



City Manager Report

The City of
OKLAHOMA CITY

NO: 6820

DATE: DECEMBER 23, 2008

TO: THE MAYOR and MEMBERS OF THE CITY COUNCIL

SUBJECT: SALES AND USE TAX REPORT FOR DECEMBER 2008

Combined sales and use taxes for the General Fund are \$3,125,009 above target for the year.

The Oklahoma Tax Commission's (OTC) tax amnesty program, Clean Slate '08, allowed taxpayers to pay delinquent taxes between September 15 and November 14, 2008. Collections from OTC field audits jumped sharply in November and December, netting \$437,105 and \$976,440, respectively. Staff believes the majority of this increase is attributable to the Clean Slate '08 program. As with sales tax, OTC field audit collections of \$2,553,635 in November and \$138,657 in December have improved year-to-date comparisons considerably.

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

General Fund Sales Tax

The December allocation of sales tax to the General Fund totaled \$15,578,943. This is \$842,149 or 5.71 percent above target and 9.31 percent above December 2007 collections. The December check includes payments by major taxpayers for the second half of October and estimated payments for the first part of November.

Year-to-date growth has improved to 6.46 percent with double-digit growth in transportation and utilities and wholesale.

Fiscal Year Growth Rates

Fiscal Year	Year over Year Growth Rate
FY 2006	6.85%
FY 2007	5.96%
FY 2008	3.95%
FY 2009 (thru December)	6.46%

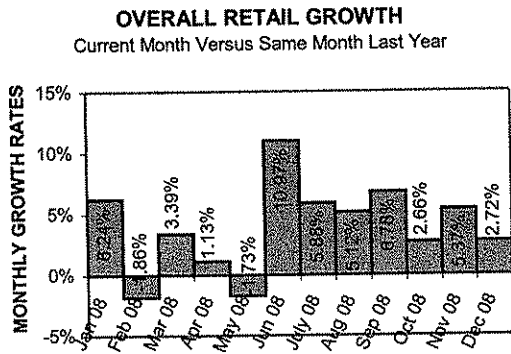
Although growth slowed in FY 2008, the first six months of FY 2009 have exceeded budget.

FY 2009 Sales Tax Major Category Growth Rates

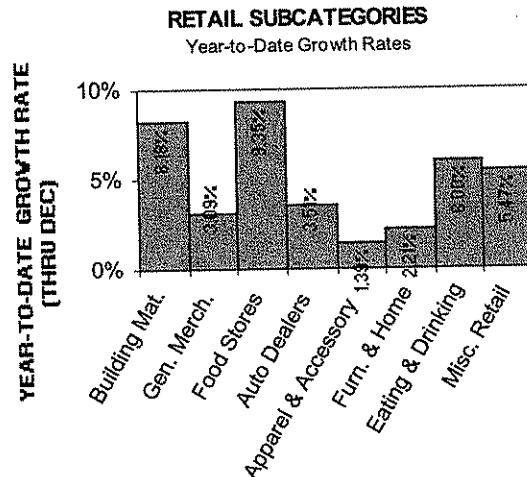
Category	Year-to-Date Growth Rate	% of Total Sales Tax
Retail	4.92%	59.27%
Transportation & Utilities	13.03%	12.20%
Wholesale	14.58%	11.32%
Services	2.67%	10.96%
Manufacturing	6.51%	4.17%
Non-Classified	-6.51%	1.27%
Other Miscellaneous	0.73%	0.82%
Overall Growth Rate:	6.46%	100.00%

The three largest categories, retail, transportation & utilities and wholesale have strong year-to-date growth rates.

Retail overall grew by 2.72% in the current month bringing the year-to-date growth rate down to 4.92 percent. Food stores and eating/drinking establishments, historically solid performing subcategories, are both exhibiting strong growth. Building materials have surged this year after being down much of last year.



Retail, our largest category, continues to have solid increases over the prior year.



All subcategories are positive for the year.

Overall, the transportation and utilities category is up 13.03 percent over the same six-month period last year. The public utilities subcategory is up 18.25 percent while the telecommunications subcategory is up 6.05 percent for the year. While natural gas prices have decreased since late summer, this category is not expected to decrease significantly in the future due to accumulation of winter supplies at higher rates before the drop in prices.

The wholesale category is up 14.58 percent for the year, continuing the strong growth seen in the latter half of FY 2008. When comparing the current month to the same month in the previous year, wholesale has had double-digit growth in nine of the last ten months.

The overall services category is up 2.67 percent above previous year collections. Major service subcategories hotels (1.98%), business services (-4.70%) and other services (8.97%) are showing mixed growth.

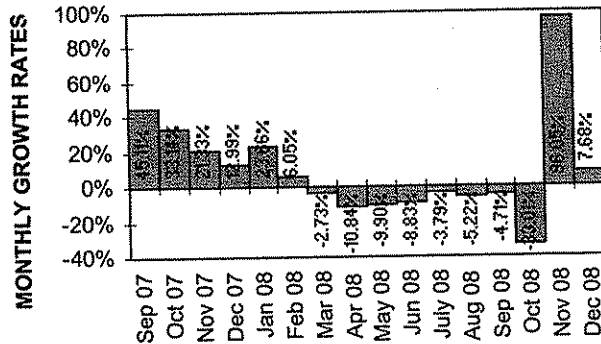
General Fund Use Tax

The December allocation of use tax to the General Fund totaled \$2,339,098. This is \$42,978 or 1.87 percent above target and 8.58 percent above December 2007 collections.

Use tax is a tax on goods purchased outside of Oklahoma for use, storage or consumption within the City of Oklahoma City. Business expansion, renovation or large investments in equipment and technology often are responsible for large use tax remittances.

OVERALL USE TAX

Current Month Versus Same Month Prior Year



The large November increase in use tax is attributable to Oklahoma Tax Commission field audit collections.

The December use tax included a smaller but still larger than average field audit collections of \$138,000.

Fiscal Year Growth Rates

Fiscal Year	Year over Year Growth Rate
FY 2006	16.90%
FY 2007	9.81%
FY 2008	9.56%
FY 2009 (thru December)	9.67%

Large field audit payments the last two months have raised the current year's growth rate to levels seen in prior years.

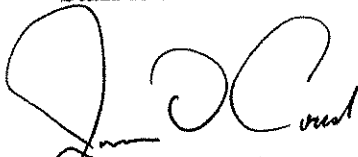
FY 2009 Use Tax Major Category Growth Rates

Category	Year-to-Date Growth Rate	% of Total Use Tax
Wholesale	16.88%	27.74%
Retail	-21.45%	19.08%
Mining	177.07%	17.90%
Services	-12.53%	11.67%
Non-Classified	-0.09%	9.43%
Manufacturing	18.34%	6.33%
Transportation & Utilities	-3.66%	5.89%
Other Miscellaneous	-31.66%	1.21%
Overall Growth Rate:	9.67%	100.00%

Many categories are showing significant decreases below the same five-month period in the previous year.

Large audit payments the last two months have increased the mining category's growth rate significantly and helped year-to-date comparisons.

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


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
 December 2008

	General Fund	Police Public Safety	Fire Public Safety	Zoo	Police/Fire Equipment	MAPS for Kids	MAPS	Total Sales Tax
Current Month:								
Actual	\$15,577,096	\$2,920,705	\$2,920,705	\$973,568	-	\$7,788,548	-	\$30,180,623
Reallocations	\$1,847	\$346	\$346	\$115	\$2,461	(\$7,043)	\$1,926	-
Adjusted Actual	\$15,578,943	\$2,921,052	\$2,921,052	\$973,684	\$2,461	\$7,781,505	\$1,926	\$30,180,623
Target	\$14,736,794	\$2,763,746	\$2,763,746	\$921,249	-	\$7,359,506	-	\$28,545,041
+/- Target	\$842,149	\$157,306	\$157,306	\$52,435	\$2,461	\$421,999	\$1,926	\$1,635,582
%+/- Target	5.71%	5.69%	5.69%	5.69%	-	5.73%	-	5.73%
Prior Year Actual	\$14,252,127	\$2,672,274	\$2,672,274	\$890,758	\$1,514	\$7,124,827	(\$100)	\$27,613,673
+/- Prior Year	\$1,326,816	\$248,778	\$248,778	\$82,926	\$947	\$656,678	\$2,026	\$2,566,950
%+/- Prior Year	9.31%	9.31%	9.31%	9.31%	-	9.22%	-	9.30%
Year-to-Date:								
Actual	\$93,479,181	\$17,527,347	\$17,527,347	\$5,842,449	-	\$46,739,591	-	\$181,115,914
Reallocations	\$4,073	\$764	\$764	\$255	\$7,408	(\$18,837)	\$5,574	-
Adjusted Actual	\$93,483,254	\$17,528,110	\$17,528,110	\$5,842,703	\$7,408	\$46,720,754	\$5,574	\$181,115,914
Target	\$90,802,691	\$17,024,876	\$17,024,876	\$5,674,959	-	\$45,360,323	-	\$175,887,725
+/- Target	\$2,680,563	\$503,234	\$503,234	\$167,744	\$7,408	\$1,360,431	\$5,574	\$5,228,189
%+/- Target	2.95%	2.96%	2.96%	2.96%	-	3.00%	-	2.97%
Prior Year Actual	\$87,813,673	\$16,465,064	\$16,465,064	\$5,488,355	\$10,054	\$43,868,785	\$5,388	\$170,116,382
+/- Prior Year	\$5,669,581	\$1,063,047	\$1,063,047	\$354,349	(\$2,646)	\$2,851,969	\$186	\$10,999,533
%+/- Prior Year	6.46%	6.46%	6.46%	6.46%	-	6.50%	-	6.47%
					(1)		(1)	

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
 December 2008

	General Fund	Police/Fire Equipment	City & Schools	MAPS	Total Use Tax
Current Month:					
Actual	\$2,338,640	-	\$813,440	-	\$3,152,080
Reallocations	\$458	\$742	(\$1,543)	\$343	-
Adjusted Actual	\$2,339,098	\$742	\$811,897	\$343	\$3,152,080
Target	\$2,296,120	-	\$794,630	-	\$3,090,750
+/- Target	\$42,978	\$742	\$17,267	\$343	\$61,330
%+/- Target	1.87%	-	2.17%	-	1.98%
Prior Year Actual	\$2,154,369	\$101	\$749,246	\$0	\$2,903,707
+/- Prior Year	\$184,739	\$640	\$62,650	\$343	\$248,373
%+/- Prior Year	8.58%	-	8.36%	-	8.55%
Year-to-Date:					
Actual	\$15,826,481	-	\$5,504,863	-	\$21,331,344
Reallocations	(\$61,251)	(\$93,088)	\$153,924	\$415	-
Adjusted Actual	\$15,765,230	(\$93,088)	\$5,658,787	\$415	\$21,331,344
Target	\$15,320,784	-	\$5,300,599	-	\$20,621,383
+/- Target	\$444,446	(\$93,088)	\$358,188	\$415	\$709,961
%+/- Target	2.90%	-	6.76%	-	3.44%
Prior Year Actual	\$14,375,048	(\$7,478)	\$4,995,382	\$4,667	\$19,367,619
+/- Prior Year	\$1,390,182	(\$85,610)	\$663,405	(\$4,253)	\$1,963,724
%+/- Prior Year	9.67%	-	13.28%	-	10.14%
		(1)		(1)	

NOTES:

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