

Dothan Eagle

May 6, 2021

Dothan's tax collections show \$9.5M YTD surplus

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People are traveling to and through Dothan again, businesses are busy, and sales tax collections are strong.

April's sales and use tax report, which reflects March sales shows the city raked in over \$8 million, nearly \$2.4 million more than budget projections and more than \$1.7 million the amount collected in April of last year.

Last month's sales and use tax revenue figures have given the city a total surplus of \$9,544,057 for the 2021 Fiscal Year with five months left to go until the end of the budget year.

Furthermore, lodging tax re-mitted to the city government last month was in the green for the first time in a year. The city collected \$328,338 in April, which is \$68,352 more than the budget amount and \$93,600 more, or 40% higher, than the amount collected in the same timeframe last year.

Matt Parker, Dothan Area Chamber of Commerce president, said the mix of industry sectors - medical, military, service, retail and manufacturing - should be credited to the Dothan

Taxes

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Metropolitan Statistical Area's (MSA) continued economic growth.

"The highly-impacted sectors were in the travel and hospitality areas with shutdowns and reduction in travel when this started last year," Parker said. "With the re-openings, implementation of vaccinations, and general diversity of industry - that's kept our markets strong!"

Local unemployment numbers are nearing pre-pandemic numbers in the Dothan MSA. The Alabama Department of Labor reported unemployment numbers for the month of March was 3.2%, almost half the national average of 6%. In March 2020, the Dothan MSA's unemployment was at historic lows at 2.8% compared to 4.4% nationally.

Parker said he foresees a stable and steady rise in Dothan's economic growth given the strong real estate market and believes that the area hasn't yet seen the full impact of stimulus spending by government, schools, businesses, and individuals.

Furthering economic growth in the Dothan area has some challenges, though. The supply of industrial buildings is low,

Parker said.

"We really need more supply," Parker said. "It's a good problem to have and a bad problem to have. That's something that we're very diligently working on and of course, marketing anything we have in our region!"

Another challenge continues to be workforce development.

"The stimulus program hit some sectors where folks don't want to go to work while they're getting what they're getting," Parker said.

Although unemployment numbers are down, businesses are having a difficult time filling low-paying positions where the benefits of unemployment may out-weigh the benefits of employment for some people.

Parker said that the chamber is working with business and connecting them to resources to help better recruit and retain employees and doesn't foresee businesses being affected by the COVID-era unemployment benefit program in the long-term.

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