



Council Memorandum

To: City Council
From: Jeff Hansen, Finance Director 
Through: Jason Slowinski, City Manager
Date: February 7, 2018
Re: 2017 Year End Sales Tax Report

Attached are the final 2017 sales and use tax reports, including December sales (collected in January). Sales tax collections were up 6.2% (+\$108,990) for the month compared to 2016. For the year, sales tax revenues were up 5.8% over 2016 and up 3.5% compared to the 2017 budget. In dollars, 2017 revenues exceeded 2016 by \$876,231 and the 2017 Budget by \$542,509.

All geographic areas, except Colfax, had an increase for the year. In terms of dollars, the largest revenue increases for the year were from Golden Road, Coors Tech Center, and Downtown. General Merchandise, Restaurants, and Grocery showed the largest increases in 2017. Business Supplies/Services had a slight decline for the year. Sales from businesses outside the City limits ended the year up \$303,556 (+8.52%).

Use tax collections were up \$23,630 (+6.1%) for December, and finished the year up \$332,589 (10.8%). Compared to the 2017 Budget, use tax revenues were up \$324,619 (10.5%). For 2017, Automotive and Manufacturing had the biggest increases. Several categories had minimal decreases.

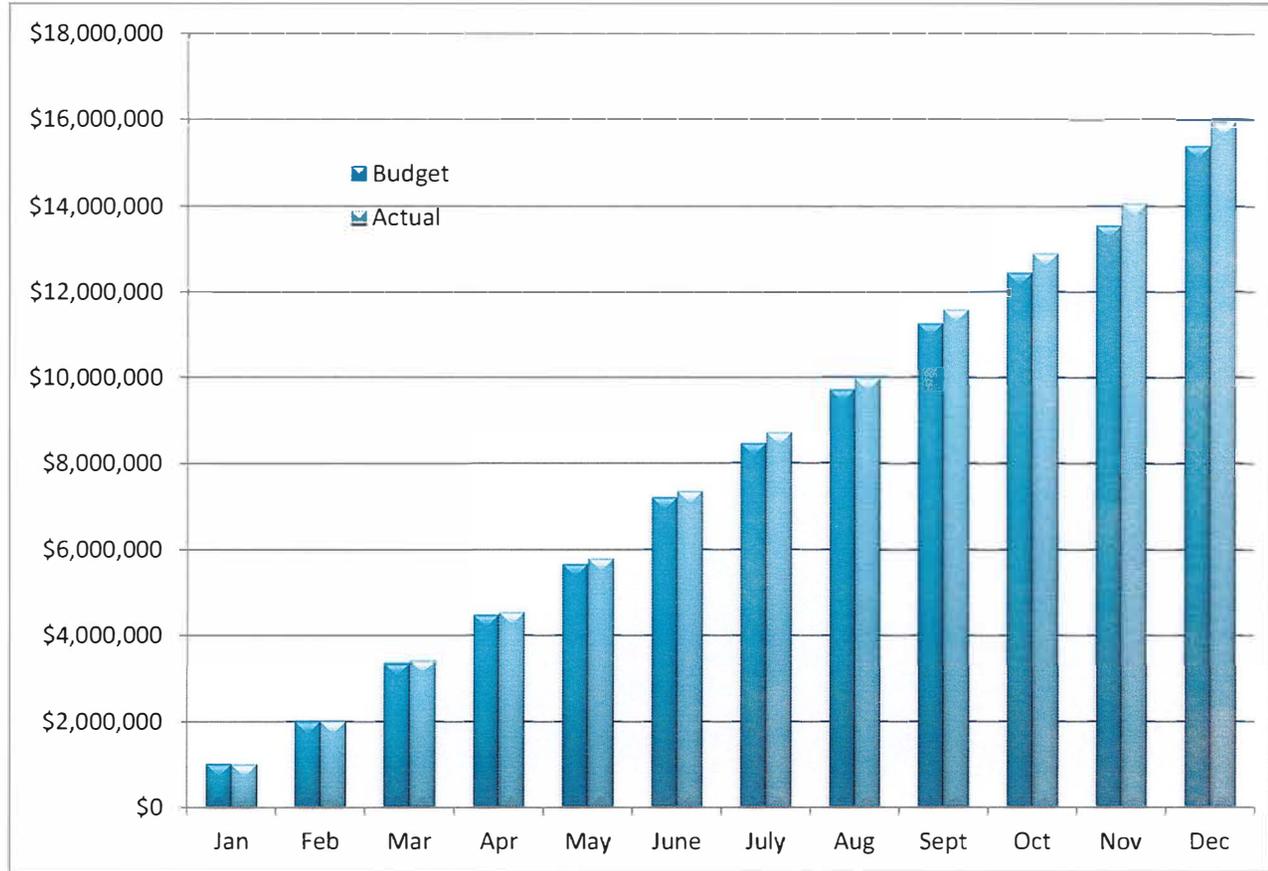
Total audit revenue collected in 2017 was \$625,053, down \$337,401 compared to 2016. The City is currently in litigation regarding the audits of two major taxpayers, and has several other audits in progress. \$45,770 was issued in refunds. These amounts are shown separately on the attached collection reports.

For 2018, sales tax revenue is budgeted at \$16,575,000, which is an increase of \$631,841 (+3.96%) over the 2017 actual revenue. (The 2018 Budget was an increase of 4.5% over the 2017 Projection at that time.) Use Tax is budgeted at \$3,244,500, a decrease of \$170,119 (-5.24%) from 2017 collections. The 2018 sales tax budget is somewhat aggressive compared to 2017 final revenues, while the use tax budget may be low as the City still anticipates some significant use tax from one of the manufacturers. Based on the business activity in 2017 and the continued increase in sales tax revenues the last half of the year, along with anticipated additional revenues from Gateway Village and online sales, indications are that sales tax could increase 4 – 5+% in 2018.

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

CITY OF GOLDEN
Budget to Actual Comparison
(adjusted for seasonality)
2017 Sales Tax Revenue

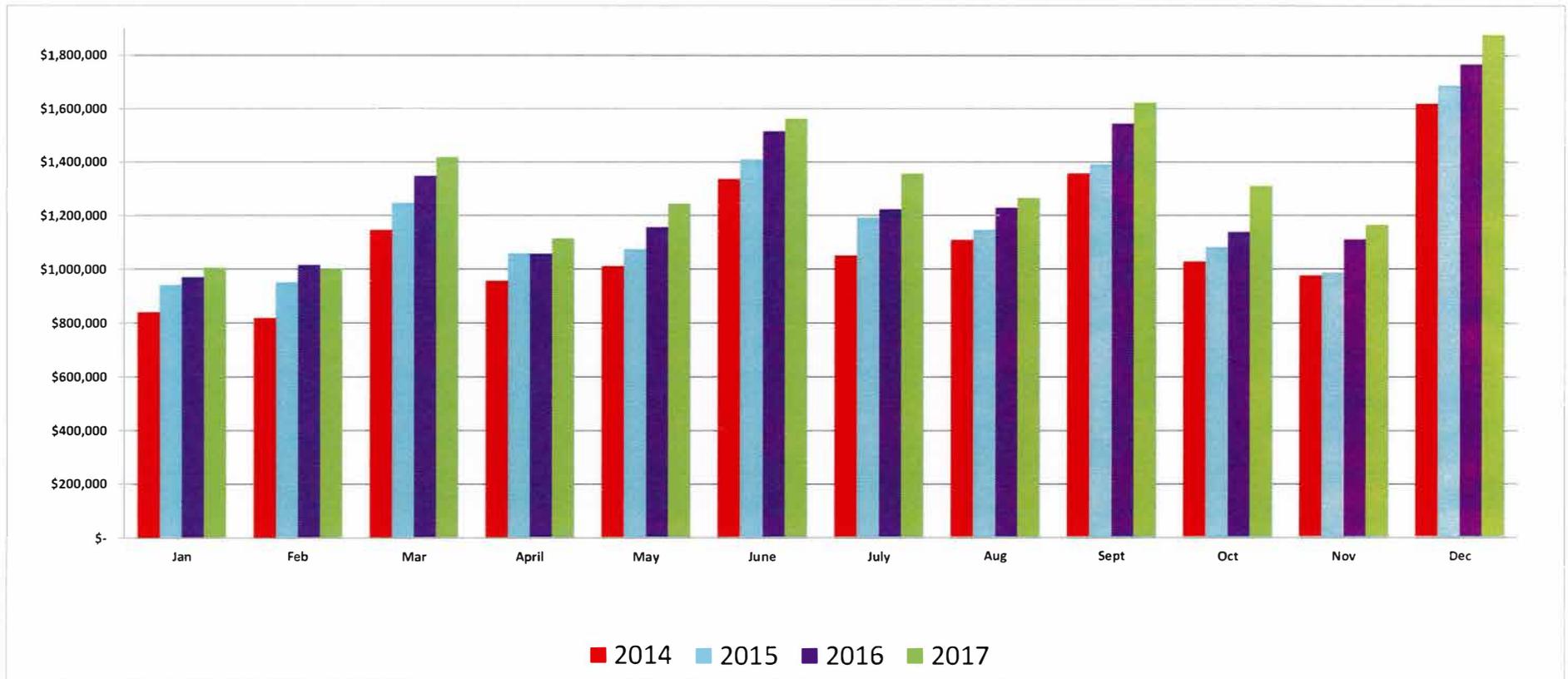
<u>Month</u>	<u>YTD Budget</u>	<u>YTD Actual</u>
Jan	\$1,014,831	\$1,006,334
Feb	2,013,664	2,008,044
Mar	3,366,552	3,427,875
Apr	4,479,702	4,543,508
May	5,655,075	5,787,588
June	7,201,833	7,349,666
July	8,457,624	8,706,714
Aug	9,724,363	9,972,409
Sept	11,273,432	11,594,577
Oct	12,454,670	12,905,279
Nov	13,558,336	14,068,584
Dec	15,400,650	15,943,159



City of Golden
Sales Tax Trends
Month of December (January)
2014-2017

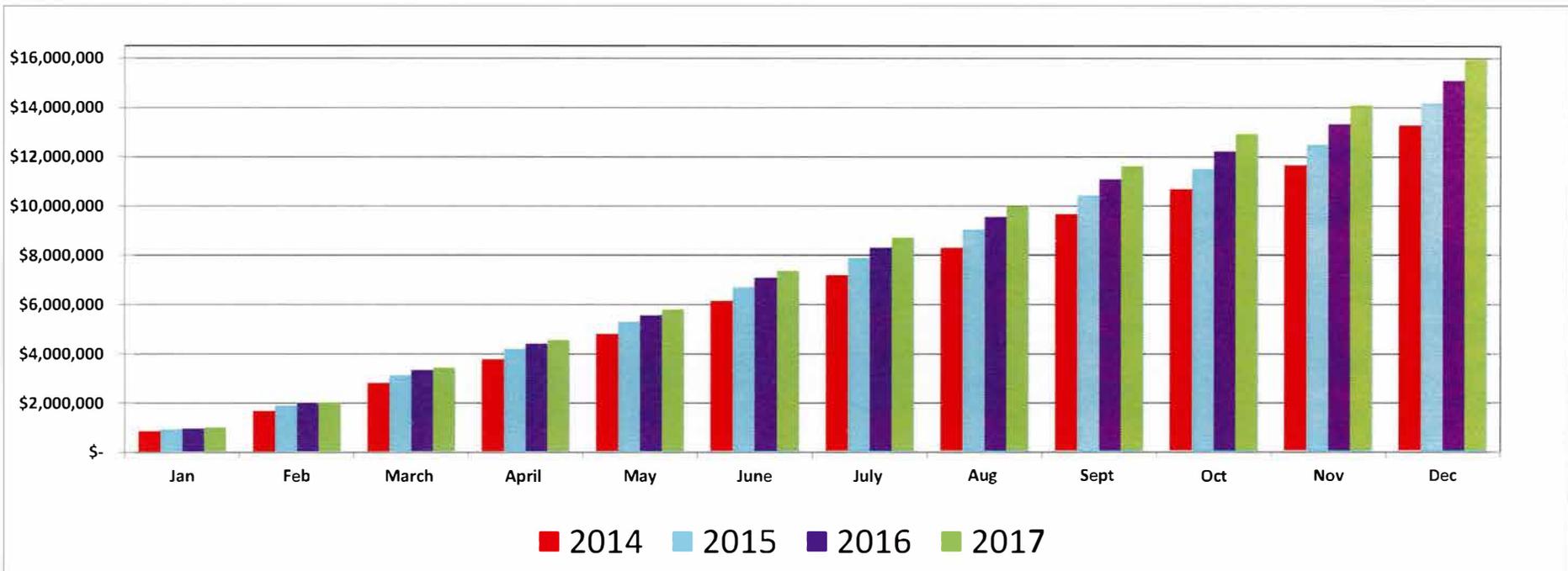
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2017	\$ 1,006,334	\$ 1,001,710	\$ 1,419,831	\$ 1,115,633	\$ 1,244,080	\$ 1,562,078	\$ 1,357,048	\$ 1,265,695	\$ 1,622,168	\$ 1,310,702	\$ 1,163,305	\$ 1,874,575	\$ 15,943,159	6.2%
2016	\$ 970,666	\$ 1,015,827	\$ 1,347,205	\$ 1,057,664	\$ 1,156,045	\$ 1,514,344	\$ 1,221,645	\$ 1,227,728	\$ 1,543,227	\$ 1,137,294	\$ 1,109,698	\$ 1,765,585	\$ 15,066,928	4.5%
2015	\$ 940,868	\$ 951,043	\$ 1,247,072	\$ 1,059,530	\$ 1,075,165	\$ 1,410,884	\$ 1,192,205	\$ 1,147,227	\$ 1,391,863	\$ 1,082,678	\$ 987,857	\$ 1,688,949	\$ 14,175,341	4.5%
2014	\$ 838,767	\$ 816,891	\$ 1,146,091	\$ 955,325	\$ 1,009,219	\$ 1,334,861	\$ 1,049,035	\$ 1,107,295	\$ 1,354,749	\$ 1,026,067	\$ 973,861	\$ 1,616,252	\$ 13,228,413	10.1%
MTD Sales Tax Audit Revenue				\$7,059										
Less: MTD Sales Tax Refunds				(\$65)										
Net Sales Tax Revenue				\$6,994										

* Percentage Change is for current month only (highlighted)



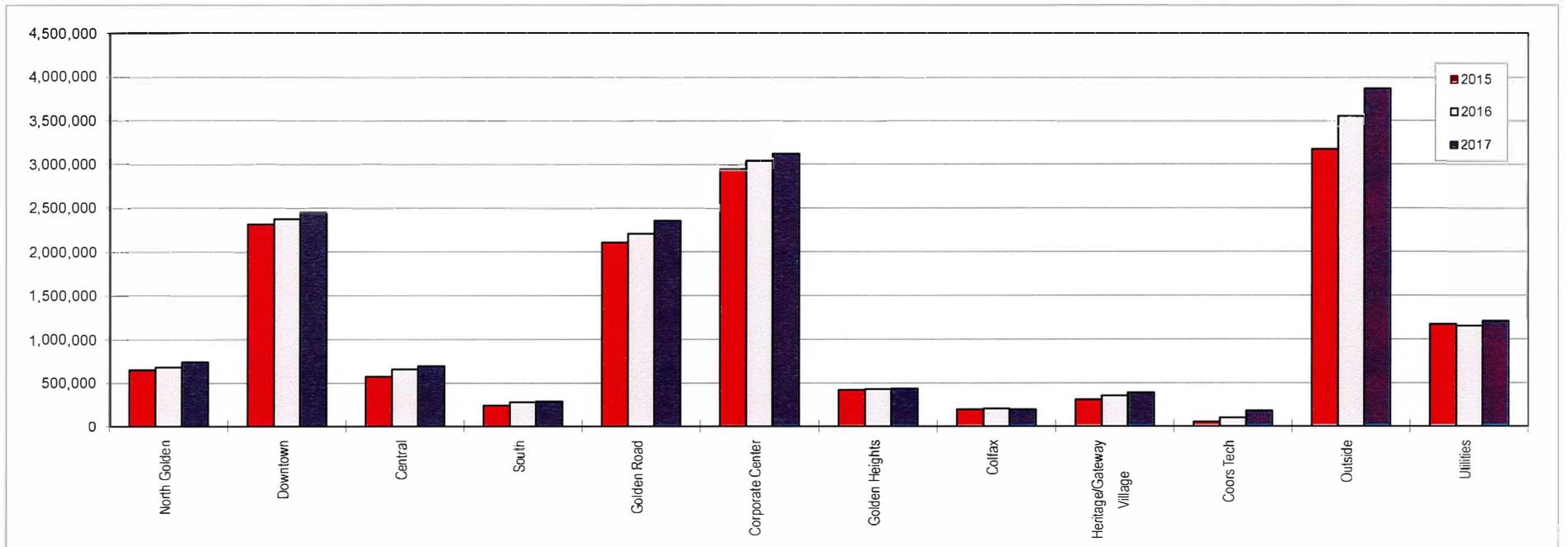
**City of Golden
Sales Tax Trends
YTD December (January)
2014-2017**

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2017	\$ 1,006,334	\$ 2,008,044	\$ 3,427,875	\$ 4,543,508	\$ 5,787,588	\$ 7,349,666	\$ 8,706,714	\$ 9,972,409	\$ 11,594,577	\$ 12,905,279	\$ 14,068,587	\$ 15,943,159	\$ 15,943,159	5.8%
2016	\$ 970,666	\$ 1,986,493	\$ 3,333,698	\$ 4,391,362	\$ 5,547,407	\$ 7,061,751	\$ 8,283,396	\$ 9,511,124	\$ 11,054,351	\$ 12,191,645	\$ 13,301,343	\$ 15,066,928	\$ 15,066,928	6.3%
2015	\$ 940,868	\$ 1,891,911	\$ 3,138,983	\$ 4,198,513	\$ 5,273,678	\$ 6,684,562	\$ 7,876,767	\$ 9,023,994	\$ 10,415,857	\$ 11,498,535	\$ 12,486,392	\$ 14,175,341	\$ 14,175,341	7.2%
2014	\$ 838,767	\$ 1,655,658	\$ 2,801,749	\$ 3,757,074	\$ 4,766,293	\$ 6,101,154	\$ 7,150,190	\$ 8,257,485	\$ 9,612,234	\$ 10,638,301	\$ 11,612,162	\$ 13,228,414	\$ 13,228,414	8.5%
YTD Sales Tax Audit Revenue			\$278,245											
Less: YTD Sales Tax Refunds			(\$1,081)											
Other Sales Tax Revenue			\$277,165											
												* Percentage Change - YTD percentage change		



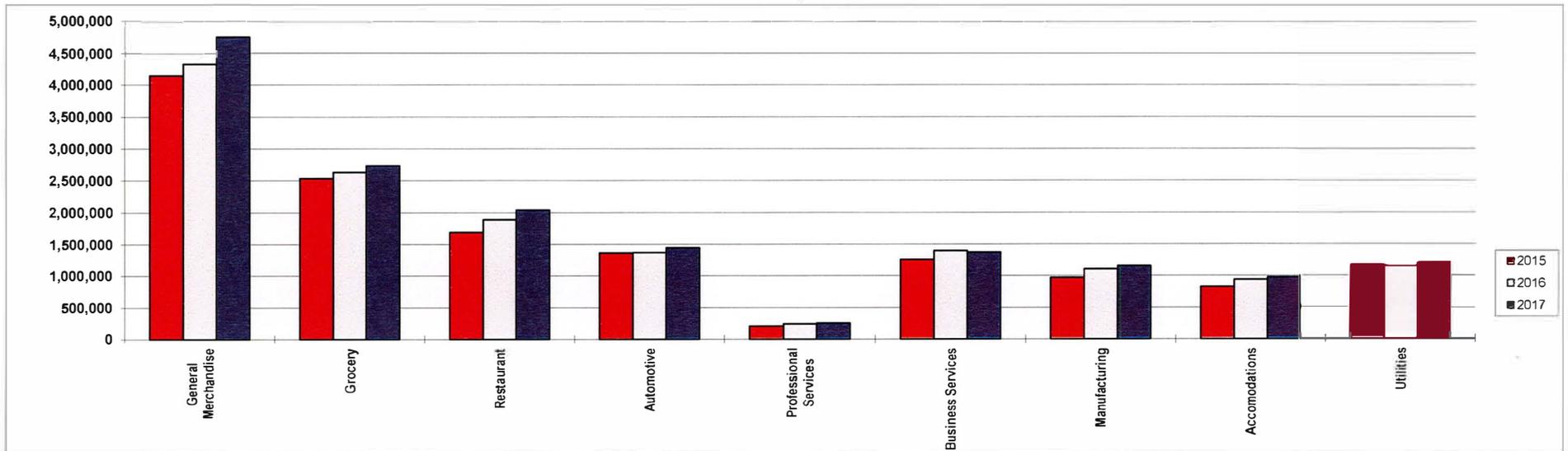
City of Golden
Sales Tax Revenue By Location
YTD December (January)
2015/2016/2017

Area	2015 Sales Tax	% of total Sales Tax	2016 Sales Tax	% of total Sales Tax	2016-2015 % Change	2017 Sales Tax	% of total Sales Tax	2017-2016 % Change
North Golden	\$ 649,337	4.58%	\$ 683,132	4.53%	5.20%	\$ 740,899	4.65%	8.46%
Downtown	\$ 2,318,299	16.35%	\$ 2,377,570	15.78%	2.56%	\$ 2,455,504	15.40%	3.28%
Central	\$ 575,070	4.06%	\$ 659,168	4.37%	14.62%	\$ 694,309	4.35%	5.33%
South	\$ 240,280	1.70%	\$ 280,154	1.86%	16.59%	\$ 288,307	1.81%	2.91%
Golden Road	\$ 2,105,628	14.85%	\$ 2,205,456	14.64%	4.74%	\$ 2,358,767	14.79%	6.95%
Corporate Center	\$ 2,956,387	20.86%	\$ 3,050,826	20.25%	3.19%	\$ 3,123,029	19.59%	2.37%
Golden Heights	\$ 422,191	2.98%	\$ 430,784	2.86%	2.04%	\$ 435,750	2.73%	1.15%
Colfax	\$ 198,362	1.40%	\$ 204,648	1.36%	3.17%	\$ 197,565	1.24%	-3.46%
Heritage /Gateway Village	\$ 308,966	2.18%	\$ 356,634	2.37%	15.43%	\$ 391,213	2.45%	9.70%
Coors Technology	\$ 53,621	0.38%	\$ 101,590	0.67%	89.46%	\$ 181,938	1.14%	79.09%
Outside	\$ 3,174,927	22.40%	\$ 3,563,372	23.65%	12.23%	\$ 3,866,928	24.25%	8.52%
Utilities	\$ 1,172,272	8.27%	\$ 1,153,595	7.66%	-1.59%	\$ 1,208,948	7.58%	4.80%
Totals	\$ 14,175,341	100%	\$ 15,066,928	100%	6.29%	\$ 15,943,159	100%	5.82%



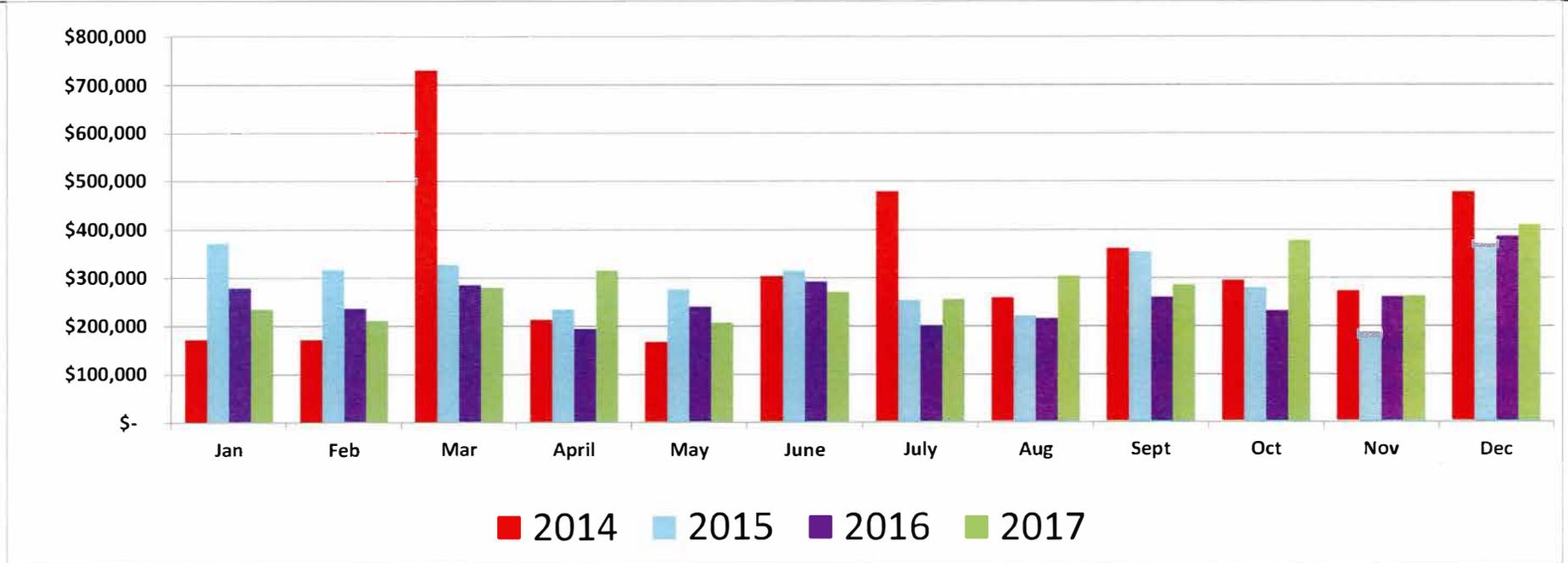
City of Golden
Sales Tax Revenue By Type
YTD December (January)
2015/2016/2017

Type	2015 Sales Tax	% of total Sales Tax	2016 Sales Tax	% of total Sales Tax	2016-2015 % Change	2017 Sales Tax	% of total Sales Tax	2017-2016 % Change
General Merchandise	\$ 4,147,128	29.26%	\$ 4,330,779	28.74%	4.43%	\$ 4,751,995	29.81%	9.73%
Grocery	\$ 2,533,533	17.87%	\$ 2,632,834	17.47%	3.92%	\$ 2,738,975	17.18%	4.03%
Restaurants	\$ 1,696,645	11.97%	\$ 1,891,948	12.56%	11.51%	\$ 2,038,843	12.79%	7.76%
Automotive	\$ 1,363,136	9.62%	\$ 1,368,795	9.08%	0.42%	\$ 1,441,822	9.04%	5.34%
Prof Services\Entertainment	\$ 209,259	1.48%	\$ 244,314	1.62%	16.75%	\$ 257,774	1.62%	5.51%
Bus ServicesSupp.	\$ 1,257,879	8.87%	\$ 1,396,706	9.27%	11.04%	\$ 1,372,446	8.61%	-1.74%
Manufacturing - Production	\$ 970,569	6.85%	\$ 1,108,942	7.36%	14.26%	\$ 1,157,438	7.26%	4.37%
Accommodations	\$ 824,919	5.82%	\$ 939,014	6.23%	13.83%	\$ 974,916	6.11%	3.82%
Utilities	\$ 1,172,272	8.27%	\$ 1,153,595	7.66%	-1.59%	\$ 1,208,948	7.58%	4.80%
Totals	\$ 14,175,341	100%	\$ 15,066,928	100.00%	6.29%	\$ 15,943,159	100.00%	5.82%



City of Golden
Use Tax Trends
Month of December (January)
2014-2017

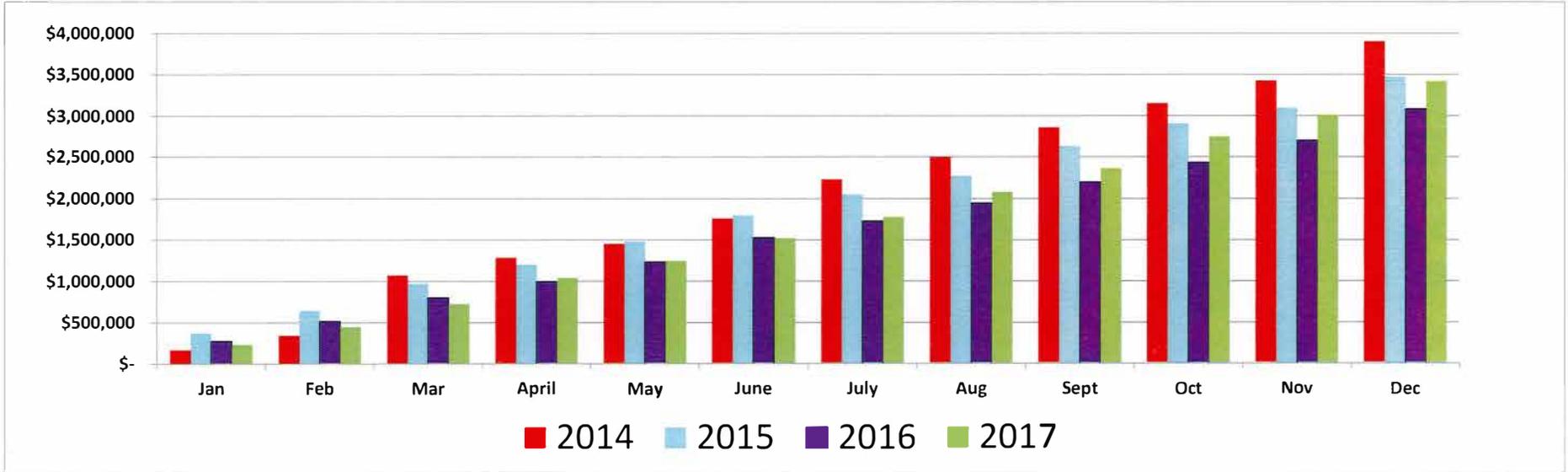
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	% CHNG
2017	\$ 235,196	\$ 211,570	\$ 280,802	\$ 315,407	\$ 206,861	\$ 270,677	\$ 256,138	\$ 303,761	\$ 285,295	\$ 377,169	\$ 262,253	\$ 409,490	\$ 3,414,619	6.1%
2016	\$ 278,990	\$ 237,225	\$ 285,559	\$ 194,318	\$ 240,102	\$ 292,505	\$ 200,678	\$ 215,156	\$ 259,981	\$ 230,883	\$ 260,773	\$ 385,860	\$ 3,082,030	3.7%
2015	\$ 372,306	\$ 317,519	\$ 327,607	\$ 235,186	\$ 276,860	\$ 314,794	\$ 254,336	\$ 221,729	\$ 354,706	\$ 280,238	\$ 187,729	\$ 372,140	\$ 3,470,150	-21.7%
2014	\$ 171,612	\$ 171,243	\$ 728,393	\$ 212,635	\$ 166,412	\$ 302,449	\$ 477,511	\$ 258,124	\$ 359,641	\$ 293,257	\$ 271,497	\$ 475,522	\$ 3,888,296	-4.5%
MTD Use Tax Audit Revenue			\$3,853	<<<< includes building use tax audit revenue				* Percentage Change is for current month only (highlighted)						
Less: MTD Use Tax Refunds			(\$906)											
Other Use Tax Revenue			\$2,948											



*Amounts reported on the cash basis

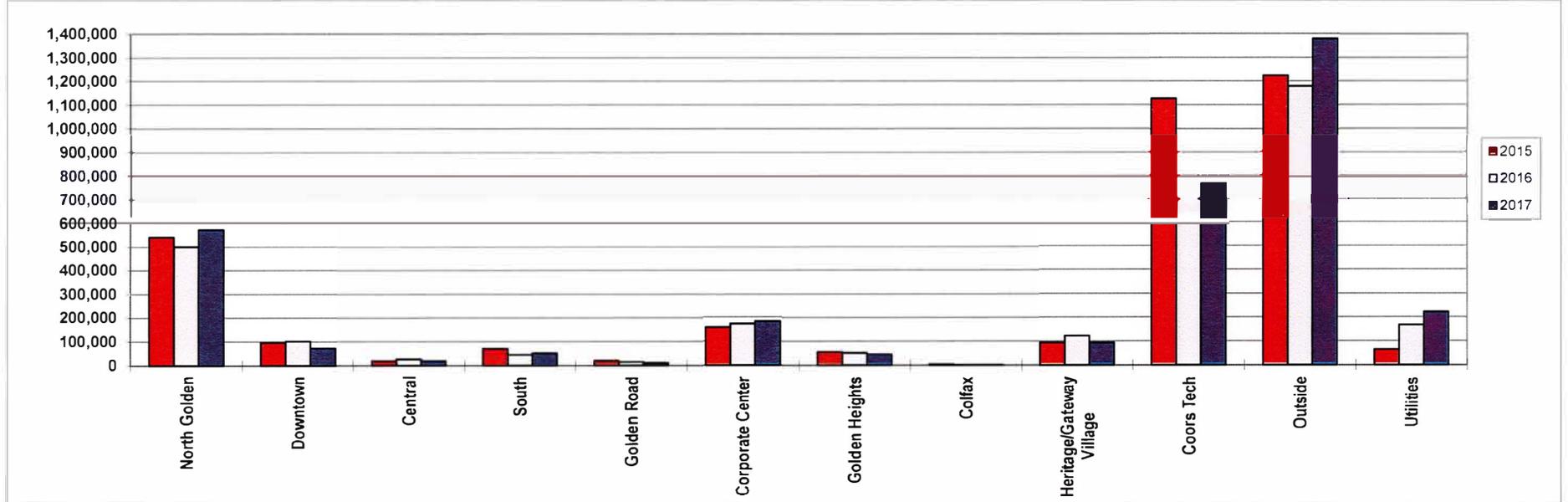
**City of Golden
Use Tax Trends
YTD December (January)
2014-2017**

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	YTD % Chng
2017	\$ 235,196	\$ 446,766	\$ 727,568	\$ 1,042,975	\$ 1,249,836	\$ 1,520,513	\$ 1,776,651	\$ 2,080,412	\$ 2,365,707	\$ 2,742,876	\$ 3,005,129	\$ 3,414,619	\$ 3,414,619	10.8%
2016	\$ 278,990	\$ 516,215	\$ 801,774	\$ 996,092	\$ 1,236,194	\$ 1,528,699	\$ 1,729,377	\$ 1,944,533	\$ 2,204,514	\$ 2,435,397	\$ 2,696,170	\$ 3,082,030	\$ 3,082,030	-11.2%
2015	\$ 372,306	\$ 644,825	\$ 972,432	\$ 1,207,618	\$ 1,484,478	\$ 1,799,272	\$ 2,053,608	\$ 2,275,337	\$ 2,630,043	\$ 2,910,281	\$ 3,098,010	\$ 3,470,150	\$ 3,470,150	-10.8%
2014	\$ 171,612	\$ 342,855	\$1,071,248	\$ 1,283,883	\$ 1,450,295	\$ 1,752,744	\$ 2,230,255	\$ 2,488,379	\$ 2,848,020	\$ 3,141,277	\$ 3,412,774	\$ 3,888,296	\$ 3,888,296	26.3%
YTD Use Tax Audit Revenue				\$ 346,808	<<<< includes building use tax audit revenue						** Percentage Change is YTD %			
Less: YTD Use Tax Refunds				(\$44,689)										
Other Use Tax Revenue				\$ 302,120										



City of Golden
Use Tax Revenue By Location
YTD December (January)
2015/2016/2017

Area	2015 Use Tax	% of total Use Tax	2016 Use Tax	% of total Use Tax	2016-2015 % Change	2017 Use Tax	% of total Use Tax	2017-2016 % Change
North Golden	\$ 540,781	15.58%	\$ 500,144	16.23%	-7.51%	\$ 571,770	16.74%	14.32%
Downtown	\$ 96,132	2.77%	\$ 102,679	3.33%	6.81%	\$ 73,679	2.16%	-28.24%
Central	\$ 18,759	0.54%	\$ 26,721	0.87%	42.44%	\$ 18,582	0.54%	-30.46%
South	\$ 69,744	2.01%	\$ 45,124	1.46%	-35.30%	\$ 51,210	1.50%	13.49%
Golden Road	\$ 19,583	0.56%	\$ 14,284	0.46%	-27.06%	\$ 11,044	0.32%	-22.69%
Corporate Center	\$ 158,136	4.56%	\$ 172,221	5.59%	8.91%	\$ 181,775	5.32%	5.55%
Golden Heights	\$ 55,189	1.59%	\$ 51,351	1.67%	-6.96%	\$ 44,687	1.31%	-12.98%
Colfax	\$ 3,376	0.10%	\$ 2,144	0.07%	-36.48%	\$ 1,817	0.05%	-15.28%
Heritage/Gateway Village	\$ 93,810	2.70%	\$ 122,652	3.98%	30.75%	\$ 93,574	2.74%	-23.71%
Coors Technology	\$ 1,127,828	32.50%	\$ 699,504	22.70%	-37.98%	\$ 765,476	22.42%	9.43%
Outside	\$ 1,222,844	35.24%	\$ 1,178,743	38.25%	-3.61%	\$ 1,379,730	40.41%	17.05%
Utilities	\$ 63,967	1.84%	\$ 166,462	5.40%	160.23%	\$ 221,276	6.48%	32.93%
Totals	\$ 3,470,150	100%	\$ 3,082,030	100%	-11.18%	\$ 3,414,619	100%	10.79%



City of Golden
Use Tax Revenue By Type
YTD December (January)
2015/2016/2017

Type	2015 Use Tax	% of total Use Tax	2016 Use Tax	% of total Use Tax	2016-2014 % Change	2017 Use Tax	% of total Use Tax	2016-2017 % Change
General Merchandise	\$ 307,125	8.85%	\$ 236,383	7.67%	-23.03%	\$ 222,970	6.53%	-5.67%
Grocery	\$ 75,767	2.18%	\$ 81,789	2.65%	7.96%	\$ 69,006	2.02%	-15.63%
Restaurants	\$ 26,294	0.76%	\$ 28,231	0.92%	7.37%	\$ 24,940	0.73%	-11.66%
Automotive	\$ 1,023,431	29.49%	\$ 1,070,071	34.72%	4.56%	\$ 1,251,710	36.66%	16.97%
Prof Services\Entertainment	\$ 118,984	3.43%	\$ 146,858	4.76%	23.43%	\$ 152,572	4.47%	3.89%
Bus Services	\$ 140,357	4.04%	\$ 141,946	4.61%	1.13%	\$ 202,693	5.94%	42.80%
Manufacturing - Production	\$ 1,691,887	48.76%	\$ 1,188,720	38.57%	-29.74%	\$ 1,250,068	36.61%	5.16%
Accommodations	\$ 22,338	0.64%	\$ 21,570	0.70%	-3.44%	\$ 19,384	0.57%	-10.13%
Utilities	\$ 63,967	1.84%	\$ 166,462	5.40%	160.23%	\$ 221,276	6.48%	32.93%
Totals	\$ 3,470,150	100%	\$ 3,082,030	100%	-11.18%	\$ 3,414,619	100%	10.79%

