



D.C. REPORT OF CASH COLLECTIONS

APRIL 2004

GENERAL FUND COLLECTIONS

Year-to-date (YTD) total general-purpose general fund collections of \$2,180.5 million are \$216.3 million (11.0%) above collections received during the period October 2002 through April 2003. This YTD general fund collections growth is above the budgeted estimate of a 2.6 percent increase for fiscal year 2004. For the month of April 2004, total general-purpose general fund collections are \$469.8 million, which is \$67.5 million (16.8%) more than April 2003 total general-purpose general fund collections.

TOTAL TAX COLLECTIONS

YTD total tax collections of \$1,960.1 million are \$178.8 million (10.0%) greater than YTD total tax collections over the October-April period last year. This YTD increase is above the 4.5 percent increase budgeted for fiscal year 2004. For the month of April 2004, total tax collections are \$443.7 million, which is \$65.3 million (17.3%) more than April 2003 total tax collections.

TAX COLLECTIONS BY REVENUE SOURCE

Property Tax Collections

- \$35.4 million (8.4%) above YTD collections for the same period last year

The YTD increase is primarily due to real property tax collections, which are up 9.2 percent over the first seven months of FY 2004 compared to YTD collections through April 2003. The March 2004 D.C. Report of Cash Collections reported a 4.5 percent YTD decline in real property collections compared to the same period over the prior year. But, as noted in that report, this was not indicative of the true health of the District's real property market. During the current fiscal year, the Board of Real Property Assessments and Appeals (BRPAA) has been slow to rule on real property tax appeals because of the large number of vacancies on the Board. As a result of these vacancies, the Board did not rule on a majority of the cases in time for the initial first half billing for FY 2004. Instead, a large number of delayed bills were sent out on March 26. These bills were due on April 26. Consequently, a significant portion of YTD tax collections was missing for that March cash report. As expected, payments for the delayed bills began to show up in the April cash report. YTD, real property tax collections are now up 9.2 percent according to the April cash report. This is more indicative of the District's real property market.

The other two components of property tax collections—personal property tax collections and public space rental collections—have an annual due date of July 31. Therefore, any amounts collected (or not collected) from these two revenue sources from now until July 2004 are expected to be negligible. Furthermore, when we do collect small amounts of tax, they often result in large percentage changes in collections. This is what is occurring in the case of public space rental collections.

General Sales and Use Tax Collections

- \$34.5 million (9.1%) above YTD collections for the same period last year

The YTD increase of 9.1 percent is above the estimated 4.7 percent growth forecasted in the revenue estimates for fiscal year 2004. April 2004 general sales and use tax collections are up by \$6.4 million (12.2%) compared to collections in April 2003. This increase in sales and use tax collections may be due to increased spending as the economy recovers and personal incomes grow. A lower level of refunds in April 2004 relative to April 2003 may also have contributed to April's increase in collections.

A portion of sales tax collections from restaurant meals, on-premise consumption of liquor, rental vehicles, and hotel accommodations is transferred to the Convention Center Fund. Thus, the Convention Center Transfer is a measure of tourist-related tax revenues. YTD Convention Center Transfer collections are 3.3 percent above collections compared to the same period last year. The lower than expected growth is probably due to a backlog of exception returns (returns that cannot be processed immediately because of one or more problems on the return). The April 2004 Convention Center Transfer is 13.5 percent above that of April 2003.

Selective Sales and Use Tax Collections

- \$6.1 million (18.9%) above YTD collections for the same period last year

Total April 2004 selective sales and use tax collections are slightly above (0.6%) April 2003 collections.

YTD alcoholic beverage tax collections are 10.8 percent above collections compared to the same period last year. April 2004 alcoholic beverage tax collections are 10.4 percent above April 2003 collections.

YTD cigarette tax collections are 1.1 percent above collections compared to the same period last year. April 2004 cigarette tax collections are up by 0.6 percent relative to April 2003 collections.

YTD motor vehicle excise tax collections are 30.7 percent above collections over the same period last year. April 2004 motor vehicle excise tax collections are down by 0.6 percent relative to April 2003 collections.

Individual Income Tax Collections

- \$18.1 million (3.3%) above YTD collections for the same period last year

YTD individual income tax collections show an increase of 3.3 percent compared to a 5.4 percent increase forecasted in the revenue estimates for fiscal year 2004. For the month of April, individual income tax collections are \$2.7 million (2.7%) above collections in April 2003.

By components:

Withholdings: April 2004 YTD withholdings collections are 7.3 percent above April 2003 YTD withholding collections. For the month of April, withholdings are 21.3 percent above April 2003 withholdings.

Declarations: April 2004 YTD declarations (estimated payments) are 4.6 percent above April 2003 YTD declarations. For the month of April, declarations are 4.0 percent below April 2003 declarations. Declarations are collected quarterly. Declarations filing dates are January 15, April 15, June 15 and September 15.

Payments: April 2004 YTD final payments with returns are 7.6 percent below April 2003 YTD payments. For the month of April, payments are 17.3 percent below April 2003 payments. Final payments are due in April yet some payments are received after the due date.

Fiduciary: April 2004 YTD fiduciary collections are 15.8 percent above April 2003 YTD fiduciary collections. For the month of April, fiduciary collections are 27.3 percent above April 2003 fiduciary collections.

Refunds: April 2004 YTD refunds are 15.9 percent above April 2003 YTD refunds. For the month of April, refunds are 1.5 percent above April 2003 refunds.

Corporate Franchise Tax Collections

- \$2.6 million (3.3%) above YTD collections for the same period last year

The YTD increase of 3.3 percent shown in the cash collections report is above the estimated 6.1 percent decrease forecasted in the revenue estimates for fiscal year 2004. For the month of April, corporate franchise tax collections are \$5.4 million (35.2%) above collections in April 2003. April's increase is mainly due to the increase in payments relative to April 2003.

By components:

Declarations: YTD declarations (estimated payments) are 9.9 percent above YTD declarations compared to the same period last year. For the month of April, declarations are 9.4 percent above April 2003 declarations.

Payments: YTD payments with returns are 4.9 percent below YTD April 2003 payments. For the month of April, payments are 160.0 percent above April 2003 payments.

Refunds: YTD refunds are 2.5 percent above YTD April 2003 refunds. For the month of April, refunds are 69.4 percent above April 2003 refunds.

Unincorporated Franchise Tax Collections

- \$0.5 million (1.0%) above YTD collections for the same period last year

The YTD increase of 1.0 percent shown in the cash collections report is greater than the estimated 1.0 percent decrease forecasted in the revenue estimates for fiscal year 2004. Net collections for April 2004 are down 37.1 percent (\$9.8 million) compared to collections for April 2003. April's decline is due to a combination of lower payments and declarations, and higher refunds relative to April 2003.

By components:

Declarations: YTD declarations are 30.5 percent above YTD April 2003 declarations. For the month of April, declarations are 4.7 percent below April 2003 declarations.

Payments: YTD payments are 35.4 percent below payments over the same period last year. For the month of April, payments are 50.2 percent below April 2003 payments.

Refunds: YTD refunds are 35.3 percent below refunds for the same period last year. For the month of April, refunds are 75.1 percent above April 2003 refunds.

Gross Receipts Tax Collections

- \$6.1 million (4.3%) above YTD collections for the same period last year

The YTD increase of 4.3 percent exceeds the estimated 1.6 percent growth forecasted in the revenue estimates for fiscal year 2004. For the month of April, gross receipts tax collections are 46.1 percent (\$9.0 million) below April 2003 collections.

YTD public utilities collections are 1.6 percent above collections compared to the same period last year. For the month of April, public utilities tax collections are 35.8 percent below April 2003 collections.

YTD toll telecommunication tax collections are 2.8 percent above collections compared to the same period last year. For the month of April, toll telecommunications tax collections are 99.0 percent below April 2003 collections.

Insurance premium payments YTD collections are 17.1 percent above YTD collections for the same period last year. The increase in premiums results, in part, from the increased risk of terrorism. Another factor is that, due to the District's strong economic development, more buildings are being insured at higher values than in the previous year. Collections in April are 97.6 percent higher than April 2003 collections.

Other Tax Collections

- \$75.7 million (54.1%) above YTD collections for the same period last year

The YTD increase of 54.1 percent is considerably better than the estimated 1.3 percent decline forecasted in the revenue estimates for fiscal year 2004.

YTD estate tax collections are 14.2 percent above collections compared to the same period last year.

YTD deed recordation taxes are 50.4 percent above collections compared to the same period last year and deed transfer tax collections are 50.1 percent above collections compared to the same period last year. The recordation tax is a tax on property sales and commercial refinancing, while the transfer tax is a tax on property sales. The collections growth shown for these two deed taxes is, in part, due to the higher tax rate for deed taxes, which took effect on January 1, 2003. The higher tax rate was not in effect for the first quarter of fiscal year 2003. There continues to be a strong demand to own real estate and a very limited supply of owning opportunities. These two factors, along with low interest rates, are reflected in the strong annual and monthly growth of deed taxes.

YTD economic interest collections are 1903.5 percent above collections over the same period last year. This is an unstable and unpredictable tax throughout the year, and zero or minimal collections in any given month are quite common, which tends to result in large percentage changes when relatively large collections occur. \$2.2 million, \$3.9 million, and \$4.6 million was received in November, December, and January respectively. These unexpectedly large collections alone exceed economic interest collections for all of FY 2003, which amounted to \$4.9 million. Due to the strength of the economic interest collections, the FY 2004 estimate has been increased to \$15.8 million. Since YTD collections are \$11.8 million, it appears that we are on track to meet the revised estimate.

TOTAL GENERAL-PURPOSE NON-TAX COLLECTIONS

YTD total general-purpose non-tax collections of \$176.3 million are \$35.0 million (24.7%) above YTD collections for the same period last year. This YTD increase is significantly better than the 5.7 percent decrease budgeted for fiscal year 2004. In April, total general-purpose non-tax collections of \$19.7 million are 0.4 percent below those of April 2003.

By source:

Licenses and Permits

YTD business and non-business licenses and permits are 8.5 percent above collections compared to the same period last year. In April, collections from licenses and permits are 4.6 percent below those of April 2003. The collections growth for this category of non-tax revenue has been driven primarily by non-business licenses and permits collections (e.g., drivers licenses, bike registrations, boat registrations, vehicle registrations, reciprocity permits, personalized and temporary tags, and transfer of tags). These increased by 12.0 percent on a YTD basis compared to the prior fiscal year and declined by 12.8 percent in April 2004 compared to April 2003. The other licenses and permits category—business licenses and

permits—has grown by 4.5 percent on a YTD basis and increased by 7.2 percent in April 2004 compared to April 2003.

Fines and Forfeitures

YTD fines and forfeitures collections are 46.4 percent above collections compared to the same period last year. In April, collections from fines and forfeitures are 3,079.3 percent above those in April 2003.

Charges for Services

YTD charges for services (parking meters and other charges) collections are 24.6 percent above collections compared to the same period last year. In April, collections from charges for services are 2.7 percent above those in April 2003.

Miscellaneous

YTD miscellaneous revenue (e.g., interest income, unclaimed property, sale of surplus property, other transfers, and other revenue) collections are 15.8 percent above collections compared to the same period last year. In April, miscellaneous revenue collections are 85.0 percent below those in April 2003.

SPECIAL PURPOSE FUNDS

Special purpose funds are funds generated from non-tax sources—fees, fines, assessments, or reimbursements—that are dedicated to the District agency that collects the revenue. The agency uses this revenue to cover the cost of performing the agency's functions. YTD special purpose fund collections of \$118.2 million are \$29.1 million (32.7%) above YTD collections for the same period last year. In April, special purpose fund collections are 109.6 percent above those of April 2003.