



To the Mayor and Members of the City Council

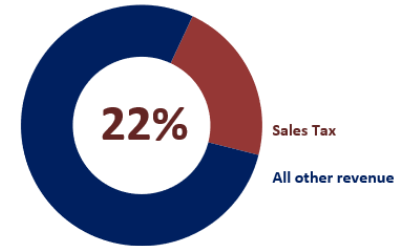
April 13, 2021

Page 1 of 4

SUBJECT: FEBRUARY 2021 – SALES TAX UPDATE

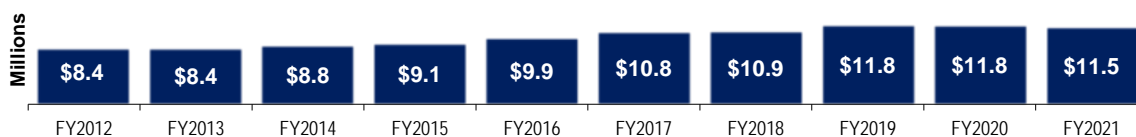
Sales tax revenue represents approximately twenty-two percent of the City's General Fund anticipated revenue in Fiscal Year 2021. It is the second largest revenue source, with property tax being the largest. In addition, sales tax revenue represents the largest revenue source in the Crime Control and Prevention District Fund. Staff is committed to providing regular updates on this important and sometimes volatile revenue source.

General Fund Sales Tax



The Texas Comptroller's Office posted February 2021 (Fiscal Year 2021, Period 5) collection results on April 7th, 2021. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. This report provides Fort Worth's sales tax collection compared to last year and the impact on the current year's budget. The past year has included changes from legislation reformed in how sales tax is remitted to the state comptroller, as well as the affects from a global pandemic. This activity is being closely monitored and will be reported on if significant impact is expected.

FEBRUARY NET SALES TAX COLLECTIONS (10-YEAR HISTORY)



The City's net sales tax collection is down **\$272,292** or **-2.3%**, compared to the same month last year. As depicted in the following table, the City experienced a decrease of **\$469,052** or **-4.0%** in current period collections when compared to last year's collections for the same month. Current period collections include transactions that were collected for the current period on schedule within the due date. The State experienced a net collection decrease of **-2.37%** compared to last year.

In addition to the pandemic trend on sales tax collections, the unusual winter weather disaster also proved to slow sales tax collections for the month of February. Store closures likely caused by widespread power outages and an extended taxpayer remittance deadline allowed by the State may be negatively affecting current collections.



To the Mayor and Members of the City Council

April 13, 2021

Page 2 of 4

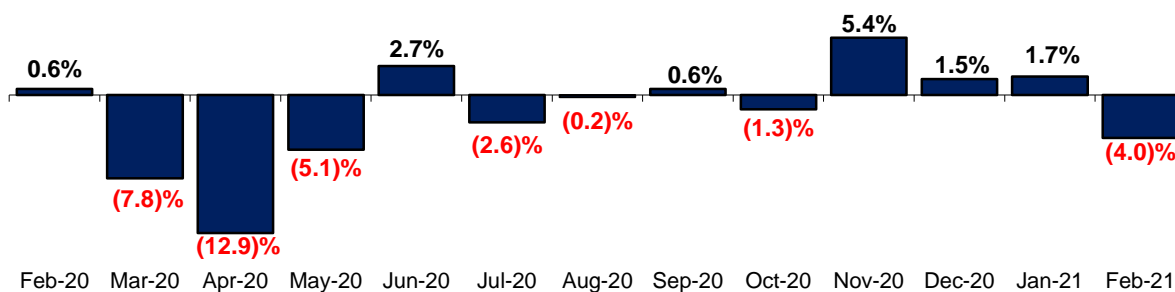
SUBJECT: FEBRUARY 2021 – SALES TAX UPDATE

COLLECTION DETAIL FOR CITY SALES TAX

	February 20	February 21	Variance (\$)	Variance (%)
Current Period Collections	\$11,678,476	\$11,209,424	(\$469,052)	(4.0%)
Other Collections*	287,922	225,488	(62,434)	(21.7%)
Single Local Rate*	62,384	101,398	39,014	62.5%
Audit Adjustments	(6,650)	209,921	216,570	3256.9%
Service Fee	(240,443)	(234,925)	5,518	2.3%
Retainage	29,115	27,206	(1,909)	(6.6%)
Net Collections	\$11,810,804	\$11,538,512	(\$272,292)	(2.3%)

*OTHER COLLECTIONS ARE PAYMENTS ATTRIBUTED TO NON-CURRENT COLLECTIONS INCLUDING PRIOR PERIOD, FUTURE PERIOD AND UNIDENTIFIED COLLECTIONS. SINGLE LOCAL RATE IS COLLECTIONS FROM REMOTE SELLERS WHO HAVE OPTED TO UTILIZE THE STATES ALTERNATE SINGLE LOCAL USE RATE OF 1.75%. THIS SINGLE LOCAL RATE CANNOT BE USED BY BUSINESSES LOCATED IN TEXAS. AUDIT ADJUSTMENTS MAY FLUCTUATE BASED UPON RESULTS OF TAXPAYER SALES TAX AUDITS CONDUCTED BY THE STATE OF TEXAS.

CURRENT PERIOD COLLECTIONS
Change Compared to Same Month in Prior Year



The City's General Fund sales tax collections as of February are 103.9% to budget, and at 100.3% through the same period last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections as of February are 103.4% to budget, and 101.0% through the same period last year. The comparison of performance to budget is based on a historic three year collection trend by month. Fiscal years 2017, 2018 and 2019 were included in this calculation, while fiscal year 2020 was excluded due to the irregularity caused by the pandemic.



To the Mayor and Members of the City Council

April 13, 2021

Page 3 of 4

SUBJECT: FEBRUARY 2021 – SALES TAX UPDATE

CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON

CITY OF FORT WORTH	Budget as of February	Current Receipts Through February	FY2020 Receipts Through February
GENERAL FUND	\$67,609,608	\$70,230,497	\$70,018,394
CRIME CONTROL AND PREVENTION DISTRICT	32,686,057	33,807,069	33,473,538
TOTAL	\$100,295,665	\$104,037,567	\$103,491,932

CITY OF FORT WORTH BUDGET COMPARISON – FY2021

CITY OF FORT WORTH	Adopted Budget	Amended Budget	Fiscal Year Projections	Projected Variance to Amended	
				(\$)	(%)
GENERAL FUND	\$168,248,455	\$168,248,455	\$168,248,455	\$0	0.0%
CRIME CONTROL & PREVENTION DISTRICT	\$79,213,635	\$79,213,635	\$79,213,635	\$0	0.0%

The City anticipates collecting **\$168,248,488** by fiscal year end, which matches original estimates in the FY2021 adopted budget. This is 1.56% over fiscal year 2020 actual collections. At the time of budget development, this represented a 4% increase over the June 2020 projected sales tax. Staff will continue to provide regular updates as financial analysis continues for sales tax impacts due to COVID-19.



To the Mayor and Members of the City Council

April 13, 2021

Page 4 of 4

SUBJECT: FEBRUARY 2021 – SALES TAX UPDATE

The chart below indicates how current year sales tax net collections in Fort Worth and other select cities in the state compare to FY2020 collections for the same period.

**CITIES COMPARISON – NET COLLECTIONS
FY2021 vs. FY2020**

City	1st Quarter	January	February	YTD
EL PASO	100.0%	104.7%	109.0%	102.4%
PLANO	96.0%	91.2%	104.5%	96.4%
GARLAND	100.7%	100.6%	99.8%	100.5%
FRISCO	108.9%	104.5%	99.8%	106.5%
FORT WORTH	101.9%	97.3%	97.7%	100.3%
DALLAS	96.2%	90.7%	95.7%	95.0%
HOUSTON	93.5%	92.3%	95.1%	93.5%
ARLINGTON	104.9%	104.6%	95.0%	103.2%
AUSTIN	96.7%	91.1%	93.2%	95.0%
SAN ANTONIO	100.6%	100.6%	93.0%	99.3%
GRAND PRAIRIE	106.0%	99.9%	90.3%	102.1%
MCKINNEY	109.7%	112.5%	86.4%	105.6%
IRVING	97.3%	89.4%	78.3%	92.3%
STATE TOTAL	96.1%	86.7%	97.7%	94.5%

Source: Allocation Payment Detail and Monthly All Fund Revenue Report, Texas Comptroller of Public Accounts

If you have any questions, please call Mark McAvoy, Director of Planning and Data Analytics, at 817-392-6222.

David Cooke
City Manager