

Memorandum

City of Lawrence

Finance Department

To: Dave Corliss, City Manager
From: Ed Mullins, Finance Director
Date: November 29, 2010
Subject: Sales Tax Distribution

The City of Lawrence has recently received its November sales tax distribution. The distribution is the result of retail sales from mid-September to mid-October. The distribution of \$2,407,528 is \$80,000 less than the prior year distribution for the same month. It also includes \$1,906 from the Free State Transportation Development District and \$6,211 from the Oread District.

Based upon the first quarter distribution, total 2010 sales/use tax is projected to be \$29,500,000 or approximately 96% of budget. The November distribution results in the year to date amount being \$100,000 below the projection. The November distribution is one of the most volatile distributions as seen in the graph below.

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%	14,307,061	1,093,886	12,263,940	85.7%
Infrastructure .3%	3,944,646	325,328	3,654,589	92.6%
Transit .2%	2,629,764	216,885	2,436,391	92.6%
Transit Eq. .05%	657,442	54,222	609,099	92.6%
County 1%	9,288,200	709,090	7,865,335	84.7%

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

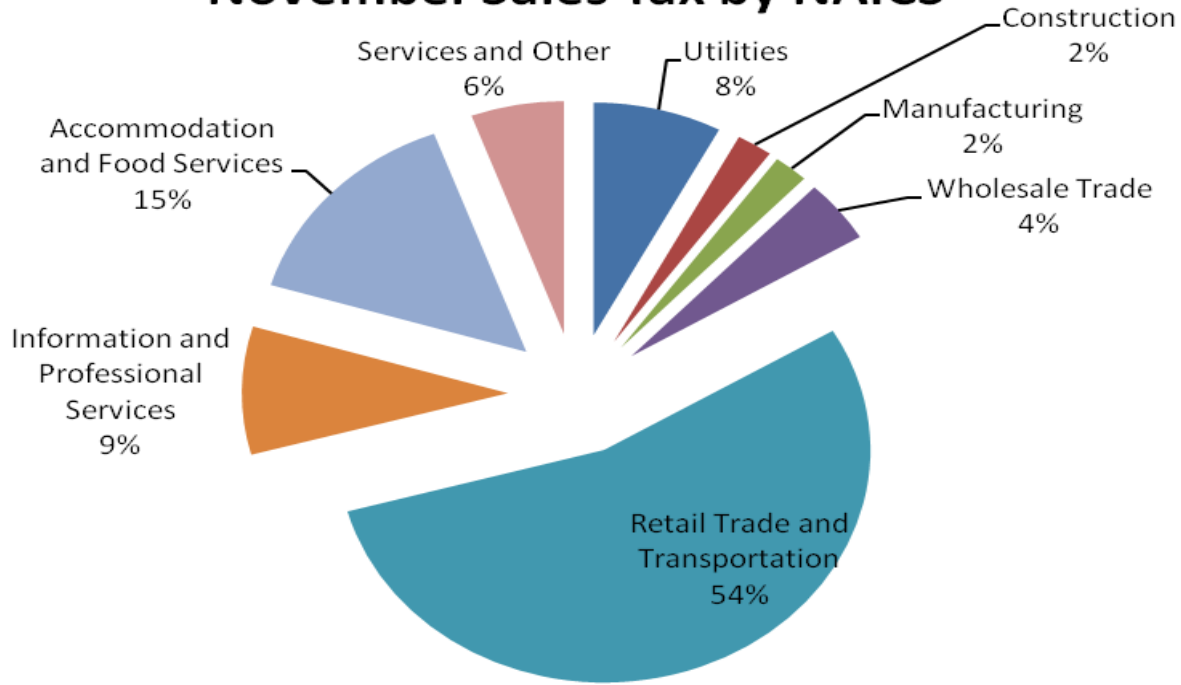
November 1% City Sales Tax



City of Lawrence Nov 1.55% Sales Tax by NAICS

NAICS Description	Amount	Nov 2010	2006-2008
		Percent	Percent
22 Utilities	119,943.22	7.80%	2.05%
23 Construction	33,391.11	2.17%	2.31%
31-33 Manufacturing	32,272.66	2.10%	1.59%
42 Wholesale Trade	67,237.41	4.37%	3.26%
44-49 Retail Trade and Transportation	835,468.95	54.30%	61.85%
51-62 Information and Professional Services	136,848.83	8.90%	9.27%
71-72 Accommodation and Food Services	226,515.67	14.72%	13.86%
81-99 Services and Other	<u>86,807.00</u>	<u>5.64%</u>	<u>5.81%</u>
	1,538,484.85	100.00%	100.00%

November 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	1,063,830	1,227,552	(163,722)	684,662	806,248	(121,586)	581,473	620,496	(39,023)
February	1,163,290	1,224,992	(61,702)	746,780	787,487	(40,707)	634,104	619,203	14,901
March	1,133,158	1,196,600	(63,442)	720,586	770,030	(49,444)	620,024	604,851	15,173
April	1,043,705	1,045,009	(1,304)	663,834	662,421	1,413	569,543	528,225	41,318
May	1,128,411	1,197,689	(69,278)	719,059	754,405	(35,346)	617,986	605,401	12,585
June	1,129,325	1,226,751	(97,426)	731,423	788,754	(57,331)	616,422	620,091	(3,669)
July	1,034,433	1,240,781	(206,348)	657,563	824,232	(166,669)	567,404	627,183	(59,779)
August	1,155,662	1,210,197	(54,535)	740,249	773,015	(32,766)	634,081	611,723	22,358
September	1,095,400	1,115,490	(20,090)	703,085	745,489	(42,404)	599,457	563,851	35,606
October	1,222,840	1,271,114	(48,274)	789,004	821,566	(32,562)	663,150	642,515	20,635
November	1,093,886	1,114,535	(20,649)	709,090	751,110	(42,020)	596,435	563,369	33,066
December		<u>1,236,351</u>			<u>803,443</u>			<u>624,944</u>	
	12,263,940	14,307,061	(806,770)	7,865,335	9,288,200	(619,422)	6,700,079	7,231,852	93,171

After the end of the first quarter, the Finance Department prepared a projection of sales/use tax for remainder of 2010. The following table compares the monthly sales/use tax distribution to this projection. As of the November distribution, the sales/use tax amount was \$100,765 below projection.

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	1,063,830	1,063,830	0	684,662	684,662	0	581,473	581,473	0
February	1,163,290	1,163,290	0	746,780	746,780	0	634,104	634,104	0

March	1,133,158	1,133,158	0	720,586	720,586	0	620,024	620,024	0
April	1,043,705	1,026,557	17,148	663,834	602,491	61,343	569,543	527,940	41,603
May	1,128,411	1,176,541	(48,130)	719,059	686,152	32,907	617,986	605,074	12,912
June	1,129,325	1,205,089	(75,764)	731,423	717,394	14,029	616,422	619,757	(3,335)
July	1,034,433	1,218,872	(184,439)	657,563	749,665	(92,102)	567,404	626,845	(59,441)
August	1,155,662	1,188,827	(33,165)	740,249	703,079	37,170	634,081	611,393	22,688
September	1,095,400	1,095,792	(392)	703,085	678,044	25,041	599,457	563,548	35,909
October	1,222,840	1,248,669	(25,829)	789,004	747,237	41,767	663,150	642,169	20,981
November	1,093,886	1,094,855	(969)	790,090	683,156	25,934	596,435	563,066	33,369
December		1,214,520			730,754			624,607	
	12,263,940	13,830,000	(351,540)	7,865,335	8,450,000	146,089	6,700,079	7,220,000	104,686