

City Manager Report

The City of OKLAHOMA CITY

NO: 6771

DATE: JULY 29, 2008

TO: THE MAYOR and MEMBERS OF THE CITY COUNCIL

SUBJECT: SALES AND USE TAX REPORT FOR JULY 2008

Following is a report on sales and use taxes for the City's General Fund. A schedule summarizing activity for all funds is attached.

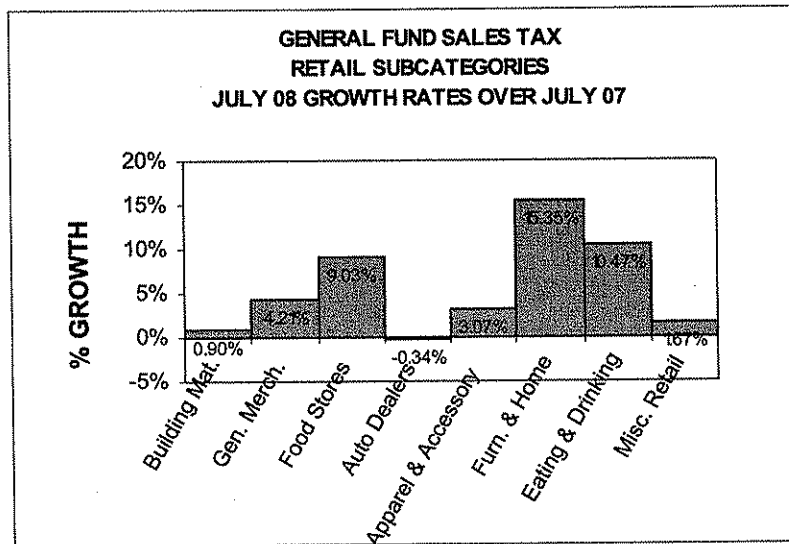
Sales Tax

The July allocation of sales tax to the General Fund totaled \$15,361,279. This is \$55,154 or .36 percent above target and 3.92 percent above July 2007 collections. For major taxpayers, the July check includes payments for the second half of May and estimated payments for the first part of June.

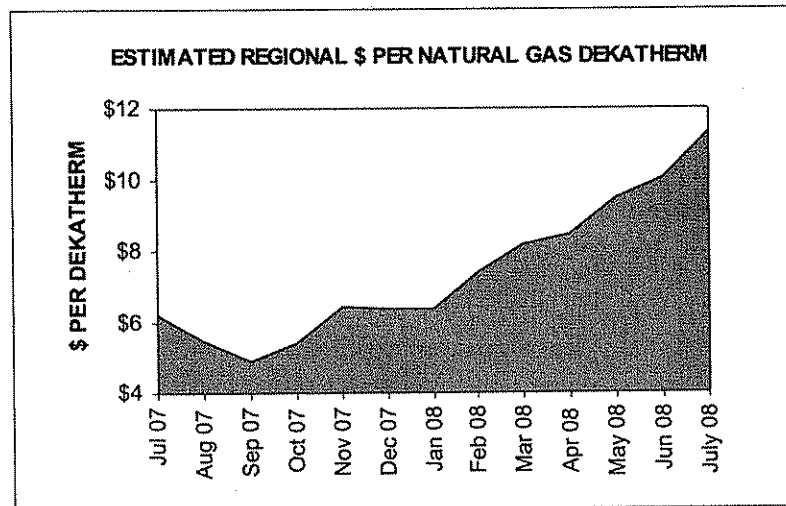
FY 2009 Sales Tax Major Category Growth Rates

<u>Category</u>	<u>July FY 09 Growth Rate Over July FY 08</u>	<u>% of Total Sales Tax</u>
Retail	5.89%	62.78%
Transportation & Utilities	6.19%	10.57%
Services	-5.46%	10.54%
Wholesale	0.39%	11.07%
Manufacturing	3.07%	3.58%
Non-Classified	36.82%	1.03%
Other Miscellaneous	4.71%	0.43%
Overall Growth Rate:	3.92%	100.00%

- Within the retail category, the food stores (9.03%), furniture & home (15.35%) and eating & drinking (10.47%) subcategories are unusually high this month. This may be the result of lingering effects from taxpayer rebate spending. All other retail subcategories, however, are either flat or negative (see chart at top of next page).



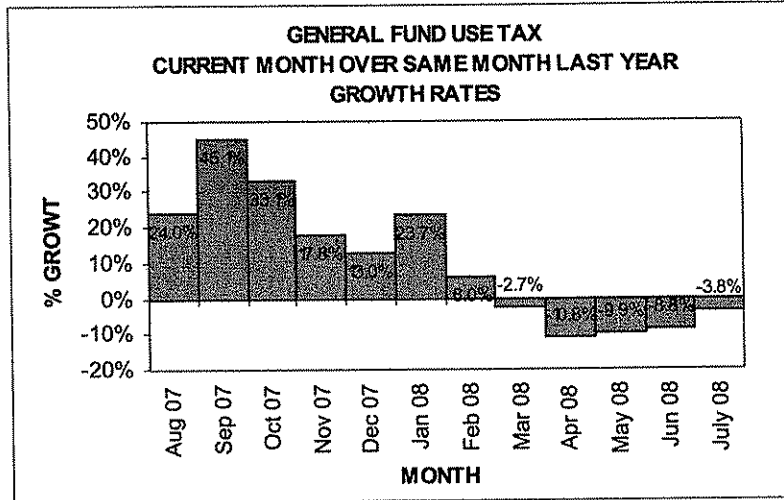
- Transportation & utilities category is up 6.19 percent this month over the same period last year. Due to increases seen in natural gas prices, we anticipate that this category's growth rate will increase later this fiscal year.



- The services category is down 5.46 percent due to an unusually large remittance by a major company in July 2007 and previous period corrections by multiple companies in the current month. The hotels subcategory was up 12.66 percent.
- Growth rates for the wholesale (0.39%) and manufacturing (3.07%) categories are relatively low. Wholesale's comparison to the same period last year is distorted due to a large company remitting sales tax for multiple periods in July 07. Previous period refunds in the current remittance reduced manufacturing's growth rate substantially.

Use Tax

The July allocation of sales tax to the General Fund totaled \$2,143,789. This is \$231,075 or 9.73 percent below target and 3.79 percent below July 2007 collections. When compared to the same month in the previous year, the overall use tax growth rate appears to have slowed in the last five months (see above chart).



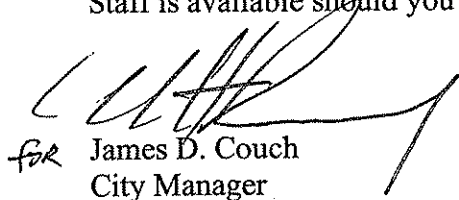
FY 2009 Use Tax Category Growth Rates

Category	July FY 09 Growth Rate Over July FY 08	% of Total Use Tax
Retail	19.80%	30.20%
Wholesale	-4.79%	24.10%
Services	-24.11%	13.92%
Non-Classified	-52.03%	8.44%
Mining	7.89%	6.08%
Transportation & Utilities	163.61%	10.35%
Manufacturing	-1.42%	4.87%
Other Miscellaneous	-29.41%	2.05%
Overall Growth Rate:	-3.79%	100.00%

- Retail's growth rate of 19.8 percent is not unusual as use tax is highly volatile.
- Although the majority of remitters in the wholesale category improved over the previous year, two large credits in the current month's remittance brought this category down to a net decrease of 4.79%
- Services category is down due to several unusually large payments in last year's remittance.

Combined sales and use taxes for the General Fund are \$175,921 below target for July.

Staff is available should you have questions or require additional information.

for 
James D. Couch
City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
July 2008

	<u>General Fund</u>	<u>Police Public Safety</u>	<u>Fire Public Safety</u>	<u>Zoo</u>	<u>Police/Fire Equipment</u>	<u>MAPS for Kids</u>	<u>OKC Sports Facility Improvement</u>	<u>MAPS</u>	<u>Total Sales Tax</u>
Current Month:									
Actual	\$15,360,595	\$2,880,112	\$2,880,112	\$960,037	-	\$7,680,298	-	-	\$29,761,153
Reallocations	\$684	\$128	\$43		\$741	(\$2,786)	\$0	\$1,061	-
Adjusted Actual	\$15,361,279	\$2,880,240	\$2,880,240	\$960,080	\$741	\$7,677,512	\$0	\$1,061	\$29,761,153
Target	\$15,306,125	\$2,865,805	\$2,865,805	\$955,268	-	\$7,595,956	\$0	-	\$29,588,959
+/- Target	\$55,154	\$14,435	\$14,435	\$4,812	\$741	\$81,556	\$0	\$1,061	\$172,194
%+/- Target	0.36%	0.50%	0.50%	0.50%	-	1.07%	-	-	0.58%
Prior Year Actual	\$14,781,717	\$2,771,572	\$2,771,572	\$923,857	\$2,147	\$7,346,186	-	\$1,622	\$28,598,674
+/- Prior Year	\$579,562	\$108,668	\$108,668	\$36,223	(\$1,406)	\$331,326	\$0	(\$561)	\$1,162,479
%+/- Prior Year	3.92%	3.92%	3.92%	3.92%	-	4.51%	-	-	4.06%

NOTES:

(1) The Police/Fire Equipment and MAPS taxes expired in prior years, therefore, only current year reallocation activity is presented for these funds.

CITY OF OKLAHOMA CITY
USE TAX COLLECTIONS
July 2008

	<u>General Fund</u>	<u>Police/Fire Equipment</u>	<u>City & Schools</u>	<u>MAPS</u>	<u>Total Use Tax</u>
Current Month:					
Actual	\$2,144,995	-	\$746,085	-	\$2,891,080
Reallocations	(\$1,205)	(\$7,894)	\$9,080	\$19	-
Adjusted Actual	\$2,143,789	(\$7,894)	\$755,165	\$19	\$2,891,080
Target	\$2,374,864	-	\$821,363	-	\$3,196,227
+/- Target	(\$231,075)	(\$7,894)	(\$66,198)	\$19	(\$305,147)
%+/- Target	-9.73%	-	-8.06%	-	-9.55%
Prior Year Actual	\$2,228,246	\$83	\$774,068	\$948	\$3,003,345
+/- Prior Year	(\$84,457)	(\$7,977)	(\$18,903)	(\$929)	(\$112,266)
%+/- Prior Year	-3.79%	-	-2.44%	-	-3.74%

NOTES:

(1) The Police/Fire Equipment and MAPS taxes expired in prior years, therefore, only current year reallocation activity is presented for these funds.