Parish sales tax collections continue to decline

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Sales taxes on motor vehicles increased 20 percent in February, but a poor month for retail sales resulted in a continued overall decline in sales tax collections for East Baton Rouge Parish.

Figures released Thursday by the Finance Department show an overall decline of 3.37 percent for February. When combined with the 3.55 percent drop in January, sales tax collections for the two-month period are down 3.46 percent from the same two months last year.

The city-parish budget is based on no growth. Sales taxes supply about 75 percent of the overall budget. Even so, the continuing decline in revenue from sales tax collections could create problems for the local government in the months ahead if the trend continues.

The tax collections from vehicles in February amounted to $605,107, an increase of $101,246 over the February 1985 total of $503,861. Sales taxes from other sources, however, dropped $272,543 to $4,301,407 compared with $4,573,950 in February 1985.

The total collections through February amount to $10,021,961—a decline of $359,413 from the $10,381,374 collected in the first two months of 1985.

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'That $54 million project will probably be the biggest in Baton Rouge in 1986. The $54 million will be injected into the local economy at a time when we hope it will start a ripple effect to assist in the recovery of the local economy,' the mayor added.

In anticipation of the continued sluggish economy, Screen said, the recent budget supplement approved by the Metro Council was only 60 percent of the anticipated surplus that will be left when the 1985 spending of the city-parish has been calculated at the end of this month.