

TRANSMITTAL MEMORANDUM


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TO: The Honorable Mayor & City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: April 23, 2025

RE: **2025 Sales Tax Reports № 1 Through № 3**

Initials: 

File #: MGR25-266

Mtg. #: 05/01/25 MRe

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Attached for City Council review is a memorandum from Finance Director Michelle Johansen regarding 2025 sales tax collections. Should Councilmembers have questions and/or concerns regarding the Finance Director's report, staff will attempt to respond accordingly.

**MEMORANDUM**  
**CITY OF KETCHIKAN, ALASKA**  
**Finance Department**  
*Office of the Finance Director*

*Michelle L. Johansen, Finance Director*  
*Camille Nelson, Financial Analyst*  
*Phone: (907) 228-5621*  
*Facsimile: (907) 228-5617*

TO: Lacey G. Simpson, Interim City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: April 22, 2025

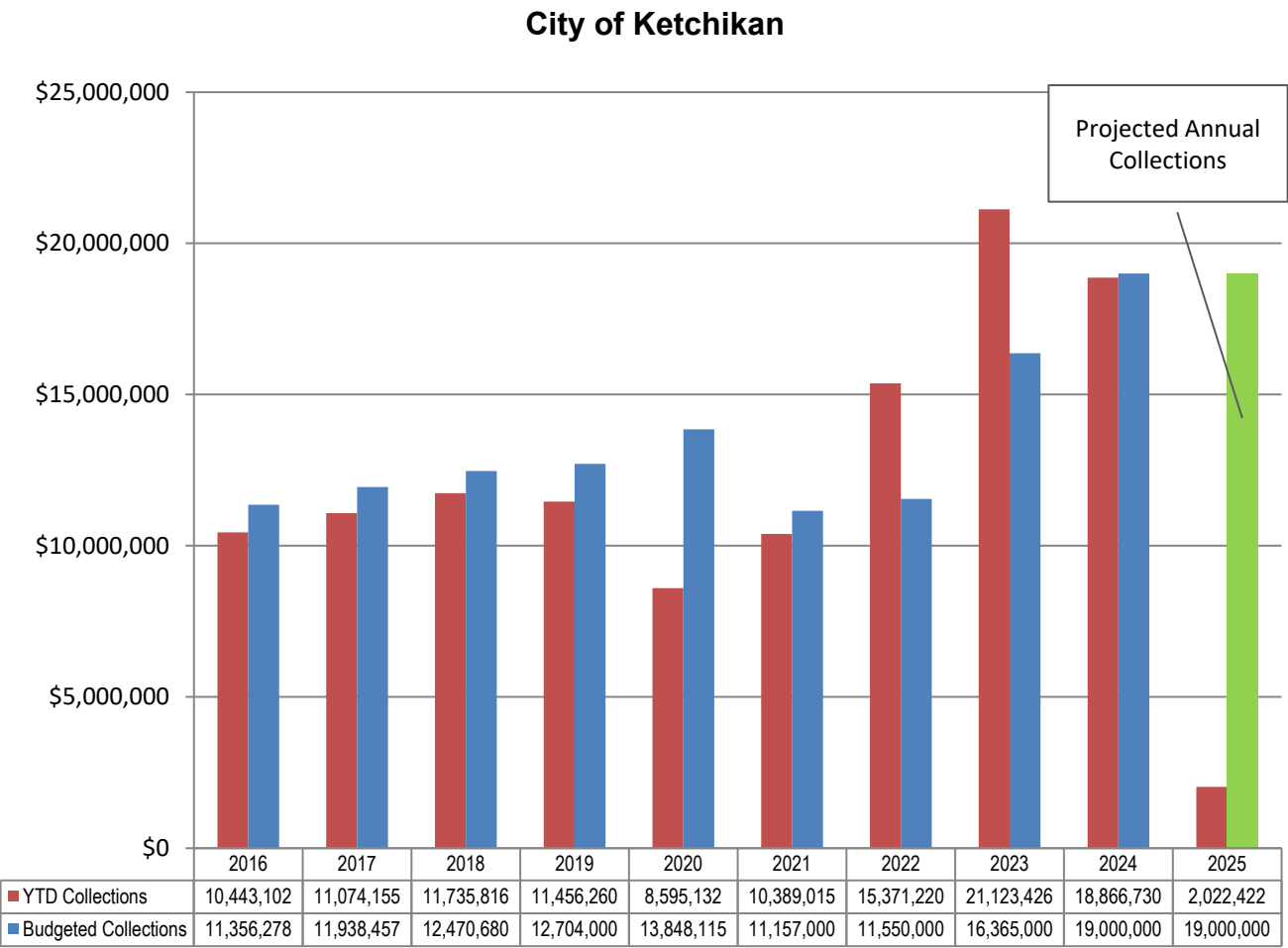
**SUBJECT: 2025 Sales Tax Report No. 1 through 3**

With the adoption of the 2025 General Government Operating and Capital Budget, the City projected that it would collect \$19,000,000 in sales tax revenue during 2025. The table below was prepared for the purpose of reporting the actual results for 2025 and comparing them with the budgetary projections for 2025 and the actual results from 2024.

	Year-To-Date			2025 Budget/ 2025 Actual	2025 Actual/ 2024 Actual	2025/2024 Percentage
	Budget 2025	Actual 2025	Actual 2024	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
<b>4th Quarter:</b>						
<b>Due Jan 2025</b>						
January Collections	\$1,500,000	\$1,323,535	\$1,433,363	(\$176,465)	(\$109,828)	-7.66%
February Collections	525,000	549,161	494,875	24,161	54,286	10.97%
March Collections	150,000	149,726	155,434	(274)	(5,708)	-3.67%
<b>4th Quarter Totals</b>	<b>2,175,000</b>	<b>2,022,422</b>	<b>2,083,672</b>	<b>(152,578)</b>	<b>(61,250)</b>	<b>-2.94%</b>
<b>1st Quarter:</b>						
<b>Due April 2025</b>						
April Collections						
May Collections						
June Collections						
<b>1st Quarter Totals</b>						
<b>2nd Quarter:</b>						
<b>Due July 2025</b>						
July Collections						
August Collections						
September Collections						
<b>2nd Quarter Totals</b>						
<b>3rd Quarter:</b>						
<b>Due October 2025</b>						
October Collections						
November Collections						
December Collections						
<b>3rd Quarter Totals</b>						
<b>Totals</b>	<b>\$2,175,000</b>	<b>\$2,022,422</b>	<b>\$2,083,672</b>	<b>(\$152,578)</b>	<b>(\$61,250)</b>	<b>-2.94%</b>

For the first quarter ending March 2025, the City collected \$2,022,422. Collections to date are \$152,578 less than projected for 2025. The City collected \$5,708 less than March collections in 2024. The year-to-date collections are less than the 2024 year-to-date collections by \$61,250 or 2.94%.

The first full year of the seasonal sales tax is 2024. The off-season sales tax rate is 3.0% October through March and the in-season sales tax rate is 5.5% April through September. Collections are remitted to the Borough one month after the quarter ends and then remitted to the City two months after the quarter ends.



Lacey G. Simpson  
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The sales tax revenues are deposited into the General Fund, Hospital Sales Tax Fund and the Public Works Sales Tax Fund. Below is a schedule of the year-to-date revenues deposited into each fund.

<b>Sales Tax Funds</b>	<b>2025 Budget</b>	<b>Year To Date Collections</b>
General Fund	8,840,000	337,071
Hospital Sales Tax Fund	4,060,000	674,140
Public Works Sales Tax Fund	6,100,000	1,011,211
Total	<u>\$ 19,000,000</u>	<u>\$ 2,022,422</u>