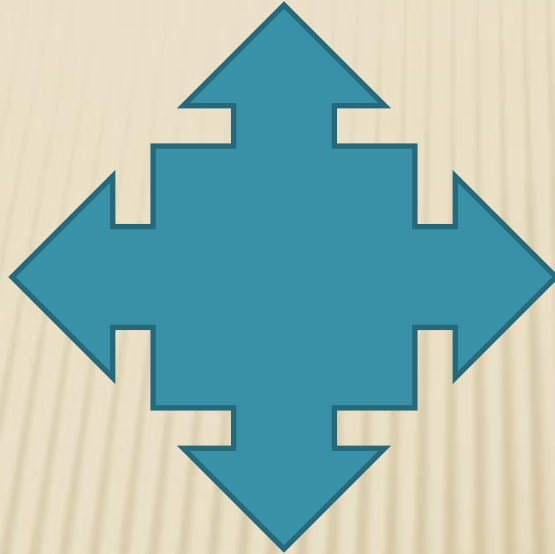


OVERVIEW OF KANSAS SALES TAX TRENDS



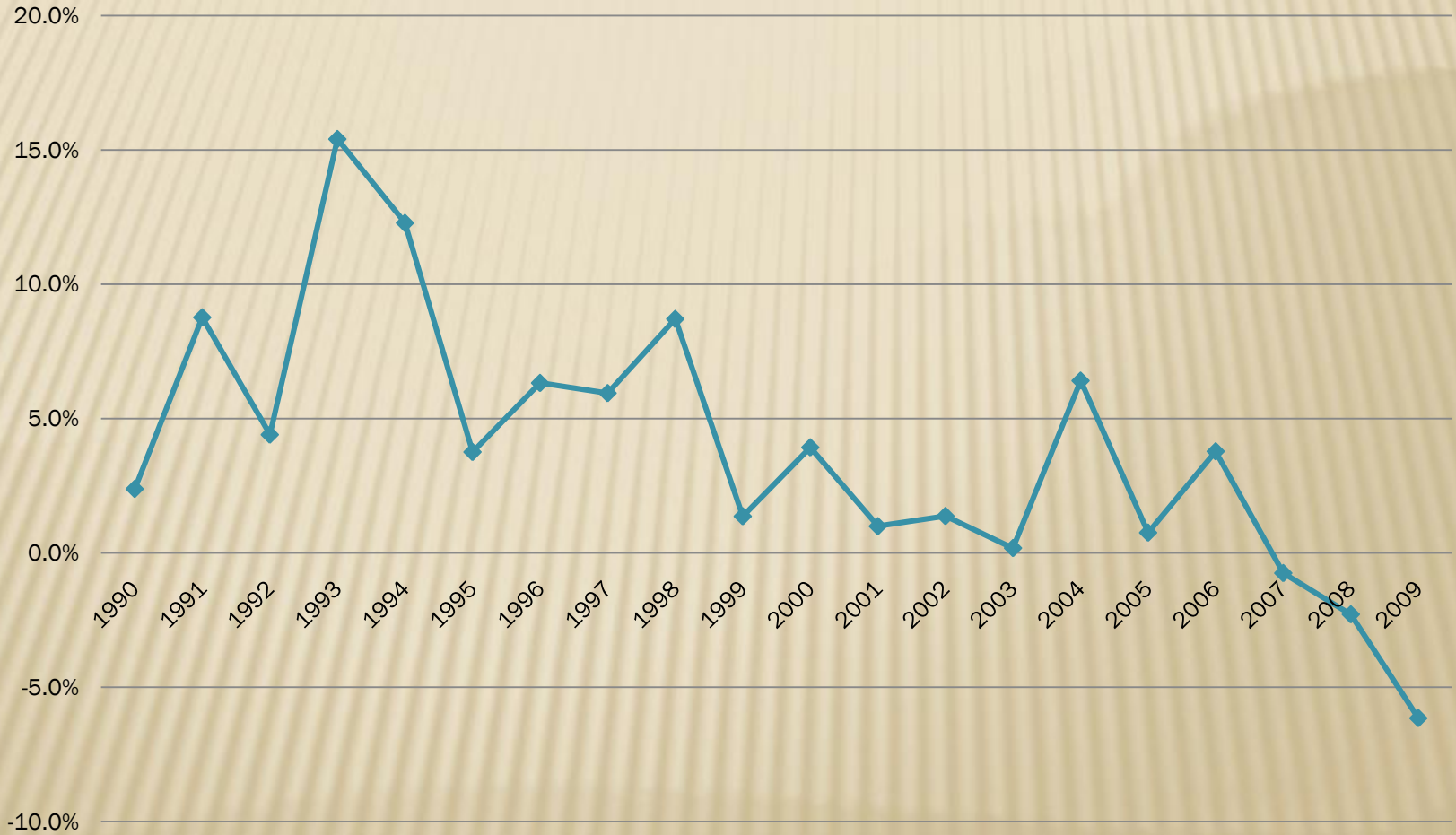
KSGFOA Fall Conference

October 14, 2010

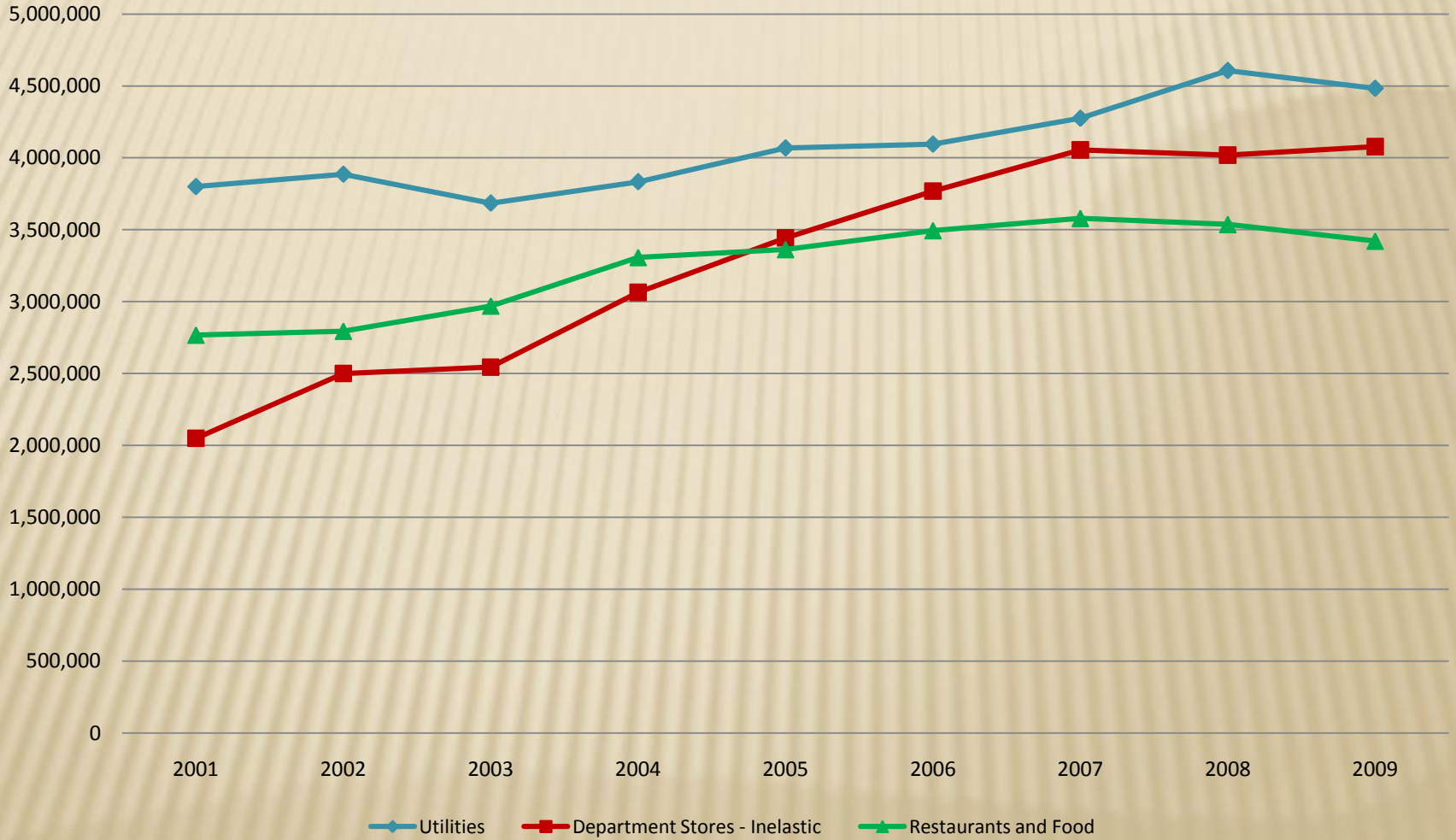
OVERLAND PARK DURING THE PAST 20 YEARS

- × Sales tax growth/decline

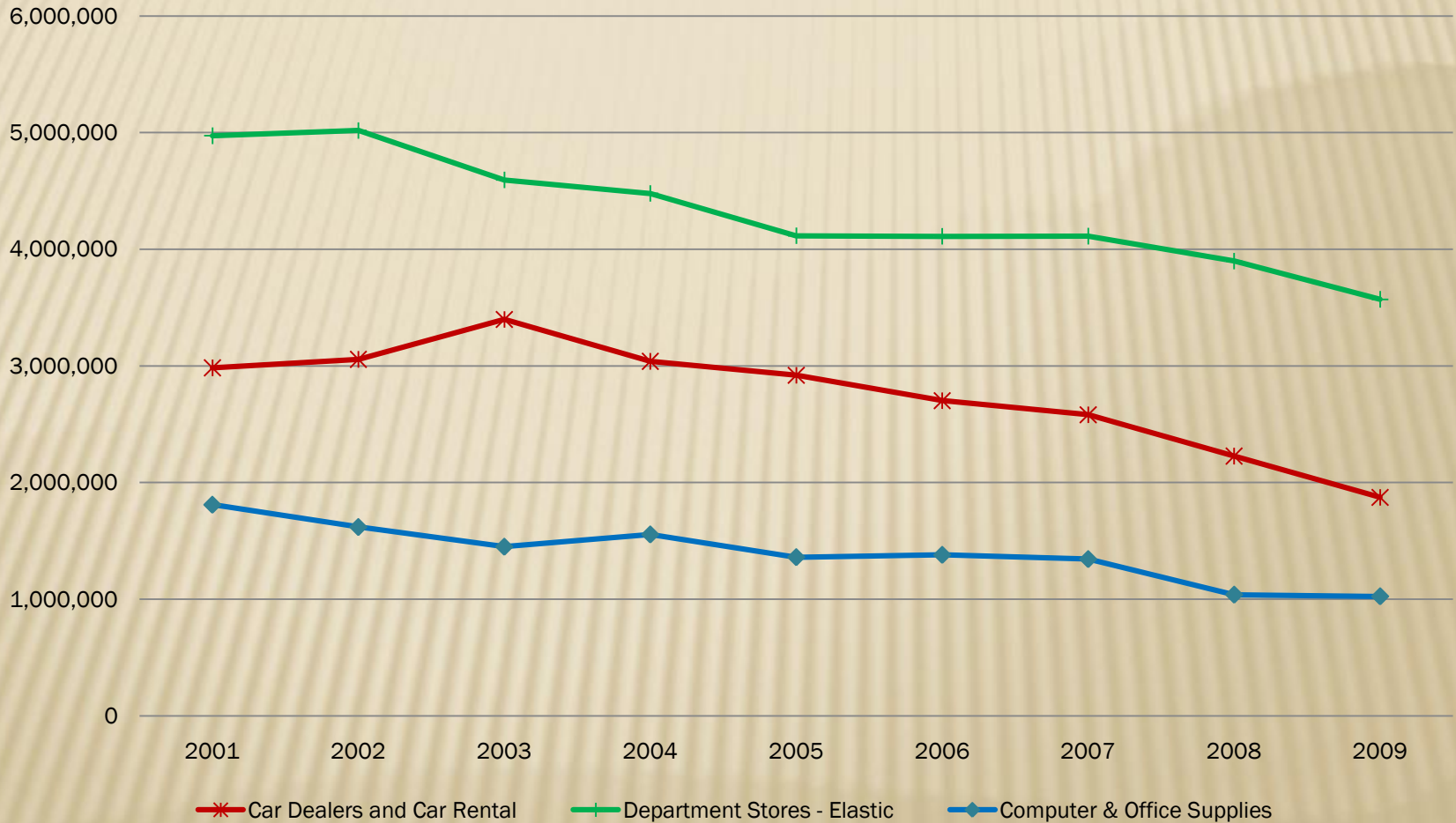
Comparison of Annual % Change in Retail Sales



Comparison of Dollar Amt. in Sales Tax Collection By Categories that Increased



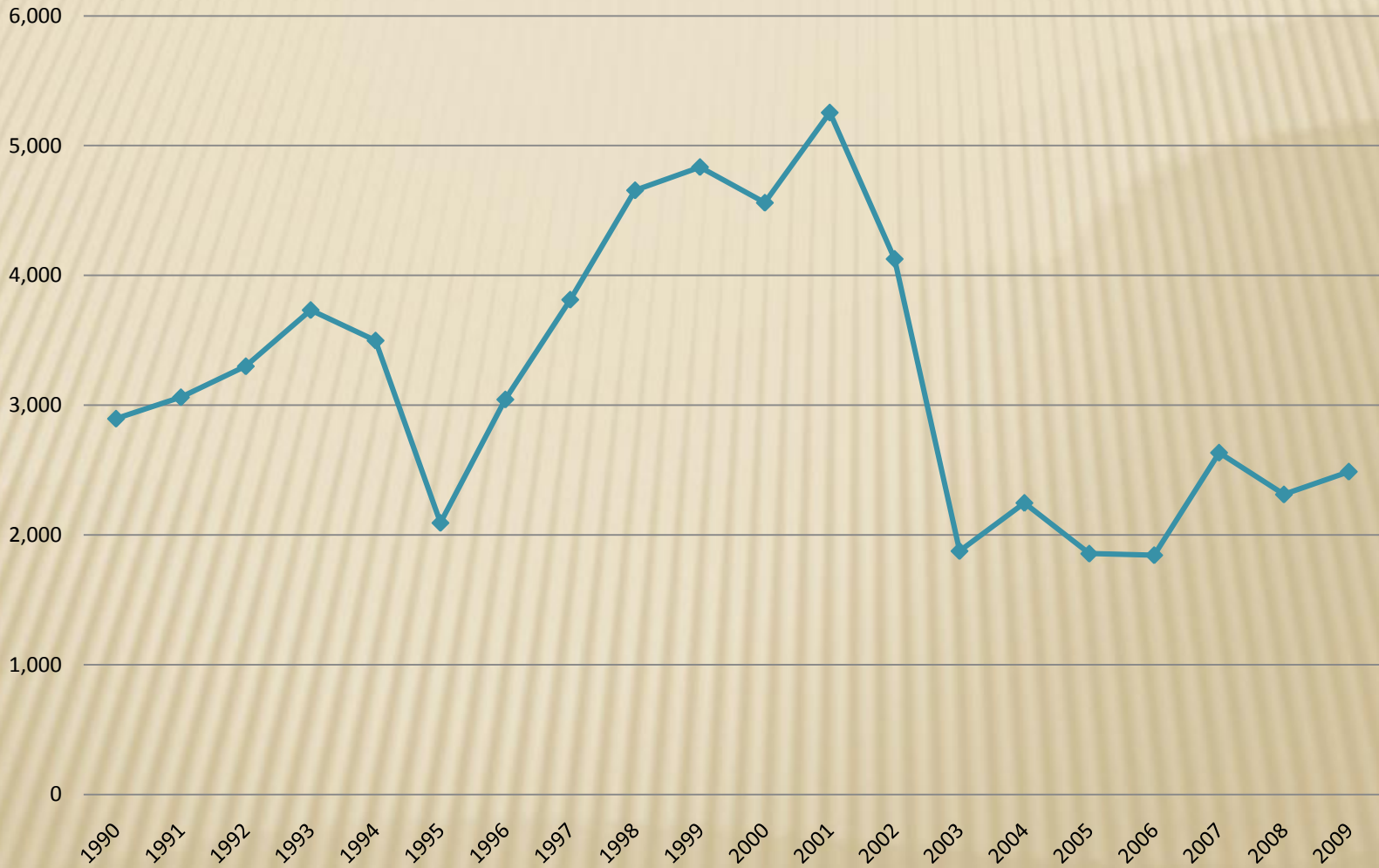
Comparison of Dollar Amt. in Sales Tax Collection By Categories that Decreased



GROWTH FACTORS

× Population

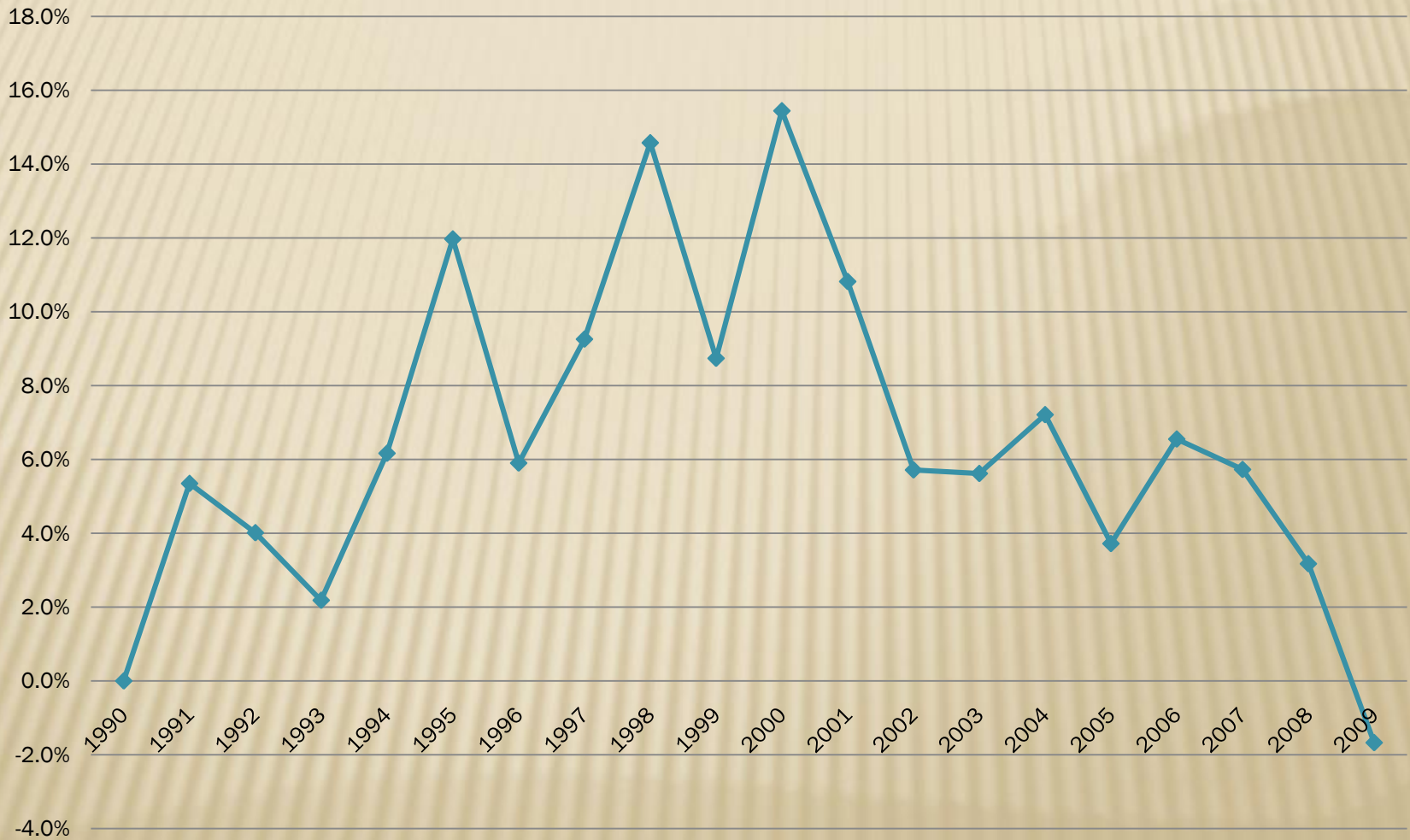
Comparison of Annual Change in Population



GROWTH FACTORS

- × Population
- × Residential Assessed Valuation

Comparison of Annual % Change in Residential Assessed Valuation



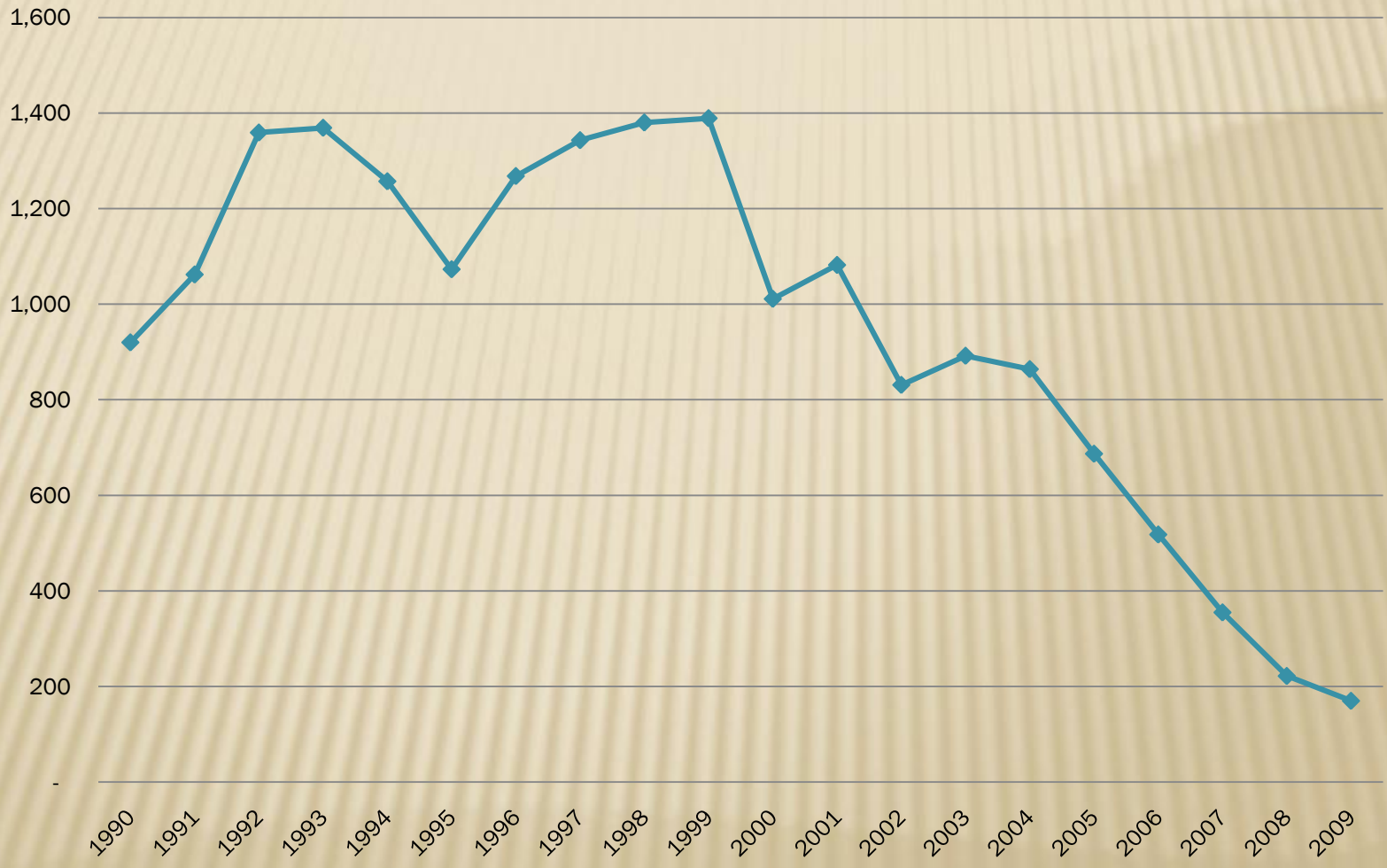
Change in Annual Residential Assessed Valuation



GROWTH FACTORS

- × Population
- × Residential Assessed Valuation
- × Residential Building Permits

Number of Residential Building Permits Issued By Year



OTHER FACTORS IMPACTING SALES TAX REVENUE

- × Stock Market - Wealth Effect

DOW JONES INDUSTRIAL AVERAGE INDEX

Price history - \$INDU (9/30/2000 - 9/27/2010)



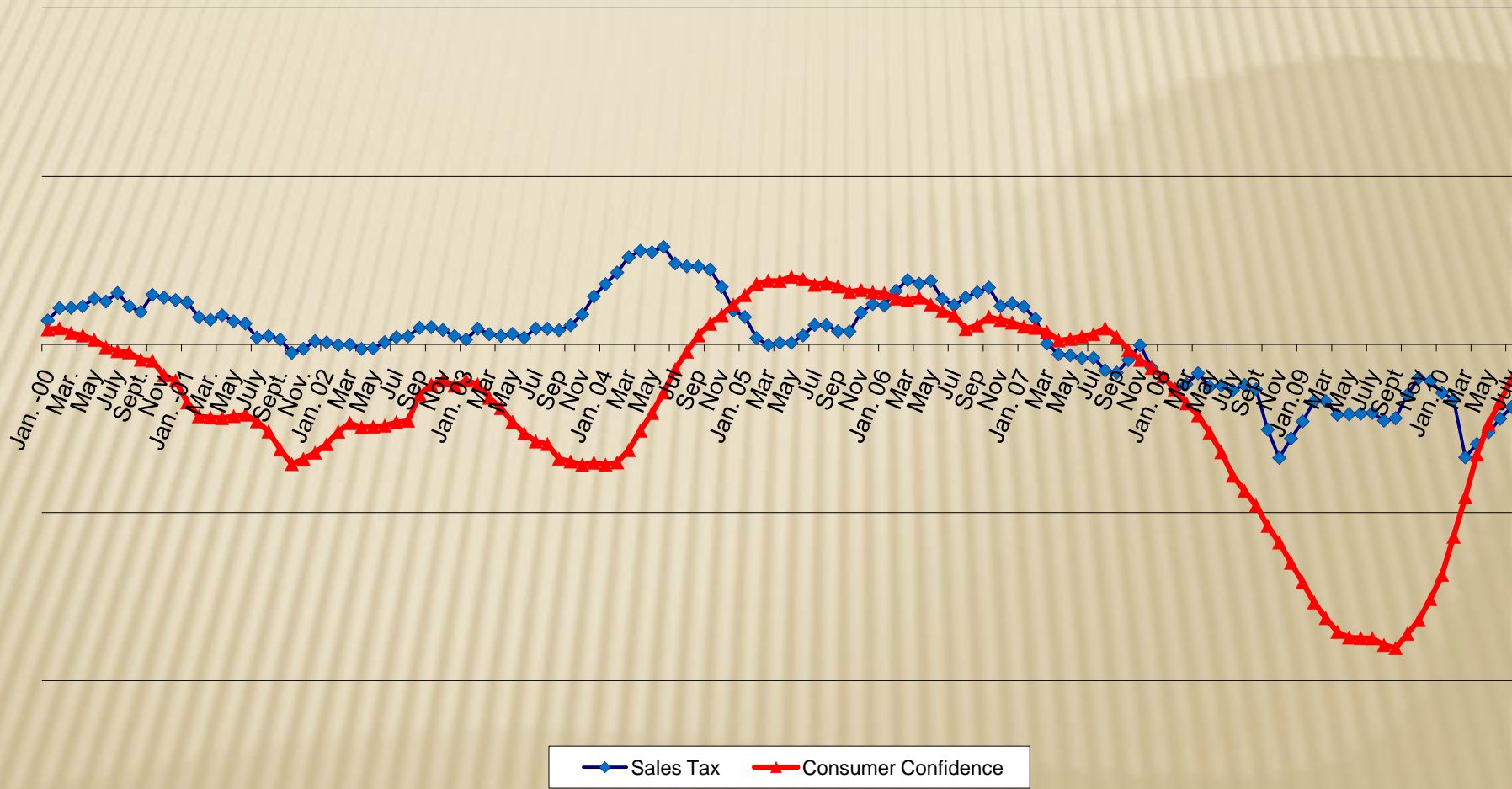
OTHER FACTORS IMPACTING SALES TAX REVENUE

- × Stock Market - Wealth Effect
- × Consumer Confidence

Changes in Sales Tax Collections to Changes in Consumer Confidence

Rolling 12 Month Average

Jan. 2000 - July 2010



OTHER FACTORS IMPACTING SALES TAX REVENUE

- × Stock Market - Wealth Effect
- × Consumer Confidence
- × Unemployment Rate

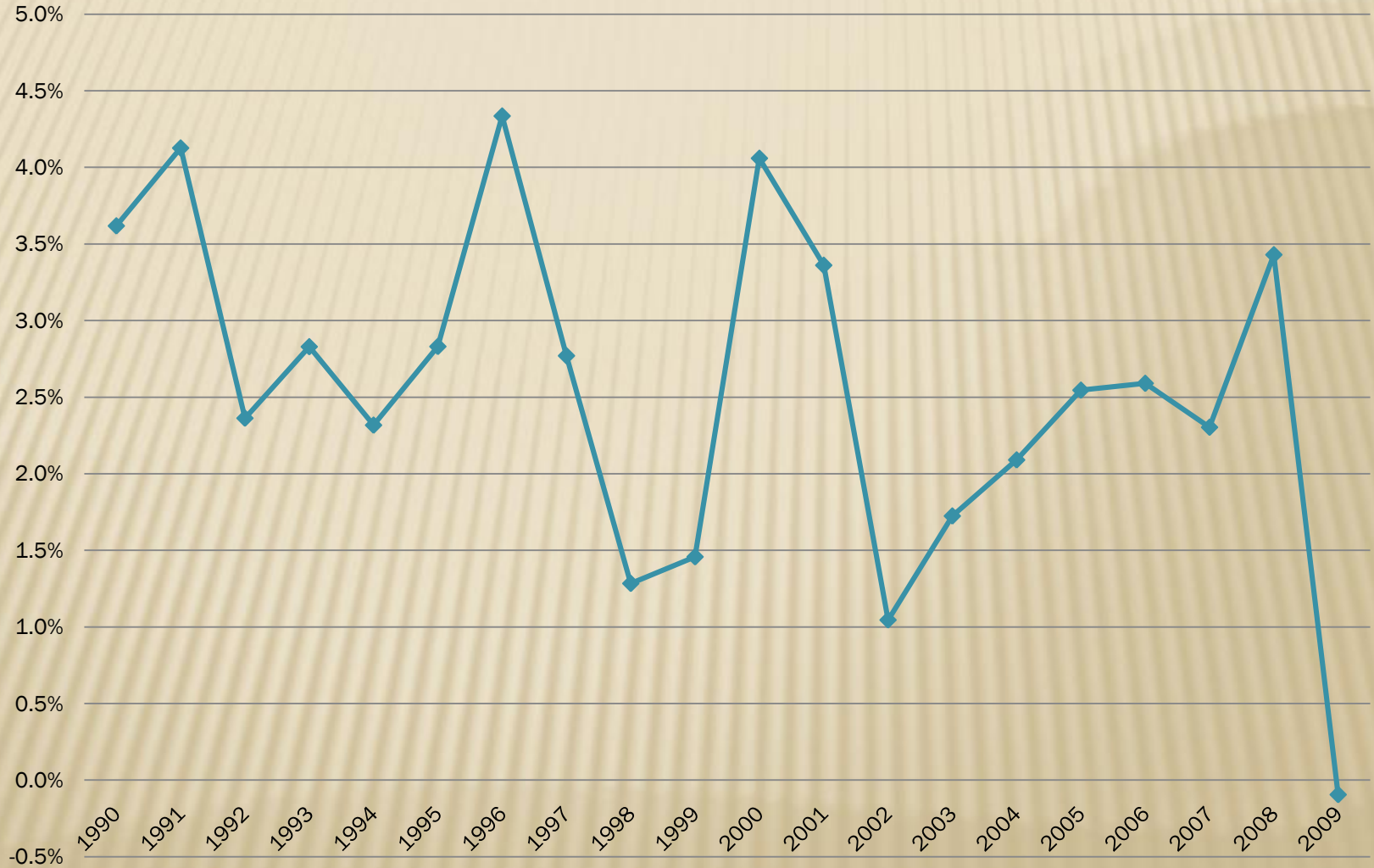
Comparison of Annual Unemployment Rates by Year



OTHER FACTORS IMPACTING SALES TAX REVENUE

- × Stock Market - Wealth Effect
- × Consumer Confidence
- × Unemployment Rate
- × Kansas City CPI

Comparison of Annual % Change in Kansas City CPI Index



OTHER FACTORS IMPACTING SALES TAX REVENUE

- × Stock Market - Wealth Effect
- × Consumer Confidence
- × Unemployment Rate
- × Kansas City CPI
- × OP share of Jo. Co. retail sales

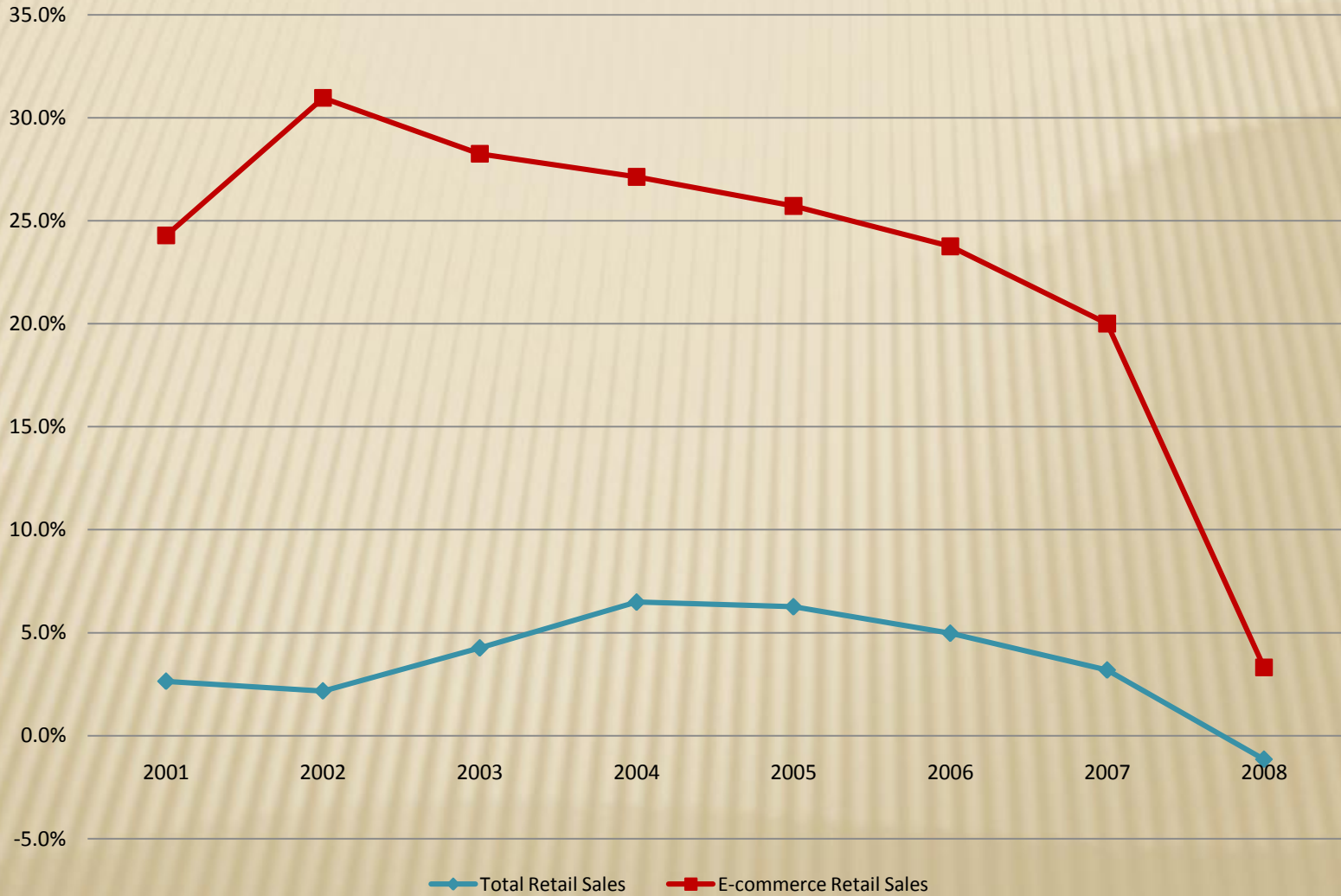
Comparison of OP % Share of Johnson Co. Retail Sales



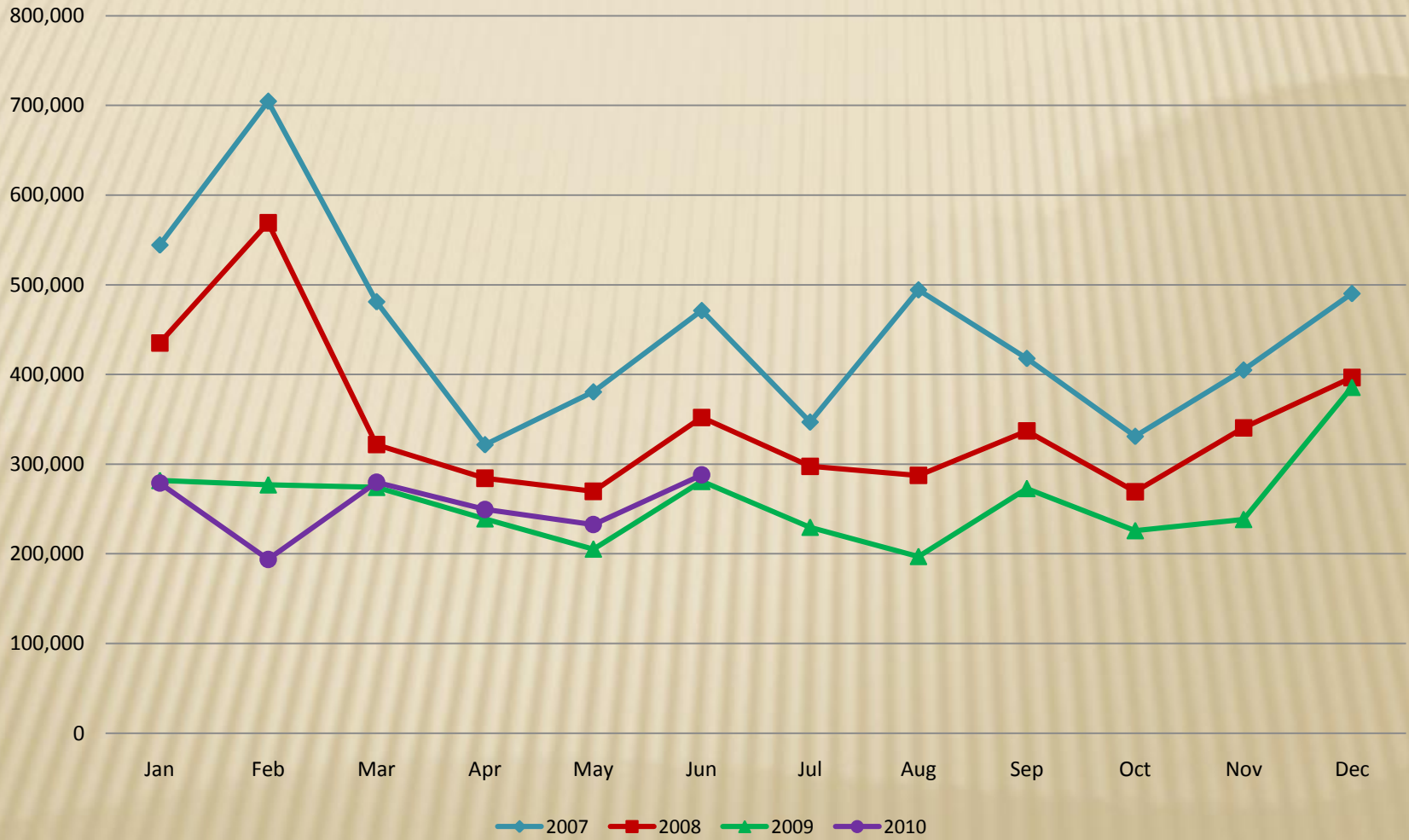
OTHER FACTORS IMPACTING SALES TAX REVENUE

- × Stock Market - Wealth Effect
- × Consumer Confidence
- × Unemployment Rate
- × Kansas City CPI
- × OP share of Jo. Co. retail sales
- × Internet sales

Comparison of U.S. Annual % Change in Retail Sales



Comparison of Monthly Use Tax Collections - Internet/Mail Order



TIMES ARE CHANGING

× Impact of the Great Recession?

TIMES ARE CHANGING

- × Impact of the Great Recession?
 - + Consumers

TIMES ARE CHANGING

- × Impact of the Great Recession?
 - + Consumers
 - × Unemployment

TIMES ARE CHANGING

× Impact of the Great Recession?

+ Consumers

× Unemployment

- * Slowdown in growth of the labor force

TIMES ARE CHANGING

× Impact of the Great Recession?

+ Consumers

× Unemployment

- * Slowdown in growth of the labor force

× Housing Bubble burst

TIMES ARE CHANGING

× Impact of the Great Recession?

+ Consumers

× Unemployment

- * Slowdown in growth of the labor force

× Housing Bubble burst

- * Feel less wealthy

TIMES ARE CHANGING

× Impact of the Great Recession?

+ Consumers

× Unemployment

- * Slowdown in growth of the labor force

× Housing Bubble burst

- * Feel less wealthy
- * Loss of home equity funds

TIMES ARE CHANGING (cont.)

- × Impact of the Great Recession?
 - + Consumers

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Consumers

× Credit Cards

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Consumers

× Credit Cards

	<u>2009</u>	<u>2008</u>	<u>% Change 09</u>
Credit Cards in Circulation	576	675	-14.7%
Debit Cards in Circulation	507	447	13.4%
Total Credit/Debit Cards in Circulation	1083	1122	

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Consumers

× Credit Cards

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	<u>2009</u>	<u>2008</u>
Avg. total debt for US household with credit card debt	\$54,000	\$93,850
Avg. total debt for all US household	\$16,046	\$35,245

TIMES ARE CHANGING (cont.)

- × Impact of the Great Recession?
 - + Governments

TIMES ARE CHANGING (cont.)

- × Impact of the Great Recession?
 - + Governments
 - × Structural Imbalance

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Governments

× Structural Imbalance

- * Over reliance on sales tax

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Governments

× Structural Imbalance

- * Over reliance on sales tax
- * Declining real estate valuations

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Governments

× Structural Imbalance

- × Over reliance on sales tax

- × Declining real estate valuations

× Future Sales Tax Forecasting

TIMES ARE CHANGING (cont.)

× Impact of the Great Recession?

+ Governments

× Structural Imbalance

- ★ Over reliance on sales tax
- ★ Declining real estate valuations

× Future Sales Tax Forecasting

- ★ What is the consumer's new spending norm?

FUTURE OF RETAIL SALES TAX?

- × Past performance no indicator of the future

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- × Past performance no indicator of the future
- × Must consider many variables

FUTURE OF RETAIL SALES TAX?

- × Past performance no indicator of the future
- × Must consider many variables
- × Finite revenue source

Any Questions?

Contact Info.

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