

To the Mayor and Members of the City Council

January 14, 2025

Page 1 of 4



**SUBJECT: SEPTEMBER 2024 – SALES TAX REVENUE UPDATE**

Sales tax revenue is 25% of the City’s General Fund FY2024 revenue, making sales tax the second-largest General Fund source of revenue following property tax. 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. Sales tax payments are allocated to Fort Worth by the State of Texas two months in arrears. Sales tax receipts are recognized as collected with an adjustment made in the final month of the fiscal year to align total fiscal year (October – September) collections with the months of economic activity generating the revenue. The year-to-date (YTD) figures below include all year-end accruals, which were entered after the receipt of the November sales tax allocation (for September economic activity).

The Texas Comptroller’s Office posted September 2024 (Fiscal Year 2024, Period 12) collection results on September 11, 2024. 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, fluctuations in target interest rates, and the effects of a global pandemic.

The FY2024 Adopted Budget for sales tax was estimated based on historical trends 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 % |
|---------------------------|----------------------|----------------------|------------------------|-------------------------|------------------------|-------------------------|
| <b>CITY OF FORT WORTH</b> |                      |                      |                        |                         |                        |                         |
| <b>GENERAL FUND</b>       | \$250,000,000        | \$250,000,000        | \$250,000,000          | 100.0%                  | \$238,005,897          | 95.2%                   |
| <b>CCPD</b>               | \$119,391,511        | \$119,391,511        | \$119,391,511          | 100.0%                  | \$113,738,425          | 95.3%                   |
| <b>Total</b>              | <b>\$369,391,511</b> | <b>\$369,391,511</b> | <b>\$369,391,511</b>   |                         | <b>\$351,744,321</b>   |                         |

**CITY OF FORT WORTH BUDGET COMPARISON – FY2024**

|                           | Adopted Budget       | Amended Budget       | Fiscal Year Projections | Projected Variance to Adopted (\$) | Projected Variance to Adopted (%) |
|---------------------------|----------------------|----------------------|-------------------------|------------------------------------|-----------------------------------|
| <b>CITY OF FORT WORTH</b> |                      |                      |                         |                                    |                                   |
| <b>GENERAL FUND</b>       | \$250,000,000        | \$250,000,000        | \$238,005,897           | (\$11,994,103)                     | -4.8% ↓                           |
| <b>CCPD</b>               | \$119,391,511        | \$119,391,511        | \$113,738,425           | (\$5,653,086)                      | -4.7% ↓                           |
| <b>Total</b>              | <b>\$369,391,511</b> | <b>\$369,391,511</b> | <b>\$351,744,321</b>    | <b>(\$17,647,190)</b>              | <b>-4.8% ↓</b>                    |

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

- The FY2024 Adopted Budgets for General Fund and the CCPD Fund represent a 14.9% increase over the FY2023 Adopted Budgets

**To the Mayor and Members of the City Council**

**January 14, 2025**

Page 2 of 4



**SUBJECT: SEPTEMBER 2024 – SALES TAX REVENUE UPDATE**

- FY2024 Fiscal Year net collections increased by 2.3% over the FY2023 Actuals collected. Fort Worth collected a grand total of \$343,878,798 in FY2023 for the General Fund and CCPD
- The FY2024 Fiscal Year-End grand total of General Fund and CCPD Fund sales tax revenue, including the impact of all accruals, is \$351,744,321

**COLLECTION DETAIL FOR CITY SALES TAX (FY2023 TO FY2024)**

|                                   | <b>General Fund</b> |                     |                      |                     |
|-----------------------------------|---------------------|---------------------|----------------------|---------------------|
|                                   | <b>September 23</b> | <b>September 24</b> | <b>Variance (\$)</b> | <b>Variance (%)</b> |
| <b>Current Period Collections</b> | \$18,307,060        | \$18,863,499        | \$556,440            | 3.0% ↑              |
| Other Collections*                | \$244,298           | \$878,134           | 633,836              | 259.5%              |
| Single Local Rate*                | \$190,620           | \$192,446           | 1,827                | 1.0%                |
| Audit Adjustments                 | (\$191,138)         | \$593,305           | 784,442              | 410.4%              |
| Service Fee                       | (\$371,017)         | (\$410,548)         | (39,531)             | (10.7%)             |
| Retainage                         | \$58,207            | \$46,641            | (11,565)             | (19.9%)             |
| <b>Net Collections</b>            | <b>\$18,238,029</b> | <b>\$20,163,477</b> | <b>\$1,925,448</b>   | <b>10.6% ↑</b>      |

|                                   | <b>CCPD Fund</b>    |                     |                      |                     |
|-----------------------------------|---------------------|---------------------|----------------------|---------------------|
|                                   | <b>September 23</b> | <b>September 24</b> | <b>Variance (\$)</b> | <b>Variance (%)</b> |
| <b>Current Period Collections</b> | \$8,899,835         | \$9,143,436         | \$243,601            | 2.7% ↑              |
| Other Collections*                | \$118,350           | \$424,510           | 306,160              | 258.7%              |
| Single Local Rate*                | \$92,650            | \$90,801            | (1,849)              | (2.0%)              |
| Audit Adjustments                 | (\$94,378)          | \$26,397            | 120,775              | 128.0%              |
| Service Fee                       | (\$180,329)         | (\$193,703)         | (13,374)             | (7.4%)              |
| Retainage                         | \$21,635            | \$20,397            | (1,237)              | (5.7%)              |
| <b>Net Collections</b>            | <b>\$8,857,763</b>  | <b>\$9,511,839</b>  | <b>\$654,076</b>     | <b>7.4% ↑</b>       |

\*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 FLUCTUATE BASED UPON RESULTS OF TAXPAYER SALES TAX AUDITS CONDUCTED BY THE STATE OF TEXAS.

September collections are higher than the same month last year.

- The General Fund net sales tax collections as of September are 8.23% lower than the adopted budget and 10.6% higher than the same month last year
- The CCPD Fund net sales tax collections as of September are 8.26% lower than the adopted budget and 7.4% higher than the same month last year

To the Mayor and Members of the City Council

January 14, 2025

Page 3 of 4



**SUBJECT: SEPTEMBER 2024 – SALES TAX REVENUE UPDATE**

The following chart indicates how FY2024 net sales tax collections in Fort Worth and other select cities in the state compare to FY2023 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS  
FY2023 vs. FY2024**

| City              | 1st Quarter   | 2nd Quarter | 3rd Quarter | 4th Quarter |
|-------------------|---------------|-------------|-------------|-------------|
| ARLINGTON         | 5.9%          | (0.6%)      | 3.7%        | 6.1%        |
| DALLAS            | 3.0%          | 1.8%        | 6.7%        | 2.6%        |
| GARLAND           | 34.6%         | 6.8%        | 9.6%        | (9.3%)      |
| EL PASO           | 1.2%          | 0.2%        | 0.5%        | 1.9%        |
| IRVING            | 0.0%          | (3.3%)      | 4.9%        | 1.5%        |
| MCKINNEY          | 5.2%          | 9.9%        | 8.9%        | 6.7%        |
| SAN ANTONIO       | 0.3%          | 2.5%        | 3.1%        | 1.4%        |
| GRAND PRAIRIE     | 1.2%          | (3.8%)      | 5.9%        | 1.3%        |
| PLANO             | 1.2%          | 2.1%        | 9.8%        | 3.5%        |
| HOUSTON           | 1.5%          | (1.6%)      | (1.5%)      | (0.7%)      |
| AUSTIN            | (2.3%)        | (0.1%)      | 7.1%        | (0.5%)      |
| <b>FORT WORTH</b> | <b>(1.5%)</b> | <b>0.1%</b> | <b>3.0%</b> | <b>5.4%</b> |
| FRISCO            | (5.5%)        | 0.2%        | 5.3%        | 3.0%        |
| STATE TOTAL       | 2.1%          | 0.4%        | 2.2%        | 0.3%        |

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

**To the Mayor and Members of the City Council**

**January 14, 2025**

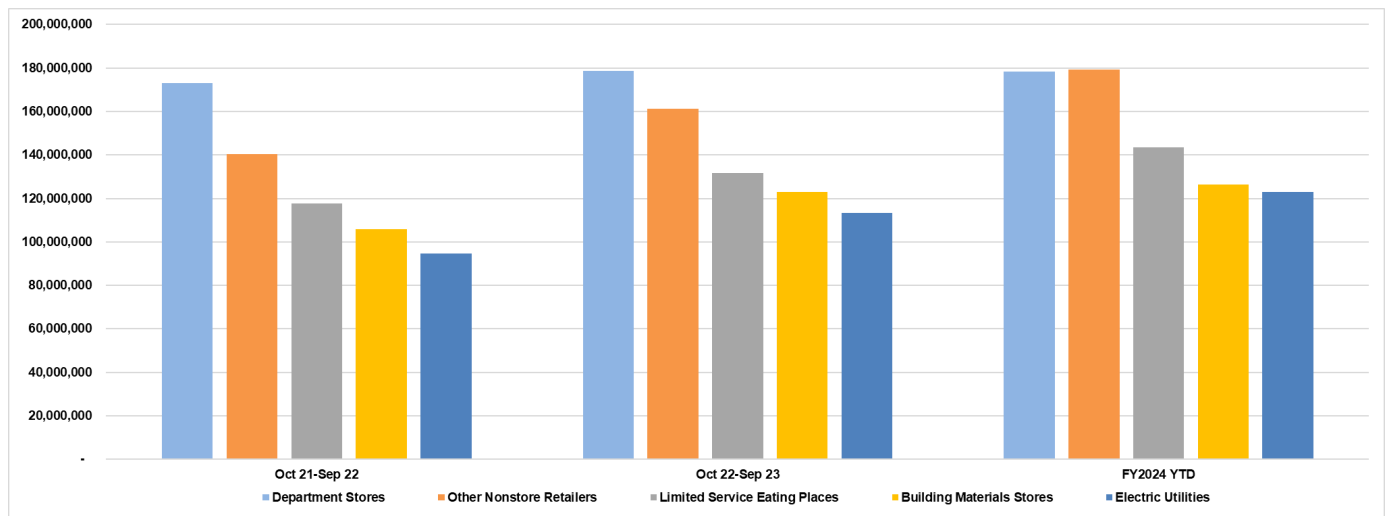
Page 4 of 4



**SUBJECT: SEPTEMBER 2024 – 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' performance for sales tax over the past two years and current fiscal year to date in Fort Worth.

**TOP 5 PERFORMING INDUSTRIES**



\*Source: Zac Tax; current month data is sometimes unavailable at time of IR publication

If you have any questions, please contact Christianne Simmons, Chief Transformation Officer, FWLab, at 817-392-6222.

**David Cooke**  
**City Manager**