

To the Mayor and Members of the City Council

September 21, 2021

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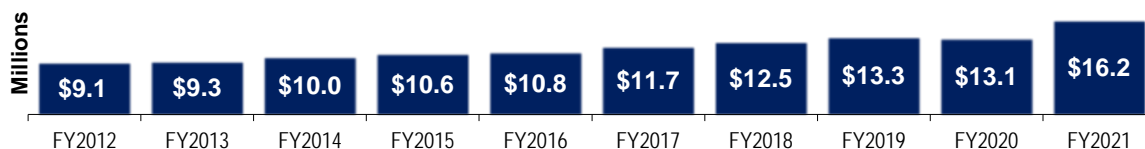
**SUBJECT: JULY 2021 – SALES TAX UPDATE**

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 July 2021 (Fiscal Year 2021, Period 10) collection results on September 9th, 2021. Actual receipts are dependent upon the timeliness and accuracy of sales tax payers' returns. This report provides Fort Worth's sales tax collections, a comparison of collections in the same period last year, and an estimated impact on the current year's budget. The past year has included a change in the method of remitting sales tax to the state comptroller (via legislation), effects of a global pandemic, and effects of a historic winter storm. This activity is being closely monitored and will be highlighted if significant impact is expected.

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

The City's net sales tax collection is up **\$3,096,992** or **23.6%**, compared to the same month last year. As depicted in the following table, the City experienced an increase of **\$2,496,733** or **19.4%** in current period collections when compared to the same month last year. Current period collections include activity that was remitted for the current period that were on schedule within the due date. The State experienced a net collection increase of 18.26% compared to the same month last year.

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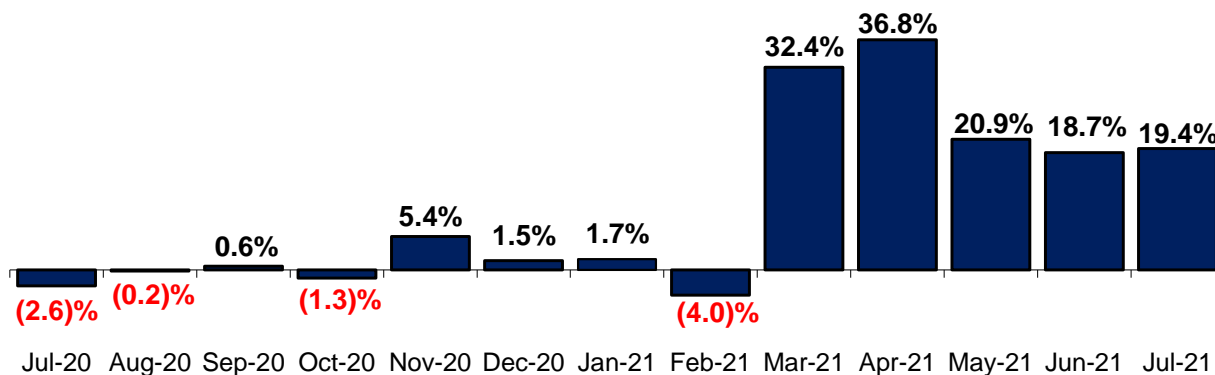
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### COLLECTION DETAIL FOR CITY SALES TAX

	July 20	July 21	Variance (\$)	Variance (%)
<b>Current Period Collections</b>	\$12,882,913	\$15,379,646	\$2,496,733	19.4%
Other Collections*	247,439	738,045	490,606	198.3%
Single Local Rate*	96,713	134,283	37,570	38.8%
Audit Adjustments	76,896	219,620	142,724	185.6%
Service Fee	(266,079)	(329,432)	(63,353)	(23.8%)
Retainage	59,537	52,249	(7,288)	(12.2%)
<b>Net Collections</b>	<b>\$13,097,419</b>	<b>\$16,194,411</b>	<b>\$3,096,992</b>	<b>23.6%</b>

\*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 STATE'S 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



July collections continue a trend of strong performance after several months of stagnation following the initial response to the COVID-19 pandemic in March 2020. The Texas Governor fully lifted COVID-19 restrictions in March 2021. Although the revenue trend is positive, we continue to note the potential volatility in future receipts if the pandemic intensifies and/or new restrictions are implemented. Fiscal year projections will be updated to reflect recent performance.

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The City's General Fund sales tax collections as of July are 110.1% to budget, and at 111.4% through the same month last year. The City's Crime Control and Prevention District Fund (CCPD) sales tax collections as of July are 109.2% to budget, and 112.3% through the same month last year. The monthly budget is based on a historic three-year collection trend by month. Fiscal years 2017, 2018 and 2019 were included in this calculation—fiscal year 2020 was excluded due to the irregularity caused by the pandemic.

**CITY OF FORT WORTH YTD NET COLLECTIONS COMPARISON**

CITY OF FORT WORTH	Budget as of July	Current Receipts Through July	FY2020 Receipts Through July
GENERAL FUND	\$139,174,104	\$153,235,829	\$137,517,805
CRIME CONTROL AND PREVENTION DISTRICT	67,284,116	73,491,347	65,439,529
TOTAL	<b>\$206,458,220</b>	<b>\$226,727,176</b>	<b>\$202,957,334</b>

**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	\$179,600,000	\$11,351,545	6.7%	↑
CRIME CONTROL & PREVENTION DISTRICT	\$79,213,635	\$79,213,635	\$86,200,000	\$6,986,365	8.8%	↑

The City anticipates collecting **\$179,600,000** in the General Fund by fiscal year end, which exceeds original estimates in the FY2021 adopted budget by 6.7%. This is an 8.4% increase over fiscal year 2020 actual collections. The City's Crime Control and Prevention District Fund (CCPD) anticipates collecting **\$86,200,000** by fiscal year end, which exceeds the original estimates in the FY2021 adopted budget by 8.8%. This is a 9.5% increase over fiscal year 2020 actual collections. Staff will continue to provide regular updates as financial analysis continues for sales tax impacts due to COVID-19.

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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 FY2020 collections for the same period.

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

<b>City</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>July</b>	<b>YTD</b>
ARLINGTON	104.9%	115.9%	144.2%	169.2%	126.0%
FRISCO	108.9%	116.2%	135.3%	136.9%	121.1%
AUSTIN	96.7%	103.8%	131.0%	127.8%	111.2%
DALLAS	96.2%	104.1%	131.9%	126.0%	110.9%
<b>FORT WORTH</b>	<b>101.9%</b>	<b>109.1%</b>	<b>120.4%</b>	<b>123.6%</b>	<b>111.4%</b>
GRAND PRAIRIE	106.0%	108.1%	113.6%	123.3%	110.6%
IRVING	97.3%	94.5%	118.9%	121.7%	104.8%
GARLAND	100.7%	112.3%	128.5%	121.1%	114.0%
EL PASO	100.0%	117.3%	127.9%	119.9%	114.8%
SAN ANTONIO	100.6%	110.1%	123.6%	119.4%	111.8%
HOUSTON	93.5%	103.8%	124.4%	119.2%	107.5%
PLANO	96.0%	97.8%	122.2%	116.7%	105.7%
MCKINNEY	109.7%	114.1%	116.5%	114.2%	113.5%
<b>STATE TOTAL</b>	<b>96.1%</b>	<b>104.5%</b>	<b>120.2%</b>	<b>118.3%</b>	<b>107.7%</b>

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