

Sales Tax

Mar 2013

Mission: To ensure all appropriate sales taxes are collected by providing responsive and sound sales tax management services in order to sustain the City's fiscal health.

	12 Month Trend	Jan 13	Feb 13	Mar 13	YTD Actual to Expected				
<p>New Sales Tax Licenses Issued <i>Registration of new businesses and/or businesses making sales in Centennial. Measures Staff effort in outreach. Ensures compliance with licensing requirements.</i></p>		62	45	55	<table border="1"> <tr> <td>143</td> <td>Expected</td> </tr> <tr> <td>162</td> <td>Actual</td> </tr> </table>	143	Expected	162	Actual
143	Expected								
162	Actual								
<p>Percentage of Sales Tax Filings Made Online <i>Number of filings made online compared to total filings. Measures customer service and cost avoidance.</i></p>		30.8%	30.6%	28.4%	<table border="1"> <tr> <td>30.0%</td> <td>Expected</td> </tr> <tr> <td>29.9%</td> <td>Actual</td> </tr> </table>	30.0%	Expected	29.9%	Actual
30.0%	Expected								
29.9%	Actual								
<p>Audit Return on Investment <i>Dollars received from audits compared to dollars spent on audits. Measures enforcement of sales tax requirements, compliance efforts, and audit effectiveness.</i></p>		12.2	10.4	9.1	<table border="1"> <tr> <td>5</td> <td>Expected</td> </tr> <tr> <td>10.57</td> <td>Actual</td> </tr> </table>	5	Expected	10.57	Actual
5	Expected								
10.57	Actual								
<p>Number of Delinquent Accounts <i>Measures the number of accounts that have not filed a return. Measures outreach, compliance, and enforcement efforts.</i></p>		936	677	614	<table border="1"> <tr> <td>500</td> <td>Expected</td> </tr> <tr> <td>614</td> <td>Actual</td> </tr> </table>	500	Expected	614	Actual
500	Expected								
614	Actual								

— Current Year
 — Previous Year





Key Performance Measures Report

Sales Tax Quarter 1 2013

Executive Summary

The Sales Tax Division continues to perform at a high level in the collection of sales tax, encouraging compliance with City sales tax laws, and enforcement of the City sales tax laws.

New Sales Tax Licenses Issued

The Sales Tax Division continues to perform outreach to businesses to ensure all appropriate businesses are licensed and remitting accurate sales tax returns. In Quarter 1 2013, the Sales Tax Division issued more new sales tax licenses than expected.

In Quarter 1 2013, the Sales Tax Division issued 162 new sales tax licenses.

Percentage of Sales Tax Filings Made Online

The percentage of sales tax filings made online continues to remain constant near 30 percent. The service is used by many small businesses in the City. The online system streamlines the filing process for both the business and the City. Based upon the data over the last 24 months, Staff has determined that additional increases to the percentage of sales tax filings made online are not likely. Larger businesses are not likely to file their sales tax returns online. There are incentives that could be offered to increase the use of online filings. Staff is not pursuing an incentive program. Any potential incentive program would require City Council direction.

The average percentage of sales tax filings made online in Quarter 1 2013 is 29.9 percent.

Audit Return on Investment

The Sales Tax Division performs audits of sales tax returns throughout the year. The purpose of the audits is to ensure that businesses comply with all relevant City sales tax laws and that all appropriate sales tax is collected from businesses. The audit program is important to the fiscal health of the City as it verifies that all taxes due to the City are paid. The audit return on investment shows the dollars collected from the audits compared to the dollars spent to perform the audits. In Quarter 1 2013, the City collected \$11 for every \$1 spent on sales tax audits.

The audit return on investment in Quarter 1 2013 is 11.

Number of Delinquent Accounts

Accounts become delinquent if a sales tax return is not filed by the appropriate deadline. For 2013, the City expects to have 500 delinquent accounts at any point in time. The Sales Tax Division added a new position focused on compliance and delinquent accounts. With this new position, Staff anticipates a decrease in the number of delinquent accounts to 500 or less. A decrease in the number of delinquent accounts is already apparent when comparing the current year to the previous year.

The number of delinquent accounts at the end of Quarter 1 2013 is 614.

Mission

The mission of the City of Centennial Sales Tax division is to ensure all appropriate sales taxes are collected by providing responsive and sound sales tax management services in order to sustain the City's fiscal health.

Performance Measures

New Sales Tax Licenses Issued

The number of sales tax licenses issued to businesses that have not previously been issued a license. Sales tax licenses are issued to businesses within Centennial that sell taxable products and/or services at retail, as well as businesses located outside of Centennial that sell taxable products and/or services at retail in the City.

Measures: Staff effort in outreach to the business community and compliance with the sales tax laws of the City.

Percentage of Sales Tax Filings Made Online

The number of sales tax returns filed through the City's online system compared to the total number of sales tax returns filed. Businesses are required to file a sales tax return monthly, quarterly, or annually depending on their average sales tax liability.

Measures: customer service, cost avoidance, and use of online and paper filing systems.

Audit Return on Investment

The dollars received from audits performed on sales tax return filings compared to the dollars spent to perform the audits. The City maintains an active auditing program to verify compliance with sales tax laws and ensure that all appropriate sales taxes are collected.

Measures: compliance effort, enforcement of sales tax laws, and effectiveness of audit program.

Number of Delinquent Accounts

The number of accounts that have not filed a sales tax return on time and have entered delinquency.

Measures: outreach, compliance, and enforcement efforts.