

More dollars spent locally

Written by Elizabeth Barrett

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City sales tax on the rise for second consecutive year.

Local businesses have much to offer.

That combined with relatively high gas prices might explain why net taxable retail sales in Gothenburg rose 9% last year when Cozad and Lexington experienced declines.

At least that's how Community Development Office director Anne Anderson explains the increase.

"We're attracting more people here to shop," Anderson said, noting that the increase bucks the trend of a mobile society traveling out-of-town to buy goods.

Even more impressive is the fact that Gothenburg's sales tax increase was higher than the state that showed 4.2% growth.

And the fact that Gothenburg experienced a robust 15.6% hike in city sales tax in 2011.

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“Between the retail and service businesses, we have everything a community our size can offer in this day and age,” Anderson said.

She pointed in particular to Shopko Hometown, which opened in November of 2012 and was formerly a Pamida, and Orscheln Farm and Home as helping to keep local customers home and enticing out of towners into the city.

Chad Burkholder, Orscheln Farm and Home manager, said gross sales for the store rose 7% in 2012.

“Being an ag community is definitely a plus,” Burkholder said. “Ag is always strong here and we haven’t had a deep recession like the rest of the country.”

Farmers are driving the business and as long as commodities stay high, it will probably continue.

City administrator Bruce Clymer said Gothenburg’s thriving economy, based on sales tax numbers, is due to the healthy farm economy and stores attracting people from outside the normal trade area.

Anderson agreed, adding that she thinks the farm economy has also helped vehicle sales.

During 2012, car and pickup sales in Dawson County increased 9.2% over the previous year which was more than the state rate of 8.8% (see chart).

| NET TAXABLE RETAIL SALES | | | |
|--------------------------|----------|------------------|------------------|
| | % Change | 2012 | 2011 |
| Gothenburg | 8.0% | \$47,157,226 | \$43,267,954 |
| Cozad | -0.3% | \$46,466,000 | \$46,595,255 |
| Lexington | -0.9% | \$146,155,197 | \$147,466,630 |
| Nebraska | 4.2% | \$25,970,434,368 | \$24,916,911,677 |

| MOTOR VEHICLE SALES | | | |
|---------------------|----------|-----------------|-----------------|
| | % Change | 2012 | 2011 |
| Dawson County | 9.2% | \$40,779,183 | \$45,603,007 |
| State of Nebraska | 8.8% | \$3,575,041,343 | \$3,287,063,106 |

| RETAIL SALES IN OTHER CITIES | | | |
|------------------------------|--------------|------------|--------------|
| | | | |
| Ogallala | \$90,969,593 | Gothenburg | \$47,157,226 |
| Holdrege | \$86,367,825 | Imperial | \$43,270,915 |
| Broken Bow | \$80,851,682 | Aurora | \$43,457,802 |
| Valentine | \$68,485,212 | Ainsworth | \$33,386,311 |
| West Point | \$63,443,758 | Minden | \$31,907,209 |

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She said there's enough diversification of business in Gothenburg to withstand a downturn in the ag sector.

"We don't put all of our eggs in one basket," she said but acknowledged that an economic decline could hurt smaller retailers.

Besides agriculture, tourism is also a factor in the sales tax increase, Anderson said, noting that a lodging tax placed on motels and campsites increased every month in 2012.

Anderson noted that weekend movies at the Sun Theatre attracts out-of-town customers who may also stop at stores to shop or fill up on gas.

"When we can attract more people to stay here, the sales tax is going to benefit us," she said. "I hope people continue to shop at home and support local businesses."

Gothenburg's sales tax increase in 2012 was above the state each month but October when the city showed a 1.8% upward trend compared to 5.9% for the state.

The highest percentage of increase in retail spending in Gothenburg was 23.2% in May.

Lexington showed only a higher increase in March when taxable sales were 16.8% compared to Gothenburg's at 6%.

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SALES TAX CHANGE

This table shows the percentage of sales tax increase generated in Gothenburg in retail and motor vehicle sales when compared to the same month in the previous year, during each month of 2012.

| January | | February | | March | |
|--------------------------|-------|--------------------------|-------|--------------------------|-------|
| Net Taxable Retail Sales | | Net Taxable Retail Sales | | Net Taxable Retail Sales | |
| Gothenburg | 8.8% | Gothenburg | 8.1% | Gothenburg | 6.0% |
| Cozad | 6.1% | Cozad | 5.9% | Cozad | -1.8% |
| Lexington | 2.6% | Lexington | 4.2% | Lexington | 16.8% |
| State of Nebraska | 8.0% | State of Nebraska | 5.2% | State of Nebraska | 2.2% |
| Motor Vehicle Sales | | Motor Vehicle Sales | | Motor Vehicle Sales | |
| Dawson County | 8.1% | Dawson County | 13.9% | Dawson County | 16.7% |
| State of Nebraska | 19.2% | State of Nebraska | 10.5% | State of Nebraska | 5.1% |

| April | | May | | June | |
|--------------------------|-------|--------------------------|-------|--------------------------|-------|
| Net Taxable Retail Sales | | Net Taxable Retail Sales | | Net Taxable Retail Sales | |
| Gothenburg | 6.7% | Gothenburg | 23.2% | Gothenburg | 21.9% |
| Cozad | -2.8% | Cozad | 0.0% | Cozad | 1.2% |
| Lexington | -2.1% | Lexington | 4.9% | Lexington | 2.2% |
| State of Nebraska | -1.9% | State of Nebraska | 8.2% | State of Nebraska | 4.9% |
| Motor Vehicle Sales | | Motor Vehicle Sales | | Motor Vehicle Sales | |
| Dawson County | 6.7% | Dawson County | 8.6% | Dawson County | 2.5% |
| State of Nebraska | 6.3% | State of Nebraska | 11.9% | State of Nebraska | 19.0% |

| July | | August | | September | |
|--------------------------|--------|--------------------------|-------|--------------------------|--------|
| Net Taxable Retail Sales | | Net Taxable Retail Sales | | Net Taxable Retail Sales | |
| Gothenburg | 10.7% | Gothenburg | 12.4% | Gothenburg | 4.9% |
| Cozad | 4.9% | Cozad | 0.0% | Cozad | -3.4% |
| Lexington | -29.8% | Lexington | 5.6% | Lexington | 1.4% |
| State of Nebraska | 7.9% | State of Nebraska | 7.9% | State of Nebraska | 0.3% |
| Motor Vehicle Sales | | Motor Vehicle Sales | | Motor Vehicle Sales | |
| Dawson County | 12.0% | Dawson County | 24.2% | Dawson County | -12.2% |
| State of Nebraska | 12.0% | State of Nebraska | 11.5% | State of Nebraska | -8.2% |

| October | | November | | December | |
|--------------------------|-------|--------------------------|-------|--------------------------|-------|
| Net Taxable Retail Sales | | Net Taxable Retail Sales | | Net Taxable Retail Sales | |
| Gothenburg | 1.8% | Gothenburg | 15.1% | Gothenburg | 8.0% |
| Cozad | -8.1% | Cozad | 0.7% | Cozad | -3.8% |
| Lexington | -7.2% | Lexington | 8.2% | Lexington | 3.4% |
| State of Nebraska | 10.2% | State of Nebraska | 5.9% | State of Nebraska | 1.3% |
| Motor Vehicle Sales | | Motor Vehicle Sales | | Motor Vehicle Sales | |
| Dawson County | 28.7% | Dawson County | 18.6% | Dawson County | 7.2% |
| State of Nebraska | 8.3% | State of Nebraska | 7.5% | State of Nebraska | -1.3% |