Memorandum

DATE September 8, 2023

^{TO} Honorable Mayor and Members of the City Council

SUBJECT Sales Tax Receipts

The July 2023 sales tax receipts from the State Comptroller's Office are \$33.3 million and represents a 1.9% increase in total collections compared to the same reporting period last year. Over the most recent 12 months, sales tax receipts have increased by 6.5%.

٠	July 2022 actual	\$32,646,635
•	July 2023 budget	\$34,850,176
٠	July 2023 actual	\$33,267,422

As part of the FY 2022-23 mid-year budget ordinance approved by the City Council on May 10, we increased the sales tax revenue budget by \$15.5 million from \$417.2 million to \$432.8 million. The budget increase was possible based on actual collections for October 2022 through February 2023. Since that time, we have experienced three out of five months with actual collections being less than the same reporting period from last year, as well as four out of five months with actual collections being less than the same reporting period from last year. With two months of sales tax receipts remaining (August and September), we now forecast that we will be approximately \$5 million under budget for FY 2022-23.

Our contract economist, Dearmon Analytics, indicated growth would slow to a more historical growth rate over the next several months. We will continue to monitor our sales tax forecast closely and provide additional information as it becomes available.

If you have any questions, please contact me or Janette Weedon, Director of Budget and Management Services.

Jack Ireland Chief Financial Officer

[Attachment]

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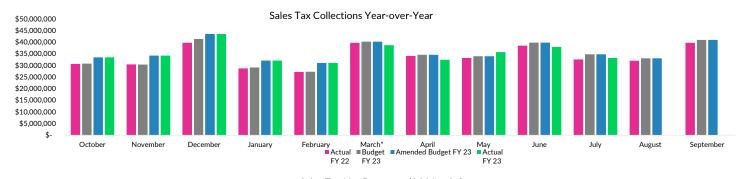
T.C. Broadnax, City Manager Tammy Palomino, Interim City Attorney Mark Swann, City Auditor Bilierae Johnson, City Secretary Preston Robinson, Administrative Judge Kimberly Bizor Tolbert, Deputy City Manager Jon Fortune, Deputy City Manager Majed A. Al-Ghafry, Assistant City Manager M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager Dr. Robert Perez, Assistant City Manager Carl Simpson, Assistant City Manager Genesis D. Gavino, Chief of Staff to the City Manager Directors and Assistant Directors

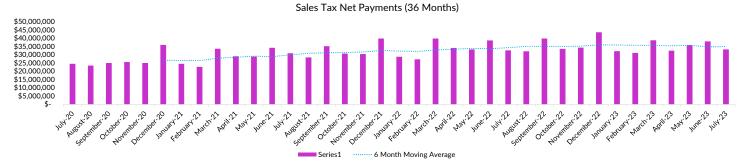
Sales Tax

as of July 2023

									ΥT	D Variance FY 2022-23	YTD Variance FY 2022-	- F	FY 2022-23	FY 2022-23
Manth	Actual FY 22		Budget FY 23			Amended		Actual FY 23		Actuals versus	23 Actuals versus FY 2021-22 Actuals		ctuals versus	Actuals versus
Month					Budget FY 23					FY 2021-22 Actuals			Amended	Amended
										(\$)	(%)		Budget	Budget
October	\$	30,717,609	\$	30,857,310	\$	33,546,824	\$	33,546,824	\$	2,829,215	9.2%	\$	-	0.0%
November		30,461,440		30,389,940		34,320,398		34,320,398		3,858,958	12.7%	\$	-	0.0%
December		39,784,802		41,477,877		43,576,728		43,576,728		3,791,926	9.5%	\$	-	0.0%
January		28,760,595		29,196,263		32,196,210		32,196,210		3,435,615	11.9%	\$	-	0.0%
February		27,238,115		27,350,419		31,149,534		31,149,534		3,911,419	14.4%	\$	-	0.0%
March*		39,832,144		40,266,992		40,266,992		38,794,242		(1,037,902)	-2.6%		(1,472,750)	-3.7%
April		34,139,323		34,661,953		34,661,953		32,534,853		(1,604,470)	-4.7%		(2,127,100)	-6.1%
May		33,254,120		34,060,402		34,060,402		35,825,917		2,571,797	7.7%		1,765,515	5.2%
June		38,602,297		39,913,555		39,913,555		38,045,795		(556,502)	-1.4%		(1,867,760)	-4.7%
July		32,646,635		34,850,176		34,850,176		33,267,422		620,787	1.9%		(1,582,754)	-4.5%
August		32,060,088		33,125,024		33,125,024								
September		39,811,956		41,082,472		41,082,472								
Total	\$	407,309,124	\$	417,232,383	\$	432,750,269	\$	353,257,923	\$	17,820,843	5.3%	\$	(5,284,849)	-1.5%

* Restated to reflect self reported sales tax





Sales Tax Net Payments - Year over Year Change (%) A9.5% 60.0% AO.7010 50.0% 27.9% 25.2% ° 26.0% 40.0% 22.8% ° 20^{,2%} 10^{,3%} 30.0% N7.2% x1.29 15.09 9.9% 20.0% 1.70 2.9% 10.0% A RIP A REP. 0.0% 2.0% .A.70% -20.0%^{, A, O%} ^{رمو}در ,8^{,0%} ,6.7^{0/0} september20 Huner La December 20 september 22 February 23 september 21 enver et perenter 21 LANY FEDURAR 22 November 22 December 22 March 23 February21 November 22 January octobern2 January 23 April-23 July 20 AUBUST-20 October 29 ember 20 April 21 AUBUST 21 october 21 March 22 April-22 AUBUST March 21 May 21 June 21 114.51 May-22 June 22 July 22 May. 23 MM-23 ŵ 404

······ 6 Month Moving Average