

To the Mayor and Members of the City Council

March 22, 2016

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SUBJECT: JANUARY 2016 – SALES TAX UPDATE

Sales tax revenue represents approximately twenty two percent (22%) of the City’s General Fund anticipated revenue in Fiscal Year 2016. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important and sometimes volatile revenue source. The Texas Comptroller’s Office posted January 2016 (Fiscal Year 2016, Period 4) collection results on March 9th. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers’ returns. This report provides Fort Worth’s sales tax collection compared to last year and the impact on the current year’s budget.

JANUARY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



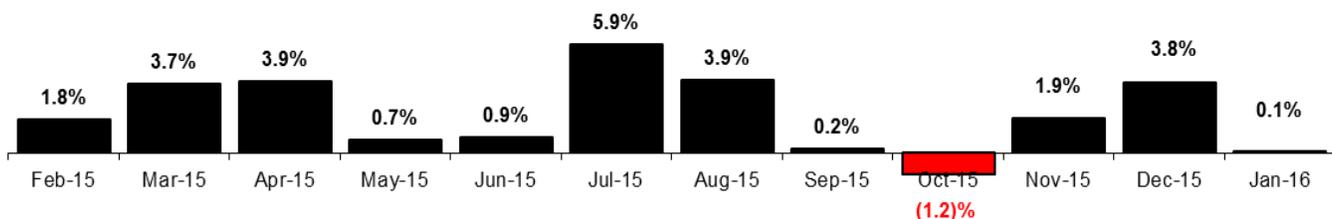
The City’s net sales tax collection is down **(\$501,514)** or **(4.9%)**, compared to the same month last year. As depicted in the table below, the City experienced **\$12,041** or a **0.1%** increase when compared to last year’s collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

COLLECTION DETAIL FOR CITY SALES TAX

	January 15	January 16	Variance (\$)	Variance (%)
Current Period Collections	\$9,395,168	\$9,407,209	\$12,041	0.1% ↑
Other Collections*	827,650	137,695	(689,954)	(83.4%)
Audit Collections	86,258	228,409	142,151	164.8%
Service Fee	(206,182)	(195,466)	10,715	5.2%
Retainage	87,897	111,430	23,533	26.8%
Net Collections	\$10,190,791	\$9,689,277	(\$501,514)	(4.9%) ↓

*OTHER COLLECTIONS ARE PAYMENTS ATTRIBUTED TO PRIOR PERIOD COLLECTIONS, FUTURE PERIOD COLLECTIONS AND UNIDENTIFIED COLLECTIONS. FOR JANUARY 2015, OTHER COLLECTIONS WERE HIGH DUE TO PRIOR PERIOD & FUTURE PERIOD COLLECTIONS. JANUARY 2016 IS MORE REPRESENTATIVE OF HISTORICAL TRENDS.

CURRENT PERIOD COLLECTIONS
Change Compared to Same Month in Prior Year



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The City’s Sales Tax collections year-to-date are around ±1% of the budget year-to-date and are less than 1% higher than the year-to-date total for the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of Period 4	Current Receipts Through Period 4	FY2015 Receipts Through Period 4
GENERAL FUND	\$44,780,645	\$45,006,833	\$44,799,067
CRIME CONTROL AND PREVENTION DISTRICT	21,485,186	21,236,813	21,174,398
TOTAL	\$66,265,831	\$66,243,646	\$65,973,465

CITY OF FORT WORTH FISCAL YEAR COMPARISON – FY2016

CITY OF FORT WORTH	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended	
				(\$)	(%)
GENERAL FUND	\$135,065,427	\$135,065,427	\$135,065,427	\$0	0.0%
CRIME CONTROL AND PREVENTION DISTRICT	\$64,802,679	\$64,802,679	\$64,802,679	\$0	0.0%
FORT WORTH TRANSPORTATION AUTHORITY	\$67,857,000	\$67,857,000	\$67,857,000	\$0	0.0%

The City anticipates collecting **\$135,065,427** in the General Fund and **\$64,802,679** in the Crime Control and Prevention District Fund by fiscal year end, which matches original estimates in the FY2016 adopted budget.

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The chart below indicates how current year sales tax collections in Fort Worth and other select cities in the state compare to FY2016 collections for the same period.

**CITIES COMPARISON
FY2016 vs. FY2015**

City	1st Quarter	January	YTD
GRAND PRAIRIE	6.7%	18.3%	9.2%
MCKINNEY	6.4%	(12.2%)	2.4%
GARLAND	5.7%	10.8%	6.8%
AUSTIN	4.3%	7.7%	5.0%
ARLINGTON	3.7%	1.7%	3.2%
SAN ANTONIO	2.6%	0.6%	2.2%
DALLAS	2.2%	6.2%	3.1%
FORT WORTH	2.0%	(4.9%)	0.5%
IRVING	1.8%	5.8%	2.7%
EL PASO	0.3%	5.0%	1.3%
PLANO	(3.5%)	3.5%	(2.1%)
HOUSTON	(5.7%)	(7.5%)	(6.1%)
FRISCO	(6.2%)	(5.4%)	(6.0%)
STATE TOTAL	(3.3%)	(3.9%)	(3.4%)

If you have any questions, please call Aaron Bovos, Chief Financial Officer, at 817-392-8517.

David Cooke
City Manager