

Memorandum

City of Lawrence

Finance Department

To: Dave Corliss, City Manager
From: Ed Mullins, Finance Director
Date: May 27, 2011
Subject: Sales Tax Distribution

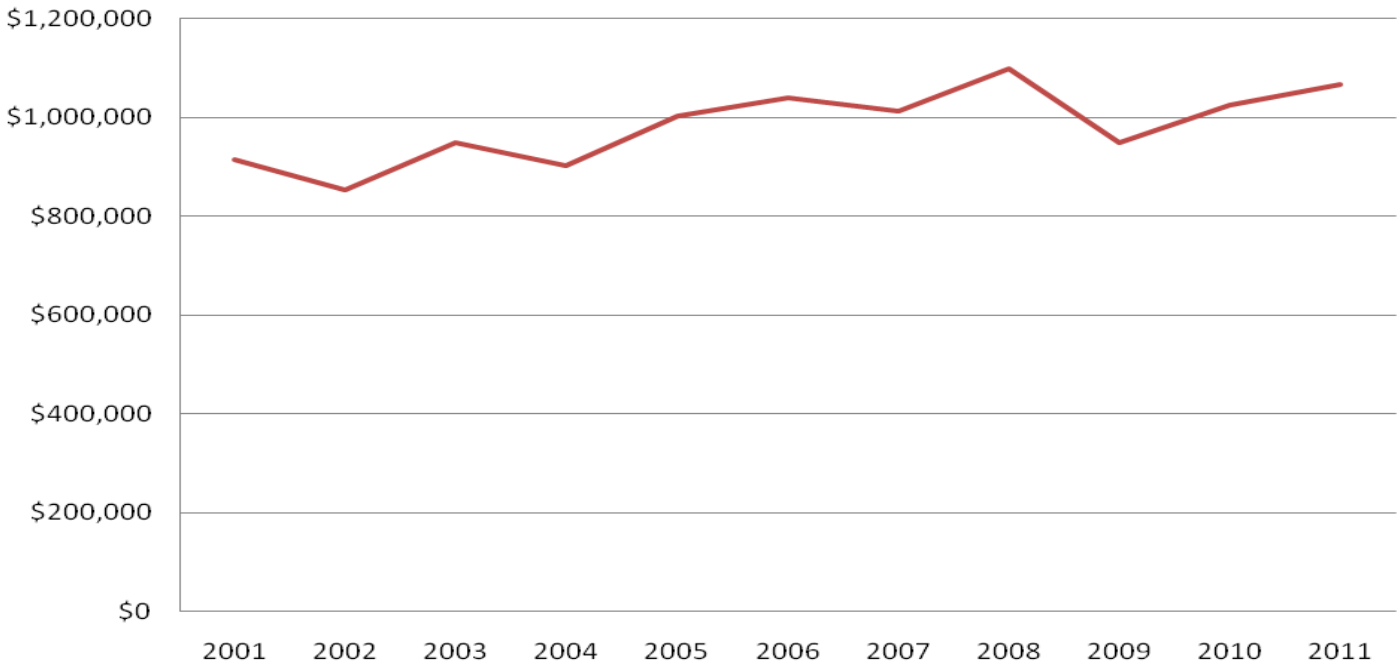
The City of Lawrence has recently received its May sales tax distribution. The distribution is the result of retail sales from mid-March to mid-April. The distribution of \$2,562,330 is \$91,000 more than the prior year distribution for the same month. It also includes \$1,937 from the Free State Transportation Development District and \$7,556 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. It is recommended that a conservative forecast be used 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	1,170,749	5,740,177	41.4%
Infrastructure .3%	4,155,675	351,225	1,722,053	41.4%
Transit .2%	2,770,450	234,150	1,148,035	41.4%
Transit Eq. .05%	692,615	58,538	287,009	41.4%
County 1%	8,619,000	738,176	3,608,106	41.9%

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

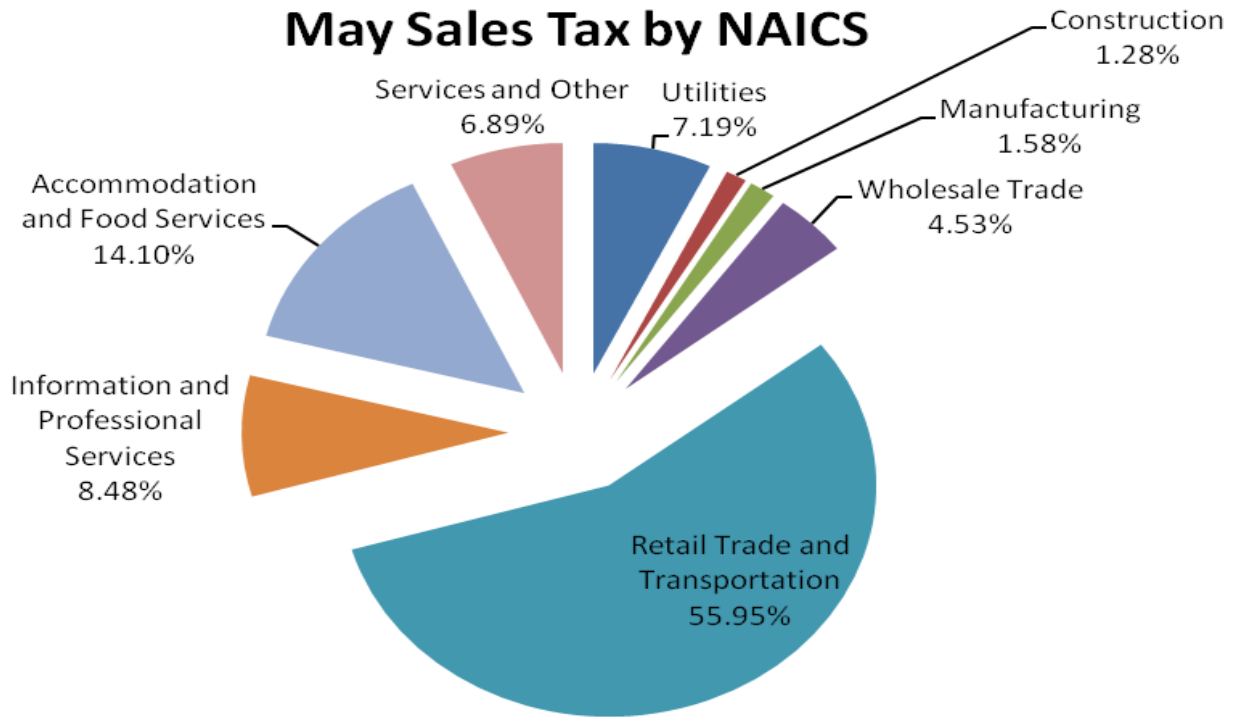
May 1% City Sales Tax



City of Lawrence Jan 1.55% Sales Tax by NAICS

NAICS Description	Amount	May 2011	2006-2008
		Percent	Percent
22 Utilities	119,012.47	7.19%	2.05%
23 Construction	21,094.47	1.28%	2.31%
31-33 Manufacturing	26,162.17	1.58%	1.59%
42 Wholesale Trade	74,937.88	4.53%	3.26%
44-49 Retail Trade and Transportation	925,679.17	55.95%	61.85%
51-62 Information and Professional Services	140,258.91	8.48%	9.27%
71-72 Accommodation and Food Services	233,291.26	14.10%	13.86%
81-99 Services and Other	113,962.55	6.89%	<u>5.81%</u>
	<u>1,654,398.88</u>	100.00%	100.00%

May 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	961,217	1,077,677	(116,460)	603,965	665,435	(61,470)	528,669	591,805	(63,136)
May	1,170,749	1,165,140	5,609	738,176	720,793	17,383	643,193	642,141	1,772
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	
	5,740,177	13,852,260	27,708	3,608,106	8,619,000	64,658	3,157,096	7,618,740	15,799

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	961,217	1,042,115	(80,898)	603,965	670,068	(66,103)	528,669	573,163	(44,494)
May	1,170,749	1,194,372	(23,623)	738,176	732,230	5,946	643,913	656,904	(12,991)
June	0	1,171,429			763,215			644,286	
July	0	832,581			744,072			457,920	
August	0	1,251,740			720,451			688,457	

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	
	5,740,177	13,608,106	(104,521)	3,608,106	8,907,438	(60,157)	3,157,096	7,484,456	(57,485)