

d. 2024 Sales Tax Report No. 9

TRANSMITTAL MEMORANDUM

9d

TO: The Honorable Mayor & City Council

Initials:



FROM: Delilah A. Walsh, City Manager

File #: MGR24-670

DATE: October 28, 2024

Mtg. #: 11/07/24 MRd

RE: **2024 Sales Tax Report № 9**

Attached for City Council review is a memorandum from Finance Director Michelle Johansen regarding 2024 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
Meghan Traudt, 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: October 10, 2024

SUBJECT: 2024 Sales Tax Report No. 9

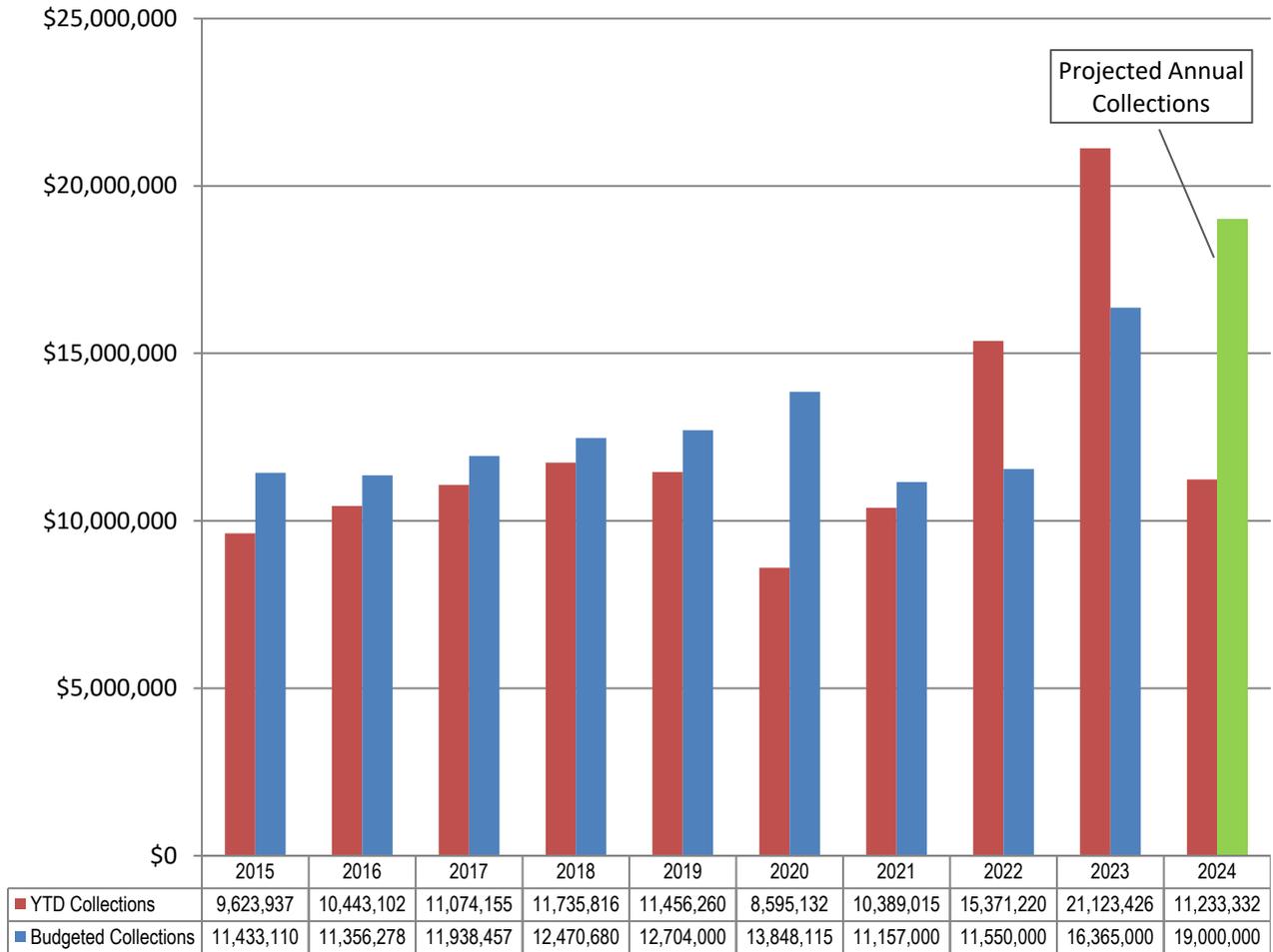
With the adoption of the 2024 General Government Operating and Capital Budget, the City projected that it would collect \$19,000,000 in sales tax revenue during 2024. The table below was prepared for the purpose of reporting the actual results for 2024 and comparing them with the budgetary projections for 2024 and the actual results from 2023.

	Year-To-Date			2024 Budget/ 2024 Actual	2024 Actual/ 2023 Actual	2024/2023 Percentage
	Budget 2024	Actual 2024	Actual 2023	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
4th Quarter:						
Due Jan 2024						
January Collections	\$1,500,000	\$1,433,363	\$2,023,489	(\$66,637)	(\$590,126)	-29.16%
February Collections	525,000	494,875	690,929	(30,125)	(196,054)	-28.38%
March Collections	150,000	155,434	211,748	5,434	(56,314)	-26.59%
4th Quarter Totals	2,175,000	2,083,672	2,926,166	(91,328)	(842,494)	-28.79%
1st Quarter:						
Due April 2024						
April Collections	1,050,000	1,160,944	1,442,831	110,944	(281,887)	-19.54%
May Collections	550,000	581,756	798,333	31,756	(216,577)	-27.13%
June Collections	200,000	457,520	379,831	257,520	77,689	20.45%
1st Quarter Totals	1,800,000	2,200,220	2,620,995	400,220	(420,775)	-16.05%
2nd Quarter:						
Due July 2024						
July Collections	5,000,000	4,715,464	5,099,335	(284,536)	(383,871)	-7.53%
August Collections	1,550,000	1,544,450	1,584,912	(5,550)	(40,462)	-2.55%
September Collections	550,000	689,526	574,986	139,526	114,540	19.92%
2nd Quarter Totals	7,100,000	6,949,440	7,259,233	(150,560)	(309,793)	-4.27%
3rd Quarter:						
Due October 2024						
October Collections						
November Collections						
December Collections						
3rd Quarter Totals						
Totals	\$11,075,000	\$11,233,332	\$12,806,394	\$158,332	(\$1,573,062)	-12.28%

For the month of September 2024, the City collected \$689,526. Collections to date are \$158,332 more than projected for 2024. The City collected \$139,526 more than the September collections in 2023. The year-to-date collections are less than the 2023 year-to-date collections by \$1,573,062 or 12.28%.

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. It is reasonable to see lower revenues January through June when comparing 2024 to 2023 due to the off-season sales tax rate being 3.0% in 2024 compared to 4.0% in 2023.

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	2024 Budget	Year To Date Collections
General Fund	8,840,000	4,701,585
Hospital Sales Tax Fund	4,060,000	2,612,698
Public Works Sales Tax Fund	6,100,000	3,919,049
Total	<u>\$ 19,000,000</u>	<u>\$ 11,233,332</u>