



District of Columbia Cash Collections Report

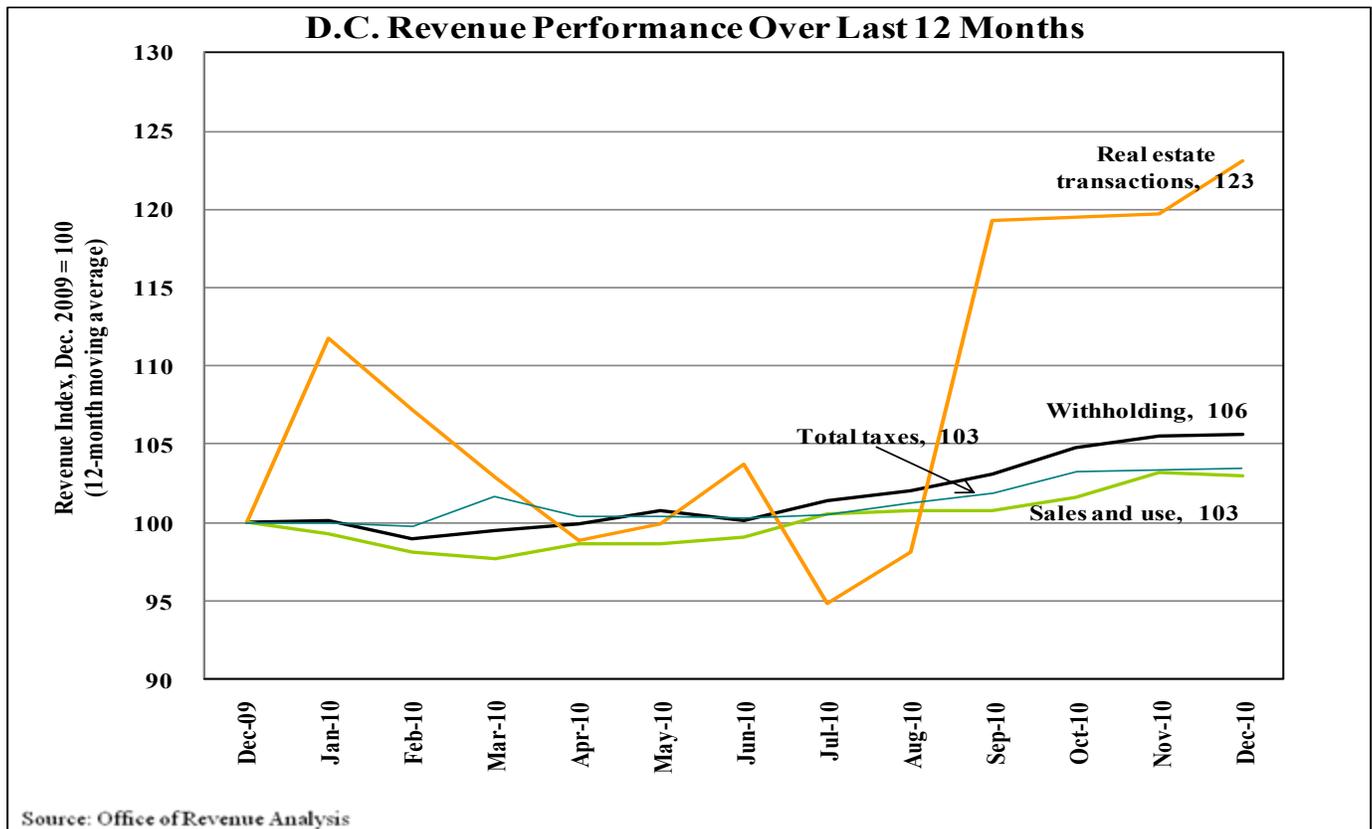
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Tax collections show modest growth

- The twelve-month moving average for total tax collections shows almost a 3.5 percent increase over December of the previous year. The growth in total tax collections during the first three months of the new fiscal year is steady. This, so far, has been consistent with other DC economic indicators that suggest a very slow recovery is occurring in the District of Columbia.
- The twelve-month moving average of withholding tax collections reflects strong growth (almost 6 percent) so far this year.
- At the same time, the twelve-month moving average for sales tax collections shows a very modest growth of almost 3 percent over the previous December. This reflects a slow-paced recovery of sales tax collections.
- For the month of December, the twelve-month moving average of real estate transactions tax collections grew strongly, with 23 percent growth over the previous December.

Collections by Revenue Source

December YTD Tax Collections by Source: 2010 vs. 2009 (\$ '000)

	Dec. 2010	Dec. 2009	Percent change
TOTAL TAX COLLECTIONS	780,363	728,911	7.1
Property	48,142	35,741	34.7
Real Property Tax	47,697	35,227	35.4
Personal Property Tax	445	514	-13.4
Real Property Transactions	42,804	35,793	19.6
Deed Recordation Tax	23,039	19,006	21.2
Deed Transfer Tax	19,241	16,787	14.6
Economic Interest Tax	524	0	n.a.
Sales	267,193	257,135	3.9
General Sales and Use Tax	256,774	235,977	8.8
Excise Taxes	10,419	21,158	-50.8
Income	352,761	342,242	3.1
Individual Income Tax	281,869	259,896	8.4
Corporate Franchise Tax	48,421	51,837	-6.6
U.B. Franchise Tax	22,471	30,509	-26.3
Gross Receipts and Estate	69,463	58,000	19.8
Gross Receipts Taxes	51,237	50,542	1.4
Estate Tax	18,226	7,458	144.4

Property Taxes. Although YTD real property tax collections are up by 35.4 percent, the first of two property tax payments during FY 2011 is not due until March. Thus, property tax receipts through December can not be considered as a strong predictor of the actual performance of property tax collections for the entire fiscal year.

Real Property Transactions Taxes. December YTD real property transaction taxes were up 19.6 percent from the previous year. Deed recordation tax collections increased by 21.2 percent, while those for deed transfer taxes increased by 14.6 percent. This can be perceived as an indicator of recovery in the DC real estate sector.

General Sales and Use Tax. As the District's economy begins to recover we also notice that YTD sales tax collections showed an increase of almost 4 percent from the same period last year. It is also true that YTD collections for both sales and use taxes have been relatively strong, showing an 8.8 percent improvement over the same period last year.

Excise Taxes. YTD excise tax collections show a considerable reduction (50.8 percent) relative to the same period last year. This decline is attributed to a significant de-

cline in cigarette and motor vehicle excise tax collections. We do not believe that a decline of this magnitude will persist over the entire fiscal year.

Income Taxes. Individual income tax collections are up 8.4 percent through December. At the same time, YTD withholding tax collections were up by almost 10 percent through the third month of the 2011 fiscal year.

YTD corporate franchise taxes declined almost 6.6 percent relative to December of a year earlier, and unincorporated business tax collections were down 26.3 percent. Business taxes are generally paid during the months of December, March, June and September of each fiscal year.

Gross Receipts Taxes. YTD Gross receipts tax collections were up 1.4 percent. Broken down by type of gross receipt tax, public utilities collections were up by 2.1 percent and toll telecommunications collections were down by 5.7 percent. Insurance premiums collections were also down 37.4 percent. Insurance premiums are generally due in March, so the collections through December may not be an indication of the collection pattern for the remainder of the year.

Non-Tax Revenues. Collections for most non-tax revenue sources tend to be lumpy—that is, there are large collections for some months and almost no collections in other months, and non-tax collections are often not tied to economic activity in the District. Nevertheless, collections of non-tax revenues, YTD in December, were up by 68.6 percent relative to a year earlier. Unclaimed property sales were up 239.6 percent. It should be noted that December collections from unclaimed property sales accounted for about 7.9 percent of non-tax revenue collections this month, which is in line with the previous two fiscal years where they accounted for approximately a tenth of total non-tax revenues over the entire fiscal year. However, because of the nature of non-tax revenue collections, it is too soon in the fiscal year to make projections for the entire fiscal year based on these early results.

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