

To the Mayor and Members of the City Council

June 14, 2016

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SUBJECT: APRIL 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 April 2016 (Fiscal Year 2016, Period 7) collection results on June 8th. 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.

APRIL NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



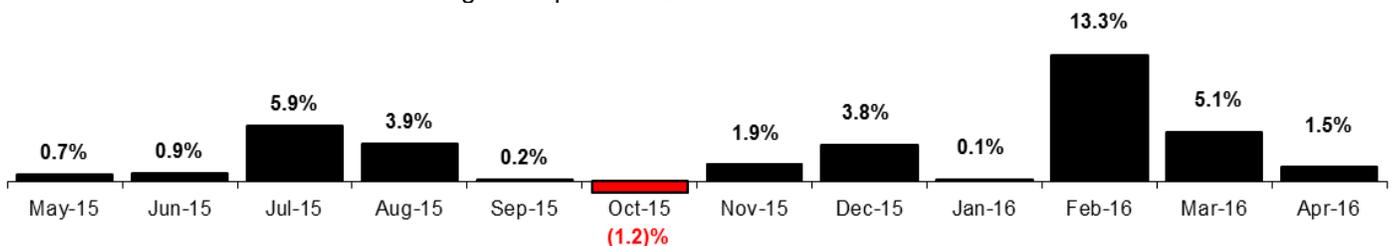
The City’s net sales tax collection is up **\$62,133** or **0.6%**, compared to the same month last year. As depicted in the table below, the City experienced **\$154,777** or a **1.5%** increase when compared to last year’s collections for the same month. Current period collections include only transactions that occurred within the month, so this number reflects pure economic activity.

COLLECTION DETAIL FOR CITY SALES TAX

	April 15	April 16	Variance (\$)	Variance (%)
Current Period Collections	\$10,123,448	\$10,278,225	\$154,777	1.5% ↑
Other Collections	184,110	184,914	804	0.4%
Audit Collections	150,558	49,308	(101,250)	(67.2%)
Service Fee	(209,162)	(210,249)	(1,087)	(0.5%)
Retainage*	50,500	59,389	8,889	17.6%
Net Collections	\$10,299,453	\$10,361,587	\$62,133	0.6% ↑

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 7	Current Receipts Through Period 7	FY2015 Receipts Through Period 7
GENERAL FUND	\$77,963,931	\$78,510,352	\$76,869,355
CRIME CONTROL AND PREVENTION DISTRICT	37,406,105	36,967,185	35,962,959
TOTAL	\$115,370,036	\$115,477,536	\$112,832,314

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	April	YTD
GARLAND	5.7%	33.2%	10.1%	17.7%
GRAND PRAIRIE	6.7%	13.7%	1.8%	8.9%
MCKINNEY	6.4%	4.0%	7.8%	5.6%
AUSTIN	4.3%	4.6%	7.3%	4.8%
ARLINGTON	3.7%	4.2%	(1.5%)	3.1%
DALLAS	2.2%	5.1%	0.7%	3.2%
SAN ANTONIO	2.6%	2.1%	(4.0%)	1.5%
FORT WORTH	2.0%	2.7%	0.6%	2.1%
EL PASO	0.3%	3.2%	4.9%	2.1%
IRVING	1.8%	(6.4%)	20.5%	0.7%
PLANO	(3.5%)	(4.0%)	(0.4%)	(3.3%)
FRISCO	(6.2%)	(2.6%)	(14.8%)	(6.0%)
HOUSTON	(5.7%)	(4.8%)	(1.5%)	(4.8%)
STATE TOTAL	(3.3%)	(3.1%)	3.1%	(2.3%)

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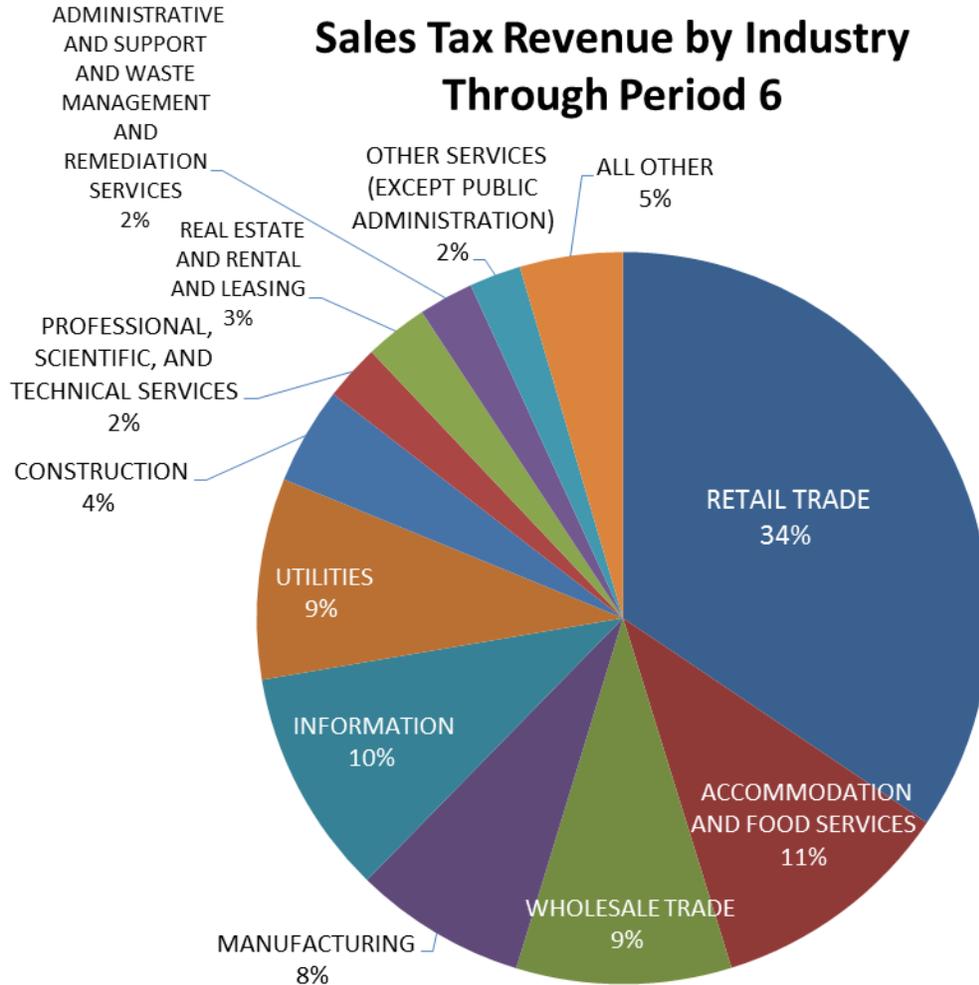
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Sales Tax Revenue by Industry Through Period 6



There are six industries that comprise the largest portion (78%) of the City's sales tax revenue in FY2016 through period 6. The reporting by industry is released later and period 7 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 Terry Hanson, Director of Budget, at 817-392-7934.

David Cooke
City Manager