



City Manager Report

The City of
OKLAHOMA CITY

NO: 492

DATE: MAY 27, 2014

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: MAY 2014 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$564,429 or 0.2% below target for the year.

General Fund Sales Tax

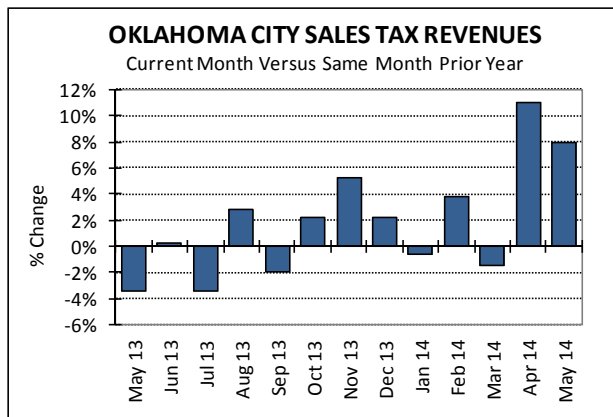
The May allocation of sales tax to the General Fund totaled \$18,145,299, which is:

- \$706,732 or 4.1% above target for the month
- \$1,342,861 or 8.0% above FY 2013 collections for the month

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

Sales tax revenues this month were well above average. The main reason for this month's strong growth is a very large telecom refund that was paid last year which caused last year's sales to be somewhat deflated. Accounting for the telecom refund results in sales tax increase of only 2.7% over last year. Retail sales were disappointing this month with a decline of 0.6%. Fortunately, robust sales this month in Wholesale, Utilities and Hotels & Restaurants helped to offset Retail's decline.

FY 2014 Sales Tax: <i>Growth by Industry</i>		
Major Category	May 2014 Growth Rate	% of Total Sales Tax
Retail	-0.6%	49.4%
Hotels & Restaurants	5.5%	16.2%
Services	3.8%	10.9%
Wholesale	14.4%	10.7%
Utilities	23.1%	7.1%
Manufacturing	-16.3%	4.4%
Other Miscellaneous	142.2%	1.4%
Total	8.0%	100.0%



City Comparison		
Major Category	May 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	8.0%	2.4%
Tulsa	3.0%	0.8%
Norman	10.8%	5.6%
Edmond	16.0%	2.0%
Moore	22.6%	8.4%
Midwest City	5.9%	3.5%
Yukon	-3.2%	4.2%
* Rates are normalized to account for tax rate changes		

Comparison to Other Cities

As stated above, much of this month's growth is the result of a large refund that was paid last year. Oklahoma City's growth was in the middle when compared to surrounding cities and Tulsa. Norman, Edmond, and Moore experienced vigorous growth this month. State sales tax collections were down 1.8% for the month.

Retail

- 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.
- Building Materials and Lawn & Garden – The nice spring weather appears to be helping to boost sales in this category.
- Electronics & Appliances – Sales were good for most; however, a major retailer remitted two months worth of taxes last year as they had failed to remit payment a previous month.
- Miscellaneous Retail – One of the largest retailers remitted a very large payment last year, inflating last year's sales, and making this month's performance appear worse than it was.
- 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.

FY 2014 Sales Tax: Retail Sub-Category Growth		
Major Category	May 2014 Growth Rate	% of Total Retail Sales Tax
General Merchandise	-4.0%	22.8%
Building Materials and Lawn & Garden	7.4%	15.2%
Food Stores	1.9%	12.2%
Apparel & Accessories	5.1%	10.8%
Electronics & Appliances	-22.5%	9.4%
Miscellaneous Retail	-5.3%	6.9%
Auto Parts & Supplies	-1.8%	5.7%
Furniture & Home	7.0%	4.8%
Sporting Goods & Hobby Stores	-8.7%	4.2%
Pharmacies & Health Stores	9.9%	4.2%
Convenience Stores	90.7%	3.1%
Direct Sales	-6.9%	0.7%
Total	-0.6%	100.0%

Other Major Categories

- Hotels & Restaurants increased 5.5% from last year.
 - Hotels rose 11.4% with most hotels showing growth over last year.
 - Eating & Drinking Establishments were up 4.5%.
- Service sales grew 3.8% from last year.
- Wholesale jumped 14.4% with most wholesalers reporting improved sales over last year.
- Utilities were up 23.1% this month. Both natural gas and electricity sales were again notably above last year’s levels.
- Manufacturing dropped 16.3% due to the remittance of a very large payment from a major manufacturer last year. Sales would have increased modestly otherwise.
- Other Miscellaneous shot up 142.2%. The increase is entirely due to a very large telecom audit refund given last year.

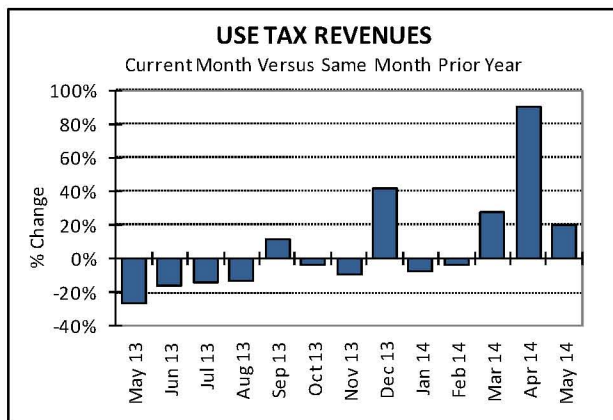
General Fund Use Tax

The May allocation of use tax to the General Fund totaled \$3,396,191, which is:

- \$551,646 or 19.4% above target for the month
- \$574,961 or 20.4% above FY 2013 collections for the month

Use tax growth was strong in nearly every category. Three businesses, one in Other Miscellaneous, one in Retail, and one in Services, together accounted for 60% of this month’s growth as all three remitted large payments this month.

FY 2014 Use Tax: <i>Growth by Industry</i>		
Major Category	May 2014 Growth Rate	% of Total Sales Tax
Other Miscellaneous	27.6%	25.3%
Retail	42.9%	24.9%
Wholesale	-12.4%	21.9%
Services	67.7%	16.4%
Manufacturing	1.1%	10.0%
Utilities	31.1%	0.9%
Hotels & Restaurants	38.9%	0.6%
Total	20.4%	100.0%



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


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
May 2014

	General Fund	Police Public Safety	Fire Public Safety	Zoo	MAPS 3	Sports Facilities Improvement	MAPS for Kids	Police/Fire Equipment	MAPS	Total Sales Tax
Current Month:										
Actual	\$18,145,360	\$3,402,255	\$3,402,255	\$1,134,085	\$9,072,680	-	-	-	-	\$35,156,635
Reallocations	(\$60)	(\$11)	(\$11)	(\$4)	\$2,124	\$150	(\$3,117)	\$112	\$818	83
Adjusted Actual	\$18,145,299	\$3,402,244	\$3,402,244	\$1,134,081	\$9,074,804	\$150	(\$3,117)	\$112	\$818	\$35,156,635
Target	\$17,438,567	\$3,269,732	\$3,269,732	\$1,089,911	\$8,700,257	-	-	-	-	\$33,768,199
+/- Target	\$706,732	\$132,512	\$132,512	\$44,170	\$374,547	\$150	(\$3,117)	\$112	\$818	\$1,388,436
%+/- Target	4.1%	4.1%	4.1%	4.1%	4.3%	-	-	-	-	4.1%
Prior Year Actual	\$16,802,439	\$3,150,457	\$3,150,457	\$1,050,152	\$8,382,558	\$3,106	\$11,511	\$54	\$2,031	\$32,552,765
+/- Prior Year	\$1,342,861	\$251,786	\$251,786	\$83,929	\$692,247	(\$2,955)	(\$14,628)	\$57	(\$1,213)	\$2,603,869
%+/- Prior Year	8.0%	8.0%	8.0%	8.0%	8.3%	-95.2%	-127.1%	105.5%	-59.7%	8.0%
Year-to-Date:										
Actual	\$194,909,860	\$36,545,599	\$36,545,599	\$12,181,866	\$97,454,930	-	-	-	-	\$377,637,854
Reallocations	\$2,972	\$557	\$557	\$186	(\$96,763)	\$29,136	\$40,428	\$2,383	\$20,544	-
Adjusted Actual	\$194,912,831	\$36,546,156	\$36,546,156	\$12,182,052	\$97,358,167	\$29,136	\$40,428	\$2,383	\$20,544	\$377,637,854
Target	\$197,540,661	\$37,038,876	\$37,038,876	\$12,346,292	\$98,520,368	-	-	-	-	\$382,485,073
+/- Target	(\$2,627,830)	(\$492,720)	(\$492,720)	(\$164,240)	(\$1,162,201)	\$29,136	\$40,428	\$2,383	\$20,544	(\$4,847,219)
%+/- Target	-1.3%	-1.3%	-1.3%	-1.3%	-1.2%	-	-	-	-	-1.3%
Prior Year Actual	\$190,334,567	\$35,687,732	\$35,687,732	\$11,895,911	\$94,922,716	\$113,399	\$92,358	\$8,472	\$18,217	\$368,761,104
+/- Prior Year	\$4,578,264	\$858,424	\$858,424	\$286,141	\$2,435,451	(\$84,263)	(\$51,930)	(\$6,090)	\$2,327	\$8,876,749
%+/- Prior Year	2.4%	2.4%	2.4%	2.4%	2.6%	-74.3%	-56.2%	-71.9%	12.8%	2.4%
						(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
May 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	\$3,396,191	\$1,181,284	-	-	-	-	\$4,577,475
Reallocations	-	(\$9,723)	\$9,268	\$442	-	\$12	-
Adjusted Actual	\$3,396,191	\$1,171,561	\$9,268	\$442	-	\$12	\$4,577,475
Target	\$2,844,545	\$990,154	-	-	-	-	\$3,834,699
+/- Target	\$551,646	\$181,407	\$9,268	\$442	-	\$12	\$742,776
%+/- Target	19.4%	18.3%	-	-	-	-	19.4%
Prior Year Actual	\$2,821,230	\$980,886	\$485	(\$78)	\$3	\$1	\$3,802,526
+/- Prior Year	\$574,961	\$190,675	\$8,784	\$520	(\$3)	\$12	\$774,949
%+/- Prior Year	20.4%	19.4%	1813.0%	-666.5%	-100.00%	2338.00%	20.4%
Year-to-Date:							
Actual	\$33,705,343	\$11,723,597	-	-	-	-	\$45,428,940
Reallocations	\$338	(\$41,054)	\$31,718	\$8,694	\$265	\$39	-
Adjusted Actual	\$33,705,681	\$11,682,544	\$31,718	\$8,694	\$265	\$39	\$45,428,940
Target	\$31,642,280	\$11,004,786	-	-	-	-	\$42,647,066
+/- Target	\$2,063,401	\$677,758	\$31,718	\$8,694	\$265	\$39	\$2,781,874
%+/- Target	6.5%	6.2%	-	-	-	-	6.5%
Prior Year Actual	\$31,382,927	\$10,901,775	\$3,157	\$7,367	\$1,141	\$1,237	\$42,297,605
+/- Prior Year	\$2,322,754	\$780,768	\$28,561	\$1,327	(\$877)	(\$1,198)	\$3,131,335
%+/- Prior Year	7.4%	7.2%	904.8%	18.0%	-76.8%	-96.8%	7.4%
			(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.