



Sales and Use Tax Overview

2016 Sales and Use Tax Collections

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Presentation Overview

- Sales and Use Tax History
- Sales Tax Overview
- Use Tax Overview
- 2016 Sales and Use Tax Reports



Sales Tax and Use Tax History

El Paso County

- January 1, 1988
 - Voter approved 1% (0.01 cents) sales and use tax implemented
 - Sale of “tangible personal property and furnishings”
 - State of Colorado Collected
 - Includes a 1% use tax for the privilege of using or consuming any **construction materials**
 - Includes a 1% use tax for the privilege of storing, using or consuming motor or other **vehicles** purchased
- January 1, 2013
 - Voter approved 0.23% (0.0023 cents) sales and use tax implemented
 - Restricted for Public Safety (Resolution 12-309)
 - Sunset provision on January 1, 2021 (8 years)
 - State of Colorado Collected



Sales Tax Collections

- El Paso County sales tax is collected by the Colorado Department of Revenue and distributed monthly
 - County is not “Home Rule”
 - Limited control on deciding what is considered exempt from sales tax
 - County Exemptions: Food for home consumption
Machinery and machine tools
Gas, electricity, etc. for residential use
Renewable energy components
 - The county does not have the statutory authority to exempt specific areas or businesses from sales or use tax
 - Sales tax collections are always lagging 2 months
- El Paso County does not issue sales tax licenses - all licensing is handled through the state



Sales Tax Collections

- Sales tax collections are handled by the state of Colorado Department of Revenue. The state must directly address:
 - Sales tax refunds
 - Miscalculations
 - Audits
 - Licensing
- The county receives monthly reports from the state that shows all the vendors and the amounts that are collected
 - This information is confidential and is managed by an Memorandum of Understanding (MOU) between the state of Colorado and the authorized person with the county
- When a county citizen has problems or questions with sales and use tax they should directly contact:
 - Colorado Department of Revenue (www.colorado.gov/revenue)
 - El Paso County (www.elpasoco.com)
- The state has a liaison assigned to the county to meet regularly to assist with problems and discuss audits



Use Tax Collections

- Use Tax is collected directly by El Paso County for building materials and motor vehicles
- November 20, 2008 – BOCC approved an Intergovernmental Agreement (IGA) between El Paso County and the Pikes Peak Regional Building Department (PPRBD)
 - El Paso County developed a business friendly use tax program for the licensed contractors to follow
 - Effective April 1, 2009 (Resolution number 08-481)
 - IGA allows the PPRBD to collect use tax at the time of building permit
 - PPRBD submits the use tax to county on a monthly basis
 - Contractors may also submit use tax payments directly to the county for projects that do not require permits
- Colorado Motor Vehicle Department (Clerk and Recorder's Office)
 - Collects use tax on motor vehicles
 - Distributes collections on a monthly basis



Use Tax (Building Materials)

- At this time there are 3 methods to complete a permitted project in El Paso County

Affidavit Method: Used when all or majority of materials are purchased locally and have paid local sales tax

100% Method: Used when all materials are purchased out of the region

Exempt: Used when the property owner is a tax exempt entity (Non-profit, school, government, etc.)

- Historically more than 75% of permits pulled at PPRBD are done through the Affidavit Method

Building Permits			
Method	Value	Number of Permits (2016)	Percent
Affidavit	22,271,232,535	65,857	75.8%
100%	297,473,671	17,935	20.6%
Not Applicable		2,844	3.3%
Exempt		303	0.3%
Total:	22,568,706,206	86,939	100%

Source: Pikes Peak Regional Building Department



Use Tax (Automobiles)

- Use Tax on Automobiles is collected by the Clerk and Recorder and sent to the state of Colorado – distributed monthly to the County
- Collected \$5.1M in Use Tax in 2016
 - Collections increased 18.4% over 2015 (reference slide 4)
 - Strong sales due to improving economic conditions and hail storms in 2016
 - 2017 leading indicators show strong cars sales in 1st quarter

El Paso County Historical Vehicle Registration						
Jurisdiction	2016	2015	2014	2013	2012	2011
Calhan	776	758	717	750	718	745
Colorado Springs	371,972	354,208	343,669	334,353	331,238	324,570
Fountain	20,680	13,125	18,518	17,646	17,050	16,730
Green Mountain Falls	595	580	580	585	563	555
Manitou Springs	4,523	4,478	4,357	4,303	4,416	4,221
Monument	6,927	6,387	6,031	5,755	5,460	5,176
Palmer Lake	2,626	2,579	2,594	2,503	2,472	2,441
Ramah	149	143	152	123	130	125
Urban Registrations	408,248	388,258	376,618	366,018	362,047	354,553
Rural Registrations (Unincorp. EPC)	168,471	157,105	152,977	149,090	146,569	144,020
Total Registrations	576,719	545,363	529,595	515,108	508,616	498,573

Source: El Paso County Clerk and Recorder

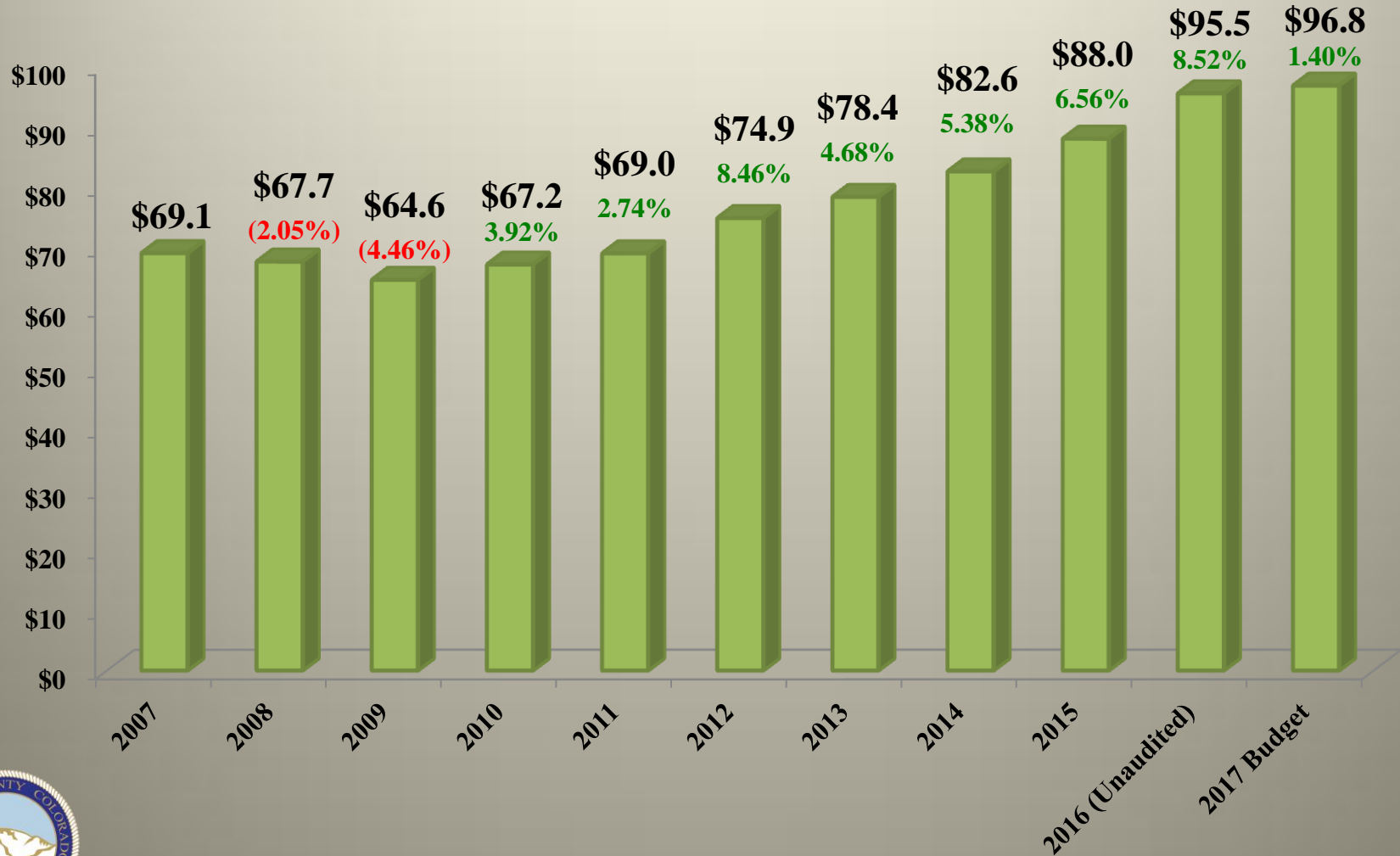


Sales and Use Tax

- 2006 – Identified Sales and Use Tax Discrepancies
 - EPC performed an initial review of County and Pikes Peak Rural Transportation Authority collections
 - Identified a \$2.7M unknown variance (4%)
- 2007 – Performed a complete analysis on collections to determine the source of variance
 - Hired a part-time Investigator housed at the State
 - Identified \$ 6M variances (PPRTA>EPC)
 - \$3.87M was found to be a valid difference
 - \$2.13M was found to be a valid collection issue
 - Reporting errors from the state
 - Vendors audited because incorrect tax was collected



1% Sales & Use Tax Collections (*in millions*)



El Paso County Sales Tax

Industry Specifics

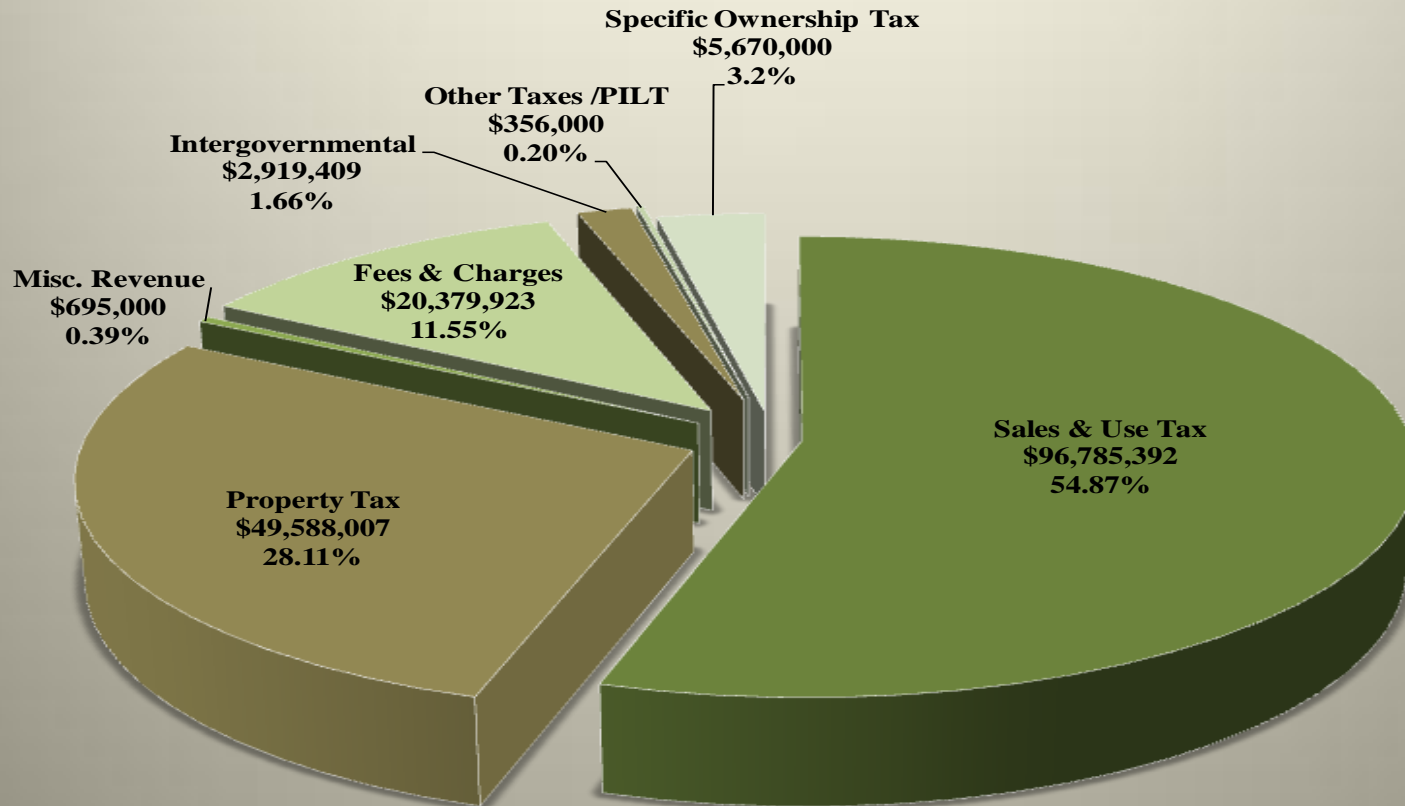
<u>Industry / NAICS</u>	<u>Historical Avg. Percentage</u>
Retail Trade	54.00%
Food Services	12.08%
Information (Magazines, News Papers, Etc)	5.55%
Wholesale Trade	3.84%
Accommodations	3.65%
Real Estate and Rental and Leasing	2.14%
Manufacturing	3.44%
Utilities	2.36%
Other Services (except Public Admin)	2.12%
Construction	1.81%
Professional, Scientific, and Technical Services	0.83%
Finance and Insurance	0.56%
Arts, Entertainment, and Recreation	0.44%
Waste Management and Remediation Services	0.29%
Mining	0.33%
Educational Services	0.19%
Health Care and Social Assistance	0.13%
Transportation and Warehousing	0.07%
Agriculture, Forestry, Fishing and Hunting	0.13%
Public Administration	0.06%
NAICS Not Specified	(0.02%)
Use Tax	
Building Materials	1.15%
Automobiles	4.85%
NAICS : North American Industry Classification System	



2017 Original Adopted Budget

Non-Restricted Revenue By Major Category

\$176,395,731



Sales & Use Tax Activity 2016



Historical Sales Tax Collections

December 31, 2016

	2007	2014	2015	2016	% Chg '13 to '14	% Chg '14 to '15	% Chg '15 to '16	Cumulative % Chg '07 to '16	Cumulative % Chg '15 to '16
Jan	4,669,476	5,278,534	5,848,650	5,920,910	(2.75%)	10.80%	1.24%	26.80%	1.24%
Feb	4,780,698	5,500,339	5,610,353	6,051,972	7.07%	2.00%	7.87%	26.69%	4.48%
Mar	5,381,750	6,161,129	6,674,237	6,837,541	3.80%	8.33%	2.45%	26.82%	3.73%
Apr	5,126,774	6,027,831	6,497,237	6,878,794	3.31%	7.79%	5.87%	28.71%	4.30%
May	5,341,924	6,788,112	6,892,171	7,104,053	8.57%	1.53%	3.07%	29.61%	4.03%
Jun	5,982,211	6,926,928	7,528,054	7,944,810	5.89%	8.68%	5.54%	30.23%	4.32%
Jul	5,661,302	6,789,430	7,458,644	7,473,166	6.37%	9.86%	0.19%	30.50%	3.66%
Aug	5,656,019	6,998,741	7,159,451	8,566,046	8.16%	2.30%	19.65%	33.28%	5.79%
Sep	5,762,129	6,687,903	7,337,703	8,082,071	5.33%	9.72%	10.14%	34.11%	6.32%
Oct	5,292,976	6,391,853	7,135,995	7,801,905	3.12%	11.64%	9.33%	35.42%	6.63%
Nov	5,197,507	6,517,909	6,651,719	7,544,251	9.05%	2.05%	13.42%	36.28%	7.23%
Dec	6,487,768	7,452,655	7,737,679	8,598,076	4.86%	3.82%	11.12%	35.91%	7.60%
Year Total	65,340,533	77,521,364	82,531,893	88,803,593	5.31%	6.46%	7.60%	35.91%	7.60%



Historical Use Tax on Automobiles

December 31, 2016

	2007	2014	2015	2016	% Chg '13 to '14	% Chg '14 to '15	% Chg '15 to '16	Cumulative % Chg '07 to '16	Cumulative % Chg '15 to '16
Jan	244,815	314,807	324,043	361,884	34.14%	2.93%	11.68%	47.82%	11.68%
Feb	216,415	289,957	258,045	315,476	38.38%	(11.01%)	22.26%	46.86%	16.37%
Mar	286,629	275,531	347,024	398,930	(3.23%)	25.95%	14.96%	43.92%	15.84%
Apr	259,063	329,570	352,946	456,058	9.78%	7.09%	29.21%	52.18%	19.52%
May	274,512	309,300	363,824	388,704	0.24%	17.63%	6.84%	49.91%	16.72%
Jun	281,338	341,575	385,817	432,407	30.53%	12.95%	12.08%	50.60%	15.84%
Jul	271,907	334,883	410,579	414,473	11.88%	22.60%	0.95%	50.87%	13.33%
Aug	322,707	333,221	420,556	419,949	2.31%	26.21%	(0.14%)	47.77%	11.35%
Sep	249,456	356,698	398,143	472,882	22.49%	11.62%	18.77%	52.10%	12.26%
Oct	275,186	402,085	400,283	563,094	26.36%	(0.45%)	40.67%	57.49%	15.37%
Nov	218,546	325,450	330,885	493,955	3.15%	1.67%	49.28%	62.65%	18.18%
Dec	176,519	299,451	388,779	470,407	9.57%	29.83%	21.00%	68.61%	18.43%
Year Total	3,077,092	3,912,527	4,380,923	5,188,218	14.31%	11.97%	18.43%	68.61%	18.43%



Historical Use Tax on Building Materials

December 31, 2016

	2007	2014	2015	2016	% Chg '13 to '14	% Chg '14 to '15	% Chg '15 to '16	Cumulative % Chg '07 to '16	Cumulative % Chg '15 to '16
Jan	63,661	77,661	78,765	69,087	3.24%	1.42%	(12.29%)	8.52%	(12.29%)
Feb	30,820	64,304	51,051	52,633	(30.46%)	(20.61%)	3.10%	28.83%	(6.24%)
Mar	31,880	212,907	123,509	40,355	199.79%	(41.99%)	(67.33%)	28.26%	(36.02%)
Apr	71,747	76,924	83,091	173,395	59.71%	8.02%	108.68%	69.34%	(0.28%)
May	48,055	54,592	58,808	226,334	(56.63%)	7.72%	284.87%	128.23%	42.15%
Jun	58,416	129,216	89,161	84,858	44.38%	(31.00%)	(4.83%)	112.31%	33.50%
Jul	60,108	250,488	207,141	79,814	79.43%	(17.31%)	(61.47%)	99.21%	5.05%
Aug	64,075	58,659	90,085	95,563	(73.18%)	53.57%	6.08%	91.72%	5.17%
Sep	54,510	62,836	51,436	244,047	(64.27%)	(18.14%)	374.47%	120.60%	27.97%
Oct	80,458	74,964	61,850	302,013	(49.62%)	(17.49%)	388.30%	142.69%	52.88%
Nov	52,344	47,957	123,592	107,098	(19.18%)	157.72%	(13.35%)	139.45%	44.84%
Dec	38,112	33,947	65,415	71,827	(56.40%)	92.70%	9.80%	136.48%	42.73%
Year Total	654,185	1,144,453	1,083,904	1,547,025	(13.46%)	(5.29%)	42.73%	136.48%	42.73%



Historical Sales & Use Tax (all components)

December 31, 2016

	2007	2014	2015	2016	% Chg '13 to '14	% Chg '14 to '15	% Chg '15 to '16	Cumulative % Chg '07 to '16	Cumulative % Chg '15 to '16
Jan	4,977,952	5,671,001	6,251,458	6,351,881	(1.16%)	10.24%	1.61%	27.60%	1.61%
Feb	5,027,933	5,854,601	5,919,449	6,420,081	7.64%	1.11%	8.46%	27.64%	4.94%
Mar	5,700,258	6,649,567	7,144,770	7,276,825	5.70%	7.45%	1.85%	27.65%	3.80%
Apr	5,457,584	6,434,325	6,933,274	7,508,247	4.07%	7.75%	8.29%	30.21%	4.98%
May	5,664,491	7,152,003	7,314,803	7,719,092	6.96%	2.28%	5.53%	31.49%	5.10%
Jun	6,321,965	7,397,718	8,003,031	8,462,075	7.33%	8.18%	5.74%	31.94%	5.22%
Jul	5,993,317	7,374,801	8,076,364	7,967,453	8.10%	9.51%	(1.35%)	32.09%	4.15%
Aug	6,042,801	7,390,621	7,670,092	9,081,558	5.35%	3.78%	18.40%	34.53%	6.06%
Sep	6,066,094	7,107,437	7,787,281	8,799,000	4.27%	9.57%	12.99%	35.77%	6.89%
Oct	5,648,619	6,868,901	7,598,129	8,667,012	3.05%	10.62%	14.07%	37.53%	7.64%
Nov	5,468,396	6,891,316	7,106,196	8,145,304	8.49%	3.12%	14.62%	38.53%	8.26%
Dec	6,702,399	7,786,052	8,191,873	9,140,309	4.40%	5.21%	11.58%	38.32%	8.57%
Year Total	69,071,810	82,578,344	87,996,720	95,538,836	5.38%	6.56%	8.57%	38.32%	8.57%



Sales & Use Tax (all components)

Budget to Actual – December 2016

	Budget	Actual	\$ Chg Budget to Actual	% Chg Budget to Actual	Cumulative % Chg
Jan	6,440,490	6,351,881	(88,609)	(1.38%)	(1.38%)
Feb	6,316,420	6,420,081	103,661	1.64%	0.12%
Mar	7,331,820	7,276,825	(54,994)	(0.75%)	(0.20%)
Apr	7,172,378	7,508,247	335,869	4.68%	1.09%
May	7,774,263	7,719,092	(55,172)	(0.71%)	0.69%
Jun	8,168,746	8,462,075	293,329	3.59%	1.24%
Jul	8,102,939	7,967,453	46,651	(1.67%)	0.78%
Aug	8,112,813	9,081,558	968,744	11.94%	2.30%
Sep	7,970,145	8,799,000	828,855	10.40%	3.26%
Oct	7,767,966	8,667,012	899,045	11.57%	4.12%
Nov	7,482,136	8,145,304	663,168	8.86%	4.55%
Dec	8,618,243	9,140,309	522,066	6.06%	4.69%
	91,258,360	95,538,836	4,462,613		4.69%
One time audit adjustment -			182,137		
Available:			4,280,476		



Supplemental Information

Combined Sales and Use Tax For Construction

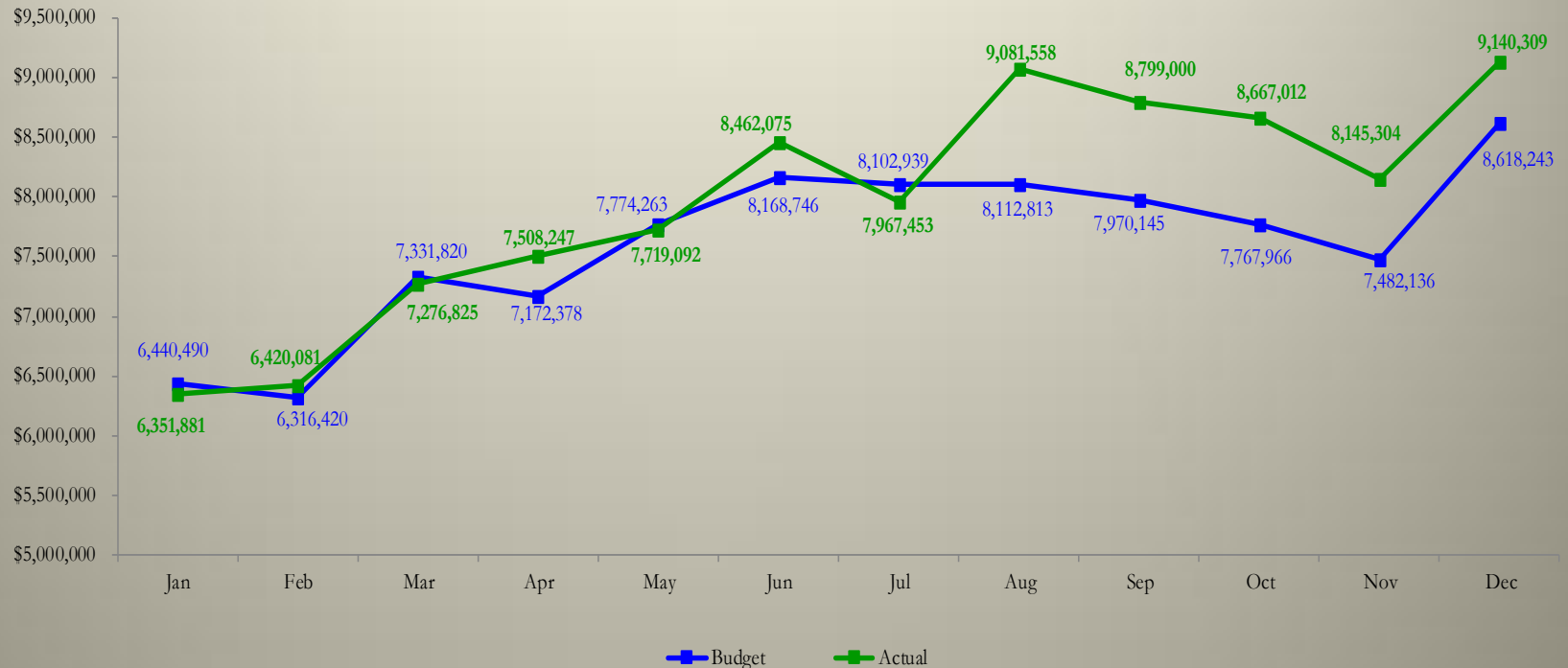
December 31, 2016

	2007	2014	2015	2016	% Chg '07 to '08	% Chg '13 to '14	% Chg '14 to '15	% Chg '15 to '16	Cumulative % Chg '07 to '16	Cumulative % Chg '15 to '16
Jan	122,993	156,767	176,135	169,774	20.60%	5.40%	12.36%	(3.61%)	38.03%	(3.61%)
Feb	125,469	150,869	133,505	160,830	(30.75%)	(5.67%)	(11.51%)	20.47%	33.06%	6.77%
Mar	119,807	307,928	233,398	203,701	2.45%	116.03%	(24.20%)	(12.72%)	45.09%	(1.61%)
Apr	152,344	225,304	216,556	309,530	(19.00%)	61.06%	(3.88%)	42.93%	62.08%	11.09%
May	122,561	172,491	192,307	361,131	(14.07%)	(26.30%)	11.49%	87.79%	87.35%	26.59%
Jun	177,741	265,470	293,958	269,097	(32.58%)	31.93%	10.73%	(8.46%)	79.56%	18.32%
Jul	154,363	372,879	417,500	258,247	(12.67%)	46.03%	11.97%	(38.14%)	77.62%	4.15%
Aug	153,645	200,894	253,460	290,215	(22.02%)	(39.69%)	26.17%	14.50%	79.16%	5.51%
Sep	135,716	184,325	228,086	471,609	(9.73%)	(33.43%)	23.74%	106.77%	97.22%	16.28%
Oct	158,728	190,083	212,460	554,549	(9.70%)	(30.45%)	11.77%	161.01%	114.19%	29.33%
Nov	121,026	127,509	242,028	294,372	(9.36%)	(19.13%)	89.81%	21.63%	116.46%	28.61%
Dec	89,753	143,507	219,865	230,411	(3.60%)	(11.55%)	53.21%	4.80%	118.67%	26.75%
Year Total	1,634,147	2,498,027	2,819,259	3,573,468	(12.91%)	0.53%	12.86%	26.75%	118.67%	26.75%



Sales & Use Tax (all components)

Budget to Actual – December 2016



Sales & Use Tax – Public Safety 2016



Historical Sales Tax Collections

Public Safety's 0.23%

December 31, 2016

	2013	2014	2015	2016	% Chg '15 to '16	Cumulative % Chg. 15' to 16'
Jan	1,227,441	1,194,626	1,340,339	1,358,920	1.39%	1.39%
Feb	1,155,383	1,254,904	1,289,442	1,386,451	7.52%	4.40%
Mar	1,355,983	1,417,338	1,532,658	1,565,627	2.15%	3.57%
Apr	1,327,434	1,371,973	1,492,308	1,573,871	5.47%	4.07%
May	1,427,859	1,557,805	1,568,511	1,636,644	4.34%	4.13%
Jun	1,496,500	1,588,045	1,727,972	1,827,048	5.73%	4.44%
Jul	1,464,528	1,557,145	1,713,850	1,754,985	2.40%	4.11%
Aug	1,488,600	1,593,920	1,640,338	1,968,527	20.01%	6.23%
Sep	1,455,052	1,537,248	1,682,608	1,858,772	10.47%	6.74%
Oct	1,421,460	1,470,256	1,563,915	1,791,421	14.55%	7.53%
Nov	1,371,028	1,371,558	1,522,891	1,734,870	13.92%	8.10%
Dec	1,599,690	1,692,619	1,777,014	1,977,485	11.28%	8.40%
Year Total	16,790,958	17,607,436	18,851,845	20,434,621	8.40%	8.40%



Historical - Use Tax on Automobiles

Budget to Actual – Public Safety's 0.23%

December 31, 2016

	2013	2014	2015	2016	% Chg '15 to '16	Cumulative % Chg. 15' to 16'
Jan	53,977	72,405	74,529	83,232	11.68%	11.68%
Feb	48,192	66,689	59,350	72,558	22.26%	16.37%
Mar	65,484	63,371	79,815	91,753	14.96%	15.84%
Apr	69,047	75,800	81,177	104,892	29.21%	19.52%
May	70,968	71,138	83,678	89,401	6.84%	16.72%
Jun	60,188	78,561	88,737	99,452	12.08%	15.84%
Jul	68,844	77,022	94,432	95,328	0.95%	13.33%
Aug	74,906	76,640	96,727	96,587	(0.14%)	11.35%
Sep	66,979	82,039	91,572	108,761	18.77%	12.26%
Oct	73,188	92,478	92,064	129,510	40.67%	15.37%
Nov	72,568	74,853	76,103	113,608	49.28%	18.18%
Dec	62,860	68,873	89,418	108,192	21.00%	18.43%
Year Total	787,201	899,870	1,007,600	1,193,275	18.43%	18.43%



Historical -Use Tax on Building Materials

Budget to Actual – Public Safety’s 0.23%

December 31, 2016

	2013	2014	2015	2016	% Chg '15 to '16	Cumulative % Chg. 15' to 16'
Jan	17,303	17,863	23,879	15,890	(33.45%)	(33.45%)
Feb	15,183	14,791	5,980	12,106	102.43%	(6.24%)
Mar	16,335	48,971	28,408	9,282	(67.33%)	(36.02%)
Apr	10,900	17,925	19,112	40,084	109.74%	(0.02%)
May	29,145	12,556	13,526	52,059	284.88%	42.37%
Jun	20,585	29,721	20,508	19,518	(4.83%)	33.68%
Jul	32,117	57,615	47,644	18,358	(61.47%)	5.18%
Aug	50,314	13,492	20,720	21,980	6.08%	5.28%
Sep	36,672	17,364	11,830	56,133	374.48%	28.08%
Oct	34,221	17,242	14,226	69,466	388.31%	52.98%
Nov	13,648	11,030	28,427	24,634	(13.34%)	44.93%
Dec	17,907	7,808	15,046	16,521	9.80%	42.81%
Year Total	294,329	266,377	249,306	356,031	42.81%	42.81%



Historical Sales & Use Tax Collections

Public Safety's 0.23% (all components)

December 31, 2016

	2013	2014	2015	2016	% Chg '15 to '16	Cumulative % Chg. '15 to '16
Jan	1,298,721	1,284,894	1,438,746	1,458,042	1.34%	1.34%
Feb	1,218,758	1,336,384	1,354,772	1,471,115	8.59%	4.86%
Mar	1,437,802	1,529,681	1,640,880	1,666,662	1.57%	3.64%
Apr	1,407,380	1,465,698	1,592,596	1,718,847	7.93%	4.77%
May	1,527,972	1,641,500	1,665,715	1,778,104	6.75%	5.20%
Jun	1,577,273	1,696,327	1,837,217	1,946,018	5.92%	5.34%
Jul	1,565,489	1,691,781	1,855,926	1,868,670	0.69%	4.58%
Aug	1,613,820	1,684,052	1,757,785	2,087,094	18.73%	6.47%
Sep	1,558,703	1,636,651	1,786,010	2,023,667	13.31%	7.29%
Oct	1,528,870	1,579,976	1,670,204	1,990,397	19.17%	8.49%
Nov	1,457,244	1,457,440	1,627,420	1,873,112	15.10%	9.08%
Dec	1,680,456	1,769,300	1,881,478	2,102,198	11.73%	9.33%
Year Total	17,872,487	18,773,683	20,108,751	21,983,927	9.33%	9.33%



Historical Sales & Use Tax Collections

Budget to Actual - Public Safety's 0.23% (all components) December 31, 2016

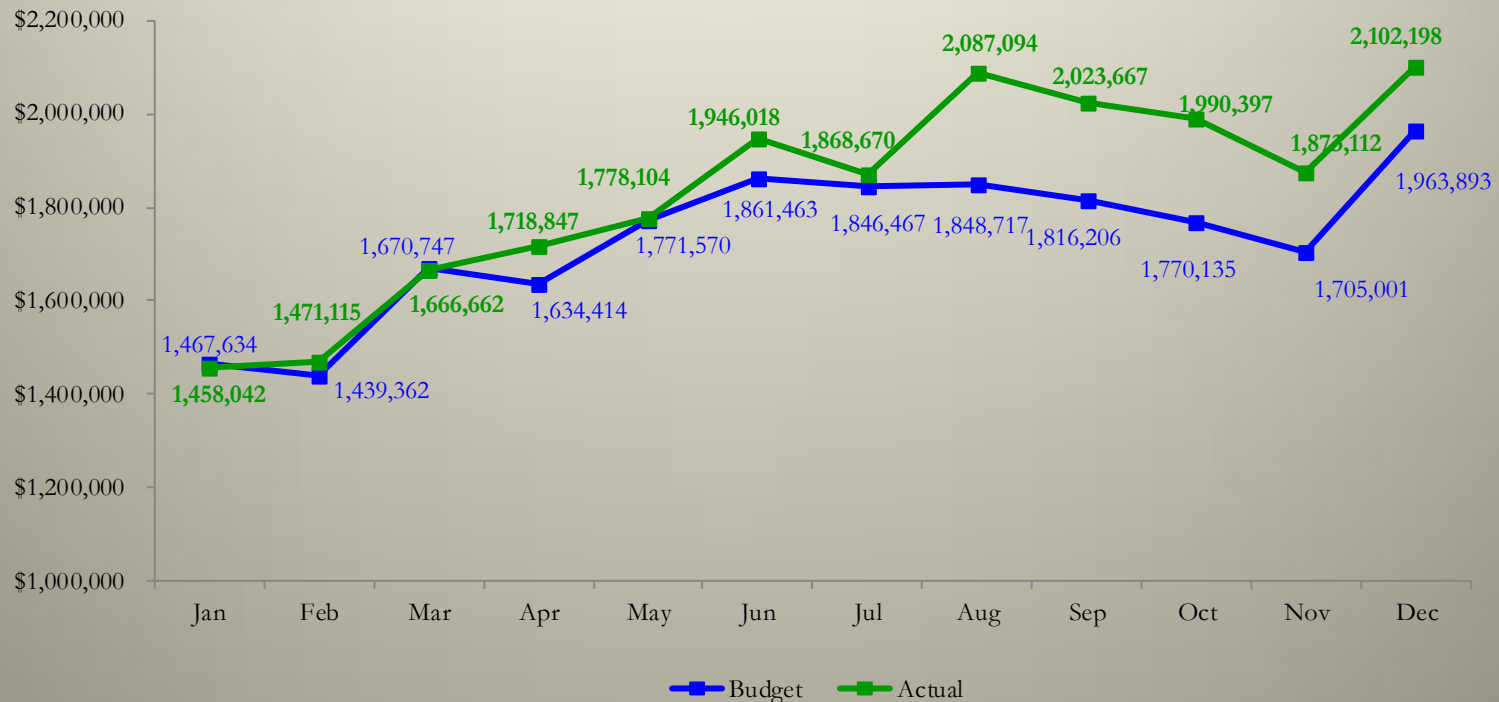
	Budget	Actual	\$ Chg Budget to Actual	% Chg Budget to Actual	Cumulative % Chg
Jan	1,467,634	1,458,042	(9,592)	(0.65%)	(0.65%)
Feb	1,439,362	1,471,115	31,753	2.21%	0.76%
Mar	1,670,747	1,666,662	(4,085)	(0.24%)	0.39%
Apr	1,634,414	1,718,847	84,433	5.17%	1.65%
May	1,771,570	1,778,104	6,535	0.37%	1.37%
Jun	1,861,463	1,946,018	84,555	4.54%	1.97%
Jul	1,846,467	1,868,670	22,203	1.20%	1.85%
Aug	1,848,717	2,087,094	238,377	12.89%	3.35%
Sep	1,816,206	2,023,667	207,461	11.42%	4.31%
Oct	1,770,135	1,990,397	220,262	12.44%	5.15%
Nov	1,705,001	1,873,112	168,111	9.86%	5.58%
Dec	1,963,893	2,102,198	138,305	7.04%	5.71%
	20,795,609	21,983,927	1,188,318		5.71%



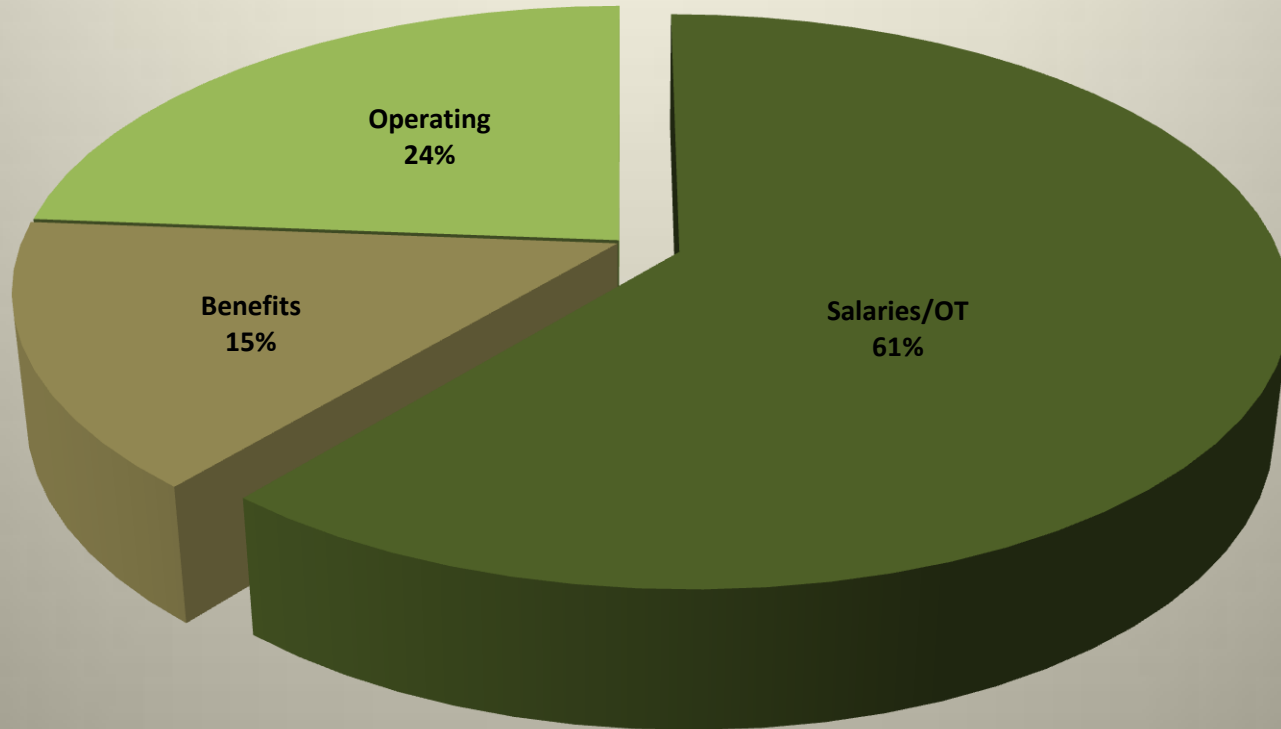
Sales & Use Tax Collections

Budget to Actual - Public Safety's 0.23% (all components)

December 31, 2016



2017 Public Safety Sales & Use Tax Budget Total \$ 22,117,113 (192 FTE's)



Questions?

