



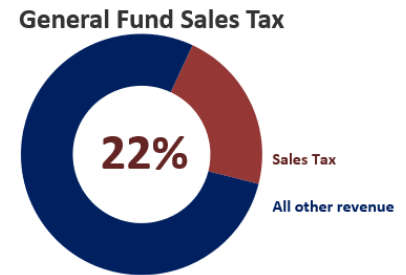
To the Mayor and Members of the City Council

September 6, 2022

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SUBJECT: JUNE 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 June 2022 (Fiscal Year 2022, Period 9) collection results on June 15, 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.

JUNE NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



As noted above, the City's net sales tax collection is up **\$2,437,938** or **13.1%**, compared to the same month last year. As depicted in the following table, the City experienced an increase of **\$2,363,221** or **12.8%** 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 14.7% compared to the same month last year.



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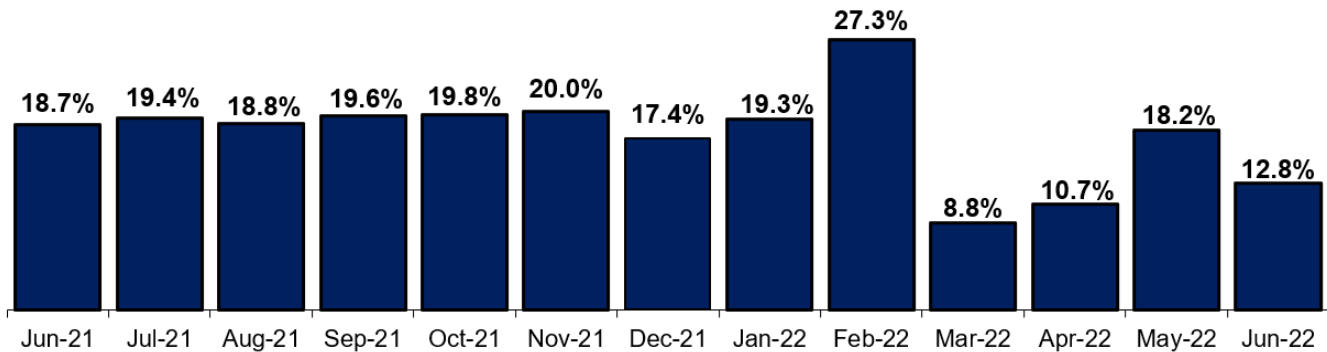
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COLLECTION DETAIL FOR CITY SALES TAX

	June 21	June 22	Variance (\$)	Variance (%)
Current Period Collections	\$18,420,460	\$20,783,681	\$2,363,221	12.8% ↑
Other Collections*	361,218	653,833	292,615	81.0%
Single Local Rate*	176,777	212,753	35,976	20.4%
Audit Adjustments	178,923	(47,871)	(226,794)	(126.8%)
Service Fee	(382,748)	(432,048)	(49,300)	(12.9%)
Retainage	(94,459)	(72,238)	22,221	23.5%
Net Collections	\$18,660,172	\$21,098,110	\$2,437,938	13.1% ↑

*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. Beginning in 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, staff will continue to monitor future receipts for potential volatility if the pandemic intensifies, new restrictions are implemented, or consumer behavior changes.

The City's General Fund sales tax collections year-to-date are 117.5% to the adopted budget, and 117.1% compared to the year-to-date total last year. The City's Crime Control and Prevention District



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Fund (CCPD) sales tax collections year-to-date are 117.4% to budget, and 117.6% of the year-to-date total for 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 June	Current Receipts Through June	FY2021 Receipts Through June
GENERAL FUND	136,623,932	\$160,481,380	\$137,041,418
CRIME CONTROL AND PREVENTION DISTRICT	65,735,988	77,201,147	65,636,495
TOTAL	\$202,359,920	\$237,682,528	\$202,677,913

CITY OF FORT WORTH BUDGET COMPARISON – FY2022

	Adopted Budget	Amended Budget	Fiscal Year Projections	Audit Adjustments	Actual Fiscal Year Totals	Projected Variance to Adopted (\$)	Projected Variance to Adopted (%)	
CITY OF FORT WORTH								
GENERAL FUND	\$182,885,742	\$196,135,742	\$204,500,000	\$ -	\$160,481,380	\$21,614,258	11.8%	⬆️
CRIME CONTROL & PREVENTION DISTRICT	\$87,994,649	\$87,994,649	\$98,000,000	\$ -	\$77,201,147	\$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 General Fund revenues were amended on August 23, 2022 via M&C 22-0600 to \$196,135,742.

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. Additionally, this represents an 11.1% increase over FY2021 actual collections, and a 23.7% increase over the FY2021 adopted budget. The Crime Control & Prevention District has not been amended for FY2022.

Staff will continue to provide regular updates as financial analysis occurs for sales tax impacts due to COVID-19, changes in consumer spending, 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.


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

City	1st Quarter	2nd Quarter	3rd Quarter	June	YTD
FRISCO	118.9%	129.3%	124.9%	122.0%	124.2%
GRAND PRAIRIE	118.7%	120.0%	121.8%	120.9%	120.2%
IRVING	122.6%	122.0%	117.5%	119.9%	120.6%
AUSTIN	126.6%	127.3%	119.8%	119.5%	124.4%
ARLINGTON	142.1%	143.1%	120.0%	117.6%	133.5%
GARLAND	121.9%	118.3%	116.2%	116.9%	118.7%
PLANO	116.6%	122.9%	115.5%	115.4%	118.1%
STATE TOTAL	123.0%	122.3%	113.1%	114.7%	119.2%
FORT WORTH	118.2%	117.5%	115.7%	113.1%	117.1%
DALLAS	116.6%	118.4%	114.8%	112.6%	116.5%
MCKINNEY	118.8%	118.2%	111.2%	111.1%	115.9%
HOUSTON	119.3%	116.0%	109.6%	108.6%	114.8%
SAN ANTONIO	120.4%	116.9%	109.2%	107.5%	115.3%
EL PASO	120.6%	112.2%	108.9%	105.8%	113.8%

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

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

David Cooke
City Manager