



To the Mayor and Members of the City Council

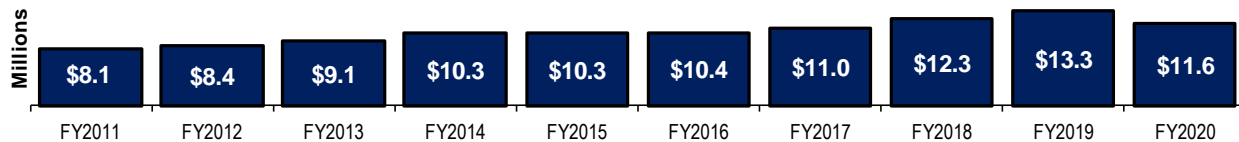
June 16, 2020

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SUBJECT: APRIL 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 April 2020 (Fiscal Year 2020, Period 7) collection results on June 10th, 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.

APRIL NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is down **-\$1,775,723** or **-13.3%**, compared to the same month last year. As depicted in the table below, the City experienced **-\$1,649,270** or a **-12.9%** 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 **5.2%**. Current period collections include transactions that were collected for the current period on schedule within the due date. April was the first full month of the stay at home advisement. Current collections performed well considering the adverse effects of COVID-19. Net Collections fall in line with the State decline of -13.2% compared to last year. Future collections will continue to provide further understanding of the ongoing economic impact from the pandemic.

COLLECTION DETAIL FOR CITY SALES TAX

	April 19	April 20	Variance (\$)	Variance (%)
Current Period Collections	\$12,774,664	\$11,125,394	(\$1,649,270)	(12.9%)
Other Collections*	588,050	583,424	(4,626)	(0.8%)
Audit Adjustments	196,303	22,347	(173,956)	(88.6%)
Service Fee	(271,180)	(234,623)	36,557	13.5%
Retainage	42,990	58,562	15,572	36.2%
Net Collections	\$13,330,827	\$11,555,104	(\$1,775,723)	(13.3%)

*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.)

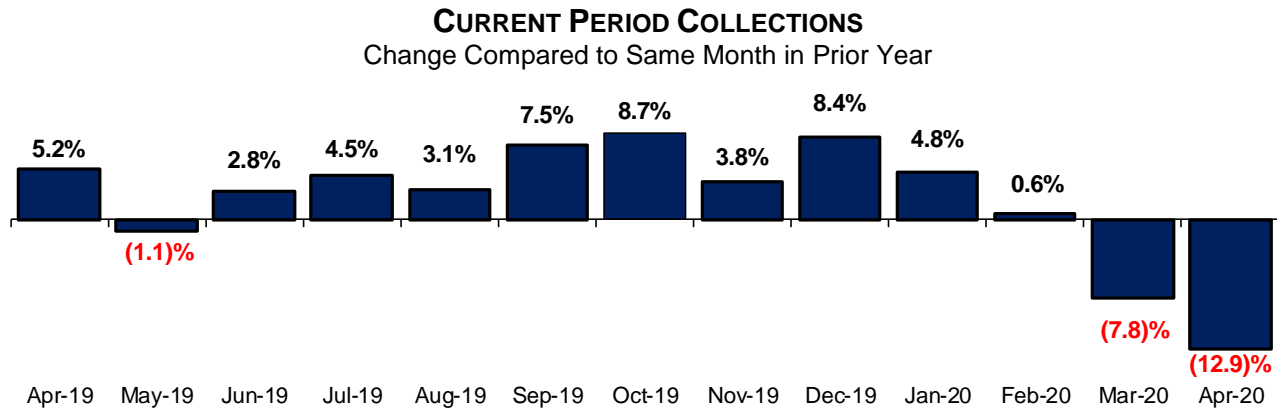


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The City's General Fund net sales tax collections through April are 96.8% to budget, and at 100.5% through the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections through April are 97.8% to budget, and 100.7% through the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

	Budget as of April	Current Receipts Through April	FY2019 Receipts Through April
CITY OF FORT WORTH			
GENERAL FUND	\$99,156,587	\$95,945,290	\$95,421,121
CRIME CONTROL AND PREVENTION DISTRICT	46,683,069	45,660,740	45,359,196
TOTAL	\$145,839,656	\$141,606,030	\$140,780,317

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. This projection is in the process of being updated and a communication to the City Council will follow. 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	April	YTD
MCKINNEY	113.8%	111.7%	112.1%	112.7%
IRVING	107.3%	97.5%	98.5%	101.8%
GRAND PRAIRIE	109.9%	103.3%	87.9%	104.0%
FRISCO	107.6%	101.5%	87.2%	102.4%
PLANO	100.1%	101.9%	87.0%	99.1%
FORT WORTH	104.9%	100.5%	86.7%	100.5%
EL PASO	113.4%	100.3%	86.4%	104.1%
SAN ANTONIO	104.2%	96.1%	83.7%	97.9%
HOUSTON	105.8%	98.6%	82.8%	99.6%
GARLAND	105.6%	98.9%	82.2%	99.5%
ARLINGTON	105.7%	95.4%	81.7%	97.8%
AUSTIN	109.3%	102.0%	80.1%	102.0%
DALLAS	109.8%	100.2%	75.6%	101.0%
STATE TOTAL	106.6%	98.9%	86.8%	100.4%

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