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STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JANUARY 23, 2019 COUNCIL MEETING

FROM: Wes Heathcock, City Manager

PREPARED BY: Laurie Van Groningen, Finance Director

DATE: January 9, 2019

SUBJECT: Sales and Use Taxes

x	N/A	FUNDED	UN-FUNDED	AMOUNT:	FROM FUND: General Fund
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RECOMMENDED ACTION: Information only

SUMMARY:

The City has received the final accounting of Sales and Use Tax revenues for the quarters ended June 30, 2018 and September 30, 2018.

BACKGROUND AND ANALYSIS:

A summary of sales tax revenues for last fiscal year and the first quarter of the current fiscal year is reflected in the chart below.

	Q	E 09/30	C	QE 12/31	C	QE 03/31	С	E 06/30	TOTAL	Budget	% of Budget
Fiscal Year 2017-2018	\$	302,974	\$	330,457	\$	353,642	\$	383,667	\$ 1,370,741	\$ 1,150,000	119%
Fiscal Year 2018-2019	\$	354,152	\$	-	\$	-	\$	-	\$ 354,152	\$ 1,207,000	29%

Fiscal Year 2017-2018 (Final)

Total sales tax revenue for the quarter ended June 30, 2018 was \$383,667, which is the highest quarter in recent City history. Total sales tax revenues for the fiscal year 2017-2018 ended up 24% higher than the previous fiscal year and 19% higher than the amended budget for the year. As reflected in the attached graph, fiscal year 2017-2018 is the only year that had increasing sales tax revenues each quarter.

Fiscal Year 2018-2019 (Quarter Ended 09/30/18)

Total sales tax revenue for the quarter ended September 30, 2018 was \$354,152 which is 8% lower than the previous quarter but 17% higher than the same quarter for last fiscal year.

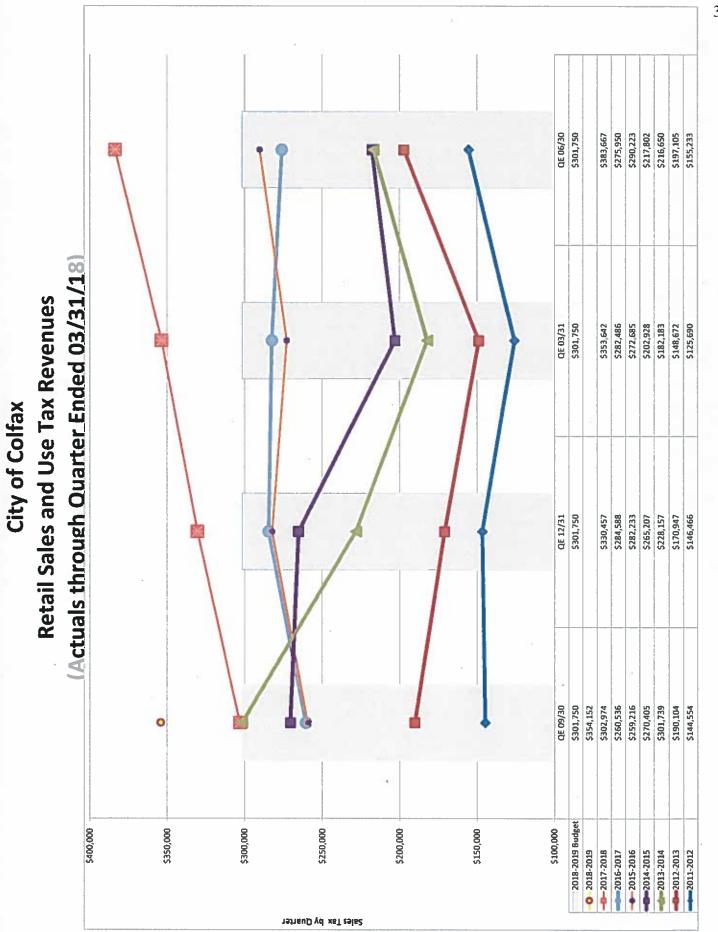
The fiscal year 2018-2019 budget was forecasted and approved in June 2018 as part of the two-year City budget process. This was a conservative forecast based on information available at that time and is actually lower than the final results for last fiscal year. If sales tax revenues continue at the same rate (or grow as they did in the previous year) it would be anticipated that we will exceed budget again this year. We will continue to monitor as the quarterly accounting of sales tax revenues is available.

Sales and Use Tax Revenue History

The attached chart – Retail Sales and Use Tax History – reports the history of sales tax revenues since 1999. As reported previously, the fiscal 2015-2016 year included the true up and final adjustments related to the end of the decade old triple flip sales tax program which ended December 31, 2015. This final adjustment is estimated to be approximately \$100,000 of the growth reported for the 2015-2016 fiscal year. Considering this adjustment was related to the time period of the entire triple flip process it should be considered when reviewing year to year changes in revenues.

ATTACHMENTS:

- 1. Graph City of Colfax Retail Sales Tax Revenues
- 2. Chart City of Colfax Retail Sales Tax History



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City of Colfax Sales and Use Tax Revenue History

		Actuals	 Change	% Change		
1999-2000	\$	478,169				
2000-2001	\$	484,801	\$ 6,632	1%		
2001-2002	\$	592,392	\$ 107,591	22%		
2002-2003	:\$	581,749	\$ (10,643)	-2%		
2003-2004	\$	601,276	\$ 19,527	3%		
2004-2005	\$	707,515	\$ 106,239	18%		
2005-2006	\$	749,583	\$ 42,068	6%		
2006-2007	\$	752,431	\$ 2,848	0%		
2007-2008	\$	648,989	\$ (103,442)	-14%		
2008-2009	\$	540,051	\$ (108,938)	-17%		
2009-2010	\$	538,549	\$ (1,502)	0%		
2010-2011	\$	551,953	\$ 13,404	2%		
2011-2012	\$	571,943	\$ 19,990	4%		
2012-2013	\$	706,828	\$ 134,885	24%		
2013-2014	\$	928,729	\$ 221,901	31%		
2014-2015	\$	956,342	\$ 27,613	3%		
2015-2016	* \$	1,104,357	\$ 148,015	15%		
2016-2017	\$	1,103,560	\$ (797)	0%		
2017-2018	\$	1,370,741	\$ 267,181	24%		

*Included true up and final adjustments related to the end of the decade old triple flip sales tax program which ended December 31, 2015