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## Sales and Use Tax Collection Report – February 2023

Issued March 21, 2023

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:	7.4%	4.0%
Net Use Tax Collected:	13.2%	-6.4%
Net Sales and Use Tax Collected:	8.1%	2.7%

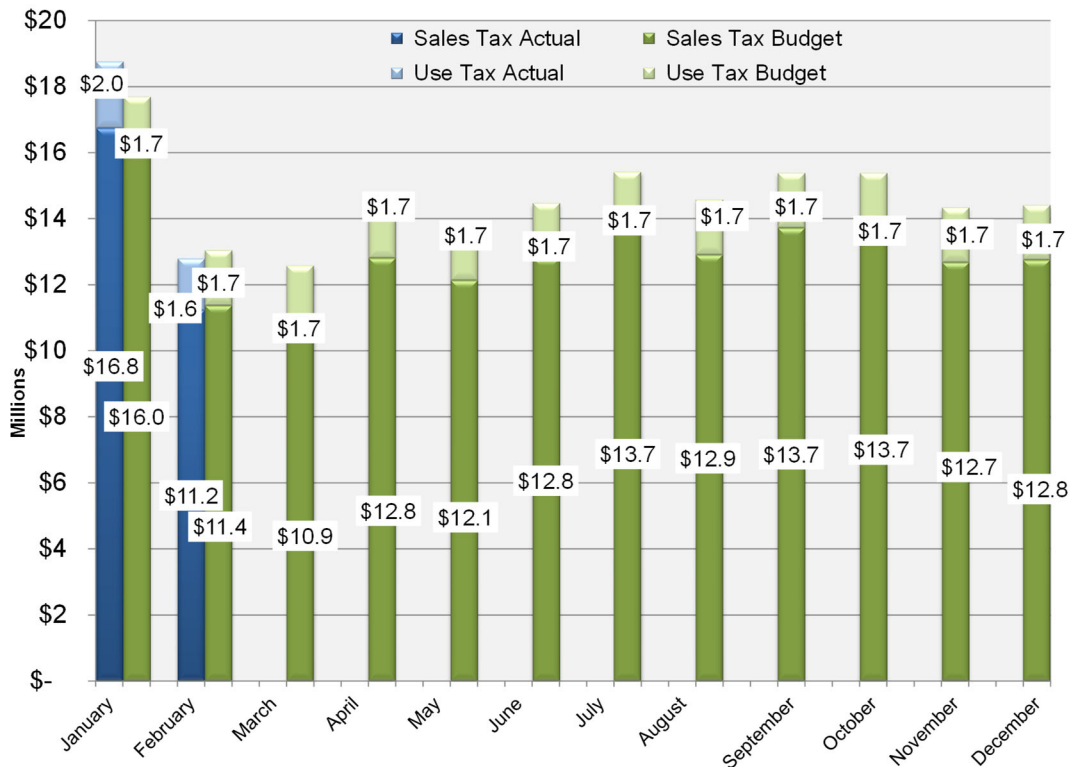
Year to date, sales and use tax collections excluding rebates are up 2.7% and total \$31.6M.

### FEBRUARY SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	-1.2%	2.1%
Net Use Tax Collected:	-6.4%	7.0%
Net Sales and Use Tax Collected:	-1.9%	2.7%

Year to date, the City has collected 2.7% more sales and use tax revenue, totaling \$822K 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 2022	Actual 2023	% Change	Actual 2022	Actual 2023	% Change
<b>SALES TAX COLLECTIONS</b>						
Grocery, Convenience, Liquor	\$1,317,730	\$1,396,944	6.0%	\$3,381,080	\$3,644,269	7.8%
Restaurants, Caterers and Bars	1,485,418	1,744,536	17.4%	3,385,586	3,719,612	9.9%
General Merchandise	844,495	987,861	17.0%	2,209,413	2,486,537	12.5%
Vehicle Sales, Parts and Repairs	754,512	851,747	12.9%	1,596,837	1,836,487	15.0%
Building Materials, Garden Equipment & Supplies	744,825	808,493	8.5%	2,840,584	1,971,843	-30.6%
Sporting, Hobby, Book, Music	385,298	358,150	-7.0%	1,078,231	1,040,643	-3.5%
Broadcasting and Telecommunications	309,885	285,962	-7.7%	781,911	684,318	-12.5%
Electronics and Appliances	396,833	510,609	28.7%	1,003,443	1,159,162	15.5%
Miscellaneous Retailers	1,520,188	1,537,912	1.2%	3,899,944	4,058,580	4.1%
Utilities	627,888	840,817	33.9%	1,119,071	1,599,565	42.9%
Clothing and Accessories	279,851	294,472	5.2%	894,656	932,188	4.2%
Pharmacy, Salon and Laundry	498,815	444,891	-10.8%	1,185,958	1,083,183	-8.7%
Other	437,423	414,465	-5.2%	1,086,544	1,249,162	15.0%
Rental and Leasing Services	139,066	160,329	15.3%	396,893	442,812	11.6%
Furniture and Home Furnishings	232,213	192,237	-17.2%	584,195	484,998	-17.0%
Wholesale Trade	208,430	223,451	7.2%	531,207	614,515	15.7%
Lodging	128,785	132,442	2.8%	322,987	426,612	32.1%
Manufacturing	295,915	224,511	-24.1%	768,212	938,624	22.2%
<b>TOTAL SALES TAX</b>	<b>10,607,570</b>	<b>11,409,829</b>	<b>7.6%</b>	<b>27,066,752</b>	<b>28,373,110</b>	<b>4.8%</b>
Less Mall Sales Tax Remittance*	(147,988)	(174,949)	18.2%	(286,669)	(387,869)	35.3%
<b>NET SALES TAX</b>	<b>10,459,582</b>	<b>11,234,880</b>	<b>7.4%</b>	<b>26,780,083</b>	<b>27,985,241</b>	<b>4.5%</b>
<b>USE TAX COLLECTIONS</b>						
Building Permits	230,709	298,131	29.2%	661,517	614,308	-7.1%
Car Tax	688,685	703,060	2.1%	1,480,681	1,544,700	4.3%
Return Tax	458,084	558,796	22.0%	1,669,052	1,408,590	-15.6%
<b>TOTAL USE TAX</b>	<b>1,377,478</b>	<b>1,559,987</b>	<b>13.2%</b>	<b>3,811,250</b>	<b>3,567,598</b>	<b>-6.4%</b>
Less Economic Rebates	0	0	0.0%	0	0	0.0%
<b>NET USE TAX</b>	<b>1,377,478</b>	<b>1,559,987</b>	<b>13.2%</b>	<b>3,811,250</b>	<b>3,567,598</b>	<b>-6.4%</b>
<b>SALES &amp; USE TAX COLLECTIONS</b>						
Total Sales & Use Tax	<b>11,985,048</b>	<b>12,969,816</b>	8.2%	<b>30,878,002</b>	<b>31,940,708</b>	3.4%
Less Mall Sales Tax Remittance	(147,988)	(174,949)	100.0%	(286,669)	(387,869)	100.0%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
<b>NET SALES &amp; USE TAX</b>	<b>11,837,060</b>	<b>12,794,867</b>	<b>8.1%</b>	<b>30,591,333</b>	<b>31,552,839</b>	<b>3.1%</b>
<b>SALES &amp; USE TAX DISTRIBUTION</b>						
Streets and Transportation (.25%)	717,286	778,150	8.5%	1,854,072	1,909,430	3.0%
Community Capital Improvement Program (.25%)	717,286	778,150	8.5%	1,854,072	1,909,430	3.0%
Natural Areas (.25%)	717,286	778,150	8.5%	1,854,072	1,909,430	3.0%
General Fund Renewable (.25%) **	717,286	778,150	8.5%	1,854,072	1,909,430	3.0%
General Fund (2.85%)	9,115,904	9,857,216	8.1%	23,461,714	24,302,988	3.6%
Less General Fund Mall Sales Tax Remittance	(147,988)	(174,949)	100.0%	(286,669)	(387,869)	100.0%
Less General Fund Economic Rebates	0	0	0.0%	0	0	0.0%
<b>NET SALES &amp; USE TAX</b>	<b>\$11,837,060</b>	<b>\$12,794,867</b>	<b>8.1%</b>	<b>\$30,591,333</b>	<b>\$31,552,839</b>	<b>3.1%</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

\*\* KFCG revenue replacement will continue the .85% tax by increasing the on-going tax rate by .60% and adding a renewable .25% tax through 2030

**February Sales Tax Collected.** In February 2023, sales tax collected in Fort Collins increased 7.4% compared to February 2022. Sales tax collected totaled \$11.2M compared to \$10.5M in 2022.

**February Use Tax Collected.** The total use tax collected in February was \$1.6M, an increase of 13.2% compared to February 2022.

**Net Sales and Use Tax Collected.** Total tax collected of \$12.8M was 8.1% higher than February 2022.

**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	\$ 16,750,361	16,024,508	\$ 725,853	4.5%	\$ 16,750,361	\$ 16,024,508	4.5%
February	11,234,880	11,373,175	(138,295)	-1.2%	27,985,241	27,397,683	2.1%
March	-	-	-	0.0%	-	38,309,698	0.0%
April	-	-	-	0.0%	-	51,119,909	0.0%
May	-	-	-	0.0%	-	63,255,241	0.0%
June	-	-	-	0.0%	-	76,063,562	0.0%
July	-	-	-	0.0%	-	89,812,031	0.0%
August	-	-	-	0.0%	-	102,720,942	0.0%
September	-	-	-	0.0%	-	116,440,955	0.0%
October	-	-	-	0.0%	-	130,158,764	0.0%
November	-	-	-	0.0%	-	142,833,064	0.0%
December	-	-	-	0.0%	-	155,583,400	0.0%
Net Collections	27,985,241	27,397,683	587,558	2.1%			
YTD Rebates	387,869	120,000	267,869			-	
Total Collections	\$ 28,373,110	\$ 27,517,683	\$ 855,427	3.1%		\$ 155,583,400	

**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	\$ 2,007,611	\$ 1,666,667	\$ 340,944	20.5%	\$ 2,007,611	\$ 1,666,667	20.5%
February	1,559,987	1,666,667	(106,680)	-6.4%	3,567,598	3,333,334	7.0%
March	-	-	-	0.0%	-	5,000,001	0.0%
April	-	-	-	0.0%	-	6,666,668	0.0%
May	-	-	-	0.0%	-	8,333,335	0.0%
June	-	-	-	0.0%	-	10,000,002	0.0%
July	-	-	-	0.0%	-	11,666,669	0.0%
August	-	-	-	0.0%	-	13,333,336	0.0%
September	-	-	-	0.0%	-	15,000,003	0.0%
October	-	-	-	0.0%	-	16,666,670	0.0%
November	-	-	-	0.0%	-	18,333,337	0.0%
December	-	-	-	0.0%	-	19,999,999	0.0%
Net Collections	3,567,598	3,333,334	234,264	7.0%			
YTD Rebates	-	-	-			-	
Total Collections	\$ 3,567,598	\$ 3,333,334	\$ 234,264	7.0%		\$ 19,999,999	

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

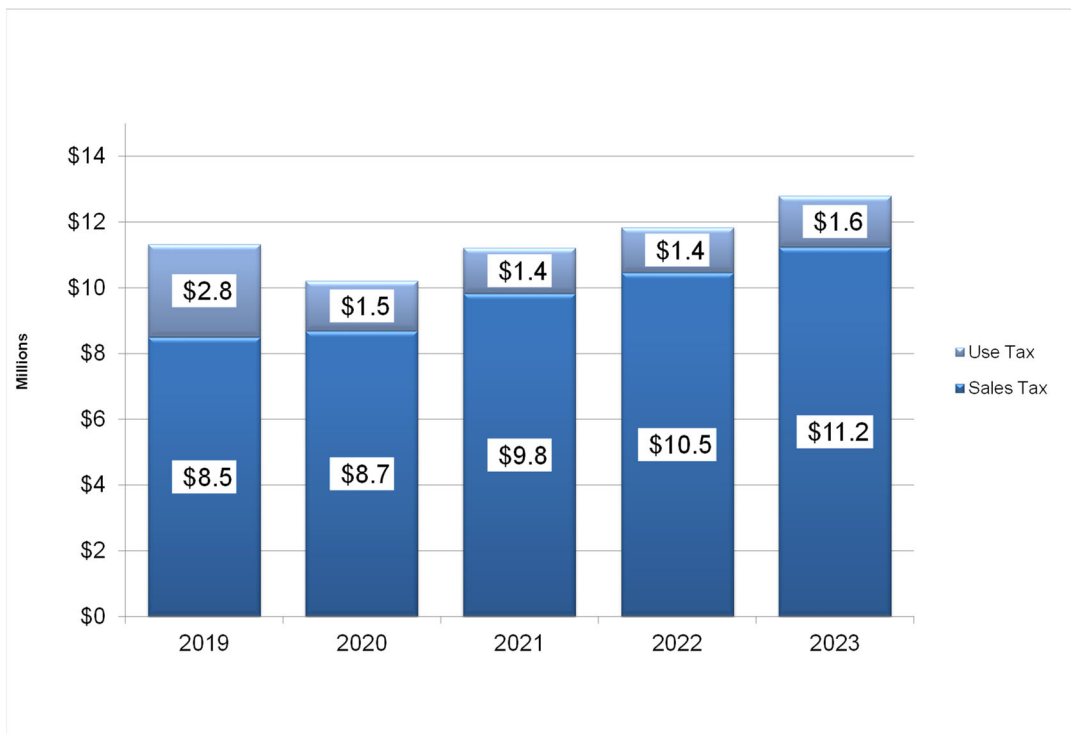
Fund	Actual Feb YTD	Budget Feb YTD	Over/(Under) Budget Feb YTD	% Over/(Under) Budget
Streets and Transportation (.25%)	1,909,430	1,826,509	82,921	4.5%
Community Capital Improvement Program (.25%)	1,909,430	1,826,509	82,921	4.5%
Natural Areas and Parks (.25%)	1,909,430	1,826,509	82,921	4.5%
General Fund Renewable (.25%)*	1,909,430	1,826,509	82,921	4.5%
General Fund (2.85%) (net of rebates)	23,915,119	23,424,981	490,138	2.1%
General Fund Economic Rebates	387,869	120,000	267,869	
Total Collections	\$ 31,940,708	\$ 30,851,017	\$ 1,089,691	

\*KFCG revenue replacement will continue the .85% tax by increasing the on-going tax rate by .60% and adding a renewable .25% tax through 2030

**February Sales Tax Budget to Actual.** In February 2023, sales tax collected in Fort Collins was \$138K less than budget.

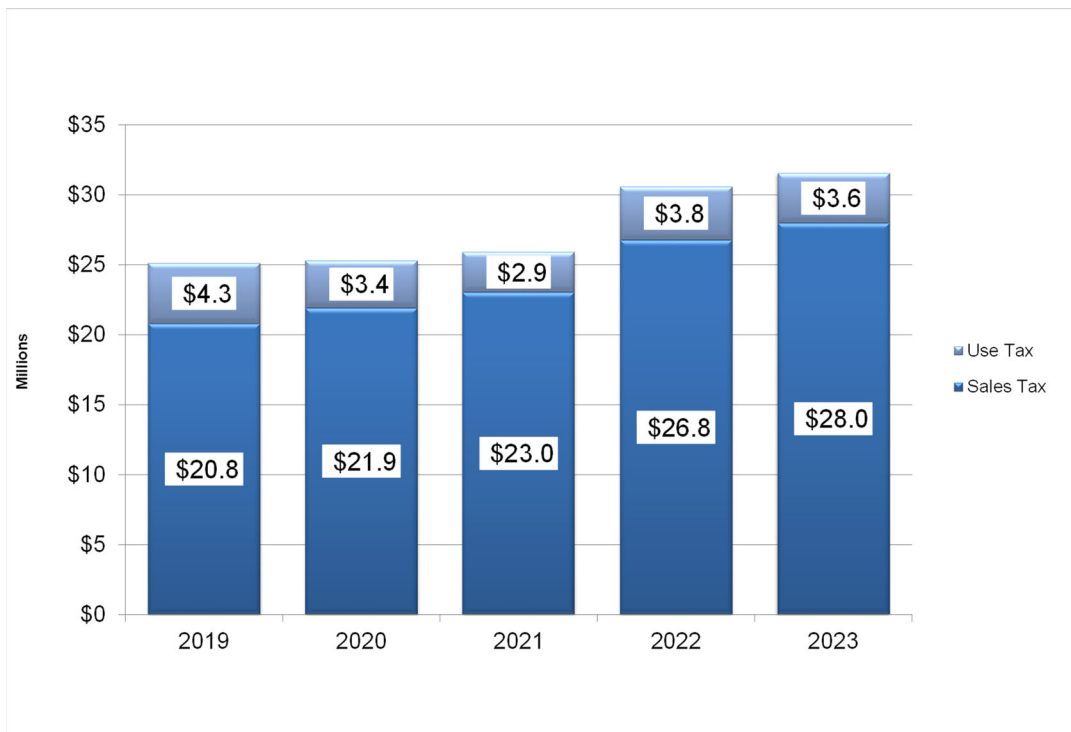
**February Use Tax Budget to Actual Excluding Rebates.** In February 2023, use tax collected in Fort Collins was \$107K less than budget.

**Figure 6. February Collections\***



\*Total collections after rebates.

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



\*Total collections after rebates.

**Figure 8. Net Taxable**

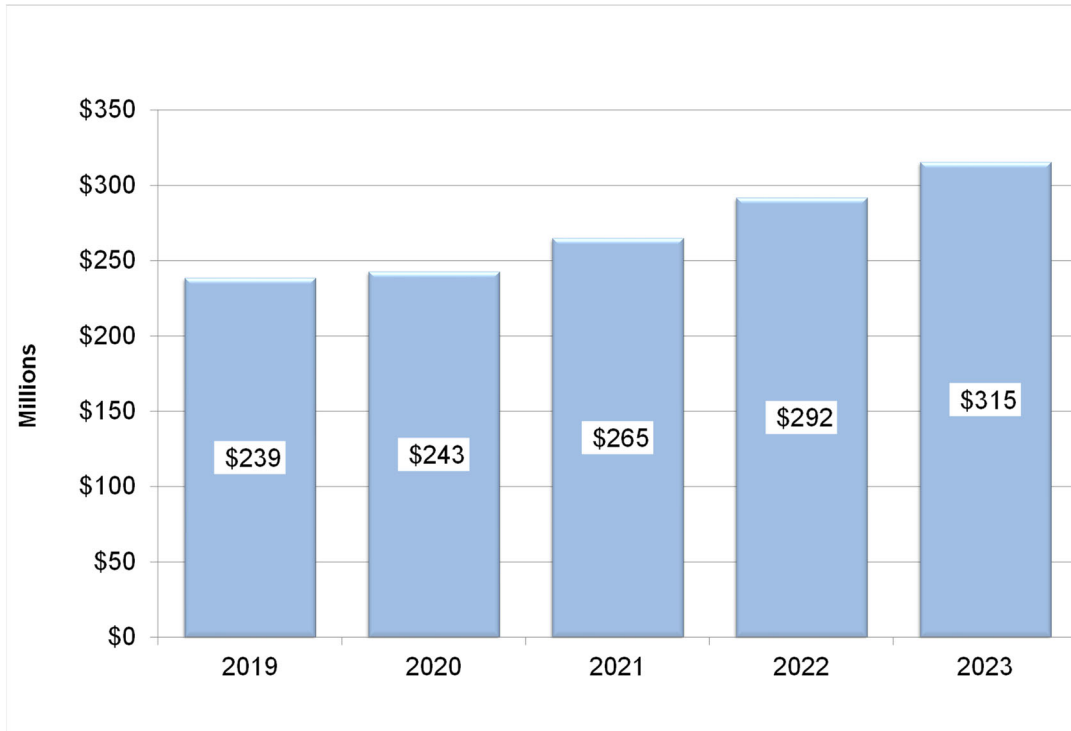
	February			Year to Date		
	Actual 2022	Actual 2023	% Change	Actual 2022	Actual 2023	% Change
\$ in Millions						
<b>SALES TAX</b>						
Grocery, Convenience, Liquor	\$46.5	\$48.9	5.0%	\$119.8	\$129.2	7.8%
Restaurants, Caterers and Bars	38.7	46.1	19.3%	88.0	97.7	11.0%
General Merchandise	26.0	30.1	15.6%	66.1	74.5	12.7%
Vehicle Sales, Parts and Repairs	19.5	22.1	13.3%	41.3	47.4	15.0%
Building Materials, Garden Equipment & Supplies	19.2	20.9	8.8%	45.8	50.9	11.3%
Sporting, Hobby, Book, Music	10.0	9.3	-6.9%	28.0	27.1	-3.4%
Broadcasting and Telecommunications	8.0	7.4	-7.7%	20.3	17.8	-12.5%
Electronics and Appliances	10.3	13.3	28.4%	26.1	30.1	15.5%
Miscellaneous Retailers	39.9	40.2	0.8%	99.9	106.2	6.3%
Utilities	16.3	21.8	33.9%	29.1	41.5	42.9%
Clothing and Accessories	7.3	7.7	5.5%	23.2	24.2	4.3%
Pharmacy, Salon and Laundry	13.0	11.6	-10.7%	30.8	28.2	-8.4%
Other	11.1	10.7	-4.2%	27.8	32.3	16.3%
Rental and Leasing Services	3.6	4.1	14.1%	10.3	11.4	11.3%
Furniture and Home Furnishings	5.8	5.0	-14.7%	13.7	12.4	-8.9%
Wholesale Trade	5.5	5.9	7.3%	13.9	16.3	17.4%
Lodging	3.2	4.5	41.8%	8.2	11.9	45.5%
Manufacturing	7.7	5.9	-23.4%	20.1	24.6	22.5%
<b>NET TAXABLE SUBJECT TO SALES TAX</b>	<b>291.7</b>	<b>315.4</b>	<b>8.1%</b>	<b>712.2</b>	<b>783.9</b>	<b>10.1%</b>
<b>USE TAX</b>						
Building Permits	6.0	7.7	29.2%	17.2	16.0	-7.1%
Car Tax	17.9	18.3	2.1%	38.5	40.1	4.3%
Return Tax	11.9	14.5	22.0%	43.4	36.6	-15.6%
<b>NET TAXABLE SUBJECT TO USE TAX</b>	<b>35.8</b>	<b>40.5</b>	<b>13.2%</b>	<b>99.0</b>	<b>92.7</b>	<b>-6.4%</b>
<b>TOTAL NET TAXABLE SUBJECT TO SALES &amp; USE TAX</b>	<b>\$327.5</b>	<b>\$356.0</b>	<b>8.7%</b>	<b>\$811.2</b>	<b>\$876.5</b>	<b>8.1%</b>

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

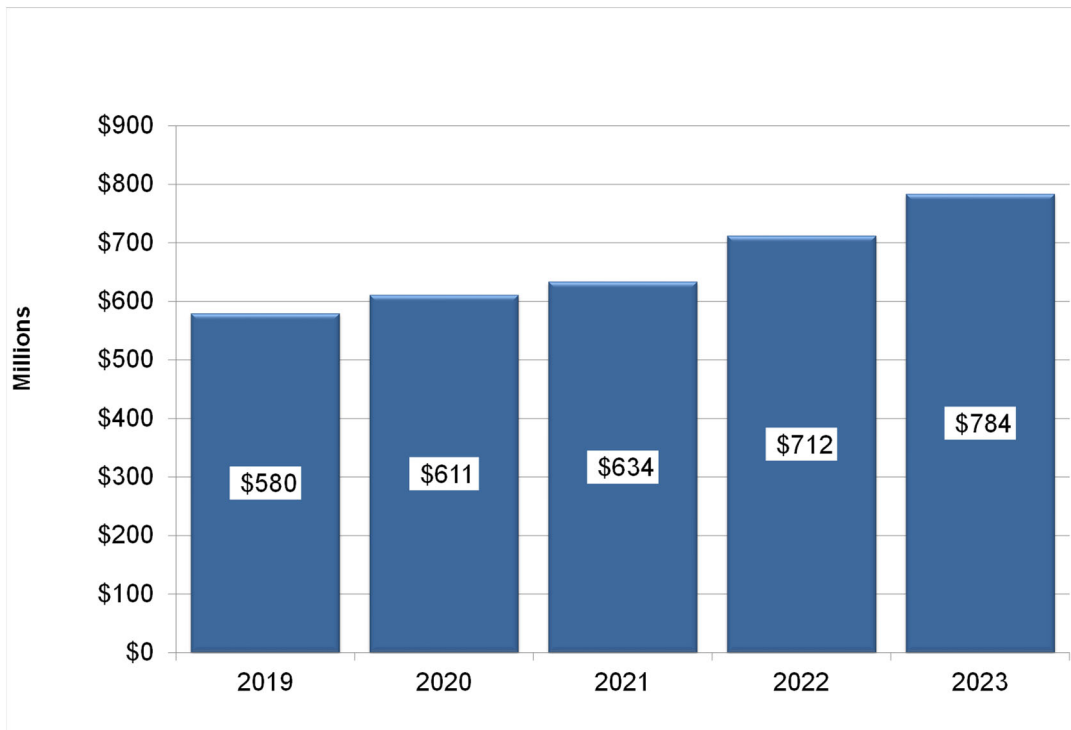
Retail Sales Category	% Change from January 2022 United States	% Change from January 2022 Fort Collins
Grocery, Convenience, Liquor	6.2	5.0
Restaurants, Caterers & Bars	25.2	19.3
General Merchandise	4.5	15.6
Vehicle Sales, Parts & Repairs	2.8	13.3
Building Materials, Garden Equipment & Supplies	1.1	8.8
Clothing & Accessories	6.3	5.5
Furniture & Home Furnishings	3.8	-14.7
<b>Total</b>	<b>6.4</b>	<b>8.1</b>

At the national level, January 2023 retail sales (as reported on February 15, 2023) increased by 6.4% compared to an increase in Fort Collins' sales of 8.1%. January 2023 sales are the basis for the City's February 2023 sales tax collections and net taxable amounts (which are included in this report).

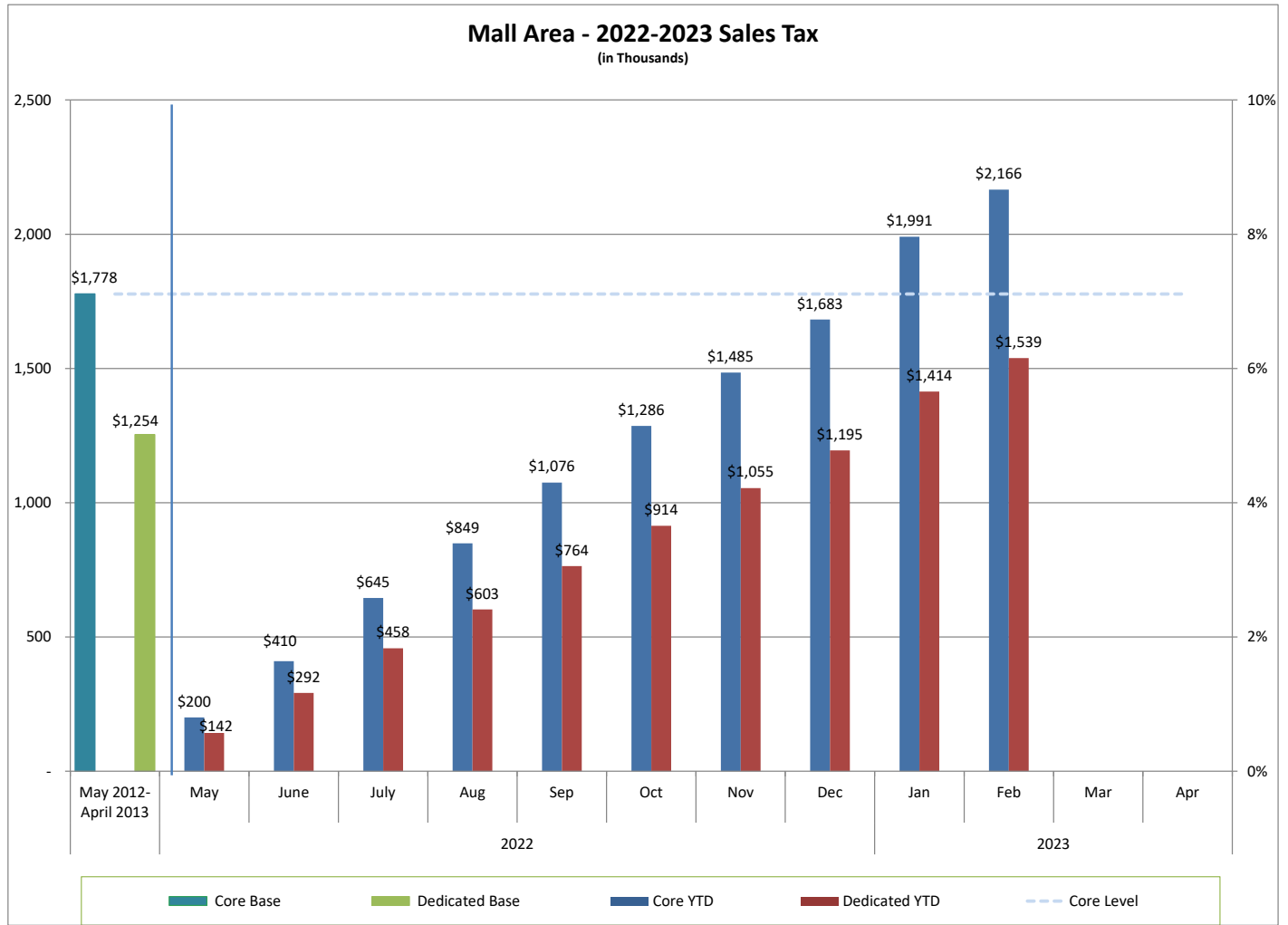
**Figure 10. February - Net Taxable Sales Subject to Sales Tax**



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



**Figure 12. Metro District Reporting**



The 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 2023, the year to date core amount collected is \$2.2M resulting in \$388k 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 4.9% from the same period in 2022.

**Lodging Tax Collections.** The City collected \$160K in lodging tax in February 2023. This was an increase of 107.9% from February 2022.

**Sales Tax Licenses.** There were 14,902 active sales tax licenses at the end of February.