



City Manager Report

The City of
OKLAHOMA CITY

NO: 696

DATE: SEPTEMBER 1, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: AUGUST 2015 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$2,665,427 or 6.1% below target for the year.

General Fund Sales Tax

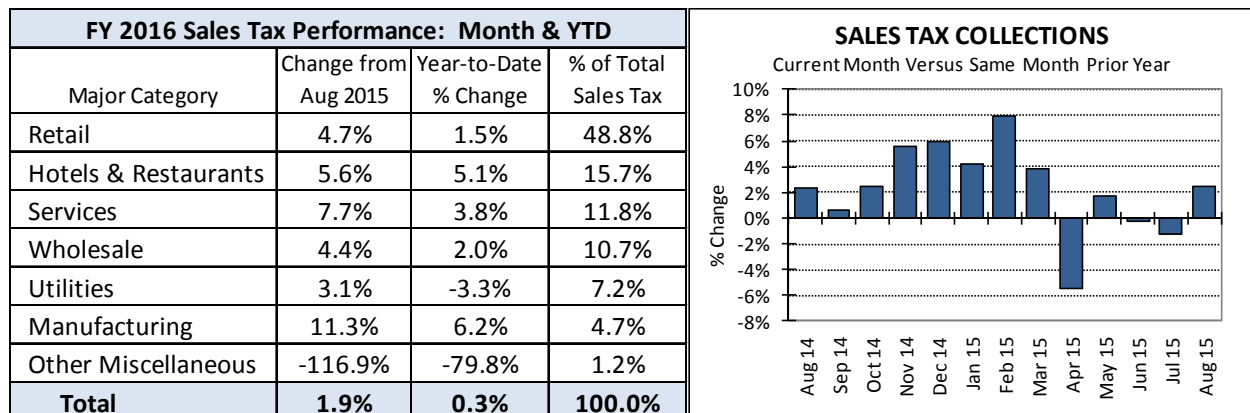
Note: With the passing of House Bill 1875 on July 1, 2015, the retention fee paid to the Oklahoma Tax Commission for collection of sales and use taxes decreased from 1% to 0.5%. Overall comparisons of sales tax will include the additional 0.5%, while comparisons of specific categories will not be affected.

General Fund sales tax collections for August totaled \$18,765,013, which is:

- \$92,214 or 0.5% below target for the month
- \$439,233 or 2.4% above FY 2015 collections for the month

The August remittance includes actual collections for the second half of June and estimated collections for the first half of July by major taxpayers.

Sales tax performance this month was broad based with six of seven categories recording improvement over last year's sales by at least 3%. The reason for Other Miscellaneous' sharp decline was a very large refund in the Non-Classified subcategory as well as greatly reduced sales in Mining.



City Comparison		
City	Change from Aug 2015	Year-to-Date % Change
Oklahoma City	2.4%	0.6%
Tulsa	0.1%	-0.2%
Norman	8.0%	2.5%
Edmond	9.2%	3.2%
Moore	11.6%	10.1%
Midwest City	0.7%	-1.9%
Yukon	20.8%	16.8%
<i>Rates are normalized to account for rate changes</i>		

Comparison to Other Cities

Sales tax collections for all but two of the top twenty cities in Oklahoma were up from last year. Yukon reported exceptional growth this month. Moore, Edmond, and Norman also performed very well. Oklahoma City's growth was half a percentage point below target for the month.

Retail

- General Merchandise – One merchandiser had a large payment last year that inflated last year's sales. Sales would have been up otherwise.
- Building Materials – Sales were up for the majority in the category. Good weather likely helped.
- Electronics & Appliances – One retailer had a large refund last year that contributed to most of this month's gain.
- Miscellaneous Retail – Two major businesses had large payments last year and small ones this year. Sales in the category would have been up otherwise.
- Auto Parts & Supplies – Sales were above average this month for most in the category. The reclassification of a large business this year from Non-Classified has also helped growth.
- Pharmacies & Health Stores – Most retailers reported healthy increases in sales from last year.

FY 2016 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Aug 2015	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	-4.3%	0.0%	23.4%
Building Materials and Lawn & Garden	14.6%	3.1%	16.6%
Food Stores	6.5%	7.4%	12.9%
Apparel & Accessories	5.9%	0.5%	9.9%
Electronics & Appliances	11.1%	0.3%	8.4%
Miscellaneous Retail	-12.2%	-21.9%	6.1%
Auto Parts & Supplies	22.7%	14.9%	5.6%
Furniture & Home	-4.6%	-4.9%	4.5%
Sporting Goods & Hobby Stores	0.4%	3.9%	4.4%
Pharmacies & Health Stores	25.6%	20.5%	4.3%
Convenience Stores	2.1%	0.8%	3.3%
Direct Sales	-15.7%	-12.3%	0.6%
Total	4.7%	1.5%	100.0%

Other Major Categories

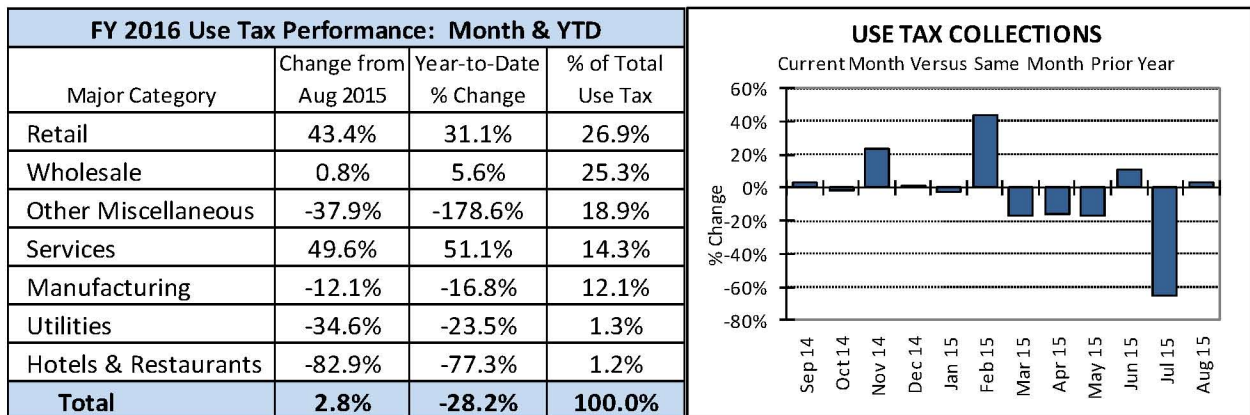
- Hotels & Restaurants increased 5.6% from last year.
 - Hotels rose 8.9% with solid growth from most hotels.
 - Eating & Drinking Establishments improved by 5.0%.
- Services performed well, up 7.7%. Most subcategories reported growth.
- Wholesale increased 4.4% with the majority of taxpayers reporting increases in sales.
- Utilities grew by 3.1%. Electricity sales improved while natural gas sales fell.
- Manufacturing jumped 11.3%. Sales in the Nonmetallic Minerals subcategory were very strong, up 80% from last year.
- Other Miscellaneous dropped 116.9%. The significant drop was caused by a very large refund in conjunction with greatly reduced mining activity.

General Fund Use Tax

General Fund use tax collections for August totaled \$3,491,682 which is:

- \$163,682 or 4.9% above target for the month
- \$113,117 or 3.3% above FY 2015 collections for the month

Sizeable growth in Retail and Services were partially offset by declines in Other Miscellaneous. Greatly reduced mining related activity is the main reason for Other Miscellaneous’ decline.



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


James D. Couch
City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
August 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	\$18,764,992	\$3,518,436	\$3,518,436	\$1,172,812	\$9,382,496	-	-	-	-	\$36,357,172
Reallocations	\$22	\$4	\$4	\$1	(\$2,656)	\$1,690	(\$218)	\$91	\$1,062	-
Adjusted Actual	\$18,765,013	\$3,518,440	\$3,518,440	\$1,172,813	\$9,379,840	\$1,690	(\$218)	\$91	\$1,062	\$36,357,172
Target	\$18,857,228	\$3,535,730	\$3,535,730	\$1,178,577	\$9,396,316	-	-	-	-	\$36,503,581
+/- Target	(\$92,214)	(\$17,290)	(\$17,290)	(\$5,763)	(\$16,476)	\$1,690	(\$218)	\$91	\$1,062	(\$146,409)
%+/- Target	-0.5%	-0.5%	-0.5%	-0.5%	-0.2%	-	-	-	-	-0.4%
Prior Year Actual	\$18,325,780	\$3,436,084	\$3,436,084	\$1,145,361	\$9,131,503	\$21,193	\$3,289	\$42	\$2,652	\$35,501,987
+/- Prior Year	\$439,233	\$82,356	\$82,356	\$27,452	\$248,337	(\$19,503)	(\$3,508)	\$50	(\$1,590)	\$855,184
%+/- Prior Year	2.4%	2.4%	2.4%	2.4%	2.7%	-92.0%	-106.6%	119.7%	-60.0%	2.4%
Year-to-Date:										
Actual	\$36,634,161	\$6,868,905	\$6,868,905	\$2,289,635	\$18,317,080	-	-	-	-	\$70,978,686
Reallocations	\$196	\$37	\$37	\$12	(\$5,013)	\$2,384	\$575	\$152	\$1,621	-
Adjusted Actual	\$36,634,356	\$6,868,942	\$6,868,942	\$2,289,647	\$18,312,067	\$2,384	\$575	\$152	\$1,621	\$70,978,686
Target	\$37,480,345	\$7,027,565	\$7,027,565	\$2,342,522	\$18,700,962	-	-	-	-	\$72,578,957
+/- Target	(\$845,989)	(\$158,623)	(\$158,623)	(\$52,874)	(\$388,894)	\$2,384	\$575	\$152	\$1,621	(\$1,600,271)
%+/- Target	-2.3%	-2.3%	-2.3%	-2.3%	-2.1%	-	-	-	-	-2.2%
Prior Year Actual	\$36,424,048	\$6,829,509	\$6,829,509	\$2,276,503	\$18,173,918	\$22,218	\$6,160	\$1,203	\$4,060	\$70,567,128
+/- Prior Year	\$210,309	\$39,433	\$39,433	\$13,144	\$138,149	(\$19,835)	(\$5,586)	(\$1,051)	(\$2,439)	\$411,558
%+/- Prior Year	0.6%	0.6%	0.6%	0.6%	0.8%	-89.3%	-90.7%	-87.3%	-60.1%	0.6%
						(1)	(1)	(1)	(1)	(2) & (3)

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.
- (2) The percentages listed will differ from those on the Sales and Use Tax City Manager Report slightly due to the inclusion of administrative fee, interest and reallocation on this report.
- (3) The sales and use tax retention fee has changed from 1% of total collections to 0.5% of total collections beginning August 2015.

CITY OF OKLAHOMA CITY
USE TAX COLLECTIONS
August 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	\$3,491,682	\$1,214,498	-	-	-	-	\$4,706,180
Reallocations	\$0	(\$1,880)	\$338	\$1,539	-	\$3	-
Adjusted Actual	\$3,491,682	\$1,212,618	\$338	\$1,539	-	\$3	\$4,706,180
Target	\$3,328,000	\$1,157,565	-	-	-	-	\$4,485,565
+/- Target	\$163,682	\$55,053	\$338	\$1,539	-	\$3	\$220,615
%+/- Target	4.9%	4.8%	-	-	-	-	4.9%
Prior Year Actual	\$3,378,565	\$1,174,915	\$1	\$238	-	-	\$4,553,718
+/- Prior Year	\$113,117	\$37,704	\$337	\$1,301	-	\$3	\$152,462
%+/- Prior Year	3.3%	3.2%	36997.8%	547.8%	-	-	3.3%
Year-to-Date:							
Actual	\$4,489,061	\$1,561,413	-	-	-	-	\$6,050,474
Reallocations	\$218	(\$2,451)	\$338	\$1,573	\$295	\$27	-
Adjusted Actual	\$4,489,280	\$1,558,962	\$338	\$1,573	\$295	\$27	\$6,050,474
Target	\$6,308,718	\$2,194,336	-	-	-	-	\$8,503,054
+/- Target	(\$1,819,438)	(\$635,374)	\$338	\$1,573	\$295	\$27	(\$2,452,580)
%+/- Target	-28.8%	-29.0%	-	-	-	-	-28.8%
Prior Year Actual	\$6,228,774	\$2,166,280	\$14	\$238	(\$1)	-	\$8,395,304
+/- Prior Year	(\$1,739,494)	(\$607,318)	\$324	\$1,335	\$295	\$27	(\$2,344,830)
%+/- Prior Year	-27.9%	-28.0%	2365.7%	561.7%	-52732.14%	-	-27.9%
			(1)	(1)	(1)	(1)	(2) & (3)

NOTES:

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