

**To the Mayor and Members of the City Council**

**January 15, 2013**

Page 1 of 2



**SUBJECT: November 2012 – Sales Tax Update**

Sales tax revenue represents approximately 20% of the City’s General Fund budget. Staff is committed to providing you regular updates on this important and sometimes volatile revenue source. The Texas Comptroller’s Office posted results on January 9th. The results are dependent upon the timeliness and accuracy of sales tax payers’ returns. This payment from the State represents taxes collected on sales that occurred primarily in the month of November. In this report, you will see Fort Worth’s sales tax collection compared to last year and the impact on the current year’s budget.

**MONTHLY NET SALES TAX COLLECTIONS FOR NOVEMBER**

**CITY OF FORT WORTH**

<b>November 2012</b>	\$8,267,979	<b><u>DOLLAR VARIANCE</u></b>	<b>↓</b>	<b><u>% VARIANCE</u></b>	<b>↓</b>
<b>November 2011</b>	\$8,466,199	<b>(\$198,220)</b>		<b>-2.3%</b>	

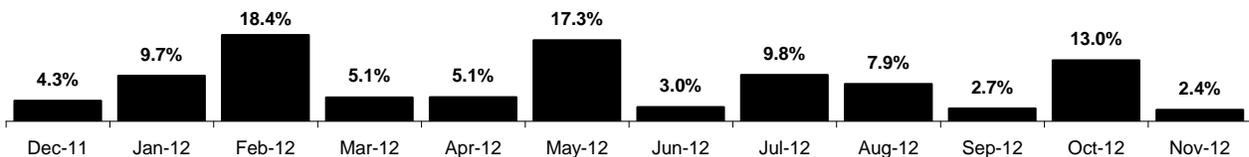


The City’s net sales tax collection is down **(\$198,200)** or **(2.3%)** compared to this month last year. Collections for this month were reduced by an unfavorable audit adjustment of **(\$237K)**. The adjustment was caused by one wholesale company incorrectly reporting its sales tax information. The sales tax should have been reported for the city that received the shipped goods instead of the city that originated the order. This impacted several cities in the area. Additionally, in November 2011, collections had a favorable audit adjustment of \$167K. This represents a **(\$405K)** swing in audit adjustments. Fortunately, pure economic activity which is reflected in “current period collections” has increased by 2.4%. Apart from the audit adjustments, we continue to see a positive trend in sales tax revenue.

**COLLECTION DETAIL FOR CITY SALES TAX**

	<b>November 2011</b>	<b>November 2012</b>	<b>CHANGE</b>	<b>CHANGE</b>	
<b>Current Period Collections:</b>	<b>\$8,273,028</b>	<b>\$8,470,591</b>	<b>\$197,563</b>	<b>2.4%</b>	<b>↑</b>
Other Collections:	\$218,246	\$182,200	<b>(\$36,046)</b>	<b>-16.5%</b>	
Audit Collections:	\$167,717	<b>(\$237,864)</b>	<b>(\$405,581)</b>	<b>241.8%</b>	
Service Fee:	<b>(\$173,180)</b>	<b>(\$168,299)</b>	\$4,881	<b>-2.8%</b>	
Retainage:	<b>(\$19,612)</b>	\$21,350	\$40,962	<b>-208.9%</b>	<b>↓</b>
<b>Net Collections</b>	<b>\$8,466,199</b>	<b>\$8,267,979</b>	<b>(\$198,220)</b>	<b>-2.3%</b>	

**Current Period Collections**



**To the Mayor and Members of the City Council**

**January 15, 2013**

Page 2 of 2



**SUBJECT: November 2012 – Sales Tax Update**

**CITY OF FORT WORTH BUDGET COMPARISON - FY2013**

	<b>ADOPTED BUDGET</b>	<b>FISCAL YEAR PROJECTION</b>	<b>VARIANCE</b>	
<b>CITY OF FORT WORTH</b>	\$ 108,798,434	\$ 110,492,714	1.6%	↑
<b>CRIME CONTROL AND PREVENTION DIST.</b>	\$ 49,795,976	\$ 51,987,270	4.4%	↑
<b>MASS TRANSIT AUTHORITY - THE "T"</b>	\$ 57,231,467	\$ 57,836,119	1.1%	↑

Through two months, the City has collected **\$1,694,280** over budget; for the full year we project to be 1.6% above the adopted budget. As depicted above, you will also see how the positive results are affecting our partner agencies. These are the first collections for the fiscal year and while they are encouraging, Staff recommends maintaining a conservative forecast for FY2013 as we continue to experience uncertainty with the national economy and potential audit adjustments. The chart below indicates how other cities in the region compared to FY2012.

**CITY OF FORT WORTH  
CITY COMPARISONS - FY2013 v. FY2012**

<b>CITY</b>	<b>October</b>	<b>November</b>	<b>YTD</b>
SOUTHLAKE	32.6%	6.0%	17.9%
EULESS	26.9%	7.5%	17.3%
GRAPEVINE	10.6%	23.4%	17.0%
GRAND PRAIRIE	15.8%	11.5%	13.7%
DALLAS	22.8%	0.1%	11.0%
<b>FORT WORTH</b>	<b>23.5%</b>	<b>-2.3%</b>	<b>9.8%</b>
KELLER	3.5%	11.7%	7.5%
BEDFORD	10.2%	4.3%	7.1%
HURST	14.5%	-6.1%	3.3%
WATAUGA	32.6%	-22.7%	2.5%
ARLINGTON	-0.9%	0.4%	-0.3%
NORTH RICHLAND HILLS	2.1%	-9.3%	-3.9%
BURLESON	-2.8%	-20.5%	-11.9%
STATE TOTAL	8.2%	13.1%	10.7%

Again, hopefully you find this additional information helpful. If you have any questions, please call Horatio Porter, Budget Officer, at 817.392.2379.

**Tom Higgins  
City Manager**