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Sales and Use Tax Collection Report – March 2023

Issued April 11, 2023

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

MARCH SUMMARY OVER PRIOR YEAR

	Month	Year to Date
Net Sales Tax Collected:	11.4%	6.4%
Net Use Tax Collected:	-24.6%	-12.5%
Net Sales and Use Tax Collected:	5.7%	3.9%

Year to date, sales and use tax collections excluding rebates are up 3.9% and total \$44.3M.

MARCH SUMMARY OVER BUDGET

	Month	Year to Date
Net Sales Tax Collected:	3.3%	2.5%
Net Use Tax Collected:	-13.5%	0.2%
Net Sales and Use Tax Collected:	1.1%	2.2%

Year to date, the City has collected 2.2% more sales and use tax revenue, totaling \$958K over budget.

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

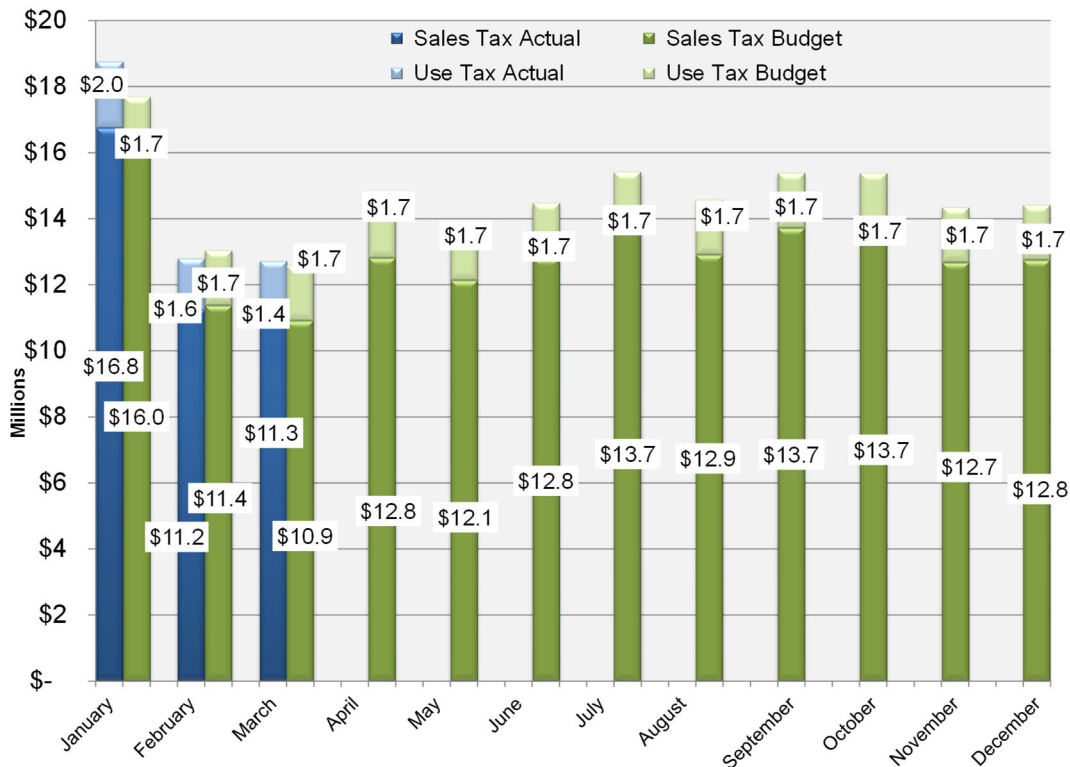


Figure 2. Sales and Use Tax Collected

	March			Year to Date		
	Actual 2022	Actual 2023	% Change	Actual 2022	Actual 2023	% Change
SALES TAX COLLECTIONS						
Grocery, Convenience, Liquor	\$1,363,694	\$1,424,021	4.4%	\$4,744,774	\$5,068,290	6.8%
Restaurants, Caterers and Bars	1,593,285	1,832,164	15.0%	4,978,871	5,551,776	11.5%
General Merchandise	1,043,539	959,053	-8.1%	3,252,952	3,445,590	5.9%
Vehicle Sales, Parts and Repairs	743,345	807,832	8.7%	2,340,182	2,644,319	13.0%
Building Materials, Garden Equipment & Supplies	732,759	673,476	-8.1%	3,573,343	2,645,319	-26.0%
Sporting, Hobby, Book, Music	432,708	459,981	6.3%	1,510,939	1,500,624	-0.7%
Broadcasting and Telecommunications	151,776	284,931	87.7%	933,687	969,249	3.8%
Electronics and Appliances	400,640	300,549	-25.0%	1,404,083	1,459,711	4.0%
Miscellaneous Retailers	1,385,921	1,743,117	25.8%	5,285,865	5,801,697	9.8%
Utilities	603,018	768,582	27.5%	1,722,089	2,368,147	37.5%
Clothing and Accessories	292,151	311,742	6.7%	1,186,807	1,243,930	4.8%
Pharmacy, Salon and Laundry	479,916	430,082	-10.4%	1,665,874	1,513,265	-9.2%
Other	243,058	243,090	0.0%	1,329,602	1,492,252	12.2%
Rental and Leasing Services	131,788	155,738	18.2%	528,681	598,550	13.2%
Furniture and Home Furnishings	176,130	282,657	60.5%	760,325	767,655	1.0%
Wholesale Trade	152,583	169,940	11.4%	683,790	784,455	14.7%
Lodging	152,107	198,707	30.6%	475,094	625,319	31.6%
Manufacturing	199,064	416,677	109.3%	967,276	1,355,301	40.1%
TOTAL SALES TAX	10,277,482	11,462,339	11.5%	37,344,234	39,835,449	6.7%
Less Mall Sales Tax Remittance*	(160,345)	(188,650)	17.7%	(447,014)	(576,519)	29.0%
NET SALES TAX	10,117,137	11,273,689	11.4%	36,897,220	39,258,930	6.4%
USE TAX COLLECTIONS						
Building Permits	574,551	368,256	-35.9%	1,236,068	982,564	-20.5%
Car Tax	665,837	588,019	-11.7%	2,146,518	2,132,719	-0.6%
Return Tax	669,763	484,589	-27.6%	2,338,815	1,893,179	-19.1%
TOTAL USE TAX	1,910,151	1,440,864	-24.6%	5,721,401	5,008,462	-12.5%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
NET USE TAX	1,910,151	1,440,864	-24.6%	5,721,401	5,008,462	-12.5%
SALES & USE TAX COLLECTIONS						
Total Sales & Use Tax	12,187,633	12,903,203	5.9%	43,065,635	44,843,911	4.1%
Less Mall Sales Tax Remittance*	(160,345)	(188,650)	17.7%	(447,014)	(576,519)	29.0%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
NET SALES & USE TAX	12,027,288	12,714,553	5.7%	42,618,621	44,267,392	3.9%
SALES & USE TAX DISTRIBUTION						
Streets and Transportation (.25%)	730,539	771,592	5.6%	2,584,611	2,681,022	3.7%
Community Capital Improvement Program (.25%)	730,539	771,592	5.6%	2,584,611	2,681,022	3.7%
Natural Areas (.25%)	730,539	771,592	5.6%	2,584,611	2,681,022	3.7%
General Fund Renewable (.25%) **	730,539	771,592	5.6%	2,584,611	2,681,022	3.7%
General Fund (2.85%)	9,265,477	9,816,835	6.0%	32,727,191	34,119,823	4.3%
Less Mall Sales Tax Remittance*	(160,345)	(188,650)	17.7%	(447,014)	(576,519)	29.0%
Less Economic Rebates	0	0	0.0%	0	0	0.0%
NET SALES & USE TAX	\$12,027,288	\$12,714,553	5.7%	\$42,618,621	\$44,267,392	3.9%

* 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

March Sales Tax Collected. In March 2023, sales tax collected in Fort Collins increased 11.4% compared to March 2022. Sales tax collected totaled \$11.3M compared to \$10.1M in 2022.

March Use Tax Collected. The total use tax collected in March was \$1.4M, a decrease of 24.6% compared to March 2022.

Net Sales and Use Tax Collected. Total tax collected of \$12.7M was 5.7% higher than March 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	11,273,689	10,912,015	361,674	3.3%	39,258,930	38,309,698	2.5%
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	39,258,930	38,309,698	949,232	2.5%			
YTD Rebates	576,519	240,000	336,519			-	
Total Collections	\$ 39,835,449	\$ 38,549,698	\$ 1,285,751	3.3%		\$ 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	1,440,864	1,666,667	(225,803)	-13.5%	5,008,462	5,000,001	0.2%
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	5,008,462	5,000,001	8,461	0.2%			
YTD Rebates	-	-	-			-	
Total Collections	\$ 5,008,462	\$ 5,000,001	\$ 8,461	0.2%		\$ 19,999,999	

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

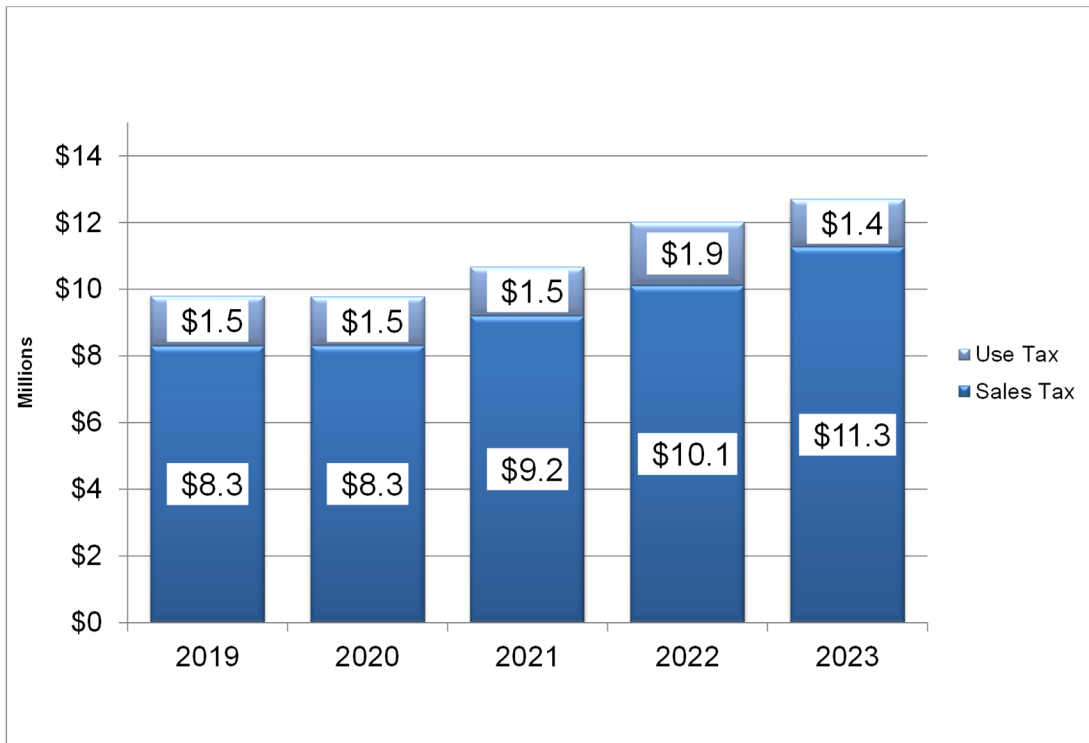
Fund	Actual Mar YTD	Budget Mar YTD	Over/(Under) Budget Mar YTD	% Over/(Under) Budget
Streets and Transportation (.25%)	2,681,022	2,575,992	105,030	4.1%
Community Capital Improvement Program (.25%)	2,681,022	2,575,992	105,030	4.1%
Natural Areas and Parks (.25%)	2,681,022	2,575,992	105,030	4.1%
General Fund Renewable (.25%)*	2,681,022	2,575,992	105,030	4.1%
General Fund (2.85%) (net of rebates)	33,543,304	33,005,731	537,573	1.6%
General Fund Economic Rebates	576,519	240,000	336,519	
Total Collections	\$ 44,843,911	\$ 43,549,699	\$ 1,294,212	

*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

March Sales Tax Budget to Actual. In March 2023, sales tax collected in Fort Collins was \$362K more than budget.

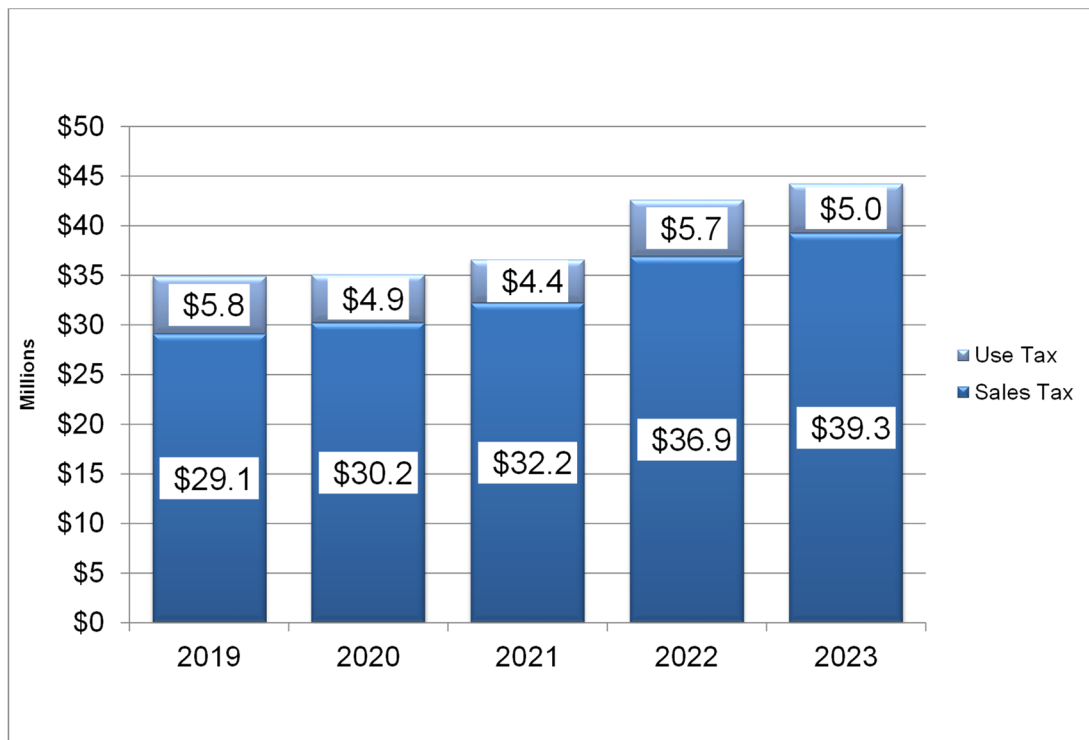
March Use Tax Budget to Actual Excluding Rebates. In March 2023, use tax collected in Fort Collins was \$226K less than budget.

Figure 6. March Collections*



*Total collections after rebates.

Figure 7. Year to Date Collections*



*Total collections after rebates.

Figure 8. Net Taxable

\$ in Millions	March			Year to Date		
	Actual	Actual	%	Actual	Actual	%
	2022	2023	Change	2022	2023	Change
SALES TAX						
Grocery, Convenience, Liquor	\$47.8	\$50.0	4.6%	\$167.6	\$179.2	6.9%
Restaurants, Caterers and Bars	41.4	46.5	12.4%	129.3	144.1	11.5%
General Merchandise	26.1	29.3	12.6%	92.2	103.9	12.7%
Vehicle Sales, Parts and Repairs	19.3	21.1	9.3%	60.5	68.5	13.2%
Building Materials, Garden Equipment & Supplies	19.1	17.5	-8.5%	64.9	68.4	5.5%
Sporting, Hobby, Book, Music	11.2	16.0	42.3%	39.3	43.0	9.7%
Broadcasting and Telecommunications	3.9	7.4	88.0%	24.2	25.2	3.8%
Electronics and Appliances	10.4	7.8	-25.0%	36.5	37.9	3.9%
Miscellaneous Retailers	36.1	39.2	8.6%	136.0	145.4	6.9%
Utilities	15.7	20.0	27.5%	44.7	61.5	37.5%
Clothing and Accessories	7.6	8.1	6.6%	30.8	32.3	4.9%
Pharmacy, Salon and Laundry	12.6	11.2	-10.8%	43.4	39.4	-9.1%
Other	6.6	6.2	-5.8%	34.4	38.5	12.1%
Rental and Leasing Services	3.4	4.0	17.0%	13.7	15.4	12.7%
Furniture and Home Furnishings	4.4	4.3	-1.3%	18.0	16.8	-7.1%
Wholesale Trade	4.0	4.6	15.1%	18.0	21.0	16.9%
Lodging	3.8	4.8	26.2%	12.0	16.8	39.4%
Manufacturing	5.2	5.5	5.7%	25.3	30.1	19.0%
NET TAXABLE SUBJECT TO SALES TAX	278.6	303.6	9.0%	990.8	1087.5	9.8%
USE TAX						
Building Permits	14.9	9.6	-35.9%	32.1	25.5	-20.5%
Car Tax	17.3	15.3	-11.7%	55.8	55.4	-0.6%
Return Tax	17.4	12.6	-27.6%	60.7	49.2	-19.1%
NET TAXABLE SUBJECT TO USE TAX	49.6	37.4	-24.6%	148.6	130.1	-12.5%
TOTAL NET TAXABLE SUBJECT TO SALES & USE TAX	\$328.2	\$341.1	3.9%	\$1139.4	\$1217.6	6.9%

Figure 9. Local Retail Compared to National Retail

Retail Sales Category	% Change from February 2022 United States	% Change from February 2022 Fort Collins
Grocery, Convenience, Liquor	5.5	4.6
Restaurants, Caterers & Bars	15.3	12.4
General Merchandise	10.5	12.6
Vehicle Sales, Parts & Repairs	-0.2	9.3
Building Materials, Garden Equipment & Supplies	0.6	-8.5
Clothing & Accessories	4.3	6.6
Furniture & Home Furnishings	0.1	-1.3
Total	5.4	9.0

At the national level, February 2023 retail sales (as reported on March 15, 2023) increased by 5.4% compared to an increase in Fort Collins' sales of 9.0%. February 2023 sales are the basis for the City's March 2023 sales tax collections and net taxable amounts (which are included in this report).

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

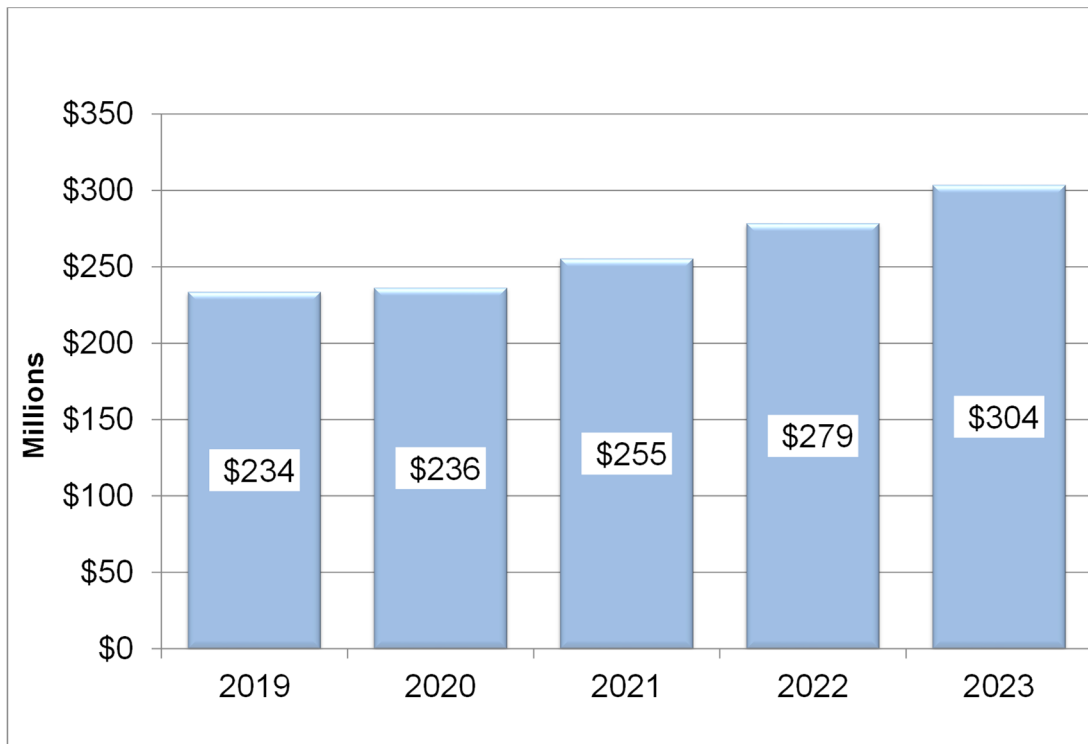


Figure 11. Year to Date - Net Taxable Sales Subject to Sales Tax

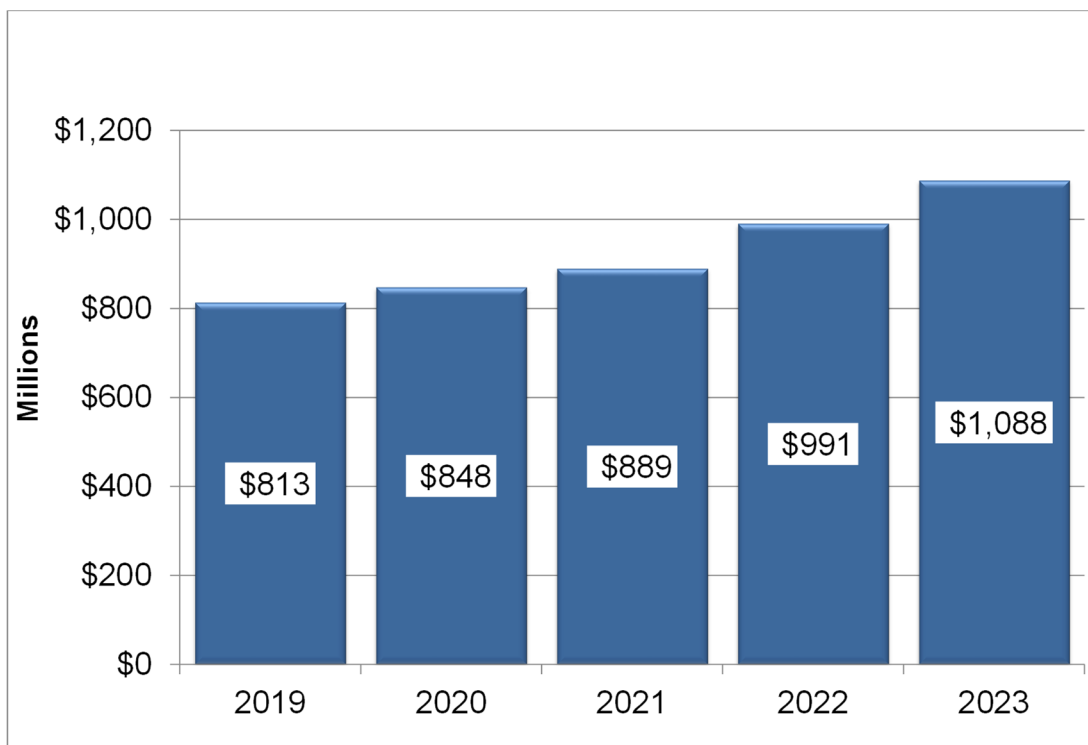
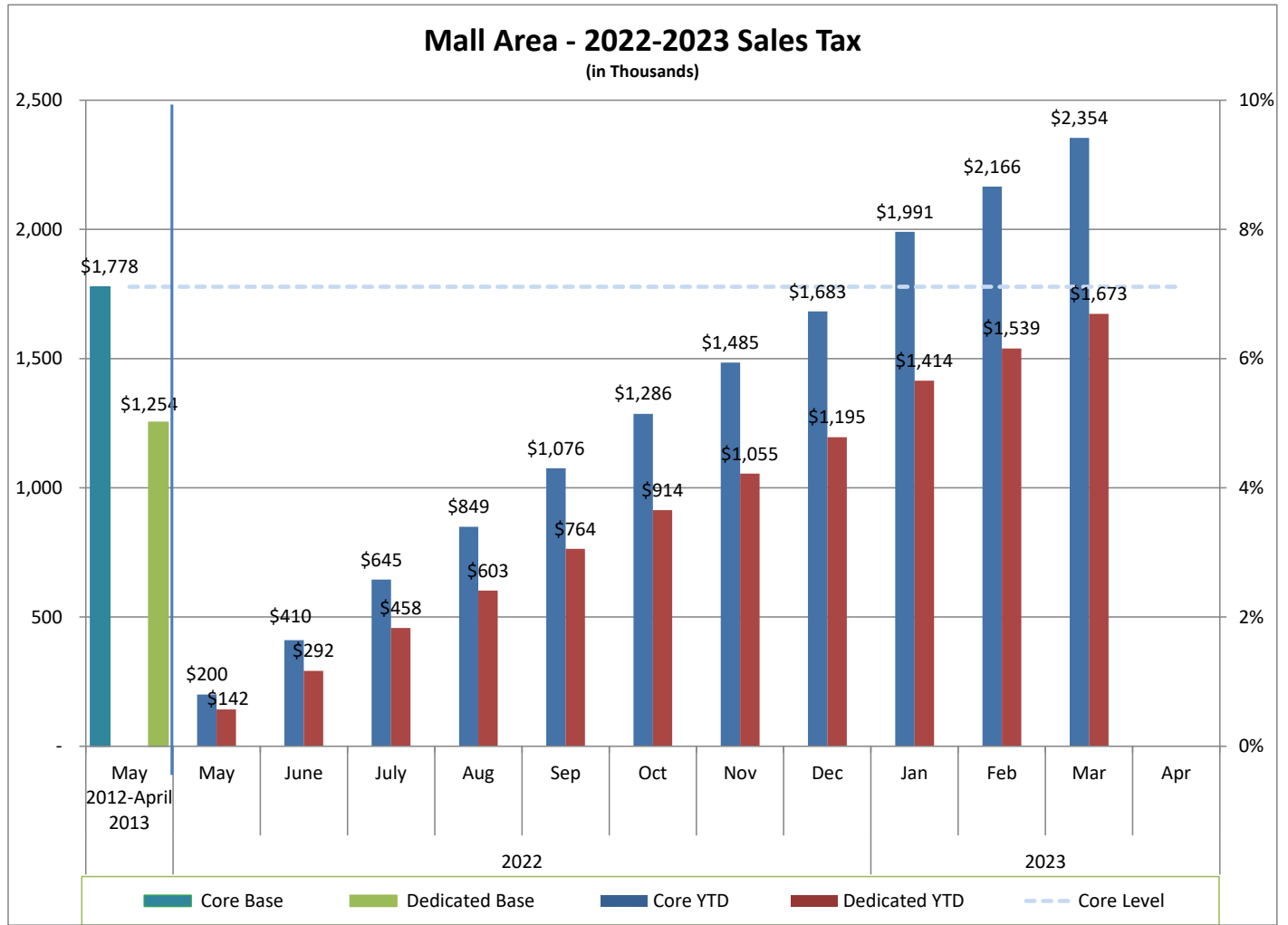


Figure 12. Metro District Reporting



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 March 2023, the year to date core amount collected is \$2.4M resulting in \$577k tax due to the Metro District.

Sales Tax in the City’s Downtown Area. The sales tax collected in March for the downtown area decreased 3.6% from the same period in 2022.

Lodging Tax Collections. The City collected \$119K in lodging tax in March 2023. This was an increase of 29.1% from March 2022.

Sales Tax Licenses*. There were 13,072 active sales tax licenses at the end of March.

*Approx. 2K accounts we closed due to inactivity and account cleanup in March 2023.