

Memorandum

City of Lawrence

Finance Department

TO: Thomas Markus, City Manager

FROM: Bryan Kidney, Finance Director

Date: April 30, 2016

RE: April 2016 Sales and Use Tax Distribution

The City received its April sales and use tax, along with its share of County sales and use tax distribution this week. Total received was \$2,971,621.23. Of this amount, \$2,949,815.84 was from sales and use taxes city-wide. The remaining \$21,805.39 was from sales in the three Transportation Development Districts (TDD).

Sales and Use Tax Cycle

Retail sales taxes are based on taxable retail sales at the point of the transaction. Unless specifically exempted, the sale, rental, or lease of tangible personal property; labor services to tangible personal property; and admissions to entertainment places, are all subject to sales tax. Retailers collect sales tax at the time of sale. Retailers remit sales tax collections to the State on the 25th day the month after collection. Smaller retailers may remit sales taxes quarterly on the 25th day after the quarter of collection.

Use taxes are, aside from some specific exceptions, based on the location in which the tangible property will be used. Use taxes that the City receives are made up primarily of goods which were purchased outside of Lawrence, but delivered to a Lawrence address. Use taxes also include taxes for the sale of vehicles in which the seller collected less sales tax than what a retailer would have collected within Lawrence.

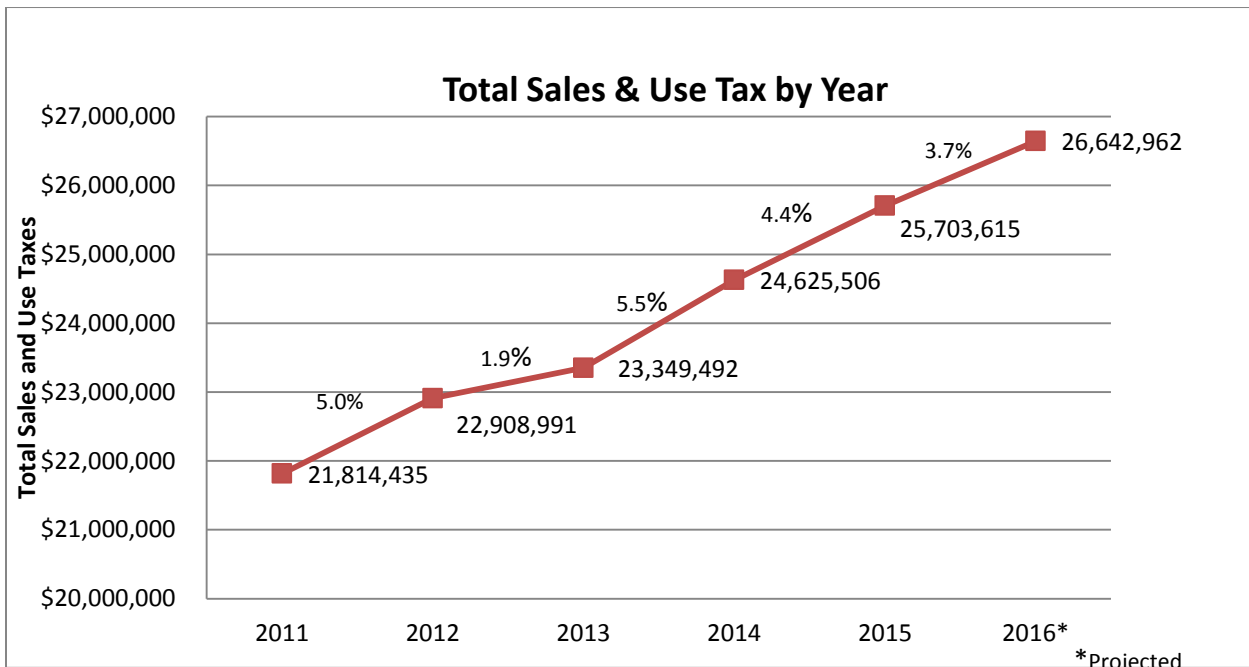
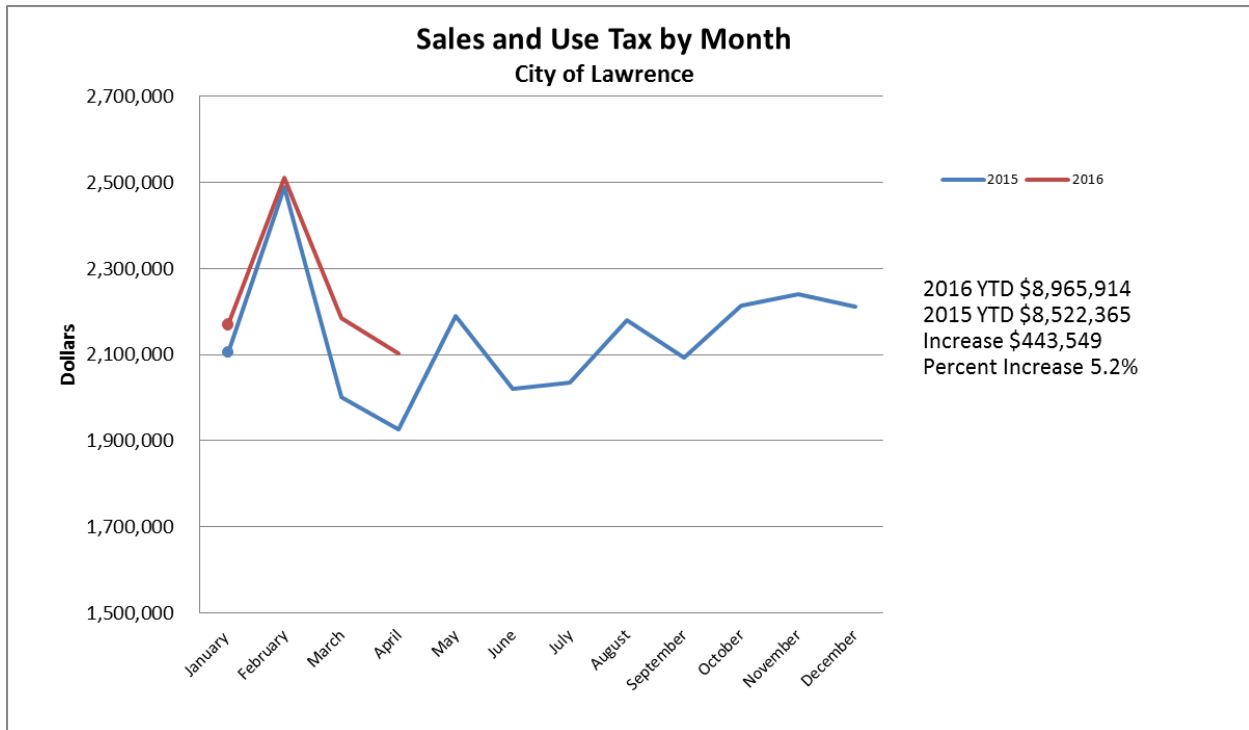
Typically, the State remits both sales and use tax collections to the City during the last week of the following month. Therefore the March distribution is based on retail sales which occurred on or before January 25, 2016.

April Sales and Use Tax Collections

Source	Tax Rate	2016 Budget	Current Month	Year-to- date Collected 33% of Year	% Collect
General	1.00%	\$17,189,008	\$1,355,952	\$5,784,460	34%
Infrastructure	0.30%	5,156,702	406,786	1,735,338	34%
Transit Op	0.20%	3,437,802	271,191	1,156,893	34%
Transit Exp	0.05%	859,450	67,798	289,223	34%
Total City Sales and Use Tax	1.55%	26,642,962	2,101,727	8,965,914	34%
City Share County Sales Tax		10,983,559	848,090	3,609,785	33%
Total		\$37,626,521	\$2,949,817	\$12,575,699	33%

Sales Tax Trends

April 2016 sales tax receipts were \$175,180 (9.6%) above the same period in 2015. Collections are roughly 5.2% over 2015 levels and are above our 3.7% projection for the 2016 budget.

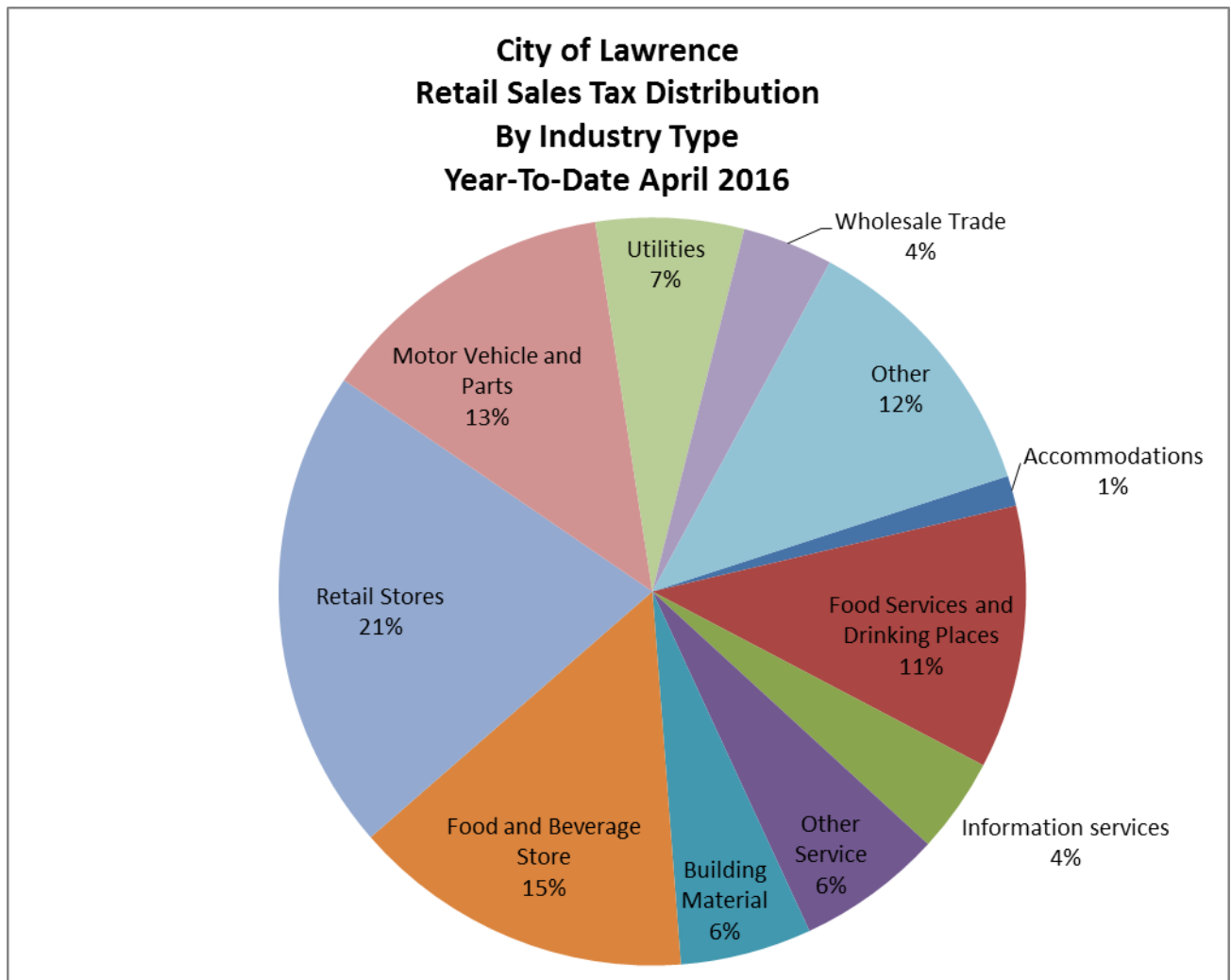


Retail Sales Tax Distribution

Retail sales within the City are from a wide variety of retailers. The percentages of collection by industry type, shown below, do not vary materially from year to year, but do vary seasonally.

The increase in 2016 sales taxes year-to-date over 2015 is attributed to three key industries:

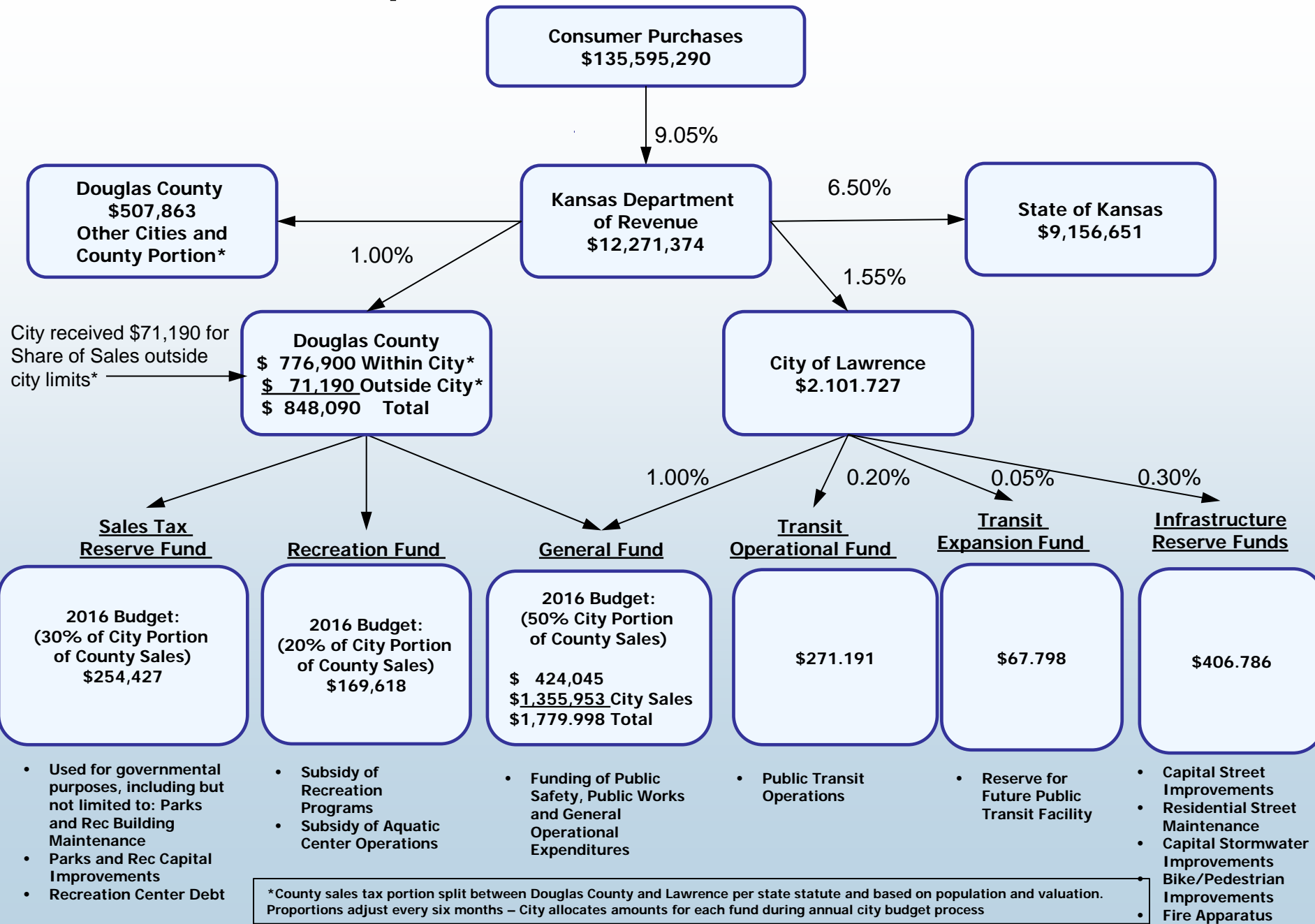
- 29% increase in sales from building material,
- 6% increase in sales from food services and drinking places, and
- 6% increase in sales from food and beverage stores.



Distribution of Sales Taxes within the City

We have multiple funds where sales taxes are received. The following flowchart breaks down the April sales tax received and where the funds are used by the City:

April 2016 Sales and Use Tax





STATE OF KANSAS
Ron Estes
 TREASURER

900 SW Jackson St. Suite 201
 Topeka, Kansas 66612-1235

TELEPHONE
 (785) 296-4151

BRYAN KIDNEY
 PO BOX 708
 LAWRENCE, KS 66044-0708

April 25, 2016

Dear Mr. Kidney

This is notice of a distribution from the State Treasurer for Lawrence, City Of. Our system sends email notices as soon as a distribution has been completed. You may have the emails sent to as many contacts as you like. Please call Lucinda at 785.296.4151 to add or modify email addresses for your notifications.

You will receive an EFT to settle 04/28/2016. The details are as follows:

Detail Description	County	Amount
Apr 2016 Transportation Dev Dist Tax		
Lawrence Transportation	Douglas	14,811.61
Lawrence 2 Transportation	Douglas	5,384.94
Lawrence 9thnh Transport	Douglas	1,608.84
Total for Apr 2016 Transportation Dev Dist Tax:		\$21,805.39
Apr 2016 Compensating Use Tax		
City Tax File	Douglas	173,093.46
City Share From County Tax	Douglas	78,631.84
Total for Apr 2016 Compensating Use Tax:		\$251,725.30
Apr 2016 Sales Tax		
City Tax File	Douglas	1,928,632.34
City Share From County Tax	Douglas	769,458.20
Total for Apr 2016 Sales Tax:		\$2,698,090.54
Grand Total Amount:		\$2,971,621.23

Additional information can be found at <http://kansasstatetreasurer.com/prodweb/dist> or contact Lucinda Anstaett at 785.296.4151 or lucinda@treasurer.state.ks.us.

Sincerely,

Lucinda Anstaett
 Director Of Cash Management