



INFORMATIONAL MEMORANDUM

TO: Finance Committee
 FROM: Vicky Carlsen, Finance Director
 BY: Aaron Williams, Fiscal Coordinator
 CC: Mayor Ekberg
 DATE: January 27, 2020
 SUBJECT: Sales Tax & Misc Revenues – 3rd Quarter 2019

Year Over Year Sales Tax Comparison:

Schedule I - Sales Tax

in \$1,000's

YEAR OVER YEAR COMPARISON													
		2018 Actual			2019 Actual			YOY Change					
---- Month ----		Construc- tion	Other Industries	Total	Construc- tion	Other Industries	Total	Construction		Other Industries		Total	
Collect- ed	Rec'd							Amount	%	Amount	%	Amount	%
Jan	Mar	\$ 116	\$ 1,222	\$ 1,339	\$ 140	\$ 1,225	\$ 1,365	\$ 23	20%	\$ 2	0%	\$ 26	2%
Feb	Apr	128	1,211	1,338	62	1,252	1,314	(66)	-51%	41	3%	(25)	-2%
Mar	May	131	1,487	1,618	102	1,565	1,668	(29)	-22%	78	5%	50	3%
Q-1 Totals		\$ 375	3,920	\$ 4,295	\$ 304	4,042	\$ 4,346	\$ (71)	-19%	122	3%	\$ 51	1%
Apr	Jun	122	1,349	1,471	119	1,447	1,566	(3)	-2%	98	7%	95	6%
May	Jul	134	1,492	1,626	147	1,356	1,503	13	9%	(136)	-9%	(123)	-8%
Jun	Aug	139	1,682	1,821	204	1,647	1,851	65	47%	(35)	-2%	29	2%
Q-2 Totals		\$ 395	4,524	\$ 4,919	\$ 470	4,450	\$ 4,920	\$ 74	19%	(73)	-2%	\$ 1	0%
Jul	Sep	136	1,678	1,814	165	1,527	1,692	29	21%	(151)	-9%	(123)	-7%
Aug	Oct	124	1,682	1,805	230	1,412	1,642	106	86%	(270)	-16%	(164)	-9%
Sep	Nov	163	1,619	1,782	309	1,474	1,783	146	89%	(145)	-9%	1	0%
Q-3 Totals		\$ 423	4,979	\$ 5,402	\$ 704	4,413	\$ 5,117	\$ 281	66%	(567)	-11%	\$ (286)	-5%
Oct	Dec	129	1,446	1,574			-						
Nov	Jan	152	1,487	1,639			-						
Dec	Feb	149	1,916	2,065			-						
Q-4 Totals		\$ 429	4,849	\$ 5,278	\$ -	-	\$ -	\$ -	0%	-	0%	\$ -	0%
Totals		\$ 1,623	18,271	\$ 19,895	\$ 1,478	12,904	\$ 14,383	\$ 285	18%	(518)	-3%	\$ (234)	-1%

Through three quarters of 2019, Sales tax is down \$234 thousand compared to the same period of 2018. This accounts for approximately a 1% decline in annual sales taxes.

Construction related sales taxes are up \$285 thousand year-to-date, with the third quarter coming in \$281 thousand or 66% greater than the third quarter of 2018.

All Other Industries are down \$518 thousand, which accounts for a 3% decline. Although the third quarter was \$567k down compared to the prior year, the third quarter of 2018 included approximately \$380 thousand of one-time sales taxes.

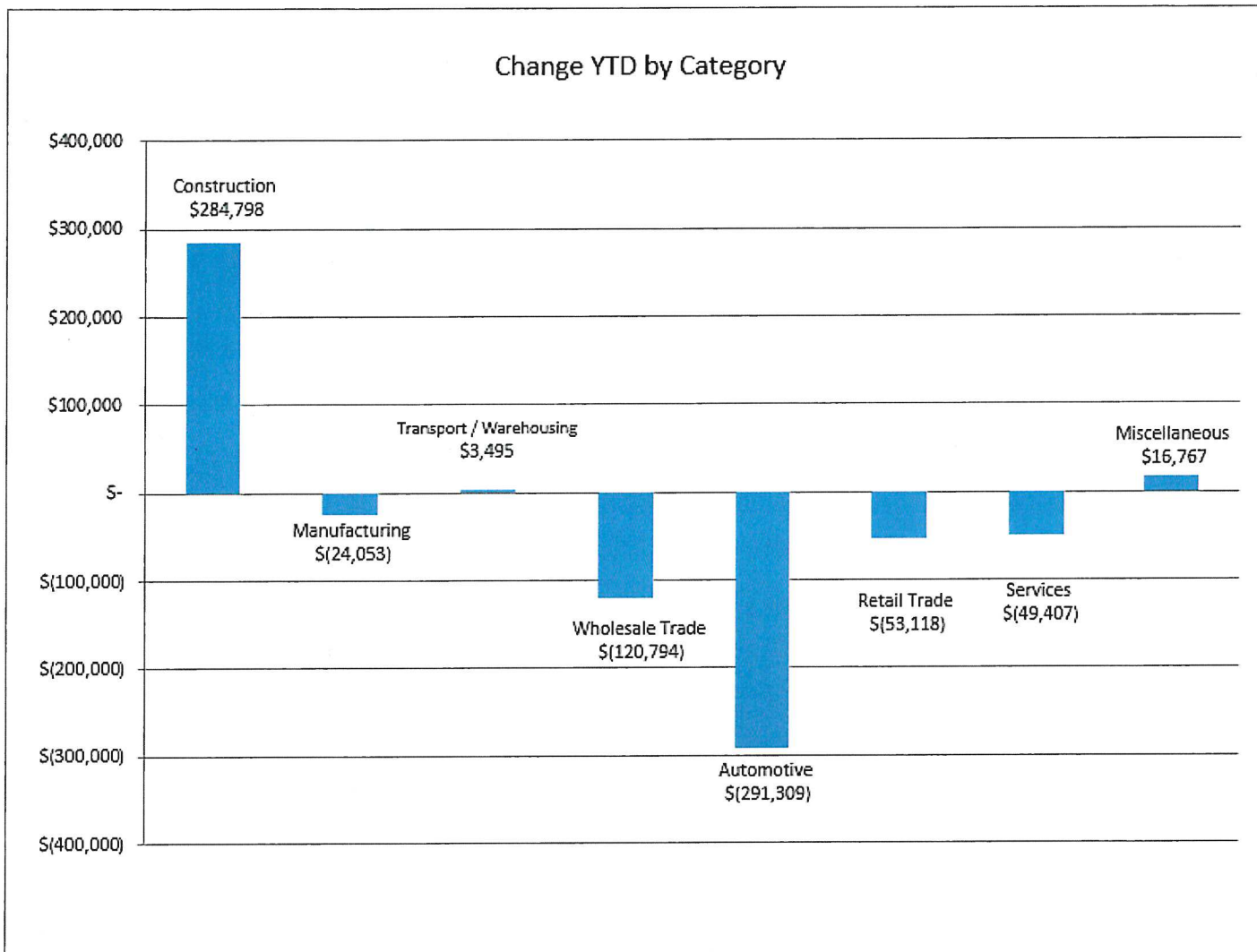
Budget to Actual Sales Tax Comparison:

Schedule I - Sales Tax

in \$1,000's

		----- BUDGET TO ACTUAL -----				
		2018	2019		Variance	
-- Month --		Actual	Allocated	Actual		
Collected	Rec'd		Budget		Amt	%
Jan	Mar	\$ 1,339	\$ 1,339	\$ 1,365	26	2%
Feb	Apr	1,338	\$ 1,338	\$ 1,314	(25)	-2%
Mar	May	1,618	\$ 1,618	\$ 1,668	50	3%
Q-1 Totals		\$ 4,295	\$ 4,295	\$ 4,346	\$ 51	1%
Apr	Jun	1,471	\$ 1,471	1,566	95	6%
May	Jul	1,626	\$ 1,626	1,503	(123)	-8%
Jun	Aug	1,821	\$ 1,821	1,851	29	2%
Q-2 Totals		\$ 4,919	\$ 4,919	\$ 4,920	\$ 1	0%
Jul	Sep	1,814	\$ 1,814	1,692	(122)	-7%
Aug	Oct	1,805	\$ 1,805	1,642	(164)	-9%
Sep	Nov	1,782	\$ 1,782	1,783	1	0%
Q-3 Totals		\$ 5,402	\$ 5,402	\$ 5,117	\$ (285)	-5%
Oct	Dec	1,574	\$ 1,574			
Nov	Jan	1,639	\$ 1,639			
Dec	Feb	2,065	\$ 2,066			
Q-4 Totals		\$ 5,278	\$ 5,279	\$ -	\$ -	0%
Totals		\$ 19,894	\$ 19,894	\$ 14,383	\$ (234)	-1%

The 2019 budget for sales taxes is \$19.894 million, which is nearly equal to total collections for 2018. Through the third quarter of 2019 sales tax collections are \$234 thousand less than the allocated annual budget.



The chart above compares the prior year-to-date totals to the current year-to-date totals for the eight major categories of sales tax.

The Construction sector is the largest increase year-to-date, highlighting a strong third quarter for that sector. Automotive sales taxes have the largest year-to-date decline; this is attributed to a single taxpayer with approximately \$246 thousand less in sales taxes this year compared to the prior year.

Schedule II - YTD sales tax collections - top ten industry classifications

Group	Name		YTD Current		YTD Prior	Dollar Diff.	% Diff.
722	Food Services, Drinking Places	\$	1,551,243	\$	1,491,886	\$ 59,357	3.98%
452	General Merchandise Stores	\$	1,541,520	\$	1,560,561	\$ (19,042)	-1.22%
448	Clothing and Accessories	\$	1,397,686	\$	1,484,547	\$ (86,861)	-5.85%
236	Construction of Buildings	\$	1,084,953	\$	758,597	\$ 326,356	43.02%
441	Motor Vehicle and Parts Dealer	\$	822,042	\$	1,114,040	\$ (291,998)	-26.21%
443	Electronics and Appliances	\$	771,021	\$	750,716	\$ 20,305	2.70%
423	Wholesale Trade, Durable Goods	\$	729,539	\$	839,292	\$ (109,753)	-13.08%
444	Building Material and Garden	\$	634,721	\$	619,544	\$ 15,177	2.45%
453	Miscellaneous Store Retailers	\$	607,160	\$	572,837	\$ 34,323	5.99%
721	Accommodation	\$	585,862	\$	566,937	\$ 18,926	3.34%

These top ten industry classifications remain relatively stable from prior years.

Schedule III - YTD ten largest declines (\$) in sales tax collections by industry class

Group	Name		YTD Current		YTD Prior	Dollar Diff.	% Diff.
441	Motor Vehicle and Parts Dealer	\$	822,042	\$	1,114,040	\$ (291,998)	-26.21%
423	Wholesale Trade, Durable Goods	\$	729,539	\$	839,292	\$ (109,753)	-13.08%
541	Professional, Scientific, Tech	\$	426,353	\$	528,657	\$ (102,304)	-19.35%
517	Telecommunications	\$	459,887	\$	551,851	\$ (91,965)	-16.66%
448	Clothing and Accessories	\$	1,397,686	\$	1,484,547	\$ (86,861)	-5.85%
926	Economic Programs Admin	\$	59	\$	61,616	\$ (61,557)	-99.90%
522	Credit Intermediation	\$	50,608	\$	95,282	\$ (44,674)	-46.89%
238	Specialty Trade Contractors	\$	343,364	\$	385,502	\$ (42,137)	-10.93%
451	Sporting Goods, Hobby, Books	\$	361,269	\$	391,519	\$ (30,250)	-7.73%
454	Nonstore Retailers	\$	92,654	\$	120,574	\$ (27,920)	-23.16%

The chart above shows the ten largest declines compared to the prior year.

SALES TAX SUMMARY
YTD through September Collections (Received in Mar - Nov 2019)

NAICS	CONSTRUCTION	18 TOTAL	18 YTD	19 YTD	YTD % Diff	NAICS	AUTOMOTIVE	18 TOTAL	18 YTD	19 YTD	YTD % Diff	
236	Construction of Buildings	1,028,985	758,597	1,084,953	43.0%	441	Motor Vehicle & Parts Dealer	1,287,283	1,114,040	822,042	-26.2%	
237	Heavy & Civil Construction	73,288	49,523	50,102	1.2%	447	Gasoline Stations	98,001	73,847	74,536	0.9%	
238	Specialty Trade Contractors	520,840	385,502	343,364	-10.9%	TOTAL AUTOMOTIVE			\$ 1,385,284	\$ 1,187,887	\$ 896,578	
TOTAL CONSTRUCTION		\$ 1,623,112	\$ 1,193,622	\$ 1,478,420		<i>Overall Automotive Change from Previous Year</i>					(\$291,309)	-24.5%
<i>Overall Construction Change from Previous Year</i>				\$ 284,798	23.9%							
MANUFACTURING		18 TOTAL	18 YTD	19 YTD	YTD % Diff	NAICS	RETAIL TRADE	18 TOTAL	18 YTD	19 YTD	YTD % Diff	
311	Food Manufacturing	25,347	18,877	20,206	7.0%	442	Furniture & Home Furnishings	521,980	371,858	415,360	11.7%	
312	Beverage & Tobacco Products	12,739	8,874	9,661	8.9%	443	Electronics & Appliances	1,127,863	750,716	771,021	2.7%	
313	Textile Mills	234	201	27	-86.4%	444	Building Material & Garden	813,656	619,544	634,721	2.4%	
314	Textile Product Mills	10,477	10,100	9,626	-4.7%	445	Food & Beverage Stores	306,566	224,869	231,615	3.0%	
315	Apparel Manufacturing	668	357	300	-15.7%	446	Health & Personal Care	289,962	199,135	190,037	-4.6%	
316	Leather & Allied Products	63	32	41	27.5%	448	Clothing & Accessories	2,084,482	1,484,547	1,397,686	-5.9%	
321	Wood Product Manufacturing	2,780	2,320	1,984	-14.5%	451	Sporting Goods, Hobby, Books	535,648	391,519	361,269	-7.7%	
322	Paper Manufacturing	24,921	18,826	16,281	-13.5%	452	General Merchandise Stores	2,187,854	1,560,561	1,541,520	-1.2%	
323	Printing & Related Support	18,725	14,916	15,423	3.4%	453	Miscellaneous Store Retailers	834,133	572,837	607,160	6.0%	
324	Petroleum & Coal Products	90	73	83	13.1%	454	Nonstore Retailers	165,495	120,574	92,654	-23.2%	
325	Chemical Manufacturing	5,207	4,324	3,544	-18.0%	TOTAL RETAIL TRADE			\$ 8,867,639	\$ 6,296,160	\$ 6,243,042	
326	Plastic & Rubber Products	7,207	4,641	3,326	-28.3%	<i>Overall General Retail Change from Previous Year</i>					(\$53,118)	-0.8%
327	Nonmetallic Mineral Products	5,225	2,954	4,823	63.3%							
331	Primary Metal Manufacturing	1,169	919	726	-21.0%	SERVICES		18 TOTAL	18 YTD	19 YTD	YTD % Diff	
332	Fabricated Metal Mfg Products	10,044	7,999	4,223	-47.2%	51X	Information	959,342	680,664	747,961	9.9%	
333	Machinery Manufacturing	7,720	6,033	3,581	-40.6%	52X	Finance & Insurance	143,696	99,301	46,897	-52.8%	
334	Computer & Electronic Products	27,781	19,771	10,458	-47.1%	53X	Real Estate, Rental, Leasing	658,861	486,448	518,207	6.5%	
335	Electric Equipment, Appliances	14,910	11,734	13,293	13.3%	541	Professional, Scientific, Tech	739,444	528,657	426,353	-19.4%	
336	Transportation Equipment Mfg	46,543	41,940	36,431	-13.1%	551	Company Management	2	1	53	0.0%	
337	Furniture & Related Products	9,130	7,754	5,730	-26.1%	56X	Admin, Supp, Remed Svcs	316,828	237,409	236,976	-0.2%	
339	Miscellaneous Manufacturing	31,721	19,417	18,244	-6.0%	611	Educational Services	5,738	4,531	4,635	2.3%	
TOTAL MANUFACTURING		\$ 262,700	\$ 202,063	\$ 178,010		62X	Health Care Social Assistance	88,209	63,746	54,353	-14.7%	
<i>Overall Manufacturing Change from Previous Year</i>				(\$24,053)	-11.9%	71X	Arts & Entertainment	304,385	231,899	243,698	5.1%	
						721	Accommodation	717,341	566,937	585,862	3.3%	
TRANSPORTATION & WAREHOUSING		18 TOTAL	18 YTD	19 YTD	YTD % Diff	722	Food Services, Drinking Places	2,009,051	1,491,886	1,551,243	4.0%	
481	Air Transportation	2	0	0	0.0%	81X	Other Services	260,134	192,910	176,460	-8.5%	
482	Rail Transportation	80	51	42	-16.7%	92X	Public Administration	71,562	68,438	10,722	-84.3%	
483	Water Transportation	1,622	1,617	279	-82.7%	TOTAL SERVICES			\$ 6,274,592	\$ 4,652,827	\$ 4,603,419	
484	Truck Transportation	2,537	1,282	1,419	10.7%	<i>Overall Services Change from Previous Year</i>					(\$49,407)	-1.1%
485	Transit and Ground Passengers	715	452	671	48.5%							
487	Scenic and Sightseeing Tran	7,549	7,291	1,076	-85.2%	MISCELLANEOUS		18 TOTAL	18 YTD	19 YTD	YTD % Diff	
488	Transportation Support	38,474	25,769	36,779	42.7%	000	Unknown	0	0	0	0.0%	
491	Postal Services	1,034	782	613	-21.5%	111-115	Agriculture, Forestry, Fishing	1,737	474	506	6.7%	
492	Couriers & Messengers	1,816	1,563	1,738	11.2%	211-221	Mining & Utilities	693	479	821	71.4%	
493	Warehousing & Storage	2,362	1,799	1,482	-17.6%	999	Unclassifiable Establishments	113,390	70,032	86,425	23.4%	
TOTAL TRANSP & WHSING		\$ 56,191	\$ 40,605	\$ 44,100		MISCELLANEOUS TOTAL			\$ 115,820	\$ 70,985	\$ 87,752	
<i>Overall Transportation Change from Previous Year</i>				\$3,495	8.6%	<i>Overall Miscellaneous Change from Previous Year</i>					\$16,767	23.6%
						WHOLESALE TRADE		18 TOTAL	18 YTD	19 YTD	YTD % Diff	
423	Whls Trade-Durable Goods	1,126,051	839,292	729,539	-13.1%							
424	Whls Trade-Non-durable Goods	180,401	130,690	119,711	-8.4%							
425	Wholesale Electronic Markets	2,719	2,282	2,219	-2.7%							
WHOLESALE TRADE TOTAL		\$ 1,309,170	\$ 972,264	\$ 851,470		GRAND TOTALS			\$19,894,510	\$14,616,413	\$14,382,791	
<i>Overall Wholesale Change from Previous Year</i>				(\$120,794)	-12.4%	<i>Grand Total Change from Previous Year</i>					(\$233,622)	-1.60%
						<i>Grand Total Change from Previous Year - Without New Construction</i>					(\$518,420)	-3.86%

Schedule IV - Gambling Tax ^(a)

Quarter Earned	2018 Actual	(d) 2019 Actual	2019 Allocated Budget	INCREASE (DECREASE)			
				YEAR OVER YEAR		BUDGET VARIANCE	
				Amount	%	Amount	%
Q1	\$ 985,901	\$ 999,638	\$ 1,130,363	\$ 13,737	1%	\$ (130,725)	-12%
Q2	841,104	947,463	964,350	106,359	13%	(16,886)	-2%
Q3	985,439	1,029,502	1,129,833	44,063	4%	(100,331)	-9%
Q4	943,242		1,081,454				
Totals	\$ 3,755,686	\$ 2,976,604	\$ 4,306,000	\$ 164,160	6%	\$ (247,943)	-8%

Schedule V - Admissions Tax ^(b)

Quarter Earned	2018 Actual	(d) 2019 Actual	2019 Allocated Budget	INCREASE (DECREASE)			
				YEAR OVER YEAR		BUDGET VARIANCE	
				Amount	%	Amount	%
Q1	\$ 206,037	\$ 272,521	\$ 185,910	\$ 66,484	32%	\$ 86,611	47%
Q2	249,096	251,285	224,762	2,190	1%	26,523	12%
Q3	209,385	214,495	188,931	5,110	2%	25,564	14%
Q4	277,505		250,397				
Totals	\$ 942,023	\$ 738,302	\$ 850,000	\$ 73,784	11%	\$ 138,698	23%

Schedule VI - Telecommunications Utility Tax ^(c)

Quarter Earned	2018 Actual	(d) 2019 Actual	2019 Allocated Budget	INCREASE (DECREASE)			
				YEAR OVER YEAR		BUDGET VARIANCE	
				Amount	%	Amount	%
Q1	\$ 292,954	\$ 236,604	\$ 353,342	\$ (56,350)	-19%	\$ (116,738)	-33%
Q2	279,555	228,313	337,182	(51,243)	-18%	(108,869)	-32%
Q3	266,563	227,053	321,511	(39,510)	-15%	(94,458)	-29%
Q4	280,205		337,965				
Totals	\$ 1,119,276	\$ 691,970	\$ 1,350,000	\$ (147,102)	-18%	\$ (320,065)	-32%

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

(b) Excludes golf course admission tax.

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

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