



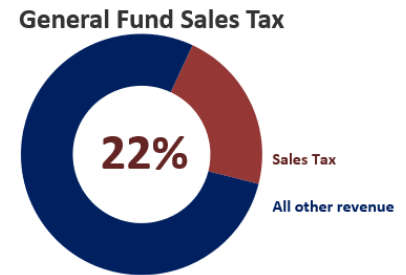
To the Mayor and Members of the City Council

April 5, 2022

Page 1 of 4

SUBJECT: JANUARY 2022 – 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 January 2022 (Fiscal Year 2022, Period 4) collection results on March 8th, 2022. 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.

JANUARY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is up **\$2,813,218** or **21.68%**, compared to the same month last year. As depicted in the following table, the City experienced an increase of **\$2,450,620** or **19.3%** 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 28.6% compared to the same month last year.



To the Mayor and Members of the City Council

April 5, 2022

Page 2 of 4

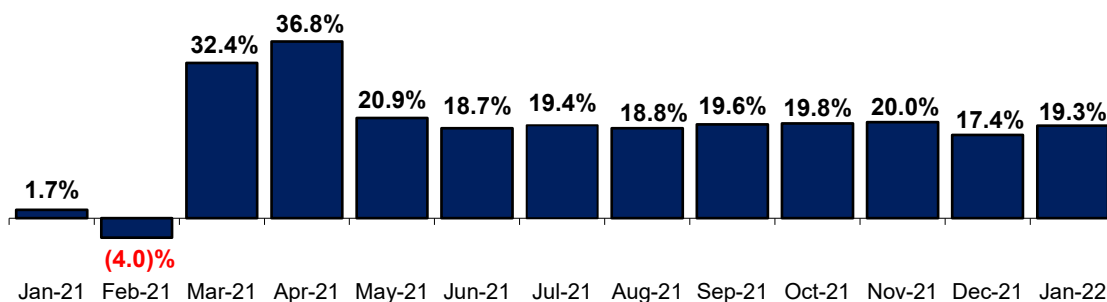
SUBJECT: JANUARY 2022 – SALES TAX UPDATE

COLLECTION DETAIL FOR CITY SALES TAX

Collection Detail for City Sales Tax				
	January 21	January 22	Variance (\$)	Variance (%)
Current Period Collections	\$12,702,744	\$15,153,364	\$2,450,620	19.3% ↑
Other Collections*	239,163	439,437	200,274	83.7%
Single Local Rate*	115,474	175,588	60,114	52.1%
Audit Adjustments	76,901	226,349	149,448	194.3%
Service Fee	(262,686)	(319,895)	(57,209)	(21.8%)
Retainage	106,268	116,240	9,971	9.4%
Net Collections	\$12,977,865	\$15,791,083	\$2,813,218	21.7% ↑

*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



January collections continued a trend of stable 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. It is anticipated that in March of 2022, the year over year comparison by month will reflect lower percentage growth as a result of being free from restrictions for a full year. Although the revenue trend has been positive, we continue to note the potential volatility



To the Mayor and Members of the City Council

April 5, 2022

Page 3 of 4

SUBJECT: JANUARY 2022 – SALES TAX UPDATE

in future receipts if the pandemic intensifies, new restrictions are implemented, or consumer behavior changes.

The City's General Fund sales tax collections for January are 115.6% to the adopted budget, and at 119% compared to the same month last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections for January are 116.3% to budget, and 119.7% 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

	Budget as of January	Current Receipts Through January	FY2022 Receipts Through January
CITY OF FORT WORTH			
GENERAL FUND	60,396,873	\$69,820,933	\$58,691,986
CRIME CONTROL AND PREVENTION DISTRICT	29,059,683	33,784,990	28,216,233
TOTAL	\$89,456,555	\$103,605,923	\$86,908,219

CITY OF FORT WORTH BUDGET COMPARISON – FY2022

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Adopted	
				(\$)	(%)
CITY OF FORT WORTH					
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.

**To the Mayor and Members of the City Council****April 5, 2022**

Page 4 of 4

SUBJECT: JANUARY 2022 – SALES TAX UPDATE

The chart below indicates how current year sales tax net collections in Fort Worth and other select cities in the state compare to FY2021 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS
FY2022 vs. FY2021****CITY OF FORT WORTH
CITY COMPARISON - FY2022 vs. FY2021**

City	December	January	YTD
ARLINGTON	136.8%	156.7%	145.2%
AUSTIN	121.6%	129.4%	127.2%
STATE TOTAL	125.2%	128.6%	124.2%
IRVING	107.8%	126.9%	123.6%
FRISCO	112.8%	122.6%	119.7%
FORT WORTH	118.2%	121.7%	119.0%
GARLAND	119.4%	119.2%	121.3%
HOUSTON	112.2%	117.5%	118.8%
MCKINNEY	112.8%	117.3%	118.4%
DALLAS	110.7%	117.2%	116.7%
SAN ANTONIO	117.5%	116.6%	119.6%
EL PASO	117.8%	115.7%	119.5%
GRAND PRAIRIE	114.0%	115.4%	117.9%
PLANO	109.1%	115.4%	116.4%

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