

To the Mayor and Members of the City Council

May 17, 2016

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SUBJECT: MARCH 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 March 2016 (Fiscal Year 2016, Period 6) collection results on May 11th. 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.

MARCH NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



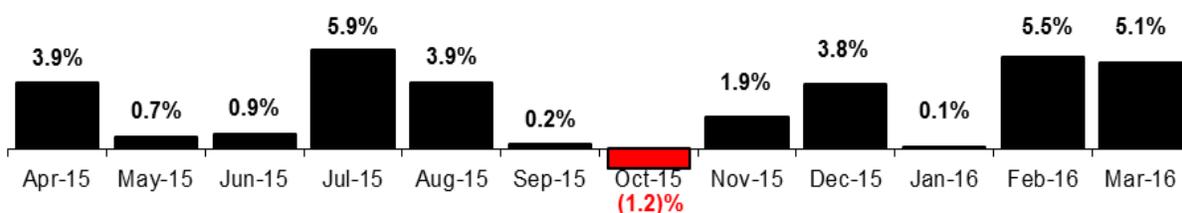
The City’s net sales tax collection is up **\$505,609** or **4.0%**, compared to the same month last year. As depicted in the table below, the City experienced **\$649,331** or a **5.1%** increase when compared to last year’s collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

COLLECTION DETAIL FOR CITY SALES TAX

	March 15	March 16	Variance (\$)	Variance (%)
Current Period Collections	\$12,658,142	\$13,307,473	\$649,331	5.1% ↑
Other Collections***	125,612	93,168	(32,444)	(25.8%)
Audit Collections	250,905	141,860	(109,045)	(43.5%)
Service Fee	(260,693)	(270,850)	(10,157)	(3.9%)
Retainage*	(74,474)	(66,550)	7,924	10.6%
Net Collections	\$12,699,492	\$13,205,102	\$505,609	4.0% ↑

***OTHER COLLECTIONS ARE PAYMENTS ATTRIBUTED TO PRIOR PERIOD COLLECTIONS, FUTURE PERIOD COLLECTIONS AND UNIDENTIFIED COLLECTIONS. FOR MARCH 2015, OTHER COLLECTIONS WERE HIGH DUE TO PRIOR PERIOD COLLECTIONS. OTHER COLLECTIONS FOR MARCH 2016 ARE LOWER DUE TO REDUCED AMOUNTS RECEIVED FOR PRIOR PERIOD COLLECTIONS COMPARED TO MARCH 2015.

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 slightly higher than 2% of 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 6	Current Receipts Through Period 6	FY2015 Receipts Through Period 6
GENERAL FUND	\$67,465,149	\$68,148,765	\$66,569,901
CRIME CONTROL AND PREVENTION DISTRICT	32,368,923	32,010,827	31,040,264
TOTAL	\$99,834,072	\$100,159,592	\$97,610,166

CITY OF FORT WORTH FISCAL YEAR COMPARISON – FY2016

CITY OF FORT WORTH	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended (\$)	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	2nd Quarter	March	YTD
GARLAND	5.7%	33.2%	53.4%	18.9%
GRAND PRAIRIE	6.7%	13.7%	7.5%	10.1%
MCKINNEY	6.4%	4.0%	8.1%	5.3%
AUSTIN	4.3%	4.6%	(0.4%)	4.4%
ARLINGTON	3.7%	4.2%	1.9%	3.9%
DALLAS	2.2%	5.1%	2.3%	3.6%
SAN ANTONIO	2.6%	2.1%	3.5%	2.4%
FORT WORTH	2.0%	2.7%	4.0%	2.4%
EL PASO	0.3%	3.2%	2.1%	1.7%
IRVING	1.8%	(6.4%)	(22.6%)	(2.1%)
PLANO	(3.5%)	(4.0%)	(7.0%)	(3.7%)
FRISCO	(6.2%)	(2.6%)	(1.3%)	(4.5%)
HOUSTON	(5.7%)	(4.8%)	(4.2%)	(5.3%)
STATE TOTAL	(3.3%)	(3.1%)	2.1%	(3.2%)

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**Sales Tax Revenue by Industry
Through Period 5**



There are six industries that comprise the largest portion (78%) of the City's sales tax revenue in FY2016 through period 5. The reporting by industry is released later and period 6 data is currently not available.

Budget staff is currently preparing comparative historical trend analysis. This information will be shared in future sales tax update IR's.

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

David Cooke
City Manager