



Telling Interesting Stories with Sales Tax Data

Commissioner of the Revenue
City of Lynchburg VA

Business Need



- Is our locality receiving sales tax revenue from the correct businesses?
 - Compare sales tax revenue received with business license data.
 - If we are not receiving sales tax revenue from a business that has a business license, our sales tax revenue may be going to the wrong locality
 - If we are receiving sales tax revenue from a business that does not have a license:
 - The business may be incorrectly operating without a license
 - The business may not require a license
 - We may be receiving sales tax revenue from a business where the revenue should be going to another jurisdiction
- Lynchburg experience thus far: Surrounding localities love us!



More Business Need

- Is the business license revenue that we are receiving correct?
 - Compare gross sales reported by business with gross receipts reported on the business license.
 - Look for situations where:
 - the value of the license exceeds the reported sales. The business may need a license of lower value
 - the value of the license is appreciably less than reported sales. The business may need a license of increased value
 - Lynchburg experience thus far: We have found both situations.
 - Note: This assumes that the business is reporting accurately to the Commonwealth

Still More Business Need



- Is our business license data complete?
 - Where we receive sales tax revenue for a local business and no active license is in evidence:
 - We may have a business the really does not require a license
 - We may have business that is operating without a license.
- Lynchburg experience thus far: We have found a number of businesses operating without a business license



Yet More Business Need

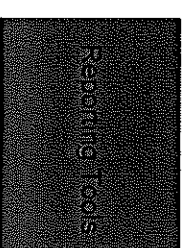
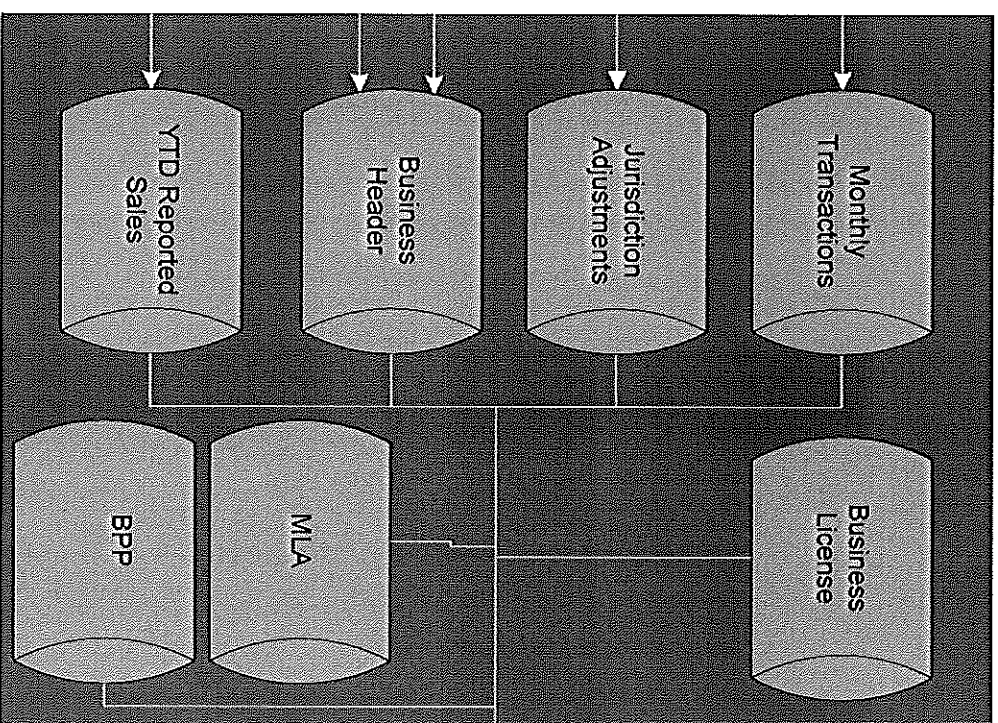
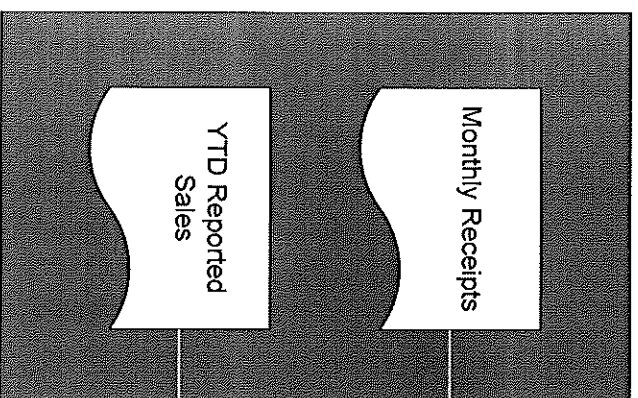
- What business trends do we see in our jurisdiction?
 - Monthly and annual data allow you to observe trends:
 - By business: How are XYZ business revenues changing from last year to this year?
 - By NAICS: How are fast food revenues changing from last year to this year?
 - In aggregate: How are my overall sales tax revenues changing?



Technical Design

Commonwealth
Data

Local SQL Server



Doing the Analysis



- Volume of the data and flaws in the Commonwealth data requires that it be stored such that corrections can be applied
- Data must be stored in such a way that it can quickly be evaluated:
 - Across time for a given business
 - Across time for a given NAICS
 - Summarized for a given time by business
 - Summarized for a given time by NAICS

Things to Get Past



■ Challenges with sales tax data from the Commonwealth

- FEIN information incorrect or incomplete
- Business name information incorrect or incomplete
- NAICS data incorrect or incomplete
- Business location information incorrect or incomplete
- Data not delivered in a predictably usable manner
- Inconsistent state key
- Tax jurisdiction is incorrect