



To the Mayor and Members of the City Council

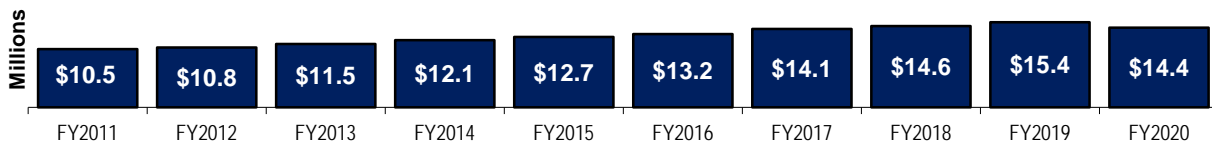
May 19, 2020

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SUBJECT: MARCH 2020 – 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 March 2020 (Fiscal Year 2020, Period 6) collection results on May 6th, 2020. Actual receipts are dependent upon the timeliness and accuracy of sales taxpayers' returns. This report provides Fort Worth's sales tax collection compared to last year and the impact on the current year's budget. The sales tax activity is being closely monitored to report on the impacts of COVID-19 and the Texas legislation that reformed how sales tax is remitted to the state comptroller.

MARCH NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is down **-\$993,498** or **-6.5%**, compared to the same month last year. As depicted in the table below, the City experienced **-\$1,204,286** or a **-7.8%** decrease in current period collections when compared to last year's collections for the same month. Last year's current period collections realized growth of **3.8%**. Current period collections include transactions that were collected for the current period on schedule within the due date. March current collections performed well considering a portion of the month was affected by COVID-19, but future collections will provide a better understanding of the ongoing economic impact from the pandemic.

COLLECTION DETAIL FOR CITY SALES TAX

	March 19	March 20	Variance (\$)	Variance (%)
Current Period Collections	\$15,455,145	\$14,250,859	(\$1,204,286)	(7.8%)
Other Collections*	221,156	315,652	94,496	42.7%
Audit Adjustments	76,089	152,519	76,430	100.4%
Service Fee	(315,048)	(294,381)	20,667	6.6%
Retainage	(72,054)	(52,859)	19,195	26.6%
Net Collections	\$15,365,289	\$14,371,791	(\$993,498)	(6.5%)

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



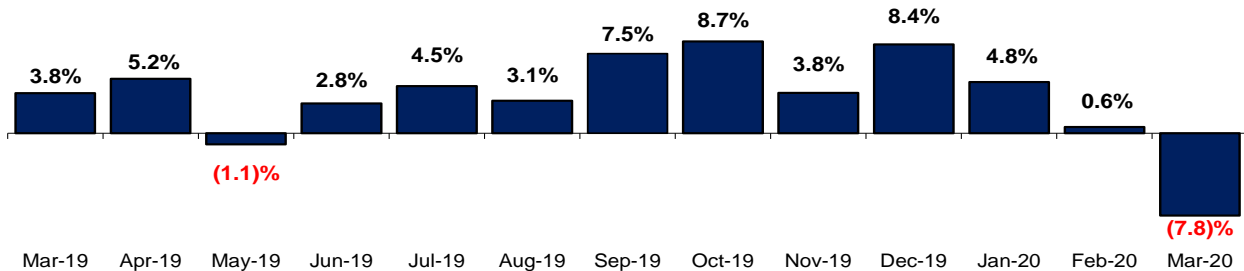
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CURRENT PERIOD COLLECTIONS
Change Compared to Same Month in Prior Year



The City's General Fund net sales tax collections through March are 98.5% to budget, and at 102.8% for the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections through March are 99.4% to budget, and 103.0% for the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of March	Current Receipts Through March	FY2019 Receipts Through March
GENERAL FUND	\$85,687,365	\$84,390,185	\$82,090,294
CRIME CONTROL AND PREVENTION DISTRICT	40,341,740	40,098,743	38,913,901
TOTAL	\$126,029,105	\$124,488,928	\$121,004,195

CITY OF FORT WORTH BUDGET COMPARISON – FY2020

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended	
				(\$)	(%)
CITY OF FORT WORTH					
GENERAL FUND	\$172,769,615	\$172,769,615	\$145,237,839	(\$27,531,776)	-15.9%
CRIME CONTROL & PREVENTION DISTRICT	\$81,340,193	\$81,340,193	\$69,146,434	(\$12,193,759)	-15.0%

The City originally anticipated collecting **\$172,769,615** in the General Fund by fiscal year end per the FY2020 adopted budget. The economic effects of the COVID-19 pandemic are yet to be fully understood, and are being monitored closely. The current General Fund impact for Sales Tax is estimated to be a reduction of approximately \$27.5M, or 15.9%, as shown in the table above. March performed better than expected; however, April will reflect the first month of full COVID-19 impact. The projection will remain the same until April activity is received and reported in June. Staff will continue to provide regular updates to allow for strategic planning to mitigate total impact to the City.


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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	1st Quarter	2nd Quarter	March	YTD
MCKINNEY	113.8%	111.7%	98.9%	112.8%
AUSTIN	109.3%	102.0%	95.5%	105.7%
PLANO	100.1%	101.9%	95.3%	100.9%
FORT WORTH	104.9%	100.5%	93.5%	102.8%
GRAND PRAIRIE	109.9%	103.3%	93.3%	106.7%
DALLAS	109.8%	100.2%	90.6%	105.1%
IRVING	107.3%	97.5%	89.8%	102.3%
HOUSTON	105.8%	98.6%	89.7%	102.3%
SAN ANTONIO	104.2%	96.1%	89.3%	100.3%
EL PASO	113.4%	100.3%	89.0%	107.1%
GARLAND	105.6%	98.9%	88.9%	102.4%
FRISCO	107.6%	101.5%	88.0%	104.7%
ARLINGTON	105.7%	95.4%	86.3%	100.7%
 STATE TOTAL	 106.6%	 98.9%	 90.7%	 102.9%

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 Planning and Data Analytics, at 817-392-7934.

David Cooke
City Manager