



To the Mayor and Members of the City Council

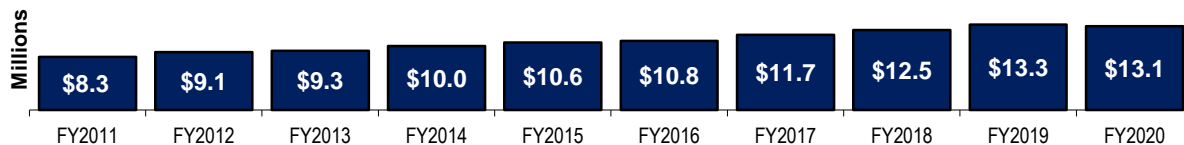
September 15, 2020

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SUBJECT: JULY 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 July 2020 (Fiscal Year 2020, Period 10) collection results on September 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.

JULY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is down **-\$243,725** or **-1.8%**, compared to the same month last year. As depicted in the table below, the City experienced **-\$338,547** or a **-2.6%** decrease in current period collections when compared to last year's collections for the same month. Last year's current period collections saw an increase of 4.5% over the prior year. Current period collections include transactions that were collected for the current period on schedule within the due date. Current collections are performing in line with expectations considering the adverse effects of COVID-19. Net Collections performed better than the State's decrease of -5.63% 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

	July 19	July 20	Variance (\$)	Variance (%)
Current Period Collections	\$13,221,460	\$12,882,913	(\$338,547)	(2.6%)
Other Collections*	327,568	344,152	16,583	5.1%
Audit Adjustments	29,494	76,896	47,403	160.7%
Service Fee	(271,570)	(266,079)	5,491	2.0%
Retainage	34,192	59,537	25,346	74.1%
Net Collections	\$13,341,144	\$13,097,419	(\$243,725)	(1.8%)

*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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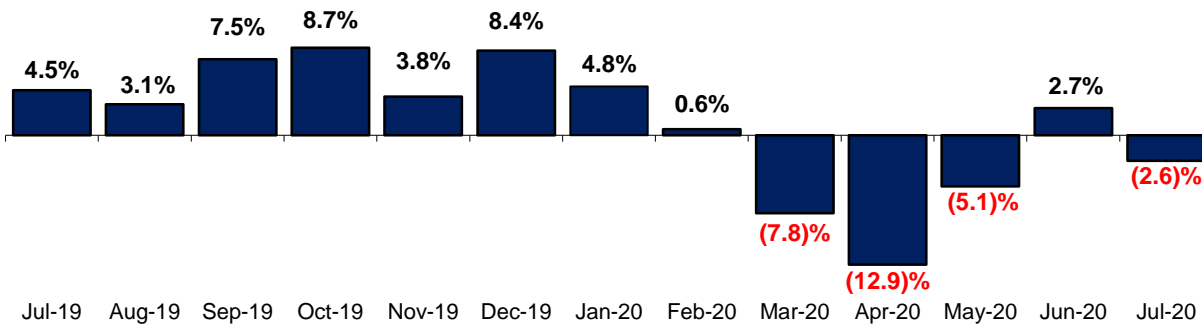
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CURRENT PERIOD COLLECTIONS

Change Compared to Same Month in Prior Year



The City's General Fund net sales tax collections through July are 96.2% to budget, and at 100.6% through the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections through July are 97.3% to budget, and 100.6% through the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of July	Current Receipts Through July	FY2019 Receipts Through July
GENERAL FUND	\$142,913,980	\$137,517,805	\$136,691,057
CRIME CONTROL AND PREVENTION DISTRICT	67,284,116	65,439,529	65,036,570
TOTAL	\$210,198,096	\$202,957,334	\$201,727,627

CITY OF FORT WORTH BUDGET COMPARISON – FY2020

	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended (\$)	Projected Variance to Amended (%)
CITY OF FORT WORTH					
GENERAL FUND	\$172,769,615	\$172,769,615	\$164,387,876	(\$8,381,739)	-4.9%
CRIME CONTROL & PREVENTION DISTRICT	\$81,340,193	\$81,340,193	\$78,089,999	(\$3,250,194)	-4.0%

The City originally anticipated collecting **\$172,769,615** in the General Fund by fiscal year end per the FY2020 adopted budget. The developing economic effects of the COVID-19 pandemic are being monitored continuously and closely. The COVID-19 estimate for February sales tax included a -\$27.5M, or -15.9% reduction to budget based on the fast-paced response to the pandemic and the unknown longevity of a subdued economy. Our community continues to prove its resilience and ability to adjust.


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The most current General Fund impact for Sales Tax is estimated to be a reduction of approximately - \$8.4M, or -4.9%, as shown in the table above. Staff will continue to provide regular updates to allow for strategic planning to mitigate total impact to the City.

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	3rd Quarter	July	YTD
MCKINNEY	113.8%	111.7%	115.3%	112.6%	113.5%
EL PASO	113.4%	100.3%	97.9%	103.3%	103.9%
PLANO	100.1%	101.9%	90.8%	99.4%	97.8%
FORT WORTH	104.9%	100.5%	97.0%	98.2%	100.6%
GRAND PRAIRIE	109.9%	103.3%	93.0%	96.4%	101.1%
DALLAS	109.8%	100.2%	86.6%	95.5%	98.6%
HOUSTON	105.8%	98.6%	88.7%	92.6%	97.3%
SAN ANTONIO	104.2%	96.1%	94.2%	92.5%	97.6%
IRVING	107.3%	97.5%	101.3%	92.2%	101.0%
GARLAND	105.6%	98.9%	92.6%	91.8%	98.3%
FRISCO	107.6%	101.5%	97.3%	91.2%	101.1%
AUSTIN	109.3%	102.0%	90.1%	90.3%	99.4%
ARLINGTON	105.7%	95.4%	96.9%	85.2%	97.9%
STATE TOTAL	106.6%	98.9%	94.8%	94.4%	99.5%

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

David Cooke
City Manager