

Administration and Projects Committee **STAFF REPORT**

Meeting Date: May 3, 2018

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|-------------------------------|---|
| Subject | Accept Quarterly Sales Tax Revenue Report for the Period Ended March 31, 2018 |
| Summary of Issues | This report contains a summary of sales tax revenues, including analysis and comparisons against prior monthly and quarterly periods. |
| Recommendations | Staff seeks acceptance of these reports. |
| Financial Implications | None |
| Options | N/A |
| Attachments | <p>A. Sales Tax Revenues, Monthly Comparison</p> <p>B. Sales Tax Revenues, Quarterly Comparison</p> |
| Changes from Committee | |

Background

Sales tax revenues are collected by the State Board of Equalization (SBOE), and distributed to the jurisdictions in monthly installments (advances) based on quarterly estimates for taxable sales for the county. Actual sales tax revenues are accounted for in a “cleanup payment” four times a year. The months of March, June, September and December include cleanup payments for the prior respective quarters. For example, the March payment includes the cleanup payment to adjust for actual receipts of the prior period October, November and December. Therefore, the timing and amount of advances and cleanup payments do not directly correlate to the point-of-sale transactions.

Sales Tax Revenues

For the nine months ending March 31, 2018, the Authority’s estimated sales tax revenues including the advances totaled \$67,461,638. Compared to the prior fiscal year, this is an increase of \$3,775,545 or 5.93%. Below are the reasons for the increases:

- Calendar Year 2017 Third Quarter (July through September) – Point-of-sales transactions tax receipts increased \$1,198,487 or 5.61% compared to the prior year period. The quarter results show improvement in service stations (Gas) \$202,000 (12%) and construction & heavy equipment \$311,000 (11.2%). Retail stores and restaurant sectors had increases of \$160,000 (4.2%), \$117,000 (5.4%) respectively. However, auto sales tax receipts remained steady at \$2.9 million compared to the same period in 2016.
- Calendar year 2017 Fourth Quarter (October through December sales) – Sales tax receipts for this quarter increased \$922,708 or 4.63% compared to the prior year period. Improvement was shown in the restaurant, retail, construction and heavy equipment and service stations sectors, with sales increases of \$118,000 (5.38%), \$143,000 (2.89%), \$428,000 (16.08%) and \$276,000 (17.41%). Auto sales tax receipts for the second quarter in a row remains steady at \$2.9 million compared to the same period in 2016.
- Calendar year 2018 First Quarter (January through March sales) – The amounts received for this period are estimates. Data from actual point of sale transactions will be known and reported in June 2018.

Staff continues to monitor sales tax receipts and will keep the Administration and Projects Committee (APC) and Authority Board apprised.

**Contra Costa Transportation Authority
Sales Tax Revenues
Comparison to Same Month Prior Year**

| Month | Prior Year | | Current Year | | Change from Prior Year | |
|--------------|------------------------|--------------------------|------------------------|--------------------------|---------------------------|--------------------------|
| | FY 16 - 17 Receipts | FY 16 - 17 Cumulative | FY 17 - 18 Receipts | FY 17 - 18 Cumulative | \$ Increase (Decrease) | % Increase (Decrease) |
| September | \$ 7,922,267 | \$ 7,922,267 | \$ 8,847,687 | \$ 8,847,687 | \$ 925,420 | 11.68% |
| October | 5,778,400 | 13,700,667 | 5,863,000 | 14,710,687 | 1,010,020 | 7.37% |
| November | 7,704,500 | 21,405,167 | 7,817,300 | 22,527,987 | 1,122,820 | 5.25% |
| December | 8,012,307 | 29,417,474 | 9,166,024 | 31,694,011 | 2,276,537 | 7.74% |
| January | 6,154,200 | 35,571,674 | 6,401,200 | 38,095,211 | 2,523,537 | 7.09% |
| February | 8,205,600 | 43,777,274 | 8,534,900 | 46,630,111 | 2,852,837 | 6.52% |
| March | 7,752,819 | 51,530,093 | 8,124,894 | 54,755,005 | 3,224,912 | 6.26% |
| April | 5,209,700 | 56,739,793 | 5,445,700 * | 60,200,705 | 3,460,912 | 6.10% |
| May | 6,946,300 | 63,686,093 | 7,260,933 * | 67,461,638 | 3,775,545 | 5.93% |
| June | 8,170,407 | 71,856,500 | - | - | | |
| July | 5,678,400 | 77,534,900 | - | - | | |
| August | 7,571,200 | 85,106,100 | - | - | | |
| Total | \$ 85,106,100 | | \$ 67,461,638 | | | |

* Estimate

Quarterly Comparison to Prior Years

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|----------------------------|----------------------|-----------------------|----------------------|-----------------------|
| Collection Period | July 1 - Sep 30 | Oct 1 - Dec 31 | Jan 1 - Mar 31 | Apr 1 - June 30 |
| Distribution Period | Sept-Nov | Dec-Feb | Mar-May | June-Aug |

Receipts

| | | | | |
|------------|---------------|---------------|---------------|------------|
| FY 2017/18 | \$ 22,527,987 | \$ 24,102,124 | \$ 20,831,527 | \$ - |
| FY 2016/17 | 21,405,167 | 22,372,107 | 19,908,819 | 21,420,007 |
| FY 2015/16 | 21,066,847 | 22,213,420 | 19,142,768 | 21,044,842 |
| FY 2014/15 | 19,607,448 | 21,430,222 | 18,285,027 | 20,131,948 |
| FY 2013/14 | 18,282,960 | 19,304,050 | 18,435,512 | 19,876,008 |
| FY 2012/13 | 19,172,586 | 18,501,258 | 17,578,904 | 19,545,034 |
| FY 2011/12 | 15,702,726 | 19,184,787 | 15,619,162 | 18,221,584 |

Percent Change from Same Quarter in Prior Year

| | | | | |
|------------|--------|--------|--------|--------|
| FY 2017/18 | 5.25% | 7.73% | 4.63% | |
| FY 2016/17 | 1.61% | 0.71% | 4.00% | 1.78% |
| FY 2015/16 | 7.44% | 3.65% | 4.69% | 4.53% |
| FY 2014/15 | 7.24% | 11.01% | -0.82% | 1.29% |
| FY 2013/14 | -4.64% | 4.34% | 4.87% | 1.69% |
| FY 2012/13 | 22.10% | -3.56% | 12.55% | 7.26% |
| FY 2011/12 | 8.70% | 8.36% | 7.26% | 23.00% |

Quarterly Sales Tax Receipts

