



INFORMATIONAL MEMORANDUM

TO: Finance Committee
 FROM: Peggy McCarthy, Finance Director
 CC: Mayor Ekberg
 DATE: April 11, 2018
 SUBJECT: Sales Tax and Miscellaneous Revenue Report – 4th Quarter 2017

Although 2017 sales tax collections came in only 1% or \$98 thousand lower than 2016, the 2017 performance was 6% or \$1.2 million below budget. The largest sector decline of (\$115,985) occurred in wholesale trade; the largest sector increase of \$105,608 occurred in the miscellaneous category, unclassifiable establishments. A detailed analysis of sales tax performance will be presented to the Finance Committee under separate memorandum.

Schedule I - Sales Tax

in \$1,000's

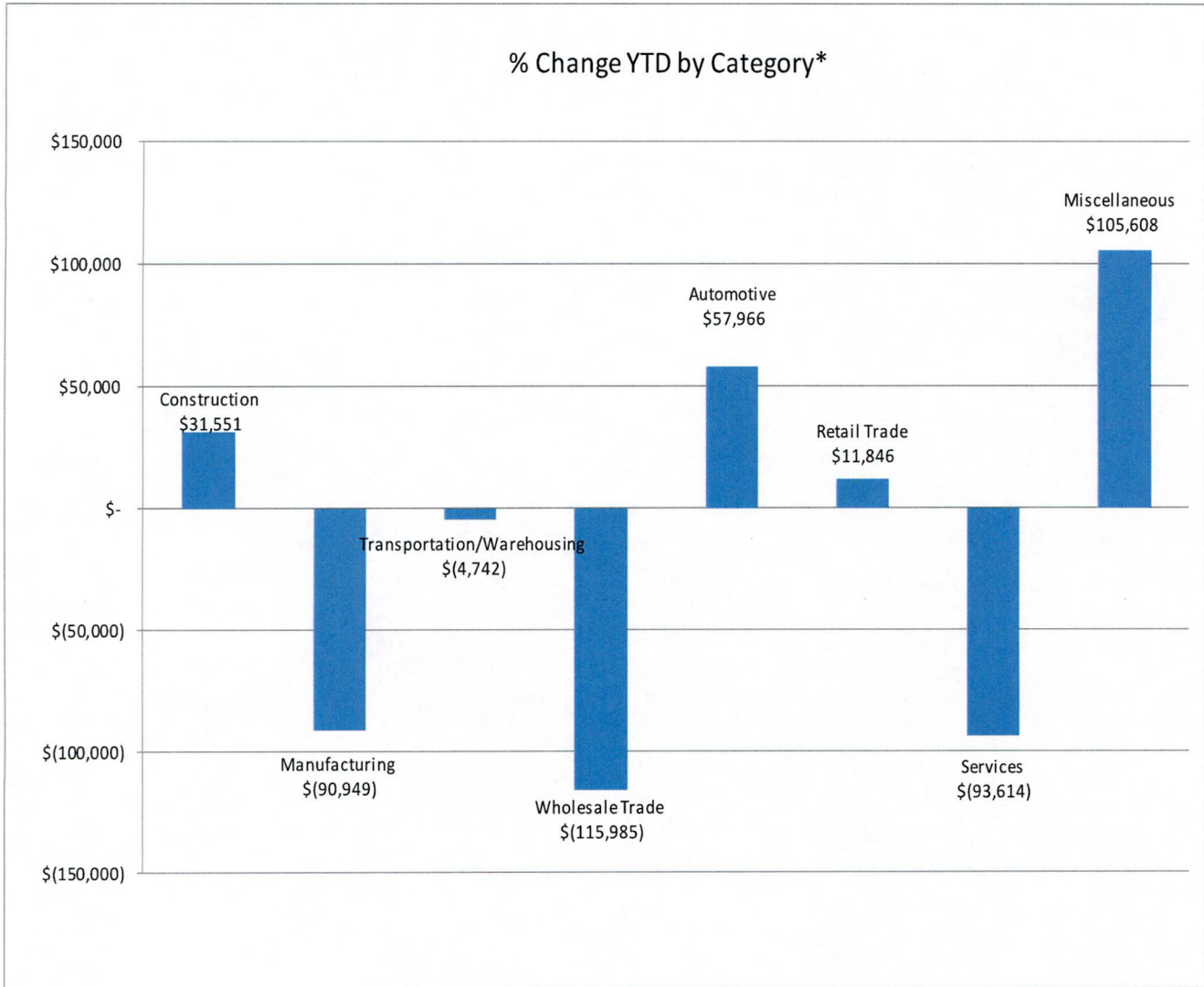
		----- YEAR OVER YEAR COMPARISON -----											
		2016 Actual			2017 Actual			YOY Change					
-- Month -- Collect- ed	Rec'd	Construc- tion	Other Industries	Total	Construc- tion	Other Industries	Total	Construction		Other Industries		Total	
								Amount	%	Amount	%	Amount	%
Jan	Mar	\$ 99	\$ 1,190	\$ 1,289	\$ 123	\$ 1,149	\$ 1,272	\$ 24	24%	\$ (41)	-3%	\$ (17)	-1%
Feb	Apr	97	1,231	1,328	83	1,123	1,206	(14)	-14%	(108)	-9%	(122)	-9%
Mar	May	105	1,413	1,518	120	1,664	1,784	15	14%	251	18%	266	18%
Q-1 Totals		\$ 301	3,834	\$ 4,135	\$ 326	3,936	\$ 4,262	\$ 25	8%	102	3%	\$ 127	3%
Apr	Jun	105	1,336	1,440	92	1,316	1,408	(13)	-12%	(20)	-1%	(33)	-2%
May	Jul	119	1,361	1,480	106	1,315	1,421	(12)	-10%	(46)	-3%	(59)	-4%
Jun	Aug	139	1,553	1,692	119	1,387	1,506	(20)	-14%	(166)	-11%	(185)	-11%
Q-2 Totals		\$ 362	4,250	\$ 4,612	\$ 317	4,018	\$ 4,335	\$ (45)	-12%	(232)	-5%	\$ (277)	-6%
Jul	Sep	109	1,428	1,537	131	1,376	1,508	22	20%	(52)	-4%	(30)	-2%
Aug	Oct	111	1,438	1,549	126	1,345	1,471	15	13%	(93)	-6%	(78)	-5%
Sep	Nov	115	1,444	1,559	140	1,473	1,613	25	22%	29	2%	54	3%
Q-3 Totals		\$ 335	4,310	\$ 4,645	\$ 397	4,194	\$ 4,591	\$ 62	19%	(116)	-3%	\$ (54)	-1%
Oct	Dec	143	1,263	1,406	144	1,329	1,473	2	1%	65	5%	67	5%
Nov	Jan	126	1,368	1,494	110	1,424	1,534	(16)	-13%	56	4%	40	3%
Dec	Feb	118	1,852	1,970	120	1,849	1,969	2	1%	(3)	0%	(1)	0%
Q-4 Totals		\$ 386	4,484	\$ 4,870	\$ 374	4,602	\$ 4,976	\$ (12)	-3%	118	3%	\$ 106	2%
Totals		\$ 1,385	16,878	\$ 18,262	\$ 1,414	16,750	\$ 18,164	\$ 30	2%	(128)	-1%	\$ (98)	-1%

Budget to Actual – Sales Tax in \$1,000's

Schedule I - Sales Tax

----- BUDGET TO ACTUAL -----						
- Month -		2016	2017		Variance [Actual	
Collected	Received	Actual	Allocated Budget	Actual	Over (Under) Original Budget]	
						Amt %
Jan	Mar	\$ 1,289	\$ 1,366	\$ 1,272	(94)	-7%
Feb	Apr	1,328	1,407	1,206	(201)	-14%
Mar	May	1,518	1,609	1,784	175	11%
Q-1 Totals		\$ 4,135	\$ 4,382	\$ 4,262	\$ (120)	-3%
Apr	Jun	1,440	\$ 1,526	1,408	(119)	-8%
May	Jul	1,480	1,568	1,421	(147)	-9%
Jun	Aug	1,692	1,793	1,506	(286)	-16%
Q-2 Totals		\$ 4,612	\$ 4,887	\$ 4,335	\$ (552)	-11%
Jul	Sep	1,537	\$ 1,629	1,508	(121)	-7%
Aug	Oct	1,549	1,642	1,471	(171)	-10%
Sep	Nov	1,559	1,652	1,613	(39)	-2%
Q-3 Totals		\$ 4,645	\$ 4,923	\$ 4,591	\$ (331)	-7%
Oct	Dec	1,406	\$ 1,490	1,473	(17)	-1%
Nov	Jan	1,494	1,583	1,534	(49)	-3%
Dec	Feb	1,970	2,089	1,969	(120)	-6%
Q-4 Totals		\$ 4,870	\$ 5,162	\$ 4,976	\$ (186)	-4%
Totals		\$ 18,262	\$ 19,352	\$ 18,164	\$ (1,189)	-6%

Below is a graph of sales tax collections by type of industry showing annual change in revenue receipts from 2016 to 2017.



SALES TAX SUMMARY
4th Quarter 2017 (Received in March 2017 - February 2018)

NAICS	CONSTRUCTION	16 TOTAL	16 YTD	17 YTD	YTD % Diff	NAICS	AUTOMOTIVE	16 TOTAL	16 YTD	17 YTD	YTD % Diff
236	Construction of Buildings	761,107	761,107	844,136	10.9%	441	Motor Vehicle & Parts Dealer	654,125	654,125	709,541	8.5%
237	Heavy & Civil Construction	81,491	81,491	107,260	31.6%	447	Gasoline Stations	88,489	88,489	91,039	2.9%
238	Specialty Trade Contractors	539,624	539,624	462,376	-14.3%						
	TOTAL CONSTRUCTION	\$ 1,382,222	\$ 1,382,222	\$ 1,413,773	2.3%			\$ 742,614	\$ 742,614	\$ 800,581	7.8%
	<i>Overall Construction Change from Previous Year</i>			\$31,551						\$57,966	
	MANUFACTURING	16 TOTAL	16 YTD	17 YTD	YTD % Diff		RETAIL TRADE	16 TOTAL	16 YTD	17 YTD	YTD % Diff
311	Food Manufacturing	9,420	9,420	10,703	13.6%	442	Furniture & Home Furnishings	475,117	475,117	445,454	-6.2%
312	Beverage & Tobacco Products	5,217	5,217	11,960	129.3%	443	Electronics & Appliances	1,181,336	1,181,336	1,168,189	-1.1%
313	Textile Mills	222	222	409	84.3%	444	Building Material & Garden	734,089	734,089	805,251	9.7%
314	Textile Product Mills	11,406	11,406	14,792	29.7%	445	Food & Beverage Stores	236,576	236,576	257,762	9.0%
315	Apparel Manufacturing	1,024	1,024	888	-13.3%	446	Health & Personal Care	306,652	306,652	298,682	-2.6%
316	Leather & Allied Products	54	54	88	63.9%	448	Clothing & Accessories	2,089,128	2,089,128	2,066,870	-1.1%
321	Wood Product Manufacturing	3,257	3,257	3,740	14.8%	451	Sporting Goods, Hobby, Books	573,709	573,709	533,560	-7.0%
322	Paper Manufacturing	27,243	27,243	24,646	-9.5%	452	General Merchandise Stores	2,202,158	2,202,158	2,131,267	-3.2%
323	Printing & Related Support	28,709	28,709	28,490	-0.8%	453	Miscellaneous Store Retailers	727,568	727,568	738,487	1.5%
324	Petroleum & Coal Products	19	19	41	108.8%	454	Nonstore Retailers	156,093	156,093	248,748	59.4%
325	Chemical Manufacturing	-22	-22	-15,834	73547.1%			\$ 8,682,425	\$ 8,682,425	\$ 8,694,271	0.1%
326	Plastic & Rubber Products	6,454	6,454	3,955	-38.7%					\$11,846	
327	Nonmetallic Mineral Products	3,615	3,615	5,081	40.5%						
331	Primary Metal Manufacturing	2,008	2,008	1,803	-10.2%						
332	Fabricated Metal Mfg Products	10,978	10,978	8,752	-20.3%						
333	Machinery Manufacturing	10,555	10,555	6,300	-40.3%						
334	Computer & Electronic Products	5,490	5,490	10,531	91.8%						
335	Electric Equipment, Appliances	2,588	2,588	3,949	52.6%						
336	Transportation Equipment Mfg	115,102	115,102	29,297	-74.5%						
337	Furniture & Related Products	5,608	5,608	8,432	50.3%						
338	Miscellaneous Manufacturing	19,790	19,790	19,765	-0.1%						
	TOTAL MANUFACTURING	\$ 268,737	\$ 268,737	\$ 177,768	-33.8%						
	<i>Overall Manufacturing Change from Previous Year</i>			(\$90,949)							
	TRANSPORTATION & WAREHOUSING	16 TOTAL	16 YTD	17 YTD	YTD % Diff						
481	Air Transportation	0	0	11	0.0%						
482	Rail Transportation	44	44	169	285.5%						
483	Water Transportation	269	269	86	-68.1%						
484	Truck Transportation	2,679	2,679	1,852	-30.9%						
485	Transit and Ground Passengers	664	664	395	-40.5%						
487	Scenic and Sightseeing Tran	2,058	2,058	57	-97.2%						
488	Transportation Support	48,851	48,851	47,071	-3.6%						
491	Postal Services	811	811	816	0.6%						
492	Couriers & Messengers	2,139	2,139	1,600	-25.2%						
493	Warehousing & Storage	1,161	1,161	1,878	61.8%						
	TOTAL TRANSP & WHSING	\$ 58,677	\$ 58,677	\$ 53,936	-8.1%						
	<i>Overall Transportation Change from Previous Year</i>			(\$4,742)							
	WHOLESALE TRADE	16 TOTAL	16 YTD	17 YTD	YTD % Diff						
423	Whls Trade-Durable Goods	1,132,580	1,132,580	1,018,477	-10.1%						
424	Whls Trade-NonDurable Goods	157,285	157,285	155,695	-1.0%						
425	Wholesale Electronic Markets	2,988	2,988	2,696	-9.8%						
	WHOLESALE TRADE TOTAL	\$ 1,292,853	\$ 1,292,853	\$ 1,176,868	-9.0%						
	<i>Overall Wholesale Change from Previous Year</i>			(\$115,985)							
	MISCELLANEOUS	16 TOTAL	16 YTD	17 YTD	YTD % Diff						
000	Unknown	0	0	0	-100.0%						
111-115	Agriculture, Forestry, Fishing	514	514	1,089	111.8%						
211-221	Mining & Utilities	133	133	547	311.9%						
999	Unclassifiable Establishments	191,819	191,819	296,439	54.5%						
	MISCELLANEOUS TOTAL	\$ 192,466	\$ 192,466	\$ 296,074	54.9%						
	<i>Overall Miscellaneous Change from Previous Year</i>			\$105,608							
	Overall Services Change from Previous Year			\$548,937							
	Overall Services Change from Previous Year			(\$93,614)							
	GRAND TOTALS	\$18,262,544	\$18,262,544	\$18,164,227	-\$98,317						
	<i>Grand Total Change from Previous Year - Without New Construction</i>			(\$129,866)	-0.77%						

INFORMATIONAL MEMO

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Below is Schedule IV which shows quarterly gambling tax earned in 2017 compared to 2016.

Schedule IV - Gambling Tax ^(a)

Quarter Earned	2016 Actual	(d) 2017 Actual	2017 Allocated Budget	INCREASE (DECREASE)			
				YEAR OVER YEAR		BUDGET VARIANCE	
				Amount	%	Amount	%
Q1	\$ 950,379	\$ 977,003	\$ 989,745	\$ 26,624	3%	\$ (12,742)	-1%
Q2	867,047	983,322	902,961	116,276	13%	80,361	9%
Q3	927,316	951,991	965,727	24,675	3%	(13,736)	-1%
Q4	934,269	958,503	972,968	24,234	3%	(14,465)	-1%
Totals	\$ 3,679,011	\$ 3,870,819	\$ 3,831,400	\$ 191,808	5%	\$ 39,419	1%

Gambling tax revenue exceeded expectations in 2017 and ending the year with a year over year increase of 5% or \$191 thousand and an increase over budget of 1% or \$39 thousand. Four casinos are in operation – the Great America, Riverside Inn, Fortune (formerly the Golden Nugget) and the Macau.

Schedule V shows monthly admissions tax receipts for the prior year and current year to date.

Schedule V - Admissions Tax ^(b)

Quarter Earned	2016 Actual	(d) 2017 Actual	2017 Allocated Budget	INCREASE (DECREASE)			
				YEAR OVER YEAR		BUDGET VARIANCE	
				Amount	%	Amount	%
Q1	\$ 161,269	\$ 166,003	\$ 178,187	\$ 4,734	3%	\$ (12,183)	-7%
Q2	156,588	157,574	173,014	986	1%	(15,441)	-9%
Q3	157,862	177,422	174,422	19,560	12%	3,000	2%
Q4	157,821	171,641	174,377	13,820	9%	(2,736)	-2%
Totals	\$ 633,540	\$ 672,640	\$ 700,000	\$ 39,100	6%	\$ (27,360)	-4%

Admissions tax revenue exceeded 2016 collections by 6% or \$39 thousand but came in at 4% or \$27 thousand less than budget. The movie theatres are the main source of admissions tax revenue.

Schedule VI shows monthly telecommunications utility tax receipts for 2017 compared to 2016.

Schedule VI - Telecommunications Utility Tax ^(c)

Quarter Earned	2016 Actual	(d) 2017 Actual	2017 Allocated Budget	INCREASE (DECREASE)			
				YEAR OVER YEAR		BUDGET VARIANCE	
				Amount	%	Amount	%
Q1	\$ 348,156	\$ 323,708	\$ 339,620	\$ (24,448)	-7%	\$ (15,912)	-5%
Q2	321,852	312,456	313,961	(9,397)	-3%	(1,505)	0%
Q3	317,156	388,433	309,380	71,277	22%	79,053	26%
Q4	343,515	316,497	335,093	(27,018)	-8%	(18,596)	-6%
Totals	\$ 1,330,679	\$ 1,341,094	\$ 1,298,053	\$ 10,415	1%	\$ 43,041	3%

Telecommunications tax increased over 2016 by 1% or \$10 thousand and exceeded budget by 3% or \$43 thousand. This is due to a taxpayer who filed returns from prior years of \$80K on behalf of their merger company.

(a) Gambling tax currently includes card games, punch boards, pull tabs, and amusement games.

(b) Excludes golf course admissions tax.

(c) Telecommunications Utility tax currently includes cellular, pager and telephone usage.

(d) Actuals reflected in Schedules IV, V and VI are amounts earned for the quarter.