City of Centennial

Finance Department - Sales and Use Tax Division
August 2012 Monthly Report

Survey Says…

The 2010 Centennial Citizen Survey provided residents the opportunity to rate the quality of life in the City, as well as the service delivery and overall workings of local government. The survey also permitted residents to provide feedback to the City on what is working well and what is not.

Citizen's assessment that the City supports local businesses:
Strongly Agree: 20%
Somewhat Agree: 49%
Neither Agree Nor Disagree: 24%
Somewhat Disagree: 5%
Strongly Disagree: 2%

Budget:
2012: $696,966
2011: $671,139
2010: $534,225

FTE: 3.7

Centennial's Vision:

The City of Centennial is dedicated to providing a high quality of life, delivering superior customer service, and achieving the highest professional standards. We strive to uphold our mission by adhering to our organizational values.

Sales and Use Tax Mission:

Ensure all appropriate sales and use taxes are collected to sustain the City's fiscal health by providing responsive and sound sales and use tax management services. The Sales and Use Tax Division will be professional, knowledgeable, and ethical in its provision of services to internal and external customers.

Sales and Use Tax Strategic Goals (OVOV Centennial 2030 Alignment)

Efficient and Accurate Collection. The Sales and Use Tax Division will efficiently and accurately collect, record and report sales and use tax revenues while acting with integrity and fairness in the administration of Centennial tax laws.

Enhance Operations. The Sales and Use Tax Division will establish, refine, and verify internal and external systems, procedures, and processes required to collect the correct amount of sales and use tax revenues for the City's use. (CS 3, 3.2 and 3.3; EH 3, 3.2 and 3.3)

Education. The Sales and Use Tax Division will strive to create a culture of voluntary compliance within the business community through education and providing a clear interpretation and application of the sales and use tax ordinance. (EH 3, 3.2 and 3.3)

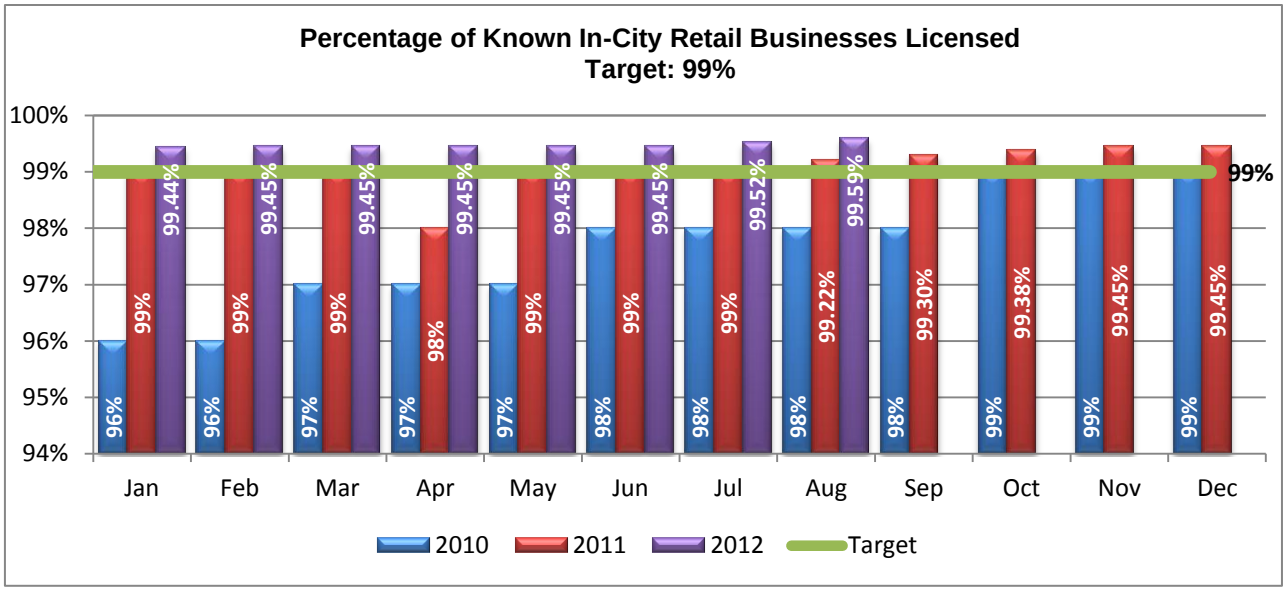
Analytical Information. The Sales and Use Tax Division will develop and report analytical information as needed by the City to be used in strategic and long range planning. (CS 3, 3.3; EH 1)

Convenience and Environmental Stewardship. Sales and Use Tax will provide a convenient, efficient, and cost effective alternative to paper tax filings for its customers by providing information and the ability to utilize forms and sales tax filing online. (EH 3, 3.2; EH 2)

Karen Stickland, Revenue Manager - 303.754.3344

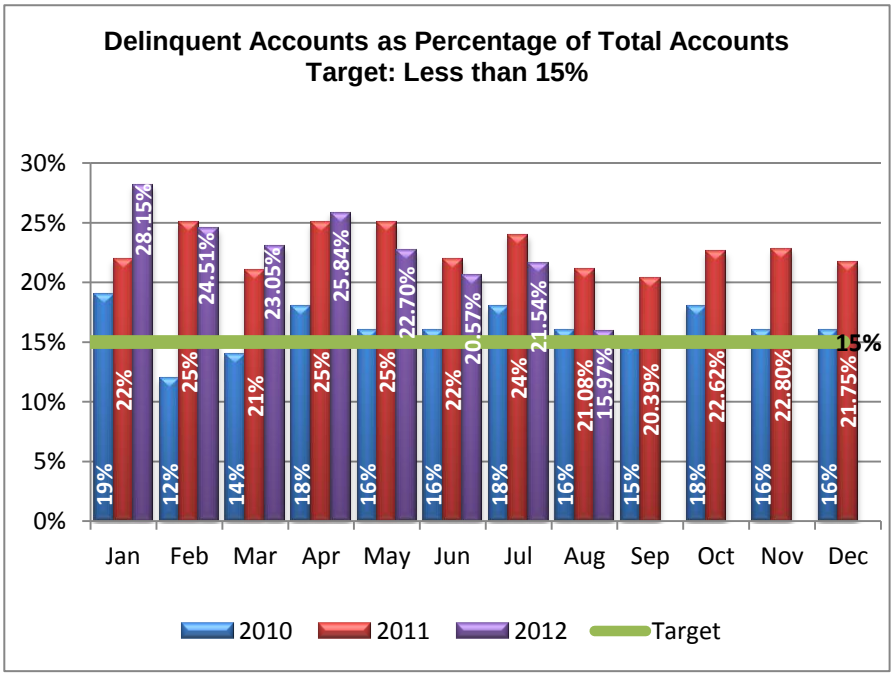
Performance Outcome Measures

Performance outcomes are measures that indicate how well the department/division's objectives were accomplished. Outcome measures indicate the quality of effectiveness of a service and are usually associated with a goal for each measure.



Notes: City staff conducts field surveys to identify known retailers. During the field surveys the current licenses are matched with the actual businesses.

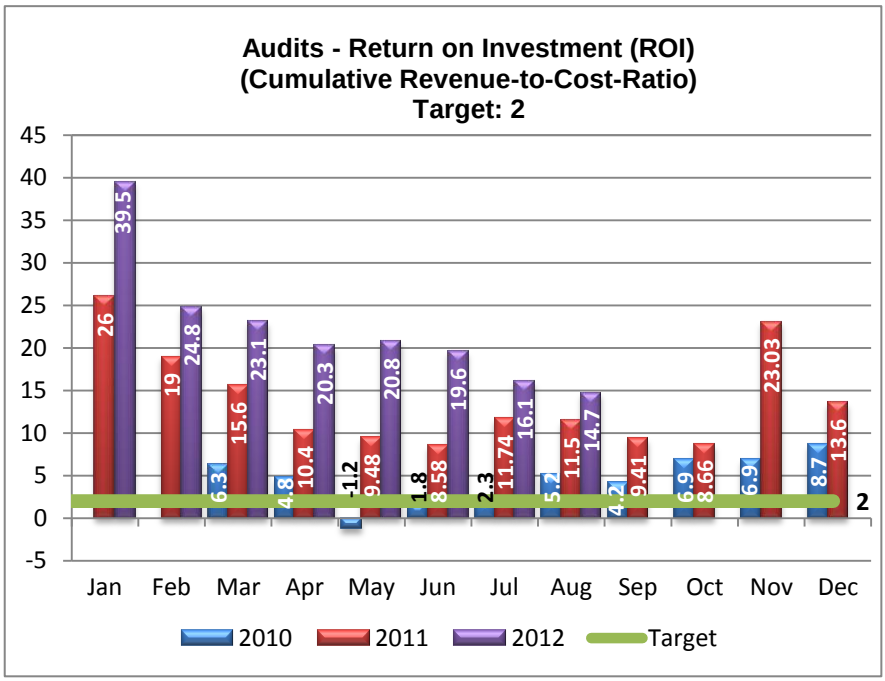
Month	2010	2011	2012
January	19%	22%	28.15%
February	12%	25%	24.51%
March	14%	21%	23.05%
April	18%	25%	25.84%
May	16%	25%	22.70%
June	16%	22%	20.57%
July	18%	24%	21.54%
August	16%	21.08%	15.97%
September	15%	20.39%	0.00%
October	18%	22.62%	0.00%
November	16%	22.80%	0.00%
December	16%	21.75%	0.00%



Notes: An account is deliquent if taxes, penalties, and/or interest are outstanding 10 days after the due date. This can be a result of a non-filed tax return, a non-payment, or a late return filing.

The City began sending Notices of Final Determinations in August 2012. The notices includes underpayments and estimated assessments for non-filed returns.

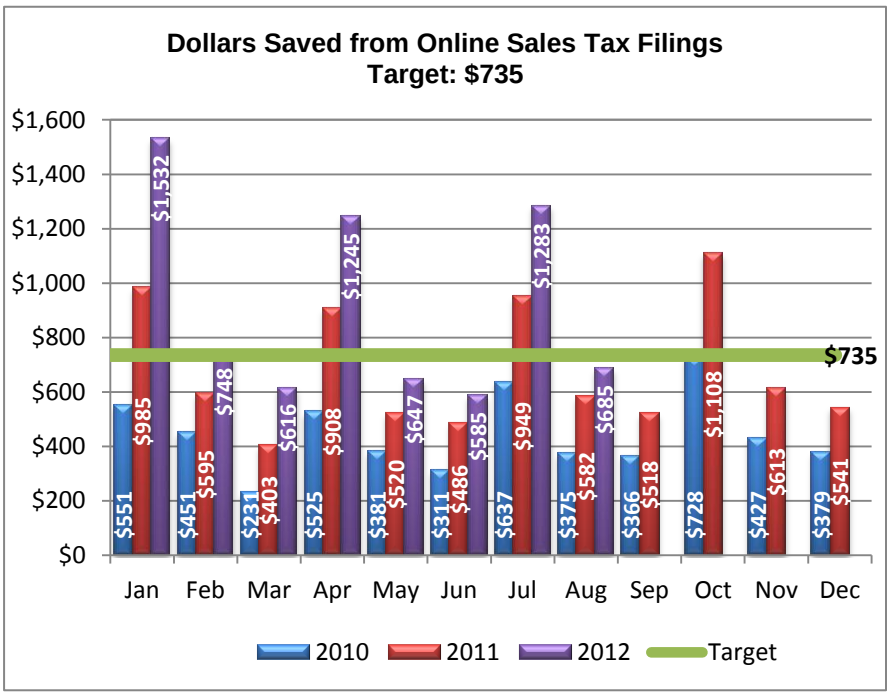
Month	2010	2011	2012
January	0	26	39.5
February	0	19	24.8
March	6.3	15.6	23.1
April	4.8	10.4	20.3
May	-1.2	9.48	20.8
June	1.8	8.58	19.6
July	2.3	11.74	16.1
August	5.2	11.5	14.7
September	4.2	9.41	-
October	6.9	8.66	-
November	6.9	23.03	-
December	8.7	13.6	-



Notes: The City's cost for conducting sales and use tax audits is exceeded by the revenue received. This ratio fluctuates greatly throughout the year and is representative of the City's diverse audit program.

Return on Investment (ROI) includes the staff time to perform audits but does not include staff time spent in verifying addresses on audits performed by the contract audit firm.

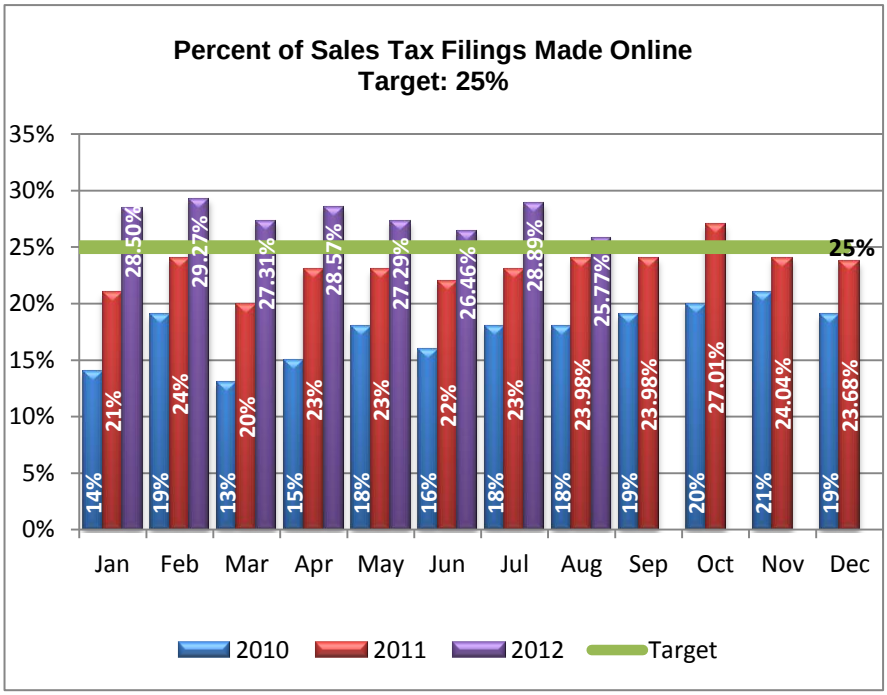
Month	2010	2011	2012
January	$551	$985	$ 1,532
February	$451	$595	$ 748
March	$231	$403	$ 616
April	$525	$908	$ 1,245
May	$381	$520	$ 647
June	$311	$486	$ 585
July	$637	$949	$ 1,283
August	$375	$582	$ 685
September	$366	$518	$ -
October	$728	$1,108	$ -
November	$427	$613	$ -
December	$379	$541	$ -
Total	**$5,362**	**$8,207**	**$7,342**



Notes: The City saves administrative and lockbox costs when retailers file sales tax returns online because the information is directly uploaded into the City's database and the payment is made by way of Automated Clearing House (ACH).

The amount saved from online filings increase during periods in which annual and/or quarterly returns are due.

Month	2010	2011	2012
January	14%	21%	28.50%
February	19%	24%	29.27%
March	13%	20%	27.31%
April	15%	23%	28.57%
May	18%	23%	27.29%
June	16%	22%	26.46%
July	18%	23%	28.89%
August	18%	23.98%	25.77%
September	19%	23.98%	0.00%
October	20%	27.01%	0.00%
November	21%	24.04%	0.00%
December	19%	23.68%	0.00%



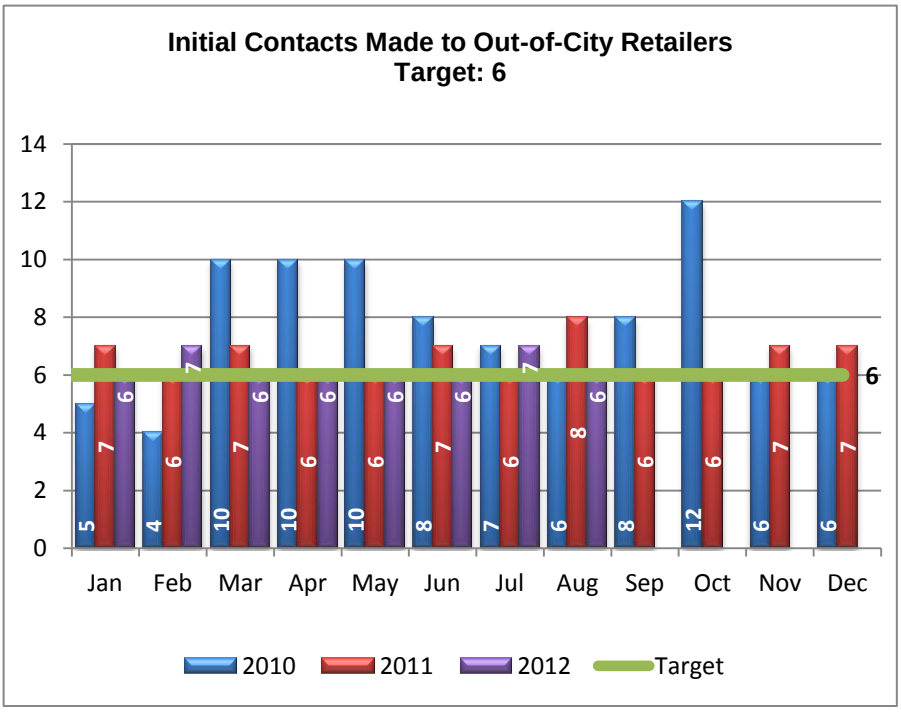
Notes: The City sent out email notification to annual filers in January 2012 to encourage annual filers to file sales tax returns online. Sales tax filings made online remain slightly higher than the target of 25% in 2012.

Surveys were sent to 100-150 businesses in each sector asking how Centennial can help inform them about online filing and the customer service they have received.

Service Level Measures

Service Level Measures may be thought of as efficiency measures. A measure of the resources required to produce a certain outcome; these may or may not be associated with a goal or target.

Month	2010	2011	2012
January	5	7	6
February	4	6	7
March	10	7	6
April	10	6	6
May	10	6	6
June	8	7	6
July	7	6	7
August	6	8	6
September	8	6	-
October	12	6	-
November	6	7	-
December	6	7	-
Total	**92**	**79**	**50**

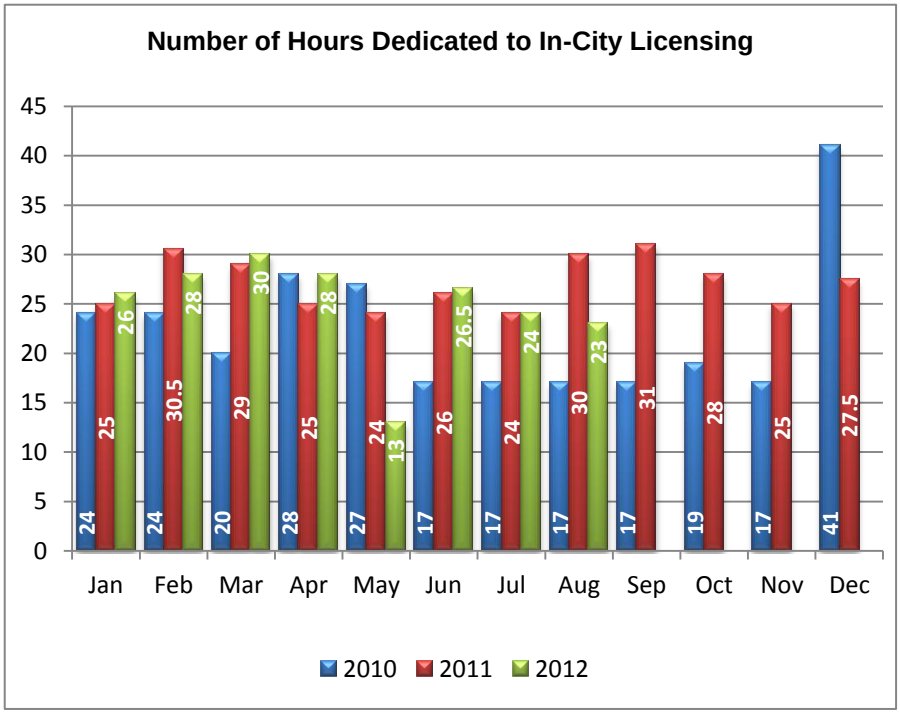


Notes: Retailers that engage in business in the City of Centennial but are located outside of the City's boundaries are required to be licensed and must collect and remit sales tax to the City.

Output Measures

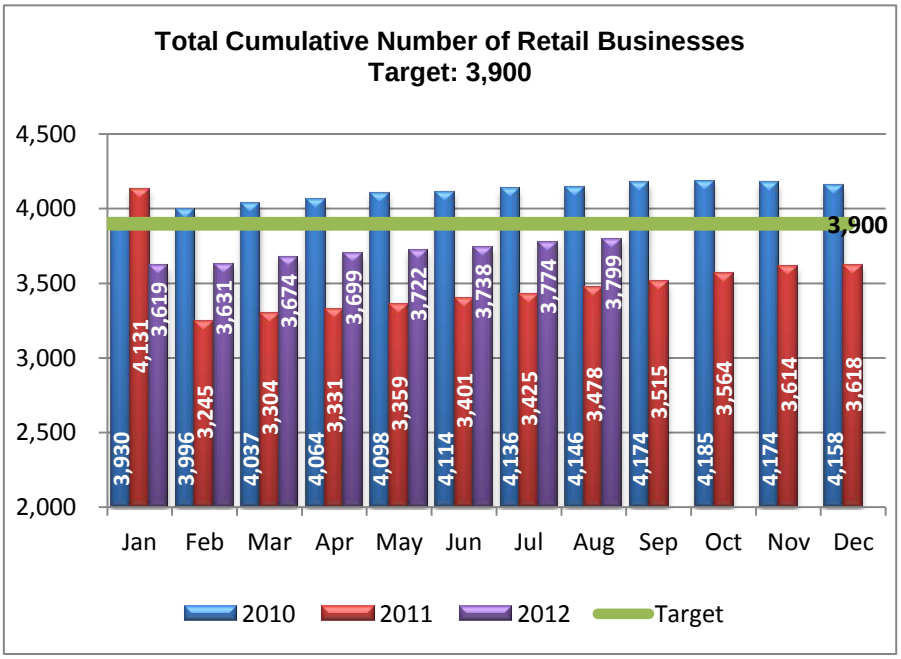
Performance Output Measures indicate the amount of service provided

Month	2010	2011	2012
January	24	25	26
February	24	30.5	28
March	20	29	30
April	28	25	28
May	27	24	13
June	17	26	26.5
July	17	24	24
August	17	30	23
September	17	31	-
October	19	28	-
November	17	25	-
December	41	27.5	-
Total	**268**	**325**	**198.5**



Notes: Staff preforms field visits to verify licensing requirements are met by in-City retailers.

Month	2010	2011	2012
January	3,930	4,131	3,619
February	3,996	3,245	3,631
March	4,037	3,304	3,674
April	4,064	3,331	3,699
May	4,098	3,359	3,722
June	4,114	3,401	3,738
July	4,136	3,425	3,774
August	4,146	3,478	3,799
September	4,174	3,515	-
October	4,185	3,564	-
November	4,174	3,614	-
December	4,158	3,618	-



Notes: The number of licensed retailers (recorded in the City's database) decreased in February 2011 when the City terminated erroneous accounts established from Colorado Department of Revenue (CDOR) records.

Retail Sales Tax License Summary - 2010

Type of License	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
In-City Licenses										1,539	1,538	1,530
Out-of-City Licenses										1,197	1,196	1,204
Home-Based Businesses										1,131	1,122	1,111
Other										318	318	318
Total										**4,185**	**4,174**	**4,163**

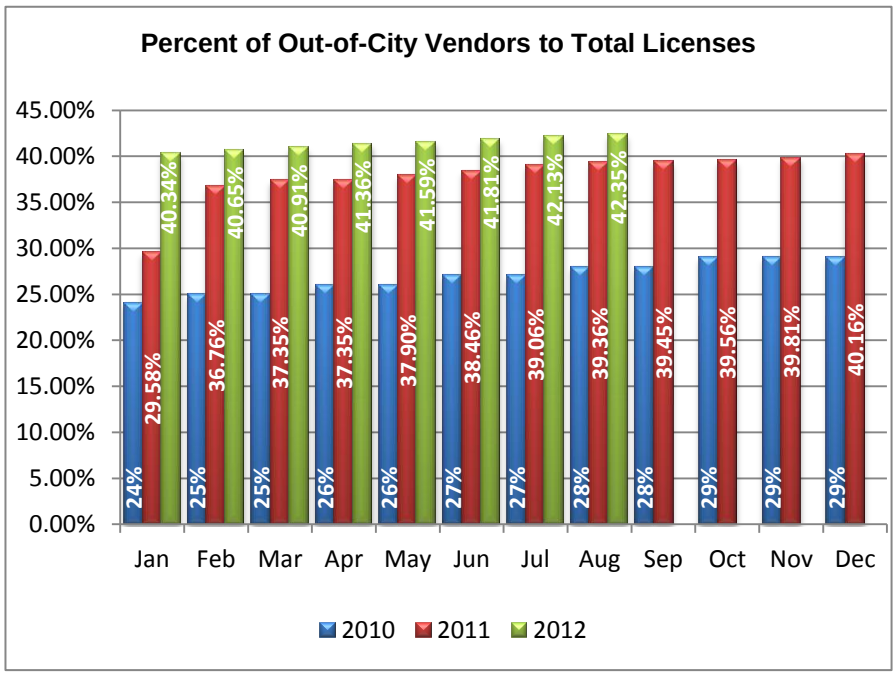
Retail Sales Tax License Summary - 2011

Type of License	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
In-City Licenses	1,513	1,359	1,372	1,388	1,389	1,394	1,382	1,402	1419	1441	1454	1446
Out-of-City Licenses	1,222	1,193	1,234	1,244	1,273	1,308	1,338	1,369	1387	1410	1439	1453
Home-Based Businesses	1,092	689	695	696	694	696	701	701	703	707	712	709
Other	304	4	3	3	3	3	4	6	6	6	9	10
Total	**4,131**	**3,245**	**3,304**	**3,331**	**3,359**	**3,401**	**3,425**	**3,478**	**3,515**	**3564**	**3614**	**3618**

Retail Sales Tax License Summary - 2012

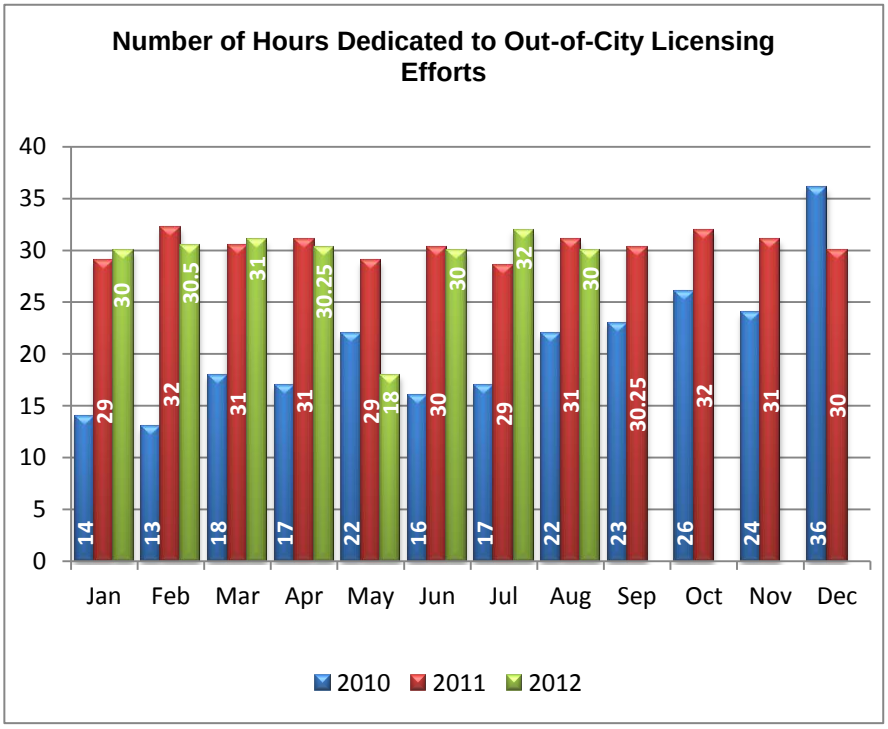
Type of License	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
In-City Licenses	1,440	1,445	1,458	1,456	1,458	1,459	1,470	1,480				
Out-of-City Licenses	1,460	1,476	1,503	1,530	1,548	1,563	1,590	1,609				
Home-Based Businesses	709	703	707	707	710	710	708	704				
Other	10	7	6	6	6	6	6	6				
Total	**3,619**	**3,631**	**3,674**	**3,699**	**3,722**	**3,738**	**3,774**	**3,799**	**-**	**-**	**-**	**-**

Month	2010	2011	2012
January	24%	29.58%	40.34%
February	25%	36.76%	40.65%
March	25%	37.35%	40.91%
April	26%	37.35%	41.36%
May	26%	37.90%	41.59%
June	27%	38.46%	41.81%
July	27%	39.06%	42.13%
August	28%	39.36%	42.35%
September	28%	39.45%	0.00%
October	29%	39.56%	0.00%
November	29%	39.81%	0.00%
December	29%	40.16%	0.00%



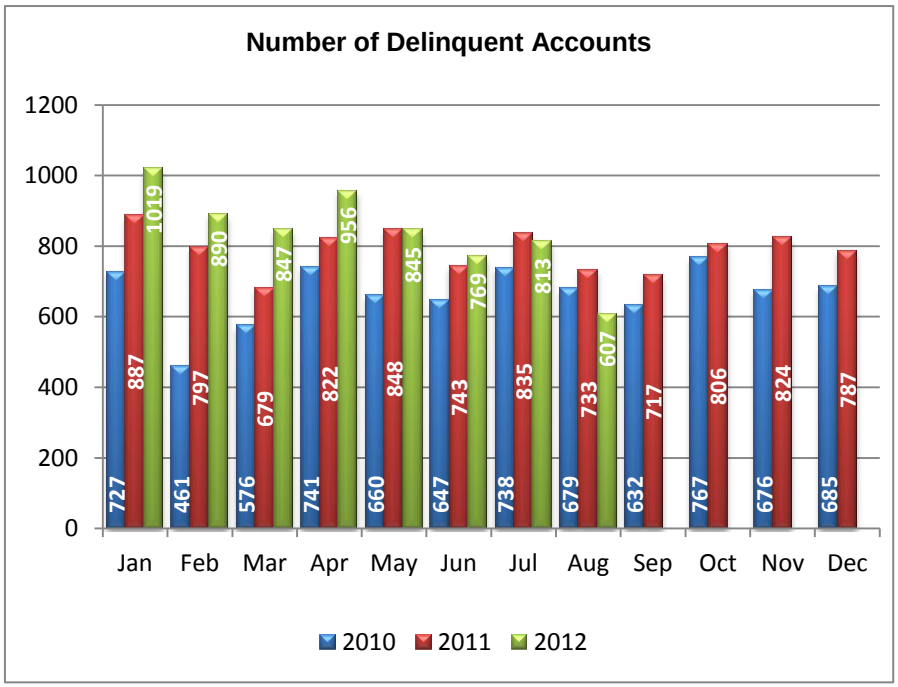
Notes: Out-of-City Retailers that are engaged in business in the City are required to license, collect and remit the City's sales tax. City staff continues to identify and license out-of-City vendors engaged in business in Centennial.

Month	2010	2011	2012
January	14	29	30
February	13	32.25	30.50
March	18	30.5	31
April	17	31	30.25
May	22	29	18.00
June	16	30.25	30.00
July	17	28.5	32.00
August	22	31	30.00
September	23	30.25	-
October	26	32	-
November	24	31	-
December	36	30	-
Total	**248**	**364.75**	**231.75**



Notes: City staff makes an intentional effort to identify and contact retailers that should be licensed, collecting and remitting sales tax to the City.

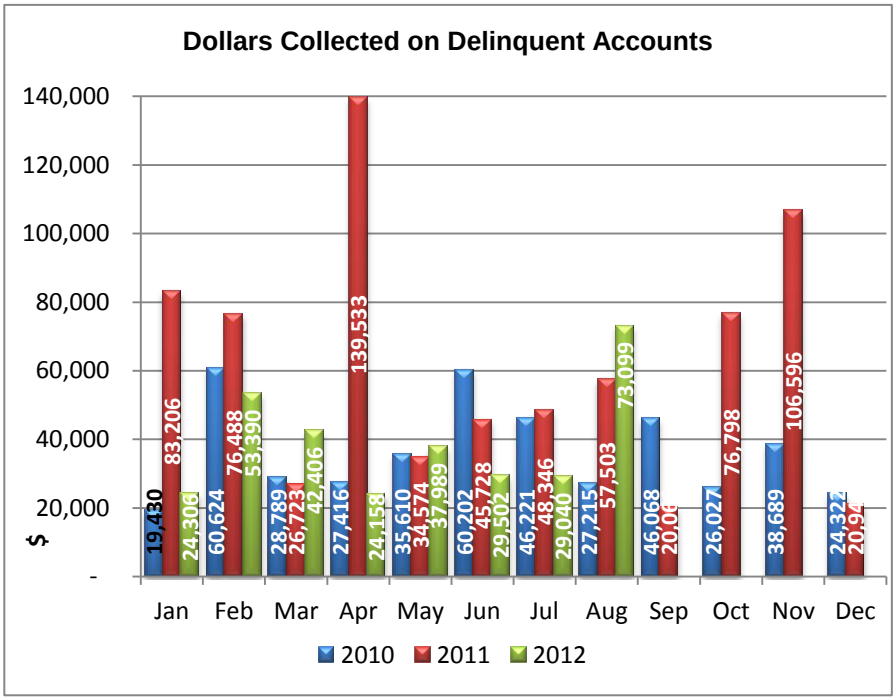
Month	2010	2011	2012
January	727	887	1,019
February	461	797	890
March	576	679	847
April	741	822	956
May	660	848	845
June	647	743	769
July	738	835	813
August	679	733	607
September	632	717	-
October	767	806	-
November	676	824	-
December	685	787	-



Notes: Delinquent accounts are those accounts that have either not filed a sales tax return(s) or for which sales tax penalty and/or interest is due and not paid. Spikes are seen after Quarterly and Annual filing dates.

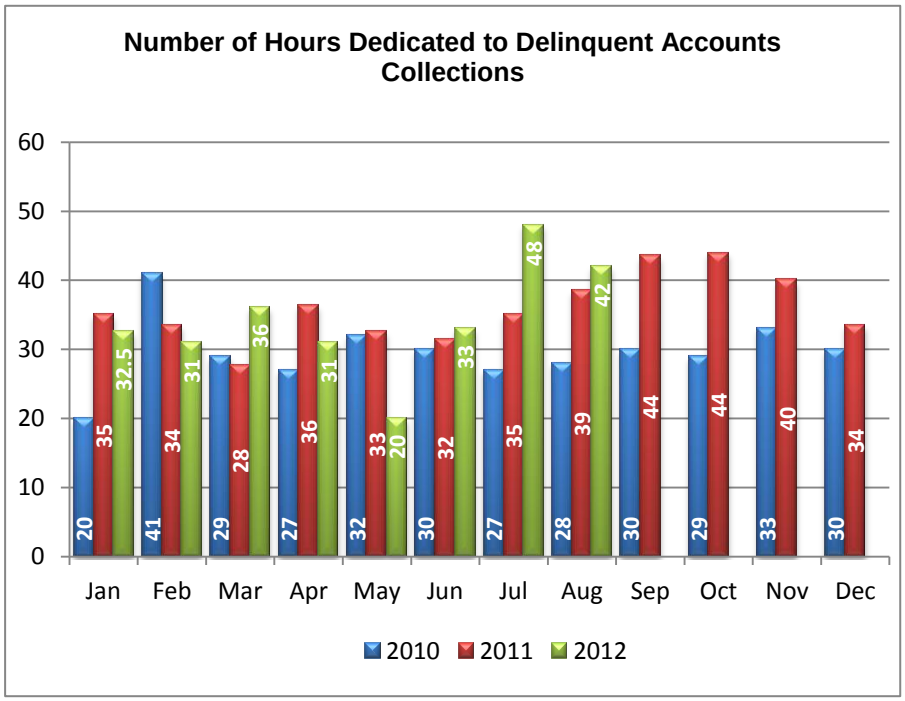
The City began sending Notices of Final Determinations in August 2012. The notices includes underpayments and estimated assessments for non-filed returns.

Month	2010	2011	2012
January	$ 19,430	$ 83,206	$ 24,306
February	$ 60,624	$ 76,488	$ 53,390
March	$ 28,789	$ 26,723	$ 42,406
April	$ 27,416	$ 139,533	$ 24,158
May	$ 35,610	$ 34,574	$ 37,989
June	$ 60,202	$ 45,728	$ 29,502
July	$ 46,221	$ 48,346	$ 29,040
August	$ 27,215	$ 57,503	$ 73,099
September	$ 46,068	$ 20,066	$ -
October	$ 26,027	$ 76,798	$ -
November	$ 38,689	$ 106,596	$ -
December	$ 24,322	$ 20,945	$ -
Total	**$440,613**	**$736,506**	**$313,888**



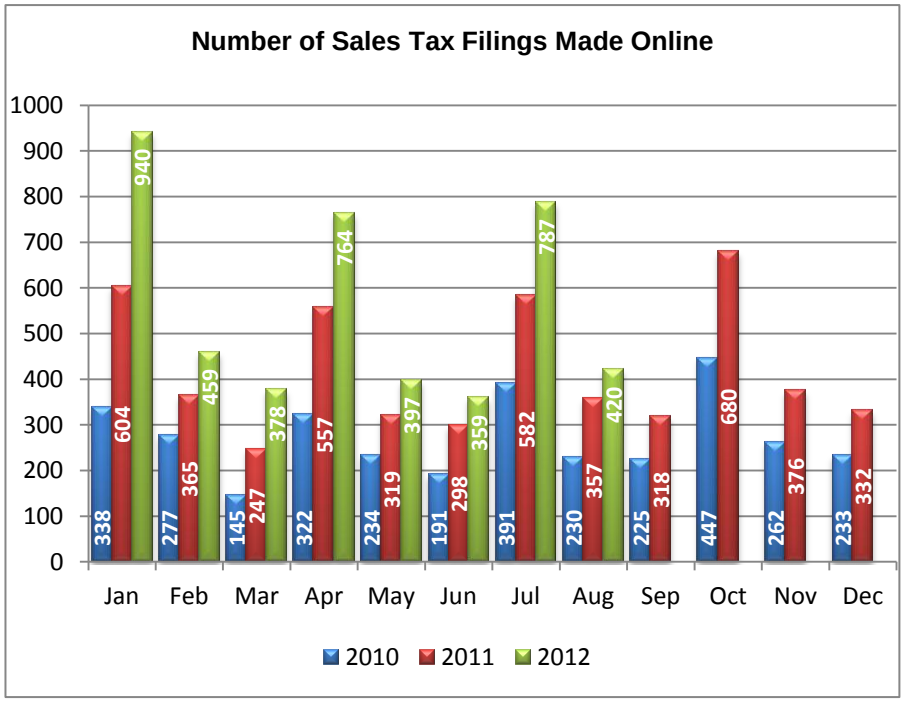
Notes: The increase in collected dollars for April, October and November 2011 was due to a few large remittances being received in those months.

Month	2010	2011	2012
January	20	35	32.5
February	41	33.5	31
March	29	27.75	36
April	27	36.25	31
May	32	32.5	20
June	30	31.5	33
July	27	35	48.00
August	28	38.5	42.00
September	30	43.5	-
October	29	44	-
November	33	40	-
December	30	33.5	-
Total	**356**	**431**	**273.5**



Notes: Delinquent account collection efforts include those provided for in the City's Sales and Use Tax ordinance.

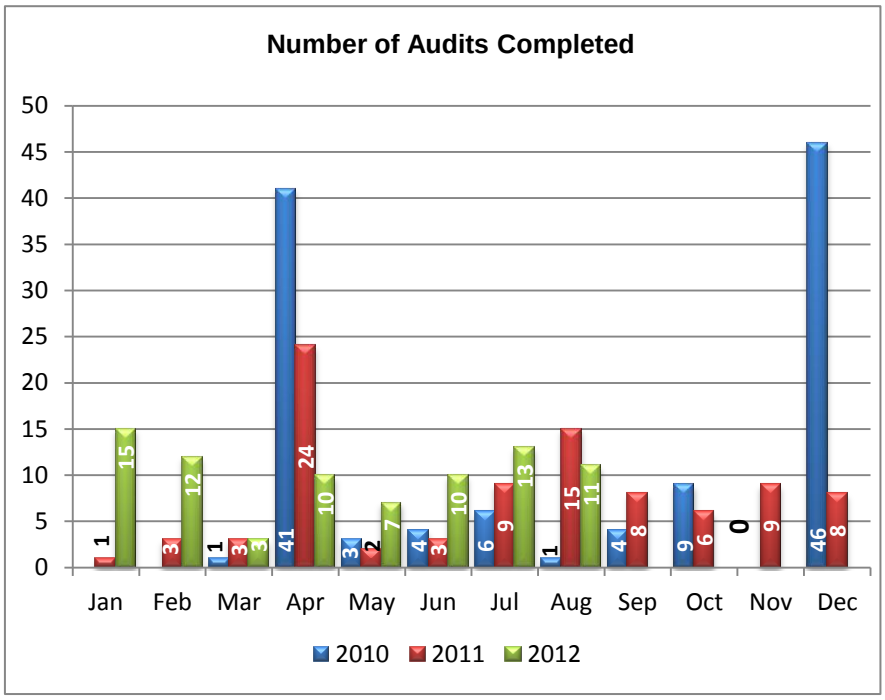
Month	2010	2011	2012
January	338	604	940
February	277	365	459
March	145	247	378
April	322	557	764
May	234	319	397
June	191	298	359
July	391	582	787
August	230	357	420
September	225	318	-
October	447	680	-
November	262	376	-
December	233	332	-
Total	**3,295**	**5,035**	**4,504**



Notes: The number of online filings increase during the months returns are due for Quarterly and Annual filers.

The City continues to promote online filing to businesses through email notifications and on tax notices.

Month	2010	2011	2012
January	0	1	15
February	0	3	12
March	1	3	3
April	41	24	10
May	3	2	7
June	4	3	10
July	6	9	13
August	1	15	11
September	4	8	-
October	9	6	-
November	0	9	-
December	46	8	-
Total	**115**	**91**	**81**



Notes: The number of audits completed include Sales Tax retailers and Building Material Permits. A construction project audited for use tax may include more than one permit. Each permit is counted as an audit since the estimated use tax is collected on each permit. The number of audits completed includes Building Materials Use Tax reconciliations that are performed by the General Contractor and verified by the City.

Audit Summary - 2012

Type of Audit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Building Material/ Use Tax	5	4	1	2	2	1	2	1				
Sales Tax	10	8	2	8	5	9	11	10				
Total	**15**	**12**	**3**	**10**	**7**	**10**	**13**	**11**	**0**	**0**	**0**	**0**