

SALES AND USE TAX REVENUE IN COLORADO CITIES SINCE START OF THE PANDEMIC

AUGUST 2020

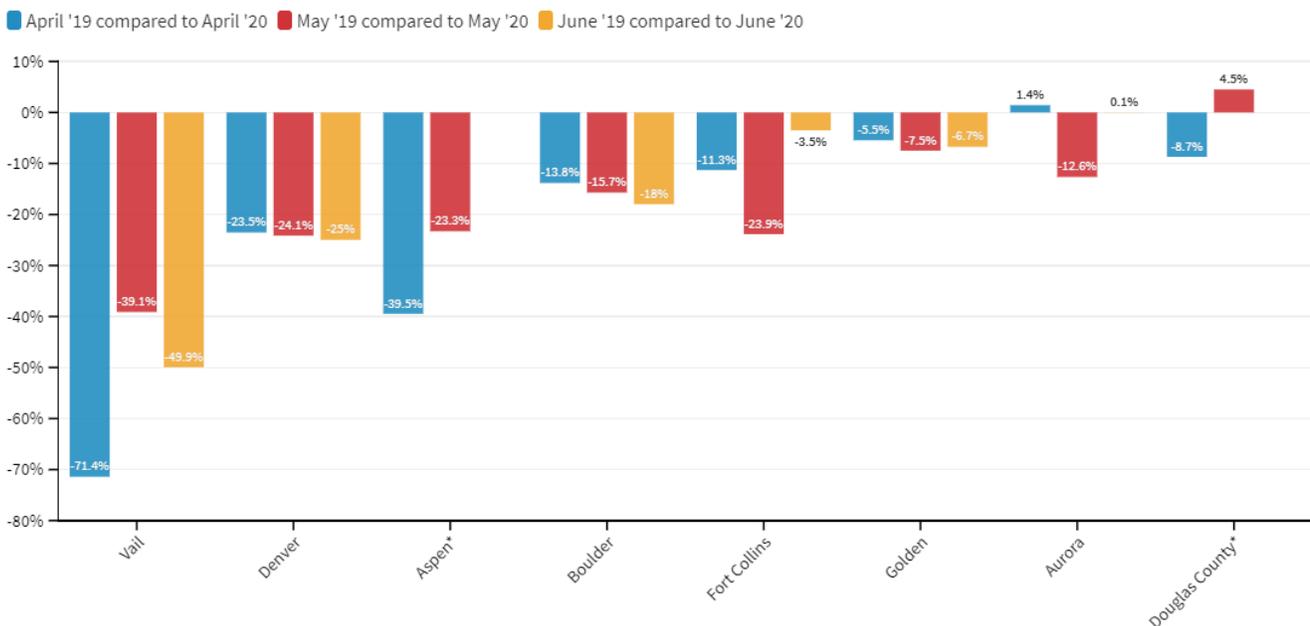
Monthly revenue estimates suggest differing impacts on sales tax revenue across Colorado cities. While some are experiencing large monthly reductions relative to previous year’s collections, others are equal to, or even slightly above.

Key Findings:

- Sales tax revenue in **Vail for the months of April, May and June, was consistently more than 35% lower** than the same three months in 2019. This stands in distinct contrast to Aurora, that saw a 12.6% decline in May 2020 sales tax revenue relative to the previous May but saw slightly increased revenue in April and June from the same months in 2019.
- Both Denver and Boulder experienced consistently lower sales tax revenue for the months of April to June relative to 2019. **The three-month average sales and use tax revenue for Denver was -24.2%, or -\$17,500,00 per month, and Boulder was -15.8%, or -\$1,900,000 per month** between April and June compared to 2019.
- Both Aurora and Douglas County have seen much less of an impact, as sales tax revenue slightly increased relative to 2019 during a few months. **Total sales and use tax revenue from January to June 2020 in Aurora, is nearly 3% above 2019 levels for the same months. May sales and use tax revenue in Douglas County was 4.5% above May 2019 levels.**

COVID-19 Impact on Local Sales and Use Tax Revenue in Colorado

2020 Monthly Tax Revenue Compared to Same Month in Previous Year



Year-to-date** Revenue 2020 to 2019 Comparison

City (Primary County)	Change in Year-to-Date** Revenue 2020 to 2019		Change in County Unemployment Rate Feb. to June 2020	June COVID-19 Cases as % of County population
	% Change	\$ Change		
Denver (Denver)	-12.69%	-\$46,191,095	+9.1	0.123%
Aurora (Arapahoe)	2.93%	\$2,890,955	+8.7	0.120%
Vail (Eagle)	-33.80%	-\$5,500,266	+13.6	0.190%
Fort Collins (Larimer)	-6.02%	-\$4,152,453	+6.6	0.041%
Boulder (Boulder)	-9.29%	-\$6,339,163	+7.1	0.123%
Golden (Jefferson)	-4.00%	-\$1,052,684	+7.8	0.075%
Aspen (Pitkin)*	-14.11%	-\$990,033	+13.5	0.231%
Douglas County*	3.20%	\$884,851	+6.3	0.064%

* Aspen and Douglas County estimates are through May as have not yet reported June revenue.

** January to June

Note: Given cities may have collected slightly more revenue in January and February 2020 than the same months in 2019, the difference between the year-to-date comparisons are slightly lower than the April to June difference may suggest.

While the evidence that some cities are being hit much harder from a revenue standpoint than others, there is not enough detail in the reports just yet, to fully understand exactly why. However, it is likely that many factors are at play, including the following.

- **City industry mix** – Cities like Vail and other mountain communities have experienced disproportionate employment impacts due to share of regional economy contributed by large ski resorts which were forced to end their winter seasons early.
- **City mix of residential vs commercial** – Denver, which typically benefits from large numbers of in-commuters, faces larger revenue losses due to the near elimination of daily commuters, business travelers and evening commuters going to events or dinners. Cities and counties outside the urban core may benefit from local citizens staying in their homes and shopping more locally than usual. They also face less exposure to the drying up of business-related travel.
- **Degree to which businesses have stayed open and consumers have returned to more normal spending patterns** – While the state’s executive administration has issued many statewide orders related to public health, including the March and April Safer-at-Home orders, some cities have implemented stricter polices, while others have received exemptions. There is also an observable difference between the way citizens of different counties or cities have chosen to respond to the orders. In some regions, people have continued to shop in retail stores, or frequent restaurants and bars at higher rates than others.