



To the Mayor and Members of the City Council

December 5, 2023

Page 1 of 4

SUBJECT: SEPTEMBER 2023 – SALES TAX REVENUE UPDATE

Sales tax revenue is 23% of the City's General Fund FY 23 revenue, making sales tax the second-largest General Fund source of revenue following property tax (which is 58% of total). In addition, sales tax revenue represents the *largest* revenue source in the Crime Control and Prevention District (CCPD) Fund. Because sales tax represents a significant revenue source for the City and can sometimes be a volatile revenue stream, it is important for the City to closely monitor and report on monthly sales tax receipts.

The Texas Comptroller's Office posted September 2023 (Fiscal Year 2023, Period 12) collection results on November 8, 2023. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. Recent years have witnessed significant swings to the economy and retail sales including legislative reform on remitting sales tax to the state comptroller, effects of a historic winter storm, and the effects of a global pandemic.

The FY2023 Adopted Budget for sales tax were estimated based on higher than expected recovery from the pandemic and the possibility for an economic recession. Due to the potential fluctuation in the revenue source, the City takes a conservative, yet realistic, approach to estimating sales tax.

CITY OF FORT WORTH YTD BUDGET & NET COLLECTIONS COMPARISON

	Adopted Budget	Amended Budget	Budget As of September	YTD Budget to Adopted %	Actual As of September	YTD Actual to Adopted %	
CITY OF FORT WORTH							
GENERAL FUND	\$212,147,461	\$212,147,461	\$212,147,461	100.0%	\$232,507,608	109.6%	↑
CCPD	\$102,073,793	\$102,073,793	\$102,073,793	100.0%	\$111,371,190	109.1%	↑
Total	\$314,221,254	\$314,221,254	\$314,221,254		\$343,878,798		

CITY OF FORT WORTH BUDGET COMPARISON – FY2023

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Adopted (\$)	Projected Variance to Adopted (%)	
CITY OF FORT WORTH						
GENERAL FUND	\$212,147,461	\$212,147,461	\$235,300,000	\$23,152,539	10.9%	↑
CCPD	\$102,073,793	\$102,073,793	\$112,857,921	\$10,784,128	10.6%	↑
Total	\$314,221,254	\$314,221,254	\$348,157,921	\$33,936,667	10.8%	↑

*THE AMENDED BUDGET HAS NOT CHANGED FROM ADOPTED BUDGET FOR THE SALES TAX REVENUE

- Both the General Fund and the CCPD Fund FY2023 Adopted Budgets are a 16.0% increase over the FY2022 adopted budget
- The total of General Fund and the CCPD Fund collection at fiscal year-end is \$343,878,798. This exceeds the adopted budget by \$29,657,544 or 9.4%, however it is below the projection by \$4,279,123 or (-1.2) %.



To the Mayor and Members of the City Council

December 5, 2023

Page 2 of 4

SUBJECT: SEPTEMBER 2023 – SALES TAX REVENUE UPDATE

COLLECTION DETAIL FOR CITY SALES TAX (FY2022 TO FY2023)

General Fund				
	September 22	September 23	Variance (\$)	Variance (%)
Current Period Collections	\$20,699,537	\$20,768,496	\$68,960	0.3% ↑
Other Collections*	\$295,803	(\$79,586)	(375,389)	(126.9%)
Single Local Rate*	\$224,400	\$185,040	(39,360)	(17.5%)
Audit Adjustments	(\$146,331)	(\$294,560)	(148,229)	(101.3%)
Service Fee	(\$421,468)	(\$411,588)	9,880	2.3%
Retainage	(\$36,225)	(\$25,359)	10,866	30.0%
Net Collections	\$20,615,715	\$20,142,443	(\$473,273)	(2.3%) ↓

CCPD Fund				
	September 22	September 23	Variance (\$)	Variance (%)
Current Period Collections	\$9,563,345	\$9,596,924	\$33,579	0.4% ↑
Other Collections*	\$142,084	(\$49,832)	(191,916)	(135.1%)
Single Local Rate*	\$103,627	\$85,374	(18,253)	(17.6%)
Audit Adjustments	(\$77,719)	(\$137,710)	(59,991)	(77.2%)
Service Fee	(\$194,627)	(\$189,895)	4,732	2.4%
Retainage	(\$8,360)	(\$5,470)	2,891	34.6%
Net Collections	\$9,528,350	\$9,299,391	(\$228,959)	(2.4%) ↓

*OTHER COLLECTIONS ARE PAYMENTS ATTRIBUTED TO NON-CURRENT COLLECTIONS INCLUDING PRIOR PERIOD, FUTURE PERIOD AND UNIDENTIFIED COLLECTIONS. SINGLE LOCAL RATE IS COLLECTIONS FROM REMOTE SELLERS WHO HAVE OPTED TO UTILIZE THE STATE'S ALTERNATE SINGLE LOCAL USE RATE OF 1.75%. THIS SINGLE LOCAL RATE CANNOT BE USED BY BUSINESSES LOCATED IN TEXAS. AUDIT ADJUSTMENTS SEPTEMBER FLUCTUATE BASED UPON RESULTS OF TAXPAYER SALES TAX AUDITS CONDUCTED BY THE STATE OF TEXAS.

September collections are lower to the same month last year.

- The General Fund net sales tax collections as of September are 109.6% compared to the adopted budget, and 97.7% compared to the same month last year.
- The CCPD Fund net sales tax collections as of September are 109.1% compared to the adopted budget, and 97.6% compared to the same month last year.


To the Mayor and Members of the City Council
December 5, 2023

Page 3 of 4

SUBJECT: SEPTEMBER 2023 – SALES TAX REVENUE UPDATE

The following chart indicates how FY2023 net sales tax collections in Fort Worth and other select cities in the state compare to FY2022 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS
FY2023 vs. FY2022**

City	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
GARLAND	18.4%	8.4%	11.4%	38.6%
MCKINNEY	7.2%	3.7%	3.4%	6.7%
ARLINGTON	3.2%	(0.1%)	(10.7%)	4.2%
HOUSTON	9.2%	10.8%	3.7%	2.7%
PLANO	8.0%	10.4%	1.5%	2.4%
DALLAS	10.4%	6.6%	0.4%	1.0%
GRAND PRAIRIE	5.9%	6.8%	(4.6%)	0.9%
IRVING	10.4%	14.4%	7.1%	0.8%
EL PASO	5.1%	6.1%	3.8%	0.5%
SAN ANTONIO	4.5%	5.5%	1.1%	0.5%
FORT WORTH	12.4%	11.4%	4.1%	0.2%
AUSTIN	11.1%	8.2%	2.7%	(2.8%)
FRISCO	14.4%	0.9%	(5.8%)	(4.2%)
STATE TOTAL	9.4%	8.8%	4.5%	2.7%

Source: Allocation Payment Detail and Monthly All Fund Revenue Report, Texas Comptroller of Public Accounts

According to the Texas Comptroller of Public Accounts website, Texas Comptroller Glenn Hegar announced on Nov 8, he will send cities, counties, transit systems and special purpose districts \$1.2 billion in local sales tax allocations for November, 1.9 percent more than in November 2022.”



To the Mayor and Members of the City Council

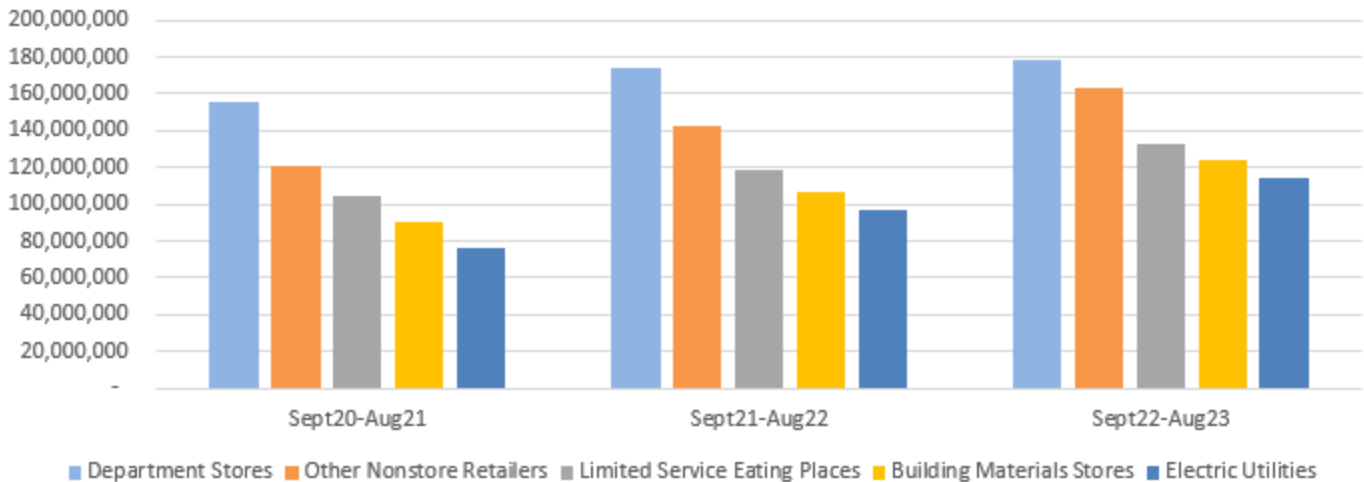
December 5, 2023

Page 4 of 4

SUBJECT: SEPTEMBER 2023 – SALES TAX REVENUE UPDATE

Sales tax is collected on a variety of transactions besides the traditional retail industry and it is important to understand the various sources in order to anticipate any fluctuations. The following chart indicates the top five industries for sales tax performance over the past three years in Fort Worth, on a rolling 12-month period.

TOP 5 PERFORMING INDUSTRIES



Source: ZacTax (September 2023 data has not been released yet and will be updated once available)

If you have any questions, please contact Clay Pearson, Interim Chief Transformation Officer, FWLab, at 817-392-6222.

David Cooke
City Manager