

Administration and Projects Committee **STAFF REPORT**

Meeting Date: September 7, 2017

Subject	Accept Quarterly Sales Tax Revenue Report for the Period Ended June 30, 2017
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 revenues of the prior October, November, and December. Therefore, the timing and amount of advances and cleanup payments do not directly correlate to the timing of point-of-sale transactions.

Sales Tax Revenues

For the fiscal year ended June 30, 2017, the Authority’s sales tax revenues totaled \$85.1 million (100.28%) of the \$84.9 million budgeted. Compared to the prior fiscal year, this is an increase of \$1.6 million (1.96%). The Authority has budgeted \$86.5 million (1.92% increase) in sales tax revenues for Fiscal Year 2017-18.

Overall, the continued improvement in sectors including the construction and heavy equipment, new auto sales, retail, and restaurants revenue resulted in a sales tax revenue increase of 1.96% over the prior year. Below is a brief analysis by quarter:

- Calendar Year 2016 Third Quarter (July through September) – Point-of-sales transactions tax receipts increased \$246,286 or 1.17% compared to the prior year period. The quarter results show continued improvement in the retail stores, auto sales, and restaurant sectors, with sales increases of \$122,000 (3.3%), \$250,000 (9.4%) and \$112,000 (5.4%) respectively. However, sales tax receipts for gasoline saw a decrease of \$117,000 (6.5%) compared to the same period in 2015.
- Calendar year 2016 Fourth Quarter (October through December sales) – Sales tax receipts for this quarter increased \$766,018 or 4.00% compared to the prior year period. Continued improvement was shown in the new auto, restaurant and retail sectors, with sales increases of \$135,000 (4.91%), \$104,000 (4.97%), and \$199,000 (4.19%). However, gasoline prices for the first time in several years increased \$31,000 (1.99%) in comparison to the same period a year ago. Year to date sales tax receipts for gasoline July through December 2016 compared to the same period in 2015 reports a decrease of \$86,000 (2.56%).
- Calendar year 2017 First Quarter (January through March sales) – The “cleanup payment” of \$2.5 million for this quarter was received in June. Comparing point-of-sale transactions for this quarter in 2017 vs. 2016, sales tax revenues increased \$532 thousand or 2.7% compared to the prior year period. This quarter shows continued improvement in the new auto sales, retail and gasoline sectors which increased \$184 thousand (7.5%), \$108 thousand (3.2%) and \$184 thousand (13.2%) respectively; whereas, revenues related to construction and heavy equipment decreased \$432 thousand (17.8%) from the prior year.
- Calendar year 2017 Second Quarter (April through June sales) – Sales tax revenues increased \$375 thousand or 1.8% compared to the prior year period. Final sales tax revenues and point-of-sale transactions for the second quarter are unknown until late September, but the advances received for the months in June, July and August are based on the State Department of Finance estimated increase or decrease (statewide) over the prior year amount. A final true-up payment on the prior advances will be received in September 2017.

Staff continues to monitor sales tax revenues and will keep the 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 15 - 16 Receipts	FY 15 - 16 Cumulative	FY 16 - 17 Receipts	FY 16 - 17 Cumulative	\$ Increase (Decrease)	% Increase (Decrease)
September	\$ 7,919,247	\$ 7,919,247	\$ 7,922,267	\$ 7,922,267	\$ 3,020	0.04%
October	5,634,700	13,553,947	5,778,400	13,700,667	146,720	1.08%
November	7,512,900	21,066,847	7,704,500	21,405,167	338,320	1.61%
December	8,126,920	29,193,767	8,012,307	29,417,474	223,707	0.77%
January	6,037,100	35,230,867	6,154,200	35,571,674	340,807	0.97%
February	8,049,400	43,280,267	8,205,600	43,777,274	497,007	1.15%
March	7,215,168	50,495,435	7,752,819	51,530,093	1,034,658	2.05%
April	5,111,800	55,607,235	5,209,700	56,739,793	1,132,558	2.04%
May	6,815,800	62,423,035	6,946,300	63,686,093	1,263,058	2.02%
June	7,910,942	70,333,977	8,170,407	71,856,500	1,522,523	2.16%
July	5,628,800	75,962,777	5,678,400	77,534,900	1,572,123	2.07%
August	7,505,100	83,467,877	7,571,200	85,106,100	1,638,223	1.96%
Total	\$ 83,467,877		\$ 85,106,100			

* Estimate

Quarterly Comparison to Prior Years

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

Receipts

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
FY 2010/11	16,275,318	17,147,486	14,664,530	16,972,871

Percent Change from Same Quarter in Prior Year

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	-3.52%	11.88%	6.51%	7.36%
FY 2010/11	12.66%	-3.15%	0.71%	14.57%

Quarterly Sales Tax Receipts

