



City Manager Report

The City of
OKLAHOMA CITY

NO: 408

DATE: JANUARY 21, 2013

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: JANUARY 2014 SALES AND USE TAX COLLECTIONS

Combined General Fund sales and use taxes are \$4,015,793 or 2.7% below target for the year.

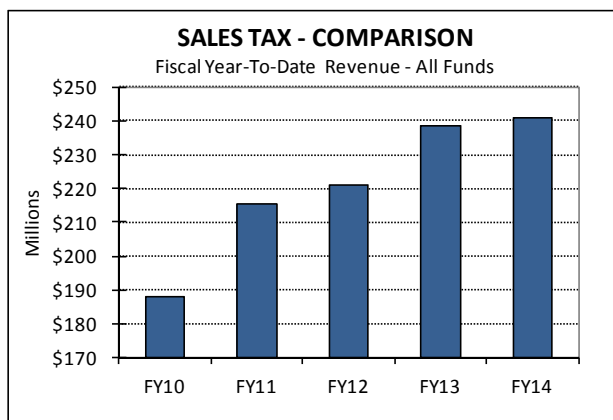
General Fund Sales Tax

The January allocation of sales tax to the General Fund totaled \$17,859,274, which is:

- \$796,876 or 4.3% below target for the month
- \$116,332 or 0.6% below FY 2013 collections for the month

Both Wholesale and Manufacturing have been in decline for some time now and have been dragging down sales tax growth this fiscal year. Additionally, Utility sales have been down the last couple of months, further impacting overall collections. The top three sales tax categories, Retail, Hotels & Restaurants, and Services together account for nearly 80% of total sales tax revenues and have been performing well. This period is when the majority of Christmas sales occur. Most of the Retail subcategories that are heavily influenced by Christmas shopping reported good gains over last year.

FY 2014 Sales Tax: <i>Growth by Industry</i>		
Major Category	Jan 2014 Growth Rate	% of Total Sales Tax
Retail	2.2%	55.9%
Hotels & Restaurants	2.6%	13.6%
Services	1.9%	9.9%
Wholesale	-10.9%	9.2%
Utilities	-7.6%	5.0%
Manufacturing	-17.9%	4.3%
Other Miscellaneous	1.7%	2.1%
Total	-0.6%	100.0%



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

City Comparison		
Major Category	Jan 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	-0.6%	0.9%
Tulsa	-3.3%	0.5%
Norman	5.3%	5.3%
Edmond	2.2%	-0.3%
Moore	5.8%	9.7%
Midwest City	4.6%	3.9%
Yukon	3.9%	7.0%
* Rates are normalized to account for tax rate changes		

Comparison to Other Cities

Both Oklahoma City and Tulsa experienced declines in sales tax revenues this month. State sales tax growth was slightly better with growth of 0.3%. The rest of the Metro fared better with good sales tax growth over last year. Moore and Yukon continue to lead the way this fiscal year with 9.6% and 6.8% growth respectively.

Retail

- General Merchandise – The opening of a large general merchandise store in Edmond offset strong sales from several major retailers.
- Building Materials – Sales in the category are leveling off after many months of strong growth.
- Electronics & Appliances – A major retailer remitted sales tax notably below last year’s level. The variance accounts for approximately 85% of this month’s decline. Staff will work with the Oklahoma Tax Commission to verify the accuracy of this taxpayer’s payment.
- Miscellaneous Retail – One retailer accounts for the majority of this month’s growth.
- Sporting Goods – The addition of a new major sporting goods retailer coupled with the non-payment last year by a major book retailer is responsible for much of this month’s growth.
- Furniture & Home – Most retailers did well. One retailer had a large payment this month accounting for one-third of the growth.

FY 2014 Sales Tax: Retail Sub-Category Growth		
Major Category	Jan 2014 Growth Rate	% of Total Retail Sales Tax
General Merchandise	0.5%	28.9%
Apparel & Accessories	5.5%	12.9%
Building Materials and Lawn & Garden	-1.9%	11.8%
Food Stores	10.1%	11.3%
Electronics & Appliances	-14.7%	10.0%
Miscellaneous Retail	16.5%	6.0%
Sporting Goods & Hobby Stores	12.3%	4.7%
Auto Parts & Supplies	-6.0%	4.4%
Furniture & Home	17.5%	4.4%
Pharmacies & Health Stores	4.0%	3.7%
Convenience Stores	5.3%	1.2%
Direct Sales	-11.9%	0.6%
Total	2.2%	100.0%

Other Major Categories

- Hotels & Restaurants increased 2.6% from last year.
 - Hotels were up 2.8%
 - Eating & Drinking Establishments were up 2.5%.
- Services increased 1.9% from last year. One major taxpayer failed to remit a payment this month. Staff will work with the Oklahoma Tax Commission to correct.
- Wholesale declined 10.9% this month as nearly two-thirds of the top wholesalers reported sales below those of last year.
- Utilities declined 7.6% this month. For the second consecutive month, electricity and natural gas sales are down.
- Manufacturing declined 17.9% this month. Three-quarters of the decline is due to one business that remitted a very large payment this month last year and subsequently reversed it the following month.

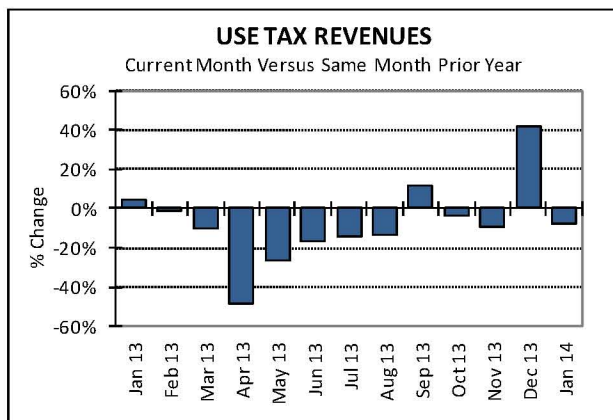
General Fund Use Tax

The January allocation of use tax to the General Fund totaled \$3,044,625, which is:

- \$283,675 or 8.5% below target for the month
- \$256,395 or 7.8% below FY 2013 collections for the month

Large declines in Manufacturing and Services caused much of this month’s 7.8% drop in use taxes. Use tax revenues continue to be very volatile this year.

FY 2014 Use Tax: <i>Growth by Industry</i>		
Major Category	Jan 2014 Growth Rate	% of Total Sales Tax
Retail	-2.5%	25.9%
Wholesale	-4.8%	24.5%
Other Miscellaneous	31.7%	20.1%
Manufacturing	-46.9%	14.5%
Services	-14.4%	14.5%
Hotels & Restaurants	90.5%	0.3%
Utilities	-101.8%	0.3%
Total	-7.8%	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
January 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	\$17,858,899	\$3,348,544	\$3,348,544	\$1,116,181	\$8,929,449	-	-	-	-	\$34,601,617
Reallocations	\$375	\$70	\$70	\$23	(\$18,629)	\$446	\$6,922	\$138	\$10,583	-
Adjusted 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
Target	\$18,656,150	\$3,498,028	\$3,498,028	\$1,166,009	\$9,300,852	-	-	-	-	\$36,119,067
+/- Target	(\$796,876)	(\$149,414)	(\$149,414)	(\$49,804)	(\$390,031)	\$446	\$6,922	\$138	\$10,583	(\$1,517,450)
%+/- Target	-4.3%	-4.3%	-4.3%	-4.3%	-4.2%	-	-	-	-	-4.2%
Prior Year Actual	\$17,975,606	\$3,370,426	\$3,370,426	\$1,123,475	\$8,961,221	\$3,137	\$15,010	\$3,661	\$432	\$34,823,395
+/- Prior Year	(\$116,332)	(\$21,812)	(\$21,812)	(\$7,271)	(\$50,400)	(\$2,691)	(\$8,088)	(\$3,523)	\$10,151	(\$221,778)
%+/- Prior Year	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-85.8%	-53.9%	-96.2%	2347.7%	-0.6%
Year-to-Date:										
Actual	\$124,256,660	\$23,298,124	\$23,298,124	\$7,766,041	\$62,128,330	-	-	-	-	\$240,747,278
Reallocations	\$1,531	\$287	\$287	\$96	(\$85,126)	\$28,582	\$36,888	\$1,153	\$16,303	-
Adjusted Actual	\$124,258,190	\$23,298,411	\$23,298,411	\$7,766,137	\$62,043,204	\$28,582	\$36,888	\$1,153	\$16,303	\$240,747,278
Target	\$127,869,389	\$23,975,511	\$23,975,511	\$7,991,837	\$63,739,987	-	-	-	-	\$247,552,235
+/- Target	(\$3,611,199)	(\$677,100)	(\$677,100)	(\$225,700)	(\$1,696,783)	\$28,582	\$36,888	\$1,153	\$16,303	(\$6,804,957)
%+/- Target	-2.8%	-2.8%	-2.8%	-2.8%	-2.7%	-	-	-	-	-2.7%
Prior Year Actual	\$123,204,937	\$23,100,926	\$23,100,926	\$7,700,309	\$61,412,455	\$99,635	\$62,487	\$6,532	\$13,924	\$238,702,130
+/- Prior Year	\$1,053,254	\$197,485	\$197,485	\$65,828	\$630,749	(\$71,053)	(\$25,599)	(\$5,379)	\$2,378	\$2,045,148
%+/- Prior Year	0.9%	0.9%	0.9%	0.9%	1.0%	-71.3%	-41.0%	-82.3%	17.1%	0.9%
						(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
January 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	\$3,044,625	\$1,059,000	-	-	-	-	\$4,103,625
Reallocations	\$0	(\$515)	\$1,240	(\$725)	-	-	-
Adjusted Actual	\$3,044,625	\$1,058,485	\$1,240	(\$725)	-	-	\$4,103,625
Target	\$3,328,300	\$1,153,497	-	-	-	-	\$4,481,797
+/- Target	(\$283,675)	(\$95,012)	\$1,240	(\$725)	-	-	(\$378,172)
%+/- Target	-8.5%	-8.2%	-	-	-	-	-8.4%
Prior Year Actual	\$3,301,020	\$1,142,699	\$3,259	\$936	(\$27)	\$1,222	\$4,449,110
+/- Prior Year	(\$256,395)	(\$84,214)	(\$2,019)	(\$1,661)	\$27	(\$1,222)	(\$345,485)
%+/- Prior Year	-7.8%	-7.4%	-61.9%	-177.5%	-100.00%	-100.00%	-7.8%
Year-to-Date:							
Actual	\$21,070,724	\$7,328,948	-	-	-	-	\$28,399,672
Reallocations	\$338	(\$28,184)	\$20,010	\$7,545	\$264	\$27	-
Adjusted Actual	\$21,071,062	\$7,300,763	\$20,010	\$7,545	\$264	\$27	\$28,399,672
Target	\$21,475,656	\$7,457,602	-	-	-	-	\$28,933,258
+/- Target	(\$404,594)	(\$156,839)	\$20,010	\$7,545	\$264	\$27	(\$533,586)
%+/- Target	-1.9%	-2.1%	-	-	-	-	-1.8%
Prior Year Actual	\$21,299,633	\$7,387,795	\$3,855	\$12,994	\$1,170	\$1,551	\$28,706,998
+/- Prior Year	(\$228,571)	(\$87,031)	\$16,156	(\$5,449)	(\$907)	(\$1,524)	(\$307,326)
%+/- Prior Year	-1.1%	-1.2%	419.1%	-41.9%	-77.5%	-98.3%	-1.1%
			(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.