



<b>TRANSMITTAL MEMORANDUM</b>
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TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: January 25, 2022

RE: **2021 Sales Tax Report No. 12 – Final**

Attached for City Council review are memoranda from Finance Director Michelle Johansen regarding 2021 sales tax collections which includes a ten (10) year sales tax comparison. 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  
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TO: Lacey G. Simpson, Acting City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: January 25, 2022

**SUBJECT: 2021 Sales Tax Report No. 12 - Final**

With the adoption of the 2021 General Government Operating and Capital Budget, the City projected that it would collect \$11,157,000 in sales tax revenue during 2021. The table below was prepared for the purpose of reporting the actual results for 2021 and comparing them with the budgetary projections for 2021 and the actual results from 2020.

	Year-To-Date			2021 Actual	2020 Actual	Percentage
	Budget 2021	Actual 2021	Actual 2020	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
<b>4th Quarter:</b>						
<b>Due Jan 2021</b>						
January Collections	\$1,500,000	\$944,532	\$1,515,979	(\$555,468)	(\$571,447)	-37.69%
February Collections	300,000	947,767	402,892	647,767	544,875	135.24%
March Collections	100,000	183,827	88,805	83,827	95,022	107.00%
<b>4th Quarter Totals</b>	<b>1,900,000</b>	<b>2,076,126</b>	<b>2,007,676</b>	<b>176,126</b>	<b>68,450</b>	<b>3.41%</b>
<b>1st Quarter:</b>						
<b>Due April 2021</b>						
April Collections	1,300,000	1,099,613	964,732	(200,387)	134,881	13.98%
May Collections	500,000	747,716	800,538	247,716	(52,822)	-6.60%
June Collections	155,000	146,199	120,538	(8,801)	25,661	21.29%
<b>1st Quarter Totals</b>	<b>1,955,000</b>	<b>1,993,528</b>	<b>1,885,808</b>	<b>38,528</b>	<b>107,720</b>	<b>5.71%</b>
<b>2nd Quarter:</b>						
<b>Due July 2021</b>						
July Collections	2,500,000	1,213,294	1,154,820	(1,286,706)	58,474	5.06%
August Collections	850,000	1,152,737	839,291	302,737	313,446	37.35%
September Collections	300,000	221,897	157,462	(78,103)	64,435	40.92%
<b>2nd Quarter Totals</b>	<b>3,650,000</b>	<b>2,587,928</b>	<b>2,151,573</b>	<b>(1,062,072)</b>	<b>436,355</b>	<b>20.28%</b>
<b>3rd Quarter:</b>						
<b>Due October 2021</b>						
October Collections	2,550,000	1,796,163	1,710,461	(753,837)	85,702	5.01%
November Collections	900,000	1,278,433	589,923	378,433	688,510	116.71%
December Collections	202,000	115,667	210,220	(86,333)	(94,553)	-44.98%
<b>3rd Quarter Totals</b>	<b>3,652,000</b>	<b>3,190,263</b>	<b>2,510,604</b>	<b>(461,737)</b>	<b>679,659</b>	<b>27.07%</b>
<b>Totals</b>	<b>\$11,157,000</b>	<b>\$9,847,845</b>	<b>\$8,555,661</b>	<b>(\$1,309,155)</b>	<b>\$1,292,184</b>	<b>15.10%</b>

For the month of December 2021, the City collected \$115,667. Collections to date are \$1,309,155 less than projected for 2021. The City collected \$94,553 less than the December collections in 2020. The year-to-date collections exceeded the year-to-date 2020 collections by \$1,292,184 or 15.10%. Additionally in 2020 the City started receiving remote sales tax due to a statewide push to collect sales tax for purchases made online. The Alaska Municipal League is managing the enrollment and collection of the remote sales tax. The remote sales tax collected in 2020 was \$39,471. The amount received through December of 2021 is \$541,170. Since the City did not start collecting remote sales tax until October of 2020 the amounts received in 2021 are not included in the schedules provided here for comparability reasons.

The table below summarizes a ten-year history of City sales tax collections. Please note that the increase in 2014 was due to the City raising its sales tax rate from 3.5% to 4%. Had the City not raised its sales tax rate, sales tax collections for 2014 would have been about \$340,000 less than 2013.

