



To the Mayor and Members of the City Council

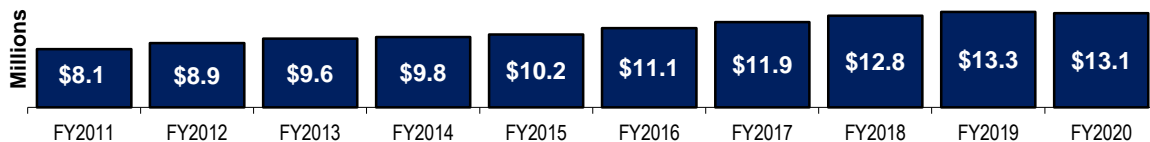
October 20, 2020

Page 1 of 3

**SUBJECT: AUGUST 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 August 2020 (Fiscal Year 2020, Period 11) collection results on October 7th, 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.

**AUGUST NET SALES TAX COLLECTIONS (10-YEAR HISTORY)**



The City's net sales tax collection is down **-\$188,324** or **-1.4%**, compared to the same month last year. As depicted in the table below, the City experienced **-\$27,185** or a **-0.2%** 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 3.1% 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 -6.1% 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**

	August 19	August 20	Variance (\$)	Variance (%)
<b>Current Period Collections</b>	\$13,138,956	\$13,111,772	(\$27,185)	(0.2%)
Other Collections*	364,932	205,031	(159,900)	(43.8%)
Audit Adjustments	65,516	62,115	(3,402)	(5.2%)
Service Fee	(271,388)	(267,578)	3,810	1.4%
Retainage	179	(1,469)	(1,648)	(922.1%)
<b>Net Collections</b>	<b>\$13,298,195</b>	<b>\$13,109,870</b>	<b>(\$188,324)</b>	<b>(1.4%)</b>

\*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.)



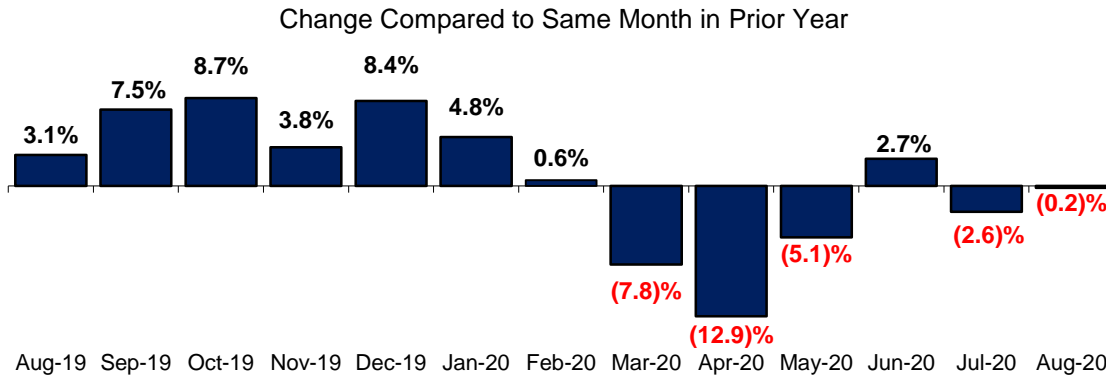
To the Mayor and Members of the City Council

October 20, 2020

Page 2 of 3

SUBJECT: AUGUST 2020 – SALES TAX UPDATE

### CURRENT PERIOD COLLECTIONS



The City's General Fund net sales tax collections through August are 96.0% to budget, and at 100.4% through the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections through August are 97.1% to budget, and 100.5% through the same period last year.

### CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of August	Current Receipts Through August	FY2019 Receipts Through August
GENERAL FUND	\$156,877,761	\$150,627,675	\$149,989,252
CRIME CONTROL AND PREVENTION DISTRICT	73,858,284	71,746,663	71,384,445
<b>TOTAL</b>	<b>\$230,736,046</b>	<b>\$222,374,338</b>	<b>\$221,373,697</b>

### CITY OF FORT WORTH BUDGET COMPARISON – FY2020

CITY OF FORT WORTH	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended (\$)	Projected Variance to Amended (%)
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



**To the Mayor and Members of the City Council**

**October 20, 2020**

Page 3 of 3

**SUBJECT: AUGUST 2020 – SALES TAX UPDATE**

longevity of a subdued economy. Our community continues to prove its resilience and ability to adjust. 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**

<b>City</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>August</b>	<b>YTD</b>
DALLAS	109.8%	100.2%	86.6%	110.1%	99.4%
MCKINNEY	113.8%	111.7%	115.3%	108.7%	113.1%
GRAND PRAIRIE	109.9%	103.3%	93.0%	103.0%	101.3%
EL PASO	113.4%	100.3%	97.9%	102.2%	103.8%
IRVING	107.3%	97.5%	101.3%	100.5%	101.0%
<b>FORT WORTH</b>	<b>104.9%</b>	<b>100.5%</b>	<b>97.0%</b>	<b>98.6%</b>	<b>100.4%</b>
ARLINGTON	105.7%	95.4%	96.9%	98.6%	97.9%
PLANO	100.1%	101.9%	90.8%	98.6%	97.8%
SAN ANTONIO	104.2%	96.1%	94.2%	98.2%	97.7%
FRISCO	107.6%	101.5%	97.3%	97.1%	100.8%
AUSTIN	109.3%	102.0%	90.1%	96.4%	99.1%
GARLAND	105.6%	98.9%	92.6%	94.3%	97.9%
HOUSTON	105.8%	98.6%	88.7%	88.8%	96.5%
<b>STATE TOTAL</b>	<b>106.6%</b>	<b>98.9%</b>	<b>94.8%</b>	<b>93.9%</b>	<b>99.0%</b>

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**