

TO: Mayor Lioneld Jordan and Members of the City Council  
 Don Marr, Chief of Staff

FROM: Paul A. Becker, Finance Director



DATE: March 21, 2011

SUBJECT: **January Sales Taxes Received In February 2011 by the State**

The following key points need to be communicated regarding sales tax collections:

FAYETTEVILLE SALES TAX ACTIVITY

1. Sales tax collections remitted for sales tax subject to the 1 cent City tax in February, 2011 were up \$8,007 / 0.68% as compared to the same month prior year. These collections represent January, 2011 sales.
2. Sales tax collections remitted to the City for the City's share of County tax collections in February, 2011 were down \$15,964 / -1.96% as compared to the same month prior year. These collections represent January, 2011 sales.
3. When compared to budget for the month, sales tax collections were up a total of \$30,216 / 1.55%. The 2011 year to date budget impact for the two months is up a total of \$236,665 / 5.40%.

| <u>1% City / 1% County (Combined)</u> | <u>Budget</u>       | <u>Actual</u>       | <u>\$ Difference</u> | <u>% Difference</u> |
|---------------------------------------|---------------------|---------------------|----------------------|---------------------|
| December, 2010                        | \$ 2,427,300        | \$ 2,633,749        | \$ 206,449           | 8.51%               |
| January, 2011                         | 1,955,600           | 1,985,816           | 30,216               | 1.55%               |
| February, 2011                        |                     |                     |                      |                     |
| March, 2011                           |                     |                     |                      |                     |
| April, 2011                           |                     |                     |                      |                     |
| May, 2011                             |                     |                     |                      |                     |
| June, 2011                            |                     |                     |                      |                     |
| July, 2011                            |                     |                     |                      |                     |
| August, 2011                          |                     |                     |                      |                     |
| September, 2011                       |                     |                     |                      |                     |
| October, 2011                         |                     |                     |                      |                     |
| November, 2011                        |                     |                     |                      |                     |
| YTD Budget to Actual                  | <u>\$ 4,382,900</u> | <u>\$ 4,619,565</u> | <u>\$ 236,665</u>    | <u>5.40%</u>        |

| <u>Funding Source</u>             | <u>Budget</u>       | <u>Actual</u>       | <u>\$ Difference</u> | <u>% Difference</u> |
|-----------------------------------|---------------------|---------------------|----------------------|---------------------|
| General Fund: 1% City (60% Split) | \$ 1,590,900        | \$ 1,689,674        | \$ 98,774            | 6.21%               |
| 1% County                         | 1,731,400           | 1,803,441           | 72,041               | 4.16%               |
|                                   | <u>\$ 3,322,300</u> | <u>\$ 3,493,116</u> | <u>\$ 170,816</u>    | <u>5.14%</u>        |
| ST Capital: 1% City (40% Split)   | \$ 1,060,600        | \$ 1,126,449        | \$ 65,849            | 6.21%               |
| Total General/ST Capital Funds:   | <u>\$ 4,382,900</u> | <u>\$ 4,619,565</u> | <u>\$ 236,665</u>    | <u>5.40%</u>        |

NWA REGION SALES TAX ACTIVITY - JANUARY 2011 COLLECTIONS

4. January, 2011 1% City Sales Tax collections as compared to the surrounding areas were as follows:

| City Sales Tax Collections: |              | January 2010 | January 2011 | \$ Difference | % Difference |
|-----------------------------|--------------|--------------|--------------|---------------|--------------|
| 1% City:                    | Fayetteville | \$ 1,181,197 | \$ 1,189,204 | \$ 8,007      | 0.68%        |
|                             | Springdale   | \$ 778,848   | \$ 738,888   | \$ (39,960)   | (5.13%)      |
|                             | Bentonville  | \$ 729,364   | \$ 582,473   | \$ (146,891)  | (20.14%)     |
|                             | Rogers       | \$ 824,702   | \$ 849,637   | \$ 24,935     | 3.02%        |

5. January, 2011 1% County Sales Tax collections as compared to the surrounding areas were as follows:

| County Sales Tax Collections: |              | January 2010 | January 2011 | \$ Difference | % Difference |
|-------------------------------|--------------|--------------|--------------|---------------|--------------|
| Washington                    | Fayetteville | \$ 812,576   | \$ 796,612   | \$ (15,964)   | (1.96%)      |
| Washington                    | Springdale   | \$ 612,956   | \$ 690,112   | \$ 77,156     | 12.59%       |
| Benton                        | Bentonville  | \$ 307,966   | \$ 358,333   | \$ 50,366     | 16.35%       |
| Benton                        | Rogers       | \$ 618,055   | \$ 568,078   | \$ (49,977)   | (8.09%)      |

6. January, 2011 countywide collections for the combined Washington and Benton Counties were as follows:

| County Sales Tax Collections: |  | January 2010        | January 2011        | \$ Difference       | % Difference   |
|-------------------------------|--|---------------------|---------------------|---------------------|----------------|
| Washington County             |  | \$ 2,207,786        | \$ 2,198,478        | \$ (9,308)          | (0.42%)        |
| Benton County                 |  | 2,394,543           | 2,246,763           | (147,780)           | (6.17%)        |
|                               |  | <u>\$ 4,602,329</u> | <u>\$ 4,445,241</u> | <u>\$ (157,088)</u> | <u>(3.41%)</u> |

NWA REGION SALES TAX ACTIVITY - YEAR-TO-DATE (TWO MONTHS) COLLECTIONS

7. Year-to-Date (two months) collections as compared to the surrounding areas were as follows:

| City Sales Tax Collections: |              | (Two Months)<br>YTD 2010 | (Two Months)<br>YTD 2011 | \$ Increase<br>(Decrease) | % Increase<br>(Decrease) |
|-----------------------------|--------------|--------------------------|--------------------------|---------------------------|--------------------------|
| 1% City:                    | Fayetteville | \$ 2,700,535             | \$ 2,816,124             | \$ 115,589                | 4.28%                    |
|                             | Springdale   | \$ 1,675,872             | \$ 1,572,519             | \$ (103,353)              | (6.17%)                  |
|                             | Bentonville  | \$ 1,459,777             | \$ 1,306,554             | \$ (153,223)              | (10.50%)                 |
|                             | Rogers       | \$ 1,930,699             | \$ 2,085,794             | \$ 155,095                | 8.03%                    |

8. Year-to-Date (two months) for the combined Washington and Benton Counties, sales were up \$175,363 / 1.76%.

| Sales Tax Collections: |  | (Two Months)<br>YTD 2010 | (Two Months)<br>YTD 2011 | \$ Increase<br>(Decrease) | % Increase<br>(Decrease) |
|------------------------|--|--------------------------|--------------------------|---------------------------|--------------------------|
| Washington County      |  | \$ 4,802,981             | \$ 4,977,111             | \$ 174,130                | 3.63%                    |
| Benton County          |  | 5,156,511                | 5,157,744                | 1,233                     | 0.02%                    |
|                        |  | <u>\$ 9,959,492</u>      | <u>\$ 10,134,855</u>     | <u>\$ 175,363</u>         | <u>1.76%</u>             |