



# City Manager Report

## The City of OKLAHOMA CITY

**NO: 1006**

**DATE: APRIL 25, 2017**

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

**SUBJECT: APRIL 2017 SALES AND USE TAX COLLECTIONS**

Combined sales and use taxes for the General Fund are \$5,303,880 or 2.6% below projections for the year.

### General Fund Sales Tax

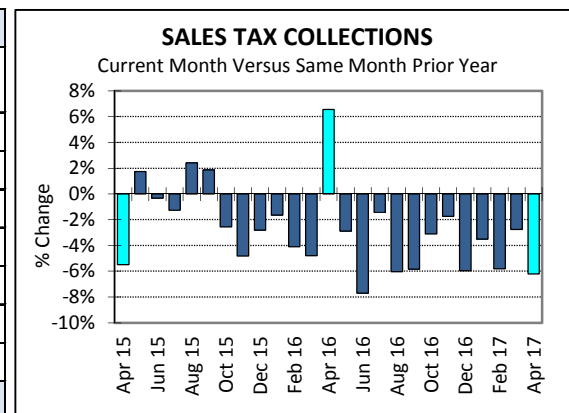
General Fund sales tax revenues for April totaled \$16,616,284, which is:

- \$995,877 or 5.7% below projection for the month
- \$1,102,188 or 6.2% below FY 2016 revenues 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 collections are down 6.2% from last year. This marks the eighteenth month out of the last nineteen months for sales tax revenues to be down. Year-to-date collections are currently below those of fiscal year 2013. Nearly all segments of the economy continue to experience declining sales. The only major sales tax category to experience growth this month was Utilities. In Retail, which accounts for half of all sales tax revenue, nine of the twelve subcategories were down this month.

FY 2017 Sales Tax Performance: Month & YTD			
Major Category	Change from Apr 2016	Year-to-Date % Change	% of Total Sales Tax
Retail	(7.8%)	(4.0%)	49.9%
Hotels & Restaurants	(1.3%)	(0.8%)	17.5%
Services	(8.7%)	(7.1%)	11.3%
Wholesale	(4.3%)	(8.4%)	9.4%
Utilities	6.9%	0.5%	6.4%
Manufacturing	(10.0%)	(13.1%)	4.0%
Other Miscellaneous	(37.3%)	(1.8%)	1.5%
<b>Total</b>	<b>(6.2%)</b>	<b>(4.3%)</b>	<b>100.0%</b>



City Comparison		
City	Change from Apr 2016	Year-to-Date % Change
Oklahoma City	(6.2%)	(4.3%)
Tulsa *	(8.2%)	(2.5%)
Norman	(1.0%)	(3.8%)
Edmond	(3.1%)	(1.8%)
Moore	0.9%	(1.7%)
Midwest City	(7.3%)	(3.0%)
Yukon	(0.4%)	(4.0%)
* Rates are normalized to account for rate changes		

### Comparison to Other Cities

Sales tax revenues were down from last year for the state, down for seventeen of the top twenty cities, and down for most of the metro. Year-to-date performance for the metro has started to converge around the (2%) to (4%) range.

### Retail

- General Merchandise – 19 of the top 25 retailers reported sales below those of last year.
- Building Materials and Lawn & Garden – Sales were down throughout. Only 44% of retailers were able to improve upon last year’s performance.
- Food Stores – Only 37% of food stores reported improved sales. 20 of the top 25 were down.
- Apparel & Accessories – 60% of retailers were down this month as well as 20 of the top 25 retailers.
- Auto Parts & Supplies – Sales for the majority of retailers in this category were down, but large payments this month from several major retailers resulted in overall growth.
- Pharmacies & Health Stores – Most retailers did not do well; however, about half of the decline was due to an extra payment last year by a retailer who previously underpaid.
- Furniture & Home – While the majority of retailers in the category actually did well, most of the top retailers did not.

FY 2017 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Apr 2016	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	(8.8%)	(1.4%)	24.3%
Building Materials and Lawn & Garden	(11.5%)	(6.7%)	14.8%
Food Stores	(6.9%)	(6.9%)	12.3%
Apparel & Accessories	(13.2%)	(4.0%)	11.0%
Electronics & Appliances	(4.7%)	(6.0%)	8.0%
Auto Parts & Supplies	9.9%	(0.8%)	6.0%
Miscellaneous Retail	5.1%	(4.1%)	5.5%
Pharmacies & Health Stores	(12.5%)	1.1%	5.2%
Furniture & Home	(13.2%)	(5.9%)	4.6%
Sporting Goods & Hobby Stores	(11.0%)	(5.7%)	4.5%
Convenience Stores	(11.5%)	(5.9%)	2.9%
Direct Sales	10.4%	11.3%	0.8%
<b>Total</b>	<b>(7.8%)</b>	<b>(4.0%)</b>	<b>100.0%</b>

Other Major Categories

- Hotels & Restaurants slipped 1.3% from last year.
  - Eating & Drinking Establishments receded 0.8%.
  - Hotel sales declined 4.3% as sales for the majority of hotels were down.
- Services decreased 8.7%. A notable decline in the Real Estate, Rental, & Leasing subcategory contributed to most of Service’s overall decline.
- Wholesale dropped 4.3% with a few major wholesalers reporting sizable losses this month.
- Utilities grew 6.9%. Electricity sales were up while sales of natural gas were down.
- Manufacturing fell 10.0%. While the majority in the category improved, most of the major manufacturers did not. Manufacturing’s declines came mostly from Non-Metallic Minerals.
- Other Miscellaneous’ decline continues to be largely from the reduced number of non-classified remitters due to the OTC’s efforts to properly classify taxpayers.

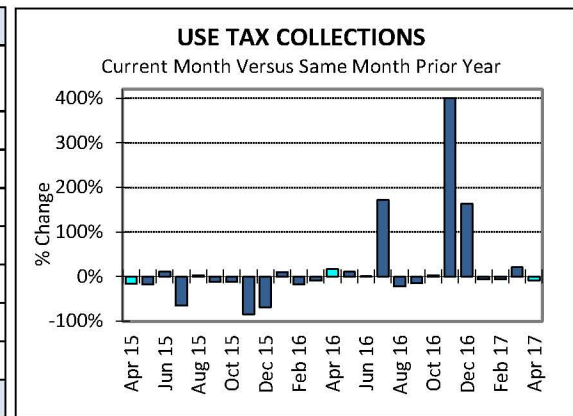
**General Fund Use Tax**

General Fund use tax revenues for April totaled \$2,664,744 which is:

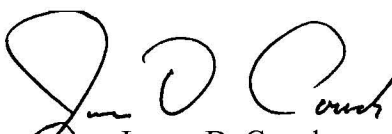
- \$493,612 or 15.6% below projection for the month
- \$236,638 or 8.2% below FY 2016 revenues for the month

Every category of use tax was down this month. Three quarters of this month’s decline in revenue is due to two companies.

<b>FY 2017 Use Tax Performance: Month &amp; YTD</b>			
Major Category	Change from Apr 2016	Year-to-Date % Change	% of Total Use Tax
Wholesale	(0.5%)	(2.1%)	24.9%
Retail	(5.8%)	(16.3%)	24.8%
Other Miscellaneous	(4.7%)	524.6%	18.2%
Manufacturing	(12.1%)	(1.4%)	16.0%
Services	(16.2%)	(9.1%)	13.0%
Utilities	(29.4%)	(19.4%)	2.2%
Hotels & Restaurants	(66.5%)	(4.9%)	0.9%
<b>Total</b>	<b>(8.2%)</b>	<b>18.7%</b>	<b>100.0%</b>



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

  
 James D. Couch  
 City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*April 2017*

	<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	\$16,616,137	\$3,115,526	\$3,115,526	\$1,038,509	\$8,308,068	-	-	-	-	\$32,193,764
Reallocations	\$147	\$28	\$28	\$9	(\$1,177)	\$76	\$289	\$200	\$400	-
Adjusted Actual	\$16,616,284	\$3,115,553	\$3,115,553	\$1,038,518	\$8,306,891	\$76	\$289	\$200	\$400	\$32,193,764
Projection	\$17,612,161	\$3,388,658	\$3,388,658	\$1,129,553	\$9,029,243	-	-	-	-	\$34,548,273
+/- Projection	(\$995,877)	(\$273,105)	(\$273,105)	(\$91,035)	(\$722,352)	\$76	\$289	\$200	\$400	(\$2,354,509)
%+/- Projection	-5.7%	-8.1%	-8.1%	-8.1%	-8.0%	-	-	-	-	-6.8%
Prior Year 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
+/- Prior Year	(\$1,102,188)	(\$206,660)	(\$206,660)	(\$68,887)	(\$545,308)	(\$2,468)	(\$3,004)	\$87	(\$242)	(\$2,135,329)
%+/- Prior Year	-6.2%	-6.2%	-6.2%	-6.2%	-6.2%	-97.0%	-91.2%	77.3%	-37.7%	-6.2%
<b>Year-to-Date:</b>										
Actual	\$172,715,299	\$32,384,119	\$32,384,119	\$10,794,706	\$86,357,649	-	-	-	-	\$334,635,892
Reallocations	(\$28)	(\$5)	(\$5)	(\$2)	(\$28,535)	\$3,699	\$21,974	(\$688)	\$3,590	38
Adjusted Actual	\$172,715,271	\$32,384,113	\$32,384,113	\$10,794,704	\$86,329,115	\$3,699	\$21,974	(\$688)	\$3,590	\$334,635,892
Projection	\$174,848,023	\$34,353,117	\$34,353,117	\$11,451,039	\$91,513,454	-	-	-	-	\$346,518,750
+/- Projection	(\$2,132,752)	(\$1,969,004)	(\$1,969,004)	(\$656,335)	(\$5,184,339)	\$3,699	\$21,974	(\$688)	\$3,590	(\$11,882,858)
%+/- Projection	-1.2%	-5.7%	-5.7%	-5.7%	-5.7%	-	-	-	-	-3.4%
Prior Year 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
+/- Prior Year	(\$7,735,231)	(\$1,450,356)	(\$1,450,356)	(\$483,452)	(\$3,803,510)	(\$36,413)	(\$9,572)	(\$6,235)	(\$3,681)	(\$14,978,806)
%+/- Prior Year	-4.3%	-4.3%	-4.3%	-4.3%	-4.2%	-90.8%	-30.3%	-112.4%	-50.6%	-4.3%
						(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 2017*

	<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	\$2,664,744	\$926,868	-	-	-	-	\$3,591,612
Reallocations	(\$0)	(\$2)	\$2	\$0	-	-	-
Adjusted Actual	\$2,664,744	\$926,865	\$2	\$0	-	-	\$3,591,612
Projection	\$3,158,356	\$1,098,559	-	-	-	-	\$4,256,915
+/- Projection	(\$493,612)	(\$171,694)	\$2	\$0	-	-	(\$665,303)
%+/- Projection	-15.6%	-15.6%	-	-	-	-	-15.6%
Prior Year Actual	\$2,901,382	\$1,009,662	-	(\$487)	\$1	-	\$3,910,558
+/- Prior Year	(\$236,638)	(\$82,797)	\$2	\$488	(\$1)	-	(\$318,946)
%+/- Prior Year	-8.2%	-8.2%	#VALUE!	-100.1%	-100.00%	-	-8.2%
<b>Year-to-Date:</b>							
Actual	\$28,412,369	\$9,882,563	-	-	-	-	\$38,294,932
Reallocations	\$63	(\$1,346)	\$203	\$1,054	-	\$26	-
Adjusted Actual	\$28,412,432	\$9,881,217	\$203	\$1,054	-	\$26	\$38,294,932
Projection	\$31,583,560	\$10,985,590	-	-	-	-	\$42,569,150
+/- Projection	(\$3,171,128)	(\$1,104,373)	\$203	\$1,054	-	\$26	(\$4,274,218)
%+/- Projection	-10.0%	-10.1%	-	-	-	-	-10.0%
Prior Year Actual	\$23,938,332	\$8,257,635	\$10,899	\$56,748	\$348	\$361	\$32,264,323
+/- Prior Year	\$4,474,100	\$1,623,582	(\$10,697)	(\$55,694)	(\$348)	(\$335)	\$6,030,609
%+/- Prior Year	18.7%	19.7%	-98.1%	-98.1%	-100.00%	-92.78%	18.7%
			(1)	(1)	(1)	(1)	(2) & (3)

**NOTES:**

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