



City Manager Report

The City of
OKLAHOMA CITY

NO: 830

DATE: APRIL 26, 2016

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: APRIL 2016 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$13,584,638 or 6.2% below projections for the year.

General Fund Sales Tax

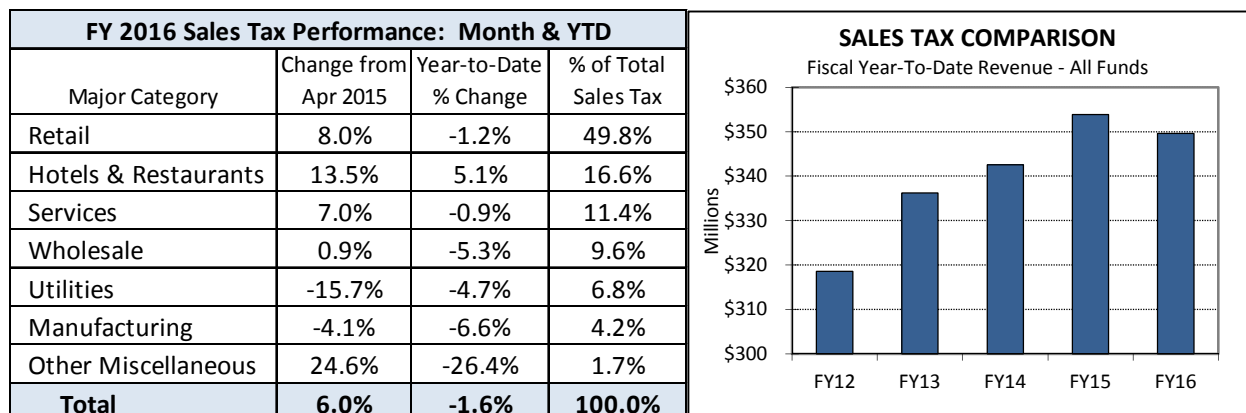
Note: With the enactment of House Bill 1875 on July 1, 2015, the retention fee paid to the Oklahoma Tax Commission for collection of sales and use taxes decreased from 1% to 0.5%. Overall comparisons of sales tax will include the additional 0.5%, while comparisons of specific categories will not be affected.

General Fund sales tax collections for April totaled \$17,718,472, which is:

- \$424,208 or 2.5% above projection for the month
- \$1,089,351 or 6.6% above FY 2015 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 are up after being down for the previous six months. It appears that discretionary spending was the major driver of growth this month as both Retail and Hotels & Restaurants had large increases in sales. Utilities sales continue to slump as prices for both electricity and natural gas are quite low and could potentially stay that way for some time.



City Comparison		
City	Change from Apr 2015	Year-to-Date % Change
Oklahoma City	6.5%	-1.2%
Tulsa	11.7%	1.1%
Norman *	8.0%	2.8%
Edmond	8.5%	1.5%
Moore	12.4%	7.0%
Midwest City	6.7%	0.6%
Yukon	9.4%	10.2%
<i>* Rates are normalized to account for rate changes</i>		

Comparison to Other Cities

Oklahoma City's sales tax growth was positive this month, but much of the metro performed even better. Most major cities reported strong sales tax gains as well. Out of the top twenty cities, nineteen experienced sales tax growth with a combined top twenty growth rate of 10%.

Retail

- General Merchandise – Most retailers in the category performed well.
- Building Materials and Lawn & Garden – Favorable weather likely contributed to growth as most businesses in the category enjoyed healthy sales increases.
- Food Stores – While the majority of retailers had improved sales, several of the larger retailers did not.
- Pharmacies & Health Stores – Sales were strong for most in the category. Three quarters of the top retailers experienced growth in sales from last year.
- Furniture & Home – Sales were up for the majority. The top two businesses account for 40% of the sales in the category and both were up significantly this month.
- Sporting Goods & Hobby Stores – While sales were down slightly for the majority, the addition of a new major sporting goods retailer this year has positively affected growth.

FY 2016 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Apr 2015	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	10.0%	0.2%	24.2%
Building Materials and Lawn & Garden	24.5%	5.6%	14.1%
Food Stores	-7.4%	1.5%	13.2%
Apparel & Accessories	8.4%	-2.8%	11.3%
Electronics & Appliances	-3.6%	-9.3%	8.4%
Auto Parts & Supplies	4.8%	1.7%	5.6%
Miscellaneous Retail	-2.2%	-20.2%	5.5%
Pharmacies & Health Stores	17.4%	7.5%	5.1%
Furniture & Home	17.8%	-4.2%	4.6%
Sporting Goods & Hobby Stores	14.8%	3.8%	4.4%
Convenience Stores	9.6%	-0.9%	3.0%
Direct Sales	27.1%	-4.2%	0.7%
Total	8.0%	-1.2%	100.0%

Other Major Categories

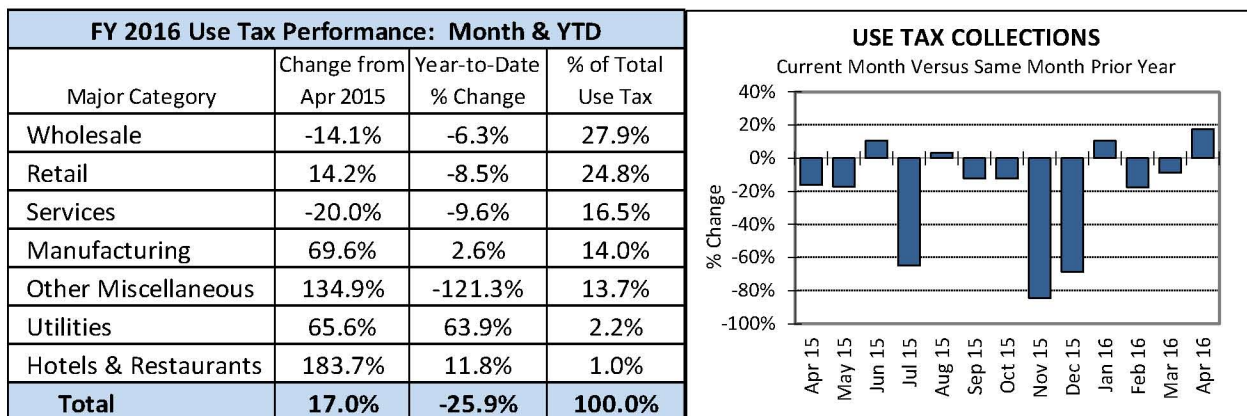
- Hotels & Restaurants rose 13.5% from last year.
 - Eating & Drinking Establishments gained 11.2% with most businesses performing well.
 - Hotel sales were up 29.2% due in part to the reclassification of a couple of hotels formerly in Non-Classified as well as the addition of a new larger hotel this year.
- Services improved 7.0% with the majority of service businesses experiencing growth.
- Wholesale was up slightly at 0.9% with most wholesalers showing slight improvement.
- Utilities fell 15.7% as the price of gas and electricity has been quite low recently.
- Manufacturing fell 4.1%. Sales were up for most manufacturers, but a big payment from one manufacturer last year inflated last year’s sales and is responsible for this year’s decline.
- Other Miscellaneous increased 24.6%. Most of the increase comes from new remitters in Non-Classified along with strong sales in Mining.

General Fund Use Tax

General Fund use tax collections for April totaled \$2,901,382 which is:

- \$272,896 or 10.4% above projection for the month
- \$434,175 or 17.6% above FY 2015 collections for the month

Despite two of the three largest categories reporting declines, the rest of the categories all performed well. A couple of big refunds last year in Other Miscellaneous and big growth this year in Retail and Manufacturing helped contribute to this month’s 17.0% growth.



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

James D. Couch
City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
April 2016

	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	\$17,718,242	\$3,322,170	\$3,322,170	\$1,107,390	\$8,859,121	-	-	-	-	\$34,329,094
Reallocations	\$230	\$43	\$43	\$14	(\$6,922)	\$2,544	\$3,292	\$113	\$642	-
Adjusted Actual	\$17,718,472	\$3,322,213	\$3,322,213	\$1,107,404	\$8,852,199	\$2,544	\$3,292	\$113	\$642	\$34,329,094
Projection	\$17,294,264	\$3,242,679	\$3,242,679	\$1,080,893	\$8,643,139	-	-	-	-	\$33,503,653
+/- Projection	\$424,208	\$79,535	\$79,535	\$26,512	\$209,061	\$2,544	\$3,292	\$113	\$642	\$825,441
%+/- Projection	2.5%	2.5%	2.5%	2.5%	2.4%	-	-	-	-	2.5%
Prior Year Actual	\$16,629,121	\$3,117,960	\$3,117,960	\$1,039,320	\$8,310,710	\$880	\$2,150	\$81	\$630	\$32,218,814
+/- Prior Year	\$1,089,351	\$204,253	\$204,253	\$68,084	\$541,489	\$1,664	\$1,142	\$32	\$12	\$2,110,280
%+/- Prior Year	6.6%	6.6%	6.6%	6.6%	6.5%	189.1%	53.1%	38.7%	1.9%	6.5%
Year-to-Date:										
Actual	\$180,446,296	\$33,833,680	\$33,833,680	\$11,277,893	\$90,223,148	-	-	-	-	\$349,614,698
Reallocations	\$4,207	\$789	\$789	\$263	(\$90,523)	\$40,112	\$31,546	\$5,547	\$7,271	-
Adjusted Actual	\$180,450,503	\$33,834,469	\$33,834,469	\$11,278,156	\$90,132,624	\$40,112	\$31,546	\$5,547	\$7,271	\$349,614,698
Projection	\$186,339,193	\$34,938,599	\$34,938,599	\$11,646,200	\$93,077,104	-	-	-	-	\$360,939,694
+/- Projection	(\$5,888,690)	(\$1,104,130)	(\$1,104,130)	(\$368,043)	(\$2,944,479)	\$40,112	\$31,546	\$5,547	\$7,271	(\$11,324,996)
%+/- Projection	-3.2%	-3.2%	-3.2%	-3.2%	-3.2%	-	-	-	-	-3.1%
Prior Year Actual	\$182,642,456	\$34,245,461	\$34,245,461	\$11,415,153	\$91,230,779	\$34,886	\$34,356	\$3,383	\$11,152	\$353,863,088
+/- Prior Year	(\$2,191,953)	(\$410,991)	(\$410,991)	(\$136,997)	(\$1,098,155)	\$5,226	(\$2,810)	\$2,164	(\$3,882)	(\$4,248,390)
%+/- Prior Year	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	15.0%	-8.2%	64.0%	-34.8%	-1.2%
						(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
April 2016

	<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	\$2,901,382	\$1,009,176	-	-	-	-	\$3,910,558
Reallocations	\$1	\$486	-	(\$487)	\$1	-	-
Adjusted Actual	\$2,901,382	\$1,009,662	-	(\$487)	\$1	-	\$3,910,558
Projection	\$2,628,486	\$914,256	-	-	-	-	\$3,542,742
+/- Projection	\$272,896	\$95,406	-	(\$487)	\$1	-	\$367,816
%+/- Projection	10.4%	10.4%	-	-	-	-	10.4%
Prior Year Actual	\$2,467,207	\$858,167	(\$7)	(\$1)	(\$0)	-	\$3,325,366
+/- Prior Year	\$434,175	\$151,495	\$7	(\$487)	\$1	-	\$585,191
%+/- Prior Year	17.6%	17.7%	-100.0%	57922.6%	-494.44%	-	17.6%
Year-to-Date:							
Actual	\$23,938,046	\$8,326,277	-	-	-	-	\$32,264,323
Reallocations	\$286	(\$68,642)	\$10,899	\$56,748	\$348	\$361	-
Adjusted Actual	\$23,938,332	\$8,257,635	\$10,899	\$56,748	\$348	\$361	\$32,264,323
Projection	\$31,634,280	\$11,003,228	-	-	-	-	\$42,637,508
+/- Projection	(\$7,695,948)	(\$2,745,593)	\$10,899	\$56,748	\$348	\$361	(\$10,373,185)
%+/- Projection	-24.3%	-25.0%	-	-	-	-	-24.3%
Prior Year Actual	\$32,145,878	\$11,177,781	\$577	\$2,845	(\$46)	\$18	\$43,327,053
+/- Prior Year	(\$8,207,546)	(\$2,920,146)	\$10,323	\$53,903	\$394	\$343	(\$11,062,730)
%+/- Prior Year	-25.5%	-26.1%	1789.3%	1894.7%	-857.33%	1915.02%	-25.5%
			(1)	(1)	(1)	(1)	(2) & (3)

NOTES:

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