



# City Manager Report

## The City of OKLAHOMA CITY

**NO: 896**

**DATE: AUGUST 30, 2016**

**TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**SUBJECT: AUGUST 2016 SALES AND USE TAX COLLECTIONS**

Combined sales and use taxes for the General Fund are \$2,072,314 or 4.8% below projections for the year.

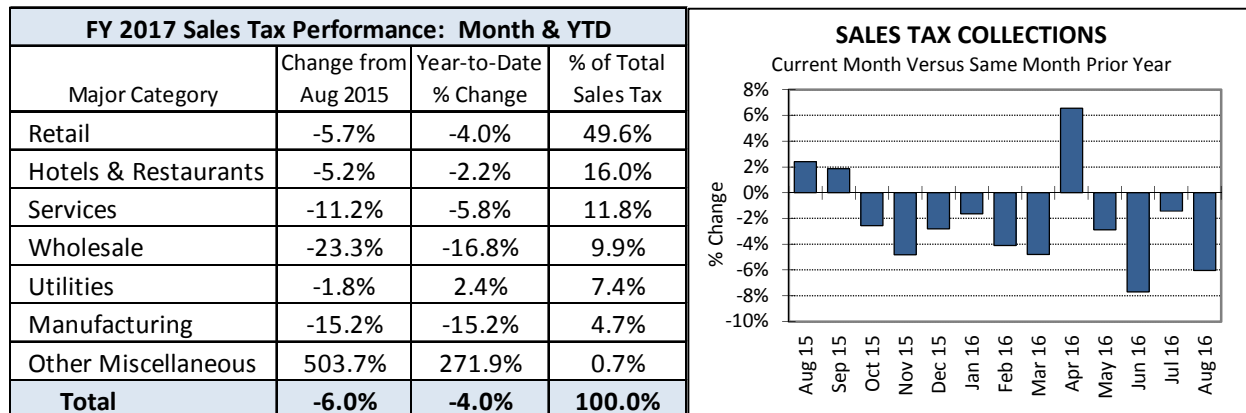
### General Fund Sales Tax

General Fund sales tax revenues for August totaled \$17,632,951, which is:

- \$1,038,237 or 5.6% below projection for the month
- \$1,132,062 or 6.0% below FY 2016 revenues 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 revenues are down from last year in every major sales tax category. In total, 46% of all taxpayers remitted lower payments compared to the prior year. The largest revenue declines were in the Retail and Wholesale categories. Compared to the same month in the prior year for the last twelve months, total sales tax revenues have been down ten out of the last twelve months. Retail and Wholesale sales have also been down ten out of the last twelve months.



City Comparison		
City	Change from Aug 2015	Year-to-Date % Change
Oklahoma City	-6.0%	-3.8%
Tulsa	-0.3%	-1.3%
Norman *	-6.5%	-3.2%
Edmond	-10.0%	-4.5%
Moore	-3.0%	-2.7%
Midwest City	-3.6%	-2.6%
Yukon	-8.6%	-6.4%
* Rates are normalized to account for rate changes		

### Comparison to Other Cities

Each comparison city in the Oklahoma City metropolitan area reported lower year-over-year sales tax remittances. In addition to this, fifteen out of the top twenty cities in Oklahoma experienced sales tax declines as well.

### Retail

- General Merchandise – Sales were down for the majority of retailers; however, strong sales from a couple big box retailers enabled this month’s growth.
- Building Materials and Lawn & Garden – 80% of the large remitters and 60% of the overall remitters showed declines in sales.
- Food Stores – Sales were down across the board. Only 16% of the top 25 and 40% overall reported improved sales.
- Electronics & Appliances – Sales were down for the majority of retailers this month; however, sales are being compared to 11.1% growth from last year.
- Miscellaneous Retail – Declines from two major retailers contributed to more than half of the decrease this month.
- Furniture & Home – Strong sales from some of the larger retailers contributed to the 6.9% growth.

FY 2017 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Aug 2015	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	2.0%	0.0%	23.2%
Building Materials and Lawn & Garden	-18.6%	-9.0%	16.2%
Food Stores	-8.9%	-10.5%	12.8%
Apparel & Accessories	-3.6%	-0.9%	10.1%
Electronics & Appliances	-15.2%	-9.2%	8.3%
Auto Parts & Supplies	-5.7%	-5.8%	6.0%
Miscellaneous Retail	-8.7%	1.0%	5.5%
Pharmacies & Health Stores	5.2%	1.3%	4.9%
Furniture & Home	6.9%	-5.1%	4.5%
Sporting Goods & Hobby Stores	6.1%	5.3%	4.5%
Convenience Stores	-3.8%	-3.4%	3.3%
Direct Sales	19.4%	19.9%	0.7%
<b>Total</b>	<b>-5.7%</b>	<b>-4.0%</b>	<b>100.0%</b>

Other Major Categories

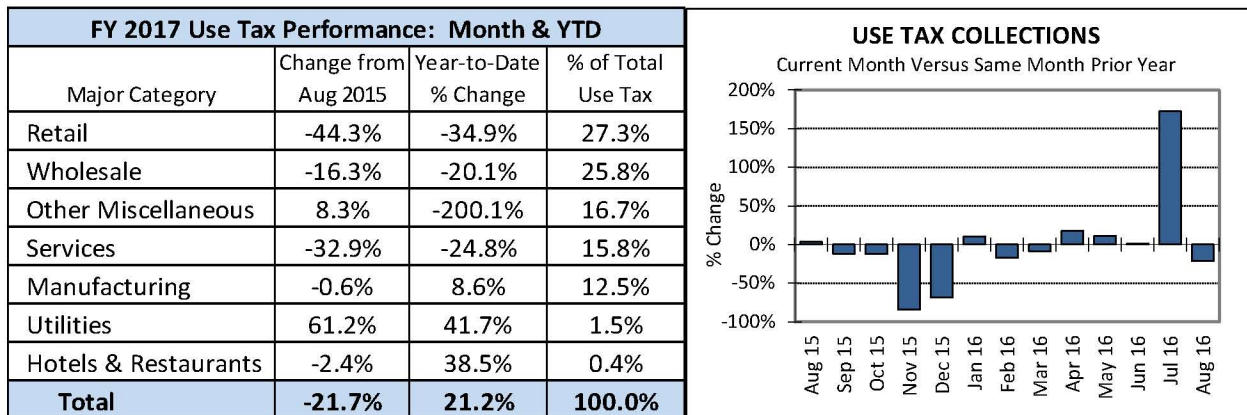
- Hotels & Restaurants declined 5.2% from last year.
  - Eating & Drinking Establishments decreased 5.4%. 58% of eating and drinking establishments were down.
  - Hotel sales were down 4.4% as only 37% of hotels reported sales increases this month.
- Services fell 11.2%. The majority of services businesses were down this month. Also, there were several businesses that remitted large payments last year.
- Wholesale dropped 23.3% with most wholesalers continuing to show declines in sales.
- Utilities slipped 1.8%. Sales appeared relatively normal.
- Manufacturing declined 15.2%. A non-payment by a major manufacturer along with generally lower sales throughout caused this month’s decrease.
- Other Miscellaneous improved 503.7%. Most of the growth was due to a \$577,888 refund issued last year as well as an increase in the number of Non-Classified remitters this year.

**General Fund Use Tax**

General Fund use tax revenues for August totaled \$2,732,311 which is:

- \$426,045 or 13.5% below projection for the month
- \$759,371 or 21.7% below FY 2016 revenues for the month

Last year’s use tax revenues were very high due to a few very large payments in Retail and Services. This year’s revenues are more representative of average remittances.



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



James D. Couch  
City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*August 2016*

	<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>
<b>Current Month:</b>										
Actual	\$17,632,862	\$3,306,162	\$3,306,162	\$1,102,054	\$8,816,431	-	-	-	-	\$34,163,670
Reallocations	\$89	\$17	\$17	\$6	(\$5,598)	\$2,039	\$2,935	\$52	\$443	-
Adjusted Actual	\$17,632,951	\$3,306,178	\$3,306,178	\$1,102,059	\$8,810,833	\$2,039	\$2,935	\$52	\$443	\$34,163,670
Projection	\$18,671,188	\$3,500,848	\$3,500,848	\$1,166,949	\$9,332,941	-	-	-	-	\$36,172,774
+/- Projection	(\$1,038,237)	(\$194,670)	(\$194,670)	(\$64,890)	(\$522,108)	\$2,039	\$2,935	\$52	\$443	(\$2,009,104)
%+/- Projection	-5.6%	-5.6%	-5.6%	-5.6%	-5.6%	-	-	-	-	-5.6%
Prior Year 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
+/- Prior Year	(\$1,132,062)	(\$212,262)	(\$212,262)	(\$70,754)	(\$569,007)	\$349	\$3,154	(\$39)	(\$619)	(\$2,193,501)
%+/- Prior Year	-6.0%	-6.0%	-6.0%	-6.0%	-6.1%	20.7%	-1445.7%	-42.7%	-58.3%	-6.0%
<b>Year-to-Date:</b>										
Actual	\$35,247,599	\$6,608,925	\$6,608,925	\$2,202,975	\$17,623,800	-	-	-	-	\$68,292,224
Reallocations	(\$146)	(\$27)	(\$27)	(\$9)	(\$7,149)	\$3,013	\$4,275	(\$712)	\$782	200
Adjusted Actual	\$35,247,454	\$6,608,898	\$6,608,898	\$2,202,966	\$17,616,651	\$3,013	\$4,275	(\$712)	\$782	\$68,292,224
Projection	\$36,451,184	\$6,834,597	\$6,834,597	\$2,278,199	\$18,220,507	-	-	-	-	\$70,619,084
+/- Projection	(\$1,203,730)	(\$225,699)	(\$225,699)	(\$75,233)	(\$603,856)	\$3,013	\$4,275	(\$712)	\$782	(\$2,326,860)
%+/- Projection	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-	-	-	-	-3.3%
Prior Year 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
+/- Prior Year	(\$1,386,902)	(\$260,044)	(\$260,044)	(\$86,681)	(\$695,416)	\$629	\$3,701	(\$864)	(\$839)	(\$2,686,462)
%+/- Prior Year	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%	26.4%	644.1%	-566.8%	-51.8%	-3.8%
						(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 2016*

	<u>General Fund</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>City &amp; Schools</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Use Tax</u>
<b>Current Month:</b>							
Actual	\$2,732,311	\$950,369	-	-	-	-	\$3,682,680
Reallocations	-	(\$593)	\$13	\$580	-	-	-
Adjusted Actual	\$2,732,311	\$949,776	\$13	\$580	-	-	\$3,682,680
Projection	\$3,158,356	\$1,098,559	-	-	-	-	\$4,256,915
+/- Projection	(\$426,045)	(\$148,783)	\$13	\$580	-	-	(\$574,235)
%+/- Projection	-13.5%	-13.5%	-	-	-	-	-13.5%
Prior Year Actual	\$3,491,682	\$1,212,618	\$338	\$1,539	-	\$3	\$4,706,180
+/- Prior Year	(\$759,371)	(\$262,842)	(\$325)	(\$959)	-	(\$3)	(\$1,023,500)
%+/- Prior Year	-21.7%	-21.7%	-96.3%	-62.3%	-	-100.00%	-21.7%
<b>Year-to-Date:</b>							
Actual	\$5,448,124	\$1,895,000	-	-	-	-	\$7,343,124
Reallocations	\$4	(\$494)	(\$84)	\$574	-	-	-
Adjusted Actual	\$5,448,128	\$1,894,506	(\$84)	\$574	-	-	\$7,343,124
Projection	\$6,316,712	\$2,197,118	-	-	-	-	\$8,513,830
+/- Projection	(\$868,584)	(\$302,612)	(\$84)	\$574	-	-	(\$1,170,706)
%+/- Projection	-13.8%	-13.8%	-	-	-	-	-13.8%
Prior Year Actual	\$4,489,280	\$1,558,962	\$338	\$1,573	\$295	\$27	\$6,050,474
+/- Prior Year	\$958,848	\$335,544	(\$422)	(\$999)	(\$295)	(\$27)	\$1,292,649
%+/- Prior Year	21.4%	21.5%	-124.8%	-63.5%	-100.00%	-100.00%	21.4%
			(1)	(1)	(1)	(1)	(2) & (3)

**NOTES:**

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