



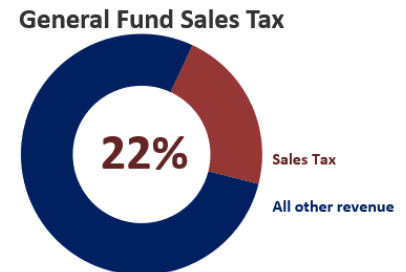
To the Mayor and Members of the City Council

January 4, 2022

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SUBJECT: OCTOBER 2021 – SALES TAX UPDATE

Sales tax revenue represents approximately twenty-two percent of the City's General Fund anticipated revenue in Fiscal Year 2022. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important, and sometimes volatile, revenue source.



The Texas Comptroller's Office posted October 2021 (Fiscal Year 2022, Period 1) collection results on December 8th, 2021. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. This report provides Fort Worth's sales tax collections, a comparison of collections in the same period last year, and an estimated impact on the current year's budget. Recent years have included legislative reform on remitting sales tax to the state comptroller, effects of a historic winter storm, and the effects of a global pandemic. Activity is closely monitored and will be highlighted if significant impact is expected.

OCTOBER NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is up **\$2,472,996** or **18.0%**, compared to the same month last year. As depicted in the following table, the City experienced an increase of **\$2,645,796** or **19.8%** in current period collections when compared to the same month last year. Current period collections include activity that was remitted for the current period that were on schedule within the due date. The State experienced a net collection increase of 19.4% compared to the same month last year.



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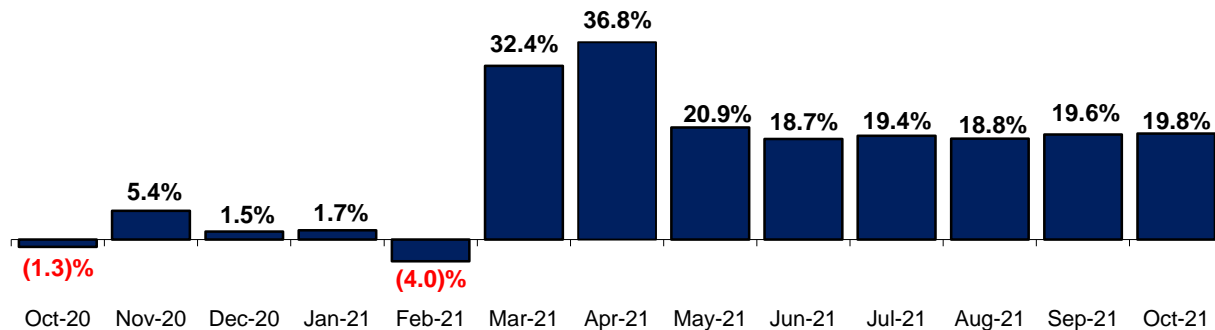
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COLLECTION DETAIL FOR CITY SALES TAX

	October 20	October 21	Variance (\$)	Variance (%)
Current Period Collections	\$13,393,778	\$16,039,574	\$2,645,796	19.8%
Other Collections*	222,208	271,329	49,121	22.1%
Single Local Rate*	112,228	167,057	54,829	48.9%
Audit Adjustments	247,685	(4,858)	(252,543)	(102.0%)
Service Fee	(279,518)	(329,462)	(49,944)	(17.9%)
Retainage	27,466	53,203	25,738	93.7%
Net Collections	\$13,723,847	\$16,196,843	\$2,472,996	18.0%

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

CURRENT PERIOD COLLECTIONS
Change Compared to Same Month in Prior Year



October collections continued a trend of strong performance after several months of stagnation following the initial response to COVID-19. Current collections also reflect heightened growth as compared to the same month last year, due to the pandemic's suppression of prior year activity. The Texas Governor fully lifted COVID-19 restrictions in March 2021. Although the revenue trend has since been positive, we continue to note the potential volatility in future receipts if the pandemic intensifies, new restrictions are implemented, or consumer behavior changes.



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The City's General Fund sales tax collections for October are 114.4% to the adopted budget, and at 118.0% compared to the same month last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections for October are 116.1% to budget, and 118.6% to the same month last year. The monthly budget is based on a historic collection trend by month for comparison purposes.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of October	Current Receipts Through October	FY2021 Receipts Through October
GENERAL FUND	14,162,219	\$16,196,843	\$13,723,847
CRIME CONTROL AND PREVENTION DISTRICT	6,814,088	7,910,328	6,667,658
TOTAL	\$20,976,306	\$24,107,171	\$20,391,505

CITY OF FORT WORTH BUDGET COMPARISON – FY2022

CITY OF FORT WORTH	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Adopted	
				(\$)	(%)
GENERAL FUND	\$182,885,742	\$182,885,742	\$182,885,742	\$0	0.0%
CRIME CONTROL & PREVENTION DISTRICT	\$87,994,649	\$87,994,649	\$87,994,649	\$0	0.0%

The City anticipates collecting **\$182,885,742** by fiscal year end, which matches original estimates in the FY2022 adopted budget. At the time of budget development, this represented a 3.6% increase over the re-estimated or projected sales tax for FY2021, and an 8.7% increase over the FY2021 adopted budget.

The Crime Control & Prevention District anticipates collecting **\$87,994,649** by fiscal year end, which also matches original estimates in the FY2022 adopted budget. This is an 11.1% increase over the FY2021 adopted budget.

Staff will continue to provide regular updates as financial analysis occurs for sales tax impacts due to COVID-19, changes in consumer spend, or other areas that could implicate significant changes.

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The chart below indicates how current year sales tax net collections in Fort Worth and other select cities in the state compare to FY2020 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS
FY2022 vs. FY2021**

City	October
ARLINGTON	141.2%
IRVING	127.7%
AUSTIN	125.5%
GARLAND	122.1%
MCKINNEY	121.6%
DALLAS	119.9%
HOUSTON	119.9%
FRISCO	118.9%
GRAND PRAIRIE	118.8%
SAN ANTONIO	118.2%
FORT WORTH	118.0%
PLANO	116.8%
EL PASO	116.7%
 STATE TOTAL	 119.4%

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

If you have any questions, please call Mark McAvoy, Director of Planning and Data Analytics, at 817-392-6222.

David Cooke
City Manager