

City Council  
**STAFF REPORT**



**Meeting Date:** City Council - Apr 15 2024  
**Agenda Item:** February 2024 Sales Tax Report  
**Prepared By:** Adam Hosch, Finance Officer

**RECOMMENDATION:**

For information

**ATTACHMENTS:**

[February 2024 Sales Tax Update Report](#)  
[Sales Tax February](#)  
[Past Sales Tax Comparison](#)

**Approved By:**  
Adam Hosch, Finance Officer

**Status:**  
Approved - Apr 11 2024



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

## February 2024 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. In 2023, the Capital Improvement Fund transfers \$18,750 each month to the General Fund. Therefore, sales tax collections for the month must exceed \$41,667 before any revenue is available for capital improvement projects.

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 \$6.50 (6.5%) in sales tax is added to the bill. The sales tax is divided as follows:

\$4.50 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.

[www.sturgis-sd.gov](http://www.sturgis-sd.gov)

[www.facebook.com/cityofsturgis](https://www.facebook.com/cityofsturgis)

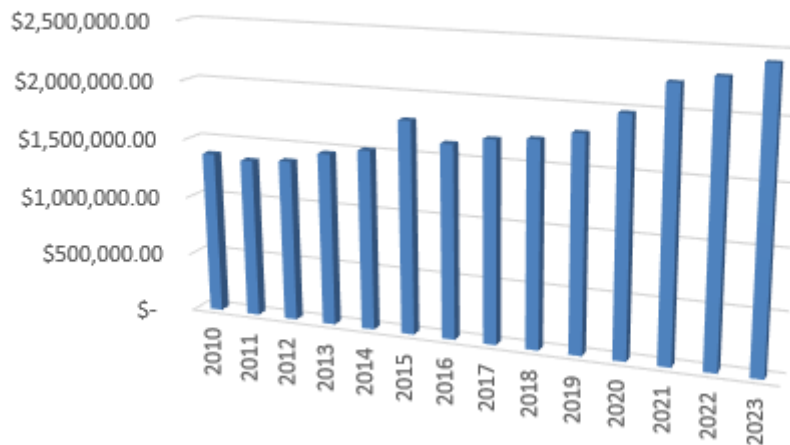


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### General 2% Sales Tax

Sales in the month of February 2024 were 5.97% lower than February of 2023. Sales for the first two months of 2024 were 6.03% lower than the same time period in 2023. January through February represented 12% of total sales in 2023.

General Sales Tax Growth



General Sales Tax Change from Previous Year



[www.sturgis-sd.gov](http://www.sturgis-sd.gov)

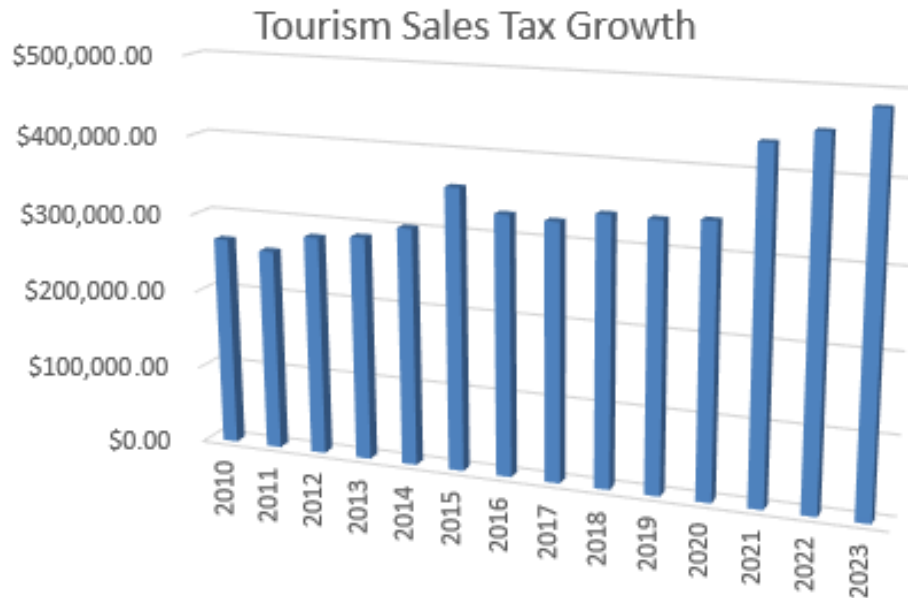
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## Tourism BBB Sales Tax

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 February 2024, these tourism related sales were 10.41% higher than February of 2023. Sales for the first two months of 2024 were 0.4% higher than the same time period in 2023. January through February represented 9% of total sales in 2023. Typically, the City must wait until June or July collections before a sufficient yearly trend for tourism related sales can be seen.



[www.sturgis-sd.gov](http://www.sturgis-sd.gov)

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March 26, 2024

FINANCE OFFICER  
CITY OF STURGIS  
1040 SECOND ST STE 103  
STURGIS, SD 57785

RE: Municipal Tax Distribution

You will be receiving a payment in the amount of **\$285,890.31** from the State of South Dakota. This payment reflects municipal tax reported to and/or collected by the South Dakota Department of Revenue per South Dakota Codified Law 10-52.

This amount represents tax returns filed and audits processed from 03/01/2024 through 03/21/2024. Following is a breakdown showing the details of this amount. The miscellaneous amounts include a portion of municipal tax reported from taxpayers that refuse to identify the municipal amounts by municipality. These amounts are apportioned back to all municipalities based on a percentage of the total.

Payment Type	City Code	Tax Type	Rate	Effective From	Effective To	Amount
Reported Amount	341-2	General	2.00	01/01/2004	--	\$265,443.56
	341-1	Gross Receipts	1.00	01/01/2004	--	\$23,223.98
		<b>Subtotal</b>				<b>\$288,667.54</b>
Administrative	341-2	General	2.00	01/01/2004	--	(\$2,654.44)
	341-1	Gross Receipts	1.00	01/01/2004	--	(\$232.24)
Miscellaneous	341-2	General	2.00	01/01/2004	--	\$100.66
	341-1	Gross Receipts	1.00	01/01/2004	--	\$8.79
		<b>Net Payment Amount =</b>				<b>\$285,890.31</b>

\* (1) - This carry over amount will be deducted from future payments.

\* (2) - This carry over amount exists from previous distributions.

If you are not already taking advantage of having this payment electronically deposited, please submit the required form at <http://bfm.sd.gov/vendor/ach.htm>. In addition, contact the individual listed below so we can update your payment method on file.

For further information on the municipal tax collected and for an explanation of the amounts deducted from this tax above please visit our website at: [http://dor.sd.gov/Taxes/Business\\_Taxes/Publications/Municipal\\_Tax.aspx](http://dor.sd.gov/Taxes/Business_Taxes/Publications/Municipal_Tax.aspx)

If you have any additional questions regarding this matter, please contact Sharon Ferry at (605) 773 - 3311.

Sincerely,

South Dakota Department of Revenue

April 03, 2024

FINANCE OFFICER  
CITY OF STURGIS  
1040 SECOND ST STE 103  
STURGIS, SD 57785

RE: Municipal Tax Distribution

You will be receiving a payment in the amount of **\$0.00** from the State of South Dakota. This payment reflects municipal tax reported to and/or collected by the South Dakota Department of Revenue per South Dakota Codified Law 10-52.

This amount represents tax returns filed and audits processed from 03/22/2024 through 03/31/2024. Following is a breakdown showing the details of this amount. The miscellaneous amounts include a portion of municipal tax reported from taxpayers that refuse to identify the municipal amounts by municipality. These amounts are apportioned back to all municipalities based on a percentage of the total.

Payment Type	City Code	Tax Type	Rate	Effective From	Effective To	Amount
Audit Paid	341-2	General	2.00	01/01/2004	--	(\$81.66) <del>---</del>
Reported Amount	341-2	General	2.00	01/01/2004	--	(\$1,525.73) <del>---</del>
	341-1	Gross Receipts	1.00	01/01/2004	--	\$205.87
Subtotal						(\$1,401.52)
Administrative	341-2	General	2.00	01/01/2004	--	\$16.08 <del>---</del>
	341-1	Gross Receipts	1.00	01/01/2004	--	(\$2.06)
Manual Adjustment	341-2	General	2.00	01/01/2004	--	\$1,591.40 <del>---</del>
	341-1	Gross Receipts	1.00	01/01/2004	--	(\$203.82)
Miscellaneous	341-2	General	2.00	01/01/2004	--	(\$0.09) <del>---</del>
	341-1	Gross Receipts	1.00	01/01/2004	--	\$0.01
Net Payment Amount =						\$0.00

\* (1) - This carry over amount will be deducted from future payments.

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If you are not already taking advantage of having this payment electronically deposited, please submit the required form at <http://bfm.sd.gov/vendor/ach.htm>. In addition, contact the individual listed below so we can update your payment method on file.

For further information on the municipal tax collected and for an explanation of the amounts deducted from this tax above please visit our website at: [http://dor.sd.gov/Taxes/Business\\_Taxes/Publications/Municipal\\_Tax.aspx](http://dor.sd.gov/Taxes/Business_Taxes/Publications/Municipal_Tax.aspx)

If you have any additional questions regarding this matter, please contact Sharon Ferry at (605) 773 - 3311.

Sincerely,

South Dakota Department of Revenue

SALES TAX HISTORY									
GENERAL	2016	2017	2018	2019	2020	2021	2022	2023	2024
JANUARY	\$ 119,254.47	\$136,454.40	\$ 94,183.68	\$ 94,363.86	\$ 104,966.44	\$ 120,131.20	\$ 129,928.41	\$ 144,169.99	\$ 135,388.26
FEBRUARY	\$ 104,512.06	\$95,424.06	\$ 90,831.61	\$ 94,940.33	\$ 97,385.47	\$ 109,467.79	\$ 134,217.07	\$ 138,397.17	\$ 130,130.44
MARCH	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 1,628,124.27	\$ 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	\$ 265,518.70

SPECIAL SALES TAX	2016	2017	2018	2019	2020	2021	2022	2023	2023
JANUARY	\$19,387.17	\$15,355.35	\$14,835.17	\$14,932.72	\$ 15,371.14	\$ 20,042.99	\$ 19,037.78	\$ 22,363.50	\$ 20,377.62
FEBRUARY	\$12,591.95	\$17,140.62	\$14,142.95	\$14,267.17	\$ 13,867.06	\$ 16,947.28	\$ 20,976.95	\$ 20,622.74	\$ 22,770.52
MARCH	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$329,184.25	\$325,769.40	\$339,136.34	\$338,061.72	\$341,852.47	\$435,961.64	\$452,500.38	\$482,083.42	\$43,148.14