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Sales and Use Tax Collection Report – July 2020

Issued August 10, 2020

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

JULY SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	-3.8%	-4.1%
Net Use Tax Collected:	6.2%	-12.6%
Net Sales and Use Tax Collected:	-2.4%	-5.5%

Year to date, sales and use tax collections excluding rebates are down 5.5% and total \$76.8M. For trending purposes, adjusting for anomalies (i.e. audits and refunds from prior periods) sales and use tax collections are down 5.1% from July 2019.

JULY SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	-3.8%	-5.0%
Net Use Tax Collected:	6.7%	-4.0%
Net Sales and Use Tax Collected:	-2.4%	-4.8%

Year to date, the City has collected 4.8% less sales and use tax revenue, totaling \$3.9M under budget.

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

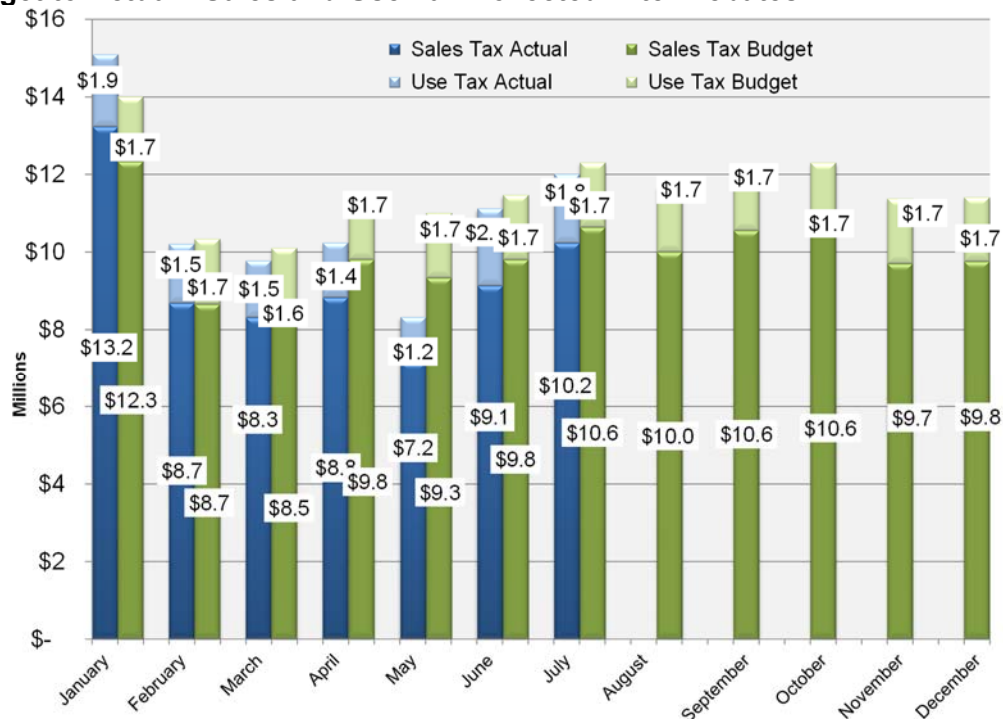


Figure 2. Sales and Use Tax Collected

	July			Year to Date		
	Actual 2019	Actual 2020	% Change	Actual 2019	Actual 2020	% Change
SALES TAX COLLECTIONS						
Grocery, Convenience, Liquor	\$1,264,186	\$1,404,956	11.1%	\$9,400,322	\$10,259,096	9.1%
Restaurants, Caterers and Bars	1,632,874	1,321,984	-19.0%	10,742,450	8,613,542	-19.8%
General Merchandise	922,769	963,211	4.4%	6,029,530	6,196,152	2.8%
Vehicle Sales, Parts and Repairs	763,920	865,730	13.3%	5,015,117	4,973,410	-0.8%
Building Materials, Garden Equipment & Supplies	1,044,708	1,253,259	20.0%	5,649,554	6,307,831	11.7%
Sporting, Hobby, Book, Music	442,020	450,616	1.9%	2,985,808	2,343,140	-21.5%
Broadcasting and Telecommunications	410,621	333,737	-18.7%	2,982,100	2,369,234	-20.6%
Electronics and Appliances	396,343	313,132	-21.0%	2,782,656	2,608,105	-6.3%
Miscellaneous Retailers	991,915	960,301	-3.2%	5,570,518	5,946,945	6.8%
Utilities	331,532	368,075	11.0%	2,984,595	2,917,881	-2.2%
Clothing and Accessories	378,524	261,346	-31.0%	2,512,464	1,704,961	-32.1%
Pharmacy, Salon and Laundry	486,412	525,720	8.1%	3,199,574	3,482,857	8.9%
Other	312,470	265,021	-15.2%	1,853,242	1,790,021	-3.4%
Rental and Leasing Services	246,659	219,724	-10.9%	1,501,432	1,414,834	-5.8%
Furniture and Home Furnishings	187,645	194,060	3.4%	1,323,887	1,152,488	-12.9%
Wholesale Trade	293,099	253,950	-13.4%	1,491,529	1,511,053	1.3%
Lodging	323,880	93,447	-71.1%	1,507,857	766,631	-49.2%
Manufacturing	209,104	185,778	-11.2%	1,373,555	1,662,619	21.0%
TOTAL SALES TAX	10,638,681	10,234,047	-3.8%	68,906,190	66,020,800	-4.2%
Less Mall Sales Tax Remittance*	0	0	0.0%	(476,928)	(426,675)	-10.5%
NET SALES TAX	10,638,681	10,234,047	-3.8%	68,429,262	65,594,125	-4.1%
USE TAX COLLECTIONS						
Building Permits	353,520	447,366	26.5%	2,961,151	3,266,883	10.3%
Car Tax	616,431	511,849	-17.0%	4,118,907	3,599,348	-12.6%
Return Tax	707,106	822,425	16.3%	5,746,059	4,342,519	-24.4%
TOTAL USE TAX	1,677,057	1,781,640	6.2%	12,826,117	11,208,750	-12.6%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
NET USE TAX	1,677,057	1,781,640	6.2%	12,826,117	11,208,750	-12.6%
SALES & USE TAX COLLECTIONS						
Total Sales & Use Tax	12,315,738	12,015,687	-2.4%	81,732,307	77,229,550	-5.5%
Less Mall Sales Tax Remittance*	0	0	0.0%	(476,928)	(426,675)	-10.5%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
NET SALES & USE TAX	12,315,738	12,015,687	-2.4%	81,255,379	76,802,875	-5.5%
SALES & USE TAX DISTRIBUTION						
Streets and Transportation (.25%)	729,752	721,663	-1.1%	4,856,562	4,561,486	-6.1%
Community Capital Improvement Program (.25%)	729,752	721,663	-1.1%	4,856,562	4,561,486	-6.1%
Natural Areas (.25%)	729,752	721,663	-1.1%	4,856,562	4,561,486	-6.1%
Keep Fort Collins Great (.85%)	2,465,214	2,445,695	-0.8%	16,244,702	15,385,538	-5.3%
General Fund (2.25%)	7,661,268	7,405,003	-3.3%	50,917,919	48,159,554	-5.4%
Less Mall Sales Tax Remittance*	0	0	0.0%	(476,928)	(426,675)	-10.5%
Less General Fund Economic Rebates	0	0	0.0%	0	0	0.0%
NET SALES & USE TAX	\$12,315,738	\$12,015,687	-2.4%	\$81,255,379	\$76,802,875	-5.5%

* 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

July Sales Tax Collected. In July 2020, sales tax collected in Fort Collins decreased 3.8% compared to July 2019. Sales tax collected totaled \$10.2M compared to \$10.6M in 2019.

July Use Tax Collected. The total use tax collected in July was \$1.8M, an increase of 6.2% compared to July 2019.

Net Sales and Use Tax Collected. Total tax collected of \$12.0M was 2.4% lower than July 2019.

Figure 3. Budget to Actual - Sales Tax Collected

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date Actual	Annual Budget	Year to Date % 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	8,316,054	8,457,664	(141,610)	-1.7%	30,235,340	29,441,795	2.7%
April	8,828,873	9,808,202	(979,329)	-10.0%	39,064,213	39,249,997	-0.5%
May	7,162,576	9,338,850	(2,176,274)	-23.3%	46,226,789	48,588,847	-4.9%
June	9,133,289	9,806,756	(673,467)	-6.9%	55,360,078	58,395,603	-5.2%
July	10,234,047	10,640,583	(406,536)	-3.8%	65,594,125	69,036,186	-5.0%
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	65,594,125	69,036,186	(3,442,061)	-5.0%			
YTD Rebates	426,675	480,000	(53,325)			-	
Total Collections	\$ 66,020,800	\$ 69,516,186	\$ (3,495,386)	-5.0%		\$ 119,703,200	

Figure 4. Budget to Actual – Use Tax Collected

Month	Actual	Budget	Over/(Under) Budget	% Over/(Under) Budget	Year to Date Actual	Annual Budget	Year to Date % 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	1,467,641	1,649,111	(181,470)	-11.0%	4,854,854	5,010,137	-3.1%
April	1,416,785	1,661,540	(244,755)	-14.7%	6,271,639	6,671,677	-6.0%
May	1,164,169	1,668,319	(504,150)	-30.2%	7,435,808	8,339,996	-10.8%
June	1,991,302	1,666,436	324,866	19.5%	9,427,110	10,006,432	-5.8%
July	1,781,640	1,670,202	111,438	6.7%	11,208,750	11,676,634	-4.0%
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	11,208,750	11,676,634	(467,884)	-4.0%			
YTD Rebates	-	0	-			-	
Total Collections	\$ 11,208,750	\$ 11,676,634	\$ (467,884)	-4.0%		\$ 20,000,008	

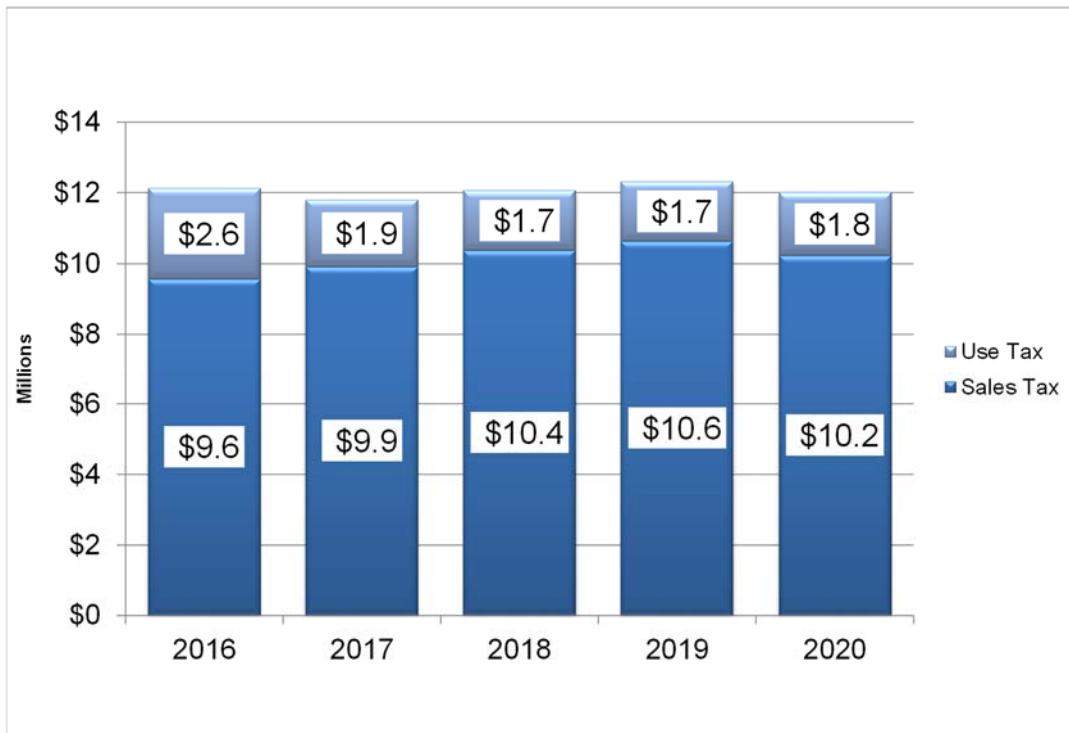
Figure 5. Budget to Actual – Sales and Use Tax Distribution

Fund	Actual July YTD	Budget July YTD	Over/(Under) Budget July YTD	% Over/(Under) Budget
Streets and Transportation (.25%)	4,561,486	4,817,946	(256,460)	-5.3%
Community Capital Improvement Program (.25%)	4,561,486	4,817,946	(256,460)	-5.3%
Natural Areas and Parks (.25%)	4,561,486	4,817,946	(256,460)	-5.3%
Keep Fort Collins Great (.85%)	15,385,538	16,369,604	(984,066)	-6.0%
General Fund (2.25%) (net of rebates)	47,732,879	49,889,380	(2,156,501)	-4.3%
General Fund Economic Rebates	426,675	480,000	(53,325)	-11.1%
Total Collections	\$ 77,229,550	\$ 81,192,822	\$ (3,963,272)	

July Sales Tax Budget to Actual. In July 2020, sales tax collected in Fort Collins was \$407K less than budget.

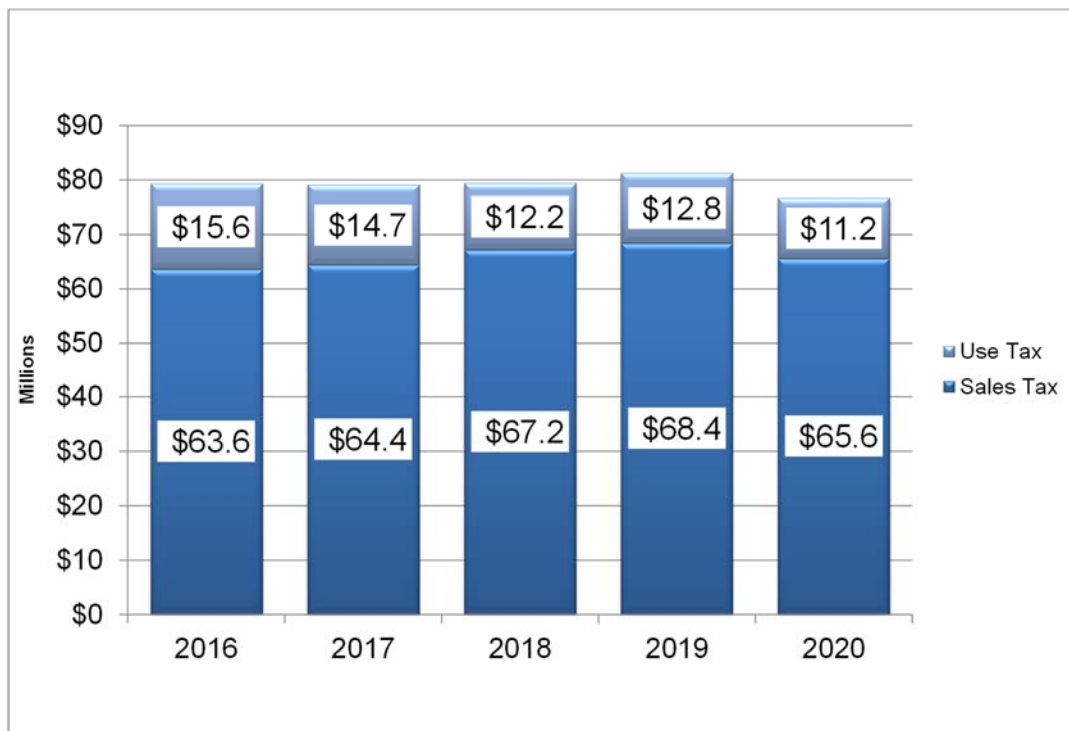
July Use Tax Budget to Actual Excluding Rebates. In July 2020, use tax collected in Fort Collins was \$111K more than budget.

Figure 6. July Collections*



*Total collections after rebates.

Figure 7. Year to Date Collections*



*Total collections after rebates.

Figure 8. Net Taxable

	July			Year to Date		
	Actual 2019	Actual 2020	% Change	Actual 2019	Actual 2020	% Change
\$ in Millions						
SALES TAX						
Grocery, Convenience, Liquor	\$44.6	\$49.1	10.2%	\$332.8	\$362.8	9.0%
Restaurants, Caterers and Bars	42.0	33.7	-19.8%	280.1	222.6	-20.5%
General Merchandise	25.0	28.5	13.9%	174.1	181.7	4.4%
Vehicle Sales, Parts and Repairs	19.6	22.1	12.5%	129.8	127.8	-1.5%
Building Materials, Garden Equipment & Supplies	27.3	32.6	19.4%	146.7	164.1	11.8%
Sporting, Hobby, Book, Music	11.5	11.7	1.7%	74.6	64.3	-13.8%
Broadcasting and Telecommunications	10.6	8.7	-18.2%	77.4	61.4	-20.6%
Electronics and Appliances	10.3	8.3	-18.9%	72.0	67.7	-6.0%
Miscellaneous Retailers	26.1	25.0	-4.2%	145.8	154.5	6.0%
Utilities	8.6	9.7	12.3%	79.6	75.9	-4.6%
Clothing and Accessories	9.8	6.7	-31.7%	64.2	44.2	-31.2%
Pharmacy, Salon and Laundry	12.7	13.7	8.0%	84.0	90.9	8.1%
Other	8.1	6.9	-14.9%	47.5	46.0	-3.1%
Rental and Leasing Services	6.4	5.7	-10.5%	39.0	36.8	-5.6%
Furniture and Home Furnishings	4.9	5.1	5.0%	34.6	30.4	-12.2%
Wholesale Trade	7.8	6.7	-14.1%	40.1	40.2	0.2%
Lodging	8.4	2.4	-71.6%	39.2	19.6	-50.0%
Manufacturing	5.4	4.9	-10.2%	36.1	40.6	12.6%
NET TAXABLE SUBJECT TO SALES TAX	289.2	281.5	-2.7%	1,897.5	1,831.6	-3.5%
USE TAX						
Building Permits	9.2	11.6	26.5%	76.9	84.9	10.3%
Car Tax	16.0	13.3	-17.0%	107.0	93.5	-12.6%
Return Tax	18.4	21.4	16.3%	149.2	112.8	-24.4%
NET TAXABLE SUBJECT TO USE TAX	43.6	46.3	6.2%	333.1	291.1	-12.6%
TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX	\$332.8	\$327.8	-1.5%	\$2,230.7	\$2,122.7	-4.8%

Figure 9. Local Retail Compared to National Retail

Retail Sales Category	% Change from June 2019 United States	% Change from June 2019 Fort Collins
Grocery, Convenience, Liquor	12.4	10.2
Restaurants, Caterers & Bars	-26.3	-19.8
General Merchandise	2.5	13.9
Vehicle Sales, Parts & Repairs	7.5	12.5
Building Materials, Garden Equipment & Supplies	17.3	19.4
Clothing & Accessories	-23.2	-31.7
Furniture & Home Furnishings	-3.5	5.0
Total	1.1	-2.7

At the national level, June 2020 retail sales (as reported on July 16, 2020) increased by 1.1% compared to a decrease in Fort Collins' sales of 2.7%. June 2020 sales are the basis for the City's July 2020 sales tax collections and net taxable amounts (which are included in this report).

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

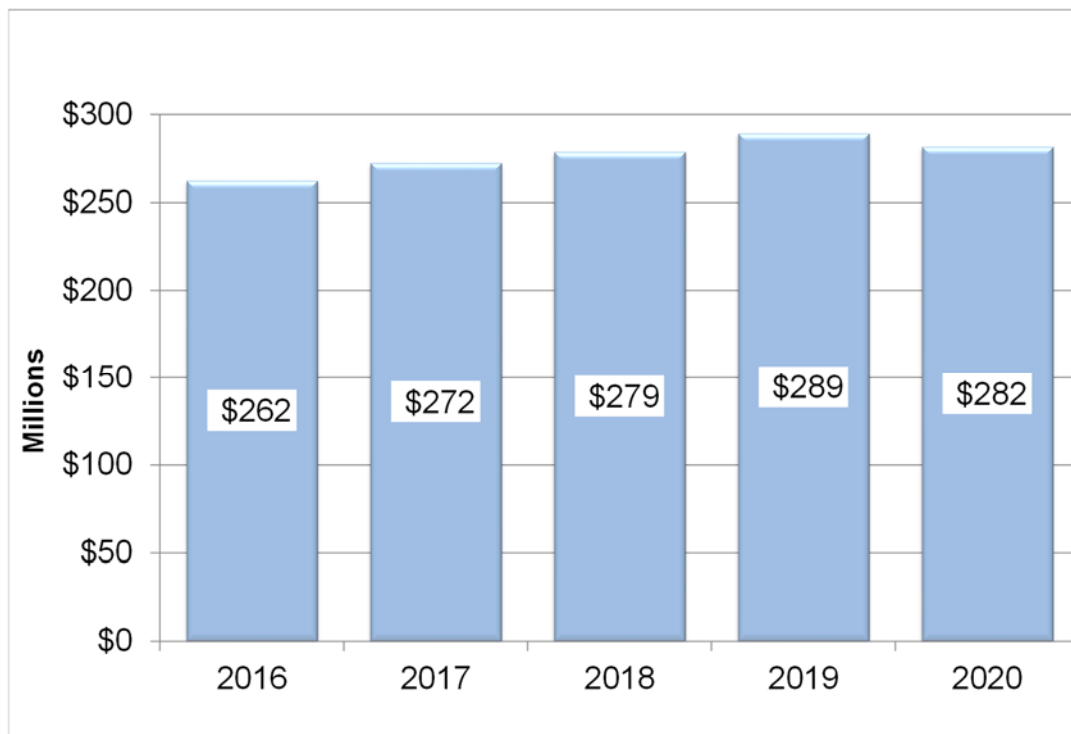


Figure 11. Year to Date - Net Taxable Sales Subject to Sales Tax

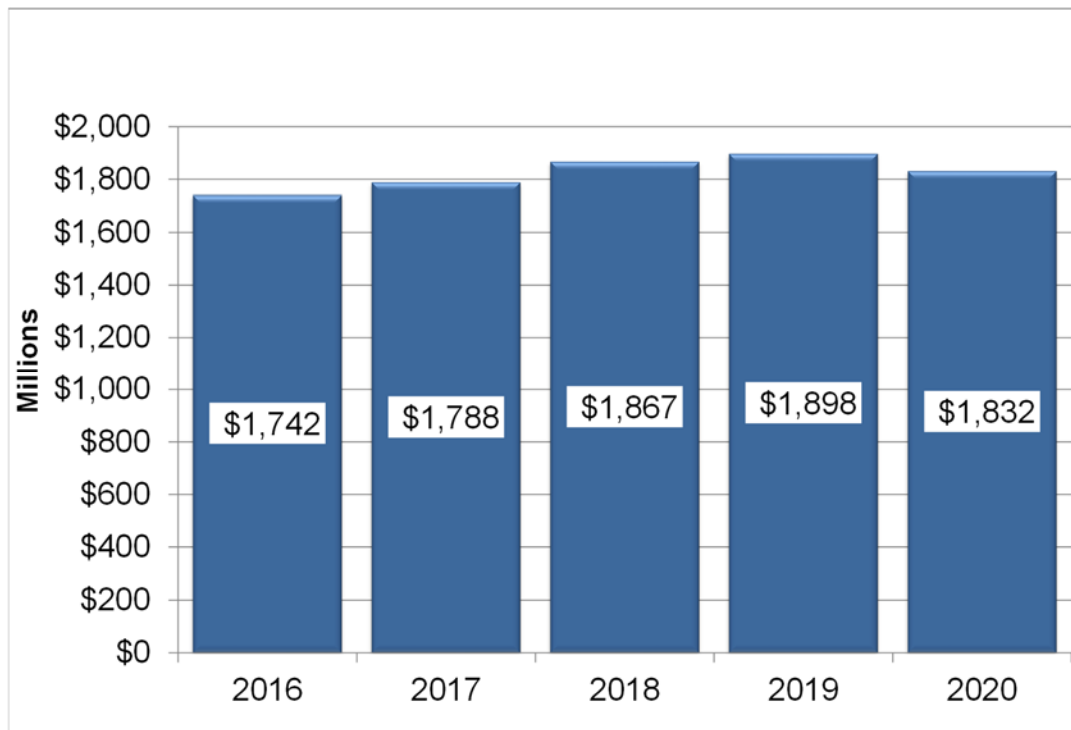
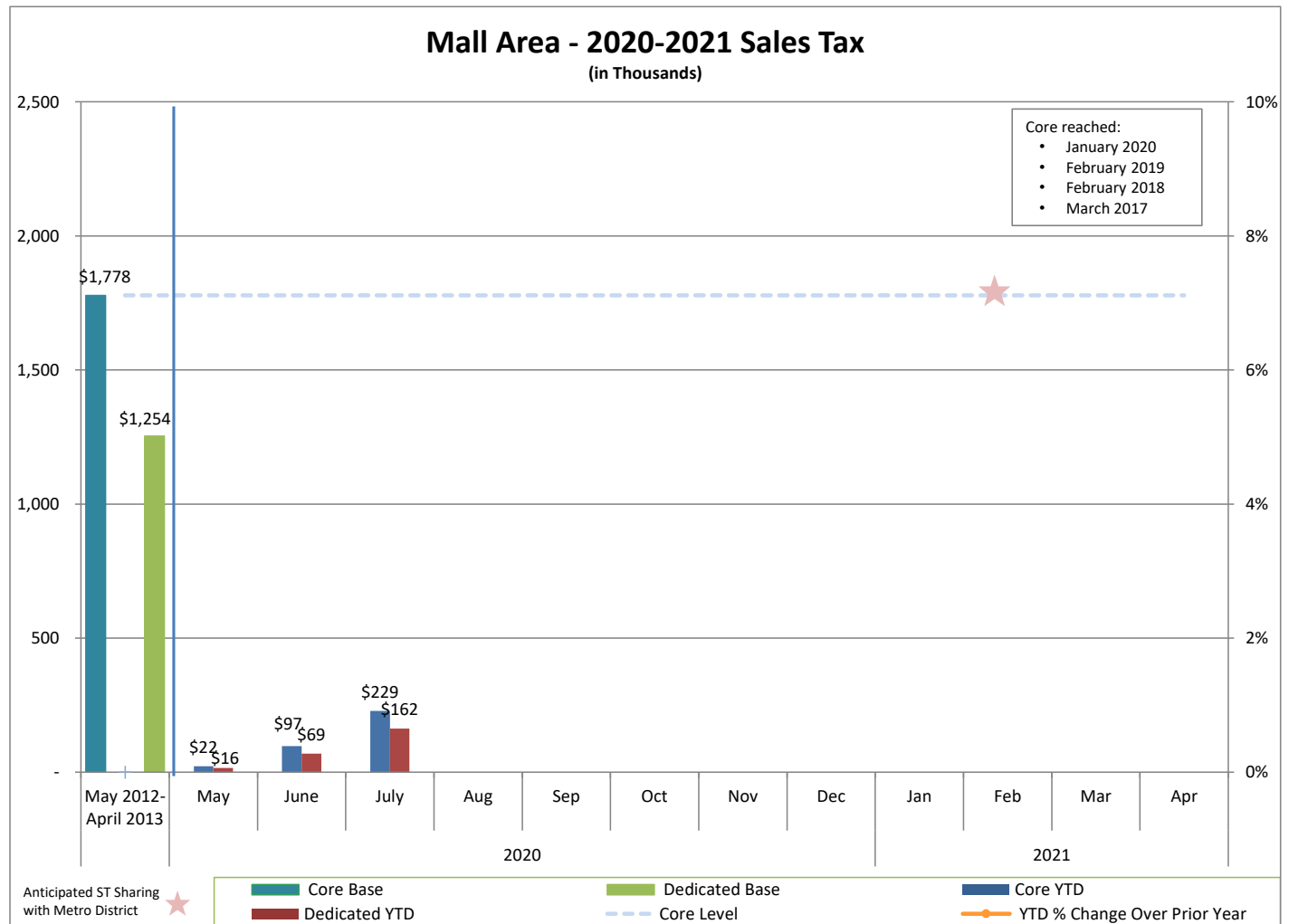


Figure 12. Metro District Reporting



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 July 31, 2020, the year to date core amount collected is \$229K resulting in no tax due to the Metro District.

Sales Tax in the City's Downtown Area. The sales tax collected in July for the downtown area decreased 11.0% from the same period in 2019.

Lodging Tax Collections. The City collected \$68K in lodging tax in July 2020. This was a decrease of 70.1% from July 2019.

Sales Tax Licenses. There were 13,846 active sales tax licenses at the end of July.