,784,524</b>	<b>\$12,505,822</b>	<b>6.1%</b>	<b>\$113,684,192</b>	<b>\$114,973,951</b>	<b>1.1%</b>

\* 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

**October Sales Tax Collected.** In October 2018, sales tax collected in Fort Collins increased 1.2% compared to October 2017. Sales tax collected totaled \$10.1M compared to \$10.0M in 2017.

**October Use Tax Collected.** The total use tax collected in October was \$2.4M, an increase of 33.1% compared to last October.

**Net Sales and Use Tax Collected.** Total tax collected of \$12.5M was 6.1% higher than October 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	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	7,960,623	8,015,049	(54,426)	-0.7%	28,645,456	28,109,921	1.9%
April	9,552,190	9,389,056	163,134	1.7%	38,197,646	37,498,977	1.9%
May	9,003,489	8,942,502	60,987	0.7%	47,201,135	46,441,479	1.6%
June	9,610,964	9,377,610	233,354	2.5%	56,812,099	55,819,089	1.8%
July	10,379,725	10,167,663	212,062	2.1%	67,191,824	65,986,752	1.8%
August	9,654,776	9,446,309	208,467	2.2%	76,846,600	75,433,061	1.9%
September	10,181,629	10,156,212	25,417	0.3%	87,028,229	85,589,273	1.7%
October	10,070,070	10,247,814	(177,744)	-1.7%	97,098,299	95,837,087	1.3%
November	-	-	-	0.0%	-	105,191,794	0.0%
December	-	-	-	0.0%	-	114,500,700	0.0%
Net Collections	97,098,299	95,837,087	1,261,212	1.3%			
YTD Rebates	339,423	0	339,423			-	
Total Collections	\$ 97,437,722	\$ 95,837,087	\$ 1,600,635	1.7%		\$ 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	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	1,874,037	1,832,598	41,439	2.3%	5,517,871	5,497,794	0.4%
April	1,469,936	1,832,598	(362,662)	-19.8%	6,987,807	7,330,392	-4.7%
May	1,665,697	1,832,598	(166,901)	-9.1%	8,653,504	9,162,990	-5.6%
June	1,861,284	1,832,598	28,686	1.6%	10,514,788	10,995,588	-4.4%
July	1,688,422	1,832,598	(144,176)	-7.9%	12,203,210	12,828,186	-4.9%
August	1,716,015	1,832,598	(116,583)	-6.4%	13,919,225	14,660,784	-5.1%
September	1,520,675	1,832,598	(311,923)	-17.0%	15,439,900	16,493,382	-6.4%
October	2,435,752	1,832,598	603,154	32.9%	17,875,652	18,325,980	-2.5%
November	-	-	-	0.0%	-	20,158,578	0.0%
December	-	-	-	0.0%	-	22,000,000	0.0%
Net Collections	17,875,652	18,325,980	(450,328)	-2.5%			
YTD Rebates	-	0	-			-	
Total Collections	\$ 17,875,652	\$ 18,325,980	\$ (450,328)	-2.5%		\$ 22,000,000	

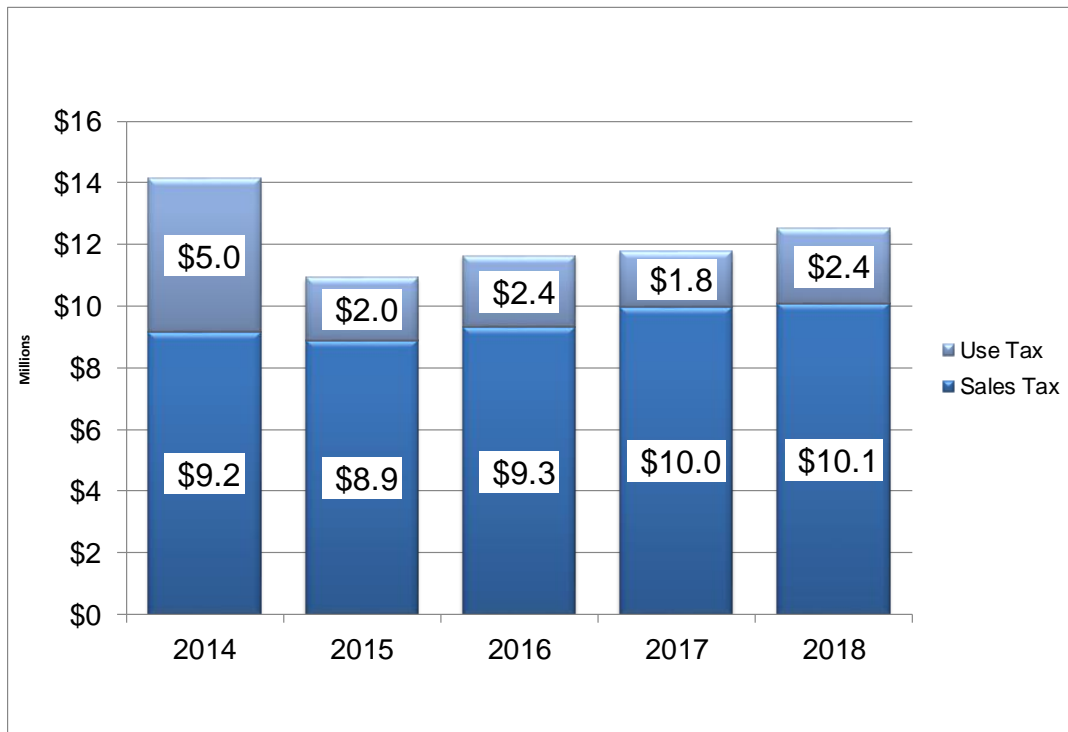
**Figure 5. Budget to Actual – Sales and Use Tax Distribution**

Fund	Actual Oct YTD	Budget Oct YTD	Over/(Under) Budget Oct YTD	% Over/(Under) Budget
Community Capital Improvement Program (.25%)	6,933,957	6,821,943	112,014	1.6%
Natural Areas and Parks (.25%)	6,933,957	6,821,943	112,014	1.6%
Keep Fort Collins Great (.85%)	23,370,529	23,194,927	175,602	0.8%
General Fund (2.25%) (net of rebates)	70,801,551	70,502,311	299,240	0.4%
General Fund Economic Rebates	339,423	0	339,423	100.0%
Total Collections	\$ 115,313,374	\$ 114,163,067	\$ 1,150,307	

**October Sales Tax Budget to Actual.** In October 2018, sales tax collected in Fort Collins was \$178K less than budget. Year to date, sales tax collected in the City was \$1.3M more than budget.

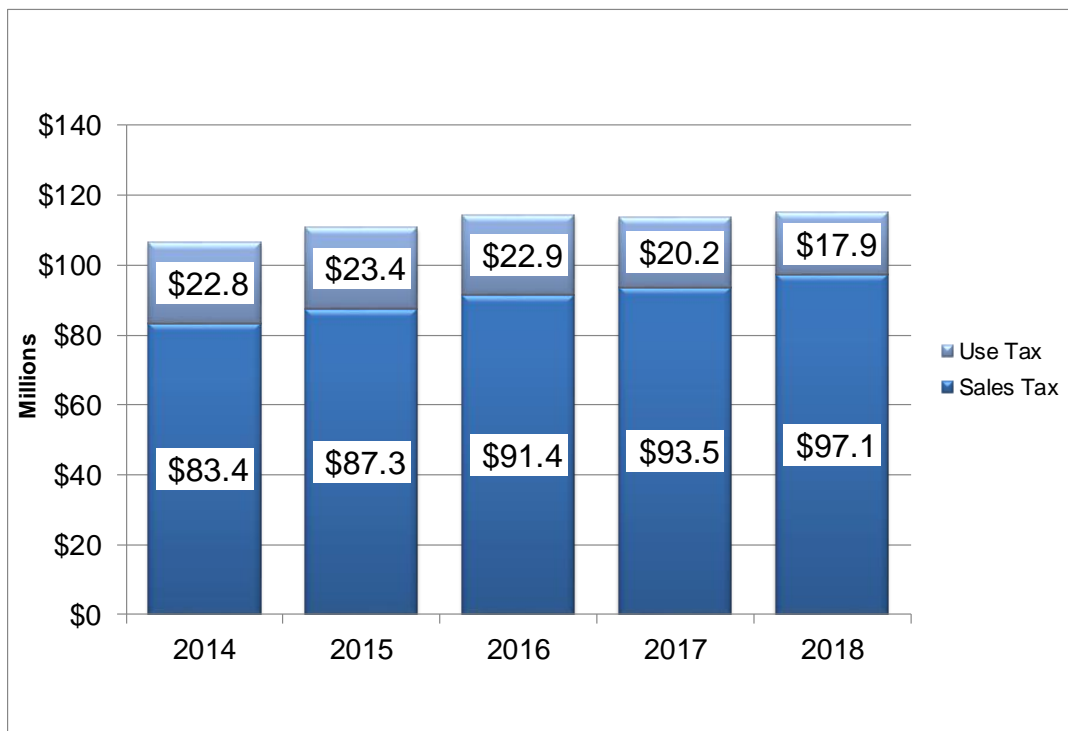
**October Use Tax Budget to Actual Excluding Rebates.** In October 2018, use tax collected in Fort Collins was \$603K more than budget. Year to date, use tax collected in the City was \$450K less than budget.

**Figure 6. October Collections\***



\*Total collections after rebates.

**Figure 7. Year to Date Collections\***



\*Total collections after rebates.

**Figure 8. Net Taxable**

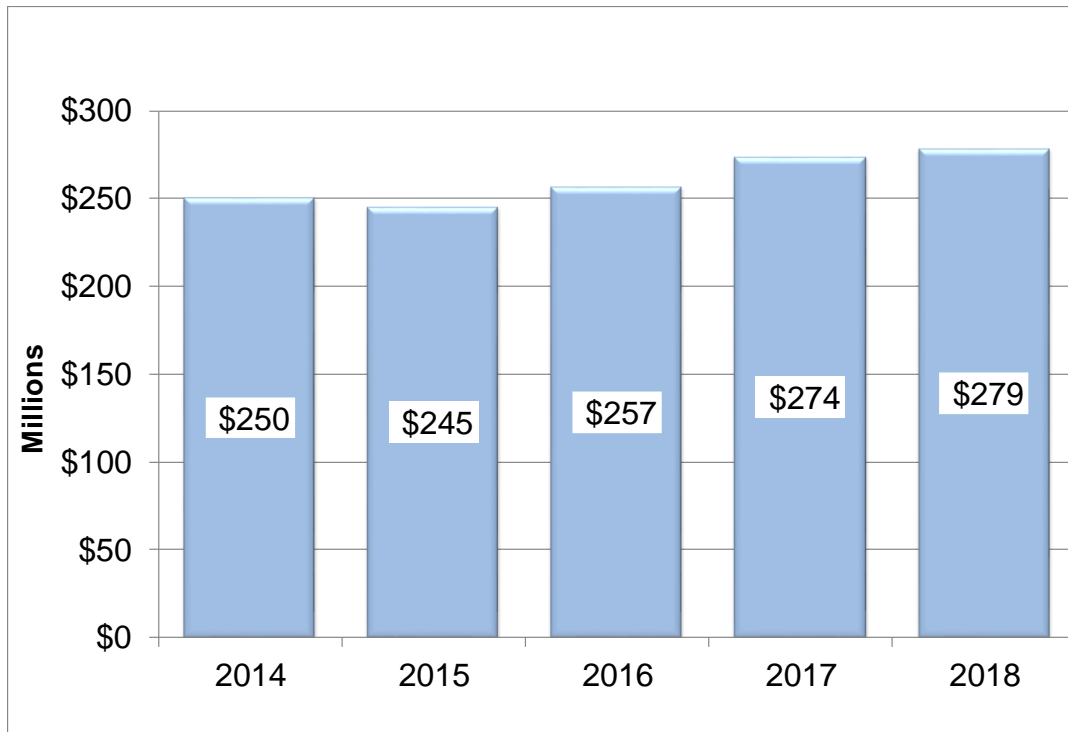
\$ in Millions	October Sales			Year to Date		
	Actual	Actual	%	Actual	Actual	%
	2017	2018	Change	2017	2018	Change
<b>SALES TAX</b>						
Grocery, Convenience, Liquor	\$44.6	\$45.6	2.2%	\$447.2	\$461.3	3.2%
Restaurants, Caterers and Bars	40.1	42.5	6.2%	372.8	394.7	5.9%
General Merchandise	25.5	25.8	1.2%	250.3	260.3	4.0%
Vehicle Sales, Parts and Repairs	21.0	20.2	-3.9%	195.9	198.0	1.1%
Building Materials, Garden Equipment & Supplies	20.5	22.0	7.4%	202.1	218.8	8.2%
Sporting, Hobby, Book, Music	13.3	10.7	-19.8%	116.9	116.4	-0.4%
Broadcasting and Telecommunications	10.3	11.5	11.1%	101.3	108.9	7.5%
Electronics and Appliances	15.1	8.4	-44.3%	126.6	117.2	-7.4%
Miscellaneous Retailers	17.8	19.8	11.0%	166.8	181.5	8.8%
Utilities	9.3	9.4	0.7%	105.6	108.6	2.8%
Clothing and Accessories	10.0	10.2	2.6%	87.8	90.3	2.8%
Pharmacy, Salon and Laundry	10.6	11.9	12.4%	98.2	111.3	13.3%
Other	7.0	7.1	1.1%	63.1	60.9	-3.4%
Rental and Leasing Services	5.9	5.8	-1.6%	57.7	55.4	-4.1%
Furniture and Home Furnishings	6.3	5.9	-6.7%	57.7	57.9	0.4%
Wholesale Trade	3.6	4.9	34.7%	36.0	47.2	31.2%
Lodging	6.2	8.5	35.8%	47.0	59.5	26.4%
Manufacturing	6.8	8.5	26.1%	55.0	55.4	0.8%
<b>NET TAXABLE SUBJECT TO SALES TAX</b>	<b>273.9</b>	<b>278.6</b>	<b>1.7%</b>	<b>2,587.9</b>	<b>2,703.6</b>	<b>4.5%</b>
<b>USE TAX</b>						
Building Permits	13.6	30.5	123.6%	206.0	151.8	-26.3%
Car Tax	14.3	15.0	5.2%	137.5	136.7	-0.5%
Return Tax	20.1	17.8	-11.6%	183.9	175.7	-4.4%
<b>NET TAXABLE SUBJECT TO USE TAX</b>	<b>48.0</b>	<b>63.3</b>	<b>31.8%</b>	<b>527.4</b>	<b>464.3</b>	<b>-12.0%</b>
<b>TOTAL NET TAXABLE SUBJECT TO SALES &amp; USE TAX</b>	<b>\$321.9</b>	<b>\$341.9</b>	<b>6.2%</b>	<b>\$3,115.2</b>	<b>\$3,167.9</b>	<b>1.7%</b>

**Figure 9. Local Retail Compared to National Retail**

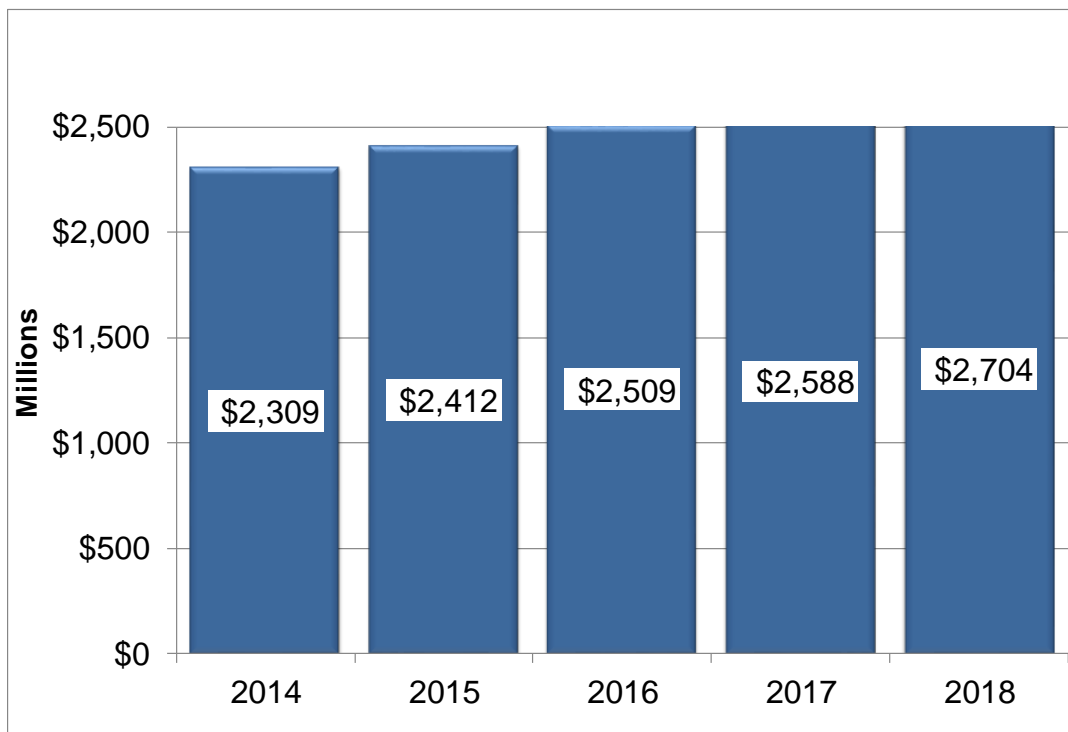
Retail Sales Category	% Change from September 2017 United States	% Change from September 2017 Fort Collins
Grocery, Convenience, Liquor	2.7	2.2
Restaurants, Caterers & Bars	7.1	6.2
General Merchandise	3.6	1.2
Vehicle Sales, Parts & Repairs	1.1	-3.9
Building Materials, Garden Equipment & Supplies	1.5	7.4
Clothing & Accessories	4.6	2.6
Furniture & Home Furnishings	4.3	-6.7
<b>Total</b>	<b>4.7</b>	<b>1.7</b>

At the national level, September 2018 retail sales (as reported on October 15, 2018) increased by 4.7% compared to an increase in Fort Collins' sales of 1.7%. September 2018 sales are the basis for the City's October 2018 sales tax collections and net taxable amounts (which are included in this report).

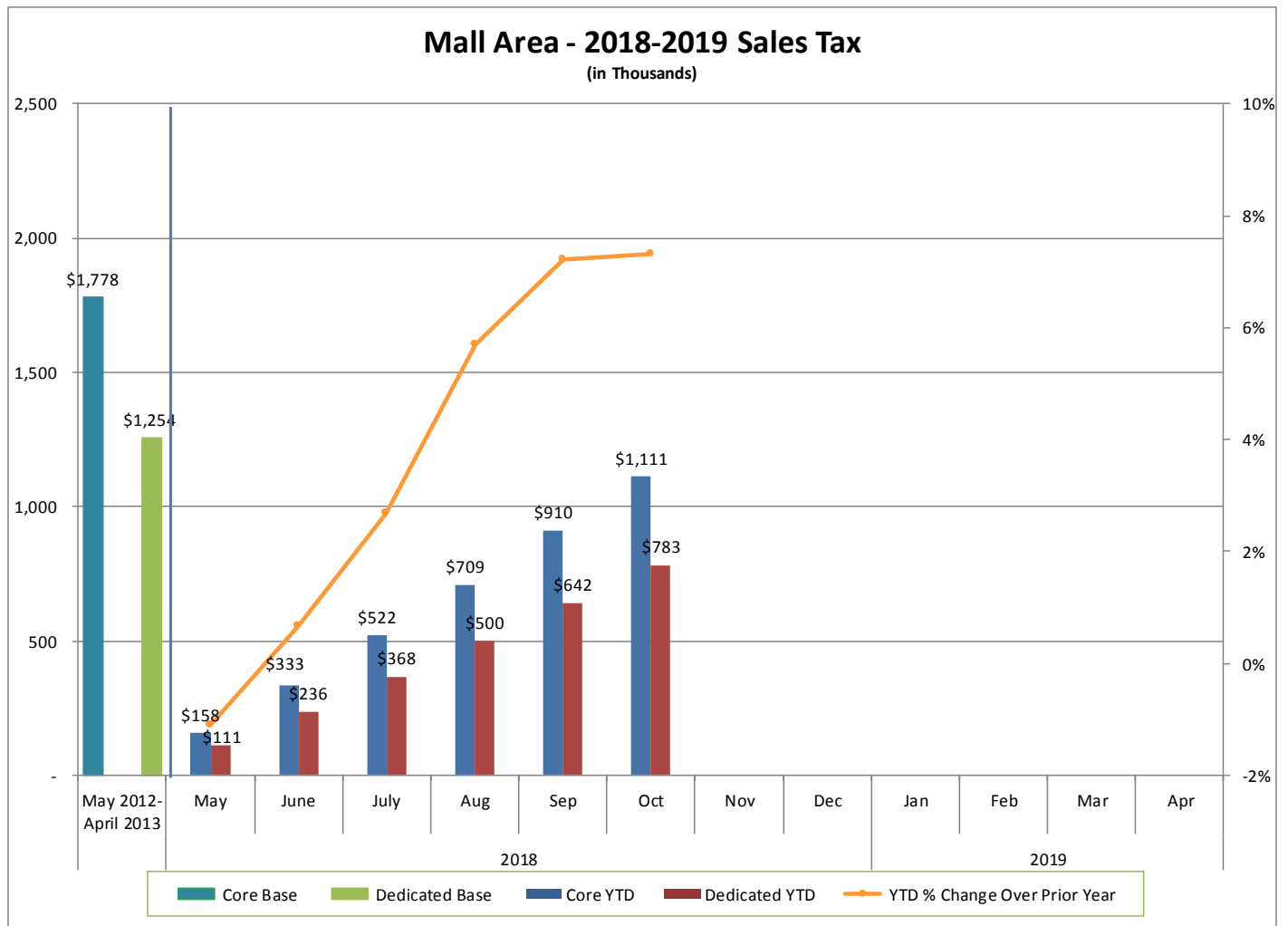
**Figure 10. October - Net Taxable Sales Subject to Sales Tax**



**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 October 31, 2018, the year to date core amount collected is \$1.1M resulting in no tax being due to the Metro District.

**Sales Tax in the City’s Downtown Area.** The sales tax collected in October for the downtown area increased 9.6% from the same period in 2017.

**Lodging Tax Collections.** The City collected \$212K in lodging tax in October 2018. This was an increase of 22.8% from October 2017.

**Sales Tax Licenses.** There were 12,554 active sales tax licenses at the end of October.