



District of Columbia Cash Collections Report

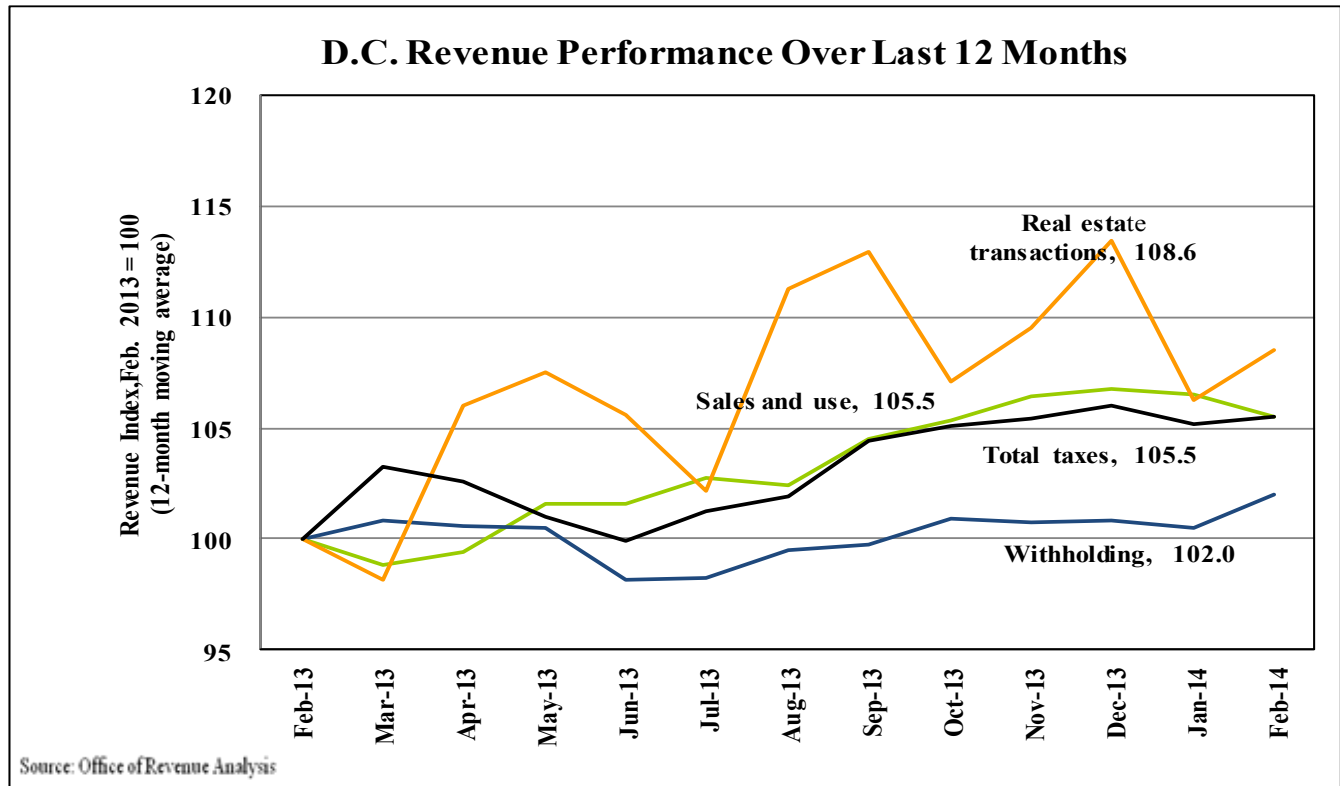
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Highlights

- The twelve-month moving average of total tax collections in February 2014 increased 5.5 percent over the same period last year. But this is not necessarily an indicator of the likely performance of revenue collections for the fiscal year, as a large share of receipts for the two largest revenue sources are not due until next two months—first half payments for real property taxes in March and final payments for the individual income tax in April.
- Withholding tax collections for February grew by 2.0 percent over the previous year in spite of the federal government shut down. Once again the continued growth in the District's population appears to be the main driver of growth in withholding tax over the last twelve months.
- Sales tax collections for the month of February were 5.5 percent higher compared to the same period last year. Growth in sales tax collections is in line with the overall performance of withholding and, as such, is another indication of the impact of population growth.
- Real estate transactions tax collections for February grew by about 8.6 percent compared to the same period last year. As the graph shows, growth picked up again in February after sharply slowing the previous month, an indicator of the volatility of this revenue source.

Collections by Revenue

Feb. YTD Tax Collections by Source: FY2014 vs. FY2013 (\$ '000)

	February 2014	February 2013	Percent change
TOTAL TAX COLLEC- TIONS	1,563,518	1,609,243	-2.8
Property	35,575	39,412	-9.7
Real Property Tax	27,709	30,381	-8.8
Personal Property Tax and Public Space Rental	7,866	9,031	-12.9
Real Property Transac- tions	149,754	142,669	5.0
Deed Recordation Tax	79,206	80,622	-1.8
Deed Transfer Tax	56,430	59,695	-5.5
Economic Interest Tax	14,118	2,351	500.6
Sales	496,203	509,998	-2.7
General Sales and Use Tax	464,258	462,862	0.3
Excise Taxes	31,945	47,137	-32.2
Income	753,596	784,587	-3.9
Individual Income Tax	646,712	660,774	-2.1
Corporate Franchise Tax	75,244	83,223	-9.6
U.B. Franchise Tax	31,638	40,590	-22.0
Gross Receipts and Es- tate	128,390	132,576	-3.2
Gross Receipts Taxes	114,756	112,517	2.0
Estate Tax	13,634	20,059	-32.0

Property Taxes. Real property tax collections, fiscal year to date, are 8.8 percent below the same period last year. Note that the first installment of property tax payments is not due until March, so this is not an indicator of likely real property tax growth for the fiscal year.

Real Property Transactions Taxes. February fiscal year to date real property transaction taxes collections were up 5.0 percent over February 2013. Deed recordation tax collections decreased by 1.8 percent year to date, while collections for the deed transfer tax decreased by 5.5 percent. However, economic interest tax collections were up by 500.6 percent relative to February 2013, somewhat making up for the losses in deed tax collections. The weak growth in the real estate transactions taxes may not be a reflection of weak real estate market activity in the District of Columbia since the performance of this revenue source is both seasonal and volatile.

General Sales and Use Tax. February fiscal year to date general sales and use tax collections were up slightly by 0.3 percent compared to the same period last year, leveling off the growth experienced since last summer. The slow growth in sales tax collections is difficult to interpret at this point as the colder than usual winter this year may have been the main driver, but this

trend bears watching closely as it may be a harbinger of a more general slowdown arising from federal government cutbacks.

Excise Taxes. Fiscal year to date excise tax collections through February dropped by 32.2 percent compared to the same period last year, due mostly to much lower cigarette and motor vehicle excise tax collections.

Income Taxes. February fiscal year to date individual income tax collections declined 2.1 percent over the same period last year. The withholding tax portion grew 5.0 percent, while non-withholding decreased by 62.5 percent. The sharp slowing in non-withholding is driven largely by higher refunds, but estimated payments were also sharply lower. Both the higher refunds and the lower estimated payments may have been due to income shifting from calendar year 2013 to 2012 in anticipation of higher tax rates as the Bush era tax cuts were set to expire.

February fiscal year to date corporate franchise tax collections decreased by 9.6 percent, compared to that of February of a year earlier, while unincorporated business tax collections decreased by 22.0 percent. Tax payments for business tax filers are not due until March of 2014, so the February performance may not be a good indicator of likely performance for the fiscal year.

Gross Receipts Taxes. Overall, fiscal year to date gross receipts tax collections in February were up by 2.0 percent. Insurance premiums were up by 4.0 percent. Public utilities collections were up by 3.9 percent. However, toll telecommunications were down by 3.3 percent.

Non-Tax Revenues. February fiscal year to date non-tax revenue collections were down by 39.6 percent relative to a year earlier. Collections from automated enforcement show a decrease of 84.6 percent over the same period last year and traffic fines decreased 40.3 percent. Collections in "other" fines and forfeitures were down by 22.3 percent relative to the year before. A new policy decision that went into effect at the beginning of the fiscal year reduced the rates charged on certain traffic citations. This may have been one reason for the reduction in fines and forfeiture collections. However, there may also be lags in the reporting of collections.

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