



City Manager Report

The City of
OKLAHOMA CITY

NO: 705

DATE: SEPTEMBER 29, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: SEPTEMBER 2015 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$3,176,624 or 4.8% below target for the year.

General Fund Sales Tax

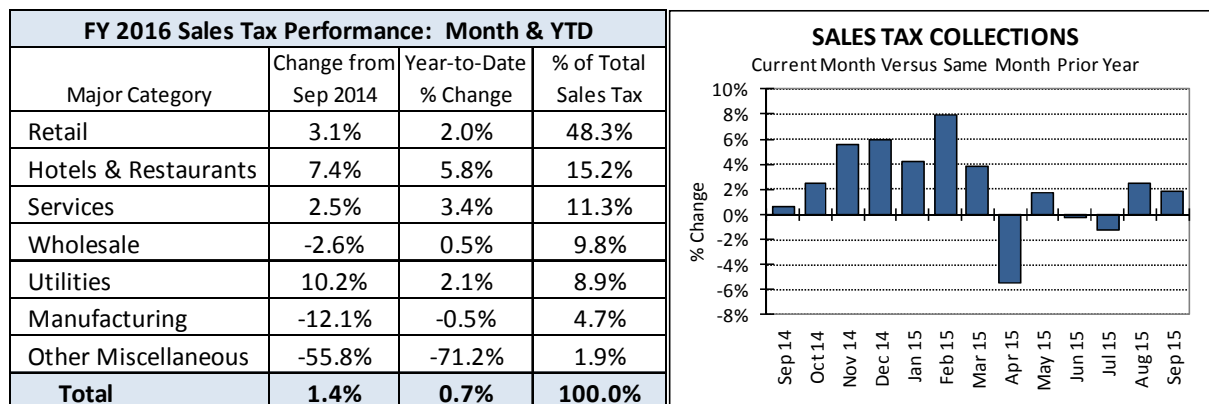
Note: With the passing of House Bill 1875 on July 1, 2015, the retention fee paid to the Oklahoma Tax Commission for collection of sales and use taxes decreased from 1% to 0.5%. Overall comparisons of sales tax will include the additional 0.5%, while comparisons of specific categories will not be affected.

General Fund sales tax collections for September totaled \$18,556,793, which is:

- \$185,924 or 1.0% below target for the month
- \$342,296 or 1.9% above FY 2015 collections for the month

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

Favorable sales tax growth in most industries was hindered this month by declines in Other Miscellaneous and Manufacturing. As the prices of oil and gas have dropped, so have sales from oil and gas related businesses. Much of the declines experienced in Other Miscellaneous and Manufacturing were due to oil and gas related businesses.



City Comparison		
City	Change from Sep 2014	Year-to-Date % Change
Oklahoma City	1.9%	1.0%
Tulsa	4.1%	1.2%
Norman	9.5%	4.8%
Edmond	0.3%	2.2%
Moore	8.2%	9.4%
Midwest City	7.0%	0.9%
Yukon	19.9%	17.8%
<i>Rates are normalized to account for rate changes</i>		

Comparison to Other Cities

Sales tax collections for all but three of the top twenty cities in Oklahoma were up from last year. Oklahoma City's sales tax growth was on the lower end of the spectrum. Reduced sales from businesses related to the oil and gas industry likely affects Oklahoma City more than most.

Retail

- General Merchandise – It was a good month for most merchandisers as a solid majority experienced sales above those of last year.
- Building Materials – Several of the major businesses in this category reported notable increases in sales from last year.
- Electronics & Appliances – Most did well; however, some new additions to the category helped push sales growth higher.
- Miscellaneous Retail – A single oil and gas related business was responsible for almost the entire drop in sales.
- Furniture & Home – The majority of businesses in the category reported declines in sales from last year.
- Sporting Goods & Hobby Stores – The majority of businesses reported sales declines from last year. One business was responsible for about two-thirds of the decline.

FY 2016 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Sep 2014	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	4.1%	1.3%	23.3%
Building Materials and Lawn & Garden	8.1%	4.7%	15.6%
Food Stores	5.5%	6.8%	13.2%
Apparel & Accessories	5.8%	2.1%	9.4%
Electronics & Appliances	8.0%	2.7%	8.2%
Miscellaneous Retail	-14.6%	-19.5%	6.1%
Auto Parts & Supplies	6.9%	12.1%	6.0%
Furniture & Home	-4.5%	-4.8%	5.0%
Sporting Goods & Hobby Stores	-8.5%	-0.5%	4.5%
Pharmacies & Health Stores	2.2%	14.0%	4.5%
Convenience Stores	0.7%	0.7%	3.5%
Direct Sales	9.4%	-5.6%	0.6%
Total	3.1%	2.0%	100.0%

Other Major Categories

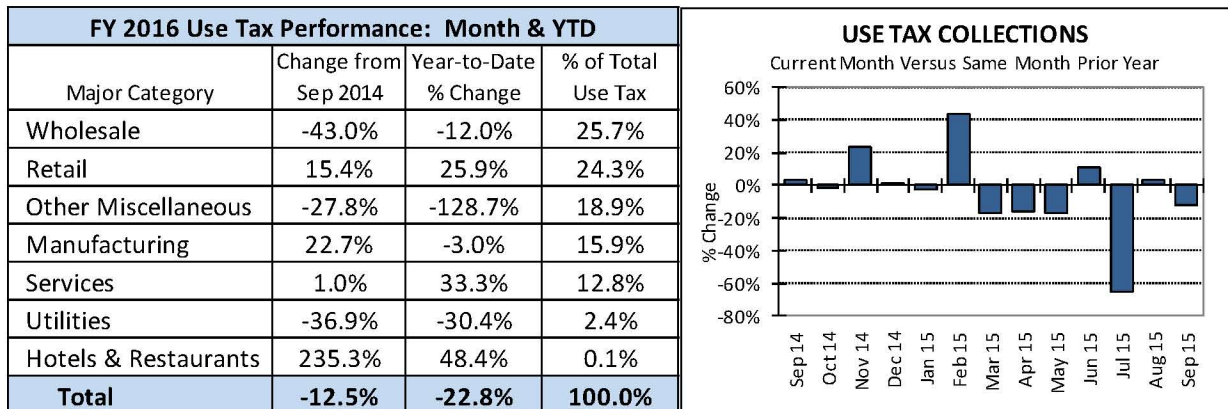
- Hotels & Restaurants increased 7.4% from last year.
 - Hotels edged up 2.6%. Sales favored the smaller hotels more so than the larger ones.
 - Eating & Drinking Establishment’s 8.3% growth was due to a large refund last year.
- Services grew 2.5%. Most subcategories reported growth.
- Wholesale declined 2.6% with the majority of taxpayers reporting decreases in sales.
- Utilities grew 10.2%. Sales were up for both electricity and natural gas.
- Manufacturing fell 12.1%. Sales were down for most manufacturers, but three-fourths of the decline was caused by one business.
- Other Miscellaneous sank 55.8%. Nearly two-thirds of the decline is due to one business in Mining. They had a large payment last year and a refund this year.

General Fund Use Tax

General Fund use tax collections for September totaled \$2,871,447 which is:

- \$325,273 or 10.2% below target for the month
- \$394,019 or 12.1% below FY 2015 collections for the month

Most of the drop this month is due to businesses that are related to the oil and gas industry. Over half of this month’s decline is due to one oil and gas business in Wholesale.



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



James D. Couch
City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
September 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	\$18,556,339	\$3,479,313	\$3,479,313	\$1,159,771	\$9,278,169	-	-	-	-	\$35,952,906
Reallocations	\$454	\$85	\$85	\$28	(\$3,410)	\$755	\$986	\$344	\$673	-
Adjusted Actual	\$18,556,793	\$3,479,399	\$3,479,399	\$1,159,800	\$9,274,759	\$755	\$986	\$344	\$673	\$35,952,906
Target	\$18,742,717	\$3,514,259	\$3,514,259	\$1,171,420	\$9,356,111	-	-	-	-	\$36,298,767
+/- Target	(\$185,924)	(\$34,861)	(\$34,861)	(\$11,620)	(\$81,352)	\$755	\$986	\$344	\$673	(\$345,861)
%+/- Target	-1.0%	-1.0%	-1.0%	-1.0%	-0.9%	-	-	-	-	-1.0%
Prior Year Actual	\$18,214,497	\$3,415,218	\$3,415,218	\$1,138,406	\$9,092,431	\$10,312	\$2,131	\$895	\$835	\$35,289,942
+/- Prior Year	\$342,296	\$64,181	\$64,181	\$21,394	\$182,328	(\$9,557)	(\$1,146)	(\$550)	(\$162)	\$662,964
%+/- Prior Year	1.9%	1.9%	1.9%	1.9%	2.0%	-92.7%	-53.8%	-61.5%	-19.4%	1.9%
Year-to-Date:										
Actual	\$55,190,499	\$10,348,219	\$10,348,219	\$3,449,406	\$27,595,250	-	-	-	-	\$106,931,592
Reallocations	\$650	\$122	\$122	\$41	(\$8,424)	\$3,139	\$1,560	\$497	\$2,294	-
Adjusted Actual	\$55,191,149	\$10,348,340	\$10,348,340	\$3,449,447	\$27,586,826	\$3,139	\$1,560	\$497	\$2,294	\$106,931,592
Target	\$56,223,062	\$10,541,824	\$10,541,824	\$3,513,941	\$28,057,073	-	-	-	-	\$108,877,724
+/- Target	(\$1,031,913)	(\$193,484)	(\$193,484)	(\$64,495)	(\$470,247)	\$3,139	\$1,560	\$497	\$2,294	(\$1,946,132)
%+/- Target	-1.8%	-1.8%	-1.8%	-1.8%	-1.7%	-	-	-	-	-1.8%
Prior Year Actual	\$54,638,544	\$10,244,727	\$10,244,727	\$3,414,909	\$27,266,349	\$32,530	\$8,292	\$2,098	\$4,895	\$105,857,070
+/- Prior Year	\$552,605	\$103,613	\$103,613	\$34,538	\$320,477	(\$29,391)	(\$6,731)	(\$1,601)	(\$2,600)	\$1,074,522
%+/- Prior Year	1.0%	1.0%	1.0%	1.0%	1.2%	-90.4%	-81.2%	-76.3%	-53.1%	1.0%
						(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
September 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	\$2,871,447	\$998,764	-	-	-	-	\$3,870,211
Reallocations	(\$0)	(\$53,452)	-	\$53,448	-	\$5	-
Adjusted Actual	\$2,871,447	\$945,312	-	\$53,448	-	\$5	\$3,870,211
Target	\$3,196,720	\$1,111,903	-	-	-	-	\$4,308,623
+/- Target	(\$325,273)	(\$166,591)	-	\$53,448	-	\$5	(\$438,412)
%+/- Target	-10.2%	-15.0%	-	-	-	-	-10.2%
Prior Year Actual	\$3,265,466	\$1,135,571	\$56	\$186	-	-	\$4,401,280
+/- Prior Year	(\$394,019)	(\$190,260)	(\$56)	\$53,261	-	\$5	(\$531,069)
%+/- Prior Year	-12.1%	-16.8%	-100.0%	28581.3%	-	-	-12.1%
Year-to-Date:							
Actual	\$7,360,508	\$2,560,177	-	-	-	-	\$9,920,685
Reallocations	\$218	(\$55,903)	\$338	\$55,020	\$295	\$32	-
Adjusted Actual	\$7,360,727	\$2,504,274	\$338	\$55,020	\$295	\$32	\$9,920,685
Target	\$9,505,438	\$3,306,239	-	-	-	-	\$12,811,677
+/- Target	(\$2,144,711)	(\$801,965)	\$338	\$55,020	\$295	\$32	(\$2,890,992)
%+/- Target	-22.6%	-24.3%	-	-	-	-	-22.6%
Prior Year Actual	\$9,494,239	\$3,301,851	\$70	\$424	(\$1)	-	\$12,796,584
+/- Prior Year	(\$2,133,513)	(\$797,578)	\$268	\$54,596	\$295	\$32	(\$2,875,899)
%+/- Prior Year	-22.5%	-24.2%	381.8%	12876.4%	-52732.14%	-	-22.5%
			(1)	(1)	(1)	(1)	(2) & (3)

NOTES:

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