

Memorandum

City of Lawrence

Finance Department

To: Dave Corliss, City Manager
From: Ed Mullins, Finance Director
Date: March 30, 2011
Subject: Sales Tax Distribution

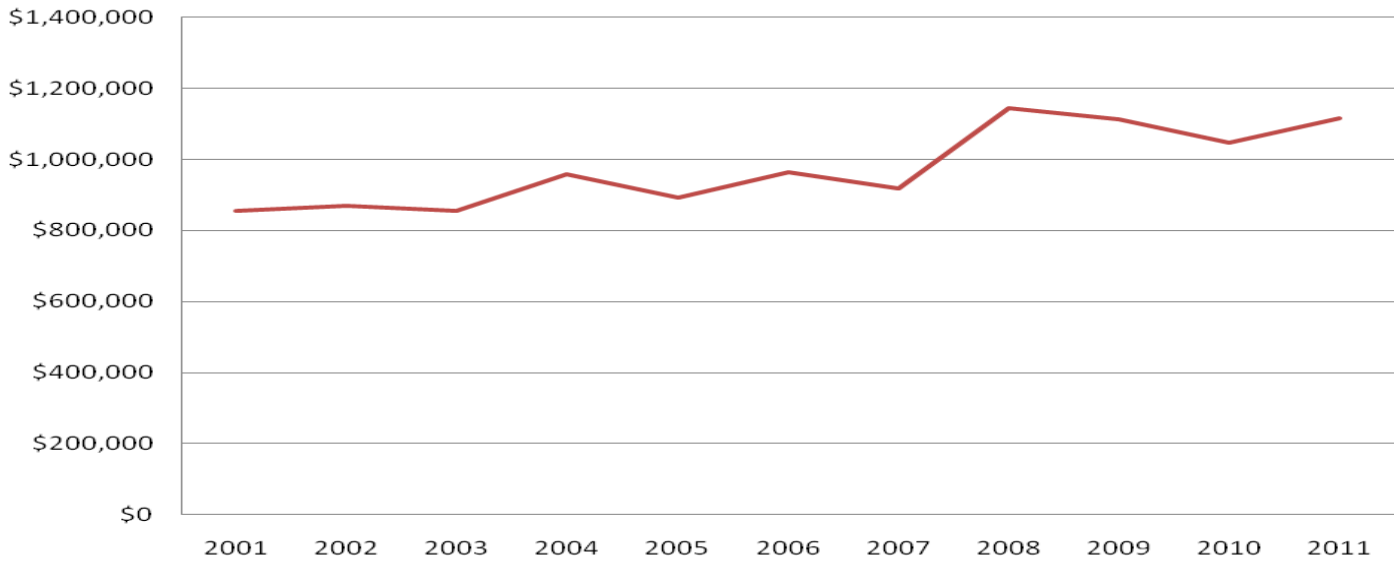
The City of Lawrence has recently received its March sales tax distribution. The distribution is the result of retail sales from mid-January to mid-February. The distribution of \$2,633,678 is \$154,000 more than the prior year distribution for the same month. It also includes \$2,452 from the Free State Transportation Development District and \$8,529 from the Oread District. The distribution also includes other amounts that will be paid to the Oread Tax Increment Financing District.

Based upon trend projection of sales tax receipts over recent years, the 2011 overall sales and use tax distribution is estimated at \$30,000,000. This amount is \$90,000 below the 2011 budget. A less conservative estimate, based upon a history of first quarter distributions divided by the annual amount, results in a projection of \$31,200,000. It is recommended that the more conservative forecast be used at the present time due to increasing energy and fuel costs, as well as relatively high unemployment. For 2011 sales taxes to equal the current year budget, sales tax distributions will need to increase by 2.0% over 2010 revenue. A summary of the latest city sales/use tax distribution is shown in the table below.

Sales/Use Tax	Budget	Month	Year to Date	% of Budget
City 1%	13,852,260	1,203,912	3,608,211	26.0%
Infrastructure .3%	4,155,675	361,174	1,082,463	26.0%
Transit .2%	2,770,450	240,782	721,642	26.0%
Transit Eq. .05%	692,615	60,196	180,410	26.0%
County 1%	8,619,000	756,633	2,265,965	26.3%

A spreadsheet showing total monthly sales tax distributions since 2001 is [attached](#). Additional sales tax information is provided in the tables and graphs below.

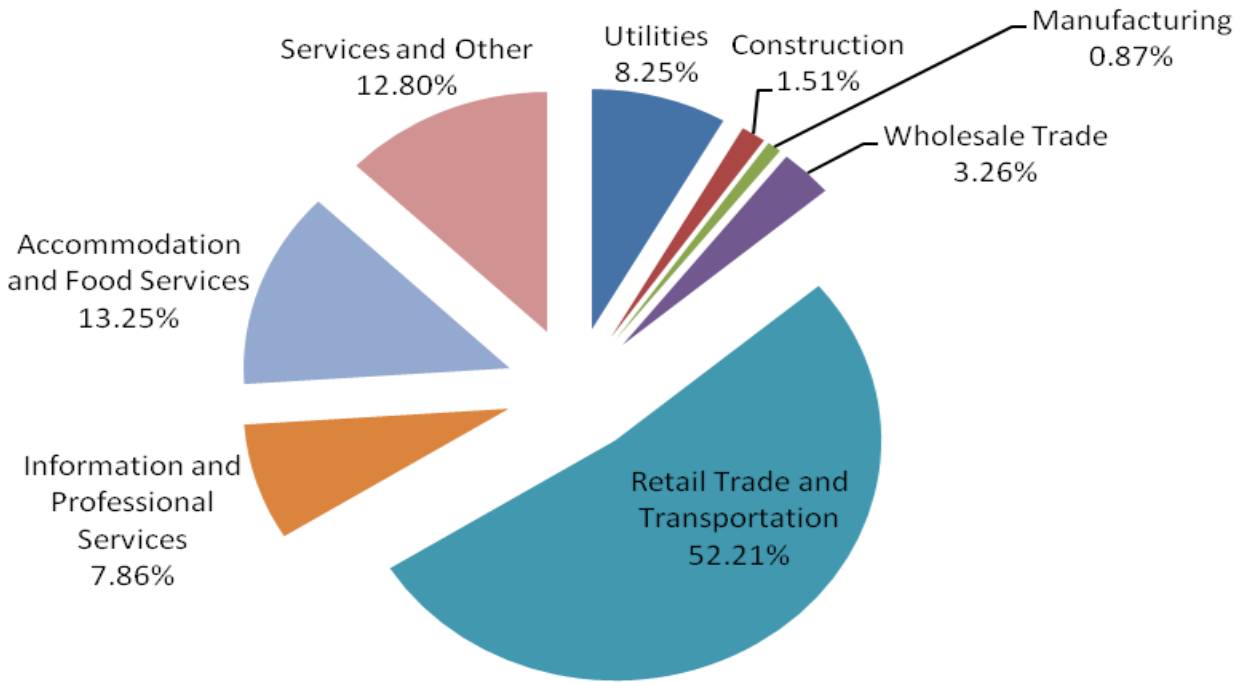
March 1% City Sales Tax



City of Lawrence Jan 1.55% Sales Tax by NAICS

NAICS Description	Mar 2010		2006-2008
	Amount	Percent	Percent
22 Utilities	142,538.30	8.25%	2.05%
23 Construction	26,019.55	1.51%	2.31%
31-33 Manufacturing	14,955.40	0.87%	1.59%
42 Wholesale Trade	56,427.85	3.26%	3.26%
44-49 Retail Trade and Transportation	90,2570.60	52.21%	61.85%
51-62 Information and Professional Services	135,846.40	7.86%	9.27%
71-72 Accommodation and Food Services	229,073.40	13.25%	13.86%
81-99 Services and Other	221,277.35	12.80%	5.81%
	1,728,708.85	100.00%	100.00%

March Sales Tax by NAICS



City of Lawrence Monthly sales/use tax budget variance

Month	1% City Sales/Use	Budget	Over (Under)	County Sales/Use	Budget	Over (Under)	.55% City Sales/Use	Budget	Over (Under)
January	1,136,407	1,098,457	37,950	721,896	686,315	35,581	625,023	604,202	20,821
February	1,267,892	1,201,154	66,738	787,436	748,581	38,855	697,339	658,890	38,449
March	1,203,912	1,170,041	33,871	756,633	722,324	34,309	662,152	644,259	17,893
April		1,077,677			665,435			591,805	
May		1,165,140			720,793			642,141	
June		1,166,083			733,187			640,518	
July		1,068,103			659,149			589,582	
August		1,193,278			742,034			658,865	
September		1,131,054			704,781			622,889	
October		1,262,642			790,907			689,071	
November		1,129,491			710,800			619,748	
December		1,189,140			734,694			656,770	
	3,608,211	13,852,260	138,559	2,265,965	8,619,000	108,745	1,984,514	7,618,740	77,163

City of Lawrence Monthly sales/use tax projection variance

Month	1% City Sales/Use	Projection	Over (Under)	County Sales/Use	Projection	Over (Under)	.55% City Sales/Use	Projection	Over (Under)
January	1,136,407	1,136,407	0	721,896	721,896	0	625,023	625,023	0
February	1,267,892	1,267,892	0	787,436	787,436	0	697,339	697,339	0
March	1,203,912	1,203,912	0	756,633	756,633	0	662,152	662,152	0
April	0	1,042,115			670,068			573,163	
May	0	1,194,372			732,230			656,904	
June	0	1,071,429			763,215			589,286	
July	0	1,032,581			744,072			567,920	

August	0	1,151,740			720,451			633,457	
September	0	1,105,934			717,702			608,263	
October	0	1,232,965			808,213			678,131	
November	0	1,047,143			718,253			575,929	
December	0	1,121,616			767,269			616,889	
	3,608,211	13,608,106	0	2,265,965	8,907,438	0	1,984,514	7,484,456	0