

City of Boulder
Sales & Use Tax Revenue Report
January 2011

Issued March 14, 2011

This report provides information and analysis related to sales and use tax collections for fiscal year 2011. Any questions should be directed to Bob Eichen, Chief Financial Officer, at (303) 441-1819.

The report for January is presented only at a very high summary level. Historically, January and February have been erratic months in regards to receipts being received, processed and deposited in a consistent pattern. Therefore, January comparisons are not good indicators or trends of what may occur later in the year. A more detailed analysis will be included in the March report which should be available by the 10th working day of May and will include information related to the first quarter of the year. Table 1 compares the major sales and use tax categories for January of 2011 to what occurred in January of 2010.

The economic recovery remains fragile and will come under additional pressure due to recent events in the world. It is unknown at this time how the earthquake and tsunami in Japan will impact the economy. Possible impacts are increased needs for commodities that could help drive prices higher, and a possible reduction in the sale of vehicles made in automotive plants financed by Japan. The turmoil in the Middle East has had and will continue to have an impact on the price of oil. As fuel prices increase it acts as a drag on the economy as consumers and businesses must allocate more of their available funds to pay the higher prices. When this has occurred in the past it has meant that as more money is paid to buy fuel, purchases of taxable items which generate sales and use tax revenues declined.

REVENUE CLASSIFICATION SUMMARIES

Retail sales tax collected in January of 2010 represented the poorest January since 2005. Therefore, the percentage increases for January 2011 appears to be large due to the low year that is used as a denominator when calculating the increase for 2011.

Consumer use tax is an extremely volatile revenue source. It is too early to determine if the increase in this tax for January will be a one month aberration and level out as the year progresses or if it is a harbinger of improvement in the business sector.

To date, the construction sector has not shown ongoing signs of recovering from the major downturn experienced in 2009 and 2010.

Due to substantial interest medical marijuana tax collections the following summary is included. For January remittances were approximately \$56,000. This compares to an average remittance of approximately \$61,000 per month for the last three months of 2010.

In Table 1 below:

- The column entitled “Actual Change in Revenue” with a total increase of \$1,404,140 represents the actual dollar change in collections from 2011 when compared to 2010 for both sales and use tax during the month of January.
- The column “% Change in Collections 2011 to 2010” shows the percentage of difference in the major sales and use tax categories when comparing the two years.
 - **Retail Sales Tax** (the first row with numbers) is watched very closely at all times. These revenues are a primary source for funding many of the ongoing services and programs in the city. Collections for January of 2011 increased by 17.88%. However, as mentioned above this category is often distorted at the first of the year due to timing differences and short processing timelines at the first of the year.
 - **Construction Use Tax** use tax changed very little from 2009 to 2010.
 - **Business Use Tax** was very weak in 2009. It was the lowest amount collected in the past twelve years. While January was up significantly it does not indicate a trend in 2011 since such purchases do not follow a set monthly pattern.
- The “% of Total” column represents how much each type of tax contributes to the total collection of sales and use tax.

TABLE 1

JANUARY COMPARISONS – 2011 compared to 2010			
TAX CATEGORY	ACTUAL CHANGE in REVENUE	% CHANGE in COLLECTIONS 2011 to 2010	% of TOTAL
Retail Sales Tax	\$818,333	17.88%	74.35%
Business Use Tax	\$525,811	99.16%	14.55%
Construction Use Tax	\$31,273	5.29%	8.58%
Auto Use Tax	\$33,823	21.51%	2.64%
Refunds	(\$5,100)	146.98%	(.12%)
Total Sales and Use Tax	\$1,404,140	24.00%	100.00%

Total Net Sales/Use Tax Receipts by Tax Category	JANUARY YTD Actual			
	2010	2011	% Change	% of Total
Sales Tax	4,576,034	5,394,367	17.88%	74.35%
Business Use Tax	530,248	1,056,059	99.16%	14.55%
Construction Use Tax	591,599	622,872	5.29%	8.58%
Motor vehicle	157,253	191,076	21.51%	2.63%
Refunds	-3,469	-8,569	146.98%	-0.12%
Total Sales and Use Tax	5,851,665	7,255,806	24.00%	100.00%

Total Net Sales/Use Tax Receipts by Industry Type	JANUARY YTD Actual			
	2010	2011	% Change	% of Total
Food Stores	682,345	888,595	30.23%	12.25%
Eating Places	759,392	832,645	9.65%	11.48%
Apparel Stores	151,937	161,991	6.62%	2.23%
Home Furnishings	119,311	208,417	74.68%	2.87%
General Retail	1,372,172	1,553,192	13.19%	21.41%
Transportation/Utilities	578,130	641,447	10.95%	8.84%
Automotive Trade	367,640	455,345	23.86%	6.28%
Building Material-Retail	91,076	185,499	103.67%	2.56%
Construction Use Tax	486,551	526,005	8.11%	7.25%
Construction Sales Tax	17,222	16,075	-6.66%	0.22%
Consumer Electronics	119,596	165,303	38.22%	2.28%
Computer Related Business Sector	304,507	878,102	188.37%	12.10%
All Other	805,256	751,758	-6.64%	10.36%
Refunds	-3,469	-8,569	146.98%	-0.12%
Total Sales and Use Tax	5,851,665	7,255,806	24.00%	100.00%

Total Net Sales/Use Tax Receipts by Geographic Area	JANUARY YTD Actual			
	2010	2011	% Change	% of Total
North Broadway	81,704	50,870	-37.74%	0.70%
Downtown	450,070	407,627	-9.43%	5.62%
Downtown Extension	38,162	15,278	-59.97%	0.21%
UHGID (the "hill")	113,043	101,659	-10.07%	1.40%
East Downtown	38,684	42,479	9.81%	0.59%
N. 28th St. Commercial	218,522	311,564	42.58%	4.29%
N. Broadway Annex	35,962	54,001	50.16%	0.74%
University of Colorado	206,499	199,520	-3.38%	2.75%
Basemar	104,153	128,308	23.19%	1.77%
BVRC-Boulder Valley Regional Center	1,110,381	1,326,572	19.47%	18.28%
29th Street	239,526	471,475	96.84%	6.50%
Table Mesa	173,969	187,610	7.84%	2.59%
The Meadows	19,537	65,761	236.59%	0.91%
All Other Boulder	266,540	207,971	-21.97%	2.87%
Boulder County	138,181	43,729	-68.35%	0.60%
Metro Denver	411,491	387,589	-5.81%	5.34%
Colorado All Other	5,966	9,462	58.60%	0.13%
Out of State	412,783	705,700	70.96%	9.73%
Airport	585	679	16.04%	0.01%
Gunbarrel Industrial	283,267	949,300	235.13%	13.08%
Gunbarrel Commercial	77,351	85,116	10.04%	1.17%
Pearl Street Mall	131,992	145,827	10.48%	2.01%
Boulder Industrial	497,751	609,945	22.54%	8.41%
Unlicensed Receipts	132,583	110,692	-16.51%	1.53%
County Clerk	157,253	191,076	21.51%	2.63%
Public Utilities	509,178	454,565	-10.73%	6.26%
Refunds	-3,469	-8,569	146.98%	-0.12%
Total Sales and Use Tax	5,851,665	7,255,806	24.00%	100.00%

Miscellaneous Tax Statistics	JANUARY YTD Actual		
	2010	2011	% Change in Taxable Sales
Total Food Service Tax	34,893	38,911	11.51%
Accommodations Tax	159,045	242,315	11.73%
Admissions Tax	51,722	48,145	-6.92%
License Fees	2,550	2,425	-4.90%
Trash Tax	445,227	6,424	-98.56%

USE >> SALES

COMPARISON OF YEAR-TO-DATE ACTUAL REVENUE FOR THE YEAR 2011 TO COMPARABLE PERIOD

USE TAX BY CATEGORY

SALES TAX BY CATEGORY

JANUARY YTD Actual			Standard Industrial Code	JANUARY YTD Actual		
2010	2011	% Change		2010	2011	% Change
2,091	39,809	1803.39%	Food Stores	680,253	848,786	24.77%
6,014	5,626	-6.45%	Eating Places	753,378	827,019	9.77%
238	236	-0.48%	Apparel Stores	151,699	161,755	6.63%
833	2,105	152.62%	Home Furnishings	118,478	206,312	74.14%
94,293	184,539	95.71%	General Retail	1,277,878	1,368,653	7.10%
20,916	16,559	-20.83%	Transportation/Utilities	557,215	624,888	12.14%
158,990	193,608	21.77%	Automotive Trade	208,651	261,737	25.44%
254	234	-8.16%	Building Material-Retail	90,822	185,266	103.99%
486,551	526,005	8.11%	Construction Use Tax	0	0	na
0	0	na	Construction Sales Tax	17,222	16,075	-6.66%
9,944	3,673	-63.06%	Consumer Electronics	109,652	161,630	47.40%
132,661	629,015	374.15%	Computer Related Business	171,846	249,087	44.95%
366,316	268,598	-26.68%	All Other	438,940	483,159	10.07%
1,279,100	1,870,007	46.20%	Total Sales and Use Tax	4,576,034	5,394,367	17.88%

USE TAX BY CATEGORY

SALES TAX BY CATEGORY

JANUARY YTD Actual			Geographic Code	JANUARY YTD Actual		
2010	2011	% Change		2010	2011	% Change
1,896	1,934	2.01%	North Broadway	79,808	48,936	-38.68%
15,287	13,536	-11.45%	Downtown	434,783	394,092	-9.36%
360	141	-60.81%	Downtown Extension	37,802	15,137	-59.96%
219	933	326.75%	UHGID (the "hill")	112,825	100,726	-10.72%
3,299	1,648	-50.04%	East Downtown	35,385	40,830	15.39%
1,826	2,715	48.73%	N. 28th St. Commercial	216,696	308,849	42.53%
2,859	26,527	828.00%	N. Broadway Annex	33,103	27,474	-17.01%
34	882	2485.19%	University of Colorado	206,465	198,638	-3.79%
138	207	49.96%	Basemar	104,016	128,102	23.16%
10,758	48,710	352.79%	BVRC	1,099,623	1,277,861	16.21%
1,407	1,936	37.60%	29th Street	238,119	469,539	97.19%
357	7,650	2041.62%	Table Mesa	173,612	179,959	3.66%
375	360	-3.96%	The Meadows	19,163	65,401	241.29%
127,689	56,085	-56.08%	All Other Boulder	138,851	151,886	9.39%
106,384	6,064	-94.30%	Boulder County	31,797	37,665	18.45%
282,736	237,986	-15.83%	Metro Denver	128,755	149,603	16.19%
393	72	-81.82%	Colorado All Other	5,573	9,391	68.51%
22,651	26,170	15.54%	Out of State	390,133	679,530	74.18%
101	2	-98.10%	Airport	485	677	39.73%
214,749	898,084	318.20%	Gunbarrel Industrial	68,518	51,216	-25.25%
595	4,115	591.81%	Gunbarrel Commercial	76,756	81,001	5.53%
6,744	483	-92.84%	Pearl Street Mall	125,248	145,344	16.04%
215,513	236,678	9.82%	Boulder Industrial	282,238	373,267	32.25%
96,583	97,594	1.05%	Unlicensed Receipts	36,000	13,098	-63.62%
157,253	191,076	21.51%	County Clerk	0	0	na
8,898	8,419	-5.38%	Public Utilities	500,280	446,145	-10.82%
1,279,100	1,870,007	46.20%	Total Sales and Use Tax	4,576,034	5,394,367	17.88%

TOTAL CITY SALES AND USE TAX COLLECTIONS															
REVENUE CATEGORY	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% Change in Taxable Sales
RETAIL SALES TAX	2004	4,394,136	4,170,467	5,327,051	4,339,594	4,461,055	5,340,555	4,333,128	4,749,658	5,542,805	4,450,731	4,518,629	6,602,036	58,229,844	1.45%
Rate 3.41%	2005	4,255,041	4,453,370	5,232,389	4,353,026	4,576,864	5,535,196	4,494,079	5,013,379	5,550,916	4,541,790	4,769,700	6,932,929	59,708,680	2.54%
	2006	4,734,249	4,645,436	5,537,253	4,659,458	4,882,331	6,129,363	4,737,773	5,237,757	6,156,056	4,950,305	4,387,847	7,891,618	63,949,446	7.10%
Rate Chg 3.41%>3.56%	2007	5,118,353	5,014,615	6,918,421	4,965,981	5,500,701	6,712,841	5,565,371	6,393,028	6,954,377	5,747,963	5,695,703	8,411,484	72,998,838	9.34%
Rate Chg 3.56%>3.41%	2008	5,197,400	5,105,109	6,005,946	5,331,447	5,488,450	6,572,335	5,508,796	6,258,640	6,620,535	5,382,779	5,255,155	7,443,455	70,170,045	0.35%
Rate 3.41%	2009	4,919,570	4,659,632	5,850,038	5,077,648	5,131,444	6,428,343	5,206,770	5,790,533	6,093,314	5,170,325	4,735,769	7,814,230	66,877,613	-4.69%
	2010	4,576,034	5,386,190	6,196,697	5,320,225	5,470,595	6,895,283	5,522,076	5,943,315	6,855,385	5,652,938	5,240,211	8,414,157	71,473,106	6.87%
	2011	5,394,367												5,394,367	-92.45%
Change from prior year (Month)		17.88%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%		
Change from prior year (YTD)		17.88%	-45.85%	-66.62%	-74.89%	-79.98%	-84.06%	-86.30%	-88.09%	-89.66%	-90.67%	-91.45%	-92.45%		
CONSUMER USE TAX	2004	980,229	665,018	899,453	742,692	724,614	866,974	810,874	922,401	941,990	728,634	750,971	1,181,776	10,215,625	-1.39%
(includes Motor Vehicle)	2005	827,887	507,036	951,085	1,016,614	1,103,529	1,001,468	864,720	788,465	1,094,030	758,937	968,467	1,248,300	11,130,180	8.95%
	2006	686,686	517,101	1,277,146	577,144	964,529	781,362	895,403	776,258	1,054,696	727,776	1,092,224	1,287,157	10,637,482	-4.43%
Rate Chg 3.41%>3.56%	2007	763,650	574,006	975,178	888,726	733,196	858,072	975,456	652,501	923,667	732,463	716,317	1,575,908	10,369,140	-6.63%
Rate Chg 3.56%>3.41%	2008	818,034	991,472	1,109,160	669,214	736,901	1,067,769	732,334	596,399	899,934	989,683	599,876	1,253,267	10,464,043	5.35%
Rate 3.41%	2009	909,558	657,250	1,062,587	997,891	531,724	790,819	858,325	1,299,767	989,089	741,578	698,452	1,600,457	11,137,497	6.44%
	2010	687,502	778,796	913,223	701,931	662,382	945,800	620,328	633,593	909,315	752,143	618,493	1,366,131	9,589,636	-13.90%
	2011	1,247,135												1,247,135	-86.99%
Change from prior year (Month)		81.40%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%		
Change from prior year (YTD)		81.40%	-14.95%	-47.59%	-59.53%	-66.69%	-73.41%	-76.51%	-79.02%	-81.80%	-83.60%	-84.83%	-86.99%		
CONSTRUCTION USE TAX	2004	210,383	336,148	387,487	490,426	229,416	181,732	204,851	155,409	212,299	119,283	238,459	283,087	3,048,978	-10.50%
Rate 3.41%	2005	912,585	782,540	287,865	461,878	456,073	913,197	186,408	235,308	282,503	276,247	288,104	514,975	5,597,684	83.59%
	2006	197,263	331,341	420,749	294,094	337,237	774,420	352,533	261,409	343,749	559,975	410,958	1,018,272	5,302,000	-5.28%
Rate Chg 3.41%>3.56%	2007	293,078	347,860	112,016	293,061	621,413	430,207	1,119,425	259,226	421,376	266,524	376,978	253,590	4,814,755	-13.02%
Rate Chg 3.56%>3.41%	2008	330,080	347,219	748,549	454,797	327,855	241,649	100,759	442,652	347,954	217,885	107,831	381,753	4,048,982	-12.21%
Rate 3.41%	2009	944,905	111,907	425,028	776,511	279,761	995,132	721,209	676,301	235,485	223,169	591,970	1,467,798	7,449,176	83.98%
	2010	591,599	242,591	245,829	362,619	226,230	1,921,675	1,075,078	467,423	245,361	234,021	406,868	531,670	6,550,964	-12.06%
	2011	622,872												622,872	-90.49%
Change from prior year (Month)		5.29%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%		
Change from prior year (YTD)		5.29%	-25.33%	-42.33%	-56.82%	-62.68%	-82.65%	-86.65%	-87.87%	-88.42%	-88.90%	-89.65%	-90.49%		
TOTAL FOR MONTH & CHANGE FROM PREVIOUS YEAR (MONTH & YTD)	2004	5,584,748	5,171,633	6,613,991	5,572,712	5,415,085	6,389,261	5,348,853	5,827,468	6,697,093	5,298,647	5,508,059	8,066,899	71,494,448	0.47%
Rate 3.41%	2005	5,995,513	5,742,946	6,471,340	5,831,518	6,136,529	7,449,441	5,545,207	6,037,152	6,927,449	5,576,974	6,026,271	8,696,204	76,436,545	6.91%
	2006	5,618,198	5,493,878	7,235,148	5,530,696	6,184,096	7,685,145	5,985,709	6,275,424	7,554,500	6,238,056	5,891,030	10,197,046	79,888,928	4.52%
Rate Chg 3.41%>3.56%	2007	6,175,081	5,936,481	8,005,615	6,147,768	6,855,311	8,001,120	7,660,252	7,304,754	8,299,420	6,766,951	6,788,999	10,240,982	88,182,732	5.73%
Rate Chg 3.56%>3.41%	2008	6,345,513	6,443,800	7,863,654	6,455,459	6,553,206	7,881,753	6,341,889	7,297,691	7,868,423	6,590,347	5,962,862	9,078,475	84,683,070	0.26%
Rzte 3.41%	2009	6,774,033	5,428,789	7,337,653	6,852,049	5,942,929	8,214,294	6,786,304	7,766,601	7,317,887	6,135,072	6,026,191	10,882,485	85,464,286	0.92%
	2010	5,855,134	6,407,577	7,355,749	6,384,774	6,359,207	9,762,758	7,217,482	7,044,332	8,010,061	6,639,102	6,265,572	10,311,957	87,613,706	2.51%
	2011	7,264,374	0	0	0	0	0	0	0	0	0	0	0	7,264,374	-91.71%
Less Refunds	2004	-1,343	-10,505	-636	-872	-5,963	-151	-1,299	-4,643	-244	-27,318	-5,758	-4,330	-63,061	
	2005	-246	-66,044	-909	-2,666	-1,647	-10,080	-3,062	-4,207	-846	-1,586	0	-4,757	-96,051	
	2006	-40,302	-5,272	-22,761	-363	-5,099	0	0	-7,568	-806	-5,947	-406	-16,773	-105,296	
	2007	0	-38,291	-2,013	-729	-9,326	-14,547	-14,440	-677	0	-5,963	0	-5,015	-91,001	
	2008	-978	0	-46,974	-1,409	0	-2,375	-445	-9,493	-1,429	0	-48,521	-500	-112,123	
Less Refunds	2009	-3,335	0	0	-1,111	-602	-692	-967	-3,520	-2,747	-179,087	-65,331	-26,376	-283,770	
	2010	-3,469	-68,130	-35,924	-1,444	-43,920	-3,832	-1,648	-4,204	-7,969	0	-12,480	-214	-183,234	
	2011	-8,569												-8,569	
Adjusted total	2004	5,583,406	5,161,128	6,613,354	5,571,840	5,409,121	6,389,110	5,347,554	5,822,825	6,696,849	5,271,329	5,502,301	8,062,569	71,431,386	1.01%
Rate 3.41%	2005	5,995,266	5,676,902	6,470,431	5,828,852	6,134,882	7,439,361	5,542,145	6,032,946	6,926,603	5,575,388	6,026,271	8,691,446	76,340,493	6.87%
	2006	5,577,896	5,488,606	7,212,388	5,530,333	6,178,998	7,685,145	5,985,709	6,267,856	7,553,694	6,232,110	5,890,624	10,180,273	79,783,631	4.51%
Rate Chg 3.41%>3.56%	2007	6,175,081	5,898,190	8,003,602	6,147,039	6,845,984	7,986,572	7,645,812	7,304,077	8,299,420	6,760,988	6,788,999	10,235,967	88,091,731	5.76%
	2008	6,344,536	6,443,800	7,816,680	6,454,050	6,553,206	7,879,378	6,341,444	7,288,198	7,866,995	6,590,347	5,914,341	9,077,975	84,570,947	0.23%
Rate 3.41%	2009	6,770,698	5,428,789	7,337,653	6,850,938	5,942,327	8,213,602	6,785,337	7,763,080	7,315,140	5,955,985	5,960,860	10,856,109	85,180,517	0.72%
	2010	5,851,665	6,339,447	7,319,826	6,383,330	6,315,288	9,758,926	7,215,834	7,040,127	8,002,092	6,639,102	6,253,092	10,311,744	87,430,472	2.64%
	2011	7,255,806	0	0	0	0	0	0	0	0	0	0	0	7,255,806	-91.70%
% Change (month)		24.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%		
% Change (YTD)		24.00%	-40.48%	-62.81%	-71.98%	-77.47%	-82.71%	-85.25%	-87.09%	-88.70%	-89.76%	-90.59%	-91.70%		