

# **Sales Tax Data Tracking and Forecasting in Texas**

## **Presentation for**

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# The Comptroller's Five Major Duties

- Tax Administrator
- Chief Fiscal Officer
- Revenue Estimator
- Treasurer
- State Procurement Officer

Article III, Sec. 49a, Texas Constitution requires a “Financial Statement and Estimate by Comptroller of Public Accounts.”

***Biennial Revenue Estimate*** is produced before each legislative session.

***Certification Revenue Estimate*** is released in the fall following a legislative session, as required by Section 403.0131 (b), Texas Government Code.

## **General Information, Texas Sales and Use Tax**

**State Sales Tax Rate** is 6.25% of the sale or rental of goods and taxable services.

**Sales tax** is due on tangible personal property (unless specifically exempted) and specific services.

**Use tax** is due on taxable goods and services for use in Texas when sales tax was not charged or was charged incorrectly by the seller.

**Returns** may be filed monthly, quarterly or annually.

**Permits** are issued to taxpayers at Master or Location level.

**Prepayments** are allowed on a monthly or quarterly basis for certain taxpayers.

# Systems Used for Tracking

- **ITS** – Integrated Tax System
- **CICS** – Customer Information Control System
- **Pitney Bowes Software** and GIS database Automated Tax Jurisdiction System
- **USAS** – Uniform Statewide Accounting System

# Tools to Track and Troubleshoot

- **On-line interface through CICS - for** Integrated Tax System
- **SQL Queries – for both USAS and ITS data**
- **SAS codes - for both USAS and ITS data**

# Types of Sales Tax Tracking

- Sales tax remittances by specific industry, sector, NAICS code or individual tax payer
- Cash received for specific sales tax type (prepayments and regular tax)

# Frequency of Sales Tax Tracking

- **Daily**  
cash collections by specific type on the 15<sup>th</sup> and then everyday after 20<sup>th</sup>
- **Monthly**  
cash collections in comparison to the previous year and estimate;  
tax remittances by specific industry and sector
- **Yearly**  
cash collections in comparison to the previous year and estimate;  
tax remittances by specific industry and sector.

# Reporting of Sales Tax

- By users of information
  - internal and external reports
- By type of report
  - monthly and yearly state collections
  - monthly allocations of sales tax to local communities

# NAICS Data on Sales Tax Permit

34. Enter your North American Industry Classification System (NAICS) code. (See specific instructions.) .....

If you don't know your NAICS code, indicate your principal type of business.

- |  |  |                                       |  |   |
|--|--|---------------------------------------|--|---|
| <input type="checkbox"/> Agriculture   | <input type="checkbox"/> Transportation  | <input type="checkbox"/> Retail Trade | <input type="checkbox"/> Real Estate                   | <input type="checkbox"/> Direct Sales / Marketing |
| <input type="checkbox"/> Mining        | <input type="checkbox"/> Finance         | <input type="checkbox"/> Services     | <input type="checkbox"/> Communications (See Item 38.) |   |
| <input type="checkbox"/> Construction  | <input type="checkbox"/> Utilities       | <input type="checkbox"/> Insurance    | <input type="checkbox"/> Public Administration         |   |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Wholesale Trade | <input type="checkbox"/> Health Spa   | <input type="checkbox"/> Other (explain)               | <input type="text"/>                              |

Primary business activity and type of products or services to be sold.

## **NAICS Data**

- Industry-specific sales tax data supports forecasting sales tax revenue on a disaggregated basis.
- NAICS data also helps estimate fiscal implications of proposed legislation.

# Location Data

- Necessary for allocations back to political subdivisions.
- Allow us to see patterns that vary by region.
- No GIS programming in Revenue Estimating division.

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