



To the Mayor and Members of the City Council

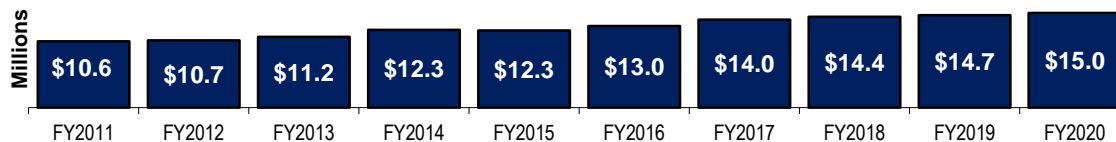
November 17, 2020

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SUBJECT: SEPTEMBER 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 September 2020 (Fiscal Year 2020, Period 12) collection results on November 11th, 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.

SEPTEMBER NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is up **\$315,650** or **2.1%**, compared to the same month last year. As depicted in the table below, the City experienced **\$86,874** or a **0.6%** increase 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 7.5% 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 -4.78% 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

	September 19	September 20	Variance (\$)	Variance (%)
Current Period Collections	\$15,328,255	\$15,415,129	\$86,874	0.6%
Other Collections*	88,122	465,542	377,421	428.3%
Audit Adjustments	(371,721)	(503,463)	(131,743)	(35.4%)
Service Fee	(300,893)	(307,544)	(6,651)	(2.2%)
Retainage	(28,915)	(39,166)	(10,252)	(35.5%)
Net Collections	\$14,714,848	\$15,030,498	\$315,650	2.1%

*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.)

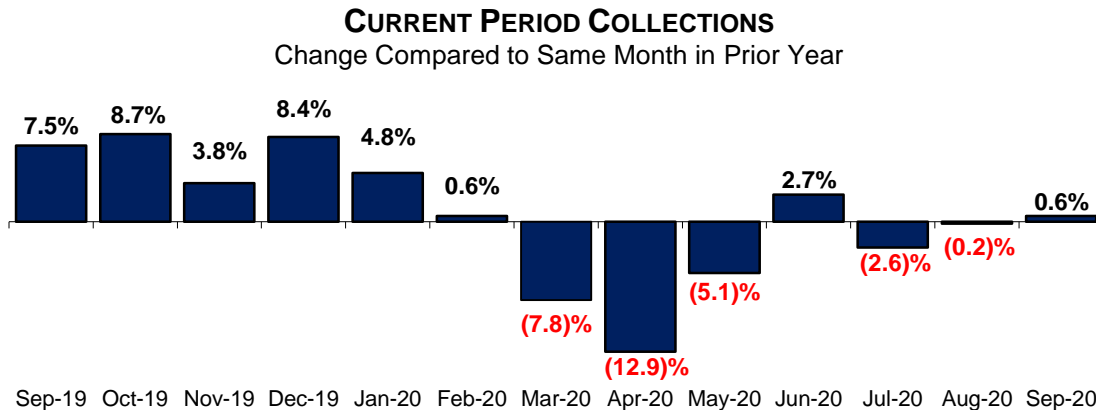


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The City's General Fund net sales tax collections through September are 95.9% to budget, and at 100.6% through the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections through September are 96.7% to budget, and 100.7% through the same period last year.

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

	Budget as of September	Current Receipts Through September	FY2019 Receipts Through September
CITY OF FORT WORTH			
GENERAL FUND	\$172,769,615	\$165,658,172	\$164,704,100
CRIME CONTROL AND PREVENTION DISTRICT	81,340,193	78,692,079	78,122,566
TOTAL	\$254,109,808	\$244,350,252	\$242,826,666

CITY OF FORT WORTH BUDGET COMPARISON – FY2020

	Adopted Budget	Amended Budget	Actual Fiscal Year Totals	Variance to Amended (\$)	Variance to Amended (%)
CITY OF FORT WORTH					
GENERAL FUND	\$172,769,615	\$172,769,615	\$165,658,172	(\$7,111,443)	-4.1%
CRIME CONTROL & PREVENTION DISTRICT	\$81,340,193	\$81,340,193	\$78,692,079	(\$2,648,114)	-3.3%

The City originally anticipated collecting **\$172,769,615** in the General Fund by fiscal year end per the FY2020 adopted budget. Over the course of monitoring the significance of COVID-19 on sales tax, city staff lowered anticipated collections by approximately -\$8.4M, or -4.9%. Our community continues to prove its resilience and ability to adjust. The City's General Fund actual collections ended shy of the


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FY2020 budget by -\$7.1M, or -4.1%. Staff will continue to provide regular updates to allow for strategic planning to mitigate total impact to the City as we move forward into the new fiscal year.

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	4th Quarter	YTD
MCKINNEY	113.8%	111.7%	115.3%	111.2%	113.0%
EL PASO	113.4%	100.3%	97.9%	104.8%	104.2%
GRAND PRAIRIE	109.9%	103.3%	93.0%	102.7%	101.9%
FRISCO	107.6%	101.5%	97.3%	97.6%	101.1%
FORT WORTH	104.9%	100.5%	97.0%	99.7%	100.6%
IRVING	107.3%	97.5%	101.3%	96.1%	100.5%
ARLINGTON	105.7%	95.4%	96.9%	99.0%	99.3%
AUSTIN	109.3%	102.0%	90.1%	95.8%	99.3%
DALLAS	109.8%	100.2%	86.6%	100.0%	99.1%
PLANO	100.1%	101.9%	90.8%	101.7%	98.6%
GARLAND	105.6%	98.9%	92.6%	95.5%	98.1%
SAN ANTONIO	104.2%	96.1%	94.2%	97.7%	98.1%
HOUSTON	105.8%	98.6%	88.7%	94.7%	97.0%
 STATE TOTAL	 106.6%	 98.9%	 94.8%	 94.9%	 98.8%

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