



City Manager Report

The City of OKLAHOMA CITY

NO: 478

DATE: APRIL 29, 2014

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: APRIL 2014 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$1,822,807 or 0.9% below target for the year.

General Fund Sales Tax

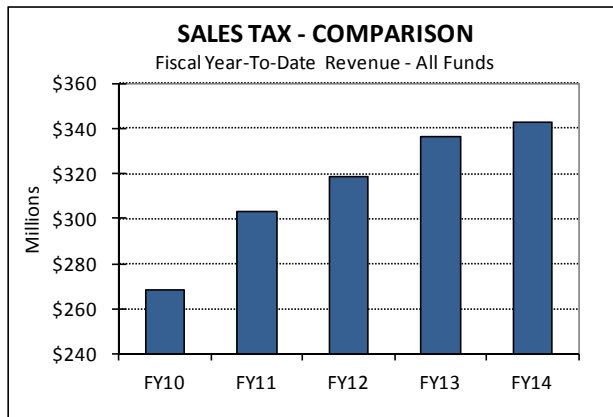
The April allocation of sales tax to the General Fund totaled \$17,598,144, which is:

- \$1,145,405 or 7.0% above target for the month
- \$1,745,708 or 11.0% above FY 2013 collections for the month

The April remittance includes actual collections for the second half of February and estimated collections for the first half of March by major taxpayers.

Sales tax revenues this month were well above average. A large payment was received resulting from an audit performed by the Oklahoma Tax Commission of a major Oklahoma City retailer. The audit found that numerous sales made in Oklahoma City were being sourced to surrounding cities. This payment was responsible for about half of this month's overall sales tax growth. Utility sales were also favorable this month with strong sales of both natural gas and electricity. Robust sales in rental & leasing services are largely responsible for much of Services growth this month. Other Miscellaneous' decline is due to the classification of several businesses out of Non-Classified and into their proper categories.

FY 2014 Sales Tax: <i>Growth by Industry</i>		
Major Category	Apr 2014 Growth Rate	% of Total Sales Tax
Retail	14.3%	50.8%
Hotels & Restaurants	6.7%	15.1%
Services	15.3%	11.7%
Wholesale	7.2%	9.3%
Utilities	35.4%	7.3%
Manufacturing	-8.4%	4.1%
Other Miscellaneous	-59.9%	1.7%
Total	11.0%	100.0%



City Comparison		
Major Category	Apr 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	11.0%	1.9%
Tulsa	3.8%	0.6%
Norman	6.8%	5.1%
Edmond	-2.0%	0.7%
Moore	-7.7%	7.1%
Midwest City	4.1%	3.3%
Yukon	-2.8%	4.9%
<i>* Rates are normalized to account for tax rate changes</i>		

Comparison to Other Cities

As stated above, much of this month's growth is from a large audit that was performed by the Oklahoma Tax Commission on an Oklahoma City business. The audit found that many sales incurred in Oklahoma City were being sourced to surrounding cities. As a result, several metro cities refunded the sales taxes that were incorrectly sourced.

Retail

- Furniture & Home – This month's huge spike in sales is due to the previously mentioned audit.
- Food Stores – Two businesses remitted payment for unpaid sales taxes discovered through Oklahoma Tax Commission audits.
- Convenience Stores – Virtually all of this month's growth is due to the reclassification of a major convenience store chain. They were previously listed in Other Miscellaneous as Non-Classified.
- General Merchandise – Sales were down for the majority of general merchandisers. Additionally, a new general merchandise store in Edmond appears to be pulling some sales away from nearby Oklahoma City stores.
- Pharmacies & Health Stores – Two new large remitters helped to boost sales for the category.

FY 2014 Sales Tax: Retail Sub-Category Growth		
Major Category	Apr 2014 Growth Rate	% of Total Retail Sales Tax
General Merchandise	-4.0%	23.2%
Building Materials and Lawn & Garden	1.2%	13.0%
Food Stores	15.4%	12.6%
Apparel & Accessories	-0.3%	10.9%
Furniture & Home	173.6%	9.8%
Electronics & Appliances	6.2%	8.3%
Miscellaneous Retail	6.9%	6.1%
Auto Parts & Supplies	3.6%	5.1%
Sporting Goods & Hobby Stores	-4.3%	4.2%
Pharmacies & Health Stores	13.8%	4.1%
Convenience Stores	129.2%	2.1%
Direct Sales	35.9%	0.7%
Total	14.3%	100.0%

Other Major Categories

- Hotels & Restaurants increased 6.7% from last year.
 - Hotels rose 4.3% with most hotels showing growth over last year.
 - Eating & Drinking Establishments were up 7.2%.
- Services grew 15.3% from last year. Solid gains by several in Rental & Leasing helped contribute to this month’s growth.
- Wholesale increased 7.2% with most wholesalers reporting improved sales over last year.
- Utilities surged 35.4% this month. Both natural gas and electricity sales were notably above last year’s levels.
- Manufacturing declined 8.4% as the majority of manufacturers experienced sales below those of last year.
- Other Miscellaneous dropped 59.9%. Most of the decline was due to the reclassification of several businesses that were previously in the Non-Classified subcategory.

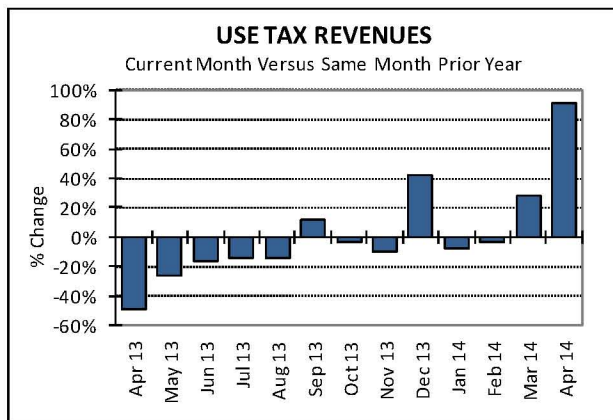
General Fund Use Tax

The April allocation of use tax to the General Fund totaled \$2,944,999, which is:

- \$1,388,531 or 89.2% above target for the month
- \$1,401,288 or 90.8% above FY 2013 collections for the month

Use tax growth was strong in nearly every category. Additionally, there was a large refund in Other Miscellaneous last year that caused overall use tax revenue for April 2013 to be well below average.

FY 2014 Use Tax: Growth by Industry		
Major Category	Apr 2014 Growth Rate	% of Total Sales Tax
Retail	9.7%	33.2%
Wholesale	-0.8%	33.0%
Services	9.8%	13.7%
Manufacturing	3.6%	13.3%
Other Miscellaneous	245.6%	5.6%
Hotels & Restaurants	10.5%	0.7%
Utilities	-132.6%	0.5%
Total	90.8%	100.0%



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

James D. Couch
 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
April 2014

	<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	\$17,597,035	\$3,299,444	\$3,299,444	\$1,099,815	\$8,798,517	-	-	-	-	\$34,094,255
Reallocations	\$1,109	\$208	\$208	\$69	(\$7,488)	(\$10)	\$3,302	\$802	\$1,799	-
Adjusted Actual	\$17,598,144	\$3,299,652	\$3,299,652	\$1,099,884	\$8,791,029	(\$10)	\$3,302	\$802	\$1,799	\$34,094,255
Target	\$16,452,739	\$3,084,889	\$3,084,889	\$1,028,296	\$8,210,082	-	-	-	-	\$31,860,895
+/- Target	\$1,145,405	\$214,763	\$214,763	\$71,588	\$580,947	(\$10)	\$3,302	\$802	\$1,799	\$2,233,360
%+/- Target	7.0%	7.0%	7.0%	7.0%	7.1%	-	-	-	-	7.0%
Prior Year Actual	\$15,852,436	\$2,972,332	\$2,972,332	\$990,777	\$7,910,214	\$9,383	\$5,112	\$394	\$551	\$30,713,531
+/- Prior Year	\$1,745,708	\$327,320	\$327,320	\$109,107	\$880,815	(\$9,392)	(\$1,810)	\$408	\$1,249	\$3,380,724
%+/- Prior Year	11.0%	11.0%	11.0%	11.0%	11.1%	-100.1%	-35.4%	103.6%	226.8%	11.0%
Year-to-Date:										
Actual	\$176,764,500	\$33,143,344	\$33,143,344	\$11,047,781	\$88,382,250	-	-	-	-	\$342,481,219
Reallocations	\$3,032	\$569	\$569	\$190	(\$98,887)	\$28,986	\$43,545	\$2,271	\$19,726	-
Adjusted Actual	\$176,767,532	\$33,143,912	\$33,143,912	\$11,047,971	\$88,283,363	\$28,986	\$43,545	\$2,271	\$19,726	\$342,481,219
Target	\$180,102,094	\$33,769,144	\$33,769,144	\$11,256,381	\$89,820,111	-	-	-	-	\$348,716,874
+/- Target	(\$3,334,562)	(\$625,232)	(\$625,232)	(\$208,410)	(\$1,536,748)	\$28,986	\$43,545	\$2,271	\$19,726	(\$6,235,655)
%+/- Target	-1.9%	-1.9%	-1.9%	-1.9%	-1.7%	-	-	-	-	-1.8%
Prior Year Actual	\$173,532,128	\$32,537,275	\$32,537,275	\$10,845,758	\$86,540,158	\$110,294	\$80,847	\$8,418	\$16,186	\$336,208,339
+/- Prior Year	\$3,235,404	\$606,638	\$606,638	\$202,212	\$1,743,205	(\$81,308)	(\$37,302)	(\$6,147)	\$3,540	\$6,272,880
%+/- Prior Year	1.9%	1.9%	1.9%	1.9%	2.0%	-73.7%	-46.1%	-73.0%	21.9%	1.9%
						(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
April 2014

	<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	\$2,944,999	\$1,024,347	-	-	-	-	\$3,969,346
Reallocations	\$0	\$144	\$4	(\$149)	\$1	-	-
Adjusted Actual	\$2,944,999	\$1,024,492	\$4	(\$149)	\$1	-	\$3,969,346
Target	\$1,556,468	\$540,644	-	-	-	-	\$2,097,112
+/- Target	\$1,388,531	\$483,848	\$4	(\$149)	\$1	-	\$1,872,234
%+/- Target	89.2%	89.5%	-	-	-	-	89.3%
Prior Year Actual	\$1,543,711	\$535,583	\$1,171	\$61	(\$24)	\$151	\$2,080,654
+/- Prior Year	\$1,401,288	\$488,908	(\$1,167)	(\$211)	\$24	(\$151)	\$1,888,693
%+/- Prior Year	90.8%	91.3%	-99.7%	-342.9%	-102.35%	-100.00%	90.8%
Year-to-Date:							
Actual	\$30,309,151	\$10,542,314	-	-	-	-	\$40,851,465
Reallocations	\$338	(\$31,331)	\$22,449	\$8,252	\$265	\$27	-
Adjusted Actual	\$30,309,490	\$10,510,983	\$22,449	\$8,252	\$265	\$27	\$40,851,465
Target	\$28,797,735	\$10,014,632	-	-	-	-	\$38,812,367
+/- Target	\$1,511,755	\$496,351	\$22,449	\$8,252	\$265	\$27	\$2,039,098
%+/- Target	5.2%	5.0%	-	-	-	-	5.3%
Prior Year Actual	\$28,561,697	\$9,920,889	\$2,672	\$7,445	\$1,138	\$1,237	\$38,495,079
+/- Prior Year	\$1,747,793	\$590,093	\$19,777	\$806	(\$874)	(\$1,210)	\$2,356,386
%+/- Prior Year	6.1%	5.9%	740.2%	10.8%	-76.8%	-97.8%	6.1%
			(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.