City of Victoria
Sales Tax Revenue
Analysis Report

**February 2019 Sales Tax Receipts for
January 2019 Sales Tax Collections**

INTRODUCTION

The following reports will provide detailed analysis on the sales tax rebates received by the City of Victoria, which includes the actual receipts for both the City of Victoria's General Fund and the Victoria Sales Tax Development Corporation, from Fiscal Year 2016-2017 thru Fiscal Year 2018-2019 (year-to-date).

The City of Victoria (City) and CityBase.Net, Inc. (LFM) entered into a service agreement for Sales Tax Analysis and Reporting System (not software) during Fiscal Year 2016-2017. This service is a critical component of the overall revenue base; and, the revenue base of an organization needs to be continually evaluated for accuracy and performance. Left alone, there is almost a certainty that opportunities will be missed and errors will be introduced into a revenue system. There is not a revenue source with more significance, complexities, seasonal variations, economic fluctuations and constant changes as the sales tax revenue data. The purpose of these proposed and agreed upon services is to analyze and report confidential sales tax data for the City to better understand internal shifts in the sales tax base. The service provided by LFM will help the City recognize sales tax revenue vulnerabilities and to better explain current and historical data as well as to forecast future sales tax revenues.

The City provides LFM with monthly confidential sales tax data provided by the State Comptroller's Office. LFM prepares a detailed analysis and various reports from the confidential sales tax data, which contain various Industry Codes (sales tax data from various market categories), for the City. In turn, City staff reviews the detail analysis and various reports and condenses LFM detail analysis into twelve different sales tax categories, which accurately reflect / summarize the City's economic trends and status.

The State Comptroller Office uses the North American Industry Classification System (NAICS) to assign an industry code that indicates the general type of business operating in Texas. The NAICS is the standard code used by the State and Federal statistical agencies in classifying business establishments for collecting, analyzing, and publishing statistical data related to the State and U.S. business economy. As previously mentioned, staff has condensed the State Comptroller's NAICS industry codes into twelve different industry market categories; while the categorization of the data was subjective, the grouping of codes from one category to another should not materially affect the results of these reports. The following are the twelve market categories identified by staff with examples of the NAICS general market descriptors as well as relevant merchants that are currently reporting within each category:

1. ***Arts, Amusements & Sports*** – categories such as theaters, fitness and recreational sports centers, and golf courses (***Cinemark, Country Clubs, Gyms***)

2. ***Construction*** – categories such as plumbing, HVAC, electrical, and other general construction contractors (***Alamo Concrete, Ingram Readymix, Brannan Paving, Lauger Companies***)

3. ***Finance, Insurance, & Leasing*** – categories such as equipment rental & leasing, financial institutions, investments, and insurance companies (***United Rentals, Sunbelt Rentals, Netflix, Redbox***)

4. ***Restaurants & Food Services*** – categories such as restaurants or other food services contractors, and hotels (***Whataburger, McDonald's, Chick-Fil-A, Texas Roadhouse, Olive Garden***)

5. ***Information, Publishing & Media*** – categories such as cable programming, telecommunication, radio networks, and publishers (***AT&T, Sprint, T-Mobile, Verizon, Suddenlink***)

6. ***Manufacturing & Warehousing*** – categories such as machinery & equipment manufacturing and material manufacturing (***Holt Equipment, Mueller Supply, Superior Carports***)

7. ***Oil & Gas*** – categories such as drilling, oil & gas extraction, pipeline and mining (***MW Rentals, Baker Hughes/Petrolite, Quail Tools, Multi-Chem, Energy Transfer Partners/Sunoco***)

8. ***Professional & Other Services*** – categories such as general & administrative services, engineering, attorney, and repair and maintenance contractors (***Bugmobiles, Victoria Communications Services, Custom Tinting, Calvo's Janitorial***)

9. ***Retail Trade*** – categories such as automotive dealerships, clothing stores, building and general use supply stores, electronics stores, convenience stores, and gasoline stations (***Wal-Mart, Sam's Club, HEB, Lowe's, Home Depot, Academy***)

10. ***Transportation*** – categories such as ground transportation, motor vehicle towing, general freight trucking and transportation related to oil & gas (***UPS, FedEx, Allan's Wrecker, CW&A***)

11. ***Utilities & Waste Management*** – categories such as electric power & natural gas distribution & generation, sewage treatment & collection facilities and water supply & irrigation systems (***AEP, VEC, TXU Energy, Waste Management***)

12. ***Wholesale Trade*** – merchants classified as wholesalers of product (building, material, agricultural, manufacturing, motor vehicles and parts, and medical) (***Performance Food Group, Mid-Coast Electric, Ferguson Plumbing, Harbor Freight***)

General Fund Sales Tax Revenue

The last ten fiscal years, sales tax revenue was the largest single revenue source for the General Fund, accounting for an average of approximately 34.6 percent of General Fund revenues; however, due to the past recession, sales tax revenue, which experienced a decline of 8.2 percent or $1.1 million, became the second largest single revenue source for the General Fund in Fiscal Year 2010, trailing only ad valorem tax revenue.

Due primarily to the oil and gas industry activity, i.e. Eagle Ford Shale, the Fiscal Year 2011 sales tax revenue increased by 23.3 percent or $2.8 million; and, Fiscal Year 2012 thru Fiscal Year 2015, the General Fund experienced an average annual growth rate of 5.3 percent. In Fiscal Year 2016, due to the lower oil/gas prices and Victoria's oil and natural gas industry contracting, i.e. Eagle Ford Shale, sales tax revenue decreased by 7.7 percent or $1.4 million compared to Fiscal Year 2015. For Fiscal Year 2017, the General Fund sales tax revenue was below the Fiscal Year 2017 budget by 9.2 percent or $1.49 million; and, below the Fiscal Year 2016 actuals by 11.1 percent or $1.8 million. For Fiscal Year 2018, General Fund sales tax revenue was above the Fiscal Year 2018 budget by 15.2 percent or $2.23 million; and, above the Fiscal Year 2017 actuals by 14.8 percent or $2.17 million. The increase in Fiscal Year 2018 can be attributed to a combination of factors including continued growth in the economy from the recent downturn and indirect growth caused by Hurricane Harvey which increased construction and wholesale trade sales.

For Fiscal Year 2019, after five months of collected sales tax receipts, General Fund sales tax revenue is above the Fiscal Year 2019 budget by 0.08 percent or $6K; and, below the Fiscal Year 2018 actuals by 0.80 percent or $58K for the same time frame.

Victoria Sales Tax Development Corporation Sales Tax Revenue

The last ten fiscal years, sales tax revenue has been the largest single revenue source for the Victoria Sales Tax Development Corporation (VSTDC), accounting for an average of approximately 88.9 percent of Victoria Sales Tax Corporation actual revenues. Prior to the 2010 recession, VSTDC experienced modest growth in its sales tax revenue; however, in Fiscal Year 2010, sales tax revenue declined by 8.2 percent or $534K. In Fiscal Year 2011, sales tax revenue increased by 23.3 percent or $1.4 million; and, Fiscal Year 2012 thru Fiscal Year 2015, VSTDC experienced an average annual growth rate of 5.3 percent; all due primarily to the oil and gas industry growth, i.e. Eagle Ford Shale activity. In Fiscal Year 2016, due to the lower oil/gas prices and Victoria's oil and natural gas industry contracting, i.e. Eagle Ford Shale, sales tax revenue decreased by 7.7 percent or $691K compared to Fiscal Year 2015. For Fiscal Year 2017, the VSTDC sales tax revenue was below the Fiscal Year 2017 budget by 8.9 percent or $723K; and, below the Fiscal Year 2016 actuals by 11.1 percent or $923K. For Fiscal Year 2018, VSTDC sales tax revenue was above the Fiscal Year 2018 budget by 13.4 percent or $998K; and, above the Fiscal Year 2017 actuals by 14.8 percent or $1.09 million. The increase in Fiscal Year 2018 can be attributed to a combination of factors including continued growth in the economy from the recent downturn and indirect growth caused by Hurricane Harvey which increased construction and wholesale trade sales.
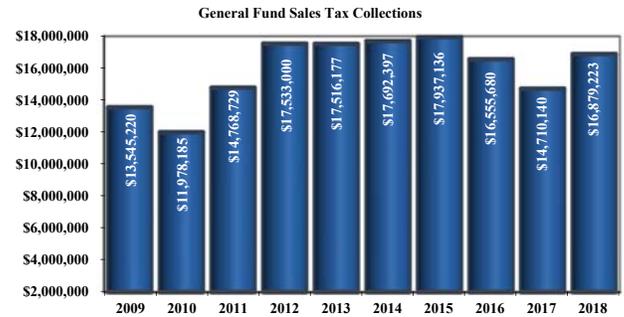
For Fiscal Year 2019, after five months of collected sales tax receipts, VSTDC sales tax revenue is above the Fiscal Year 2019 budget by 0.03 percent or $1K; and, below the Fiscal Year 2018 actuals by 0.96 percent or $31K for the same time frame.

OVERALL

Prior to Fiscal Year 2016, sales tax revenue growth was primarily due to the oil and natural gas industry activity (i.e. Eagle Ford Shale), especially in Fiscal Year 2011 where the combined (City and VSTDC) sales tax revenue increased by 23.3 percent or $4.2 million. However, as noted above, the Fiscal Year 2016 combined sales tax revenue decline of $2.1 million and the combined sales tax revenue short-fall in Fiscal Year 2017 of $2.2 million, the City's combined sales tax revenue declined by a net of $4.3 million, erasing the original Fiscal Year 2011 sales tax revenue growth of $4.2 million. Combined sales tax revenues rebounded in FY2018 with an increase of $3.3 million over FY2017 or $3.2 million over the FY2018 budgeted amount. The increase in Fiscal Year 2018 can be attributed to a combination of factors including continued growth in the economy from the recent downturn and indirect growth caused by Hurricane Harvey which increased construction and wholesale trade sales.

For Fiscal Year 2019 to date, the combined (City and VSTDC) sales tax revenue is above the Fiscal Year 2019 budget by 0.07 percent or $7K.

In reviewing the attached Sales Tax Revenue Analysis Reports, you will note that the fluctuations in the oil and gas industry activity have a major influence in various sales tax revenue categories.

SALES TAX REVENUE ANALYSIS REPORT

The following pages include the following tables and related graphs:

1. ***Monthly Sales Tax Revenue by Fiscal Year*** – table includes sales tax receipts collected by month for Fiscal Year 2016-2017 thru Fiscal Year 2018-2019 along with Fiscal Year 2018-2019 monetary and percent variances, compared to Fiscal Year 2016-2017 and Fiscal Year 2017-2018.

   After five months of collected sales tax receipts, Fiscal Year 2018-2019 sales tax receipts are $87K or 0.8 percent below and $1.6 million or 16.9 percent above the Fiscal Year 2017-2018 and Fiscal Year 2016-2017, respectively.

2. ***Year-to-Date Sales Tax Revenue by Category*** – table includes year-to-date sales tax receipts, by market category, for Fiscal Year 2016-2017 thru Fiscal Year 2018-2019.

   After five months of collected sales tax receipts, the top two categories for Fiscal Year 2018-2019 (Retail Trade and Restaurants & Food Services 44.84% and 10.22%, respectively), account for 55.06% of sales tax revenue to date in Fiscal Year 2018-2019. For the same timeframe, the top two categories for Fiscal Year 2017-2018 were Retail Trade and Restaurants & Food Services, accounting for a total of sales tax revenue to date of 57.47%. For the same timeframe, the top two categories for Fiscal Year 2016-2017 were Retail Trade and Restaurants & Food Services, accounting for a total of sales tax revenue to date of 59.29%.

3. ***Year-to-Date Sales Tax Revenue Comparison by Category & Fiscal Year*** – table includes a comparison of Fiscal Year 2018-2019 year-to-date sales tax receipts, by market category, to Fiscal Year 2017-2018 and Fiscal Year 2016-2017 along with monetary and percent variances.

   The following is a comparison of Fiscal Year 2018–2019 sales tax receipts to both Fiscal Year 2017-2018 and Fiscal Year 2016-2017 by category after five months of collected sales tax receipts:

   - The Fiscal Year 2018-2019 *Construction* sales tax revenue category is $161K less than Fiscal Year 2017-2018 and $59K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Finance/Insurance/Leasing* sales tax revenue category is $50K greater than Fiscal Year 2017-2018 and $106K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Professional & Other Services* sales tax revenue category is $7K greater than Fiscal Year 2017-2018 and $68K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Restaurants & Food Services* sales tax revenue category is $22K greater than Fiscal Year 2017-2018 and $126K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Retail Trade* sales tax revenue category is $332K less than Fiscal Year 2017-2018 and $340K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Utilities & Waste Management* sales tax revenue category is $35K less than Fiscal Year 2017-2018 and $32K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Wholesale Trade* sales tax revenue category is $52K less than Fiscal Year 2017-2018 and $182K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Manufacturing & Warehousing* sales tax revenue category compared to Fiscal Year 2017-2018 and Fiscal Year 2016-2017 is greater by $173K and $228K, respectively;
   - The Fiscal Year 2018-2019 *Oil & Gas* sales tax revenue category compared to Fiscal Year 2017-2018 and Fiscal Year 2016-2017 is greater by $203K and $374K, respectively;
   - The Fiscal Year 2018-2019 *Arts/Amusements/Sports* sales tax revenue category is $2K less than Fiscal Year 2017-2018 and $8K greater than Fiscal Year 2016-2017;
   - The Fiscal Year 2018-2019 *Information/Publishing/Media* sales tax revenue category compared to Fiscal Year 2017-2018 and Fiscal Year 2016-2017 is greater by $41K and $33K, respectively; and,
   - The Fiscal Year 2018-2019 *Transportation* sales tax revenue category compared to Fiscal Year 2017-2018 and Fiscal Year 2016-2017 is lesser by $2K and $3K, respectively.

4. ***City of Victoria Fiscal Year 2018-2019 Sales Tax Receipts Analysis*** – table includes seven-year history (FY 2012 thru 2018) of sales tax receipts and Fiscal Year 2018-2019 budget and actual sales tax receipts, with monetary and percent variances, for the following:
   - *City of Victoria General Fund*
   - *Victoria Sales Tax Development Corporation (VSTDC)*
   - *Combined – City of Victoria General Fund & VSTDC*

Monthly Sales Tax Revenue by Fiscal Year

The following table is a recap of the monthly sales tax receipts from Fiscal Year 2016-17 thru Fiscal Year 2018-19

All Categories	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 1,913,202	$ 2,333,747	$ 2,335,368	$ 1,621	0.1%	$ 422,166	22.1%
November	1,494,471	2,050,732	2,116,398	65,666	3.2%	621,927	41.6%
December	1,811,784	2,090,082	1,861,778	(228,304)	-10.9%	49,994	2.8%
January	2,316,481	2,549,310	2,592,053	42,743	1.7%	275,572	11.9%
February	1,664,524	1,816,967	1,848,528	31,562	1.7%	184,004	11.1%
March	1,705,315	1,788,833	-				
April	2,124,539	2,368,496	-				
May	1,565,025	1,896,994	-				
June	1,864,053	1,945,148	-				
July	2,120,669	2,360,170	-				
August	1,788,963	2,084,131	-				
September	1,696,184	2,034,224	-				
Grand Total:	$ 22,065,210	$ 25,318,834	$ 10,754,125	$ (86,712)	-0.8%	$ 1,553,663	16.9%

Monthly Sales Tax Receipts — FY 2019, FY 2018, FY 2017
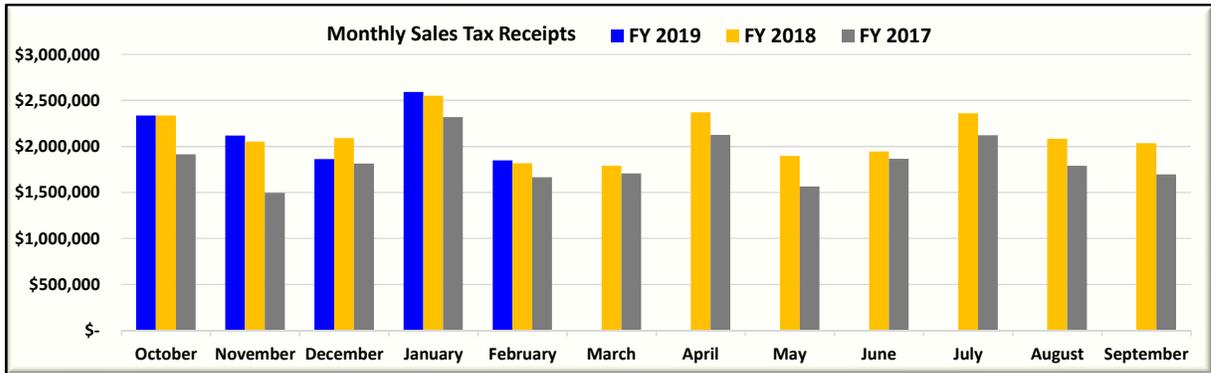
Year-to-Date Sales Tax Revenue by Category

The following table is a recap of the monthly fiscal year sales tax receipts by "Sales Tax Revenue Category":
*October thru January*

Category	FY 2017 - Oct. thru Jan.		FY 2018 - Oct. thru Jan.		FY 2019 - Oct. thru Jan.	
Arts / Amusements / Sports	$ 65,412	0.71%	$ 75,690	0.70%	$ 73,668	0.69%
Construction	210,796	2.29%	430,276	3.97%	269,327	2.50%
Finance / Insurance / Leasing	217,316	2.36%	273,604	2.52%	323,114	3.00%
Restaurants & Food Services	973,402	10.58%	1,076,714	9.93%	1,099,167	10.22%
Information / Publishing / Media	694,844	7.55%	686,661	6.33%	727,945	6.77%
Manufacturing & Warehousing	346,859	3.77%	401,547	3.70%	574,768	5.34%
Oil & Gas	492,114	5.35%	662,963	6.12%	866,209	8.05%
Professional & Other Services	441,154	4.79%	502,152	4.63%	509,422	4.74%
Retail Trade	4,481,616	48.71%	5,153,557	47.54%	4,822,006	44.84%
Transportation	16,110	0.18%	15,203	0.14%	13,269	0.12%
Utilities & Waste Mgmt	605,172	6.58%	672,032	6.20%	637,090	5.92%
Wholesale Trade	655,667	7.13%	890,438	8.21%	838,143	7.79%
Grand Total:	$ 9,200,462		$ 10,840,838		$ 10,754,125	

Year-to-Date Sales Tax Revenue by Category — FY 2019, FY 2018, FY 2017
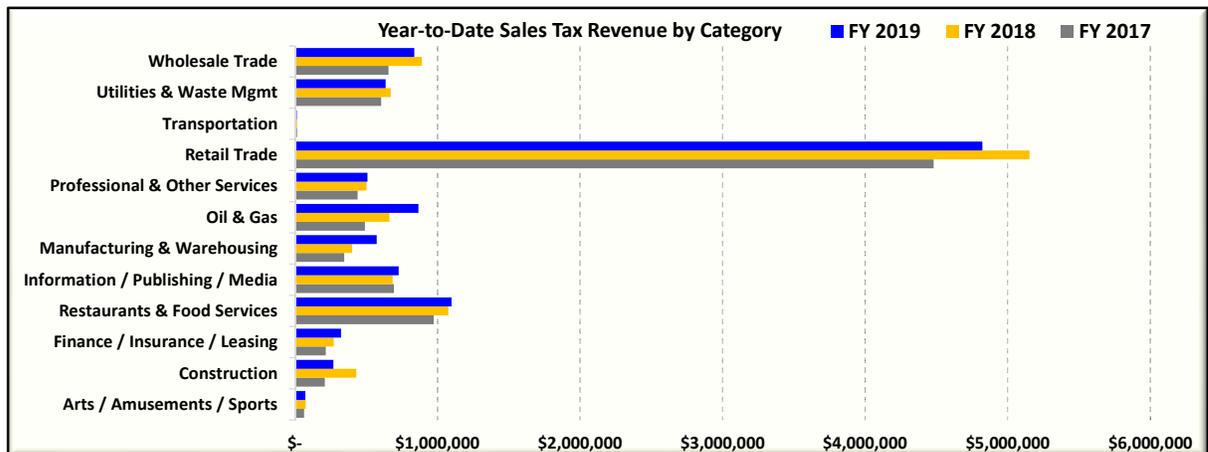
Year-to-Date Sales Tax Revenue Comparison by Category & Fiscal Years

The following table is a recap of the monthly fiscal year sales tax receipts by "Sales Tax Revenue Category":
October thru February

Category	FY 2018 - Oct. thru Feb.		FY 2019 - Oct. thru Feb.		FY 2019 vs. FY 2018	
Arts / Amusements / Sports	$ 75,690	0.70%	$ 73,668	0.69%	$ (2,022)	-2.67%
Construction	430,276	3.97%	269,327	2.50%	(160,949)	-37.41%
Finance / Insurance / Leasing	273,604	2.52%	323,114	3.00%	49,510	18.10%
Restaurants & Food Services	1,076,714	9.93%	1,099,167	10.22%	22,452	2.09%
Information / Publishing / Media	686,661	6.33%	727,945	6.77%	41,284	6.01%
Manufacturing & Warehousing	401,547	3.70%	574,768	5.34%	173,220	43.14%
Oil & Gas	662,963	6.12%	866,209	8.05%	203,246	30.66%
Professional & Other Services	502,152	4.63%	509,422	4.74%	7,270	1.45%
Retail Trade	5,153,557	47.54%	4,822,006	44.84%	(331,551)	-6.43%
Transportation	15,203	0.14%	13,269	0.12%	(1,935)	-12.73%
Utilities & Waste Mgmt	672,032	6.20%	637,090	5.92%	(34,943)	-5.20%
Wholesale Trade	890,438	8.21%	838,143	7.79%	(52,295)	-5.87%
Grand Total:	$ 10,840,838		$ 10,754,125		$ (86,712)	-0.80%
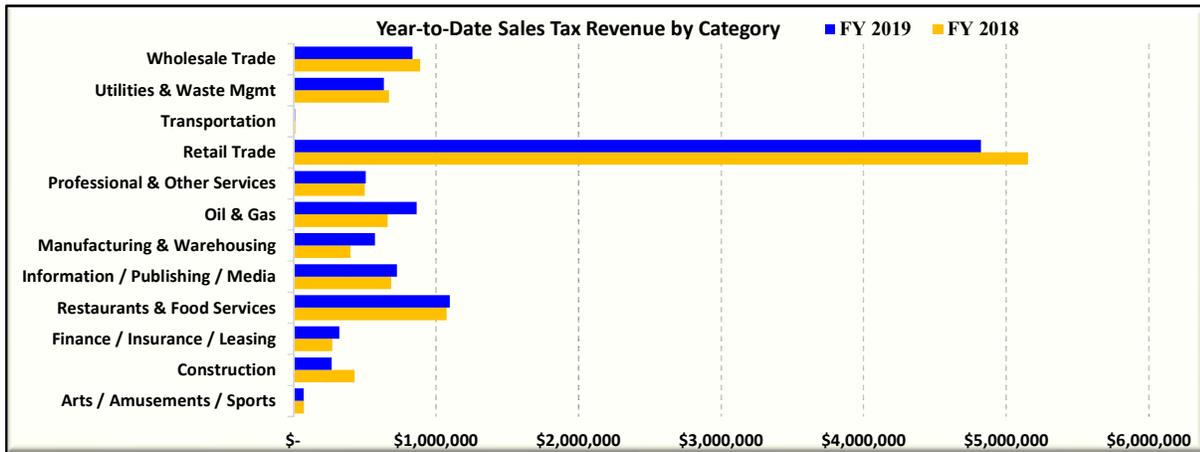
Category	FY 2017 - Oct. thru Feb.		FY 2019 - Oct. thru Feb.		FY 2019 vs. FY 2017	
Arts / Amusements / Sports	$ 65,412	0.71%	$ 73,668	0.69%	$ 8,255	12.62%
Construction	210,796	2.29%	269,327	2.48%	58,532	27.77%
Finance / Insurance / Leasing	217,316	2.36%	323,114	2.98%	105,798	48.68%
Restaurants & Food Services	973,402	10.58%	1,099,167	10.14%	125,765	12.92%
Information / Publishing / Media	694,844	7.55%	727,945	6.71%	33,100	4.76%
Manufacturing & Warehousing	346,859	3.77%	574,768	5.30%	227,909	65.71%
Oil & Gas	492,114	5.35%	866,209	7.99%	374,095	76.02%
Professional & Other Services	441,154	4.79%	509,422	4.70%	68,268	15.47%
Retail Trade	4,481,616	48.71%	4,822,006	44.48%	340,390	7.60%
Transportation	16,110	0.18%	13,269	0.12%	(2,841)	-17.64%
Utilities & Waste Mgmt	605,172	6.58%	637,090	5.88%	31,917	5.27%
Wholesale Trade	655,667	7.13%	838,143	7.73%	182,476	27.83%
Grand Total:	$ 9,200,462		$ 10,754,125		$ 1,553,663	16.89%
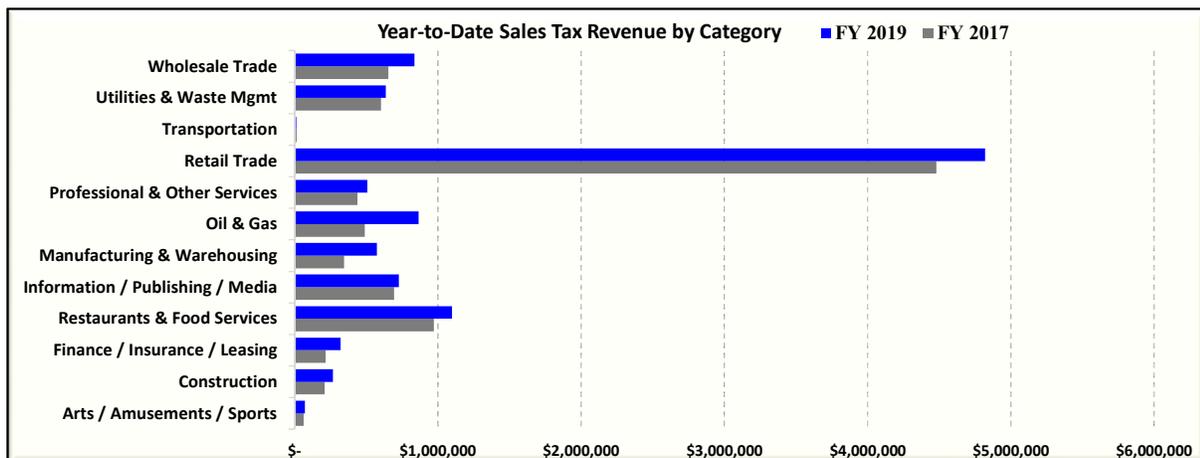
City of Victoria General Fund
Sales Tax Receipts Analysis

DATE	Actual Receipts FY 11-12	Actual Receipts FY 12-13	Actual Receipts FY 13-14	Actual Receipts FY 14-15	Actual Receipts FY 15-16	Actual Receipts FY 16-17	(A) Actual Receipts FY 17-18	(B) Budgeted Receipts FY 18-19	(C) Actual / Estimate Receipts FY 18-19	Current Year Monthly % Change COL: C / B	Current Year Cumulative % Change COL: C / B	FY 18-19 Budget Collected $16,256	Previous Year Monthly % Change COL: C / A	Previous Year Cumulative % Change COL: C / A
									Fiscal Year 2018 - 2019					
October	$ 1,544	$ 1,541	$ 1,292	$ 1,707	$ 1,507	$ 1,275	$ 1,556	$ 1,556	$ 1,557	0.06%	0.06%	9.58%	0.06%	0.06%
November	1,275	1,426	1,323	1,481	1,421	996	1,367	1,367	1,411	3.22%	1.54%	8.68%	3.22%	1.54%
December	1,350	1,334	1,336	1,429	1,423	1,208	1,393	1,393	1,241	-10.91%	-2.48%	7.63%	-10.91%	-2.48%
January	1,884	1,753	1,866	2,066	1,963	1,544	1,700	1,636	1,728	5.62%	-0.25%	10.63%	1.65%	-1.31%
February	1,290	1,310	1,258	1,270	1,277	1,110	1,211	1,211	1,232	1.73%	0.08%	7.58%	1.73%	-0.80%
March	1,370	1,395	1,338	1,367	1,503	1,137	1,193	1,193	*1,193*					
April	1,712	1,698	1,647	1,647	1,611	1,416	1,579	1,579	*1,579*					
May	1,347	1,420	1,456	1,353	1,111	1,043	1,265	1,185	*1,185*					
June	1,380	1,255	1,542	1,429	1,091	1,243	1,297	1,179	*1,179*					
July	1,651	1,653	1,662	1,581	1,358	1,414	1,573	1,476	*1,476*					
August	1,329	1,381	1,475	1,321	1,151	1,193	1,389	1,236	*1,236*					
September	1,400	1,350	1,498	1,287	1,138	1,131	1,356	1,245	*1,245*					
	$ 17,532	$ 17,516	$ 17,693	$ 17,938	$ 16,554	$ 14,710	$ 16,879	$ 16,256	$ 16,262					
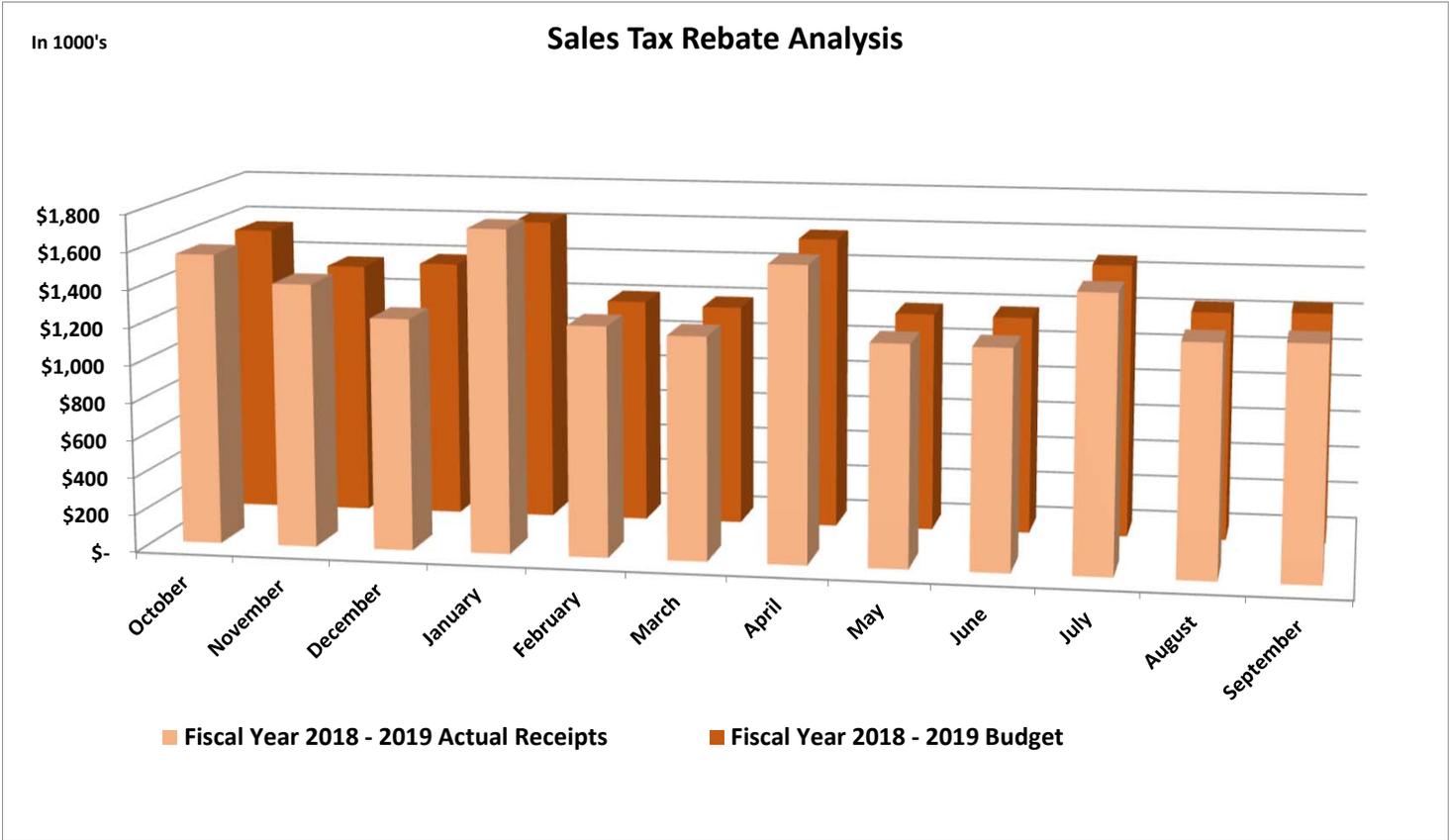
Sales Tax Rebate Analysis

In 1000's

Legend: ■ Fiscal Year 2018 - 2019 Actual Receipts ■ Fiscal Year 2018 - 2019 Budget

Victoria Sales Tax Development Corporation
Sales Tax Receipts Analysis

DATE	Actual Receipts FY 11-12	Actual Receipts FY 12-13	Actual Receipts FY 13-14	Actual Receipts FY 14-15	Actual Receipts FY 15-16	Actual Receipts FY 16-17	(A) Actual Receipts FY 17-18	(B) Budgeted Receipts FY 18-19	(C) Actual / Estimate Receipts FY 18-19	Current Year Monthly % Change COL: C / B	Current Year Cumulative % Change COL: C / B	FY 18-19 % of Budget Collected $8,168	Previous Year Monthly % Change COL: C / A	Previous Year Cumulative % Change COL: C / A
								Fiscal Year 2018 - 2019						
October	$ 771	$ 770	$ 646	$ 853	$ 753	$ 638	$ 778	$ 778	$ 778	0.00%	0.00%	9.52%	0.00%	0.00%
November	637	713	662	740	710	498	684	684	705	3.07%	1.44%	8.63%	3.07%	1.44%
December	675	667	668	715	712	604	697	697	621	-10.90%	-2.55%	7.60%	-10.90%	-2.55%
January	944	877	933	1,033	982	772	850	818	864	5.62%	-0.30%	10.58%	1.65%	-1.36%
February	646	655	629	635	638	555	606	606	616	1.65%	0.03%	7.54%	1.65%	-0.86%
March	685	698	669	684	752	568	596	596	*596*					
April	856	849	823	823	805	708	789	790	*790*					
May	674	710	728	677	556	522	632	632	*632*					
June	690	627	771	714	546	621	648	648	*648*					
July	826	827	831	791	679	707	787	787	*787*					
August	665	691	737	660	575	596	695	618	*618*					
September	700	675	749	644	569	565	678	622	*622*					
	$ 8,769	$ 8,759	$ 8,846	$ 8,969	$ 8,277	$ 7,354	$ 8,440	$ 8,276	$ 8,277					

Sales Tax Rebate Analysis

In 1000's

Legend: Fiscal Year 2018 - 2019 Actual, Fiscal Year 2018 - 2019 Budget
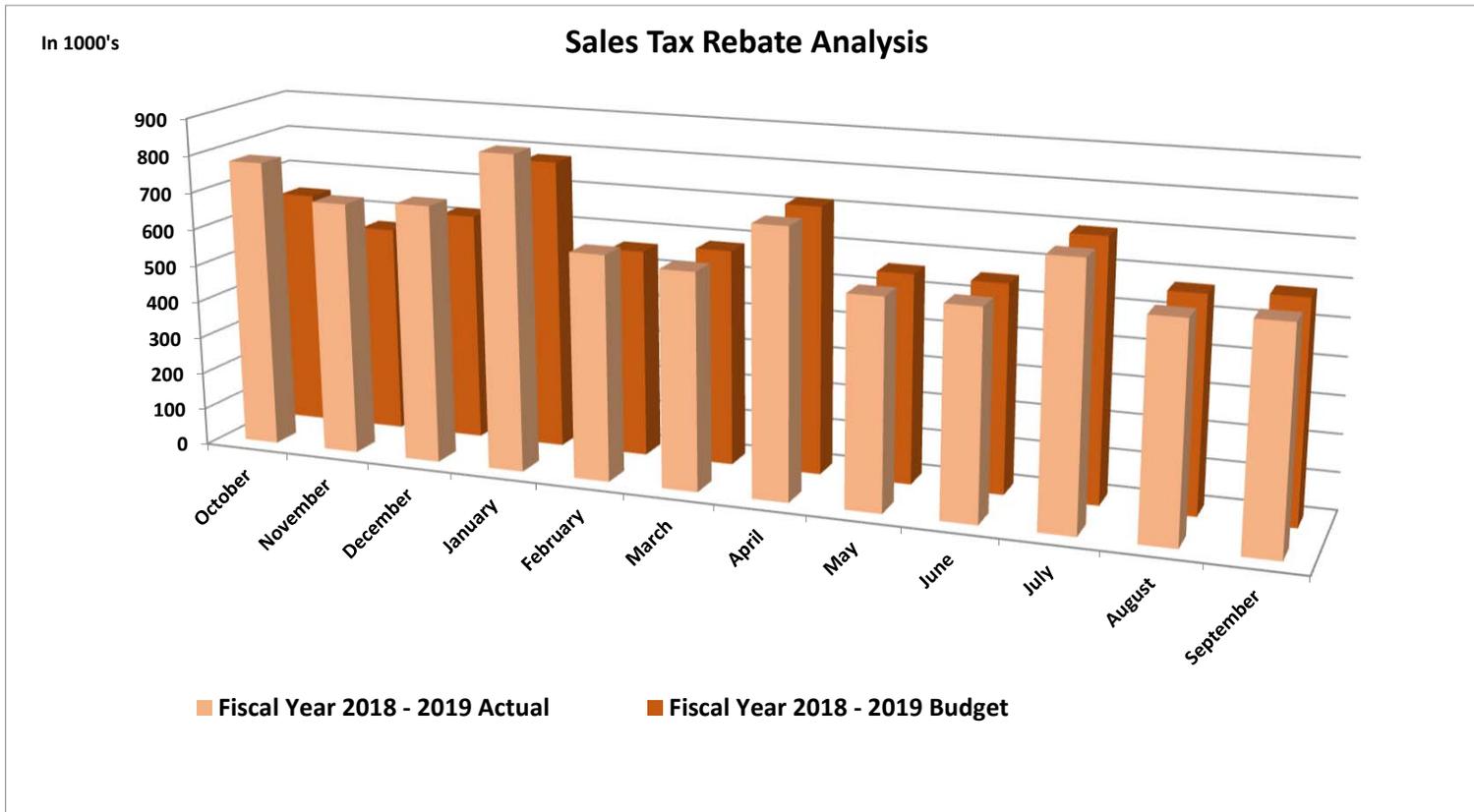
City of Victoria & VSTDC Combined
Sales Tax Receipts Analysis

DATE	Actual Receipts FY 11-12	Actual Receipts FY 12-13	Actual Receipts FY 13-14	Actual Receipts FY 14-15	Actual Receipts FY 15-16	Actual Receipts FY 16-17	(A) Actual Receipts FY 17-18	(B) Budgeted Receipts FY 18-19	(C) Actual / Estimate Receipts FY 18-19	Current Year Monthly % Change COL: C / B	Current Year Cumulative % Change COL: C / B	FY 18-19 % of Budget Collected $24,424	Previous Year Monthly % Change COL: C / A	Previous Year Cumulative % Change COL: C / A
								Fiscal Year 2018 - 2019						
October	2,315	2,311	1,938	2,560	2,260	1,913	2,334	2,334	2,335	0.04%	0.04%	9.56%	0.04%	0.04%
November	1,912	2,139	1,985	2,221	2,131	1,494	2,051	2,051	2,116	3.17%	1.51%	8.66%	3.17%	1.51%
December	2,025	2,001	2,004	2,144	2,135	1,812	2,090	2,090	1,862	-10.91%	-2.50%	7.62%	-10.91%	-2.50%
January	2,828	2,630	2,799	3,099	2,945	2,316	2,550	2,454	2,592	5.62%	-0.27%	10.61%	1.65%	-1.33%
February	1,936	1,965	1,887	1,905	1,915	1,665	1,817	1,817	1,848	1.71%	0.07%	7.57%	1.71%	-0.82%
March	2,055	2,093	2,007	2,051	2,255	1,705	1,789	1,789	1,789					
April	2,568	2,547	2,470	2,470	2,416	2,124	2,368	2,369	2,369					
May	2,021	2,130	2,184	2,030	1,667	1,565	1,897	1,817	1,817					
June	2,070	1,882	2,313	2,143	1,637	1,864	1,945	1,827	1,827					
July	2,477	2,480	2,493	2,372	2,037	2,121	2,360	2,263	2,263					
August	1,994	2,072	2,212	1,981	1,726	1,789	2,084	1,854	1,854					
September	2,100	2,025	2,247	1,931	1,707	1,696	2,034	1,867	1,867					
	$ 26,301	$ 26,275	$ 26,539	$ 26,907	$ 24,831	$ 22,064	$ 25,319	$ 24,532	$ 24,539					

Sales Tax Rebate Analysis

In 1000's

Legend: ■ Fiscal Year 2018 - 2019 Actual ■ Fiscal Year 2018 - 2019 Budget
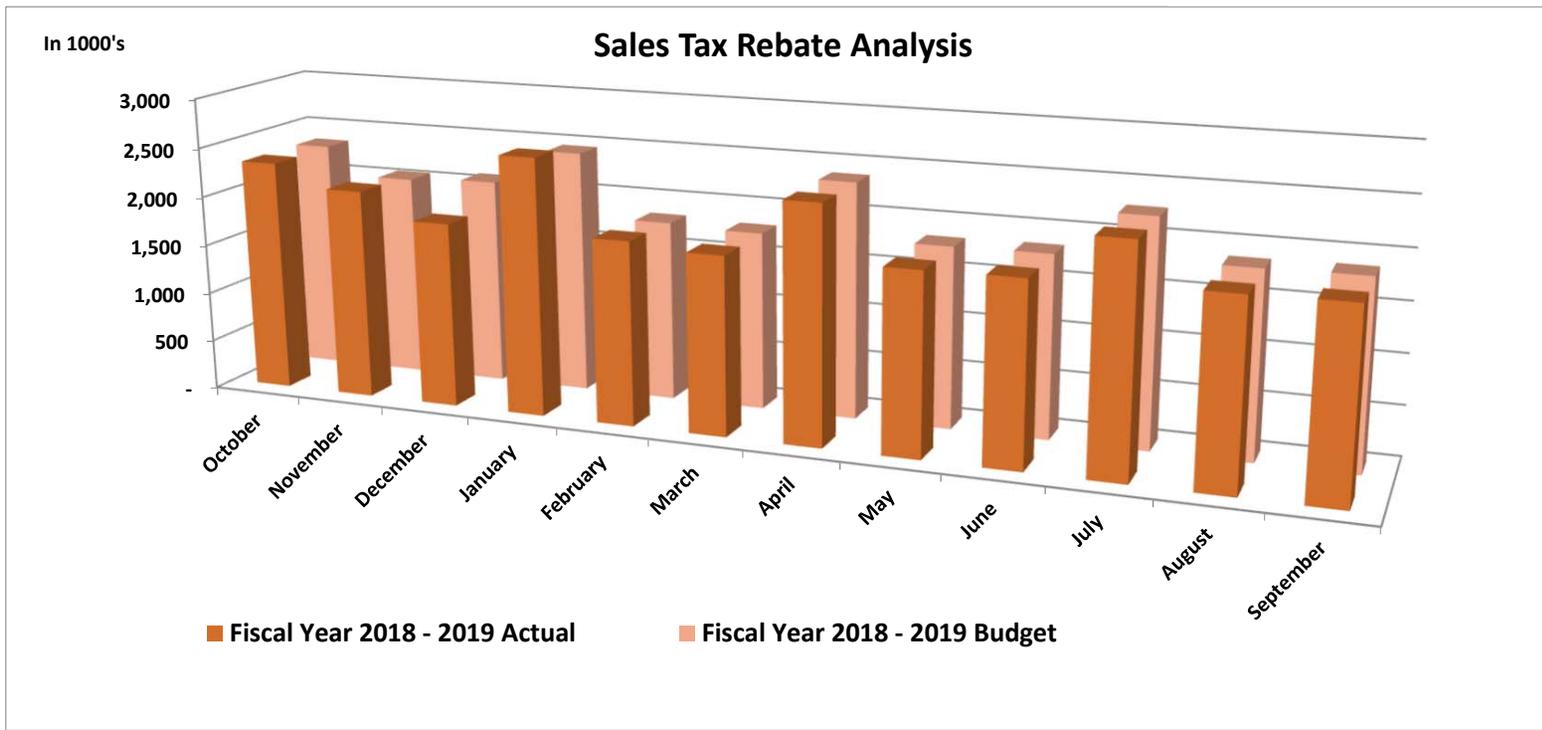
SALES TAX REVENUE ANALYSIS REPORT

The following pages include the ***Monthly Sales Tax Revenue by Category and Fiscal Year*** reports and related graphs. Each sales tax revenue category table includes monthly sales tax receipts for Fiscal Year 2016-2017 thru Fiscal Year 2018-2019 along with Fiscal Year 2018-2019 monetary and percent variances, compared to Fiscal Year 2017-2018 and Fiscal Year 2016-2017.

After five months of sales tax receipts collected for Fiscal Year 2018-2019, the twelve sales tax revenue categories are reflecting the following variances, compared to Fiscal Year 2017-2018 and Fiscal Year 2016-2017, respectively.

Each sector is listed below and shown on the following pages in descending order (largest sector to smallest sector).

1. ***Retail Trade*** sales tax revenue category is -$332K or -6.4 percent and $340K or 7.6 percent;

2. ***Restaurants and Food Services*** sales tax revenue category is $22K or 2.1 percent and $126K or 12.9 percent;

3. ***Wholesale Trade*** sales tax revenue category is -$52K or -5.9 percent and $182K or 27.8 percent;

4. ***Information, Publishing & Media*** sales tax revenue category is $41K or 6.0 percent and $33K or 4.8 percent;

5. ***Utilities and Waste Management*** sales tax revenue category is -$35K or -5.2 percent and $32K or 5.3 percent;

6. ***Oil & Gas*** sales tax revenue category is $203K or 30.7 percent and $374K or 76.0 percent;

7. ***Professional & Other Services*** sales tax revenue category is $7K or 1.4 percent and $68K or 15.5 percent;

8. ***Construction*** sales tax revenue category is -$161K or -37.4 percent and $59K or 27.8 percent;

9. ***Manufacturing and Warehousing*** sales tax revenue category is $173K or 43.1 percent and $228K or 65.7 percent;

10. ***Finance, Insurance & Leasing*** sales tax revenue category is $50K or 18.1 percent and $106K or 48.7 percent;

11. ***Arts, Amusements & Sports*** sales tax revenue category is -$2K or -2.7 percent and $8K or 12.6 percent; and,

12. ***Transportation*** sales tax revenue category is -$2K or -12.7 percent and -$3K or -17.6 percent.

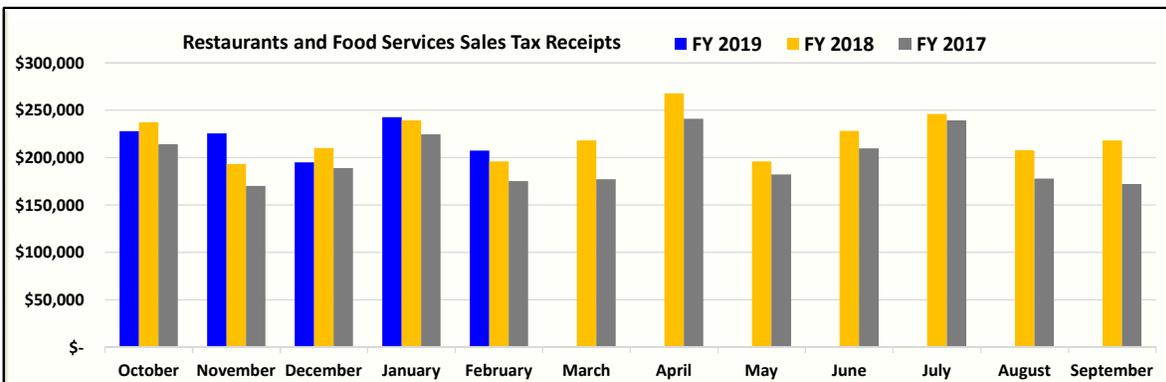# Monthly Sales Tax Revenue by Category and Fiscal Year

Retail Trade - Categories such as Automotive Dealerships, Clothing Stores, Building & General Use Supply Stores, Electronics Stores, Convenience Stores and Gasoline Stations

Retail Trade	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 883,117	$ 984,543	$ 893,424	$ (91,119)	-9.3%	$ 10,307	1.2%
November	762,952	924,066	927,612	3,546	0.4%	164,660	21.6%
December	854,249	1,055,005	876,961	(178,045)	-16.9%	22,712	2.7%
January	1,287,377	1,365,314	1,344,497	(20,816)	-1.5%	57,121	4.4%
February	693,922	824,628	779,511	(45,117)	-5.5%	85,590	12.3%
March	814,136	796,143	-				
April	1,029,197	1,055,162	-				
May	782,662	836,738	-				
June	807,385	903,213	-				
July	939,470	1,003,961	-				
August	761,313	858,575	-				
September	731,272	861,923	-				
Grand Total:	$ 10,347,050	$ 11,469,271	$ 4,822,006	$ (331,551)	-6.4%	$ 340,390	7.6%

Retail Trade Sales Tax Receipts ■ FY 2019 ■ FY 2018 ■ FY 2017
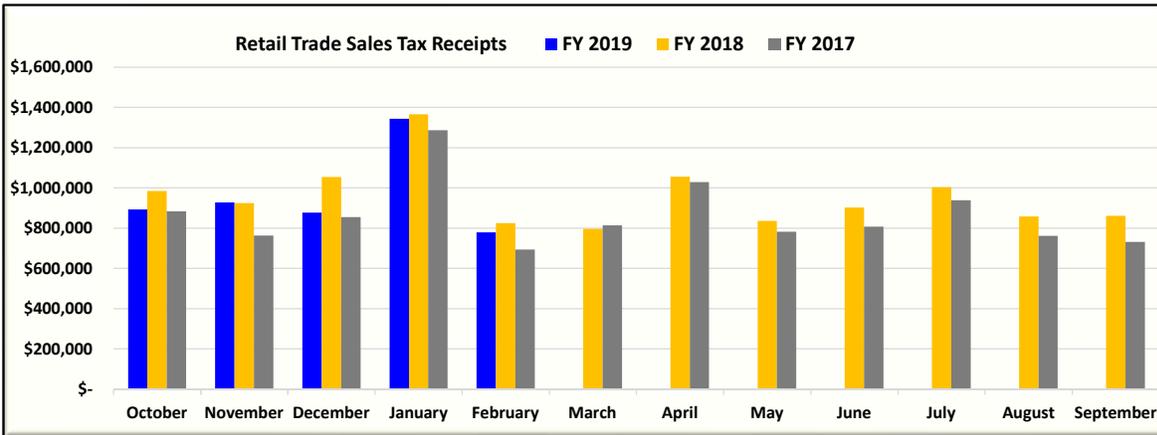
## Restaurants and Food Services - Categories such as Restaurants, Food Service Contractors, and Hotels

Restaurants and Food Services	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 214,091	$ 237,461	$ 227,953	$ (9,507)	-4.0%	$ 13,863	6.5%
November	170,155	193,514	225,676	32,162	16.6%	55,521	32.6%
December	189,161	210,278	194,988	(15,290)	-7.3%	5,828	3.1%
January	224,778	239,369	242,918	3,549	1.5%	18,141	8.1%
February	175,218	196,093	207,631	11,538	5.9%	32,413	18.5%
March	177,437	218,370	-				
April	241,118	267,884	-				
May	182,201	196,009	-				
June	209,776	228,251	-				
July	239,326	246,043	-				
August	177,990	207,917	-				
September	172,266	218,395	-				
Grand Total:	$ 2,373,514	$ 2,659,583	$ 1,099,167	$ 22,452	2.1%	$ 125,765	12.9%

Restaurants and Food Services Sales Tax Receipts ■ FY 2019 ■ FY 2018 ■ FY 2017

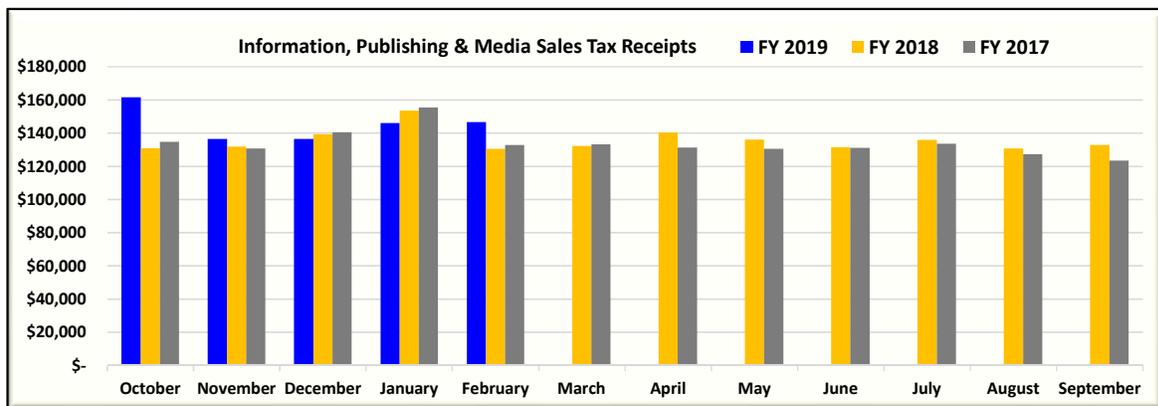# Monthly Sales Tax Revenue by Category and Fiscal Year

Wholesale Trade - Merchants classified as Wholesale of product (building material, agricultural, manufacturing, motor vehicles & parts and medical)

Wholesale Trade	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 140,963	$ 172,751	$ 177,571	$ 4,821	2.8%	$ 36,608	26.0%
November	144,864	175,578	176,254	675	0.4%	31,389	21.7%
December	117,775	191,213	167,333	(23,881)	-12.5%	49,558	42.1%
January	130,771	190,844	164,514	(26,329)	-13.8%	33,743	25.8%
February	121,294	160,052	152,471	(7,581)	-4.7%	31,177	25.7%
March	131,781	155,508	-				
April	161,945	207,944	-				
May	133,435	174,405	-				
June	145,945	172,704	-				
July	163,783	188,803	-				
August	135,935	177,656	-				
September	131,703	196,754	-				
Grand Total:	$ 1,660,194	$ 2,164,211	$ 838,143	$ (52,295)	-5.9%	$ 182,476	27.8%

Wholesale Trade Sales Tax Receipts ■ FY 2019 ■ FY 2018 ■ FY 2017
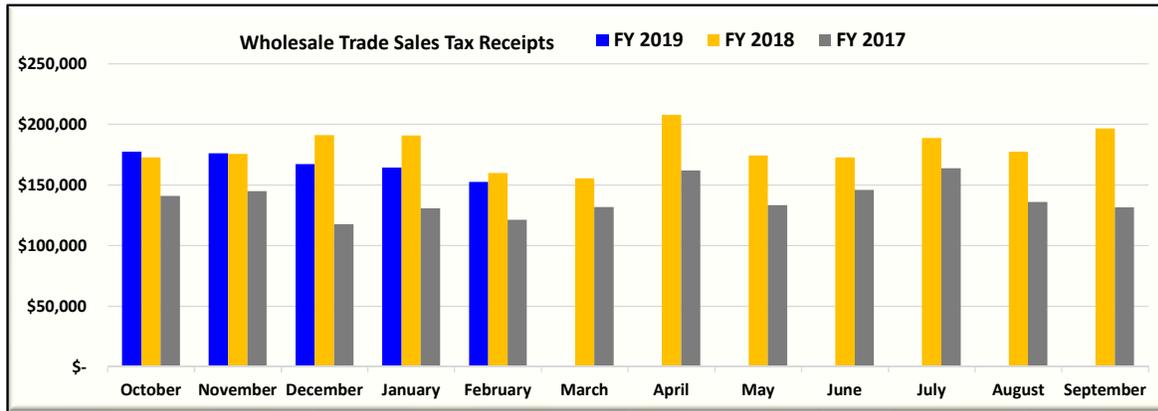
Information, Publishing & Media - Categories such as Cable Prog., Telecommunications, Radio Networks & Publishers

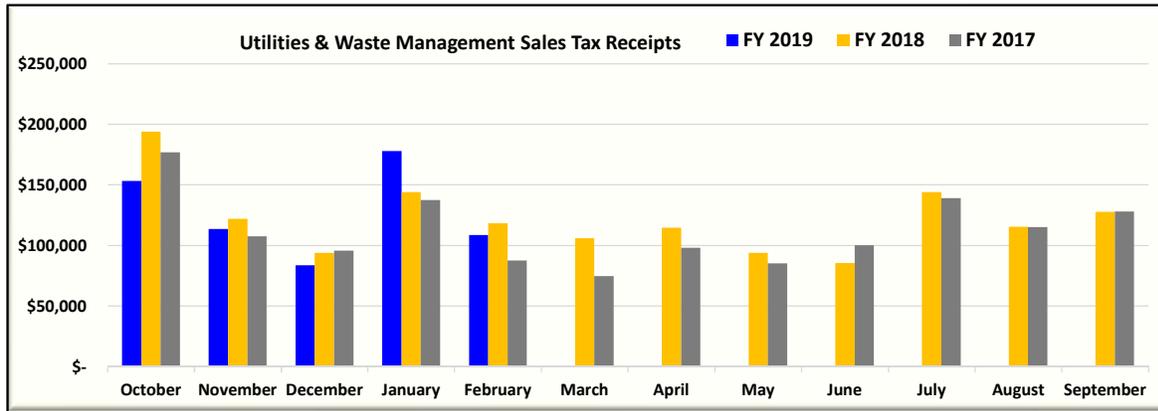| Information, Publishing & Media	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 134,943	$ 130,968	$ 161,793	$ 30,825	23.5%	$ 26,850	19.9%
November	130,781	131,936	136,603	4,667	3.5%	5,822	4.5%
December	140,565	139,543	136,637	(2,905)	-2.1%	(3,928)	-2.8%
January	155,540	153,604	146,240	(7,364)	-4.8%	(9,300)	-6.0%
February	133,016	130,609	146,672	16,062	12.3%	13,656	10.3%
March	133,254	132,355	-				
April	131,481	140,526	-				
May	130,655	136,214	-				
June	131,182	131,566	-				
July	133,784	136,017	-				
August	127,469	130,767	-				
September	123,467	133,003	-				
Grand Total:	$ 1,606,136	$ 1,627,110	$ 727,945	$ 41,284	6.0%	$ 33,100	4.8%

Information, Publishing & Media Sales Tax Receipts ■ FY 2019 ■ FY 2018 ■ FY 2017

Monthly Sales Tax Revenue by Category and Fiscal Year

Utilities & Waste Management - Categories such as Electric Power & Natural Gas Distribution & Generation, Sewage Treatment Facilities and Water Supply & Irrigation Systems
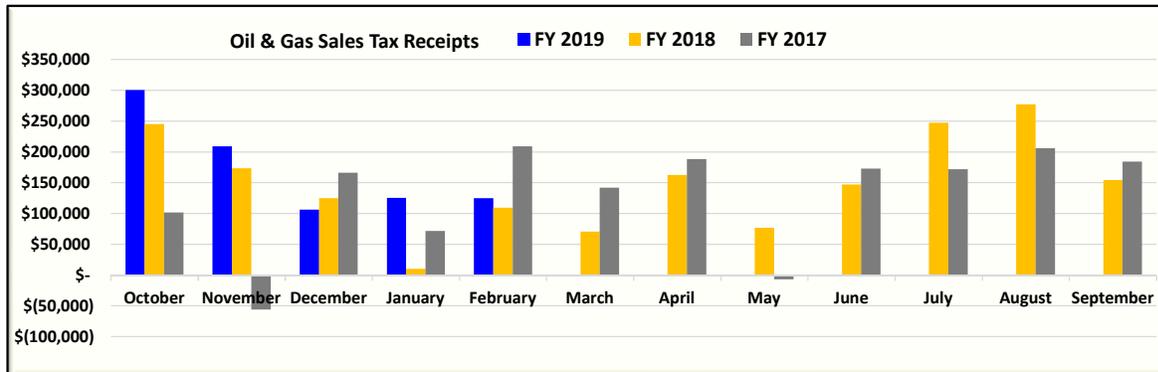
Utilities and Waste Management	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 176,846	$ 193,864	$ 153,288	$ (40,576)	-20.9%	$ (23,558)	-13.3%
November	107,441	121,976	113,667	(8,309)	-6.8%	6,226	5.8%
December	95,689	93,913	83,603	(10,310)	-11.0%	(12,086)	-12.6%
January	137,519	143,994	177,983	33,989	23.6%	40,464	29.4%
February	87,676	118,286	108,548	(9,738)	-8.2%	20,872	23.8%
March	74,699	105,999	-				
April	98,028	114,676	-				
May	85,212	93,880	-				
June	100,254	85,512	-				
July	139,137	144,100	-				
August	115,241	115,561	-				
September	128,068	127,875	-				
Grand Total:	$ 1,345,811	$ 1,459,635	$ 637,090	$ (34,943)	-5.2%	$ 31,917	5.3%

Utilities & Waste Management Sales Tax Receipts — FY 2019, FY 2018, FY 2017

Oil & Gas - Categories such as Drilling, Oil & Gas Extraction, Pipeline and Mining

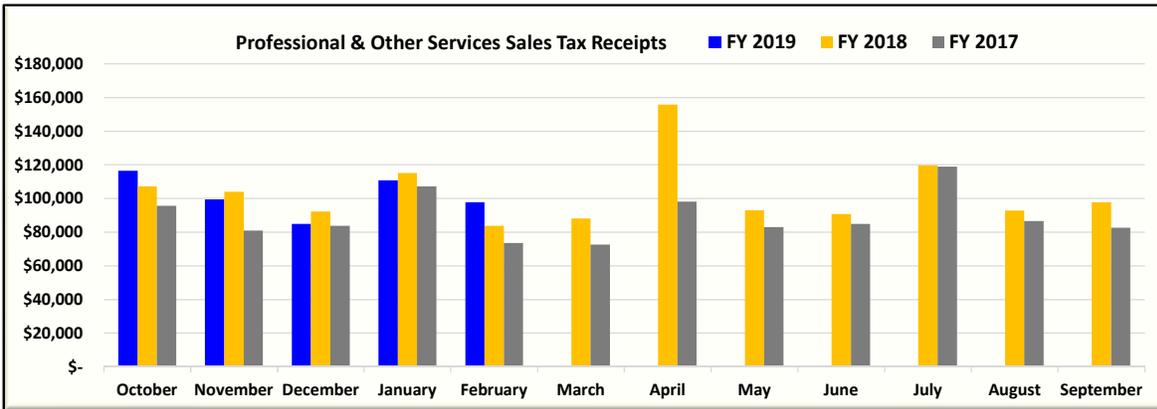| Oil & Gas	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 101,752	$ 244,984	$ 300,535	$ 55,551	22.7%	$ 198,783	195.4%
November	(55,973)	173,148	208,831	35,683	20.6%	264,804	473.1%
December	166,024	124,987	106,341	(18,645)	-14.9%	(59,683)	-35.9%
January	71,490	10,257	125,439	115,182	1122.9%	53,949	75.5%
February	208,821	109,588	125,063	15,475	14.1%	(83,758)	-40.1%
March	141,789	70,780	-				
April	188,215	162,391	-				
May	(7,058)	76,830	-				
June	172,977	147,282	-				
July	171,766	247,326	-				
August	206,022	277,369	-				
September	184,089	154,183	-				
Grand Total:	$ 1,549,914	$ 1,799,125	$ 866,209	$ 203,246	30.7%	$ 374,095	76.0%

Note: Negative values in the Fiscal Year 2016-17 column are due to Audit Adjustments included in totals above - Nov 2016 ($158,355) & May 2017 ($83,444)

Oil & Gas Sales Tax Receipts — FY 2019, FY 2018, FY 2017

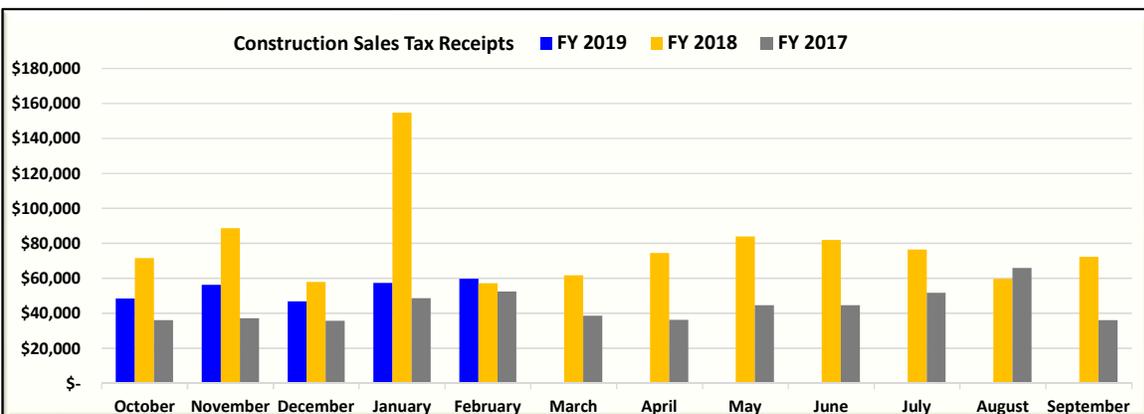# Monthly Sales Tax Revenue by Category and Fiscal Year

Professional & Other Services - Categories such as Administrative Serv., Eng., Atty., and Repair & Maint. Contractors

Professional & Other Services	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 95,635	$ 107,174	$ 116,544	$ 9,370	8.7%	$ 20,909	21.9%
November	80,853	103,981	99,452	(4,529)	-4.4%	18,599	23.0%
December	83,793	92,202	84,842	(7,359)	-8.0%	1,050	1.3%
January	107,253	115,105	110,761	(4,344)	-3.8%	3,508	3.3%
February	73,620	83,690	97,822	14,132	16.9%	24,202	32.9%
March	72,587	88,096	-				
April	98,098	155,854	-				
May	82,999	93,107	-				
June	84,981	90,677	-				
July	118,970	119,662	-				
August	86,694	92,769	-				
September	82,649	97,747	-				
Grand Total:	$ 1,068,133	$ 1,240,064	$ 509,422	$ 7,270	1.4%	$ 68,268	15.5%

Professional & Other Services Sales Tax Receipts — FY 2019, FY 2018, FY 2017

Construction - Categories such as Plumbing, HVAC, Electrical, & other General Construction Contractors

Construction	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 36,192	$ 71,664	$ 48,607	$ (23,056)	-32.2%	$ 12,415	34.3%
November	37,279	88,698	56,415	(32,284)	-36.4%	19,136	51.3%
December	35,938	57,988	47,022	(10,965)	-18.9%	11,084	30.8%
January	48,709	154,686	57,474	(97,212)	-62.8%	8,765	18.0%
February	52,678	57,241	59,809	2,568	4.5%	7,131	13.5%
March	38,775	61,941	-				
April	36,337	74,577	-				
May	44,821	83,971	-				
June	44,797	81,978	-				
July	51,786	76,533	-				
August	66,049	59,837	-				
September	36,330	72,419	-				
Grand Total:	$ 529,691	$ 941,531	$ 269,327	$ (160,949)	-37.4%	$ 58,532	27.8%

Construction Sales Tax Receipts — FY 2019, FY 2018, FY 2017

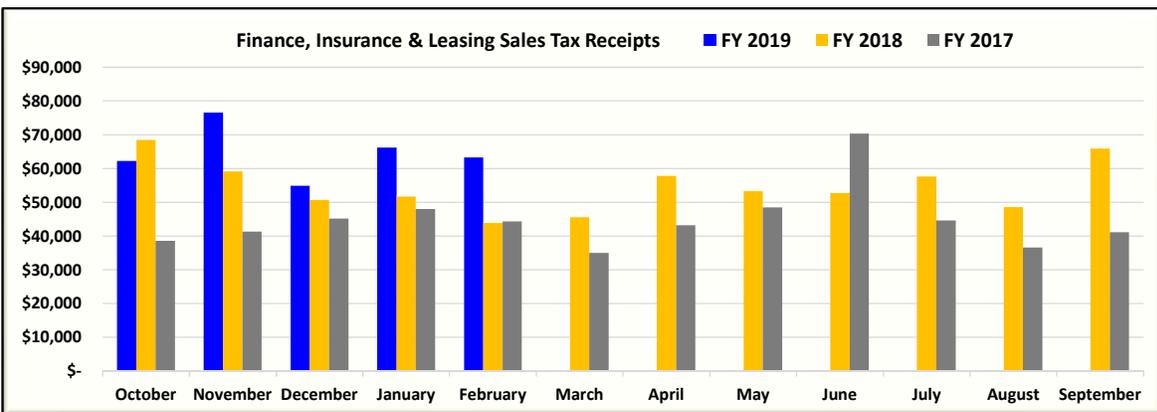# Monthly Sales Tax Revenue by Category and Fiscal Year

Manufacturing and Warehousing - Categories such as Mach. & Equip. Mfg. and Bldg. Material Mfg.

Manufacturing and Warehousing	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 75,993	$ 102,064	$ 176,334	$ 74,270	72.8%	$ 100,341	132.0%
November	57,980	64,443	78,779	14,336	22.2%	20,799	35.9%
December	68,264	57,018	90,873	33,855	59.4%	22,609	33.1%
January	87,270	101,802	136,866	35,064	34.4%	49,596	56.8%
February	57,351	76,220	91,915	15,695	20.6%	34,564	60.3%
March	70,814	98,299	-				
April	76,754	114,004	-				
May	65,276	135,120	-				
June	80,188	33,991	-				
July	98,605	119,388	-				
August	56,114	96,198	-				
September	52,723	91,223	-				
Grand Total:	$ 847,333	$ 1,089,768	$ 574,768	$ 173,220	43.1%	$ 227,909	65.7%
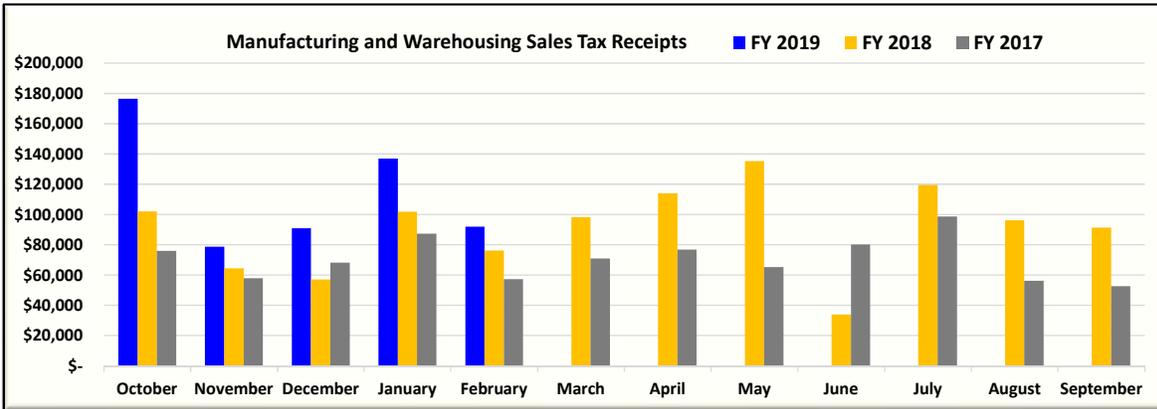
Manufacturing and Warehousing Sales Tax Receipts — FY 2019, FY 2018, FY 2017

Finance, Insurance & Leasing - Categories such as Equipment Rental & Leasing, Financial Institutions, Investments and Insurance Companies
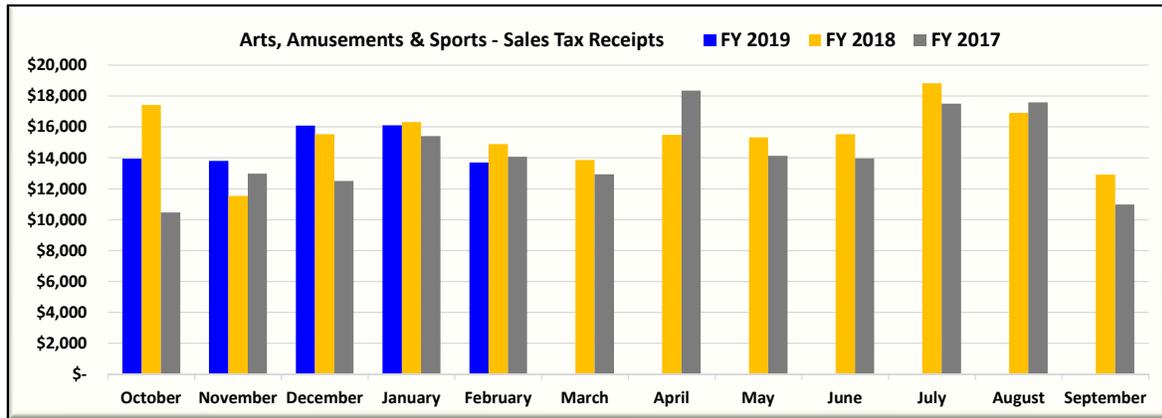
Finance, Insurance & Leasing	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 38,577	$ 68,422	$ 62,199	$ (6,224)	-9.1%	$ 23,622	61.2%
November	41,297	59,077	76,575	17,498	29.6%	35,278	85.4%
December	45,160	50,615	54,905	4,290	8.5%	9,745	21.6%
January	48,004	51,630	66,201	14,571	28.2%	18,197	37.9%
February	44,278	43,859	63,234	19,375	44.2%	18,956	42.8%
March	35,027	45,513	-				
April	43,190	57,792	-				
May	48,517	53,261	-				
June	70,306	52,707	-				
July	44,633	57,587	-				
August	36,617	48,568	-				
September	41,106	65,866	-				
Grand Total:	$ 536,712	$ 654,898	$ 323,114	$ 49,510	18.1%	$ 105,798	48.7%

Finance, Insurance & Leasing Sales Tax Receipts — FY 2019, FY 2018, FY 2017

# Monthly Sales Tax Revenue by Category and Fiscal Year

Arts, Amusements & Sports - Categories such as Motion Picture, Theater, Fitness & Recreation Sports Centers & Golf Courses

Arts, Amusement & Sports	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 10,466	$ 17,423	$ 13,950	$ (3,472)	-19.9%	$ 3,485	33.3%
November	12,984	11,541	13,810	2,270	19.67%	827	6.37%
December	12,497	15,525	16,086	561	3.61%	3,589	28.72%
January	15,399	16,314	16,111	(203)	-1.24%	712	4.62%
February	14,066	14,887	13,709	(1,178)	-7.91%	(357)	-2.54%
March	12,929	13,865	-				
April	18,345	15,486	-				
May	14,139	15,329	-				
June	13,962	15,536	-				
July	17,515	18,828	-				
August	17,600	16,902	-				
September	10,972	12,927	-				
Grand Total:	$ 170,874	$ 184,564	$ 73,668	$ (2,022)	-2.7%	$ 8,255	12.6%

Arts, Amusements & Sports - Sales Tax Receipts ■ FY 2019 ■ FY 2018 ■ FY 2017

Transportation - Categories such as Ground Transportation, Motor Vehicle Towing & General Freight Trucking

Transportation	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	FY 19 vs. FY 18		FY 19 vs. FY 17	
				$ Variance	% Variance	$ Variance	% Variance
October	$ 4,627	$ 2,429	$ 3,168	$ 739	30.4%	$ (1,459)	-31.5%
November	3,858	2,773	2,723	(49)	-1.8%	(1,135)	-29.4%
December	2,670	1,796	2,186	390	21.7%	(484)	-18.1%
January	2,371	6,392	3,049	(3,343)	-52.3%	677	28.6%
February	2,585	1,814	2,143	329	18.2%	(442)	-17.1%
March	2,088	1,965	-				
April	1,831	2,200	-				
May	2,165	2,131	-				
June	2,300	1,731	-				
July	1,895	1,923	-				
August	1,920	2,012	-				
September	1,539	1,909	-				
Grand Total:	$ 29,848	$ 29,075	$ 13,269	$ (1,935)	-12.7%	$ (2,841)	-17.6%

Transportation Sales Tax Receipts ■ FY 2019 ■ FY 2018 ■ FY 2017
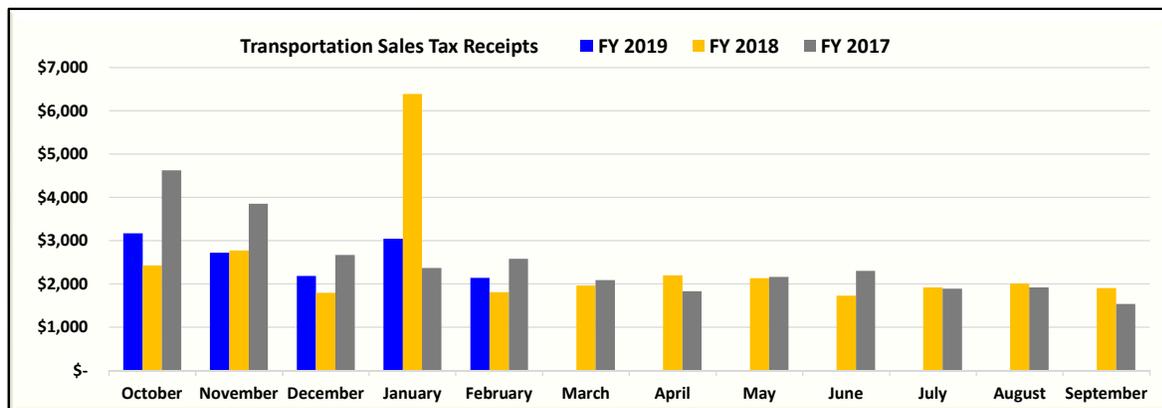
SALES TAX REVENUE ANALYSIS REPORT

The following pages include a ***Twenty-five-year Rolling 12 Month Sales Tax Receipts History*** for the State of Texas, Texas Municipal League Region 11 (Coastal Bend – Corpus Christi, which includes City of Victoria) and City of Victoria. Additionally, County of Victoria, City of Cuero, and City of Port Lavaca were included for comparison.

A Rolling 12 (R12) Monthly Trend Report is a valuable tool for any organization to use to track its progress and to show trends. Actual sales tax values are important for many reasons but do not lend well to forward looking trend analysis (i.e. growth, flattening or declining). The most valuable way to understand sales tax trends is to look at the R12 Monthly totals over a long period. Recessions can be spotted easily and in fact, you can see the very month that peaks end as well as when recoveries start. This is important as sales taxes received for the current month are based on actual business sales from two months earlier.

The Rolling 12-month report uses the running total of the values of the last 12 months. Each month, the indicator that is 13 months old is dropped from the total and the new month's value is added to determine the Current R12 value.

The Current R12 value (April 2018 to March 2019) is then compared to the same 12-month period one year prior to determine the Prior Year R12 value (April 2017 to March 2018). The change between the Current R12 and Prior Year R12 is the Current R12 percentage.

HIGHLIGHTS FOR TEXAS R12 – AS OF MARCH 2019:

1) Twenty-Five-Year R12 Monthly Sales Tax Collection History Report Trend for ***State of Texas***:

   - The State of Texas is still experiencing increases in sales tax receipts year over year but at a slower rate than what had occurred throughout Fiscal Year 2018.

   - State's current R12 percentage is 7.90, **down** from February 2019's R12 percentage of 8.07.

2) Twenty-Five Year R12 Monthly Sales Tax Collection History Report Trend for ***Texas Municipal League Region 11***:

   - TML Region 11 experienced a year over year decrease in sales tax receipts from January 2018 to December 2018 for the first time since June 2016 to May 2017.

   - TML Region 11's current R12 percentage is 8.17, **down** from February 2019's R12 percentage of 9.52.

3) Twenty-Five-Year R12 Monthly Sales Tax Collection History Report Trend for ***City of Victoria***:

   - The City of Victoria experienced a month over month decrease in sales tax receipts in December 2018 for the first time since September 2017.

   - City's current R12 month percentage is 6.43, **down** from February 2019's R12 percentage of 6.99.

4) Twenty-Five Year R12 Monthly Sales Tax Collection History Report Trend for ***County of Victoria***;

   - The County of Victoria experienced a month over month increase in sales tax receipts in March 2019 but is experiencing a slowdown in growth of sales tax receipts.

   - County's current R12 month percentage is 9.91, **down** from February 2019's R12 percentage of 12.55.

5) Twenty-Five Year R12 Monthly Sales Tax Collection History Report Trend for ***City of Cuero***:

   - The City of Cuero experienced a year over year increase in sales tax receipts in March 2019 and is experiencing a modest growth in sales tax receipts

   - City of Cuero's current R12 percentage is 8.48, **up** from February 2019's R12 percentage of 7.59.

6) Twenty-Five Year R12 Monthly Sales Tax Collection History Report Trend for ***City of Port Lavaca***:

   - The City of Port Lavaca experienced a month over month increase in sales tax receipts in March 2019 but is experiencing a slowdown in growth of sales tax receipts.

   - City of Port Lavaca's current R12 month percentage is 11.57, **down** from February 2019's R12 percentage of 13.54.

The following chart includes a *Twenty-Five-Year Rolling 12 Month Sales Tax Collection History* for the State of Texas.

STATE OF TEXAS

Current R12%
7.90%
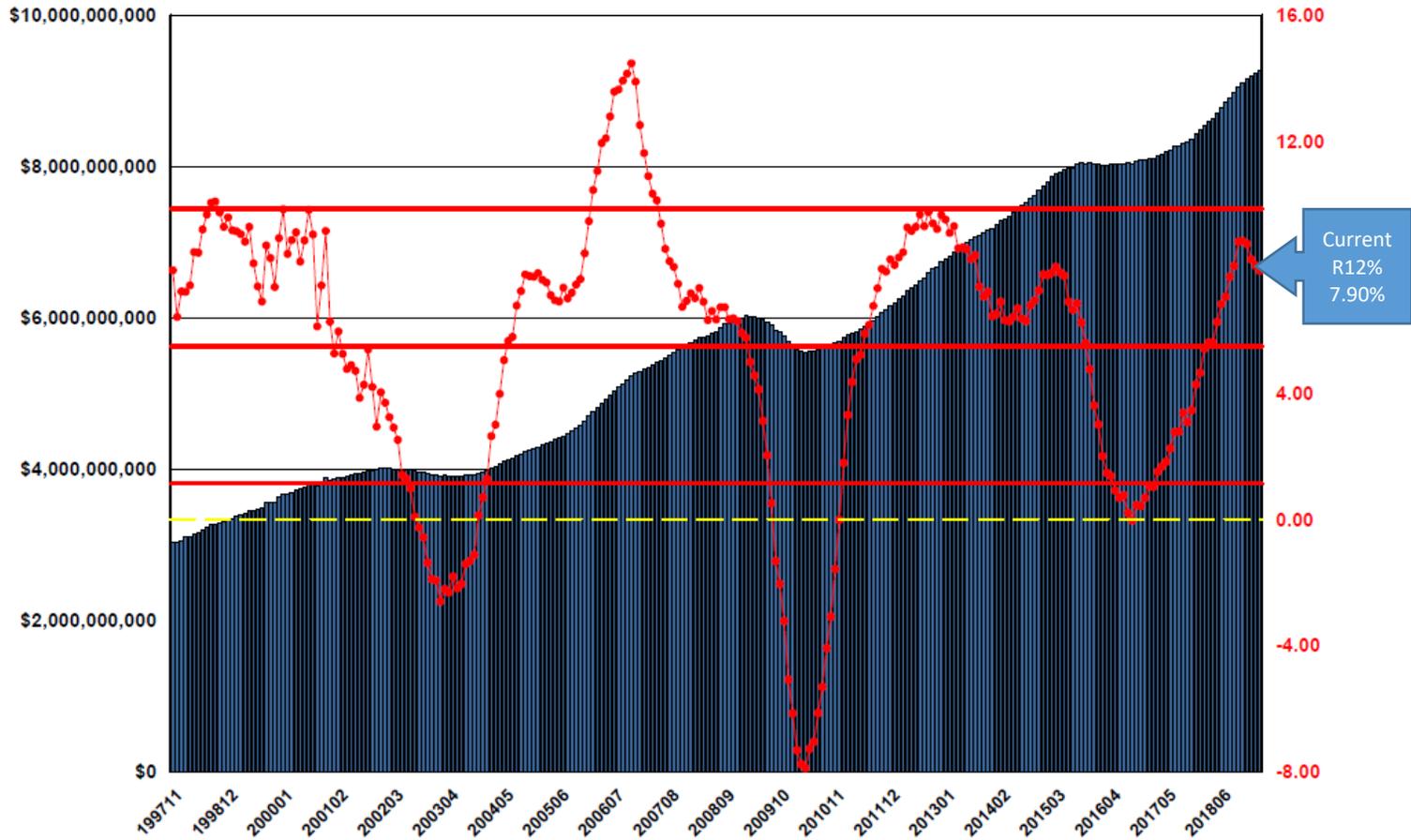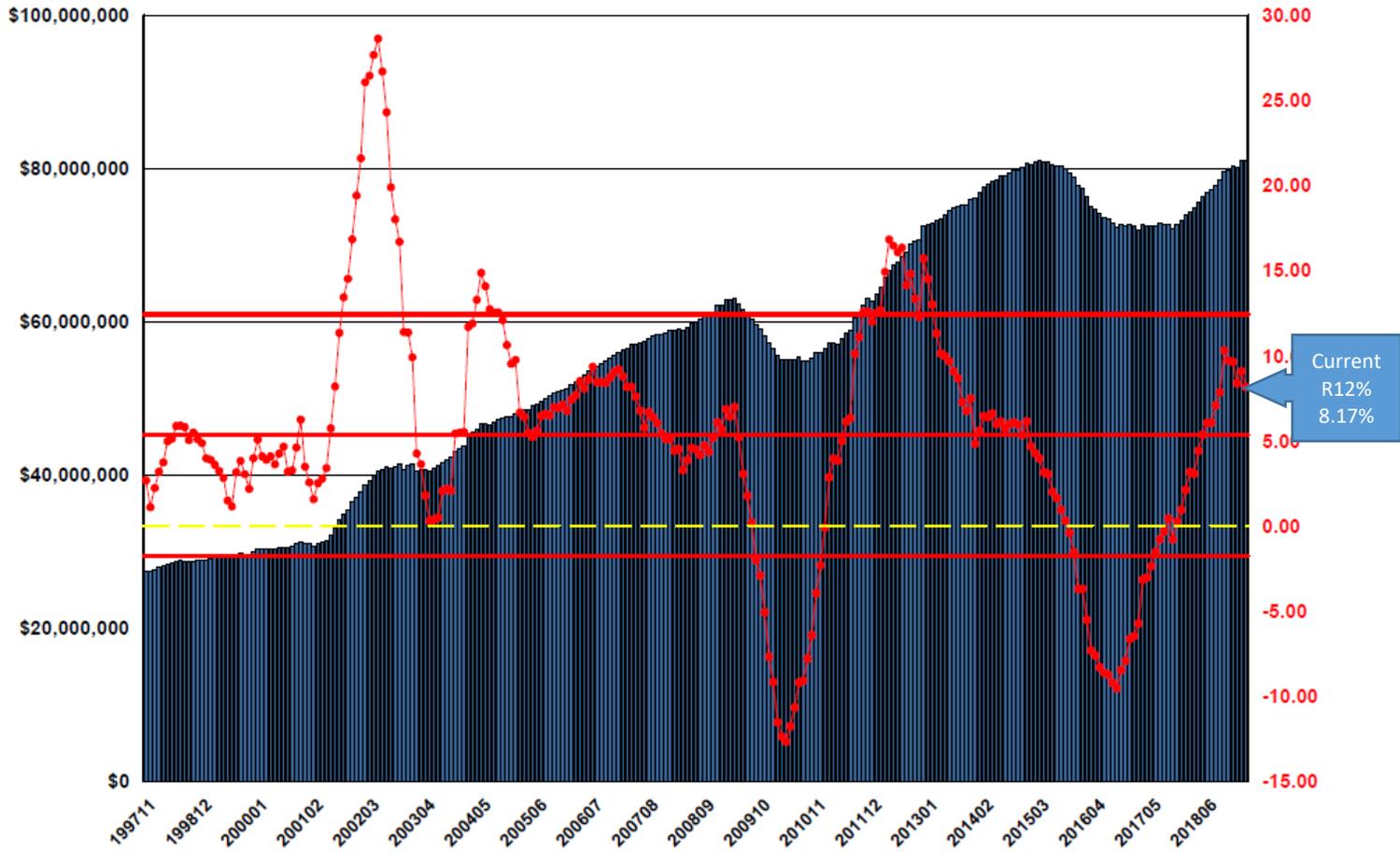
ROLLING 12 MONTH REPORT – TML REGION 11 (COASTAL BEND)

The following chart includes a *Twenty-Five-Year Rolling 12 Month Sales Tax Collection History* for the Texas Municipal League Region 11 (Coastal Bend – Corpus Christi, which includes City of Victoria).
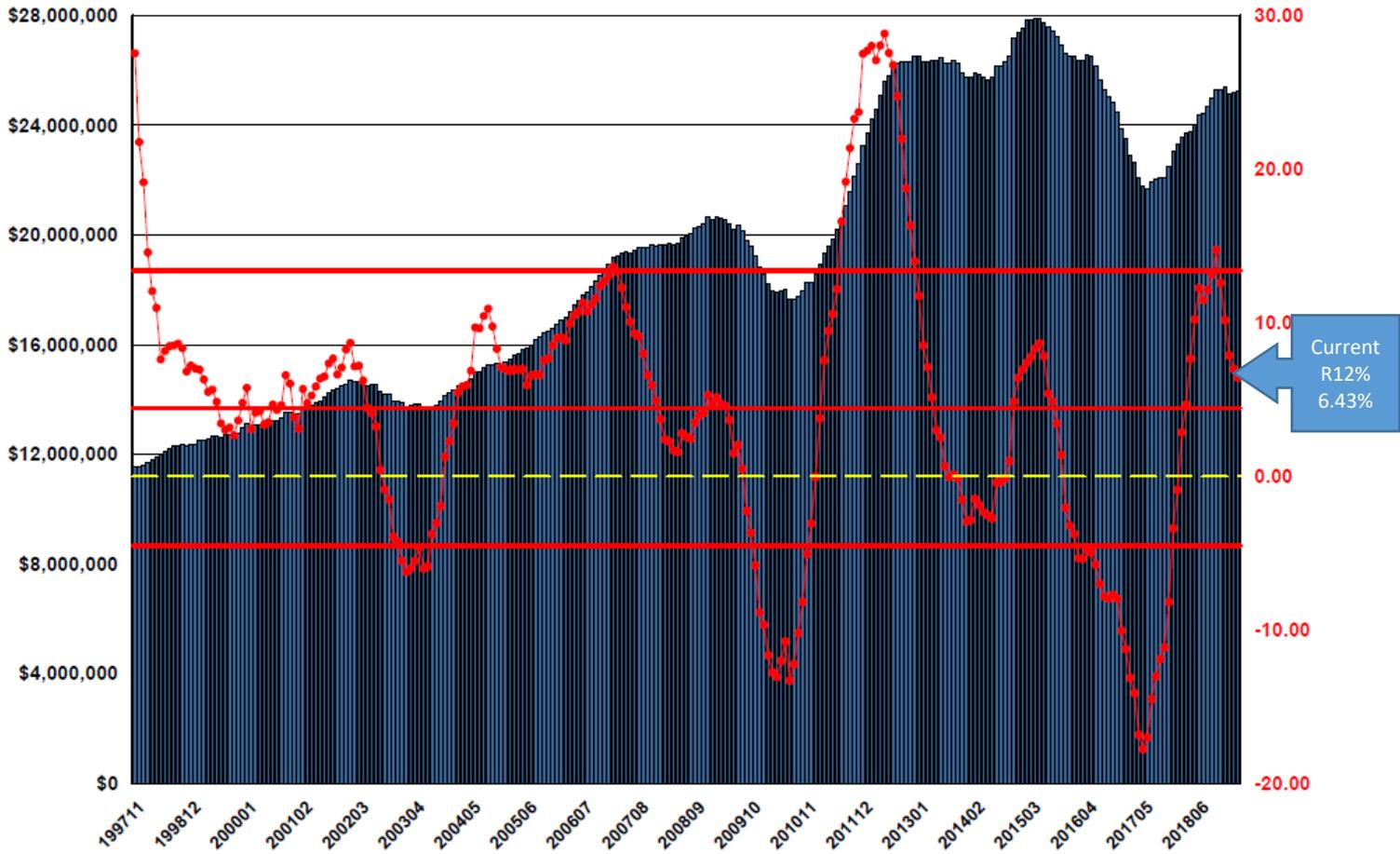
TML REGION 11

The following chart includes a *Twenty-Five-Year Rolling 12 Month Sales Tax Collection History* for the City of Victoria.
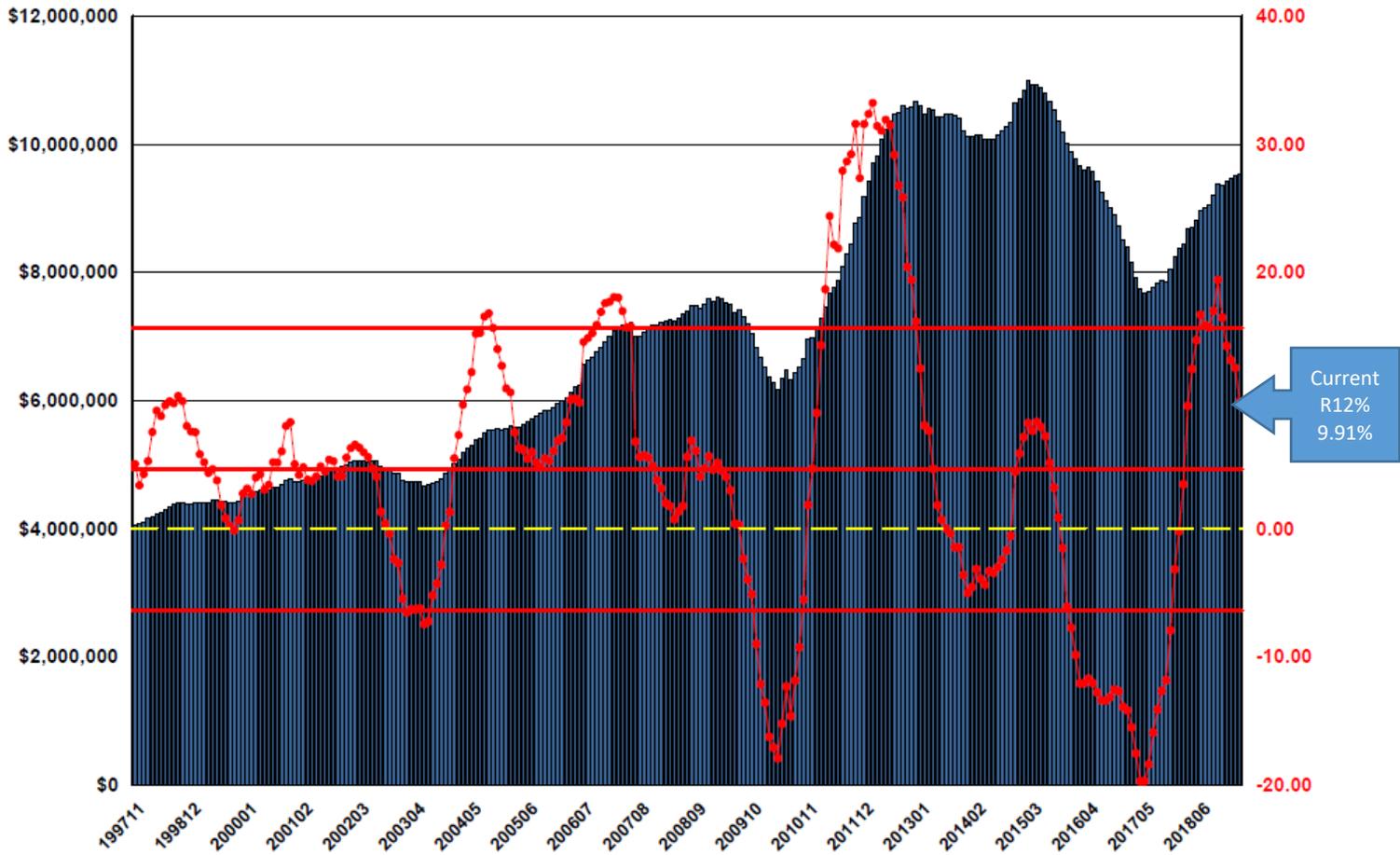
CITY OF VICTORIA

ROLLING 12 MONTH REPORT – COUNTY OF VICTORIA

The following chart includes a *Twenty-Five-Year Rolling 12 Month Sales Tax Collection History* for the County of Victoria.
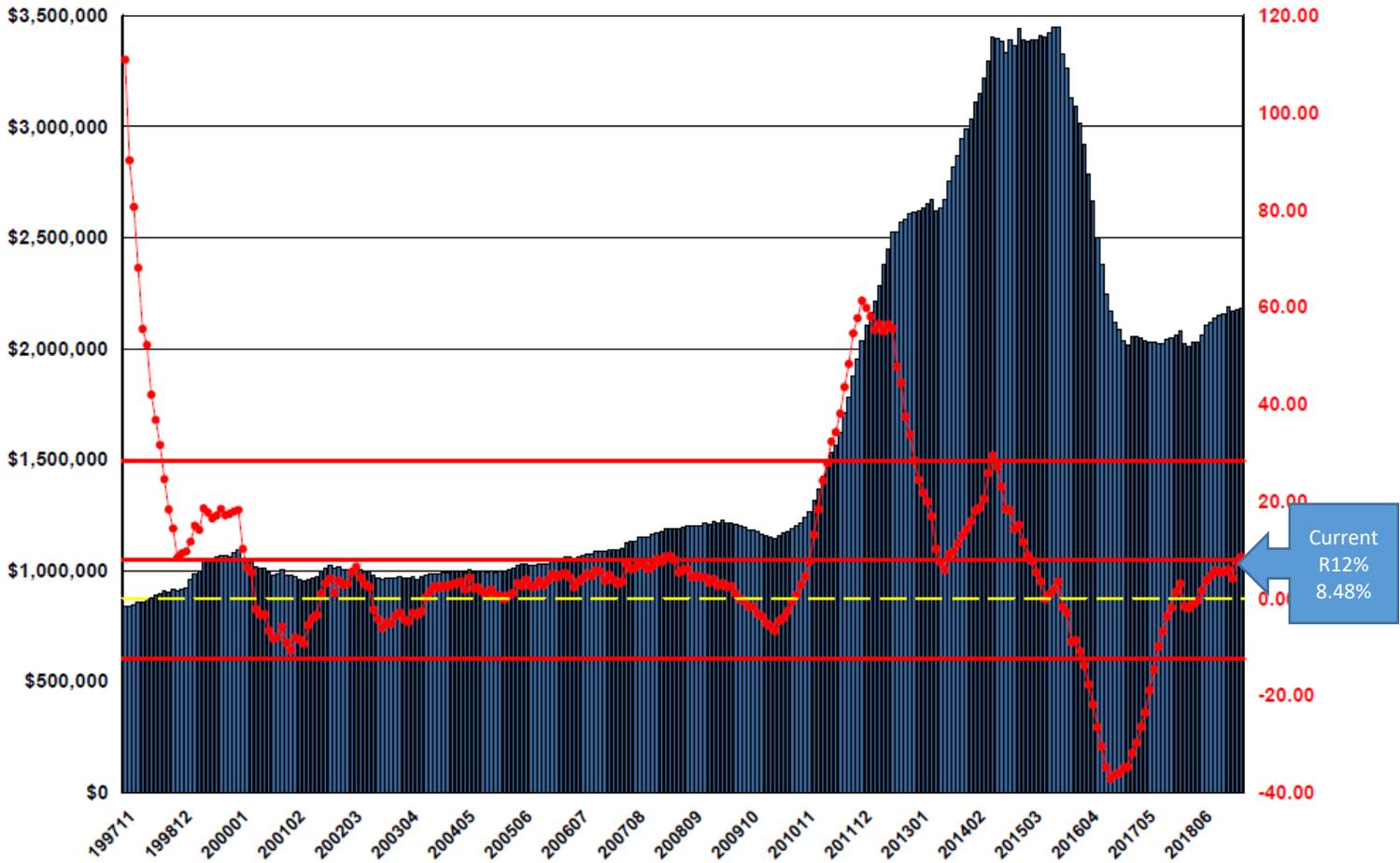
COUNTY OF VICTORIA

The following chart includes a *Twenty-Five-Year Rolling 12 Month Sales Tax Collection History* for the City of Cuero.

CITY OF CUERO

Current
R12%
8.48%

Rolling 12 Month Report – City of Port Lavaca

The following chart includes a *Twenty-Five-Year Rolling 12 Month Sales Tax Collection History* for the City of Port Lavaca.

City of Port Lavaca