

City Council
STAFF REPORT



Meeting Date: City Council - Feb 20 2024
Agenda Item: December 2023 Sales Tax Report
Prepared By: Fay Bueno, Finance Officer

RECOMMENDATION:

For information

ATTACHMENTS:

[December 2023 Sales Tax Update Report](#)
[2023 Sales tax](#)

Approved By:
Fay Bueno, Finance Officer

Status:
Approved - Feb 15 2024



1040 Harley -Davidson Way
Sturgis, SD 57785
(605)-347-4422

December 2023 Sales Tax Update

Sales Tax in the City of Sturgis

Title 20 of the Sturgis City Ordinance authorizes the City to collect a 2% sales tax on most items and services purchased in the City of Sturgis. The City deposits these taxes into the following funds

50% into the General Fund

45% into the Capital Improvement Fund

5% into the Equipment Replacement Fund

The General Fund provides the revenue needed to support Police, Fire, Library, Parks, Recreation and other needs.

The Capital Improvement Fund provides the funding for various scheduled infrastructure upgrades including road reconstruction, road overlays, park enhancements, community center upgrades, etc.

The Equipment Replacement Fund provides the funding for the majority of the City's fleet replacement (road graders, trucks, plows, etc.).

As an example, when an individual purchases \$100 worth of groceries in Sturgis a total \$6.20 (6.2%) in sales tax is added to the bill. The sales tax is divided as follows:

\$4.20 is sent to the State

\$1.00 is deposited into the City's General Fund

\$0.10 into the Equipment Replacement Fund

\$0.90 into the Capital Improvement Fund.

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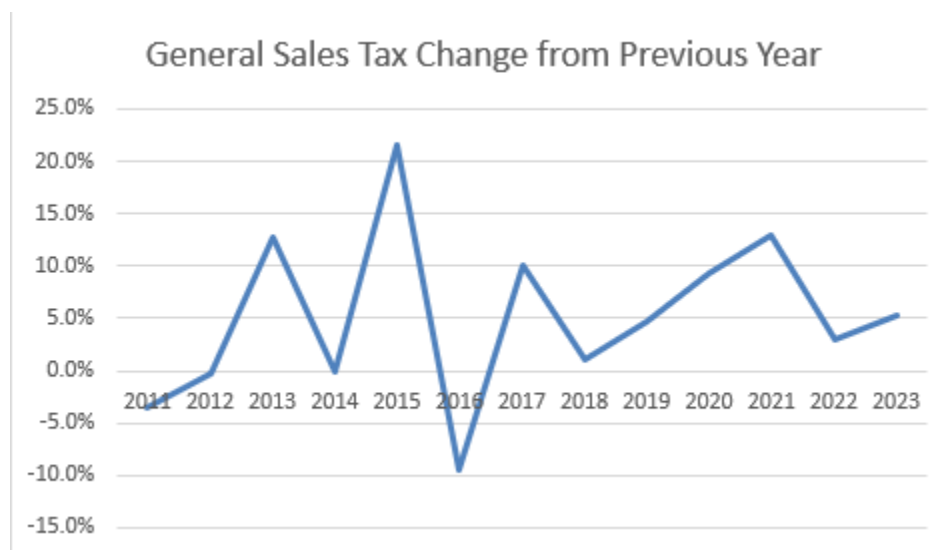
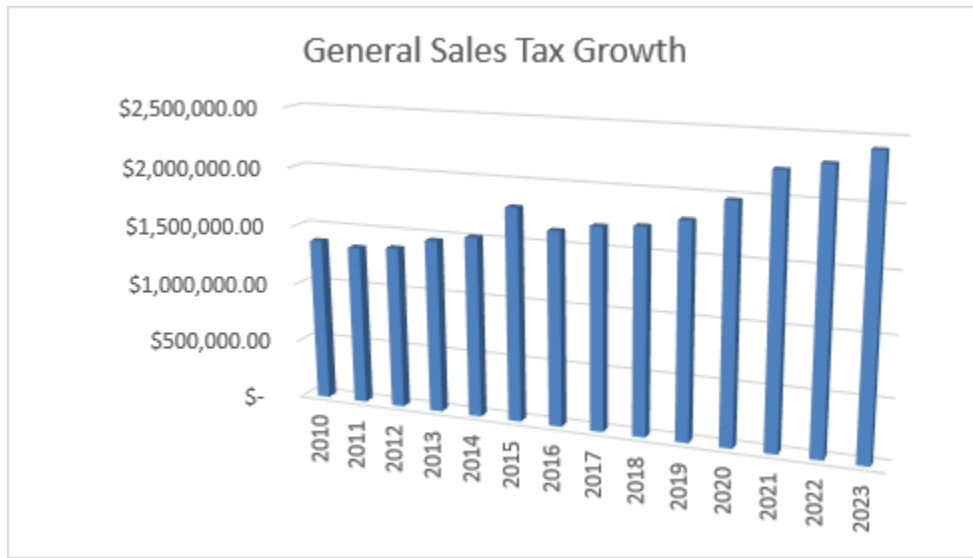
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General 2% Sales Tax

Sales in the month of December 2023 were 10.03% higher than December of 2022. Sales for the twelve months of 2023 were 5.245% higher than the same time period in 2022. January through December represented 100% of total sales in 2022. The current trend would provide a deficit in the General Fund of \$17,964.11 in 2023. The adopted 2024 budget assumes a total collection of sales tax that is 0.7% below the current 2023 trend.



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Tourism BBB Sales Tax

In addition to the 2% General Sales Tax, an additional 1% sales tax (for a total of 7.5%) is charged for all alcohol, hotel, restaurant, and similar sales. For the month of December 2023, these tourism related sales were 5.05% lower than December of 2022. Sales for the twelve months of 2023 were 6.538% higher than the same time period in 2022. January through November represented 100% of total sales in 2022.

The current trend would provide a surplus in the BBB (Tourism) Fund of \$28,508.42 in 2023. The adopted 2024 budget assumes a total collection of sales tax that is -5.9% lower than the current 2023 trend.



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SPECS TAX HISTORY																													
GENERAL	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		
JANUARY	\$	92,426.36	\$	92,426.36	\$	86,803.68	\$	85,118.80	\$	84,484.87	\$	94,844.46	\$	119,254.47	\$	136,454.40	\$	94,183.68	\$	94,363.86	\$	104,966.44	\$	120,131.20	\$	129,928.41	\$	144,169.99	
FEBRUARY	\$	115,272.61	\$	72,228.70	\$	92,772.24	\$	87,343.67	\$	98,225.71	\$	96,670.83	\$	104,512.06	\$	\$95,424.06	\$	90,831.61	\$	94,940.33	\$	97,385.47	\$	109,467.79	\$	134,217.07	\$	138,397.17	
MARCH	\$	97,684.60	\$	86,639.55	\$	67,677.78	\$	101,612.06	\$	71,588.61	\$	100,532.04	\$	95,754.51	\$	\$97,629.16	\$	106,808.18	\$	114,086.62	\$	137,496.09	\$	159,465.94	\$	156,222.24	\$	168,750.10	
APRIL	\$	83,302.39	\$	90,872.79	\$	92,274.91	\$	86,120.29	\$	91,881.70	\$	76,618.67	\$	116,268.52	\$	\$99,052.00	\$	102,641.81	\$	116,949.81	\$	113,826.33	\$	141,078.58	\$	146,696.47	\$	147,978.44	
MAY	\$	67,624.63	\$	82,704.67	\$	80,440.79	\$	79,943.53	\$	89,127.43	\$	114,212.51	\$	96,458.74	\$	\$93,350.80	\$	130,243.16	\$	134,606.21	\$	146,241.43	\$	172,528.33	\$	165,759.13	\$	180,420.63	
JUNE	\$	82,848.13	\$	64,927.40	\$	89,361.27	\$	110,382.87	\$	82,537.57	\$	80,026.82	\$	72,870.35	\$	\$155,611.99	\$	143,272.90	\$	159,547.04	\$	200,335.82	\$	204,174.60	\$	194,981.71	\$	215,187.46	
JULY	\$	128,991.27	\$	125,749.04	\$	115,501.84	\$	102,552.13	\$	151,530.73	\$	168,139.11	\$	170,900.42	\$	\$252,031.06	\$	267,584.95	\$	268,310.40	\$	282,878.38	\$	345,303.86	\$	336,517.37	\$	337,126.27	
AUGUST	\$	113,592.06	\$	144,220.74	\$	92,001.64	\$	119,406.96	\$	125,538.36	\$	147,901.51	\$	188,322.44	\$	\$271,598.05	\$	277,751.21	\$	287,026.90	\$	314,117.74	\$	320,381.87	\$	339,526.99	\$	387,828.00	
SEPTEMBER	\$	240,798.14	\$	225,920.71	\$	265,193.70	\$	335,359.16	\$	311,898.44	\$	465,973.99	\$	253,936.54	\$	\$139,799.29	\$	142,113.89	\$	149,970.71	\$	155,218.10	\$	188,362.00	\$	206,209.83	\$	197,420.66	
OCTOBER	\$	188,534.67	\$	159,938.06	\$	186,389.42	\$	134,439.44	\$	201,007.65	\$	238,678.12	\$	217,527.35	\$	\$120,893.45	\$	115,508.91	\$	122,356.40	\$	142,654.79	\$	162,900.01	\$	162,073.01	\$	156,987.30	
NOVEMBER	\$	102,478.74	\$	111,685.28	\$	110,665.36	\$	124,187.32	\$	115,963.83	\$	123,910.49	\$	95,927.92	\$	\$106,894.69	\$	121,579.62	\$	111,970.71	\$	122,599.31	\$	139,898.29	\$	157,634.92	\$	159,274.91	
DECEMBER	\$	60,200.85	\$	87,458.88	\$	90,328.32	\$	94,939.33	\$	93,970.80	\$	83,622.46	\$	96,390.95	\$	\$123,572.27	\$	127,300.88	\$	140,934.84	\$	155,380.41	\$	165,317.61	\$	165,932.84	\$	182,573.95	
TOTALS	\$	1,373,754.45	\$	1,344,772.18	\$	1,369,410.95	\$	1,461,405.56	\$	1,517,755.70	\$	1,791,131.01	\$	1,628,124.27	\$	1,692,311.22	\$	1,719,820.80	\$	1,795,063.83	\$	1,973,100.30	\$	2,229,010.09	\$	2,295,699.98	\$	2,416,114.89	
Annual PercentageChange		-3.6%		-0.4%		12.8%		-0.1%		21.5%		-9.4%		10.1%		1.1%		4.7%		9.3%		13.0%		3.0%		5.2%			
		Month vs. Month		10.03%		Year End Trend		\$2,416,114.89		Year vs Year		5.245%		2023 Trend Surplus (def)		(\$17,964.11)		YTD Perc. Complete		100%		2024 % Inc Needed		0.7%		2023 Per above (below) Budget		-0.7%	
SPECIAL SALES TAX	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		
JANUARY	\$	\$10,340.36	\$	\$10,339.37	\$	\$13,301.85	\$	\$11,815.19	\$	\$12,669.83	\$	\$13,097.22	\$	\$19,387.17	\$	\$15,355.35	\$	\$14,835.17	\$	\$14,932.72	\$	15,371.14	\$	20,042.99	\$	19,037.78	\$	22,363.50	
FEBRUARY	\$	\$19,473.25	\$	\$9,335.28	\$	\$12,294.83	\$	\$8,741.27	\$	\$13,254.02	\$	\$14,122.92	\$	\$12,591.95	\$	\$17,140.62	\$	\$14,142.95	\$	\$14,267.17	\$	13,867.06	\$	16,947.28	\$	20,976.95	\$	20,622.74	
MARCH	\$	\$15,648.63	\$	\$15,209.10	\$	\$11,031.44	\$	\$12,083.06	\$	\$11,789.13	\$	\$15,636.44	\$	\$17,965.04	\$	\$14,574.07	\$	\$16,442.85	\$	\$16,116.98	\$	14,926.75	\$	24,052.61	\$	22,572.46	\$	28,343.45	
APRIL	\$	\$11,265.90	\$	\$12,780.75	\$	\$15,543.65	\$	\$13,945.94	\$	\$16,951.25	\$	\$9,909.59	\$	\$18,397.52	\$	\$14,145.07	\$	\$17,367.51	\$	\$16,901.43	\$	12,718.90	\$	24,131.90	\$	23,050.48	\$	24,247.64	
MAY	\$	\$8,862.48	\$	\$13,045.71	\$	\$12,506.78	\$	\$13,891.02	\$	\$13,658.69	\$	\$17,989.87	\$	\$14,798.61	\$	\$14,432.38	\$	\$23,926.10	\$	\$23,618.88	\$	21,594.13	\$	34,041.43	\$	31,002.17	\$	37,879.70	
JUNE	\$	\$14,039.42	\$	\$11,593.52	\$	\$17,676.24	\$	\$18,618.42	\$	\$15,118.35	\$	\$14,706.19	\$	\$16,056.62	\$	\$29,407.27	\$	\$30,631.77	\$	\$30,943.22	\$	34,138.90	\$	43,690.19	\$	36,844.11	\$	44,944.13	
JULY	\$	\$26,429.07	\$	\$21,992.73	\$	\$21,138.08	\$	\$19,513.33	\$	\$30,308.78	\$	\$27,166.83	\$	\$30,627.89	\$	\$45,968.23	\$	\$49,543.89	\$	\$47,762.83	\$	45,706.63	\$	60,697.66	\$	61,084.61	\$	63,210.57	
AUGUST	\$	\$24,595.34	\$	\$30,598.67	\$	\$23,951.60	\$	\$30,070.47	\$	\$26,171.46	\$	\$34,591.64	\$	\$34,497.58	\$	\$96,846.01	\$	\$90,212.33	\$	\$91,736.14	\$	97,101.42	\$	98,758.94	\$	117,331.18	\$	125,082.98	
SEPTEMBER	\$	\$54,816.08	\$	\$42,319.60	\$	\$49,778.98	\$	\$71,371.22	\$	\$73,785.12	\$	\$96,999.88	\$	\$50,614.27	\$	\$24,253.37	\$	\$25,798.06	\$	\$26,890.98	\$	28,708.93	\$	37,917.82	\$	38,451.74	\$	42,105.37	
OCTOBER	\$	\$53,971.95	\$	\$56,318.89	\$	\$68,320.57	\$	\$51,649.75	\$	\$52,612.02	\$	\$78,819.77	\$	\$77,642.25	\$	\$19,117.69	\$	\$18,930.62	\$	\$19,165.44	\$	20,626.44	\$	27,308.77	\$	29,913.63	\$	27,087.64	
NOVEMBER	\$	\$19,378.29	\$	\$20,299.53	\$	\$20,553.25	\$	\$20,866.97	\$	\$23,484.66	\$	\$19,987.81	\$	\$21,974.75	\$	\$17,870.59	\$	\$20,470.28	\$	\$16,938.91	\$	16,463.22	\$	25,469.65	\$	29,913.63	\$	25,002.27	
DECEMBER	\$	\$8,551.28	\$	\$13,611.97	\$	\$14,286.09	\$	\$13,354.59	\$	\$12,512.97	\$	\$14,255.41	\$	\$14,630.60	\$	\$16,658.75	\$	\$16,834.81	\$	\$18,787.02	\$	20,628.96	\$	22,902.39	\$	22,321.65	\$	21,193.43	
TOTALS	\$	\$267,372.05	\$	\$257,445.12	\$	\$280,383.36	\$	\$285,921.23	\$	\$302,316.28	\$	\$357,283.57	\$	\$329,184.25	\$	\$325,769.40	\$	\$339,136.34	\$	\$338,061.72	\$	\$341,852.47	\$	\$435,961.64	\$	\$452,500.38	\$	\$482,083.42	
Annual PercentageChange		-3.7%		8.9%		2.0%		5.7%		18.2%		-7.9%		-1.0%		4.1%		-0.9%		1.1%		27.5%		3.8%		6.5%			
		Month vs. Month		-5.05%		Year End Trend		\$482,083.42		Year vs Year		6.538%		2023 Trend Surplus (def)		\$28,508.42		YTD Perc. Complete		100%		2024 % Inc Needed		-5.9%		2023 Per above (below) Budget		5.9%	
CAPITAL IMPROVEMENT & EQUIPMENT	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		
JANUARY	\$	92,426.35	\$	92,426.35	\$	86,803.69	\$	85,118.80	\$	84,484.87	\$	94,844.46	\$	119,254.48	\$	136,454.40	\$	94,183.71	\$	94,363.87	\$	104,966.44	\$	120,131.20	\$	129,928.41	\$	144,169.99	
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MAY	\$	67,624.65	\$	82,704.66	\$	80,440.79	\$	79,943.54	\$																				