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## Sales and Use Tax Collection Report – February 2020

Issued March 10, 2020

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 February is predominately from January sales but also includes delinquent collections from prior periods.

### FEBRUARY SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	2.2%	5.4%
Net Use Tax Collected:	-46.0%	-21.7%
Net Sales and Use Tax Collected:	-9.8%	-0.7%

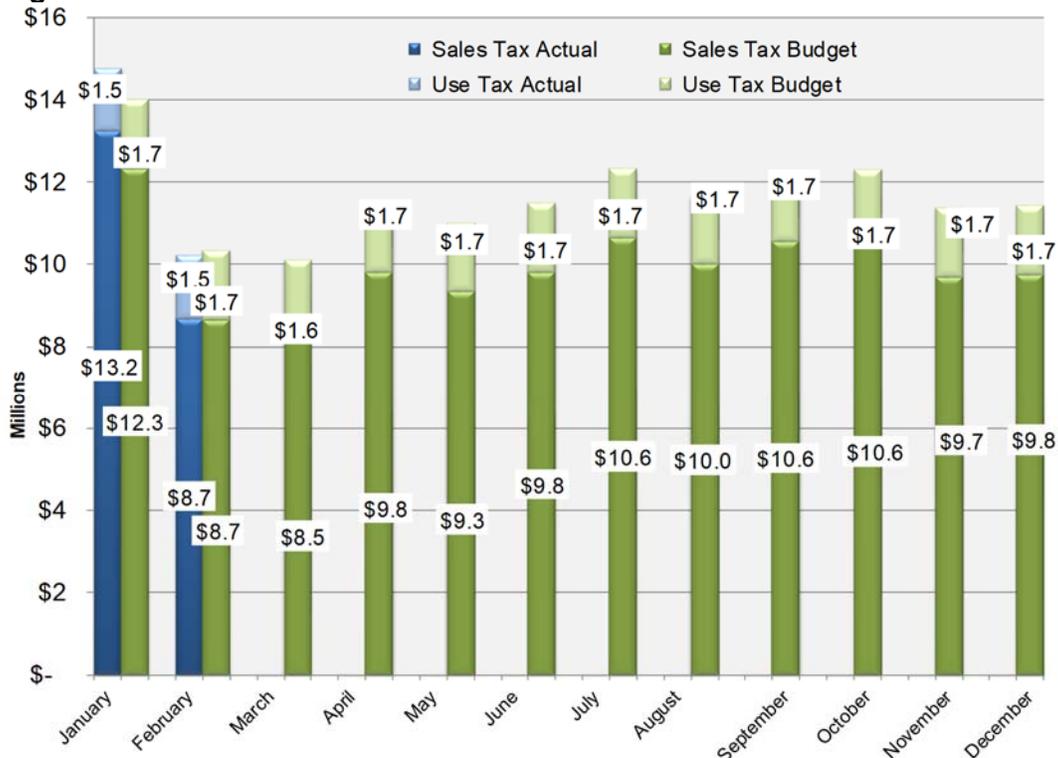
Year to date, sales and use tax collections excluding rebates are up 0.7% and total \$25.3M.

### FEBRUARY SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	0.4%	4.5%
Net Use Tax Collected:	-9.6%	0.8%
Net Sales and Use Tax Collected:	-1.2%	3.9%

Year to date, the City has collected 3.9% more sales and use tax revenue, totaling \$961K over budget.

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



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

	February			Year to Date		
	Actual 2019	Actual 2020	% Change	Actual 2019	Actual 2020	% Change
<b>SALES TAX COLLECTIONS</b>						
Grocery, Convenience, Liquor	\$1,159,389	\$1,217,911	5.0%	\$3,143,890	\$3,259,457	3.7%
Restaurants, Caterers and Bars	1,371,629	1,431,100	4.3%	2,957,194	3,080,004	4.2%
General Merchandise	719,771	612,156	-15.0%	1,952,801	1,854,225	-5.0%
Vehicle Sales, Parts and Repairs	666,479	719,452	7.9%	1,437,645	1,605,155	11.7%
Building Materials, Garden Equipment & Supplies	672,251	639,999	-4.8%	1,432,271	1,527,453	6.6%
Sporting, Hobby, Book, Music	396,455	388,016	-2.1%	1,105,522	982,631	-11.1%
Broadcasting and Telecommunications	444,951	319,309	-28.2%	922,995	738,162	-20.0%
Electronics and Appliances	347,803	418,383	20.3%	863,854	1,102,795	27.7%
Miscellaneous Retailers	669,349	772,615	15.4%	1,769,013	2,075,342	17.3%
Utilities	510,649	509,762	-0.2%	914,861	960,217	5.0%
Clothing and Accessories	262,658	254,069	-3.3%	765,885	780,427	1.9%
Pharmacy, Salon and Laundry	403,603	498,204	23.4%	934,742	1,077,627	15.3%
Other	186,567	210,727	12.9%	631,406	690,115	9.3%
Rental and Leasing Services	188,121	196,196	4.3%	443,160	457,408	3.2%
Furniture and Home Furnishings	173,783	160,902	-7.4%	448,105	424,409	-5.3%
Wholesale Trade	161,498	204,982	26.9%	421,085	536,500	27.4%
Lodging	140,829	140,691	-0.1%	358,064	354,703	-0.9%
Manufacturing	150,787	167,292	10.9%	425,597	601,976	41.4%
<b>TOTAL SALES TAX</b>	<b>8,626,572</b>	<b>8,861,766</b>	<b>2.7%</b>	<b>20,928,090</b>	<b>22,108,606</b>	<b>5.6%</b>
Less Mall Sales Tax Remittance*	(128,650)	(175,323)	36.3%	(128,650)	(189,319)	47.2%
<b>NET SALES TAX</b>	<b>8,497,922</b>	<b>8,686,443</b>	<b>2.2%</b>	<b>20,799,440</b>	<b>21,919,287</b>	<b>5.4%</b>
<b>USE TAX COLLECTIONS</b>						
Building Permits	1,072,731	329,790	-69.3%	1,302,278	868,497	-33.3%
Car Tax	698,209	613,377	-12.1%	1,198,288	1,277,771	6.6%
Return Tax	1,050,608	580,573	-44.7%	1,823,456	1,240,945	-31.9%
<b>TOTAL USE TAX</b>	<b>2,821,548</b>	<b>1,523,740</b>	<b>-46.0%</b>	<b>4,324,022</b>	<b>3,387,213</b>	<b>-21.7%</b>
Less Economic Rebates	0	0	0.0%	0	0	0.0%
<b>NET USE TAX</b>	<b>2,821,548</b>	<b>1,523,740</b>	<b>-46.0%</b>	<b>4,324,022</b>	<b>3,387,213</b>	<b>-21.7%</b>
<b>SALES &amp; USE TAX COLLECTIONS</b>						
Total Sales & Use Tax	11,448,120	10,385,506	-9.3%	25,252,112	25,495,819	1.0%
Less Mall Sales Tax Remittance	(128,650)	(175,323)	36.3%	(128,650)	(189,319)	47.2%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
<b>NET SALES &amp; USE TAX</b>	<b>11,319,470</b>	<b>10,210,183</b>	<b>-9.8%</b>	<b>25,123,462</b>	<b>25,306,500</b>	<b>0.7%</b>
<b>SALES &amp; USE TAX DISTRIBUTION</b>						
Streets and Transportation (.25%)	694,853	625,495	-10.0%	1,461,352	1,522,088	4.2%
Community Capital Improvement Program (.25%)	694,853	625,495	-10.0%	1,461,352	1,522,088	4.2%
Natural Areas (.25%)	694,853	625,495	-10.0%	1,461,352	1,522,088	4.2%
Keep Fort Collins Great (.85%)	2,286,047	2,111,042	-7.7%	4,853,859	5,136,651	5.8%
General Fund (2.25%)	7,077,514	6,397,979	-9.6%	16,014,197	15,792,904	-1.4%
Less General Fund Mall Sales Tax Remittance	(128,650)	(175,323)	100.0%	(128,650)	(189,319)	100.0%
Less General Fund Economic Rebates	0	0	0.0%	0	0	0.0%
<b>NET SALES &amp; USE TAX</b>	<b>\$11,319,470</b>	<b>\$10,210,183</b>	<b>-9.8%</b>	<b>\$25,123,462</b>	<b>\$25,306,500</b>	<b>0.7%</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

**February Sales Tax Collected.** In February 2020, sales tax collected in Fort Collins increased 2.2% compared to February 2019. Sales tax collected totaled \$8.7M compared to \$8.5M in 2019.

**February Use Tax Collected.** The total use tax collected in February was \$1.5M, a decrease of 46.0% compared to February 2019.

**Net Sales and Use Tax Collected.** Total tax collected of \$10.2M was 9.8% lower than February 2019.

**Figure 3. Budget to Actual - Sales Tax Collected**

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date	Annual	Year to Date %
					Actual	Budget	Over/(Under) Annual Budget
January	\$ 13,232,844	12,331,803	\$ 901,041	7.3%	\$ 13,232,844	\$ 12,331,803	7.3%
February	8,686,443	8,652,328	34,115	0.4%	21,919,287	20,984,131	4.5%
March	-	-	-	0.0%	-	29,441,795	0.0%
April	-	-	-	0.0%	-	39,249,997	0.0%
May	-	-	-	0.0%	-	48,588,847	0.0%
June	-	-	-	0.0%	-	58,395,603	0.0%
July	-	-	-	0.0%	-	69,036,186	0.0%
August	-	-	-	0.0%	-	79,040,353	0.0%
September	-	-	-	0.0%	-	89,598,707	0.0%
October	-	-	-	0.0%	-	100,240,368	0.0%
November	-	-	-	0.0%	-	109,944,142	0.0%
December	-	-	-	0.0%	-	119,703,200	0.0%
Net Collections	21,919,287	20,984,131	935,156	4.5%			
YTD Rebates	332,746	130,000	202,746			-	
Total Collections	\$ 22,252,032	\$ 21,114,131	\$ 1,137,901	5.4%		\$ 119,703,200	

**Figure 4. Budget to Actual – Use Tax Collected**

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date	Annual	Year to Date %
					Actual	Budget	Over/(Under) Annual Budget
January	\$ 1,863,473	\$ 1,674,628	\$ 188,845	11.3%	\$ 1,863,473	\$ 1,674,628	11.3%
February	1,523,740	1,686,398	(162,658)	-9.6%	3,387,213	3,361,026	0.8%
March	-	-	-	0.0%	-	5,010,137	0.0%
April	-	-	-	0.0%	-	6,671,677	0.0%
May	-	-	-	0.0%	-	8,339,996	0.0%
June	-	-	-	0.0%	-	10,006,432	0.0%
July	-	-	-	0.0%	-	11,676,634	0.0%
August	-	-	-	0.0%	-	13,349,849	0.0%
September	-	-	-	0.0%	-	15,004,797	0.0%
October	-	-	-	0.0%	-	16,666,619	0.0%
November	-	-	-	0.0%	-	18,345,202	0.0%
December	-	-	-	0.0%	-	20,000,008	0.0%
Net Collections	3,387,213	3,361,026	26,187	0.8%			
YTD Rebates	-	0	-			-	
Total Collections	\$ 3,387,213	\$ 3,361,026	\$ 26,187	0.8%		\$ 20,000,008	

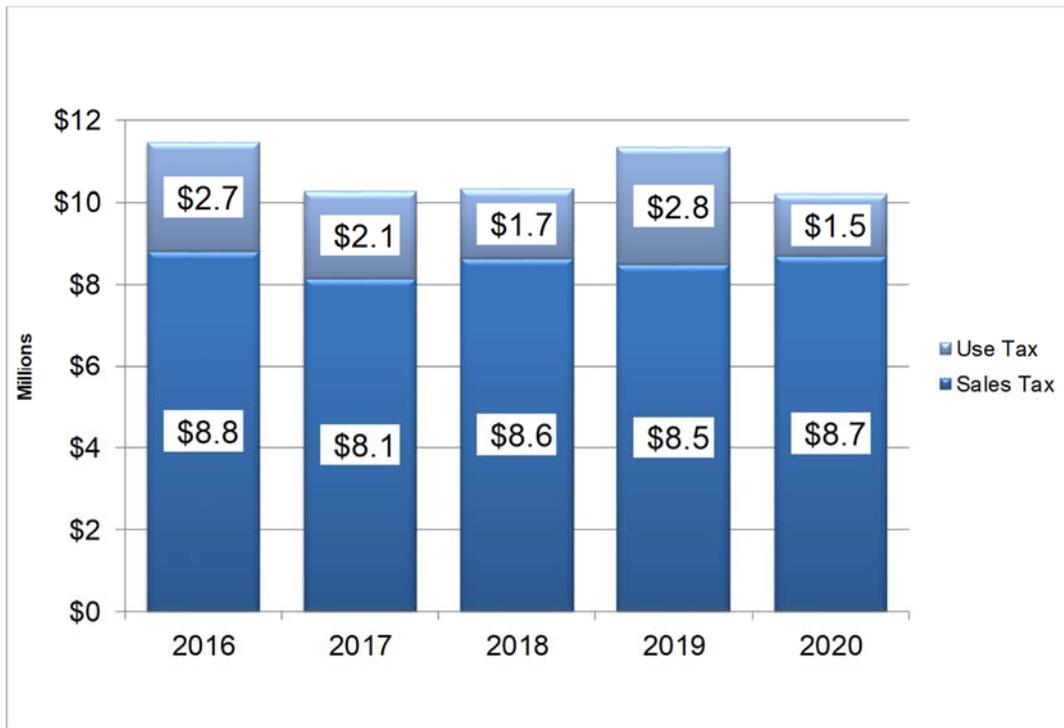
**Figure 5. Budget to Actual – Sales and Use Tax Distribution**

Fund	Actual	Budget	Over/(Under)	%
	Feb YTD	Feb YTD	Budget Feb YTD	Over/(Under) Budget
Streets and Transportation (.25%)	1,522,088	1,458,855	63,233	4.3%
Community Capital Improvement Program (.25%)	1,522,088	1,458,855	63,233	4.3%
Natural Areas and Parks (.25%)	1,522,088	1,458,855	63,233	4.3%
Keep Fort Collins Great (.85%)	5,136,651	4,928,688	207,963	4.2%
General Fund (2.25%) (net of rebates)	15,603,585	15,039,904	563,681	3.7%
General Fund Economic Rebates	189,319	130,000	59,319	100.0%
Total Collections	\$ 25,495,819	\$ 24,475,157	\$ 1,020,662	

**February Sales Tax Budget to Actual.** In February 2020, sales tax collected in Fort Collins was \$34K more than budget.

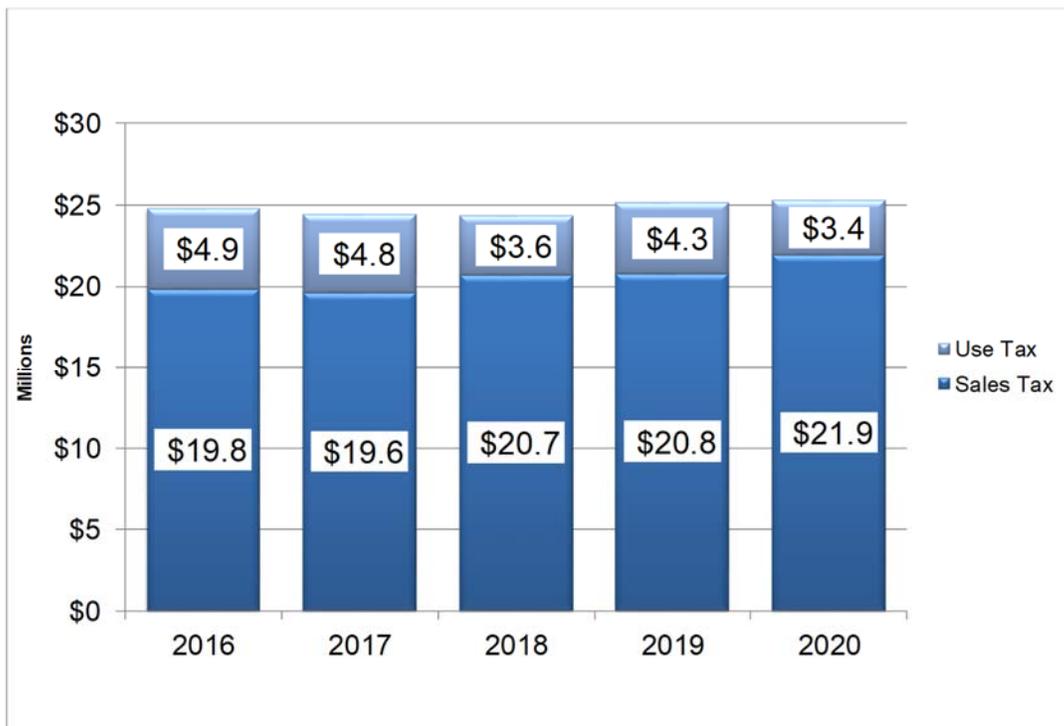
**February Use Tax Budget to Actual Excluding Rebates.** In February 2020, use tax collected in Fort Collins was \$163K less than budget.

**Figure 6. February Collections\***



\*Total collections after rebates.

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



\*Total collections after rebates.

**Figure 8. Net Taxable**

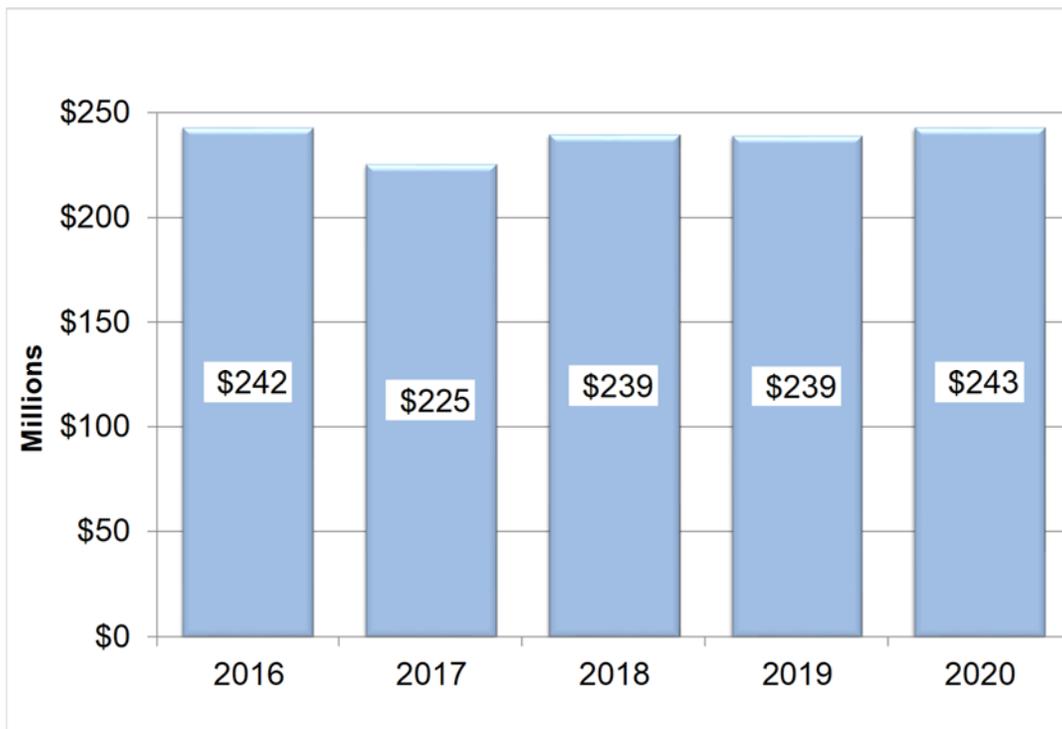
\$ in Millions	February			Year to Date		
	Actual	Actual	%	Actual	Actual	%
	2019	2020	Change	2019	2020	Change
<b>SALES TAX</b>						
Grocery, Convenience, Liquor	\$41.1	\$43.1	4.9%	\$112.5	\$116.1	3.2%
Restaurants, Caterers and Bars	36.2	36.8	1.7%	77.7	79.1	1.8%
General Merchandise	21.6	18.0	-16.7%	57.5	54.2	-5.7%
Vehicle Sales, Parts and Repairs	17.2	18.7	8.7%	37.4	40.9	9.6%
Building Materials, Garden Equipment & Supplies	17.4	16.6	-4.8%	37.5	40.0	6.6%
Sporting, Hobby, Book, Music	10.3	10.0	-2.4%	25.5	25.5	-0.2%
Broadcasting and Telecommunications	11.6	8.2	-28.6%	24.0	19.1	-20.2%
Electronics and Appliances	8.9	10.6	19.1%	22.3	28.4	27.3%
Miscellaneous Retailers	17.5	20.2	15.4%	45.8	54.3	18.5%
Utilities	13.3	13.2	-0.2%	23.8	24.9	5.0%
Clothing and Accessories	6.8	6.6	-3.3%	20.0	20.2	1.1%
Pharmacy, Salon and Laundry	10.8	12.4	14.9%	24.7	28.1	13.8%
Other	4.6	5.6	22.4%	15.8	18.1	14.4%
Rental and Leasing Services	4.9	5.0	2.9%	11.5	11.9	3.2%
Furniture and Home Furnishings	4.4	4.1	-6.7%	11.7	11.2	-4.1%
Wholesale Trade	4.3	5.5	26.8%	11.3	14.3	26.5%
Lodging	3.7	3.5	-6.9%	9.4	9.1	-3.5%
Manufacturing	3.9	4.3	11.4%	11.2	15.8	41.3%
<b>NET TAXABLE SUBJECT TO SALES TAX</b>	<b>238.5</b>	<b>242.7</b>	<b>1.8%</b>	<b>579.5</b>	<b>611.3</b>	<b>5.5%</b>
<b>USE TAX</b>						
Building Permits	27.9	8.6	-69.3%	33.8	22.6	-33.3%
Car Tax	18.1	15.9	-12.1%	31.1	33.2	6.6%
Return Tax	27.3	15.1	-44.7%	47.4	32.2	-31.9%
<b>NET TAXABLE SUBJECT TO USE TAX</b>	<b>73.3</b>	<b>39.6</b>	<b>-46.0%</b>	<b>112.3</b>	<b>88.0</b>	<b>-21.7%</b>
<b>TOTAL NET TAXABLE SUBJECT TO SALES &amp; USE TAX</b>	<b>\$311.8</b>	<b>\$282.3</b>	<b>-9.5%</b>	<b>\$691.9</b>	<b>\$699.2</b>	<b>1.1%</b>

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

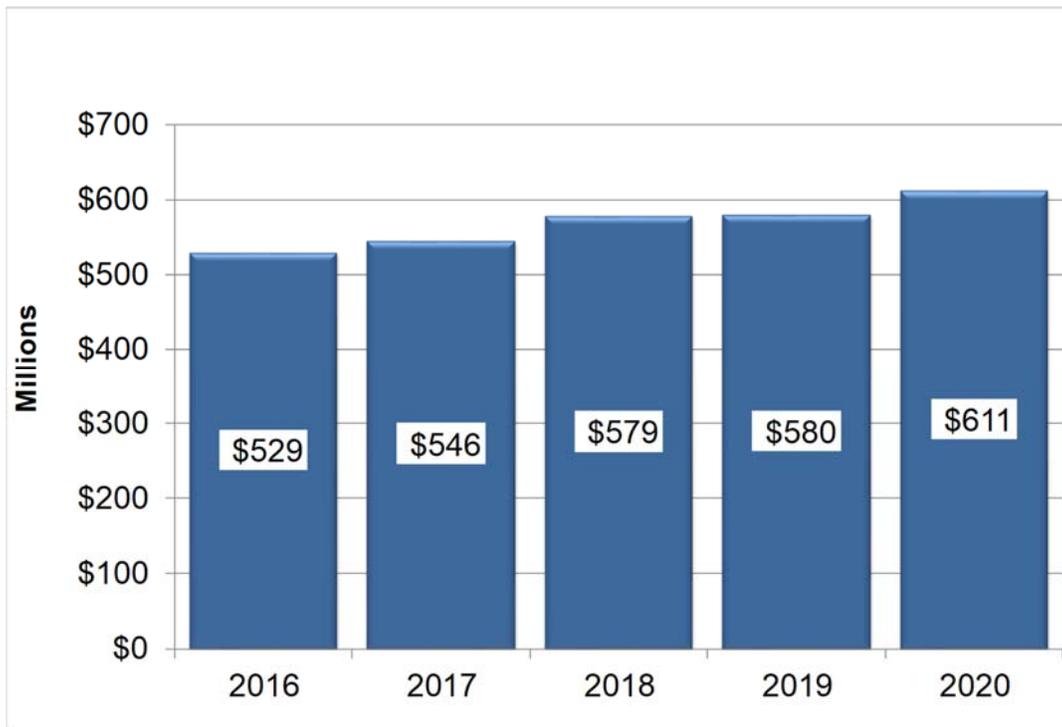
Retail Sales Category	% Change from January 2019 United States	% Change from January 2019 Fort Collins
Grocery, Convenience, Liquor	2.5	4.9
Restaurants, Caterers & Bars	7.4	1.7
General Merchandise	2.1	-16.7
Vehicle Sales, Parts & Repairs	5.7	8.7
Building Materials, Garden Equipment & Supplies	-1.3	-4.8
Clothing & Accessories	0.0	-3.3
Furniture & Home Furnishings	1.8	-6.7
<b>Total</b>	<b>4.4</b>	<b>1.8</b>

At the national level, January 2020 retail sales (as reported on February 14, 2020) increased by 4.4% compared to an increase in Fort Collins' sales of 1.8%. January 2020 sales are the basis for the City's February 2020 sales tax collections and net taxable amounts (which are included in this report).

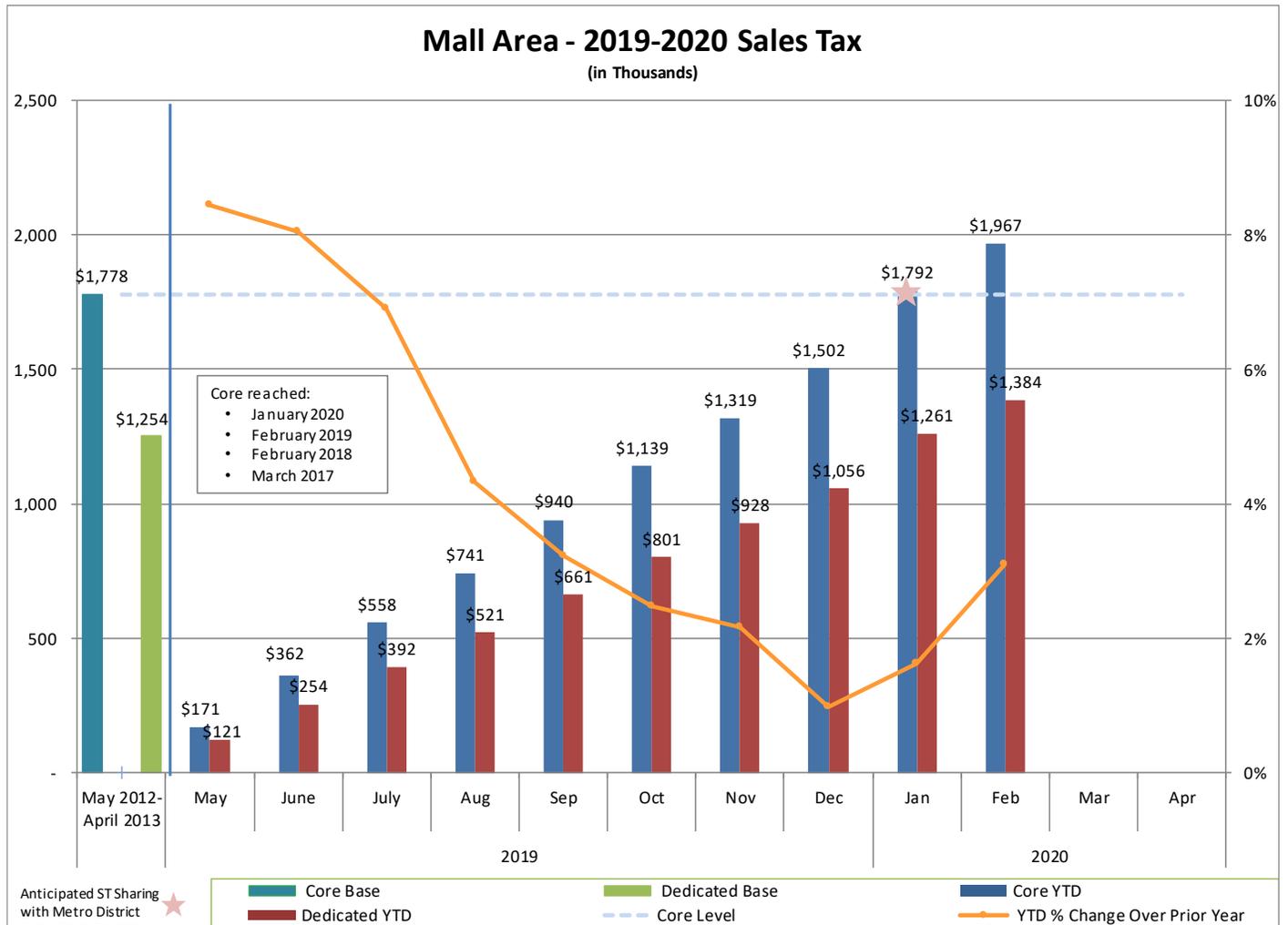
**Figure 10. February - Net Taxable Sales Subject to Sales Tax**



**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 29, 2020, the year to date core amount collected is \$1.8M resulting in \$175K tax due to the Metro District.

**Sales Tax in the City's Downtown Area.** The sales tax collected in February for the downtown area increased 2.1% from the same period in 2019.

**Lodging Tax Collections.** The City collected \$92K in lodging tax in February 2020. This was a decrease of 0.6% from February 2019.

**Sales Tax Licenses.** There were 13,587 active sales tax licenses at the end of February.