

By The Numbers

Building Sales Tax Dollars in Burnet, Texas

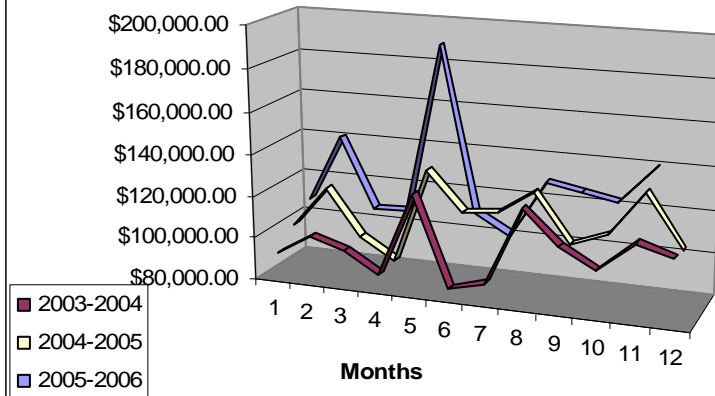


The City's total sales tax rate is 8.25% which includes a state sales tax of 6.25%, a city tax of 1%, an economic development tax of .5% and a property tax relief tax of .5%.

INDUSTRIES SUBJECT TO SALES TAX

- Construction
- Agriculture/Forestry/Fishing
- Mining
- Manufacturing
- Transportation/Communications/Utilities
- Wholesale Trade
- Retail Trade
- Finance/Insurance/Real Estate
- Services
- Public Administration
- Non Classified
- Other

SALES TAX - FISCAL YEAR



The state of Sales Tax Collections in Burnet

On average, sales taxes were up by 8.63% in in 2006 over the 2005 numbers. Sales tax for **fiscal year 2005-2006** were **\$1,506,955** as compared to 2005-2006 which were \$1,401,427.

The Comptroller's office reports that **December 2006** sales taxes for Burnet are **\$113,450** as compared to \$107,424 for the same period last year. The Comptroller also reports that during the five year period that consists of 2001-2005, **RETAIL** sales were up by **30%** from 1996-2000.

Leakage vs Surplus

(2004 data based on a 5-mile radius around the intersection of Hwy. 29 and Hwy. 281)

A *surplus* exists if the area sells more of something than the area's residents buy. A *leakage* exists if the residents are buying more than the area businesses report in sales. If a category has large expenditures and a large amount of leakage, then there is a good potential for a retail business to enter the area.

S= Surplus of more than \$1Million/year
L= Leakage of more than \$1M/year

CAPCOG Retail Analysis, February 2005

Automobile Dealers	L
Grocery Stores	S
Clothing Stores	S
General Merchandise Stores	S
Direct Selling Establishments (Ex: Avon®, Tupperware®)	L
Full-Service Restaurants	S
Limited-Service Restaurants	L

CAPCOG estimated that in 2004 the top five categories of **Significant Retail Leakage** for the 5-mile area were Automobile Dealers, Limited-Service Eating Places, Direct Selling Establishments, Electronic Shopping and Mail Order Houses, and Furniture Stores.

The top five **Significant Retail Surpluses** included: Grocery Stores, Full-Service Restaurants, Clothing Stores, Health & Personal Care Stores and Other Miscellaneous Store Retailers.



Piecing together the Sales Tax puzzle.

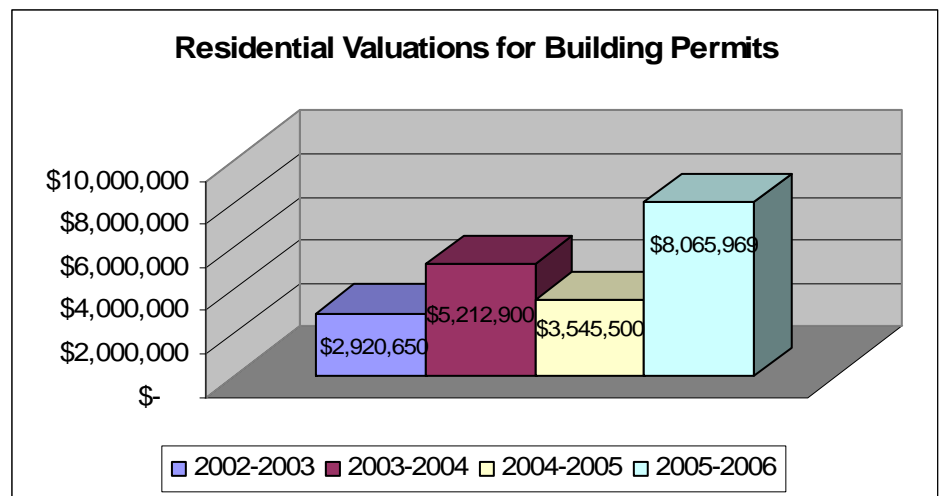
CAPCOG suggested (2005) we need Automobile Dealers, Limited-Service Eating Places, and Direct Selling Establishments; the **Angelou Economics Assessment** (2003) maintained that the top three categories that were needed were Distribution and Warehousing Businesses, Chemical Suppliers, and Hospitality and Retail Businesses. **Anecdotal** recommendations suggest we need Full-Service Restaurants, Large Retail and Entertainment.

SO, where DO we go from here... and are we are already getting there?

IF RETAIL FOLLOWS ROOFTOPS

It is commonly accepted that retail growth follows population growth and if that is true, we are poised to see retail development such as this city has never seen.

Valuations for RESIDENTIAL building permits were over \$8m for fiscal year 2005-2006 as compared to \$3.5m the year before.



Not waiting around to see...

We cannot sit still as a community to see if the retail following rooftops adage is true. An economically sound community consists of a balance between **INDUSTRY, RETAIL AND TOURISM**. Dependence upon one or two revenue streams makes for a vulnerable economy. The Economic Development Office of the City of Burnet works daily on all aspects community growth. Some of the ways we are doing this are:

- Responding to inquiries using the Economic Development Tools that were developed in the department
- Creating submittals for leads from the Office of the Governor Economic Development Division
- Recruitment of prospective businesses through personal contact, mailing campaigns and internet access
- Posting Economic Development information on the City website
- Establishing a data base of available commercial property with photos and layouts, which is published on the City web site
- Meeting regularly with local property owners, the Hill Country Industrial Foundation, developers and tourism entities to share information and develop leads
- Working with local entities for tourism development using both local and regional resources
- Disseminating information through the web site and advertising for tourism
- Working with developers and answering inquiries regarding retail development
- Contacting retail companies and franchise holders to develop interest in the area
- Creating a database of retail developers to send direct mail information to
- Reviewing and creating appropriate programs and materials for continued opportunities in economic development
- Staying updated on changes in Economic Development law and associated taxes
- And much more ...