



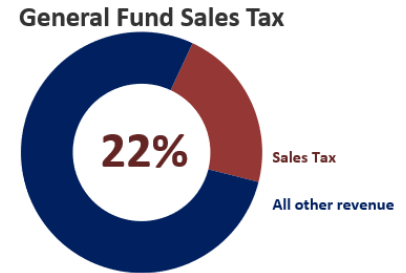
To the Mayor and Members of the City Council

June 7, 2022

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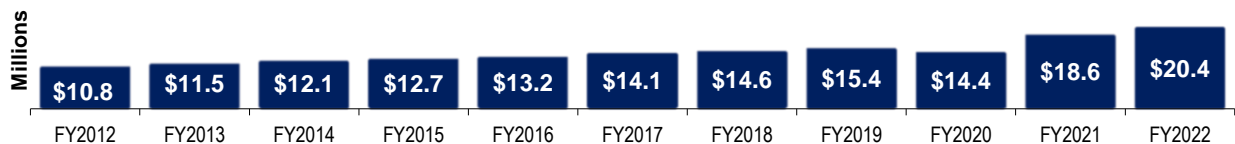
**SUBJECT: MARCH 2022 – SALES TAX UPDATE**

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 March 2022 (Fiscal Year 2022, Period 6) collection results on May 9th, 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.

### MARCH NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is up **\$1,800,619** or **9.7%**, compared to the same month last year. As depicted in the following table, the City experienced an increase of **\$1,653,470** or **8.8%** 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 12.8% compared to the same month last year.



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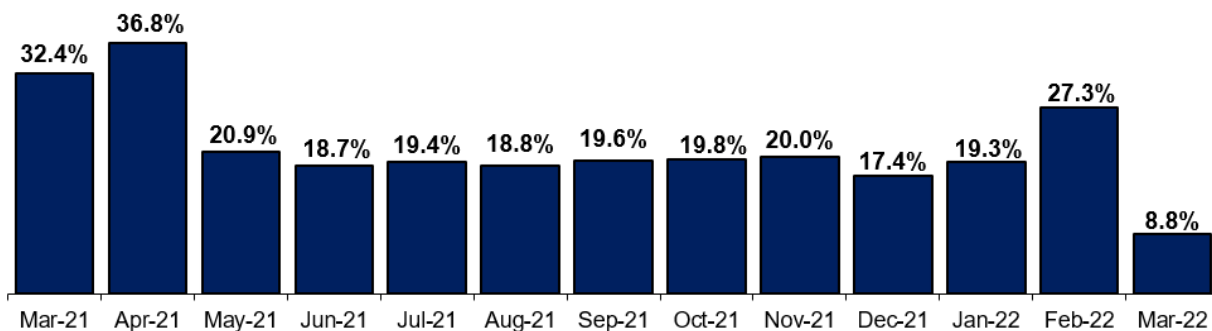
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COLLECTION DETAIL FOR CITY SALES TAX

	Collection Detail for City Sales Tax			
	March 21	March 22	Variance (\$)	Variance (%)
<b>Current Period Collections</b>	\$18,865,398	\$20,518,868	\$1,653,470	8.8% ↑
Other Collections*	359,635	350,237	(9,398)	(2.6%)
Single Local Rate*	175,125	208,467	33,342	19.0%
Audit Adjustments	(257,002)	(120,997)	136,004	52.9%
Service Fee	(382,863)	(419,132)	(36,268)	(9.5%)
Retainage	(144,980)	(121,511)	23,468	16.2%
<b>Net Collections</b>	<b>\$18,615,313</b>	<b>\$20,415,932</b>	<b>\$1,800,619</b>	<b>9.7% ↑</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 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



The Texas Governor fully lifted COVID-19 restrictions in March 2021. For March 2022, the year over year comparison by month reflects 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 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 March are 115.5% to the adopted budget, and at 117.9% compared to the same month last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections for March are 115.2% 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 March	Current Receipts Through March	FY2021 Receipts Through March
GENERAL FUND	90,704,592	\$104,723,005	\$88,845,811
CRIME CONTROL AND PREVENTION DISTRICT	43,642,105	50,292,425	42,416,397
<b>TOTAL</b>	<b>\$134,346,696</b>	<b>\$155,015,430</b>	<b>\$131,262,208</b>

**CITY OF FORT WORTH BUDGET COMPARISON – FY2022**

CITY OF FORT WORTH	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Adopted (\$)	Projected Variance to Adopted (%)	
GENERAL FUND	\$182,885,742	\$182,885,742	\$204,500,000	\$21,614,258	11.8%	↑
CRIME CONTROL & PREVENTION DISTRICT	\$87,994,649	\$87,994,649	\$98,000,000	\$10,005,351	11.4%	↑

The City anticipates collecting **\$204,500,000** by fiscal year end, an increase of \$21,614,258, or 11.8%, over the FY2022 Adopted Budget. Additionally, this represents an 8.7% increase over FY2021 actual collections, and a 20.3% increase over the FY2021 adopted budget.

The Crime Control & Prevention District anticipates collecting **\$98,000,000** by fiscal year end, an increase of \$10,055,351, or 11.4%, over the FY2022 Adopted Budget. This is an 23.7% 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. The chart below indicates how current year sales tax net collections in Fort Worth and other select cities in the state compared to FY2021 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS**



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**SUBJECT: MARCH 2022 – SALES TAX UPDATE**

**FY2022 vs. FY2021**

<b>City</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>March</b>	<b>YTD</b>
PLANO	116.6%	122.9%	132.1%	119.5%
ARLINGTON	142.1%	143.1%	127.0%	142.6%
FRISCO	118.9%	129.3%	123.9%	123.8%
AUSTIN	126.6%	127.3%	119.2%	127.0%
DALLAS	116.6%	118.4%	118.3%	117.5%
MCKINNEY	118.8%	118.2%	115.3%	118.5%
GARLAND	121.9%	118.3%	114.9%	120.1%
GRAND PRAIRIE	118.7%	120.0%	113.5%	119.3%
STATE TOTAL	123.0%	122.3%	112.8%	122.7%
SAN ANTONIO	120.4%	116.9%	109.9%	118.7%
<b>FORT WORTH</b>	<b>118.2%</b>	<b>117.5%</b>	<b>109.7%</b>	<b>117.9%</b>
IRVING	122.6%	122.0%	109.5%	122.3%
HOUSTON	119.3%	116.0%	108.6%	117.7%
EL PASO	120.6%	112.2%	105.6%	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**