



TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council

FROM: Lacey G. Simpson, Assistant City Manager Initials: 

DATE: March 29, 2023 File #: MGR23-160

RE: **2023 Sales Tax Reports № 1 and № 2**

Attached for City Council review is a memorandum from Finance Director Michelle Johansen regarding 2023 sales tax collections that include an eleven (11) year sales tax comparison. Should Councilmembers have questions and/or concerns regarding the Finance Director's reports, 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: Delilah A. Walsh, City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: March 20, 2023

SUBJECT: 2023 Sales Tax Report No. 1 & 2

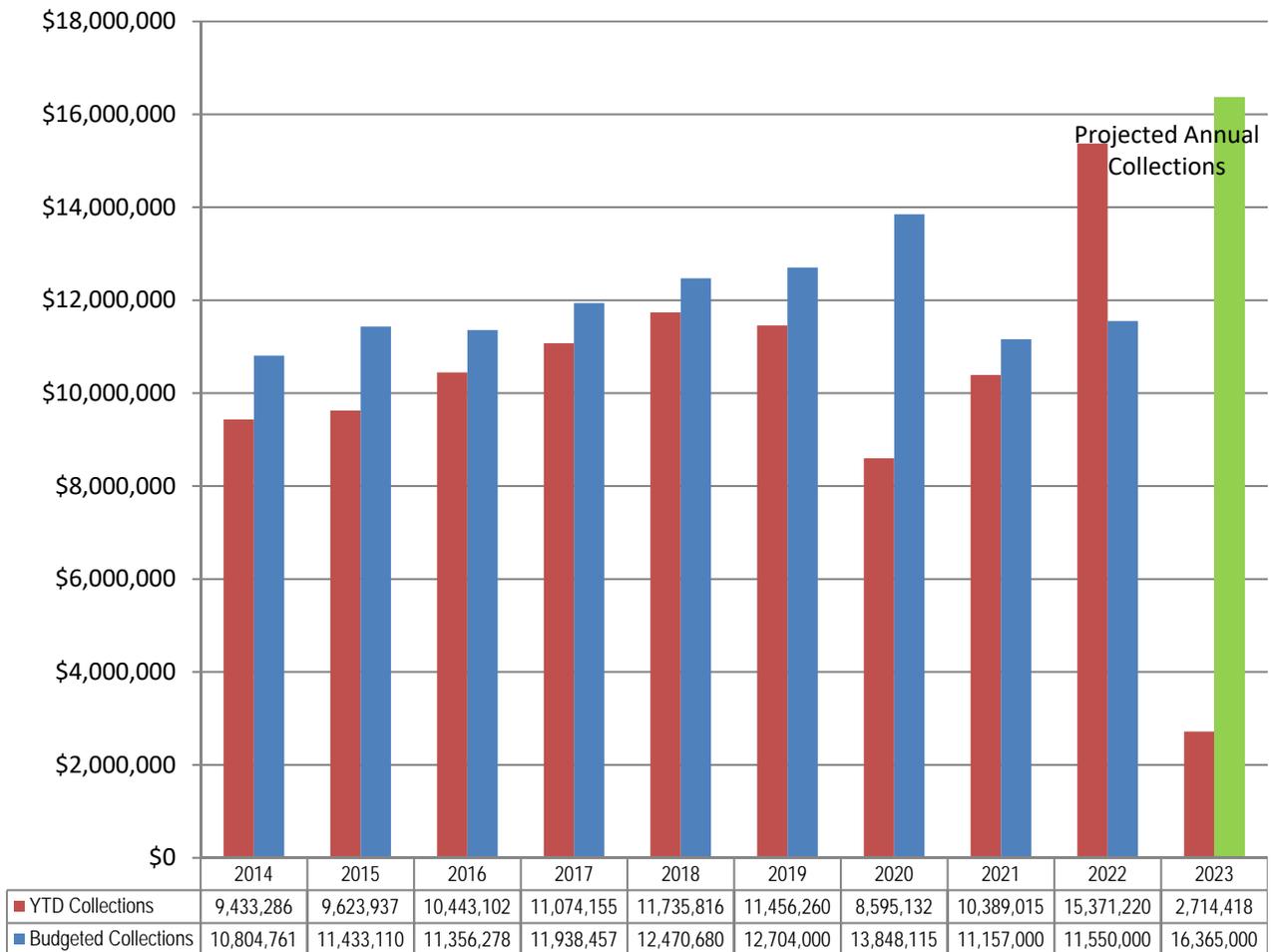
With the adoption of the 2023 General Government Operating and Capital Budget, the City projected that it would collect \$16,365,000 in sales tax revenue during 2023. The table below was prepared for the purpose of reporting the actual results for 2023 and comparing them with the budgetary projections for 2023 and the actual results from 2022.

	Year-To-Date			2023 Budget/ 2023 Actual Increase (Decrease)	2023 Actual/ 2022 Actual Increase (Decrease)	2023/2022 Percentage Increase (Decrease)
	Budget 2023	Actual 2023	Actual 2022			
4th Quarter:						
Due Jan 2023						
January Collections	\$2,050,000	\$2,023,489	\$1,362,266	(\$26,511)	\$661,223	48.54%
February Collections	250,000	690,929	1,032,562	440,929	(341,633)	-33.09%
March Collections						
4th Quarter Totals	2,300,000	2,714,418	2,394,828	414,418	319,590	13.35%
1st Quarter:						
Due April 2023						
April Collections						
May Collections						
June Collections						
1st Quarter Totals						
2nd Quarter:						
Due July 2023						
July Collections						
August Collections						
September Collections						
2nd Quarter Totals						
3rd Quarter:						
Due October 2023						
October Collections						
November Collections						
December Collections						
3rd Quarter Totals						
Totals	\$2,300,000	\$2,714,418	\$2,394,828	\$414,418	\$319,590	13.35%

For the month of February 2023, the City collected \$690,929. Collections to date are \$414,418 more than projected for 2023. The City collected \$341,633 less than the February collections in 2022. The year-to-date collections exceeded the year-to-date 2022 collections by \$319,590 or 13.35%.

In 2023, a seasonal sales tax of 5.5% will be effective starting April 1, 2023. The City expects to see an increase in collections starting in July, when the second quarter sales tax is due.

City of Ketchikan Sales Tax Collections



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.

Sales Tax Funds	Year To Date Collections
General Fund	1,017,907
Hospital Sales Tax Fund	678,605
Public Works Sales Tax Fund	1,017,907
Total	<u>\$ 2,714,418</u>