



Council Memorandum

To: City Council
From: Jeff Hansen, Finance Director
Through: Scott Vargo, City Manager
Date: February 5, 2024
Re: **2023 Year End Sales Tax Report**

Attached are the final 2023 sales and use tax reports, including December sales (collected in January). Sales tax collections were down 6.5% (-\$173,947) for the month compared to 2022. For the year, sales tax revenues were up 1.1% over 2022 and up 0.5% compared to the 2023 budget. In dollars, 2023 revenues were up from 2022 by \$252,917 and were over the 2023 Budget by \$105,070. Despite the slowdown over the last half of 2023, it was still the best year in the City's history for sales tax revenue.

Overall, sales tax from businesses within the City limits (including Utilities) were up \$434,533 compared to 2022. In terms of dollars, Downtown, North Golden, and Golden Road had the biggest increases for the year. Corporate Center has the biggest decline. Among business types, Restaurants and General Merchandise had the largest increases, with Manufacturing showing the largest decrease. Sales from businesses outside the City limits ended the year down \$181,616 (-2.6%).

Use tax collections were down \$150,128 (-16.9%) for December. Use tax finished the year down \$296,972 (-5.1%) compared to 2022. This was not totally unexpected as 2022 and December 2022 were unusually high. The 2023 Budget took this into account and use tax revenues were up \$565,199 (+11.4%) compared to the budget. For 2023, Automotive showed the largest increase. Manufacturing had the largest decrease for the year as the 2022 amount was significantly higher than normal.

Total audit revenue collected in 2023 was \$3,939,750. An additional \$102,325 was collected in building permit and plan check fees from the audits of construction projects. The City has several other audits in progress. \$22,513 was issued in refunds for the year. These amounts are shown separately on the attached collection reports.

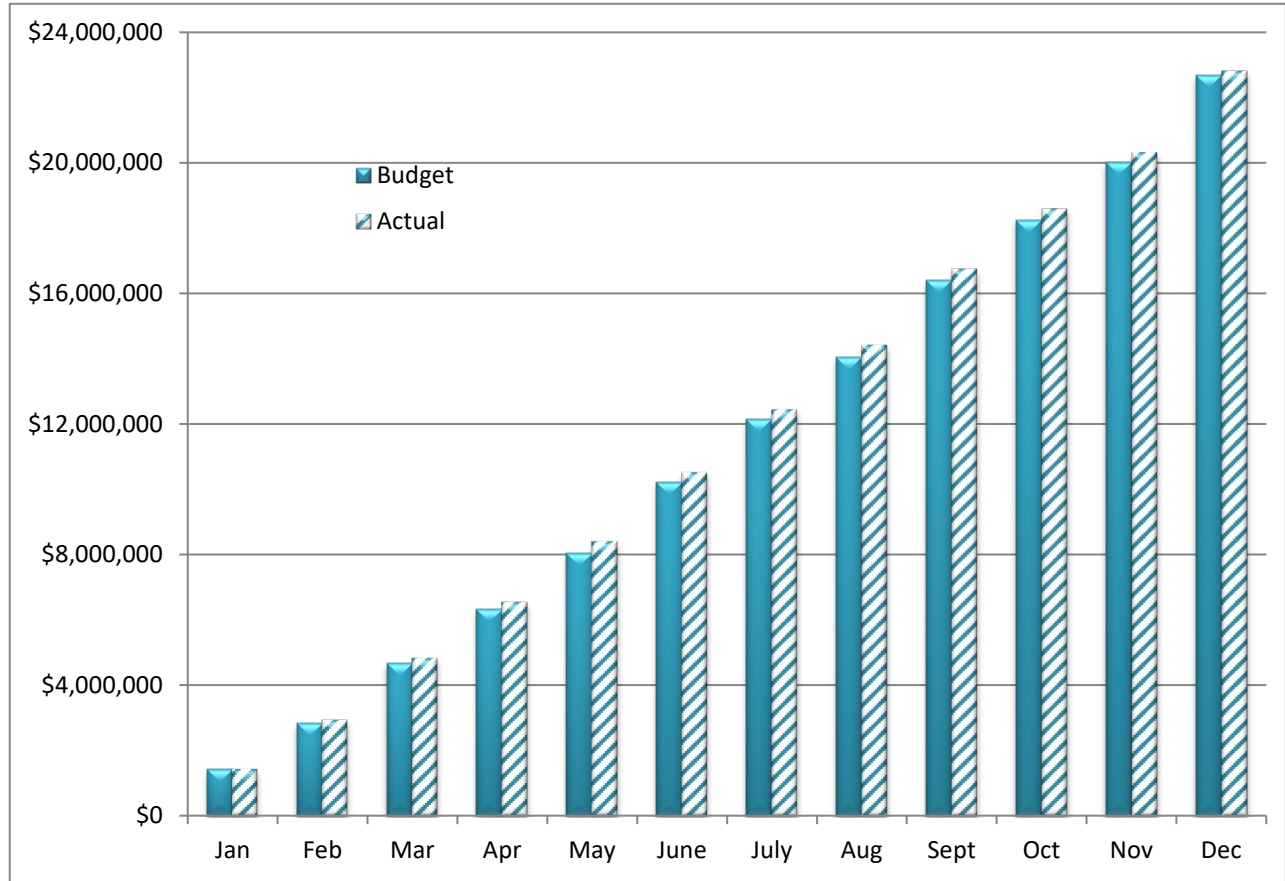
Also, \$119,708 was collected in lodging tax for December, with \$2,752,071 collected year-to-date, exceeding the \$2.5 million budget for the year. A couple of lodging businesses are delinquent with their December returns, so the final amount of lodging tax for 2023 should be slightly higher. Please see the graph at the end of the report that compares lodging tax receipts with the budget for 2023.

For 2024, sales tax revenue is budgeted at \$23,347,000, which is an increase of \$561,930 (+2.47%) over the 2023 actual revenue. (The 2024 Budget was a 0% increase from the 2023 Projection at that time.) Use Tax is budgeted at \$5,560,000, also a 0% increase from the 2023 projection at the time but an increase of \$50,801 (+0.9%) from 2023 collections. The 2024 sales and use tax budgets are on the conservative side given how the year ended in 2023 but probably realistic given the slowing growth rate experienced in 2023.

As always, if you have any questions, please call me at 303-384-8020.

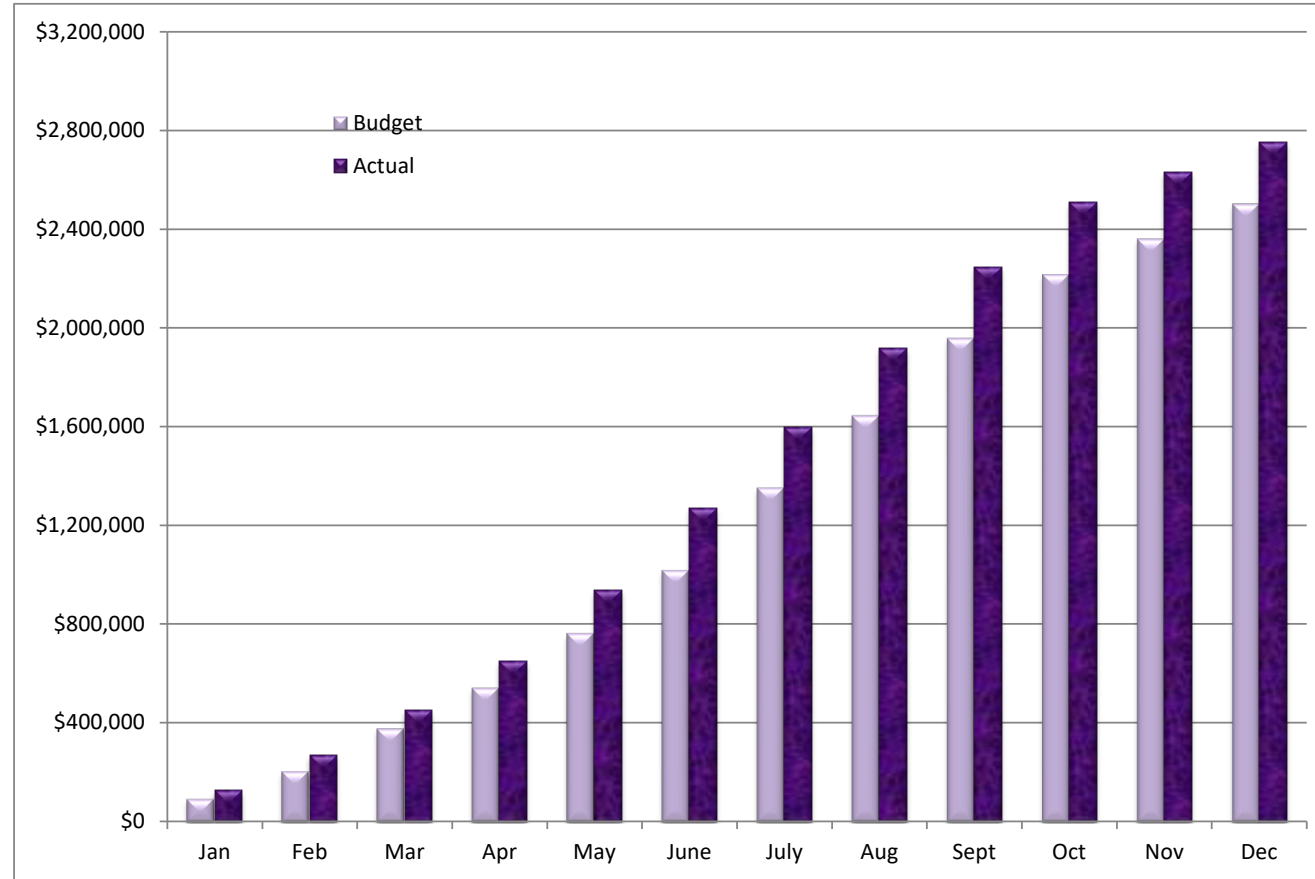
CITY OF GOLDEN
Budget to Actual Comparison
(adjusted for seasonality)
2023 Sales Tax Revenue

| Month | YTD Budget | YTD Actual |
|-------|-------------|-------------|
| Jan | \$1,423,852 | \$1,451,032 |
| Feb | 2,840,250 | 2,955,537 |
| Mar | 4,670,623 | 4,848,766 |
| Apr | 6,306,821 | 6,559,625 |
| May | 8,025,339 | 8,416,911 |
| June | 10,223,893 | 10,521,056 |
| July | 12,132,742 | 12,439,297 |
| Aug | 14,060,035 | 14,411,082 |
| Sept | 16,396,907 | 16,739,159 |
| Oct | 18,255,272 | 18,582,172 |
| Nov | 20,001,740 | 20,300,398 |
| Dec | 22,680,000 | 22,785,070 |



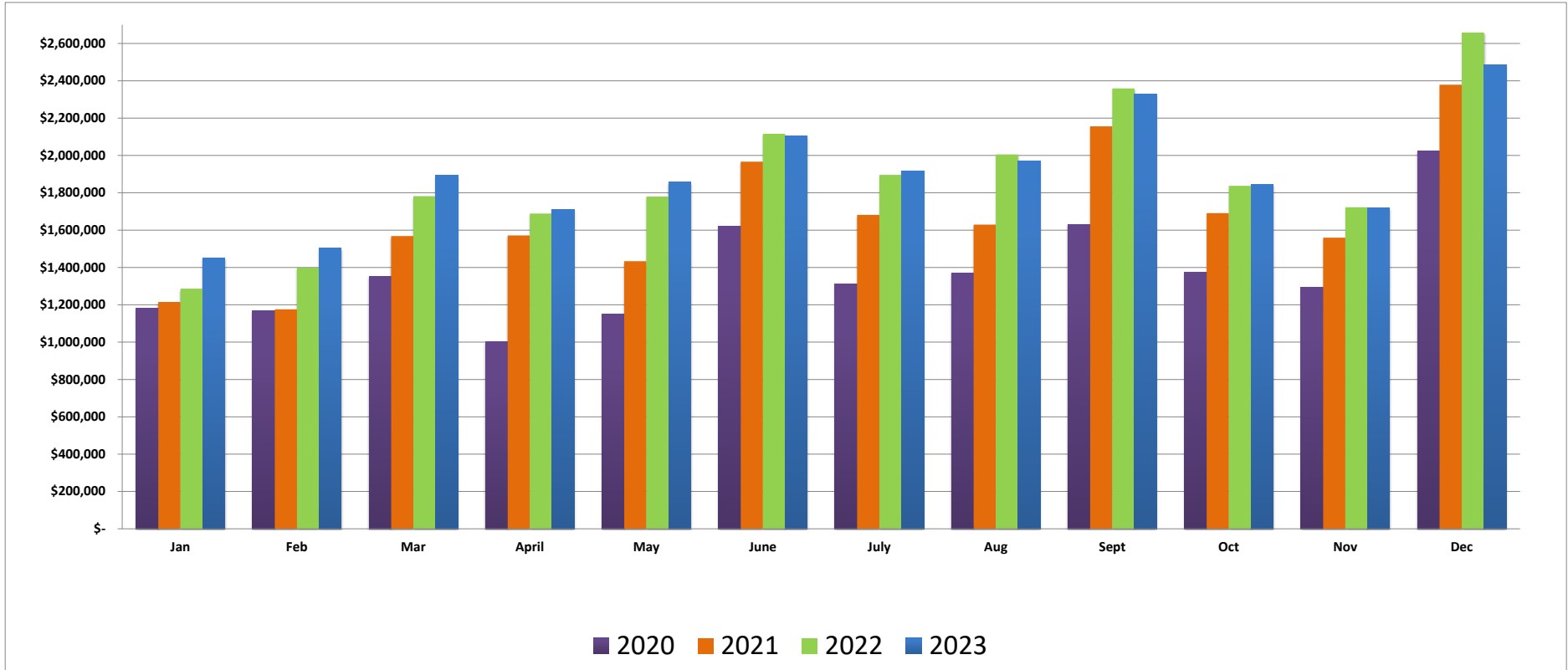
CITY OF GOLDEN
Budget to Actual Comparison
(adjusted for seasonality)
2023 Lodging Tax Revenue

| <u>Month</u> | <u>YTD Budget</u> | <u>YTD Actual</u> |
|--------------|-------------------|-------------------|
| Jan | \$94,458 | \$127,140 |
| Feb | 206,638 | 269,789 |
| Mar | 379,522 | 448,962 |
| Apr | 543,533 | 647,877 |
| May | 764,766 | 936,205 |
| June | 1,018,588 | 1,270,742 |
| July | 1,352,864 | 1,596,559 |
| Aug | 1,644,932 | 1,916,446 |
| Sept | 1,957,060 | 2,245,705 |
| Oct | 2,215,128 | 2,508,828 |
| Nov | 2,358,518 | 2,632,362 |
| Dec | 2,500,000 | 2,752,071 |



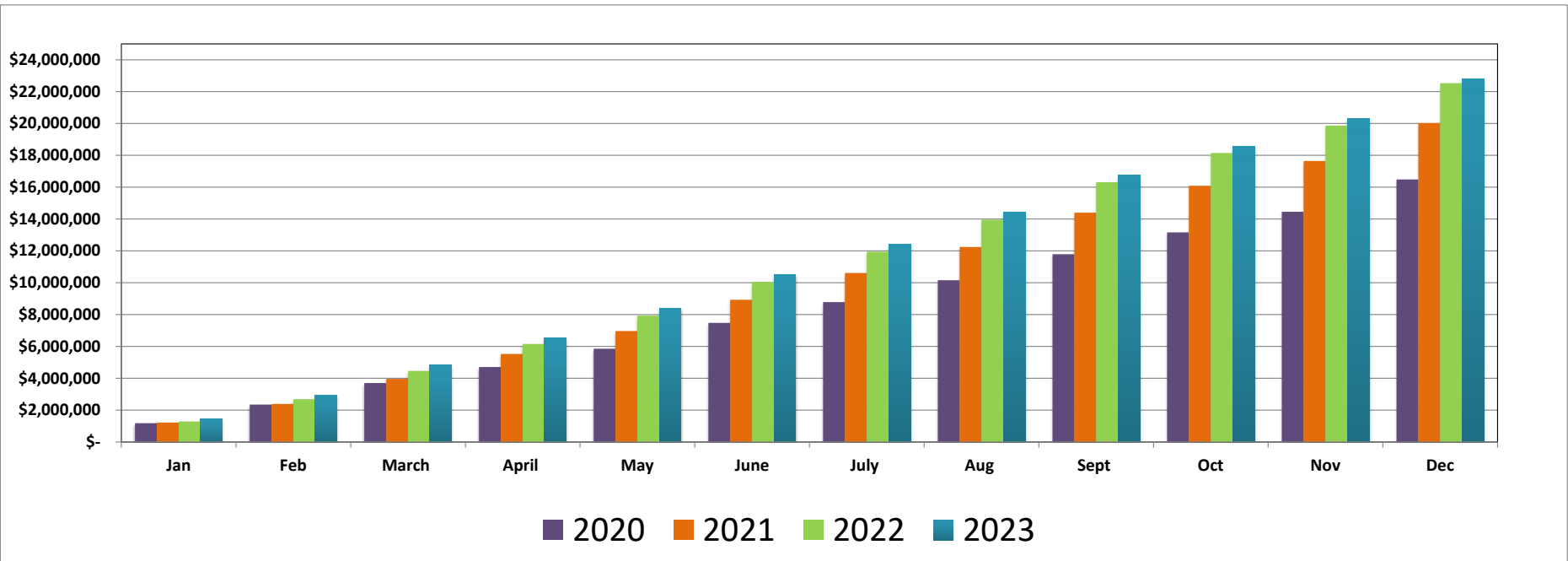
City of Golden
Sales Tax Trends
Dec (Jan)
2020-2023

| | Jan | Feb | Mar | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | % CHNG | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|--------------|--------------|--------------|--------------|---------------|--------|--|---|
| 2023 | \$ 1,451,032 | \$ 1,504,505 | \$ 1,893,229 | \$ 1,710,859 | \$ 1,857,286 | \$ 2,104,145 | \$ 1,918,241 | \$ 1,971,785 | \$ 2,328,077 | \$ 1,843,013 | \$ 1,718,226 | \$ 2,484,672 | \$ 22,785,070 | -6.5% | | |
| 2022 | \$ 1,286,574 | \$ 1,399,970 | \$ 1,781,865 | \$ 1,688,667 | \$ 1,779,787 | \$ 2,116,376 | \$ 1,895,666 | \$ 2,005,489 | \$ 2,359,152 | \$ 1,837,370 | \$ 1,722,618 | \$ 2,658,619 | \$ 22,532,153 | 11.8% | | |
| 2021 | \$ 1,215,412 | \$ 1,175,619 | \$ 1,567,864 | \$ 1,571,626 | \$ 1,433,728 | \$ 1,966,283 | \$ 1,681,524 | \$ 1,629,175 | \$ 2,155,924 | \$ 1,690,573 | \$ 1,559,866 | \$ 2,378,670 | \$ 20,026,264 | 17.4% | | |
| 2020 | \$ 1,182,299 | \$ 1,166,516 | \$ 1,354,071 | \$ 1,002,468 | \$ 1,152,358 | \$ 1,620,761 | \$ 1,310,682 | \$ 1,371,124 | \$ 1,631,314 | \$ 1,373,388 | \$ 1,293,137 | \$ 2,025,777 | \$ 16,483,895 | 6.3% | | |
| MTD Sales Tax Audit Revenue | | | | \$ 188,176 | | | | MTD Audit Permit Fees | | | | \$ 376 | | | | * Percentage Change is for current month only (highlighted) |
| Less: MTD Sales Tax Refunds | | | | \$ - | | | | MTD Audit Plan Check Fees | | | | \$ 244 | | | | |
| Net Sales Tax Revenue | | | | \$ 188,176 | | | | Net Fees Collected | | | | \$ 620 | | | | |
| | | | | | | | | | | | | | | | | |



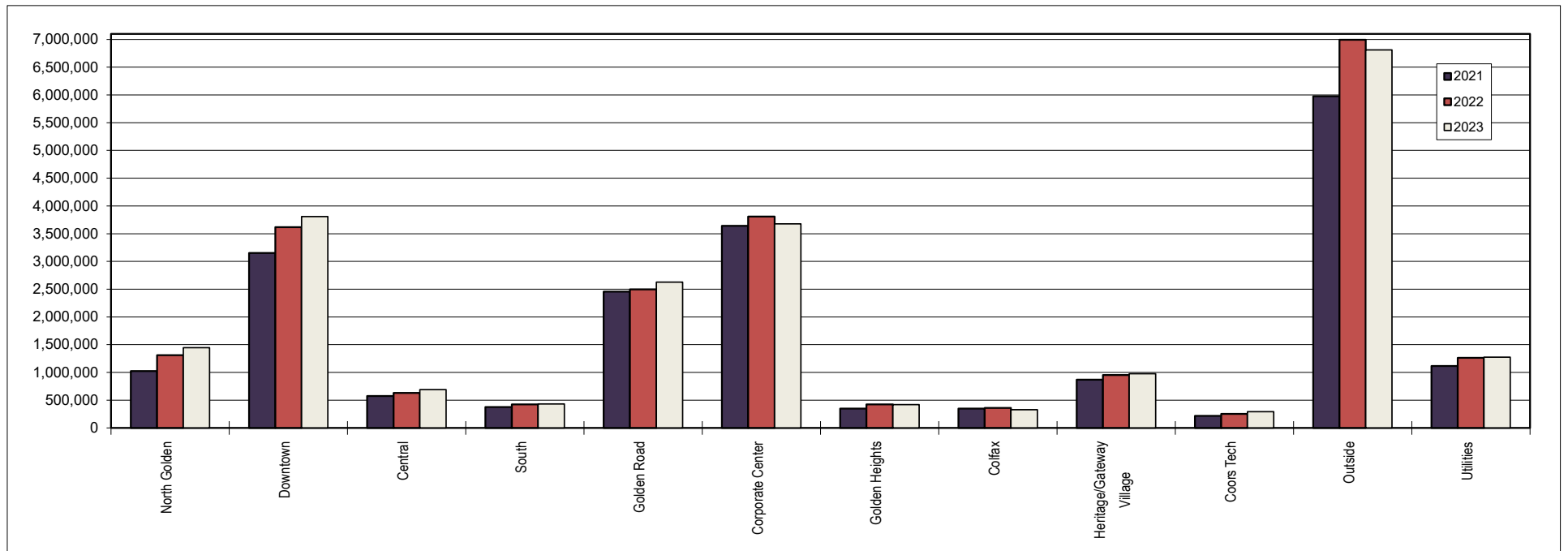
**City of Golden
Sales Tax Trends
YTD Dec (Jan)
2020-2023**

| | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | % CHNG |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---|
| 2023 | \$ 1,451,032 | \$ 2,955,537 | \$ 4,848,766 | \$ 6,559,625 | \$ 8,416,911 | \$ 10,521,056 | \$ 12,439,297 | \$ 14,411,082 | \$ 16,739,159 | \$ 18,582,172 | \$ 20,300,398 | \$ 22,785,070 | \$ 22,785,070 | 1.1% |
| 2022 | \$ 1,286,574 | \$ 2,686,544 | \$ 4,468,409 | \$ 6,157,076 | \$ 7,936,863 | \$ 10,053,239 | \$ 11,948,905 | \$ 13,954,394 | \$ 16,313,546 | \$ 18,150,916 | \$ 19,873,534 | \$ 22,532,153 | \$ 22,532,153 | 12.5% |
| 2021 | \$ 1,215,412 | \$ 2,391,029 | \$ 3,958,894 | \$ 5,530,521 | \$ 6,964,249 | \$ 8,930,532 | \$ 10,612,056 | \$ 12,241,231 | \$ 14,397,155 | \$ 16,087,728 | \$ 17,647,594 | \$ 20,026,264 | \$ 20,026,264 | 21.5% |
| 2020 | \$ 1,182,299 | \$ 2,348,815 | \$ 3,702,886 | \$ 4,705,354 | \$ 5,857,712 | \$ 7,478,476 | \$ 8,789,155 | \$ 10,160,279 | \$ 11,791,593 | \$ 13,164,981 | \$ 14,458,118 | \$ 16,483,895 | \$ 16,483,895 | -4.0% |
| YTD Sales Tax Audit Revenue | | | \$571,528 | | | | YTD Audit Permit Fees \$ 53,610 | | | | | | | * Percentage Change - YTD percentage change |
| Less: YTD Sales Tax Refunds | | | \$ (13,606) | | | | YTD Audit Plan Check Fees \$ 48,716 | | | | | | | |
| Other Sales Tax Revenue | | | \$557,923 | | | | Net Fees Collected \$ 102,325 | | | | | | | |



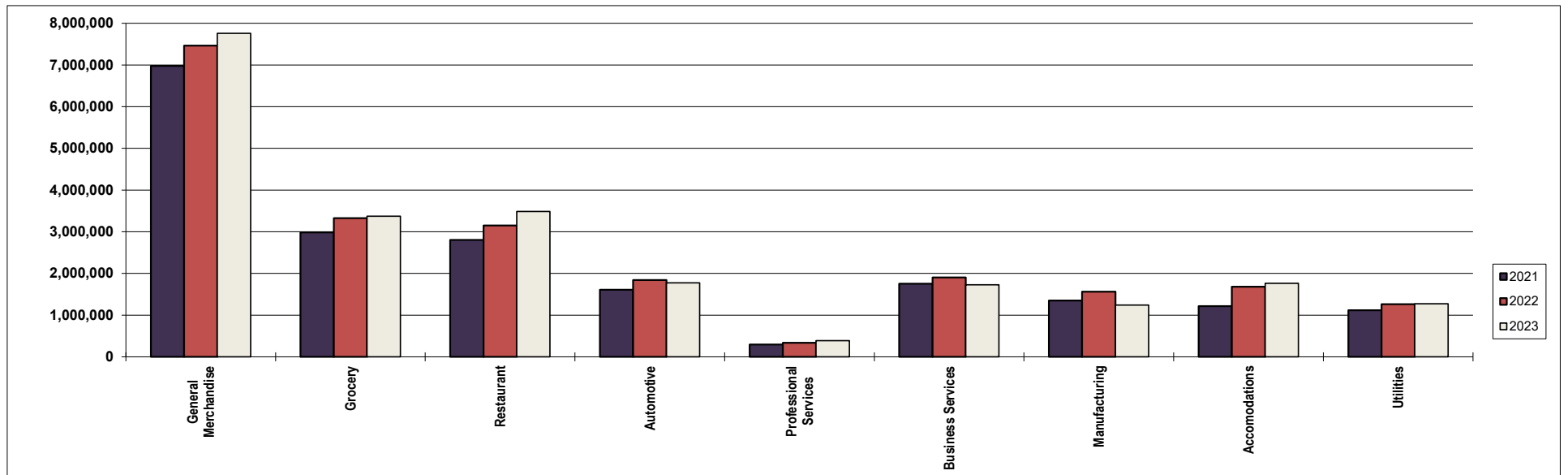
City of Golden
Sales Tax Revenue By Location
YTD Dec (Jan)
2021/2022/2023

| Area | 2021 Sales Tax | % of total Sales Tax | 2021-2020 % Change | 2022 Sales Tax | % of total Sales Tax | 2022-2021 % Change | 2023 Sales Tax | % of total Sales Tax | 2023-2022 % Change |
|---------------------------|----------------------|-------------------------|-----------------------|----------------------|-------------------------|-----------------------|----------------------|-------------------------|-----------------------|
| North Golden | \$ 1,025,354 | 5.10% | 33.73% | \$ 1,312,026 | 5.84% | 27.96% | \$ 1,447,359 | 6.35% | 10.31% |
| Downtown | \$ 3,151,033 | 15.67% | 40.87% | \$ 3,617,876 | 15.75% | 12.22% | \$ 3,807,948 | 16.71% | 5.25% |
| Central | \$ 575,641 | 2.86% | 13.04% | \$ 631,699 | 2.81% | 9.74% | \$ 689,207 | 3.02% | 9.10% |
| South | \$ 376,197 | 1.87% | 25.36% | \$ 424,631 | 1.89% | 12.87% | \$ 432,499 | 1.90% | 1.85% |
| Golden Road | \$ 2,458,153 | 12.22% | 2.68% | \$ 2,498,088 | 11.13% | 1.62% | \$ 2,626,181 | 11.53% | 5.13% |
| Corporate Center | \$ 3,641,724 | 18.11% | 14.53% | \$ 3,807,638 | 16.96% | 4.56% | \$ 3,679,270 | 16.15% | -3.37% |
| Golden Heights | \$ 349,240 | 1.74% | 6.72% | \$ 422,130 | 1.88% | 20.87% | \$ 418,509 | 1.84% | -0.86% |
| Colfax | \$ 350,367 | 1.74% | 49.37% | \$ 359,234 | 1.60% | 2.53% | \$ 329,664 | 1.45% | -8.23% |
| Heritage /Gateway Village | \$ 870,738 | 4.33% | 42.05% | \$ 952,749 | 4.24% | 9.42% | \$ 977,670 | 4.29% | 2.62% |
| Coors Technology | \$ 215,808 | 1.07% | 32.77% | \$ 251,395 | 1.12% | 16.49% | \$ 291,655 | 1.28% | 16.01% |
| Outside | \$ 5,976,677 | 29.72% | 29.15% | \$ 6,992,624 | 31.15% | 17.00% | \$ 6,811,008 | 29.89% | -2.60% |
| Utilities | \$ 1,117,130 | 5.56% | -1.36% | \$ 1,262,063 | 5.62% | 12.97% | \$ 1,274,098 | 5.59% | 0.95% |
| Totals | \$ 20,108,064 | 100.00% | 21.99% | \$ 22,532,153 | 100.00% | 12.06% | \$ 22,785,070 | 100.00% | 1.12% |



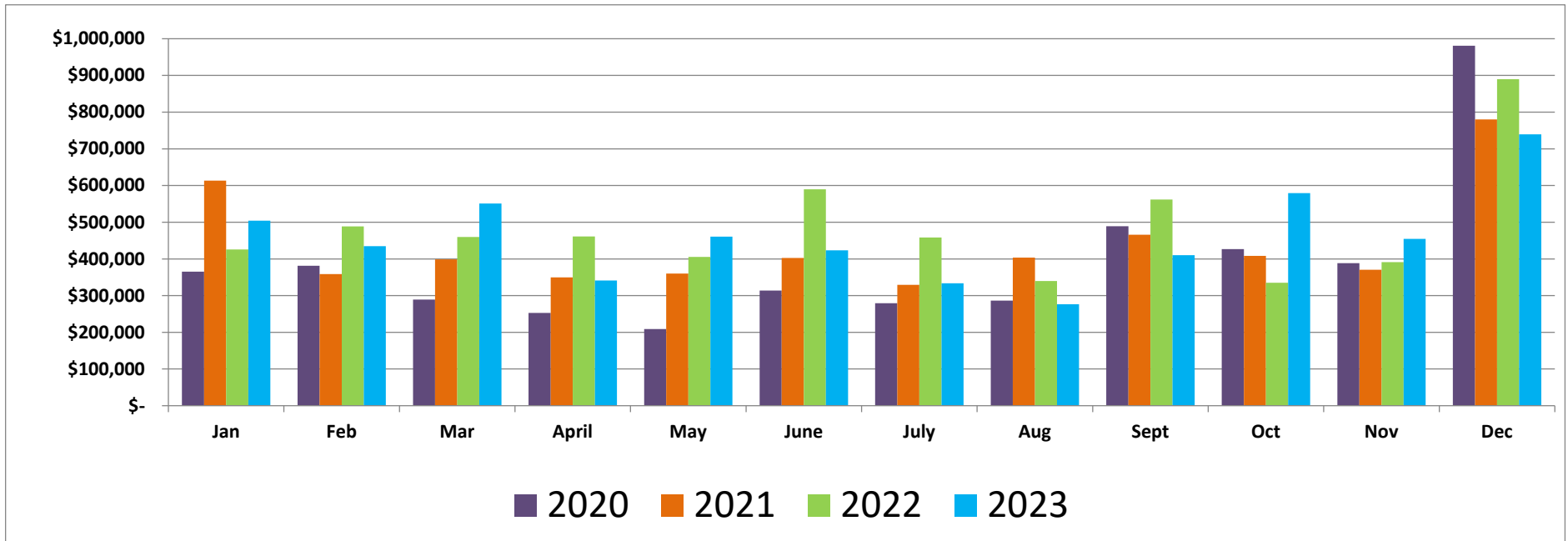
City of Golden
Sales Tax Revenue By Type
YTD Dec (Jan)
2021/2022/2023

| Type | 2021 Sales Tax | % of total Sales Tax | 2021-2020 % Change | 2022 Sales Tax | % of total Sales Tax | 2022-2021 % Change | 2023 Sales Tax | % of total Sales Tax | 2023-2022 % Change |
|-----------------------------|----------------------|-------------------------|-----------------------|----------------------|-------------------------|-----------------------|----------------------|-------------------------|-----------------------|
| General Merchandise | \$ 6,979,925 | 34.71% | 28.10% | \$ 7,462,485 | 33.24% | 6.91% | \$ 7,759,710 | 34.06% | 3.98% |
| Grocery | \$ 2,984,773 | 14.84% | -3.65% | \$ 3,327,587 | 14.82% | 11.49% | \$ 3,373,185 | 14.80% | 1.37% |
| Restaurants | \$ 2,801,015 | 13.93% | 55.50% | \$ 3,150,749 | 13.67% | 9.57% | \$ 3,483,969 | 15.29% | 10.58% |
| Automotive | \$ 1,609,377 | 8.00% | 9.31% | \$ 1,843,681 | 8.21% | 14.56% | \$ 1,773,607 | 7.78% | -3.80% |
| Prof Services\Entertainment | \$ 297,166 | 1.48% | -10.31% | \$ 337,709 | 1.50% | 13.64% | \$ 390,339 | 1.71% | 15.58% |
| Bus ServicesSupp. | \$ 1,751,368 | 8.71% | 8.84% | \$ 1,905,765 | 8.49% | 8.82% | \$ 1,726,549 | 7.58% | -9.40% |
| Manufacturing - Production | \$ 1,352,069 | 6.72% | 39.61% | \$ 1,560,490 | 6.95% | 15.41% | \$ 1,241,436 | 5.45% | -20.45% |
| Accommodations | \$ 1,215,243 | 6.04% | 95.29% | \$ 1,681,624 | 7.49% | 38.38% | \$ 1,762,178 | 7.73% | 4.79% |
| Utilities | \$ 1,117,130 | 5.56% | -1.36% | \$ 1,262,063 | 5.62% | 12.97% | \$ 1,274,098 | 5.59% | 0.95% |
| Totals | \$ 20,108,064 | 100.00% | 21.99% | \$ 22,532,153 | 100.00% | 12.06% | \$ 22,785,070 | 100.00% | 1.12% |



**City of Golden
Use Tax Trends
Dec (Jan)
2020-2023**

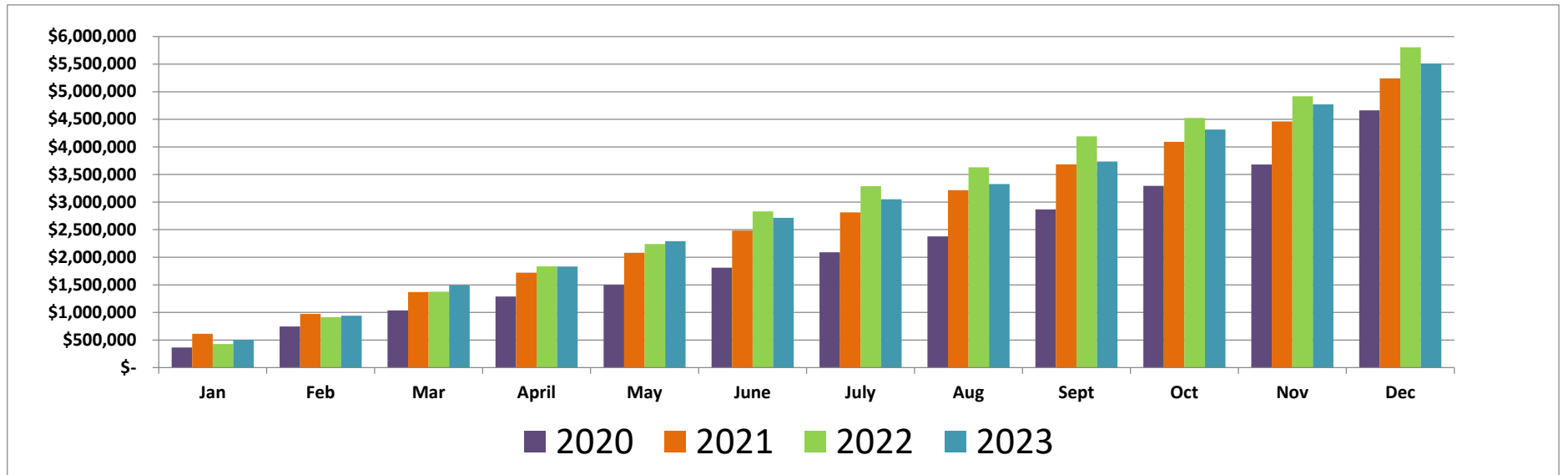
| | Jan | Feb | Mar | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | % CHNG |
|---------------------------|------------|------------|------------|--|------------|------------|------------|---|------------|------------|------------|------------|--------------|--------|
| 2023 | \$ 504,380 | \$ 434,873 | \$ 550,958 | \$ 341,318 | \$ 460,682 | \$ 423,443 | \$ 333,541 | \$ 276,548 | \$ 410,186 | \$ 579,182 | \$ 454,588 | \$ 739,500 | \$ 5,509,199 | -16.9% |
| 2022 | \$ 425,958 | \$ 488,460 | \$ 459,828 | \$ 461,364 | \$ 405,520 | \$ 589,645 | \$ 458,308 | \$ 339,588 | \$ 561,605 | \$ 334,990 | \$ 391,277 | \$ 889,628 | \$ 5,806,171 | 14.0% |
| 2021 | \$ 613,415 | \$ 358,699 | \$ 398,633 | \$ 349,848 | \$ 360,229 | \$ 402,835 | \$ 329,417 | \$ 403,702 | \$ 466,095 | \$ 408,181 | \$ 370,393 | \$ 780,209 | \$ 5,241,656 | -20.5% |
| 2020 | \$ 365,476 | \$ 381,197 | \$ 289,246 | \$ 252,612 | \$ 208,712 | \$ 314,003 | \$ 279,282 | \$ 286,469 | \$ 489,184 | \$ 426,692 | \$ 388,498 | \$ 980,803 | \$ 4,662,174 | 164.9% |
| MTD Use Tax Audit Revenue | | | \$ 11,356 | <<<< includes building use tax audit revenue | | | | * Percentage Change is for current month only (highlighted) | | | | | | |
| Less: MTD Use Tax Refunds | | | \$ (751) | | | | | | | | | | | |
| Other Use Tax Revenue | | | \$ 10,605 | | | | | | | | | | | |



*Amounts reported on the cash basis

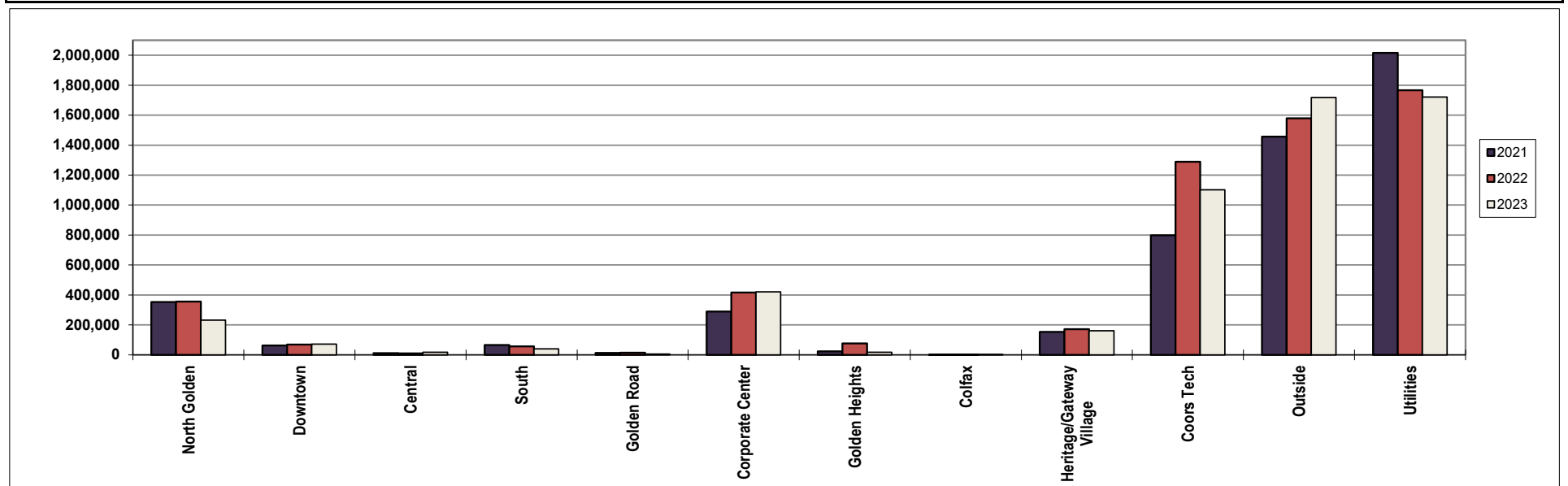
**City of Golden
Use Tax Trends
YTD Dec (Jan)
2020-2023**

| | Jan | Feb | Mar | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | YTD % Chng |
|---------------------------|------------|------------|-------------|--------------|--|--------------|--------------|--------------|--------------|--------------|-------------------------------|--------------|--------------|--------------|
| 2023 | \$ 504,380 | \$ 939,253 | \$1,490,211 | \$ 1,831,529 | \$ 2,292,211 | \$ 2,715,654 | \$ 3,049,195 | \$ 3,325,743 | \$ 3,735,929 | \$ 4,315,111 | \$ 4,769,699 | \$ 5,509,199 | \$ 5,509,199 | -5.1% |
| 2022 | \$ 425,958 | \$ 914,418 | \$1,374,246 | \$ 1,835,610 | \$ 2,241,130 | \$ 2,830,775 | \$ 3,289,083 | \$ 3,628,671 | \$ 4,190,276 | \$ 4,525,266 | \$ 4,916,543 | \$ 5,806,171 | \$ 5,806,171 | 10.8% |
| 2021 | \$ 613,415 | \$ 972,114 | \$1,370,747 | \$ 1,720,595 | \$ 2,080,824 | \$ 2,483,659 | \$ 2,813,076 | \$ 3,216,778 | \$ 3,682,873 | \$ 4,091,054 | \$ 4,461,447 | \$ 5,241,656 | \$ 5,241,656 | 12.4% |
| 2020 | \$ 365,476 | \$ 746,673 | \$1,035,919 | \$ 1,288,531 | \$ 1,497,243 | \$ 1,811,246 | \$ 2,090,528 | \$ 2,376,997 | \$ 2,866,181 | \$ 3,292,873 | \$ 3,681,371 | \$ 4,662,174 | \$ 4,662,174 | 21.4% |
| YTD Use Tax Audit Revenue | | | | \$ 3,368,222 | <<<< includes building use tax audit revenue | | | | | | ** Percentage Change is YTD % | | | |
| Less: YTD Use Tax Refunds | | | | \$ (8,907) | | | | | | | | | | |
| Other Use Tax Revenue | | | | \$ 3,359,314 | | | | | | | | | | |



City of Golden
Use Tax Revenue By Location
YTD Dec (Jan)
2021/2022/2023

| Area | 2021 Use Tax | % of total Use Tax | 2021-2020 % Change | 2022 Use Tax | % of total Use Tax | 2022-2021 % Change | 2023 Use Tax | % of total Use Tax | 2023-2022 % Change |
|--------------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|
| North Golden | \$ 352,267 | 6.72% | -38.87% | \$ 356,261 | 6.14% | 1.13% | \$ 231,844 | 4.21% | -34.92% |
| Downtown | \$ 63,153 | 1.20% | 1.95% | \$ 69,605 | 1.20% | 10.22% | \$ 72,415 | 1.31% | 4.04% |
| Central | \$ 10,960 | 0.21% | -46.83% | \$ 10,028 | 0.17% | -8.50% | \$ 17,236 | 0.31% | 71.87% |
| South | \$ 65,322 | 1.25% | -24.15% | \$ 57,013 | 0.98% | -12.72% | \$ 40,441 | 0.73% | -29.07% |
| Golden Road | \$ 12,581 | 0.24% | 40.20% | \$ 14,508 | 0.25% | 15.32% | \$ 5,146 | 0.09% | -64.53% |
| Corporate Center | \$ 289,501 | 5.52% | -1.64% | \$ 415,691 | 7.16% | 43.59% | \$ 420,545 | 7.63% | 1.17% |
| Golden Heights | \$ 23,539 | 0.45% | -73.27% | \$ 75,906 | 1.31% | 222.47% | \$ 17,508 | 0.32% | -76.94% |
| Colfax | \$ 1,599 | 0.03% | 6.91% | \$ 1,769 | 0.03% | 10.63% | \$ 2,528 | 0.05% | 42.91% |
| Heritage/Gateway Village | \$ 153,208 | 2.92% | 20.57% | \$ 172,316 | 2.97% | 12.47% | \$ 161,209 | 2.93% | -6.45% |
| Coors Technology | \$ 797,610 | 15.22% | 11.48% | \$ 1,288,627 | 22.19% | 61.56% | \$ 1,101,373 | 19.99% | -14.53% |
| Outside | \$ 1,456,817 | 27.79% | 10.40% | \$ 1,578,558 | 27.19% | 8.36% | \$ 1,718,433 | 31.19% | 8.86% |
| Utilities | \$ 2,015,099 | 38.44% | 47.92% | \$ 1,765,888 | 30.41% | -12.37% | \$ 1,720,522 | 31.23% | -2.57% |
| Totals | \$ 5,241,656 | 100.00% | 12.43% | \$ 5,806,172 | 100.00% | 10.77% | \$ 5,509,199 | 100.00% | -5.11% |



City of Golden
Use Tax Revenue By Type
YTD Dec (Jan)
2021/2022/2023

| Type | 2021 Use Tax | % of total Use Tax | 2021-2020 % Change | 2022 Use Tax | % of total Use Tax | 2022-2021 % Change | 2023 Use Tax | % of total Use Tax | 2023-2022 % Change |
|-----------------------------|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| General Merchandise | \$ 150,306 | 2.87% | -13.35% | \$ 232,716 | 4.01% | 54.83% | \$ 263,038 | 4.77% | 13.03% |
| Grocery | \$ 81,070 | 1.55% | -0.07% | \$ 140,323 | 2.42% | 73.09% | \$ 83,407 | 1.51% | -40.56% |
| Restaurants | \$ 22,661 | 0.43% | 135.32% | \$ 20,449 | 0.35% | -9.76% | \$ 14,127 | 0.26% | -30.92% |
| Automotive | \$ 1,330,242 | 25.38% | 17.02% | \$ 1,384,922 | 23.85% | 4.11% | \$ 1,488,951 | 27.03% | 7.51% |
| Prof Services\Entertainment | \$ 149,875 | 2.86% | -9.67% | \$ 217,240 | 3.74% | 44.95% | \$ 196,435 | 3.57% | -9.58% |
| Bus Services | \$ 100,694 | 1.92% | 6.59% | \$ 117,665 | 2.03% | 16.85% | \$ 77,142 | 1.40% | -34.44% |
| Manufacturing - Production | \$ 1,377,734 | 26.28% | -11.52% | \$ 1,899,373 | 32.71% | 37.86% | \$ 1,649,914 | 29.95% | -13.13% |
| Accommodations | \$ 13,974 | 0.27% | -82.83% | \$ 27,597 | 0.48% | 97.48% | \$ 15,665 | 0.28% | -43.24% |
| Utilities | \$ 2,015,099 | 38.44% | 47.92% | \$ 1,765,888 | 30.41% | -12.37% | \$ 1,720,522 | 31.23% | -2.57% |
| Totals | \$ 5,241,656 | 100.00% | 12.43% | \$ 5,806,172 | 100.00% | 10.77% | \$ 5,509,199 | 100.00% | -5.11% |

