

Economic Indicators – Sales Tax Revenue

The Chart below reflects Sales Tax Receipts by month for the City for the past several years. The City currently receives 1 percent of all sales tax generated at Alexandria businesses. The tax is collected by businesses, remitted to the State in the next month and wired to the City in the following month. As a result, sales tax revenue lags by two month, so the February Monthly Financial Report shows December sales tax receipts.

As shown in the first chart below, December 2016 collections of \$2.7 million exceeded all previous months for the past several years. The average monthly sales tax collection for the City has been approximately \$2.2 million. Through the first six months in FY 2017, the monthly average is \$2.3 million. January and February tend to be slower revenue producing months. Holiday spending drives December to be typically the highest grossing month. The remaining 9 months of the year tend to be fairly consistent at approximately \$2.1 million per month. The second chart shows Sales Tax Revenue for the past five full years. Although extremely minor, there is steady, slow growth reflected since FY 2012. In early April, staff will complete FY 2017 and FY 2018 revenue projections and report any change to Council.

