

City of Boulder

Sales & Use Tax Revenue Report

December, 2012

Issued February 19, 2013

This report provides information and analysis related to total year 2012 sales and use tax collections.

Table 1 excludes Construction Use Tax revenue from the Boulder Junction area and reports adjusted revenue that better reflects the underlying tax “base” that funds the on-going operations of the City.

Table 2 includes Construction Use Tax from the Boulder Junction area, which is considered one-time in nature and is committed to fund specific infrastructure projects in the area.

Results are for actual sales activity through the month of December, the tax on which is received by the city in the subsequent month. For clarification of any information in this report, please contact Chief Financial Officer, Bob Eichem at 303.441.1819 or eichemb@bouldercolorado.gov.

REVENUE COMPARISONS TO COMPARABLE PERIOD IN PRIOR YEAR

Table 1 lists the categories of sales and use tax collected by the City of Boulder. It illustrates the percent change in the various areas for total year 2012 over the same time period in 2011. As reflected in Table 1, adjusted Sales and Use Tax has increased from the 2011 base by 3.00%. As reflected in Table 2, actual Sales and Use Tax has increased by 3.97%.

TABLE 1
REVENUE ADJUSTED TO EXCLUDE BOULDER JUNCTION CONSTRUCTION USE TAX

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	3.71%	81.65%
Business/Consumer Use Tax	2.33%	9.84%
Construction Use Tax	(9.23%)	5.88%
Motor Vehicle Use Tax	8.04%	2.62%
Refunds	(100.00%)	0.00%
Total Sales & Use Tax	3.00%	100.00%

TABLE 2
ACTUAL REVENUE INCLUDING BOULDER JUNCTION CONSTRUCTION USE TAX

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	3.71%	80.89%
Business/Consumer Use Tax	2.33%	9.75%
Construction Use Tax	5.27%	6.76%
Motor Vehicle Use Tax	8.04%	2.60%
Refunds	(100.00%)	0.00%
Total Sales & Use Tax	3.97%	100.00%

ANALYSIS OF YEAR-TO-DATE 2012 RESULTS COMPARED TO 2011

- Retail Sales Tax – YTD retail receipts are up by 3.71%.
- Business/Consumer Use Tax – YTD revenue is up by 2.33%. Results include significant audit revenue collected during the months of October and December. Excluding audit revenue, this category would be down for the total year.
- Construction Use Tax – This category is up in total for the year by 5.27%. When the dedicated Boulder Junction use tax is removed, Construction Use Tax is down by 9.23%.
- Motor Vehicle Use Tax is up by 8.04%. Vehicles purchased by owners in the City of Boulder, regardless of where the vehicle is purchased, generate use tax revenue for the City.

DETAILED ANALYSIS OF MAJOR CATEGORIES

The following monthly information is provided to enable identification of trends in the various categories.

Retail Sales Tax – Total year 2012 retail sales tax revenue was up by 3.71% from that received in 2011. December did compensate somewhat for the weak 2012 November numbers. Looking back, the December 2011 numbers were weak, retail was down by 0.29% from 2010, so the comparative "bar" was low. At the same time it is good to see steady progress in this sector of the local economy.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(0.57%)	(0.07%)	0.93%	(0.55%)	4.91%	4.10%	(0.53%)	8.13%	2.96%	7.33%	(2.36%)	14.47%

Food Stores - Retail sales tax revenue for food stores is up by 7.60% YTD.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
12.40%	(10.87%)	25.52%	11.14%	10.92%	4.55%	5.92%	6.93%	11.12%	(2.70%)	(1.44%)	18.63%

Sales at **Eating Places** are both an important revenue source (Eating Places comprise approximately 14.00% of sales/use tax) and are usually a significant indicator of the health of the economy in the city. This discretionary category is often correlated with unemployment (disposable income) and consumer confidence. Total December YTD retail tax at Eating Places is up by 8.84%.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6.07%	7.21%	15.78%	6.42%	10.45%	7.44%	(3.66%)	10.63%	7.91%	2.28%	10.01%	14.58%

Apparel Store retail sales are up by 8.66% YTD. One significant reason for this strong performance is incremental sales from the new Nordstrom Rack store located in the TwentyNinth Street area. The first full month of revenue from this store was May of 2011. Therefore, as we predicted, the degree of these positive results experienced early in the year (when 2012 sales were compared to zero sales the year before) did not continue as the year progressed.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
29.04%	45.61%	30.43%	19.19%	3.33%	(10.75%)	(0.62%)	11.24%	7.01%	0.37%	6.75%	5.73%

General Retail is up by 0.78% YTD.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(5.35%)	1.28%	(0.60%)	(5.31%)	6.46%	1.43%	(4.99%)	12.24%	(7.17%)	5.68%	(2.70%)	7.64%

Utilities (primarily retail sales tax on natural gas and electricity) are down by 4.72% YTD. Tax on Public Utilities comprises approximately 5.00% of total sales and use tax revenue.

According to the July 25, 2012 Denver Post, the drop in natural gas prices is the most significant factor in the cost and related sales tax in this category. "Xcel Energy customers are expected to pay about 4.8

percent less for electricity in 2012 than they did in 2010. The two items that cut the cost to consumers were a reduction in the cost of power purchased by Xcel from independent power plants --- down nearly 40 percent since 2010 --- and the cost of fuel, or natural gas, which dropped 12 percent.”

Even when natural gas prices do eventually increase, this category may not increase substantially if conservation strategies are successful and businesses significantly cut their energy use. According to a 2006 study by the City of Boulder, commercial and industrial sector energy use makes up 83% of Boulder’s energy use.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2.13%	(6.61%)	(2.42%)	(8.28%)	(9.83%)	(10.34%)	5.60%	(0.63%)	(21.31%)	7.15%	(8.84%)	(9.83%)

MEDICAL MARIJUANA BUSINESS SALES TAX

In response to the interest expressed in this emerging industry, this section has been added to the monthly revenue report. Monthly sales tax revenue, and the percentage change from the same time period in 2011, is presented below. Total YTD retail sales tax revenue collected in this category is \$789,720, up by 3.89% from 2011. This industry represents less than one half one percent of total sales and use tax collections.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
\$53,285	\$60,606	\$63,971	\$66,157	\$70,782	\$63,948	\$59,662	\$62,037	\$62,472	\$63,496	\$81,525	\$81,773
(4.82%)	(11.33%)	10.04%	8.41%	21.52%	8.11%	9.81%	(14.52%)	(15.66%)	(3.84%)	59.84%	15.90%

Significant YTD increases / decreases by tax category are summarized in Table 3.

TABLE 3

2012 RETAIL SALES TAX (% Change in Comparable YTD Collections)	
STRENGTHS: <ul style="list-style-type: none"> ▪ Food Stores up by 7.60% ▪ Eating Places up by 8.84% ▪ Apparel Stores up by 8.66% ▪ General Retail up by 0.78% ▪ Automotive Trade up by 6.02% ▪ Building Material Retail up by 8.38% ▪ Downtown up by 2.35% ▪ North 28th St Commercial up by 3.77% ▪ Basemar up by 6.20% ▪ BVRC (excl 29th St) up by 5.17% ▪ TwentyNinth St up by 12.02% ▪ Table Mesa up by 0.70% ▪ The Meadows up by 2.52% ▪ All Other Boulder up by 10.97% ▪ Gunbarrel Industrial up by 32.25% ▪ Gunbarrel Commercial up by 5.76% ▪ Pearl Street Mall up by 12.20% ▪ Boulder Industrial up by 5.66% 	WEAKNESSES: <ul style="list-style-type: none"> ▪ Home Furnishings down by 1.07% ▪ Transportation/Utilities down by 1.87% ▪ Consumer Electronics down by 15.13% ▪ Computer Related Business down by 0.63% (Use Tax in this category up by 22.74%) ▪ Univ. of Colorado down by 4.10% ▪ UHGID (the “hill”) down by 1.77% ▪ Metro Denver down by 22.67% ▪ Out of State down by 1.48% ▪ Public Utilities down by 4.50%

2012 USE TAX (% Change in YTD Comparable Collections)	
STRENGTHS: <ul style="list-style-type: none"> ▪ Motor Vehicle Use Tax up by 8.04% ▪ Business Use Tax up by 2.33% 	WEAKNESSES <ul style="list-style-type: none"> ▪ Construction Use Tax up by 5.27% (when adjusted to exclude dedicated Boulder Junction tax, down 9.23%)

ACCOMMODATION TAX

Total year 2012 Accommodation Tax revenue is up by 5.23% from the same period in 2011.

ADMISSIONS TAX

Total year 2012 Admission Tax revenue is up by 6.16% from the same period in 2011.

REVIEW OF VARIOUS ECONOMIC DATA & PREDICTIONS FOR THE FUTURE

The economy has stabilized and continues to expand at a moderate pace. Even though City of Boulder sales and use tax revenues were relatively strong for 2011 (up 5.89%), we predicted a weakening in the rate of increase in 2012. Fortunately this did not occur and the months of November and December were solid months for the city. Excluding Boulder Junction construction use tax, which was not included in the staff forecast, the actual rate of increase was 3.00%. Including construction use tax revenue from the Boulder Junction area (which is dedicated for a specific purpose) total 2012 sales and use taxes were up by 3.97%.

The following information begins looking forward to the state of the 2013 economy and discusses some of the positive events and the continuing negative pressures that will impact City of Boulder sales and use tax revenue.

As we enter 2013, the economy continues to have a great amount of uncertainty. An Associated Press article in the January 30, 2013 *Boulder Daily Camera* sees consumers as less optimistic early in the year:

WASHINGTON - An increase in Social Security taxes is leaving Americans with less take-home pay - and a more negative outlook for the U.S. economy.

The Conference Board said Tuesday that its index of consumer confidence plunged 8.1 points in January from December to 58.6. That's the lowest reading in 14 months and the third straight decline.

Congress and the White House reached a deal in January to keep income taxes from rising on most Americans. But the agreement did not extend a temporary cut in the Social Security taxes. The tax increase will leave a household earning \$50,000 a year with about \$1,000 less to spend in 2013. A household with two high-paid workers will have up to \$4,500 less.

The private research group said the tax hike was the key reason consumers felt less confident in January. The survey was conducted through Jan. 17, at which point most people began to realize their paychecks were lighter.

'It may take a while for confidence to rebound and consumers to recover from their initial paycheck shock,' said Lynn Franco, the Conference Board's economist.

Consumers also said they felt less optimistic about their job prospects over the next six months.

Taxes are rising at a time when hiring is limited and wages are barely growing. The combination is expected to hurt consumer spending and slow economic growth.

'Perhaps more important than the shock to confidence, the hit to income is also likely to show up in a slower pace of consumer spending in the first half of this year,' said Thomas Feltmate, an economist at TD Economics, in a note to clients.

The index has declined for three straight months since hitting a nearly five-year high of 73.1 in October 2012. It's still above the post-recession low of 40.9 reached in October 2011.

Consumers began to feel less optimistic at the end of the year when it appeared congressional Republicans and President Barack Obama were at an impasse over sharp spending cuts and tax increases.

Obama reached a deal with Republicans on Jan. 1 that kept most Americans from seeing higher income taxes. But they postponed decisions on spending cuts and raising the nation's debt limit until later in the year. And they allowed the Social Security tax cut to expire.

'All the negative news about the dysfunction in Washington surrounding the fiscal cliff negotiations contributed to the December plunge, and ongoing shenanigans concerning the debt ceiling and fiscal sanity in general continued to weigh in January,' said Joshua Shapiro, chief U.S. economist at MFR Inc., in a note to clients.

Most economists say the tax increase will hold back growth in the first quarter of 2013.

The decline in confidence comes as the economy is signaling improvement elsewhere.

An article in the January 23, 2013 *Boulder County Business Report* finds good economic signs aplenty:

The hope and hype about the area's strengthening economy appears to be justified, as business leaders are optimistic heading into 2013 following strong performances in 2012, according to a panel at the Boulder County Business Report's CEO Roundtable on Wednesday.

Local companies are expanding and looking to invest, banks are lending again and several economic indicators show the area economy has made up the ground lost since the 2008 recession.

"The short version is, the state's doing better than the nation is, Boulder's doing better than the state is, and at this point, in terms of the economic cycle of job recovery, Boulder is back to where it was in terms of peak employment prior to the recession," said economist Richard Wobbekind, executive director of the Business Research Division at the University of Colorado's Leeds School of Business.

Banks have adjusted to new regulations, have money to lend and are able to work with a greater range of clients, said Patrick O'Brien, Guaranty Bank and Trust Co.'s market president.

Retail sales in the area also have solidified, according to Kim Campbell, an executive with Macerich Co. (NYSE: MAC), the company that owns the Twenty Ninth Street and FlatIron Crossing retail centers. "On a sales-per-square-foot basis, our sales at both properties are at an all-time high," Campbell said.

Trends in residential and commercial real estate also give hope.

Home prices are rising, and the biggest current problem is a lack of inventory, said Lew Kingdom, Wright Kingdom Real Estate's managing broker.

In downtown Boulder, rents are high enough that new redevelopment projects are economically viable, said Bill Reynolds, president of W.W. Reynolds Cos. in Boulder.

A survey of employers conducted by the city of Boulder with the help of the Boulder Economic Council found that about two-thirds of companies in Boulder are planning to expand in the very near term, said Cliff Harald, executive director of the BEC.

The following information was included in a January 3, 2013 article from *Reuters*:

Several major U.S. retailers beat expectations of modest sales increases in December as shoppers wrapped up holiday buying, but overall results were mixed and only stores that were nimble enough thrived in an uncertain economy.

Across 17 retailers including discounters, department stores and apparel chains, December sales at stores open at least a year rose 4.5 percent, topping analysts' estimates for 3.3 percent growth. The result reported Thursday also topped 1.6 percent growth in November 2012 and a 4.2 percent increase in December 2011.

The stronger-than-expected December is likely to help retailers overcome a softer start to the key holiday season. The 2012 season was never expected to be stellar, but even the single-digit growth anticipated by chains and analysts came under pressure as Superstorm Sandy, the ever-present headlines about the "fiscal cliff" and the Connecticut school shootings affected consumers' moods in November and December.

CONSUMER CONFIDENCE - With the country moving past the fiscal cliff debate, retailers will be watching whether the expiration of the payroll tax cut takes a toll on consumer spending. The expiration of the payroll tax holiday, which this week raises Social Security taxes for workers to 6.2 percent from 4.2 percent, may be more important to the economy than the income tax hike for wealthy people, said Michael Wilson, head of research at Morgan Stanley's wealth management division. "A two percent hit off the top for the average person is meaningful," he said. "It will change their spending behavior."

While it was hard to say American consumers were tapped out, they are "fragile," said Chris Donnelly, global head of Accenture's retail practice. "It doesn't take much to rattle the consumer."

As retailers finish up their quarter this month, they are bringing out fresh merchandise while offering deep discounts to move winter goods. Michael Niemira, chief economist of the International Council of Shopping Centers, sees a ho-hum spring selling season. He expects sales growth in the 2013 spring season to be weaker than in 2012. Higher food prices this year mean "a little less discretionary spending power" for U.S. shoppers, he said.

According to the January 18, 2013 *Boulder County Business Report*, the local jobless rates dropped in December:

The unemployment rate in Boulder and Broomfield counties dropped in December, and Boulder County continues to have the lowest unemployment rate of Colorado's large counties, according to the latest labor report from the Colorado Department of Labor and Employment.

The rate in Boulder County dropped two-tenths of one percentage point in December to 5.5 percent as the

county added 1,340 new jobs, the report said. In Broomfield, the rate dropped two-tenths of one percentage point to 6.6 percent. Employers in Broomfield added 240 jobs.

Both counties outperformed the state, which had a 7.6 percent unemployment rate, down from 7.7 percent in November. The number of non-farm payroll jobs in the state declined by 2,400. The decrease in the unemployment rate was caused by a larger increase in the number of people reporting their status as employed than in the number of people actively participating in the labor force, according to the department. The national unemployment rate remained at 7.8 percent.

According to a January 2, 2013 article in the *Boulder County Business Report*, a survey indicates that business optimism is lukewarm:

BOULDER - Colorado business leaders' optimism is modest going into the first quarter of 2013 with uncertainty surrounding the nation's political and economic environments, according to the most recent quarterly Leeds Business Confidence Index, released Wednesday by the University of Colorado Boulder's Leeds School of Business.

For the first quarter of 2013, the index, conducted by the Leeds School's Business Research Division, posted an overall confidence reading of 51.3, down slightly from 51.6 in the fourth quarter of 2012. A reading greater than the neutral mark of 50 indicates positive expectations and one less than 50 indicates negative expectations.

Business leaders are optimistic about all of the metrics of the quarterly index except for the national economy and industry hiring plans. The other categories measured include the state economy, industry sales, industry profits and capital expenditures.

"For months, drags on the national economy have included the European debt crisis, the slow rate of employment growth and the resolution of the federal debt crisis," said economist Richard Wobbekind, executive director of the Business Research Division. "While Colorado business leaders have stronger confidence in the local economy than the national economy, they're proceeding very cautiously."

Confidence in the state economy, which is at 55.5 points for the first quarter of 2013, outstrips that of the national economy, which posted a reading of 47. The outpacing of confidence in Colorado's economy compared with the national economy is a 30-quarter trend, based on index results.

Business leaders' sales expectations for the first quarter increased to 54.4, up from 53.2 last quarter, and are buoyed by 44.1 percent of index respondents who anticipate an increase in the first quarter versus 25.2 percent who predict a decline. Meanwhile, leaders' profit expectations fell to 51.6, down from 52.2 for the last quarter of 2012. Hiring expectations have slipped into negative territory at 49.3, down from 51 in the last quarter of 2012, while expectations about capital expenditures remain close to neutral at 50.1.

On the State level, economic forecasts are improving. Forecasts call for stronger results in 2013 as reported in a December 3rd article in the *Boulder County Business Report*:

DENVER - Colorado's economy is poised to have a strong year in 2013, and the state is expected to gain 42,100 jobs, according to a forecast prepared by the state's top economists and business leaders.

The University of Colorado's Leeds School of Business released its Colorado Business Economic Outlook 2013 on Monday. The forecast predicts strong growth in almost all industries and sectors and employment growth that beats the national average. "For the state, we see a very positive environment for 2013," said Richard Wobbekind, executive director of CU's Business Research

Division, which wrote the forecast. "We're seeing a wide array of jobs being added, and they're diversifying our state economy."

Next year's growth will build on momentum gained this year, when Colorado added 47,900 jobs. Colorado is expected to be in the top 10 states for job growth in 2013 and perhaps in the top six or seven, according to Wobbekind.

If the forecast is accurate, Colorado's unemployment rate will fall from 8 percent in 2012 to 7.4 percent in 2013, which is comparatively better than the national jobless rate. But growth might not be evenly distributed throughout the year, Wobbekind said. The forecast predicts that growth in the first and second quarters might be slowed by national and international issues, such as budget negotiations in Washington and Europe's ongoing debt crisis.

"Resolution of the so-called fiscal cliff and the resolution of the European debt crisis will have impacts on the national economy, and that will filter down to the state level," Wobbekind said. "Once that uncertainty gets resolved, we then expect business investments to start flowing again and consumers to start making decisions based on a known environment. We think the recovery will be quite a bit smoother after that," he said.

Federal budget decisions could have a major impact on the Boulder area, especially on the University of Colorado-Boulder, federal laboratories such as the National Center for Atmospheric Research and National Renewable Energy Laboratory and small tech firms that rely on research-and-development money from the federal government.

According to the December 20, 2012 publication of *Focus Colorado: Economic and Revenue Forecast* by the Colorado Legislative Council Staff:

Colorado's economy outperformed the national economy in 2012 and appears ready to expand at an even healthier pace in 2013. Employment, income, and consumer spending are expanding steadily and the housing market is improving. However, uncertainty about a weak international economy and federal fiscal policy is preventing a stronger recovery. Economic growth is expected to lose momentum in early 2013, before expanding at a more moderate rate later in the year. The latest State Legislative Council forecast for percentage change in various statewide economic indicators follows:

	2010	2011	2012	2013	2014
Unemployment Rate	8.9%	8.3%	7.9%	7.8%	7.2%
Personal Income	3.9%	6.1%	3.6%	2.7%	5.9%
Wage and Salary Income	1.4%	4.3%	3.6%	2.8%	4.9%
Retail Trade Sales	6.6%	6.8%	5.2%	4.1%	5.3%
Denver-Boulder Inflation Rate	1.9%	3.7%	1.7%	2.1%	2.8%

The December 20, 2012 publication, *The Colorado Outlook*, by the Governor's Office of State Planning and Budgeting includes the following commentary and forecast:

The national economy continues to exhibit only modest growth and mixed conditions, while there is more evidence that Colorado is among the top states in economic performance. Though unemployment remains a challenge, the state's economy appears to be further along in rebuilding from the massive economic disruptions that occurred during the housing boom and bust, financial crisis, and Great Recession. Colorado businesses and individuals have been more successful in discovering ways to compete in the emerging new economy. This success is likely a product of the state's favorable mix of industries and economic assets, such as its research universities and

institutions, its entrepreneurial culture, and its younger, more skilled workforce compared with many other states.

OSBP projects continued uneven and below trend growth in 2013; however, Colorado will again outperform the nation as a whole. The economy will continue to add jobs – though unemployment will remain stubbornly elevated – and overall income and spending will continue to grow, though at a somewhat slower pace. Businesses have begun to show more caution in hiring and investment which is likely to cause ripple effects throughout the economy into 2013. Heightened uncertainty and diminished confidence surrounding the current lack of a satisfactory federal fiscal agreement and will likely take some toll on economic activity at least for a portion of 2013.

The latest Governor’s Office of State Planning and Budgeting forecast for percentage change in various statewide economic indicators follows:

	2010	2011	2012	2013	2014
Unemployment Rate	8.9%	8.3%	8.0%	7.8%	7.0%
Personal Income	3.9%	6.1%	4.3%	3.9%	5.2%
Wage and Salary Income	1.4%	4.3%	4.4%	3.3%	4.9%
Retail Trade Sales	6.0%	7.3%	5.6%	3.8%	5.0%
Denver-Boulder Inflation Rate	1.9%	3.7%	2.1%	2.9%	2.7%

It is important to note that “Retail Trade Sales” on the State level are not strictly consistent with the taxable retail sales tax base of the City of Boulder. The State forecasts may include gasoline and some retail services that are not included in the City of Boulder tax base.

Total Net Sales/Use Tax Receipts by Tax Category	DECEMBER YTD Actual			
	2011	2012	% Change	% of Total
Sales Tax	74,960,833	77,741,989	3.71%	80.89%
Business Use Tax	9,159,513	9,372,954	2.33%	9.75%
Construction Sales/Use Tax	6,172,383	6,497,662	5.27%	6.76%
Motor Vehicle Use Tax	2,308,692	2,494,361	8.04%	2.60%
Refunds	-162,690	0	-100.00%	0.00%
Total Sales and Use Tax	92,438,731	96,106,967	3.97%	100.00%

Total Net Sales/Use Tax Receipts by Industry Type	DECEMBER YTD Actual			
	2011	2012	% Change	% of Total
Food Stores	12,241,084	13,060,743	6.70%	13.59%
Eating Places	11,838,300	12,937,276	9.28%	13.46%
Apparel Stores	3,426,738	3,717,039	8.47%	3.87%
Home Furnishings	2,766,830	2,733,694	-1.20%	2.84%
General Retail	19,948,416	20,402,962	2.28%	21.23%
Transportation/Utilities	7,332,332	7,022,842	-4.22%	7.31%
Automotive Trade	5,942,804	6,314,939	6.26%	6.57%
Building Material-Retail	2,903,474	3,192,767	9.96%	3.32%
Construction Firms Sales/Use Tax	5,771,079	6,161,404	6.76%	6.41%
Consumer Electronics	2,492,290	2,117,292	-15.05%	2.20%
Computer Related Business Sector	5,700,245	6,355,355	11.49%	6.61%
All Other	12,237,830	12,090,656	-1.20%	12.58%
Refunds	-162,690	0	-100.00%	0.00%
Total Sales and Use Tax	92,438,731	96,106,967	3.97%	100.00%

Total Net Sales/Use Tax Receipts by Geographic Area	DECEMBER YTD Actual			
	2011	2012	% Change	% of Total
North Broadway	1,378,410	1,371,364	-0.51%	1.43%
Downtown	6,281,046	6,451,278	2.71%	6.71%
Downtown Extension	489,163	709,812	45.11%	0.74%
UHGD (the "hill")	1,100,879	1,060,228	-3.69%	1.10%
East Downtown	639,204	650,546	1.77%	0.68%
N. 28th St. Commercial	4,427,738	4,695,772	6.05%	4.89%
N. Broadway Annex	561,198	449,011	-19.99%	0.47%
University of Colorado	1,031,911	1,251,998	21.33%	1.30%
Basemar	1,896,447	2,011,501	6.07%	2.09%
BVRC-Boulder Valley Regional Center	17,495,044	19,370,696	10.72%	20.16%
29th Street	6,809,744	7,721,419	13.39%	8.03%
Table Mesa	2,409,862	2,427,029	0.71%	2.53%
The Meadows	872,671	891,835	2.20%	0.93%
All Other Boulder	4,375,583	5,119,334	17.00%	5.33%
Boulder County	1,233,498	1,081,894	-12.29%	1.13%
Metro Denver	4,315,154	3,045,355	-29.43%	3.17%
Colorado All Other	226,668	226,118	-0.24%	0.24%
Out of State	11,391,942	10,959,470	-3.80%	11.40%
Airport	18,600	62,717	237.19%	0.07%
Gunbarrel Industrial	5,460,565	5,811,852	6.43%	6.05%
Gunbarrel Commercial	1,112,854	1,171,055	5.23%	1.22%
Pearl Street Mall	2,513,510	2,821,103	12.24%	2.94%
Boulder Industrial	8,155,246	8,491,146	4.12%	8.84%
Unlicensed Receipts	1,257,308	1,296,949	3.15%	1.35%
County Clerk	2,308,692	2,494,361	8.04%	2.60%
Public Utilities	4,838,482	4,463,122	-7.76%	4.64%
Refunds	-162,690	0	-100.00%	0.00%
Total Sales and Use Tax	92,438,731	96,106,967	3.97%	100.00%

Miscellaneous Tax Statistics	DECEMBER YTD Actual		
	2011	2012	% Change in Taxable Sales
Total Food Service Tax	548,488	658,553	20.07%
Accommodations Tax	4,797,280	5,048,277	5.23%
Admissions Tax	586,303	622,444	6.16%
Trash Tax	1,721,951	1,712,626	-0.54%

COMPARISON OF YEAR-TO-DATE ACTUAL REVENUE FOR THE YEARS 2012 TO COMPARABLE PERIOD IN 2011

USE TAX BY CATEGORY			SALES TAX BY CATEGORY			
DECEMBER YTD Actual			Standard Industrial Code	DECEMBER YTD Actual		
2011	2012	% Change		2011	2012	% Change
177,877	80,879	-54.53%	Food Stores	12,063,207	12,979,864	7.60%
96,593	158,081	63.66%	Eating Places	11,741,706	12,779,194	8.84%
46,301	43,910	-5.16%	Apparel Stores	3,380,437	3,673,129	8.66%
16,106	12,409	-22.95%	Home Furnishings	2,750,724	2,721,285	-1.07%
1,755,867	2,067,611	17.75%	General Retail	18,192,548	18,335,350	0.78%
367,473	188,142	-48.80%	Transportation/Utilities	6,964,859	6,834,700	-1.87%
2,418,720	2,578,571	6.61%	Automotive Trade	3,524,084	3,736,368	6.02%
9,979	56,737	468.56%	Building Material-Retail	2,893,495	3,136,030	8.38%
5,221,591	5,757,436	10.26%	Construction Use Tax	0	0	na
0	0	na	Construction Sales Tax	549,488	403,967	-26.48%
55,219	48,872	-11.49%	Consumer Electronics	2,437,071	2,068,420	-15.13%
2,957,303	3,629,702	22.74%	Computer Related Business	2,742,942	2,725,653	-0.63%
4,517,558	3,742,627	-17.15%	All Other	7,720,272	8,348,029	8.13%
17,640,588	18,364,977	4.11%	Total Sales and Use Tax	74,960,833	77,741,989	3.71%

USE TAX BY CATEGORY			SALES TAX BY CATEGORY			
DECEMBER YTD Actual			Geographic Code	DECEMBER YTD Actual		
2011	2012	% Change		2011	2012	% Change
84,589	46,359	-45.19%	North Broadway	1,293,820	1,325,005	2.41%
288,373	317,882	10.23%	Downtown	5,992,673	6,133,397	2.35%
14,813	29,515	99.26%	Downtown Extension	474,351	680,297	43.42%
54,317	32,192	-40.73%	UHGD (the "hill")	1,046,562	1,028,035	-1.77%
62,559	73,284	17.14%	East Downtown	576,645	577,262	0.11%
106,379	102,980	-3.19%	N. 28th St. Commercial	4,321,360	4,592,792	6.28%
75,144	9,705	-87.08%	N. Broadway Annex	486,053	439,306	-9.62%
12,226	274,135	2142.23%	University of Colorado	1,019,686	977,863	-4.10%
96,502	99,890	3.51%	Basemar	1,799,945	1,911,610	6.20%
533,270	1,531,968	187.28%	BVRC	16,961,774	17,838,728	5.17%
131,856	240,940	82.73%	29th Street	6,677,888	7,480,479	12.02%
42,293	42,788	1.17%	Table Mesa	2,367,569	2,384,242	0.70%
19,005	16,644	-12.42%	The Meadows	853,666	875,191	2.52%
1,728,444	2,181,926	26.24%	All Other Boulder	2,647,139	2,937,408	10.97%
366,197	112,706	-69.22%	Boulder County	867,301	969,188	11.75%
787,437	317,546	-59.67%	Metro Denver	3,527,717	2,727,808	-22.67%
47,178	32,429	-31.26%	Colorado All Other	179,491	193,689	7.91%
1,863,882	1,572,366	-15.64%	Out of State	9,528,061	9,387,104	-1.48%
1,743	41,740	2294.72%	Airport	16,857	20,977	24.44%
4,542,034	4,597,088	1.21%	Gunbarrel Industrial	918,531	1,214,765	32.25%
13,054	7,869	-39.72%	Gunbarrel Commercial	1,099,801	1,163,186	5.76%
38,150	43,654	14.43%	Pearl Street Mall	2,475,360	2,777,449	12.20%
3,209,065	3,265,102	1.75%	Boulder Industrial	4,946,181	5,226,044	5.66%
966,866	802,074	-17.04%	Unlicensed Receipts	290,442	494,876	70.39%
2,308,692	2,494,361	8.04%	County Clerk	0	0	na
246,523	77,835	-68.43%	Public Utilities	4,591,959	4,385,287	-4.50%
17,640,588	18,364,977	4.11%	Total Sales and Use Tax	74,960,833	77,741,989	3.71%

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	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 Chg3.56%>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	6,692,597	5,630,200	5,708,608	7,016,826	5,580,953	6,531,707	7,286,644	5,765,805	5,830,545	8,390,145	74,960,833	4.88%
	2012	5,363,541	5,129,096	6,754,740	5,599,150	5,988,770	7,304,270	5,551,489	7,062,958	7,502,227	6,188,194	5,693,025	9,604,529	77,741,989	3.71%
Change from prior year (Month)		-0.57%	-0.07%	0.93%	-0.55%	4.91%	4.10%	-0.53%	8.13%	2.96%	7.33%	-2.36%	14.47%		
Change from prior year (YTD)		-0.57%	-0.32%	0.16%	-0.01%	0.97%	1.59%	1.30%	2.24%	2.33%	2.81%	2.35%	3.71%		
CONSUMER USE TAX (includes Motor Vehicle)	2005	827,887	507,036	951,085	1,016,614	1,103,592	1,001,048	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	1,081,362	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	1,103,457	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	1,034,670	727,395	850,561	1,166,185	958,724	771,357	1,044,032	703,092	903,665	1,410,793	11,468,205	19.59%
	2012	763,425	768,580	859,971	976,451	1,212,071	1,033,899	729,829	940,127	957,894	1,417,818	737,310	1,469,940	11,867,314	3.48%
Change from prior year (Month)		-38.79%	18.13%	-16.88%	34.24%	42.50%	-11.34%	-23.87%	21.88%	-8.25%	101.65%	-18.41%	4.19%		
Change from prior year (YTD)		-38.79%	-19.27%	-18.43%	-7.96%	1.56%	-1.09%	-4.39%	-1.65%	-2.47%	5.53%	3.38%	3.48%		
CONSTRUCTION USE TAX	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	286,524	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	274,661	240,970	2,150,036	352,336	352,846	455,211	478,988	314,958	177,137	471,157	6,172,383	-5.78%
	2012	385,392	1,697,323	315,856	503,719	342,448	375,499	595,334	214,896	422,866	473,523	799,552	371,254	6,497,662	5.27%
Change from prior year (Month)		-38.13%	503.58%	15.00%	109.04%	-84.07%	6.57%	68.72%	-52.79%	-11.72%	50.34%	351.37%	-21.20%		
Change from prior year (YTD)		-38.13%	130.37%	103.49%	104.43%	-9.10%	-7.70%	-1.39%	-6.34%	-6.83%	-3.57%	7.46%	5.27%		
TOTAL FOR MONTH & CHANGE FROM PREVIOUS YEAR (MONTH & YTD)	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%
Rate 3.41%	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	9,728,475	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	87,613,707	2.51%
	2011	7,264,374	6,064,242	8,001,928	6,598,565	8,709,205	8,535,347	6,892,523	7,758,275	8,809,664	6,783,855	6,911,348	10,272,096	92,601,426	5.69%
	2012	6,512,359	7,594,999	7,930,567	7,079,320	7,543,289	8,713,668	6,876,652	8,217,981	8,882,987	8,079,535	7,229,887	11,445,723	96,106,966	3.79%
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	-5,973	-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	-1,188	-2,918	0	0	-7,175	0	0	-162	0	-140,199	-162,690	
Adjusted total	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 Chg3.41%>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%
RateChg3.56%>3.41%	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	8,000,739	6,595,647	8,709,205	8,535,347	6,885,348	7,758,275	8,809,664	6,783,693	6,911,348	10,131,897	92,438,731	5.73%
	2012	6,512,359	7,594,999	7,930,567	7,079,320	7,543,289	8,713,668	6,876,652	8,217,981	8,882,987	8,079,535	7,229,887	11,445,723	96,106,966	3.97%
% Change (month)		-10.25%	25.29%	-0.88%	7.33%	-13.39%	2.09%	-0.13%	5.93%	0.83%	19.10%	4.61%	12.97%		
% Change (YTD)		-10.25%	5.93%	3.38%	4.31%	0.10%	0.48%	0.40%	1.11%	1.08%	2.70%	2.86%	3.97%		