

ATTACHMENT A

Economic Sector Model & Sales Tax Growth Trend Analysis

Economic Sector Model Categories

Metro's Economic Sector model categories and estimated percentages of local sales tax receipts in FY24 and FY25.

Economic Sector and Sub-Sector	Percentage of Sales Tax Revenues	
	FY24	FY25
General Retail	30.1%	29.9%
Apparel Stores	5.2%	5.2%
Department Stores	7.0%	6.9%
Furniture/Appliance Stores	3.3%	3.3%
Drug Stores	1.2%	1.2%
Recreational Product Stores	0.7%	0.7%
Florists/Nurseries	0.3%	0.3%
Online Sales and Miscellaneous Retail	12.3%	12.3%
Food Products	19.3%	19.5%
Restaurants	14.3%	14.5%
Food Markets	3.7%	3.7%
Liquor Stores	0.7%	0.7%
Food Processing Equipment	0.6%	0.6%
Transportation	20.3%	20.4%
Auto Parts/Repairs	2.4%	2.5%
Auto Sales - New	9.5%	9.6%
Auto Sales - Used	1.3%	1.3%
Service Stations	6.6%	6.5%
Miscellaneous Vehicle Sales	0.5%	0.5%
Construction	8.2%	8.2%
Building Materials - wholesale	4.8%	4.8%
Building Materials - retail	3.4%	3.4%
Business To Business	18.3%	18.3%
Office Equipment	2.7%	2.7%
Electronic Equipment	1.0%	1.0%
Business Services	1.5%	1.5%
Energy Sales	1.5%	1.5%
Chemical Products	0.8%	0.8%
Heavy Industry	3.2%	3.2%
Light Industry	4.0%	4.0%
Leasing	3.4%	3.4%
Biotechnology	0.1%	0.1%
I.T. Infrastructure	0.2%	0.2%
Green Energy	0.1%	0.1%
Miscellaneous	3.8%	3.8%
Health & Government	1.7%	1.8%
Miscellaneous Other	2.0%	2.0%

Sales Tax Growth Trend Analysis

As displayed in the table below, a significant amount of Metro's sales tax revenue growth in the past decade is primarily due to inflation rather than real economic growth. After adjusting for inflation, the ten-year average growth is reduced from 5.1% (nominal) to 2.1% (real). In FY23, for instance, the inflation-adjusted year-over-year growth is negative at -3.4% despite a nominal growth of 1.8%.

