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Sales and Use Tax Collection Report – August 2020

Issued September 10, 2020

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

AUGUST SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	-4.6%	-4.2%
Net Use Tax Collected:	-0.2%	-11.1%
Net Sales and Use Tax Collected:	-3.9%	-5.3%

Year to date, sales and use tax collections excluding rebates are down 5.3% and total \$88.1M.

AUGUST SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	-4.6%	-4.9%
Net Use Tax Collected:	6.9%	-2.6%
Net Sales and Use Tax Collected:	-2.9%	-4.6%

Year to date, the City has collected 4.6% less sales and use tax revenue, totaling \$4.3M under budget.

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

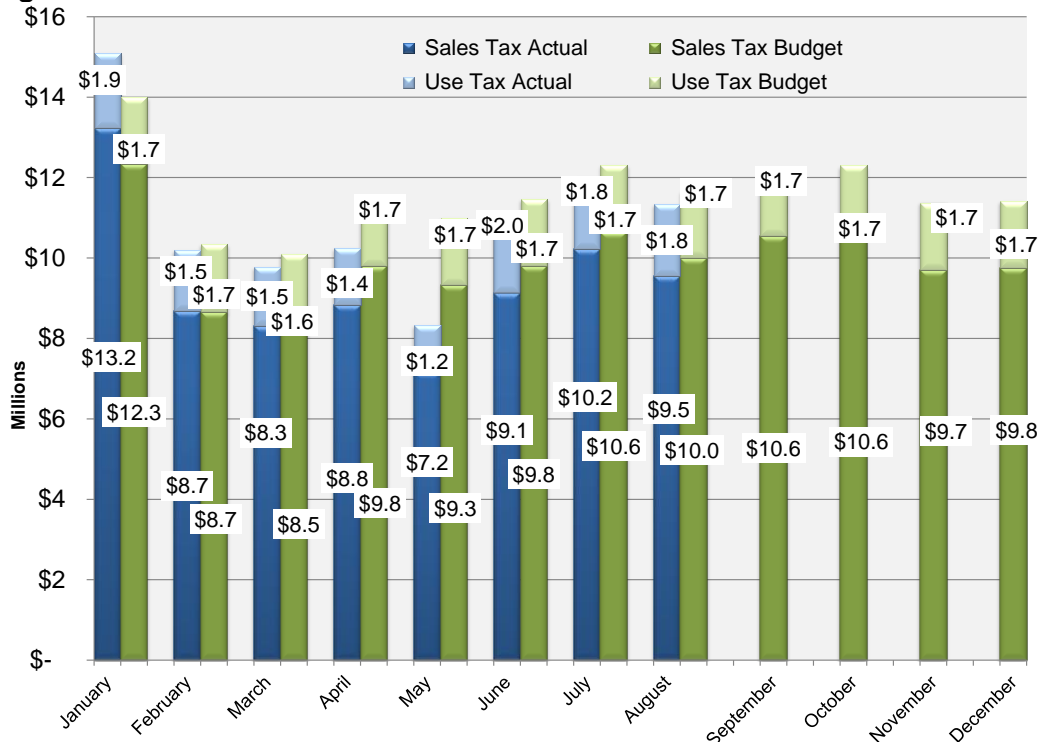


Figure 2. Sales and Use Tax Collected

	August			Year to Date		
	Actual 2019	Actual 2020	% Change	Actual 2019	Actual 2020	% Change
SALES TAX COLLECTIONS						
Grocery, Convenience, Liquor	\$1,274,179	\$1,410,086	10.7%	\$10,674,501	\$11,669,182	9.3%
Restaurants, Caterers and Bars	1,570,755	1,397,680	-11.0%	12,313,205	10,011,222	-18.7%
General Merchandise	856,009	842,968	-1.5%	6,885,539	7,039,120	2.2%
Vehicle Sales, Parts and Repairs	879,238	807,539	-8.2%	5,894,355	5,780,949	-1.9%
Building Materials, Garden Equipment & Supplies	1,028,406	1,015,046	-1.3%	6,677,960	7,322,877	9.7%
Sporting, Hobby, Book, Music	340,277	373,417	9.7%	3,326,085	2,716,557	-18.3%
Broadcasting and Telecommunications	446,083	317,281	-28.9%	3,428,183	2,686,515	-21.6%
Electronics and Appliances	353,759	268,701	-24.0%	3,136,415	2,876,806	-8.3%
Miscellaneous Retailers	731,550	889,096	21.5%	6,302,068	6,836,041	8.5%
Utilities	367,237	410,717	11.8%	3,351,832	3,328,598	-0.7%
Clothing and Accessories	341,280	255,086	-25.3%	2,853,744	1,960,047	-31.3%
Pharmacy, Salon and Laundry	486,339	540,435	11.1%	3,685,913	4,023,292	9.2%
Other	216,694	184,273	-15.0%	2,069,936	1,974,294	-4.6%
Rental and Leasing Services	220,724	180,849	-18.1%	1,722,156	1,595,683	-7.3%
Furniture and Home Furnishings	192,851	175,003	-9.3%	1,516,738	1,327,491	-12.5%
Wholesale Trade	190,881	178,834	-6.3%	1,682,410	1,689,887	0.4%
Lodging	335,476	131,750	-60.7%	1,843,333	898,381	-51.3%
Manufacturing	170,524	166,844	-2.2%	1,544,079	1,829,463	18.5%
TOTAL SALES TAX	10,002,262	9,545,605	-4.6%	78,908,452	75,566,405	-4.2%
Less Mall Sales Tax Remittance*	0	0	0.0%	(476,928)	(426,675)	-10.5%
NET SALES TAX	10,002,262	9,545,605	-4.6%	78,431,524	75,139,730	-4.2%
USE TAX COLLECTIONS						
Building Permits	283,454	324,586	14.5%	3,244,605	3,591,469	10.7%
Car Tax	710,535	847,575	19.3%	4,829,442	4,446,923	-7.9%
Return Tax	797,835	616,915	-22.7%	6,543,894	4,959,434	-24.2%
TOTAL USE TAX	1,791,824	1,789,076	-0.2%	14,617,941	12,997,826	-11.1%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
NET USE TAX	1,791,824	1,789,076	-0.2%	14,617,941	12,997,826	-11.1%
SALES & USE TAX COLLECTIONS						
Total Sales & Use Tax	11,794,086	11,334,681	-3.9%	93,526,393	88,564,231	-5.3%
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	11,794,086	11,334,681	-3.9%	93,049,465	88,137,556	-5.3%
SALES & USE TAX DISTRIBUTION						
Streets and Transportation (.25%)	712,149	679,799	-4.5%	5,568,711	5,241,285	-5.9%
Community Capital Improvement Program (.25%)	712,149	679,799	-4.5%	5,568,711	5,241,285	-5.9%
Natural Areas (.25%)	712,149	679,799	-4.5%	5,568,711	5,241,285	-5.9%
Keep Fort Collins Great (.85%)	2,407,092	2,287,686	-5.0%	18,651,794	17,673,224	-5.2%
General Fund (2.25%)	7,250,547	7,007,598	-3.4%	58,168,466	55,167,152	-5.2%
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	\$11,794,086	\$11,334,681	-3.9%	\$93,049,465	\$88,137,556	-5.3%

* 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

August Sales Tax Collected. In August 2020, sales tax collected in Fort Collins decreased 4.6% compared to August 2019. Sales tax collected totaled \$9.5M compared to \$10.0M in 2019.

August Use Tax Collected. The total use tax collected in August was \$1.8M, a decrease of 0.2% compared to August 2019.

Net Sales and Use Tax Collected. Total tax collected of \$11.3M was 3.9% lower than August 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	9,545,605	10,004,167	(458,562)	-4.6%	75,139,730	79,040,353	-4.9%
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	75,139,730	79,040,353	(3,900,623)	-4.9%			
YTD Rebates	426,675	480,000	(53,325)			-	
Total Collections	\$ 75,566,405	\$ 79,520,353	\$ (3,953,948)	-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	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	1,789,076	1,673,215	115,861	6.9%	12,997,826	13,349,849	-2.6%
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	12,997,826	13,349,849	(352,023)	-2.6%			
YTD Rebates	-	0	-			-	
Total Collections	\$ 12,997,826	\$ 13,349,849	\$ (352,023)	-2.6%		\$ 20,000,008	

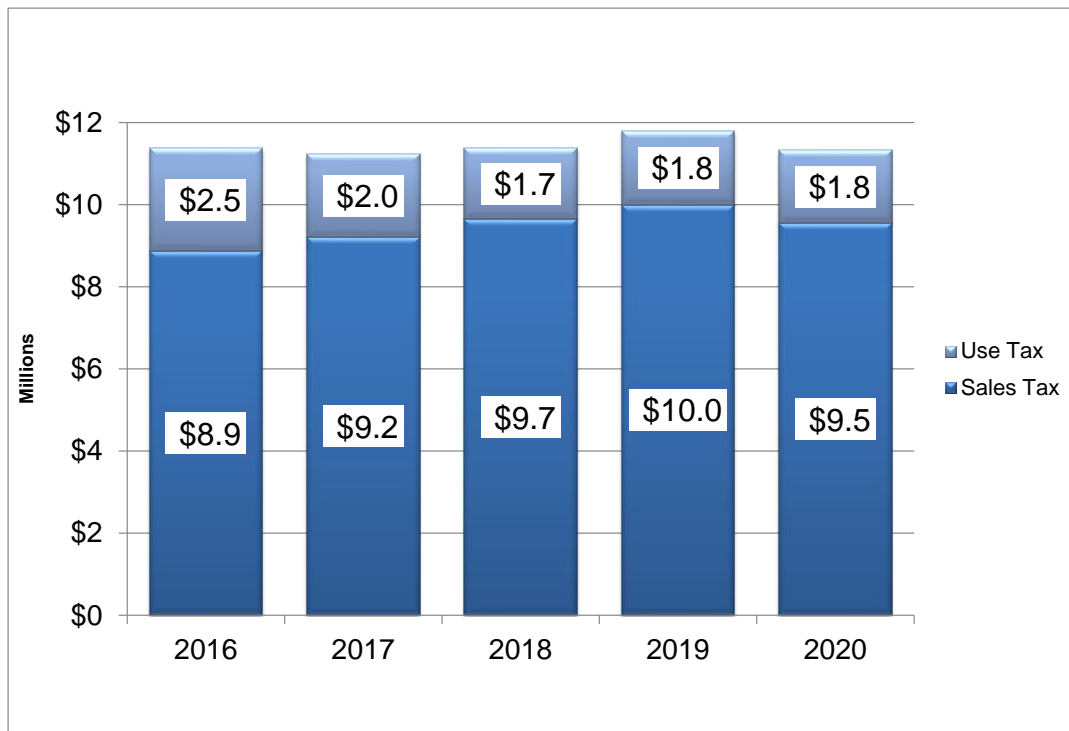
Figure 5. Budget to Actual – Sales and Use Tax Distribution

Fund	Actual Aug YTD	Budget Aug YTD	Over/(Under) Budget Aug YTD	% Over/(Under) Budget
Streets and Transportation (.25%)	5,241,285	5,516,268	(274,983)	-5.0%
Community Capital Improvement Program (.25%)	5,241,285	5,516,268	(274,983)	-5.0%
Natural Areas and Parks (.25%)	5,241,285	5,516,268	(274,983)	-5.0%
Keep Fort Collins Great (.85%)	17,673,224	18,736,463	(1,063,239)	-5.7%
General Fund (2.25%) (net of rebates)	54,740,477	57,104,936	(2,364,459)	-4.1%
General Fund Economic Rebates	426,675	480,000	(53,325)	-11.1%
Total Collections	\$ 88,564,231	\$ 92,870,203	\$ (4,305,972)	

August Sales Tax Budget to Actual. In August 2020, sales tax collected in Fort Collins was \$459K less than budget.

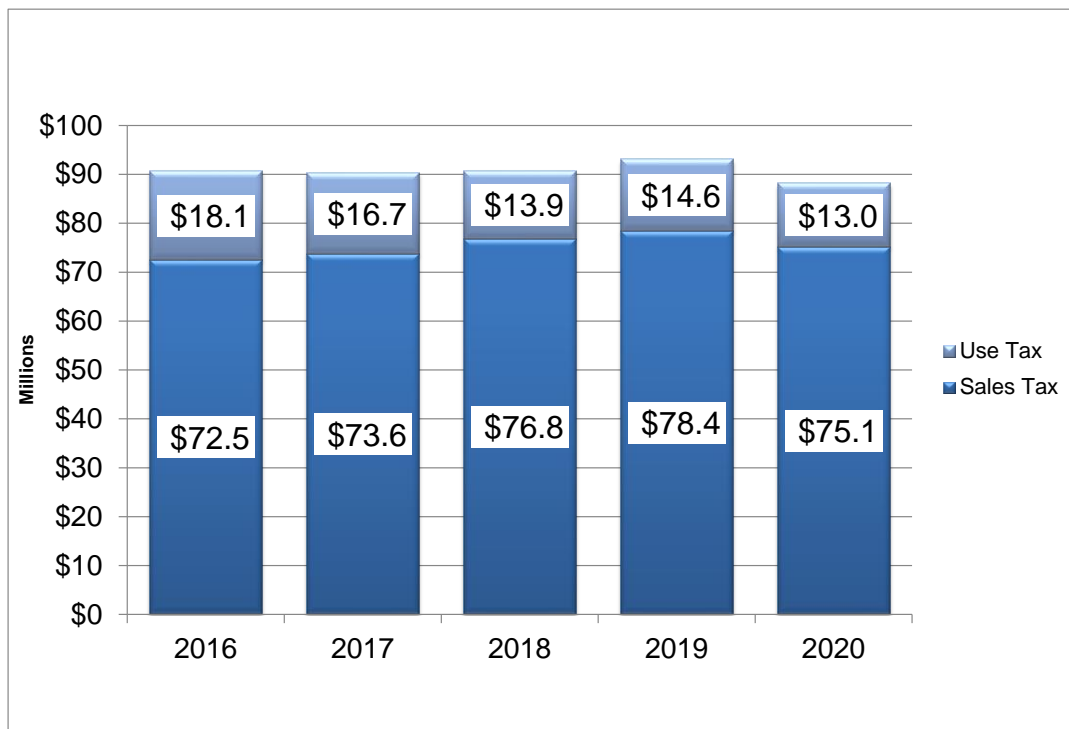
August Use Tax Budget to Actual Excluding Rebates. In August 2020, use tax collected in Fort Collins was \$116K more than budget.

Figure 6. August Collections*



*Total collections after rebates.

Figure 7. Year to Date Collections*



*Total collections after rebates.

Figure 8. Net Taxable

	August			Year to Date		
	Actual 2019	Actual 2020	% Change	Actual 2019	Actual 2020	% Change
\$ in Millions						
SALES TAX						
Grocery, Convenience, Liquor	\$44.7	\$49.2	10.0%	\$377.5	\$411.9	9.1%
Restaurants, Caterers and Bars	41.2	35.9	-12.8%	321.2	258.5	-19.5%
General Merchandise	25.4	25.2	-0.8%	199.5	207.0	3.8%
Vehicle Sales, Parts and Repairs	22.9	21.2	-7.7%	152.7	149.0	-2.4%
Building Materials, Garden Equipment & Supplies	26.5	26.4	-0.4%	173.2	190.5	9.9%
Sporting, Hobby, Book, Music	8.8	9.7	9.7%	83.4	74.0	-11.3%
Broadcasting and Telecommunications	11.6	8.2	-28.9%	89.0	69.7	-21.7%
Electronics and Appliances	9.2	6.7	-26.6%	81.2	74.5	-8.3%
Miscellaneous Retailers	19.3	23.1	19.6%	165.1	177.6	7.6%
Utilities	9.5	10.7	11.9%	89.1	86.6	-2.9%
Clothing and Accessories	8.8	6.7	-24.4%	73.1	50.9	-30.4%
Pharmacy, Salon and Laundry	12.6	14.1	12.0%	96.7	105.0	8.6%
Other	5.5	5.1	-6.9%	53.0	51.1	-3.4%
Rental and Leasing Services	5.6	4.7	-17.0%	44.6	41.5	-7.1%
Furniture and Home Furnishings	5.0	4.6	-8.7%	39.7	35.0	-11.7%
Wholesale Trade	5.2	4.8	-7.1%	45.3	45.0	-0.6%
Lodging	8.7	3.4	-60.9%	47.9	23.0	-52.0%
Manufacturing	4.5	4.4	-3.5%	40.6	45.0	10.8%
NET TAXABLE SUBJECT TO SALES TAX	275.2	264.1	-4.0%	2,172.7	2,095.6	-3.5%
USE TAX						
Building Permits	7.4	8.4	14.5%	84.3	93.3	10.7%
Car Tax	18.5	22.0	19.3%	125.4	115.5	-7.9%
Return Tax	20.7	16.0	-22.7%	170.0	128.8	-24.2%
NET TAXABLE SUBJECT TO USE TAX	46.5	46.5	-0.2%	379.7	337.6	-11.1%
TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX	\$321.7	\$310.5	-3.5%	\$2,552.4	\$2,433.2	-4.7%

Figure 9. Local Retail Compared to National Retail

Retail Sales Category	% Change from July 2019 United States	% Change from July 2019 Fort Collins
Grocery, Convenience, Liquor	11.1	10.0
Restaurants, Caterers & Bars	-18.9	-12.8
General Merchandise	1.1	-0.8
Vehicle Sales, Parts & Repairs	6.1	-7.7
Building Materials, Garden Equipment & Supplies	14.8	-0.4
Clothing & Accessories	-20.9	-24.4
Furniture & Home Furnishings	-0.7	-8.7
Total	2.7	-4.0

At the national level, July 2020 retail sales (as reported on August 14, 2020) increased by 2.7% compared to a decrease in Fort Collins' sales of 4.0%. July 2020 sales are the basis for the City's August 2020 sales tax collections and net taxable amounts (which are included in this report).

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

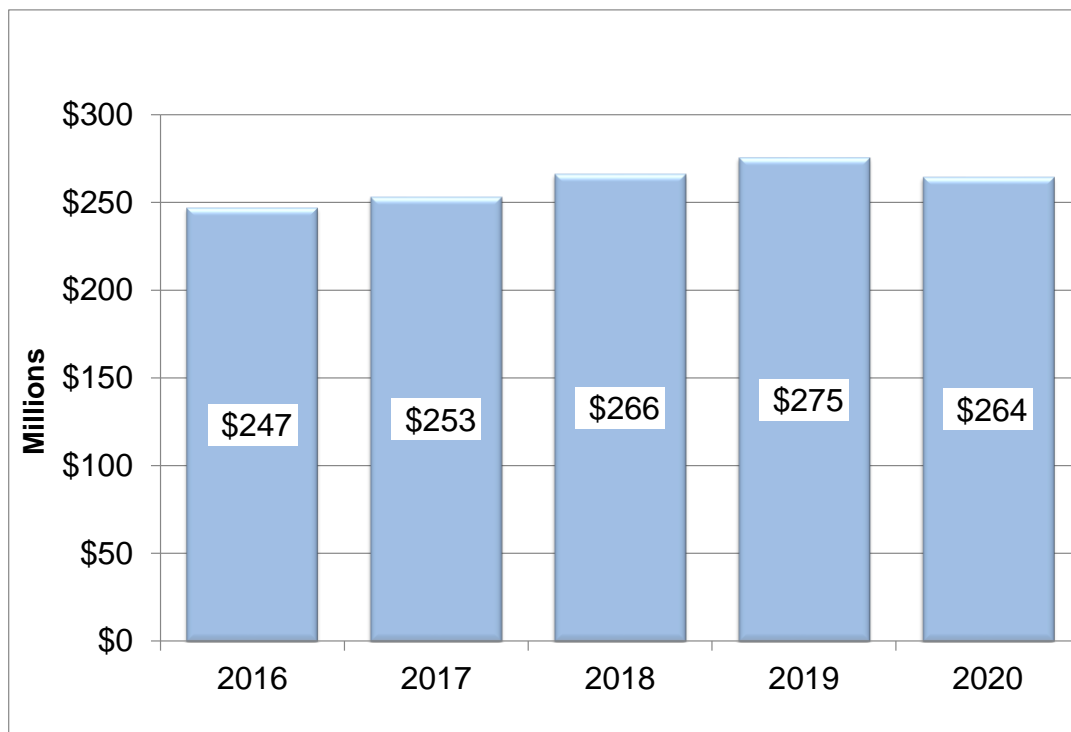


Figure 11. Year to Date - Net Taxable Sales Subject to Sales Tax

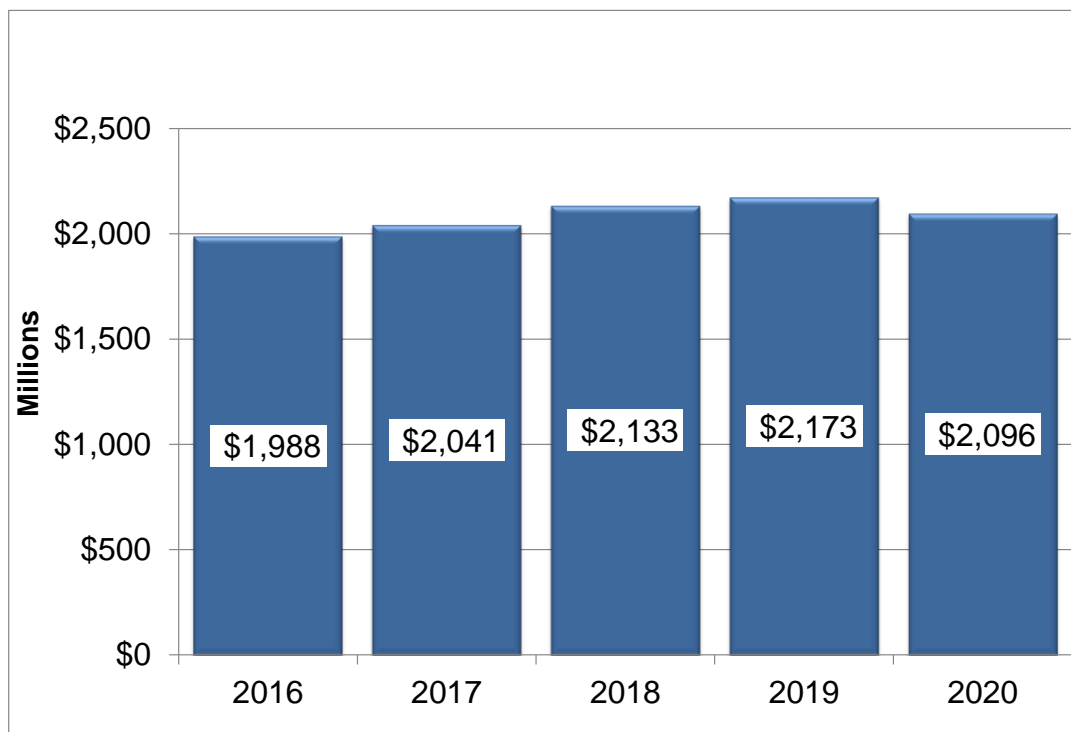
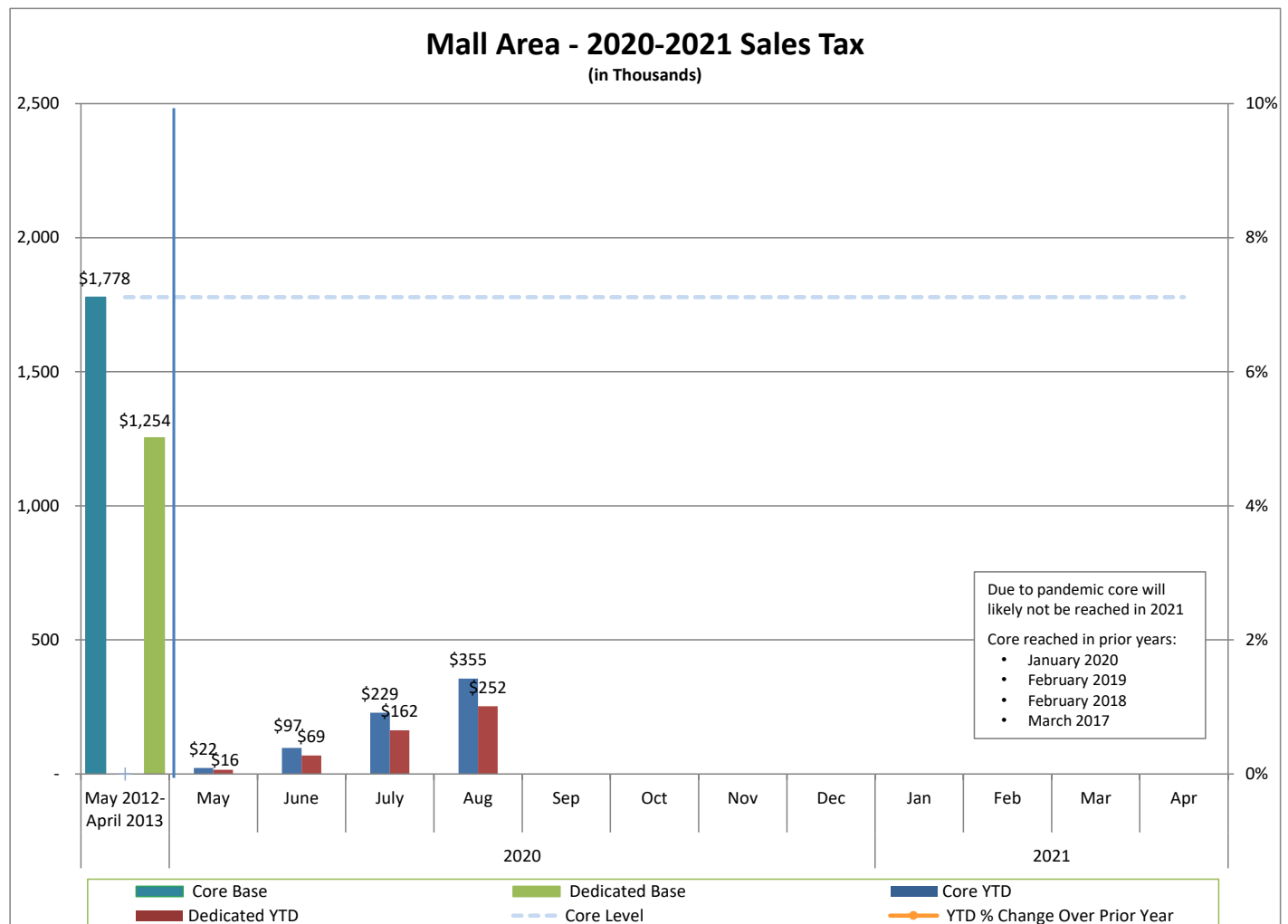


Figure 12. Metro District Reporting



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 August 31, 2020, the year to date core amount collected is \$355K resulting in no tax due to the Metro District.

Sales Tax in the City's Downtown Area. The sales tax collected in August for the downtown area decreased 12.2% from the same period in 2019.

Lodging Tax Collections. The City collected \$91K in lodging tax in August 2020. This was a decrease of 62.4% from August 2019.

Sales Tax Licenses. There were 13,899 active sales tax licenses at the end of August.