

# City of Boulder Sales & Use Tax Revenue Report February, 2011

Issued April 15, 2011

This report provides information and analysis related to sales and use tax collections for fiscal year 2011. Results are for actual sales activity through the month of February, the tax on which is received by the city in the subsequent month. Any questions should be directed to Bob Eichen, Chief Financial Officer at (303) 441-1819.

This report is issued at a summary level. Given only two months of data, we do not have sufficient information to begin interpreting trends. A more detailed analysis will be included in the March (1<sup>st</sup> Quarter) report which should be available approximately the 10<sup>th</sup> working day of May. Table 1 compares the major sales and use tax categories for February 2011 year-to-date (YTD) to the comparable period in 2010.

Although YTD revenue is quite positive, it includes several inconsistencies that may not be indicative of future month's revenue. Further, the economic recovery remains fragile, resulting in significant uncertainty related to future revenue. Possible impacts related to problems in Japan are increased needs for commodities that could drive prices higher and a possible reduction in the sale of vehicles due to vehicle and parts shortages. The turmoil in the Middle East has contributed to the rising price of oil. As fuel prices increase, it may act as a drag on the economy as consumers and businesses allocate more of their available funds to pay the higher fuel prices and reduce taxable spending on other items. As always, we will continue to track economic conditions to assess the impact on City of Boulder revenue.

## REVENUE COMPARISONS TO COMPARABLE PERIOD IN PRIOR YEAR

As reflected in Table 1, Total sales and use tax has increased from the 2010 base by 9.24 %.

**TABLE 1  
ACTUAL REVENUE**

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	5.67%	79.04%
Business/Consumer Use Tax	30.65%	11.46%
Construction Use Tax	8.38%	6.79%
Motor Vehicle Use Tax	24.61%	2.79%
Refunds	-84.57%	-0.08%
<b>Total Sales &amp; Use Tax</b>	<b>9.24%</b>	<b>100.00%</b>

## ANALYSIS OF RESULTS

- Retail Sales Tax – Adjusting for timing in retail food tax collections would result in retail sales tax being up by only 2.97% on an “apples to apples” basis.

January	February
17.88%	-4.71%

- Business/Consumer Use Tax – This category tends to be volatile in nature and the short-term results do not necessarily reflect trends. January includes revenue from a large audit.

January	February
81.40%	-16.46%

- Construction Use Tax – January includes revenue from a large project that may be considered one-time in nature.

January	February
5.29%	15.92%

### **MEDICAL MARIJUANA BUSINESS SALES TAX**

In response to the interest expressed in this newly emerging industry, this new section has been added to the monthly revenue report. As an industry with limited previous year history, comparison of current tax receipts to prior year monthly data will not yield much useful information. Instead, monthly sales tax revenue remitted by these businesses in 2011 is presented below. Average collections in 2010 were approximately \$47,000 per month.

January	February
\$55,982	\$68,348

### **ACCOMMODATION TAX**

Authorized by a vote of the people in November of 2010, Accommodation Tax increased from 5.5% to 7.5% on January 1, 2011. Therefore, the following chart provides information on both the February YTD increase in visitor/tourism base revenue (the comparison at 5.50%) and revenue associated with the increase in rate.

	2010	2011	% Change
Tax at 5.50%	\$336,399	\$352,417	4.76%
Additional 2.00% Tax		\$128,152	
Total Accommodation Tax	\$336,399	\$480,569	42.86%

### **ADMISSIONS TAX**

Admissions Tax decreased by 5.10%.

This report will be updated and will be available on approximately the tenth business day of each month.

---

Total Net Sales/Use Tax Receipts by Tax Category	FEBRUARY YTD Actual			
	2010	2011	% Change	% of Total
Sales Tax	9,962,224	10,526,804	5.67%	79.04%
Business Use Tax	1,167,981	1,525,985	30.65%	11.46%
Construction Use Tax	834,189	904,082	8.38%	6.79%
Motor vehicle	298,317	371,746	24.61%	2.79%
Refunds	-71,599	-11,048	-84.57%	-0.08%
<b>Total Sales and Use Tax</b>	<b>12,191,112</b>	<b>13,317,569</b>	<b>9.24%</b>	<b>100.00%</b>

Total Net Sales/Use Tax Receipts by Industry Type	FEBRUARY YTD Actual			
	2010	2011	% Change	% of Total
Food Stores	1,735,160	1,963,093	13.14%	14.74%
Eating Places	1,575,668	1,672,379	6.14%	12.56%
Apparel Stores	310,143	322,085	3.85%	2.42%
Home Furnishings	341,705	381,060	11.52%	2.86%
General Retail	2,690,607	2,815,059	4.63%	21.14%
Transportation/Utilities	1,408,941	1,304,293	-7.43%	9.79%
Automotive Trade	735,677	866,751	17.82%	6.51%
Building Material-Retail	342,207	349,955	2.26%	2.63%
Construction Use Tax	655,550	766,508	16.93%	5.76%
Construction Sales Tax	33,356	34,219	2.59%	0.26%
Consumer Electronics	239,630	280,545	17.07%	2.11%
Computer Related Business Sector	631,365	1,178,295	86.63%	8.85%
All Other	1,562,701	1,394,375	-10.77%	10.47%
Refunds	-71,599	-11,048	-84.57%	-0.08%
<b>Total Sales and Use Tax</b>	<b>12,191,112</b>	<b>13,317,569</b>	<b>9.24%</b>	<b>100.00%</b>

Total Net Sales/Use Tax Receipts by Geographic Area	FEBRUARY YTD Actual			
	2010	2011	% Change	% of Total
North Broadway	170,428	156,194	-8.35%	1.17%
Downtown	805,435	803,778	-0.21%	6.04%
Downtown Extension	79,577	29,214	-63.29%	0.22%
UHGID (the "hill")	189,499	175,032	-7.63%	1.31%
East Downtown	76,406	89,793	17.52%	0.67%
N. 28th St. Commercial	665,928	738,547	10.90%	5.55%
N. Broadway Annex	67,836	78,555	15.80%	0.59%
University of Colorado	257,209	246,298	-4.24%	1.85%
Basemar	227,656	264,287	16.09%	1.98%
BVRC-Boulder Valley Regional Center	2,384,462	2,567,226	7.66%	19.28%
29th Street	886,509	916,171	3.35%	6.88%
Table Mesa	348,194	377,093	8.30%	2.83%
The Meadows	136,450	177,067	29.77%	1.33%
All Other Boulder	498,478	489,145	-1.87%	3.67%
Boulder County	171,830	102,668	-40.25%	0.77%
Metro Denver	637,503	594,850	-6.69%	4.47%
Colorado All Other	17,064	15,597	-8.59%	0.12%
Out of State	1,069,086	1,294,329	21.07%	9.72%
Airport	1,186	1,226	3.35%	0.01%
Gunbarrel Industrial	613,040	1,196,032	95.10%	8.98%
Gunbarrel Commercial	154,777	166,922	7.85%	1.25%
Pearl Street Mall	275,354	296,124	7.54%	2.22%
Boulder Industrial	1,030,266	1,125,078	9.20%	8.45%
Unlicensed Receipts	226,085	163,166	-27.83%	1.23%
County Clerk	298,317	371,746	24.61%	2.79%
Public Utilities	974,133	892,476	-8.38%	6.70%
Refunds	-71,599	-11,048	-84.57%	-0.08%
<b>Total Sales and Use Tax</b>	<b>12,191,112</b>	<b>13,317,569</b>	<b>9.24%</b>	<b>100.00%</b>

Miscellaneous Tax Statistics	FEBRUARY YTD Actual		
	2010	2011	% Change in Taxable Sales
Total Food Service Tax	71,877	79,305	10.33%
Accommodations Tax	336,399	480,569	4.76%
Admissions Tax	91,803	87,126	-5.10%
License Fees	5,750	4,850	-15.65%
Trash Tax	445,227	6,424	-98.56%

USE >> SALES

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

USE TAX BY CATEGORY

SALES TAX BY CATEGORY

FEBRUARY YTD Actual			Standard Industrial Code	FEBRUARY YTD Actual		
2010	2011	% Change		2010	2011	% Change
5,343	48,030	798.92%	Food Stores	1,729,817	1,915,063	10.71%
14,933	13,126	-12.10%	Eating Places	1,560,735	1,659,253	6.31%
535	909	70.01%	Apparel Stores	309,609	321,176	3.74%
2,550	2,669	4.67%	Home Furnishings	339,156	378,391	11.57%
274,248	298,346	8.79%	General Retail	2,416,360	2,516,714	4.15%
60,190	39,729	-33.99%	Transportation/Utilities	1,348,752	1,264,564	-6.24%
301,243	382,877	27.10%	Automotive Trade	434,434	483,874	11.38%
1,333	970	-27.22%	Building Material-Retail	340,873	348,984	2.38%
655,550	766,508	16.93%	Construction Use Tax	0	0	na
0	0	na	Construction Sales Tax	33,356	34,219	2.59%
22,457	10,524	-53.14%	Consumer Electronics	217,173	270,021	24.33%
291,405	771,772	164.84%	Computer Related Business	339,960	406,523	19.58%
670,701	466,354	-30.47%	All Other	892,000	928,022	4.04%
<b>2,300,487</b>	<b>2,801,812</b>	<b>21.79%</b>	<b>Total Sales and Use Tax</b>	<b>9,962,224</b>	<b>10,526,804</b>	<b>5.67%</b>

USE TAX BY CATEGORY

SALES TAX BY CATEGORY

FEBRUARY YTD Actual			Geographic Code	FEBRUARY YTD Actual		
2010	2011	% Change		2010	2011	% Change
5,942	9,851	65.79%	North Broadway	164,486	146,344	-11.03%
22,438	24,793	10.50%	Downtown	782,998	778,985	-0.51%
806	542	-32.76%	Downtown Extension	78,771	28,673	-63.60%
2,761	4,759	72.37%	UHGD (the "hill")	186,738	170,273	-8.82%
5,896	3,844	-34.81%	East Downtown	70,510	85,950	21.90%
13,534	14,125	4.37%	N. 28th St. Commercial	652,394	724,422	11.04%
10,243	26,339	157.15%	N. Broadway Annex	57,594	52,215	-9.34%
4,961	2,037	-58.95%	University of Colorado	252,249	244,262	-3.17%
2,015	1,950	-3.25%	Basemar	225,640	262,337	16.26%
40,474	69,594	71.95%	BVRC	2,343,988	2,497,632	6.55%
5,075	4,261	-16.03%	29th Street	881,433	911,910	3.46%
1,135	11,138	881.69%	Table Mesa	347,059	365,955	5.44%
928	807	-13.08%	The Meadows	135,522	176,261	30.06%
229,329	170,917	-25.47%	All Other Boulder	269,150	318,228	18.23%
113,783	25,760	-77.36%	Boulder County	58,047	76,908	32.49%
314,893	302,478	-3.94%	Metro Denver	322,610	292,372	-9.37%
4,012	658	-83.59%	Colorado All Other	13,052	14,939	14.46%
57,062	52,452	-8.08%	Out of State	1,012,024	1,241,877	22.71%
220	79	-64.11%	Airport	966	1,147	18.70%
481,352	1,082,335	124.85%	Gunbarrel Industrial	131,689	113,698	-13.66%
1,215	4,451	266.27%	Gunbarrel Commercial	153,562	162,471	5.80%
13,501	1,325	-90.18%	Pearl Street Mall	261,853	294,799	12.58%
460,565	458,389	-0.47%	Boulder Industrial	569,701	666,689	17.02%
175,436	139,681	-20.38%	Unlicensed Receipts	50,650	23,485	-53.63%
298,317	371,746	24.61%	County Clerk	0	0	na
34,596	17,503	-49.41%	Public Utilities	939,537	874,973	-6.87%
<b>2,300,487</b>	<b>2,801,812</b>	<b>21.79%</b>	<b>Total Sales and Use Tax</b>	<b>9,962,224</b>	<b>10,526,804</b>	<b>5.67%</b>

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
<b>RETAIL SALES TAX</b>	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%
Rate3.41%	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	5,132,437											10,526,804	-85.27%
Change from prior year (Month)		17.88%	-4.71%	-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%	5.67%	-34.85%	-50.99%	-60.94%	-68.90%	-73.26%	-76.77%	-79.82%	-81.79%	-83.31%	-85.27%		
<b>CONSUMER USE TAX</b>	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	1,001,408	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	964,542	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%
RateChg3.56%>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%
Rate3.41%	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	650,595											1,897,730	-80.21%
Change from prior year (Month)		81.40%	-16.46%	-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%	29.42%	-20.25%	-38.41%	-49.31%	-59.53%	-64.26%	-68.07%	-72.31%	-75.05%	-76.92%	-80.21%		
<b>CONSTRUCTION USE TAX</b>	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%
RateChg3.56%>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%
Rate3.41%	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	281,210											904,082	-86.20%
Change from prior year (Month)		5.29%	15.92%	-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%	8.38%	-16.29%	-37.33%	-45.83%	-74.82%	-80.62%	-82.39%	-83.19%	-83.89%	-84.98%	-86.20%		
<b>TOTAL FOR MONTH &amp; CHANGE FROM PREVIOUS YEAR (MONTH &amp; YTD)</b>	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%
Ratechg3.56%>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%
Rzte3.41%	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	6,064,242	0	0	0	0	0	0	0	0	0	0	13,328,616	-84.79%
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	-2,479											-11,048	
<b>Adjusted total</b>	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%
Rate3.41%	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	6,061,763	0	0	0	0	0	0	0	0	0	0	13,317,569	-84.77%
% Change (month)		24.00%	-4.38%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%		
% Change (YTD)		24.00%	9.24%	-31.74%	-48.57%	-58.65%	-68.27%	-72.92%	-76.31%	-79.26%	-81.21%	-82.73%	-84.77%		