

# 2019-20 Holiday Sales

## Sales Tax Revenue

Sales tax revenue is the backbone of the city's General Fund budget and accounts for more than half of total revenue collections in that fund. The bulk of holiday season sales occur in November, which includes Black Friday, and December, when the majority of holiday shopping is done. Depending on the year, Cyber Monday can occur in either month. The city collects sales tax revenues the month after sales are realized, thus November and December 2019 sales were posted in December 2019 and January 2020 respectively.

As shown below, sales tax revenue received in December 2019 was a modest 0.7 percent higher than revenue received in December 2018. This low growth rate was not a surprise, as there were only two shopping days in November 2019 after Thanksgiving and Cyber Monday fell in December. As such, a higher proportion of holiday sales occurred in December pushing January 2020 sales tax receipts up 11.0 percent compared to January 2019. With the two months combined, the 2019-20 holiday season saw 6.8 percent growth compared to the 2018-19 shopping season. This growth compares favorably to the 3.5 percent holiday sales growth seen last year.

The top taxpayers by industry table compares 2019-20 holiday sales tax collections to 2018-19 collections. Although total sales tax collections increased by 6.8 percent over the holiday shopping season, the Baseline Top Taxpayers increased 3.1 percent. Baseline data represents a group of consistent top taxpayers and is generally generated by retail sales. Collections from this group are behind the National Retail Federation reported holiday sales growth of 4.1% in 2019.

Among the Baseline Top Taxpayers, growth in the Eating and Drinking Places, Building Materials, Auto Dealers and Parts

and Grocery Stores categories is significant. The Grocery Stores category's performance net of the decline seen in Liquor Stores suggests that making full strength malted beverages available in grocery stores has been a net gain. Also contributing to gains in the Grocery Stores category is the re-opening of King Soopers at the Point at Nine Mile Station.

Even more significant is the growth seen in the Variable Top Taxpayers, a term coined to describe top taxpayers who submit large amounts with some inconsistency. A large portion of these collections are from business-to-business sales stemming from development and business investment. Sales tax performance has also benefitted from the implementation of HB 19-1240 requiring out-of-state retailers to collect sales tax based on the location of the buyer, whether or not the retailer has a physical presence in Colorado. These collections are reported in the Total of All Other Taxpayers category.

## Top Taxpayers by Industry Category

Industry Category (\$ in thousands)	Holiday Sales		\$ Variance	% Change
	2019-20	2018-19		
Eating & Drinking Places	\$4,910.0	\$4,734.9	\$175.1	3.7%
Discount Stores	4,840.9	4,814.9	26.0	0.5%
Building Materials	2,520.0	2,360.1	159.9	6.8%
Auto Dealers and Parts	1,961.1	1,852.4	108.7	5.9%
Utilities	1,774.3	1,804.3	(29.9)	(1.7%)
Telecommunication/Cellular	1,603.3	1,566.2	37.0	2.4%
Clothing and Clothing Accessories	1,279.1	1,222.5	56.6	4.6%
Grocery Stores	1,261.2	1,037.5	223.6	21.6%
Department Stores	1,170.3	1,236.0	(65.7)	(5.3%)
Electronics/Computers	1,084.1	1,054.4	29.7	2.8%
Beer, Wine, and Liquor Stores	849.9	859.0	(9.1)	(1.1%)
Furniture and Home Furnishings	479.1	445.7	33.4	7.5%
Sport Goods, Hobby, Books, Music	456.3	492.0	(35.7)	(7.3%)
Other Top Taxpayers	2,437.6	2,358.5	79.1	3.4%
<b>BASELINE TOP TAXPAYERS</b>	<b>\$26,627.1</b>	<b>\$25,838.5</b>	<b>\$788.7</b>	<b>3.1%</b>
Variable Top Taxpayers	2,118.0	775.1	1,342.8	173.2%
Total of All Other Taxpayers	11,669.7	10,515.7	1,154.0	11.0%
Less: Sales Tax Incentives	1,868.6	1,022.0	846.6	82.8%
<b>TOTAL SALES TAX</b>	<b>\$38,546.2</b>	<b>\$36,107.3</b>	<b>\$2,438.9</b>	<b>6.8%</b>

% Change from Same Month in Prior Year

