



City Manager Report

The City of OKLAHOMA CITY

NO: 560

DATE: JANUARY 27, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: JANUARY 2015 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$83,097 or 0.05% below target for the year.

General Fund Sales Tax

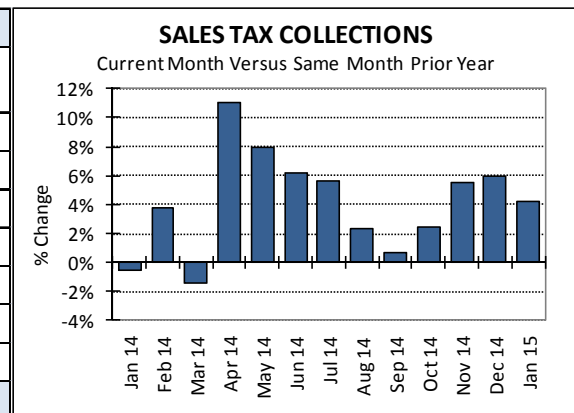
The January allocation of sales tax to the General Fund totaled \$18,607,453, which is:

- \$48,345 or 0.3% below target for the month
- \$748,179 or 4.2% above FY 2014 allocations for the month

The January remittance includes actual collections for the second half of November and estimated collections for the first half of December by major taxpayers.

Sales tax collections increased 4.2% this month and are up 3.9% for the year. This marks the 10th consecutive month of increased sales over the same month in the prior year. This month's sales tax growth was good despite modest Christmas retail sales. Declines in General Merchandise, the largest subsector of Retail, had a big impact on Retail's overall performance. Growth was strong for most of the other industries with only Other Miscellaneous reporting declines. The majority of the declines in Other Miscellaneous were due to the efforts by the Oklahoma Tax Commission to properly classify businesses that were previously unclassified and reporting under the Non-Classified subsector.

FY 2015 Sales Tax: Growth by Industry			
Major Category	Jan 2015 Growth Rate	Year-to-Date % Change	% of Total Sales Tax
Retail	1.0%	2.1%	54.9%
Hotels & Restaurants	7.6%	5.8%	14.2%
Services	3.9%	6.9%	10.0%
Wholesale	6.6%	4.5%	8.9%
Utilities	15.9%	5.0%	5.4%
Manufacturing	29.4%	11.3%	4.8%
Other Miscellaneous	-14.8%	-0.5%	1.7%
Total	4.2%	3.9%	100.0%



City Comparison		
City	Jan 2015 Growth Rate	Year-to-Date % Change
Oklahoma City	4.2%	3.8%
Tulsa	3.4%	4.4%
Norman	2.6%	3.0%
Edmond	1.2%	4.6%
Moore	0.9%	-1.0%
Midwest City	-2.1%	-2.6%
Yukon	10.6%	3.4%

Rates are normalized to account for tax rate changes

Comparison to Other Cities

Sales tax revenues for Oklahoma City and most of the comparison cities were up from last year. Oklahoma City's growth was second only to Yukon this month. Yukon's growth is likely influenced by the recently completed construction on a major thoroughfare and the opening of a new major retail store.

Retail

- General Merchandise – Sales were down for many major retailers this month. Christmas sales were down from last year for many major retailers.
- Food Stores – A large payment last year from one retailer and a non-payment this year by another caused the year-over-year growth to be deflated.
- Miscellaneous Retail – Much of this month's decline is due to the reclassification of a business to Pharmacies & Health Stores.
- Auto Parts & Supplies – Two major retailers remitted large payments this month accounting for about half of the growth. The other half of the growth is due to good overall sales.
- Pharmacies & Health Stores – The reclassification of a business from Miscellaneous Retail along with two new health stores caused most of the growth this month.
- Convenience Stores – Virtually all of the growth continues to be due to the reclassification of a major convenience store previously listed in Other Miscellaneous as Non-Classified.

FY 2015 Sales Tax: Retail Sub-Category Growth			
Retail Category	Jan 2015 Growth Rate	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	-8.6%	-2.3%	25.9%
Apparel & Accessories	4.1%	5.3%	13.5%
Food Stores	0.4%	6.4%	11.7%
Building Materials and Lawn & Garden	-4.2%	-11.8%	11.0%
Electronics & Appliances	7.3%	4.6%	9.7%
Miscellaneous Retail	-6.1%	4.9%	5.9%
Sporting Goods & Hobby Stores	6.1%	2.4%	5.2%
Auto Parts & Supplies	13.2%	0.6%	4.7%
Furniture & Home	-1.2%	1.2%	4.6%
Pharmacies & Health Stores	20.4%	14.7%	4.5%
Convenience Stores	111.9%	105.6%	2.6%
Direct Sales	34.9%	24.8%	0.7%
Total	1.0%	2.1%	100.0%

Other Major Categories

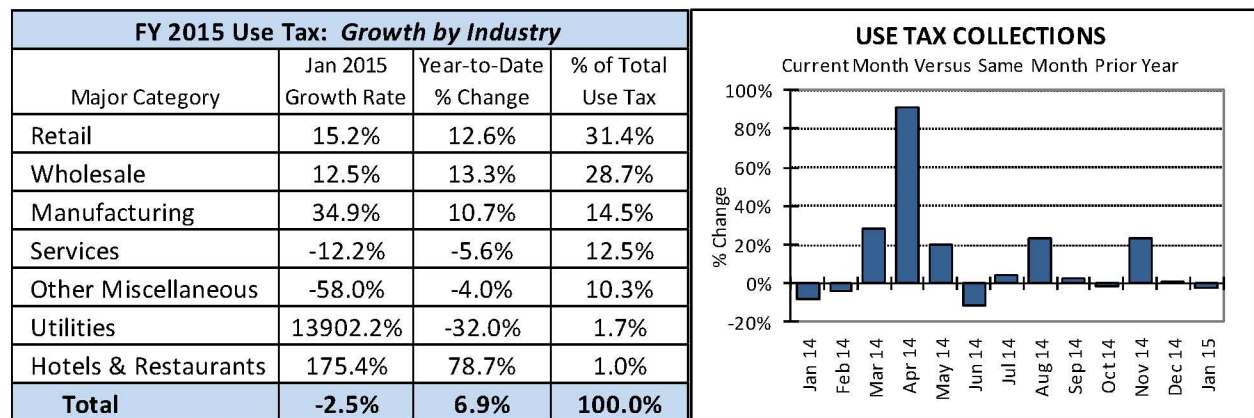
- Hotels & Restaurants increased 7.6% from last year.
 - Hotel revenues rose 11.1% mostly due to a large payment from one hotel.
 - Eating & Drinking Establishments were up 6.9%.
- Services increased 3.9% despite declines in 6 of the 9 subsectors.
- Wholesale grew 6.6% with the majority of wholesalers reporting improved sales from last year.
- Low electricity sales last year are responsible for this month’s 15.9% increase in Utilities.
- Most of Manufacturing’s 29.4% growth is from the General Purpose Machinery subsector.
- Other Miscellaneous fell 14.8% largely due to the Oklahoma Tax Commission’s efforts to properly classify many of the previously non-classified businesses.

General Fund Use Tax

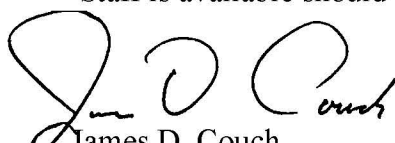
The January allocation of use tax to the General Fund totaled \$2,969,807 which is:

- \$348,834 or 10.5% below target for the month
- \$74,818 or 2.5% below FY 2014 allocations for the month

Gains in Retail, Wholesale, and Manufacturing were offset by a large refund to an energy company along with a much lower than usual payment from a major mining company (both in Other Miscellaneous). The huge percentage increase in Utilities is the result of a refund last year that caused last year’s total for the month to be negative.



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


James D. Couch
City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
January 2015

	<u>General Fund</u>	<u>Police Public Safety</u>	<u>Fire Public Safety</u>	<u>Zoo</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>MAPS for Kids</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Sales Tax</u>
Current Month:										
Actual	\$18,607,413	\$3,488,890	\$3,488,890	\$1,162,963	\$9,303,707	-	-	-	-	\$36,051,863
Reallocations	\$40	\$8	\$8	\$3	(\$1,226)	(\$2,552)	\$3,100	\$16	\$604	-
Adjusted Actual	\$18,607,453	\$3,488,898	\$3,488,898	\$1,162,966	\$9,302,480	(\$2,552)	\$3,100	\$16	\$604	\$36,051,863
Target	\$18,655,798	\$3,497,962	\$3,497,962	\$1,165,987	\$9,308,244	-	-	-	-	\$36,125,953
+/- Target	(\$48,345)	(\$9,064)	(\$9,064)	(\$3,021)	(\$5,764)	(\$2,552)	\$3,100	\$16	\$604	(\$74,090)
%+/- Target	-0.3%	-0.3%	-0.3%	-0.3%	-0.1%	-	-	-	-	-0.2%
Prior Year Actual	\$17,859,274	\$3,348,614	\$3,348,614	\$1,116,205	\$8,910,821	\$446	\$6,922	\$138	\$10,583	\$34,601,617
+/- Prior Year	\$748,179	\$140,284	\$140,284	\$46,761	\$391,659	(\$2,998)	(\$3,822)	(\$123)	(\$9,979)	\$1,450,246
%+/- Prior Year	4.2%	4.2%	4.2%	4.2%	4.4%	-672.1%	-55.2%	-88.7%	-94.3%	4.20%
Year-to-Date:										
Actual	\$128,988,521	\$24,185,348	\$24,185,348	\$8,061,783	\$64,494,261	-	-	-	-	\$249,915,260
Reallocations	\$3,250	\$609	\$609	\$203	(\$75,270)	\$30,270	\$28,822	\$3,104	\$8,402	-
Adjusted Actual	\$128,991,772	\$24,185,957	\$24,185,957	\$8,061,986	\$64,418,991	\$30,270	\$28,822	\$3,104	\$8,402	\$249,915,260
Target	\$128,629,188	\$24,117,973	\$24,117,973	\$8,039,325	\$64,225,508	-	-	-	-	\$249,129,967
+/- Target	\$362,584	\$67,984	\$67,984	\$22,661	\$193,483	\$30,270	\$28,822	\$3,104	\$8,402	\$785,293
%+/- Target	0.3%	0.3%	0.3%	0.3%	0.3%	-	-	-	-	0.3%
Prior Year Actual	\$124,258,393	\$23,298,449	\$23,298,449	\$7,766,150	\$62,043,305	\$28,582	\$36,888	\$1,153	\$16,303	\$240,747,670
+/- Prior Year	\$4,733,379	\$887,509	\$887,509	\$295,836	\$2,375,686	\$1,688	(\$8,066)	\$1,951	(\$7,901)	\$9,167,590
%+/- Prior Year	3.8%	3.8%	3.8%	3.8%	3.8%	5.9%	-21.9%	169.2%	-48.5%	3.8%
						(1)	(1)	(1)	(1)	

NOTES:

(1) The **Sports Facilities Improvement**, **Maps for Kids**, **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
January 2015

	<u>General Fund</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>City & Schools</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Use Tax</u>
Current Month:							
Actual	\$2,969,807	\$1,032,977	-	-	-	-	\$4,002,784
Reallocations	(\$0)	(\$193)	\$157	\$27	\$10	-	-
Adjusted Actual	\$2,969,807	\$1,032,784	\$157	\$27	\$10	-	\$4,002,784
Target	\$3,318,641	\$1,188,183	-	-	-	-	\$4,506,824
+/- Target	(\$348,834)	(\$155,399)	\$157	\$27	\$10	-	(\$504,040)
%+/- Target	-10.5%	-13.1%	-	-	-	-	-11.2%
Prior Year Actual	\$3,044,625	\$1,058,485	\$1,240	(\$725)	-	-	\$4,103,625
+/- Prior Year	(\$74,818)	(\$25,701)	(\$1,084)	\$752	\$10	-	(\$100,841)
%+/- Prior Year	-2.5%	-2.4%	-87.4%	-103.7%	-	-	-2.5%
Year-to-Date:							
Actual	\$22,521,777	\$7,833,662	-	-	-	-	\$30,355,439
Reallocations	(\$0)	(\$2,861)	\$225	\$2,721	(\$84)	-	-
Adjusted Actual	\$22,521,777	\$7,830,801	\$225	\$2,721	(\$84)	-	\$30,355,439
Target	\$22,967,458	\$8,068,032	-	-	-	-	\$31,035,489
+/- Target	(\$445,681)	(\$237,231)	\$225	\$2,721	(\$84)	-	(\$680,050)
%+/- Target	-1.9%	-2.9%	-	-	-	-	-2.2%
Prior Year Actual	\$21,071,062	\$7,300,763	\$20,010	\$7,545	\$264	\$27	\$28,399,672
+/- Prior Year	\$1,450,715	\$530,037	(\$19,786)	(\$4,825)	(\$348)	(\$27)	\$1,955,767
%+/- Prior Year	6.9%	7.3%	-98.9%	-63.9%	-131.8%	-100.0%	6.9%
			(1)	(1)	(1)	(1)	

NOTES:

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