



MEMORANDUM

To: Mayor and Town Council
From: Mary Lou Brown, Finance Director
Through: Michelle Kivela, Town Administrator
Subject: Sales Tax Reports
Date: July 23, 2020

Attached are the sales tax reports for April 2020 (April sales/May tax collection).

The information is provided in aggregate by both month and year-to-date (YTD), area (sales tax districts) and NAICS category. Below are highlights with all numbers and percentages based on year-to-date (YTD) data unless specifically identified as a different time period.

It is anticipated COVID-19 will impact the Town's sales tax collections during the year. As a result, the budgeted amount for sales tax was revised downward by Council in May 2020. The results in this report reflect the partial-month closure that occurred in March and all of April. In the NAICS report, we expect much of the impact to be positive in the General Merchandise and Grocery categories and flat or negative in the remaining categories.

The Sales Tax by Location report attached reflects the new categories implemented in the September 2019 report. The Town is now divided into eight districts (one is not showing on the report as there are no sales tax amounts to report at this time) and four additional categories that are not location specific. The eight districts each include several neighborhood centers. The North Central and South Central Districts, when combined, will provide a good sense of how the core retail area of the Town is performing.

Sales Tax Highlights

- The April 2020 v April 2019 sales tax revenue growth rate is (10.00)% which is due to the timing of one of our remitters' payments. This remitter is required to make thirteen payments annually and the timing of the extra payment changes each year. The payment was received in March this year and in April of 2019.
- The more meaningful measurement for this reporting period is the YTD growth of 4.45%. This shows a slight uptick from the same measurement for the prior year which was 3.98%. During the months of March and April 2020, consumers were purchasing goods in preparation for staying at home which is most likely the main driver in the increase.

Highlights by Sales Tax District

- All physical areas of the Town show positive YTD growth except for the South Central and West areas. The percent of total sales tax by area remains fairly stable with the prior year.

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- The largest dollar amount of collections is occurring in the South Central district which includes Mainstreet south to Hess and either side of Parker Road. This area contributes approximately 25% of the Town's total sales tax. Parker Road Corridor North is the third largest in terms of absolute dollars and includes the Cottonwood and Crown Point neighborhood centers.
- The greatest growth on a YTD basis is in the Northwest district at 39.58%. The second greatest is the East Residential district at 31.88%.
- Parker Road Corridor South has grown at 19.76%. This area is south of Hess Road and runs on both sides of Parker Road.
- The "Outside" district comprises those companies doing business in the Town and physically located outside of Parker, such as e-commerce businesses. The Douglas County auto use tax and utility related sales taxes also fall in this category. This district is now the second largest in terms of absolute dollars and makes up 22% of the total sales tax.
- We have approximately 30 e-commerce businesses who currently remit to the Town and one of the companies in this category now falls within the top 20 overall sales tax remitters. These e-commerce businesses are averaging just under \$60,000 in sales tax revenue per month in 2020. The businesses in this category consist of those businesses without a "brick and mortar" presence in the Town. For businesses such as Kohls, who maintain a physical presence, e-commerce sales are included in their overall sales.

Highlights by NAICS

- This report may show the start of some shifts in spending categories due to the virus and business closures.
- Auto use tax is down 7.78% on a year-over-year basis.
- Both General Merchandise and Grocery show strong growth and a slightly higher combined percentage of total sales tax.
- After many months of increasing sales tax remittances from the Town's restaurants, a decline in growth has been recorded of 4.27%.

July 2020 Collections

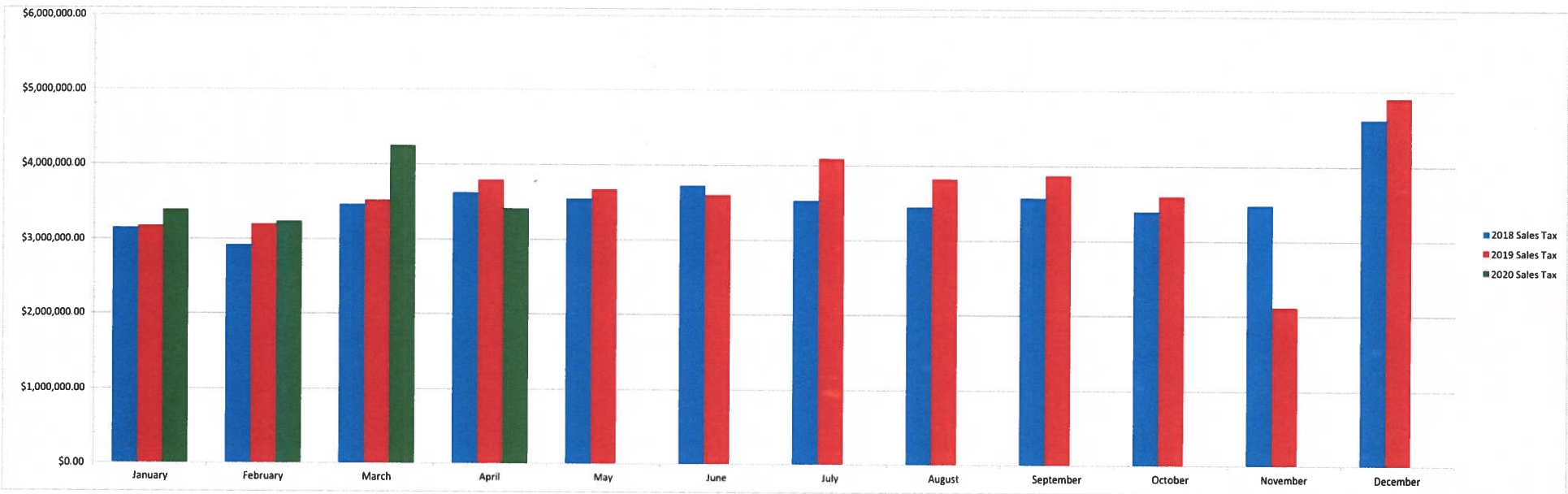
The collection period for the month of July 2020 is still underway; however, we are past the filing due date. With a week remaining in the month, we have received \$2.9 million in the General Fund month-to-date. The original budget called for a monthly average collection rate of approximately \$3.1 million and the revised budget averages out to \$2.1 million for a total of \$25.3 million. YTD General Fund collections total \$18.1 million.

If you have any questions, please call me at 303.805.3107.

**Town of Parker
Sales Tax Trends
Month of April 2020 (May 2020)
2018 - 2020**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan - Current Total	% CHNG*
2020	\$ 3,392,342.60	\$ 3,233,880.16	\$ 4,244,168.12	\$ 3,413,571.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,283,962.16	-10.00%
2019	\$ 3,173,213.52	\$ 3,192,450.36	\$ 3,517,632.08	\$ 3,792,742.58	\$ 3,667,457.42	\$ 3,598,971.22	\$ 4,082,309.27	\$ 3,819,855.10	\$ 3,872,196.31	\$ 3,596,698.02	\$ 2,108,025.79	\$ 4,899,327.48	\$ 13,676,038.54	4.70%
2018	\$ 3,147,815.61	\$ 2,917,360.28	\$ 3,464,809.55	\$ 3,622,642.23	\$ 3,545,160.16	\$ 3,722,294.70	\$ 3,532,083.03	\$ 3,449,789.42	\$ 3,574,851.20	\$ 3,397,106.38	\$ 3,483,404.30	\$ 4,613,837.94	\$ 13,152,627.67	N/A
MTD Audit Revenue								83,616.03						
Less: MTD Audit Refunds (Building Use Tax)														
Net Audit Revenue								\$ 83,616.03						

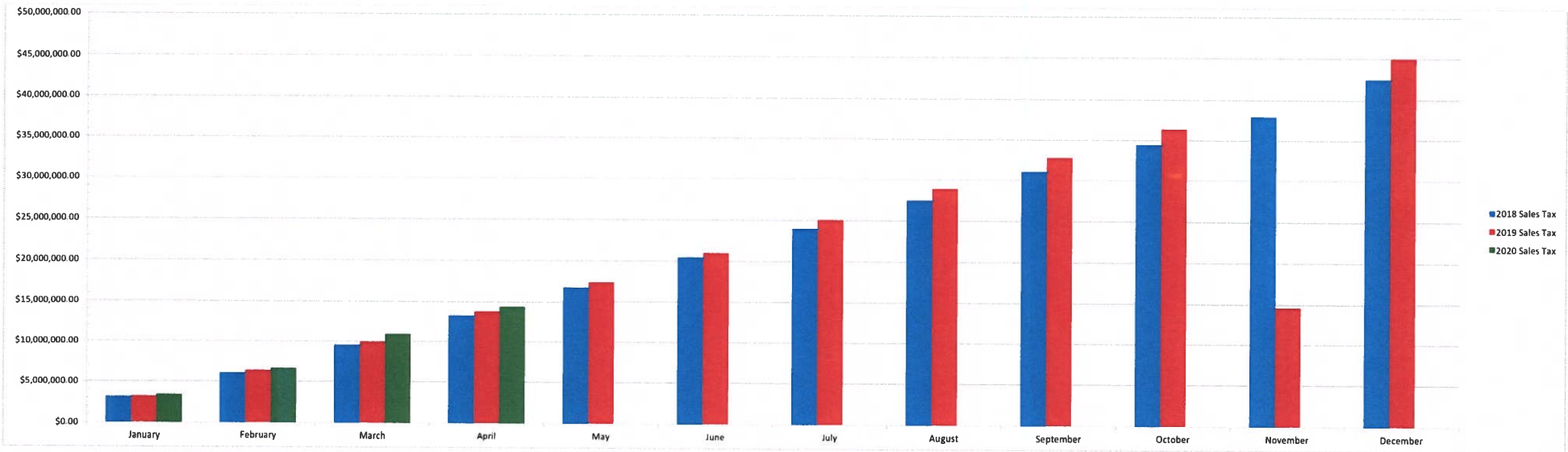
*Percent change is for current month only (highlighted)



**Town of Parker
Sales Tax Trends
YTD - April 2020 (May 2020)
2018 - 2020**

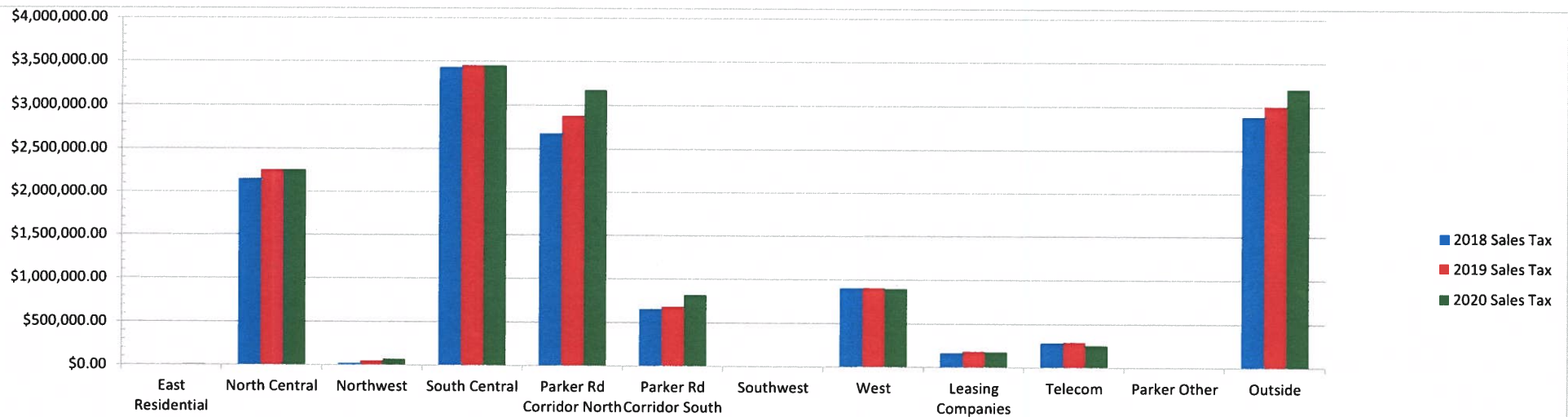
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan - Current Total	% CHNG*
2020	\$ 3,392,342.60	\$ 6,626,222.76	\$ 10,870,390.88	\$ 14,283,962.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,283,962.16	4.45%
2019	\$ 3,173,213.52	\$ 6,365,663.88	\$ 9,883,295.96	\$ 13,676,038.54	\$ 17,343,495.96	\$ 20,942,467.18	\$ 25,024,776.45	\$ 28,844,631.55	\$ 32,716,827.86	\$ 36,313,525.88	\$ 14,543,195.95	\$ 44,998,193.01	\$ 13,676,038.54	3.98%
2018	\$ 3,147,815.61	\$ 6,065,175.89	\$ 9,529,985.44	\$ 13,152,627.67	\$ 16,697,787.83	\$ 20,420,082.53	\$ 23,952,165.56	\$ 27,401,954.98	\$ 30,976,806.18	\$ 34,373,912.56	\$ 37,857,316.86	\$ 42,471,154.80	\$ 13,152,627.67	N/A
YTD Audit Revenue								\$ 114,466.23						
Less: YTD Audit Refunds (Building Use Tax)								\$ 140,150.73						
Net Audit Revenue								\$ 254,616.96						

*Percent change is for YTD through current month only (highlighted)



Town of Parker
Sales Tax Revenue by Location
YTD - April 2020 (May 2020)
2018/2019/2020

Area	2018 Sales Tax	% of total Sales Tax	2019 Sales Tax	% of total Sales Tax	2019-2018 % Change	2020	% of total Sales Tax	2020-2019 % Change
East Residential	7,608.30	0.06%	7,651.34	0.06%	0.57%	10,090.33	0.07%	31.88%
North Central	2,144,970.43	16.31%	2,247,014.24	16.43%	4.76%	2,248,832.36	15.74%	0.08%
Northwest	20,045.34	0.15%	47,464.15	0.35%	136.78%	66,250.13	0.46%	39.58%
South Central	3,423,236.71	26.03%	3,446,568.57	25.20%	0.68%	3,446,374.96	24.13%	-0.01%
Parker Road Corridor North	2,673,199.68	20.32%	2,874,339.21	21.02%	7.52%	3,171,360.89	22.20%	10.33%
Parker Road Corridor South	653,334.39	4.97%	681,859.67	4.99%	4.37%	816,619.73	5.72%	19.76%
West	900,273.99	6.84%	901,461.47	6.59%	0.13%	895,134.74	6.27%	-0.70%
Leasing Companies	159,754.90	1.21%	177,504.83	1.30%	11.11%	171,328.59	1.20%	-3.48%
Telecommunications	280,975.08	2.14%	289,296.16	2.12%	2.96%	250,032.65	1.75%	-13.57%
Parker Other	6,261.32	0.05%	6,999.72	0.05%	11.79%	7,653.70	0.05%	9.34%
Outside	2,882,967.52	21.92%	2,995,879.17	21.91%	3.92%	3,200,284.08	22.40%	6.82%
Totals	13,152,627.67	100.00%	13,676,038.54	100.00%	3.98%	14,283,962.16	100.00%	4.45%



Town of Parker
Sales Tax Revenue by NAICS
YTD - April 2020 (May 2020)
2018/2019/2020

Area	2018 Sales Tax	% of total Sales Tax	2019 Sales Tax	% of total Sales Tax	2019-2018 % Change	2020 Sales Tax	% of total Sales Tax	2020-2019 % Change
Auto Use Tax	1,319,809.89	10.03%	1,258,126.92	9.20%	-4.67%	1,160,210.42	8.12%	-7.78%
General Merchandise	6,274,990.53	47.71%	6,566,227.33	48.01%	4.64%	7,018,939.33	49.14%	6.89%
Grocery	2,161,279.41	16.43%	2,187,071.37	15.99%	1.19%	2,545,125.48	17.82%	16.37%
Prof Services & Ent.	1,152,119.45	8.76%	1,233,684.97	9.02%	7.08%	1,209,482.29	8.47%	-1.96%
Restaurants	1,514,775.74	11.52%	1,638,141.99	11.98%	8.14%	1,568,163.55	10.98%	-4.27%
Utilities	551,773.76	4.20%	605,424.30	4.43%	9.72%	571,210.94	4.00%	-5.65%
Accommodations	92,216.55	0.70%	109,525.07	0.80%	18.77%	110,415.67	0.77%	0.81%
Business Services Support	23,136.09	0.18%	24,213.45	0.18%	4.66%	41,687.34	0.29%	72.17%
Manufacturing & Production	62,523.43	0.48%	53,619.05	0.39%	-14.24%	58,724.01	0.41%	9.52%
Public Services	2.83	0.00%	4.08	0.00%	0.00%	3.13	0.00%	
Totals	13,152,627.67	100.00%	13,676,038.54	100.00%	3.98%	14,283,962.16	100.00%	4.45%

