Memorandum
City of Lawrence
Finance Department

TO: **Thomas Markus, City Manager**

FROM: **Bryan Kidney, Finance Director**

Date: **April 08, 2016**

RE: **March 2016 Sales and Use Tax Distribution**

The City received its March sales and use tax, along with its share of County sales and use tax distribution this week. Total received was $3,077,791.33. Of this amount, $3,059,045.75 was from sales and use taxes city-wide. The remaining $18,745.58 was from sales within the City's two of the three Transportation Development Districts (TDD). The State did not distribute any taxes from one of the TDDs for March.

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.

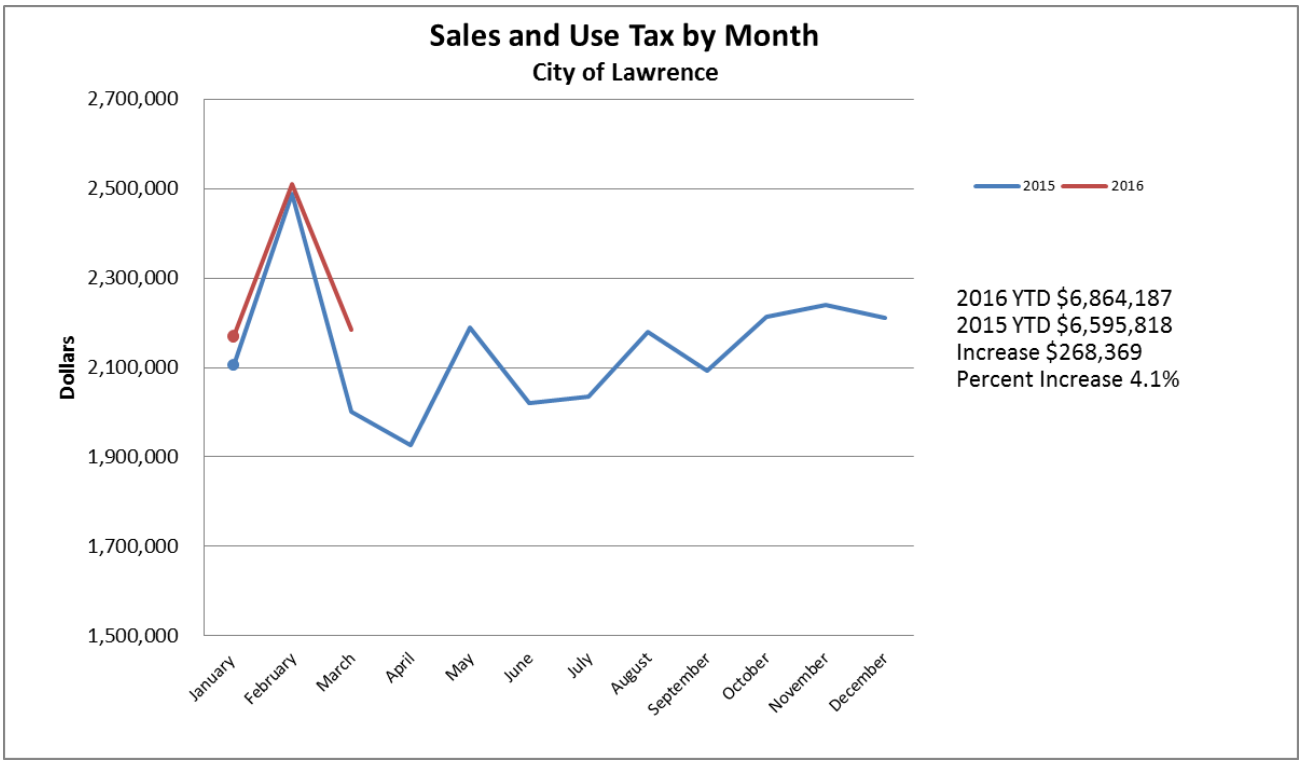
Typically, the State remits both sales and use tax collections to the City during the last week of the following month. Therefore the February distribution is based on retail sales which occurred on or before December 25th.

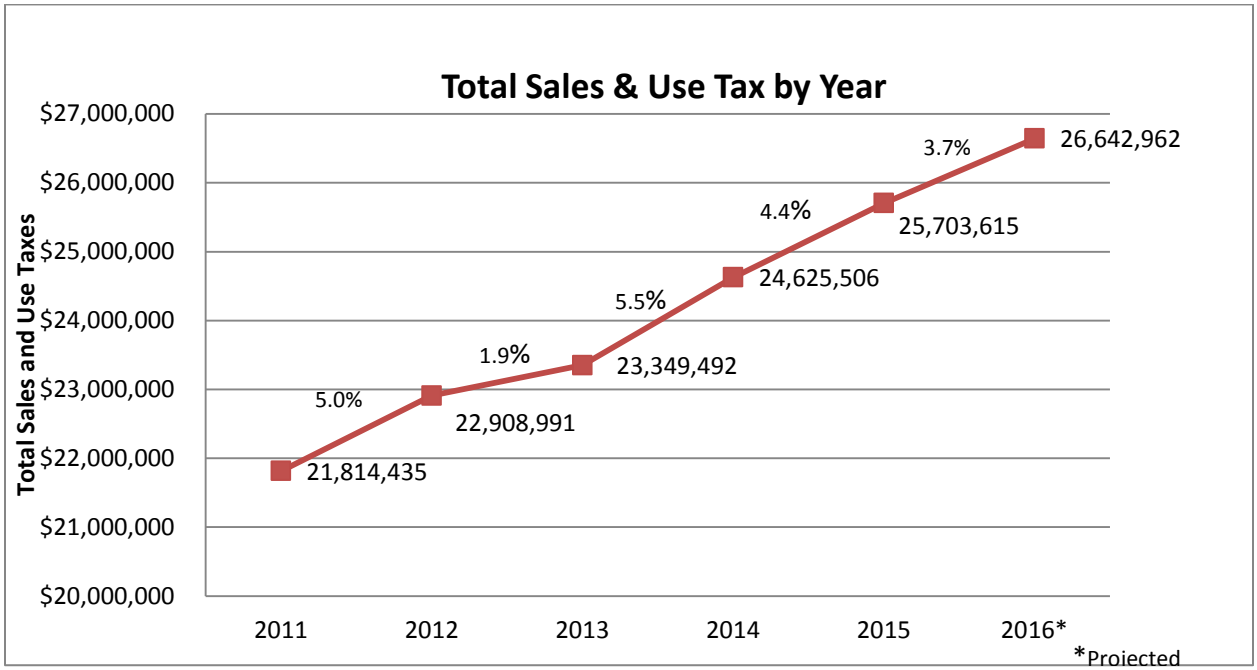
March Sales and Use Tax Collections

Source	Tax Rate	2016 Budget	Current Month	Year-to- date Collected 25% of Year	% Collect
General	1.00%	$17,189,008	$1,408,715	$4,428,508	25.8%
Infrastructure	0.30%	5,156,702	422,615	1,328,528	25.8%
Transit Op	0.20%	3,437,802	281,743	885,702	25.8%
Transit Exp	0.05%	859,450	70,436	221,425	25.8%
Total City Sales and Use Tax	1.55%	26,642,962	2,183,509	6,864,187	25.8%
City Share County Sales Tax		10,983,559	875,539	2,761,695	25.1%
Total		$37,626,521	$4,945,204	$9,642,962	25.6%

Sales Tax Trends

March 2016 sales tax receipts were $182,515 above the same period in 2015. Collections are roughly 4.1% over 2015 levels and are on track with 2016 budget estimates.



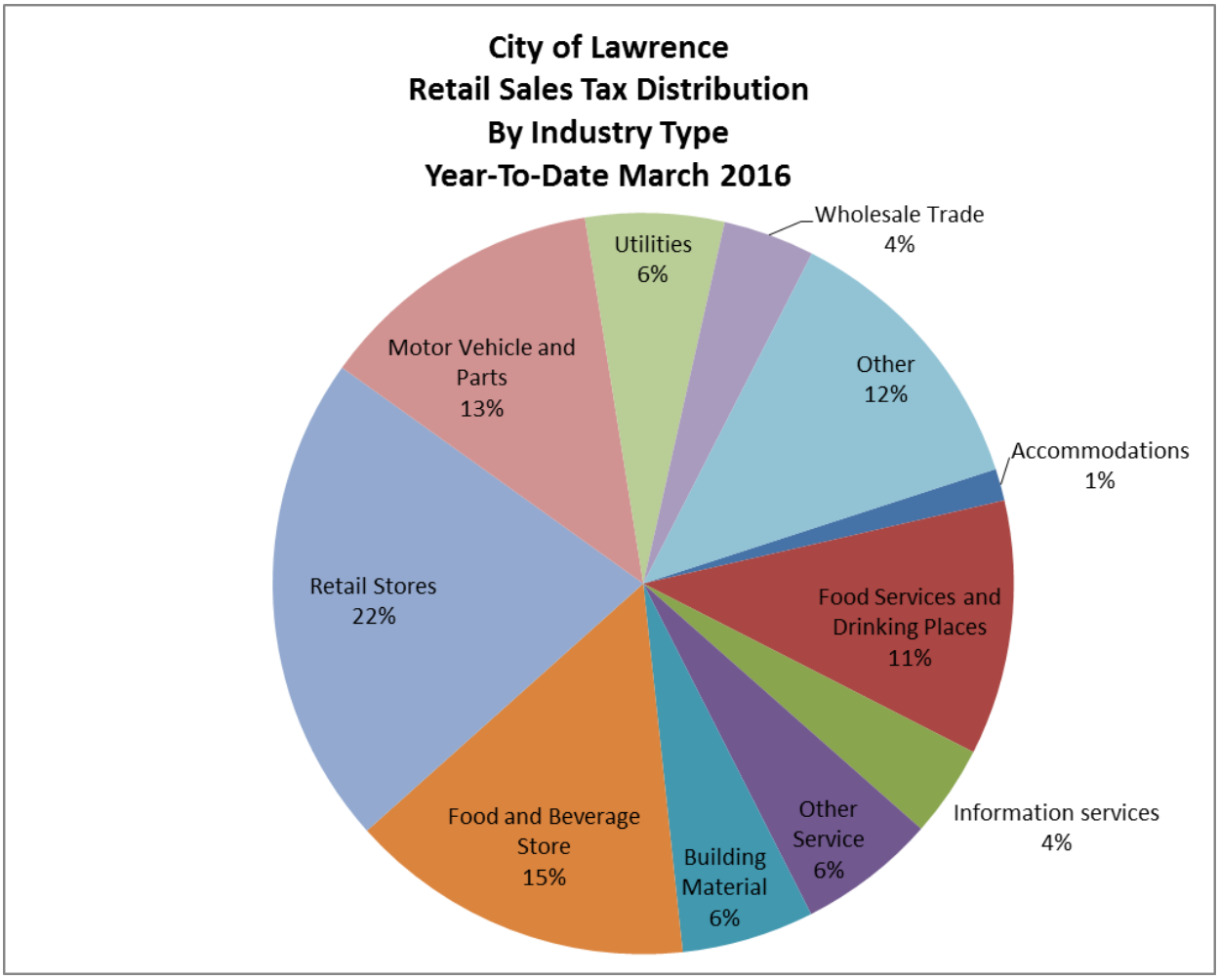


Retail Sales Tax Distribution

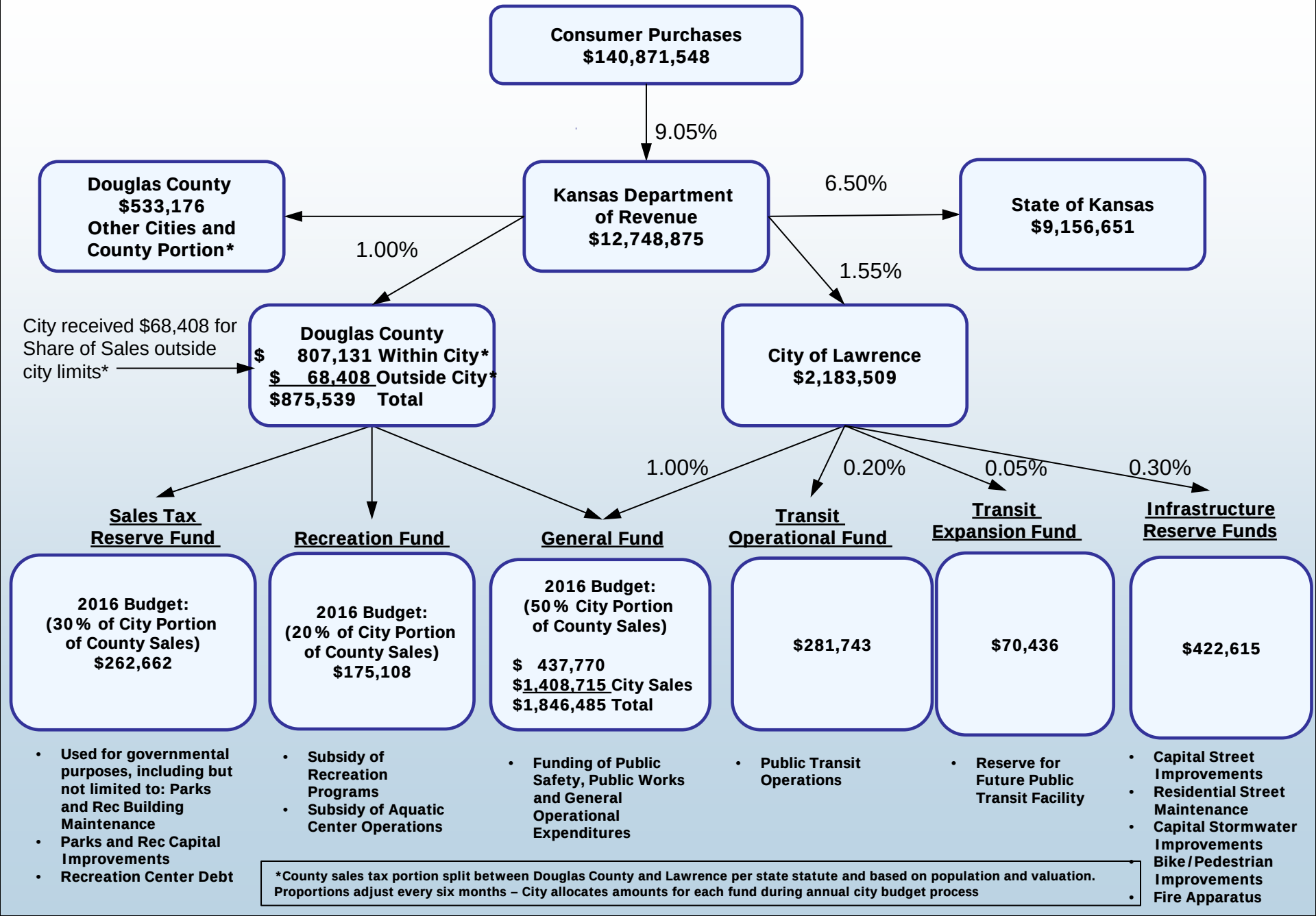
Retail sales within the City are from a wide variety of retailers. The percentages of collection by industry type, shown below, do not vary materially from year to year, but do vary seasonally. With the exception of utilities, the overall increase in retail sales through March is reflected across various industries. As has been the case over the last several months, the City's largest increase over last year were sales of building materials which is up roughly 26% over same period last year. The second largest increase in retail sales are from food and beverage stores. This industry increased 6% over the same period last year.

Distribution of Sales Taxes within the City

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



March 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

ASHLEY LONNBERG
P O BOX 708
LAWRENCE, KS 66044-0708

March 25, 2016

Dear Ms Lonnberg

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 03/30/2016. The details are as follows:

Detail Description	County	Amount
Mar 2016 Sales Tax		
City Tax File	Douglas	1,980,116.73
City Share From County Tax	Douglas	784,456.92
	Total for Mar 2016 Sales Tax:	**$2,764,573.65**
Mar 2016 Compensating Use Tax		
City Tax File	Douglas	203,390.32
City Share From County Tax	Douglas	91,081.78
	Total for Mar 2016 Compensating Use Tax:	**$294,472.10**
Mar 2016 Transportation Dev Dist Tax		
Lawrence Transportation	Douglas	17,059.46
Lawrence 9thnh Transport	Douglas	1,686.12
	Total for Mar 2016 Transportation Dev Dist Tax:	**$18,745.58**
	Grand Total Amount:	**$3,077,791.33**

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