

Robust farm economy boosts local business

Written by Elizabeth Barrett
Friday, 20 April 2012 13:50 -



Retail sales tax grows by 15.6%

The fruits of vigorous grain and cattle markets in 2011 have trickled into downtown stores and other Gothenburg businesses.

With people buying more, the city's net taxable retail sales rose 15.6% over the previous year, generating \$43,267,954 in 2011.

Chadd Sander, co-owner of Sander Furniture & Gifts, attributes the healthy boost to the ag economy.

"We're doing well because our local farmers are spending their money in town," Sander said.

That trend has continued through the first few months of 2012, Sander said.

"We're starting out as good, if not a little bit better," he said.

Gothenburg's sales tax revenue increase was significantly higher than Cozad or Lexington.

| NET TAXABLE RETAIL SALES | | | |
|--------------------------|----------|------------------|------------------|
| | % Change | 2011 | 2010 |
| Gothenburg | 15.6% | \$43,267,954 | \$37,423,947 |
| Cozad | 5.9% | \$40,535,235 | \$46,014,615 |
| Lexington | 4.9% | \$47,469,530 | \$140,012,981 |
| Nebraska | 10.1% | \$26,918,911,677 | \$23,662,021,955 |

| MOTOR VEHICLE SALES | | | |
|---------------------|----------|-----------------|-----------------|
| | % Change | 2011 | 2010 |
| Dawson County | 14.1% | \$45,603,007 | \$39,968,778 |
| State of Nebraska | 6.8% | \$3,297,060,190 | \$3,020,663,396 |

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Cozad showed a 5.6% increase, over the previous year, with Lexington experiencing a 4.9% rise.

The city's increase was also over the state average of 10.1%

Dawson County was higher than the state increase in motor vehicle sales, showing a 14% rise compared to the state at 8.8%.

Gothenburg Chamber of Commerce director Anne Anderson said she's encouraged by the sales tax increase each month of 2011.

"Our retailers have done an excellent job and it obviously shows in the sales tax revenue increase," Anderson said.

She pointed out that more dollars circulating in the local economy means more the city can use for property tax relief and economic development.

| SALES TAX BREAKDOWN | | | |
|--|-------|---------------------|-------|
| This table shows the percentage of sales tax generated in Gothenburg, Cozad and Lexington, as well as in Nebraska, in retail and motor vehicle sales, during each month of 2011. | | | |
| December | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 8.5% | Motor Vehicle Sales | 8.0% |
| Cozad | 0.3% | Dawson County | 14.9% |
| Lexington | 0.0% | State of Nebraska | 8.1% |
| State of Nebraska | 6.7% | | |
| November | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 2.6% | Motor Vehicle Sales | 5.3% |
| Cozad | 2.0% | Dawson County | 4.6% |
| Lexington | 0.9% | State of Nebraska | 4.6% |
| State of Nebraska | 6.8% | | |
| October | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 10.2% | Motor Vehicle Sales | 8.2% |
| Cozad | 11.6% | Dawson County | 12.2% |
| Lexington | 12.2% | State of Nebraska | 12.2% |
| State of Nebraska | 4.2% | | |
| September | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 11.6% | Motor Vehicle Sales | 6.8% |
| Cozad | 6.6% | Dawson County | 1.5% |
| Lexington | 1.5% | State of Nebraska | 6.3% |
| State of Nebraska | 6.3% | | |
| August | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 22.2% | Motor Vehicle Sales | 4.1% |
| Cozad | 10.1% | Dawson County | 7.8% |
| Lexington | 4.7% | State of Nebraska | 7.8% |
| State of Nebraska | 4.1% | | |
| July | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 32.2% | Motor Vehicle Sales | 12.1% |
| Cozad | 3.0% | Dawson County | 0.5% |
| Lexington | 59.1% | State of Nebraska | 0.5% |
| State of Nebraska | 7.7% | | |
| June | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 7.9% | Motor Vehicle Sales | 12.2% |
| Cozad | 1.9% | Dawson County | 2.5% |
| Lexington | 14.7% | State of Nebraska | 2.5% |
| State of Nebraska | 4.9% | | |
| May | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 11.4% | Motor Vehicle Sales | 6.7% |
| Cozad | 1.9% | Dawson County | 3.5% |
| Lexington | 2.5% | State of Nebraska | 3.5% |
| State of Nebraska | 6.3% | | |
| April | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 10.0% | Motor Vehicle Sales | 31.9% |
| Cozad | 6.7% | Dawson County | 8.3% |
| Lexington | 1.1% | State of Nebraska | 8.3% |
| State of Nebraska | 6.8% | | |
| March | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 30.0% | Motor Vehicle Sales | 19% |
| Cozad | 9.7% | Dawson County | 14.4% |
| Lexington | 4.5% | State of Nebraska | 14.4% |
| State of Nebraska | 8.0% | | |
| February | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 22.9% | Motor Vehicle Sales | 19% |
| Cozad | 6.9% | Dawson County | 21.2% |
| Lexington | 1.6% | State of Nebraska | 7.6% |
| State of Nebraska | 4.8% | | |
| January | | | |
| Net Taxable Retail Sales | | | |
| Gothenburg | 6.7% | Motor Vehicle Sales | 26.3% |
| Cozad | 5.9% | Dawson County | 34.5% |
| Lexington | 9.0% | State of Nebraska | 34.5% |
| State of Nebraska | 1.3% | | |

One percent of all sales tax collected is for local property tax relief while a half-cent goes toward economic development.

In addition to a healthy ag economy, Anderson said the expansion of some businesses might

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have also increased sales.

She pointed to one expansion in the works—Pamida’s transition into a Hometown Shopko.

“That will benefit us because it’s a name more recognizable to people,” Anderson said.

She said she thinks more people, from surrounding towns, are shopping in Gothenburg because of rising gas prices and what the town offers.

Sander attributes increased sales to personalized service, which may keep some people from shopping out of town.

“It’s a great feeling for us, when people walk through the door,” he said. “Whether they buy or not, it’s an opportunity for us.”

In a breakdown of net taxable retail sales on page 2A, Gothenburg experienced the highest increase of 26%, in March of 2011.

City administrator Bruce Clymer attributes much of the increase to a large corporation doing a building project that the city will have to refund under LB 775.

What that means is that the state will not return any sales tax money to the city until \$72,981 is given back to the corporation. Repayment began in March this year.

Clymer said it’s important not to evaluate city sales tax collections based on one year.

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When city officials and the council budget for each year, he said they look at what the sales tax has been historically and make adjustments.

“We don’t get carried away when there’s an increase in sales tax,” Clymer said.

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