



District of Columbia Cash Collections Report

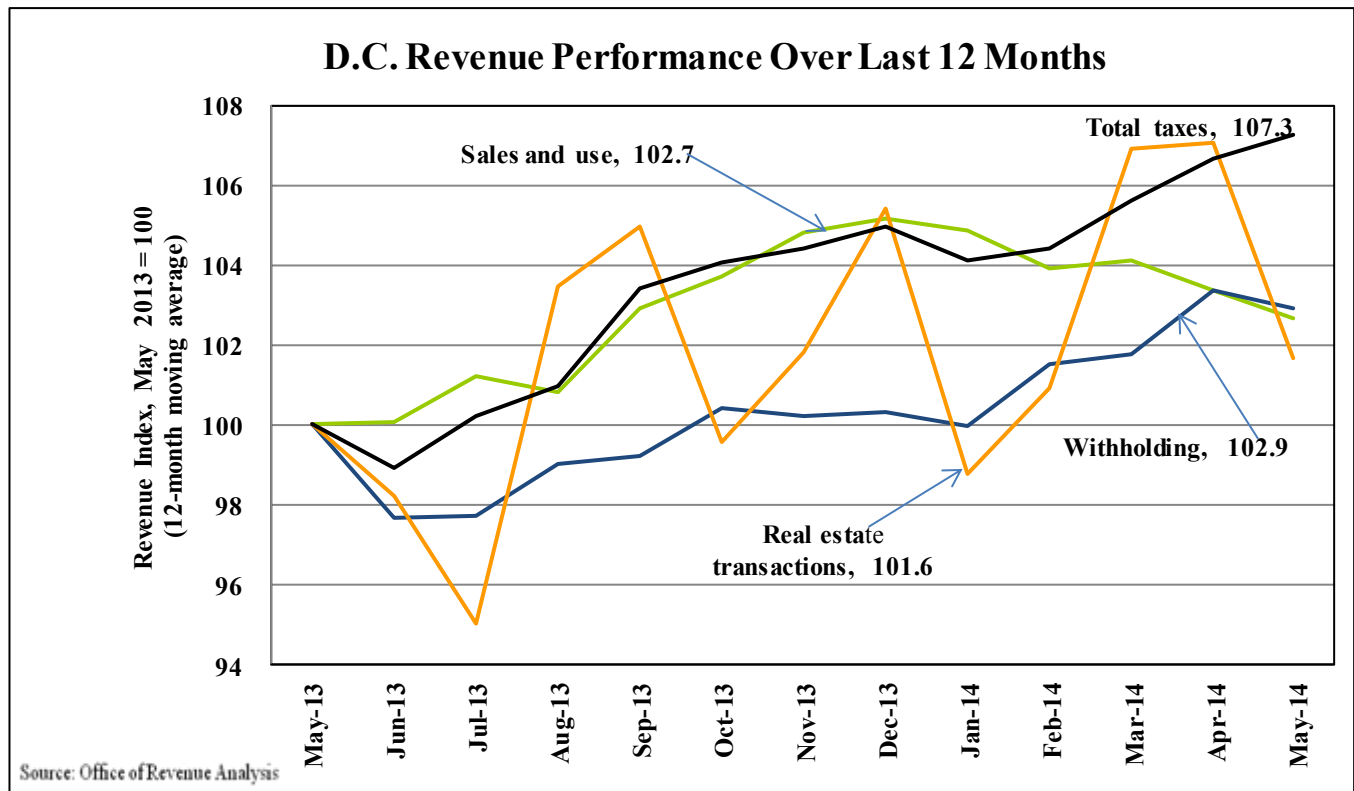
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Highlights

- The twelve-month moving average of total tax collections in May 2014 increased 7.3 percent over the same period last year. The increase in total collections is mostly due to the growth in non-withholding collections, relative to the previous year's collection.
- Withholding tax collections for May grew by 2.9 percent over the previous year. The influx of more affluent residents continues to drive the growth in the withholding tax collections.
- Sales tax collections for the month of May were 2.7 percent higher compared to the same period last year. However, its growth has slowed over the last several months, partly because collections are compared to last year's which were unusually high because of the Presidential Inauguration, and in part, due to some rate reduction.
- Real estate transactions tax collections for May grew by about 1.6 percent compared to the same period last year. As the graph shows, collections for this revenue source fluctuates wildly from month to month.

Collections by Revenue

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

	May 2014	May 2013	Percent change
TOTAL TAX COLLEC- TIONS	3,688,346	3,695,038	-0.2
Property	1,003,931	992,341	1.2
Real Property Tax	993,314	980,053	1.3
Personal Property Tax and Public Space Rental	10,617	12,288	-13.6
Real Property Transac- tions	246,679	222,590	10.8
Deed Recordation Tax	132,396	129,998	1.8
Deed Transfer Tax	95,471	88,371	8.0
Economic Interest Tax	18,811	4,220	345.7
Sales	822,687	820,775	0.2
General Sales and Use Tax	752,774	749,372	0.4
Excise Taxes	69,913	71,403	-2.1
Income	1,346,939	1,410,552	-4.5
Individual Income Tax	1,087,032	1,108,012	-1.9
Corporate Franchise Tax	173,762	194,168	-10.5
U.B. Franchise Tax	86,145	108,372	-20.5
Gross Receipts and Es- tate	268,111	248,780	7.8
Gross Receipts Taxes	249,254	220,044	13.3
Estate Tax	18,856	28,736	-34.4

Property Taxes. Real property tax collections, fiscal year to date, are only 1.2 percent above the same period last year. This growth is weaker than expected, but may have more to do with the timing of the processing of payments rather than a real decline in collections.

Real Property Transactions Taxes. May fiscal year to date real property transaction taxes collections were up 10.8 percent over May 2013. Deed recordation tax collections increased by 1.8 percent year to date and collections for the deed transfer tax increased by 8.0 percent. At the same time, economic interest tax collections were up by 345.7 percent relative to May 2013.

General Sales and Use Tax. May fiscal year to date general sales and use tax collections were down slightly (by 0.4 percent) compared to the same period last year. As noted in the previous page, slower sales tax collections growth relative to last year's could have been due to unusually high sales tax collections last year because of the Presidential Inauguration and some rate reductions.

Excise Taxes. Fiscal year to date excise tax collections through May dropped by 2.1 percent compared to the same period last year, due mostly to much lower cigarette and motor vehicle fuel tax collections.

Income Taxes. May fiscal year to date individual income tax collections dropped slightly (by 1.9 percent) over the same period last year. The withholding tax portion grew 5.1 percent, while non-withholding decreased by 44.4 percent. The sharp decline in non-withholding is driven largely by lower tax receipts from capital gains in 2014 as taxpayers shifted capital gains income from calendar year 2013 to 2012 in anticipation of higher tax rates as the Bush era tax cuts were set to expire.

May fiscal year to date corporate franchise tax collections decreased by 10.5 percent, compared to that of May of a year earlier, while unincorporated business tax collections decreased by 20.5 percent. The decrease in collection of business taxes may have been mostly due to the adjustments made in the implementation of combined reporting by the District Government.

Gross Receipts Taxes. Overall, fiscal year to date gross receipts tax collections in May were up by 13.3 percent. Insurance premiums were up by 28.0 percent. Public utilities collections were up by 2.6 percent and toll telecommunications were down by 4.8 percent.

Non-Tax Revenues. May fiscal year to date non-tax revenue collections were down slightly, by 8.3 percent relative to a year earlier. Collections from automated traffic enforcement (ATE) show a decrease of 75.3 percent over the same period last year while traffic fines increased 9.1 percent. The sharp decrease in collections appears to be due in part to delays in implementing planned ATE equipment.

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