



To the Mayor and Members of the City Council

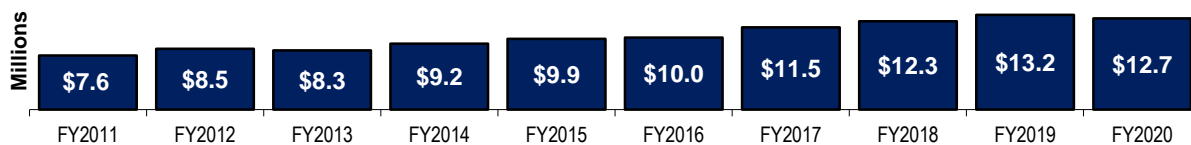
January 14, 2020

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SUBJECT: NOVEMBER 2019 – SALES TAX UPDATE

Sales tax revenue represents approximately twenty-two percent (22.4%) of the City's General Fund anticipated revenue in Fiscal Year 2020. 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 November 2019 (Fiscal Year 2020, Period 2) collection results on January 8th, 2020. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. This report provides Fort Worth's sales tax collection compared to last year and the impact on the current year's budget. Legislation has currently reformed how sales tax is remitted to the state comptroller. This activity is closely monitored and will be reported on if significant impact is expected.

NOVEMBER NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is down **\$474,499** or **3.6%**, compared to the same month last year. As depicted in the table below, the City experienced **\$479,765** or a **3.8%** increase in current period collections when compared to last year's collections for the same month. Last year's current period collections realized growth of **2.6%**. Current period collections include transactions that were collected for the current period on schedule within the due date.

COLLECTION DETAIL FOR CITY SALES TAX

	November 18	November 19	Variance (\$)	Variance (%)
Current Period Collections	\$12,559,848	\$13,039,613	\$479,765	3.8%
Other Collections	189,111	87,599	(101,512)	(53.7%)
Audit Adjustments	709,966	(183,127)	(893,094)	(125.8%)
Service Fee	(269,179)	(258,882)	10,297	3.8%
Retainage	(5,029)	25,016	30,045	597.4%
Net Collections	\$13,184,718	\$12,710,219	(\$474,499)	(3.6%)

*NON-CURRENT COLLECTIONS ARE PAYMENTS ATTRIBUTED TO NON-CURRENT COLLECTIONS INCLUDING PRIOR PERIOD, FUTURE PERIOD AND UNIDENTIFIED COLLECTIONS. (AUDIT ADJUSTMENTS MAY FLUCTUATE BASED UPON RESULTS OF TAXPAYER SALES TAX AUDITS CONDUCTED BY THE STATE OF TEXAS.)

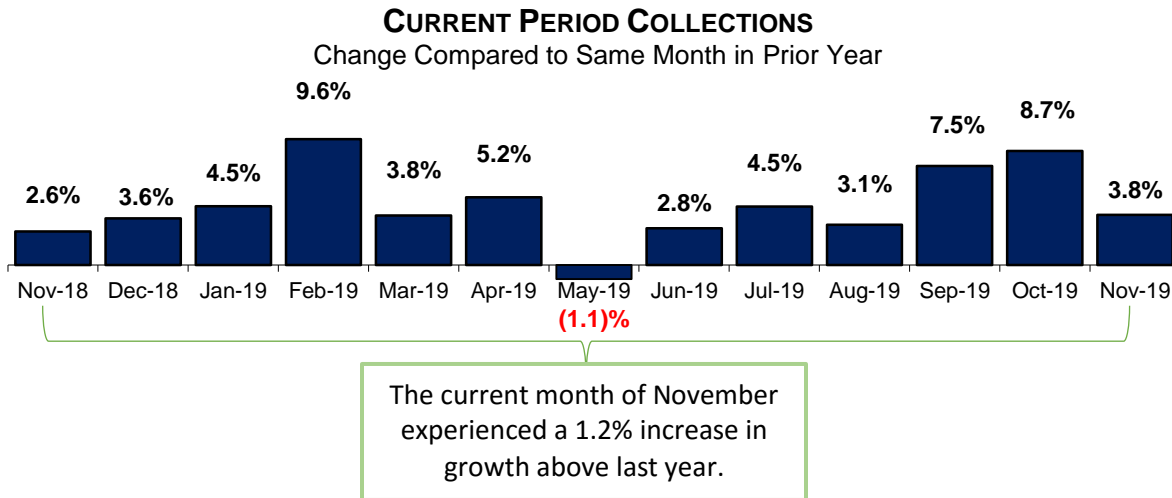


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The City's General Fund sales tax collections as of FY2020 M02 are 98.8% to budget, and at 101.9% for the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections as of FY2020 M02 are 100.8% to budget, and 102.1% for the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of Period 2	Current Receipts Through Period 2	FY2019 Receipts Through Period 2
GENERAL FUND	\$26,988,820	\$26,662,363	\$26,153,689
CRIME CONTROL AND PREVENTION DISTRICT	12,706,377	12,813,831	12,546,273
TOTAL	\$39,695,197	\$39,476,194	\$38,699,962

NOTE: A large fluctuation in Net Collections for November is attributed to a variance in audit adjustments when comparing to last year's collections for the same month. An audit adjustment occurred in the same month last year increasing collections by a significant amount, as opposed to an audit adjustment resulting in a reduction of collections in the current month. A negative variance of \$893,094 is created due to this anomaly. Audit adjustments often cause variations when reporting net collections.



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CITY OF FORT WORTH BUDGET COMPARISON – FY2019

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended	
				(\$)	(%)
CITY OF FORT WORTH					
GENERAL FUND	\$172,769,615	\$172,769,615	\$172,769,615	\$0	0.0%
CRIME CONTROL & PREVENTION DISTRICT	\$81,340,193	\$81,340,193	\$81,340,193	\$0	0.0%

The City anticipates collecting **\$172,769,615** by fiscal year end, which matches original estimates in the FY2020 adopted budget.

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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 FY2019 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS
FY2020 vs. FY2019**

City	October	November	YTD
MCKINNEY	111.6%	111.0%	111.3%
DALLAS	111.4%	109.1%	110.3%
AUSTIN	104.2%	108.2%	106.1%
SAN ANTONIO	101.1%	107.4%	104.0%
PLANO	104.2%	106.7%	105.4%
EL PASO	123.2%	106.2%	114.2%
GRAND PRAIRIE	115.6%	105.0%	110.2%
HOUSTON	106.9%	104.3%	105.6%
IRVING	112.5%	102.7%	107.7%
GARLAND	103.2%	102.1%	102.7%
ARLINGTON	107.6%	99.3%	103.4%
FRISCO	110.7%	99.1%	104.7%
FORT WORTH	107.6%	96.4%	101.9%
 STATE TOTAL	 107.0%	 106.2%	 106.5%

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

If you have any questions, please call Terry Hanson, Assistant Director of Budget and Analysis, at 817-392-7934.

David Cooke
City Manager