

District of Columbia Cash Collections Report

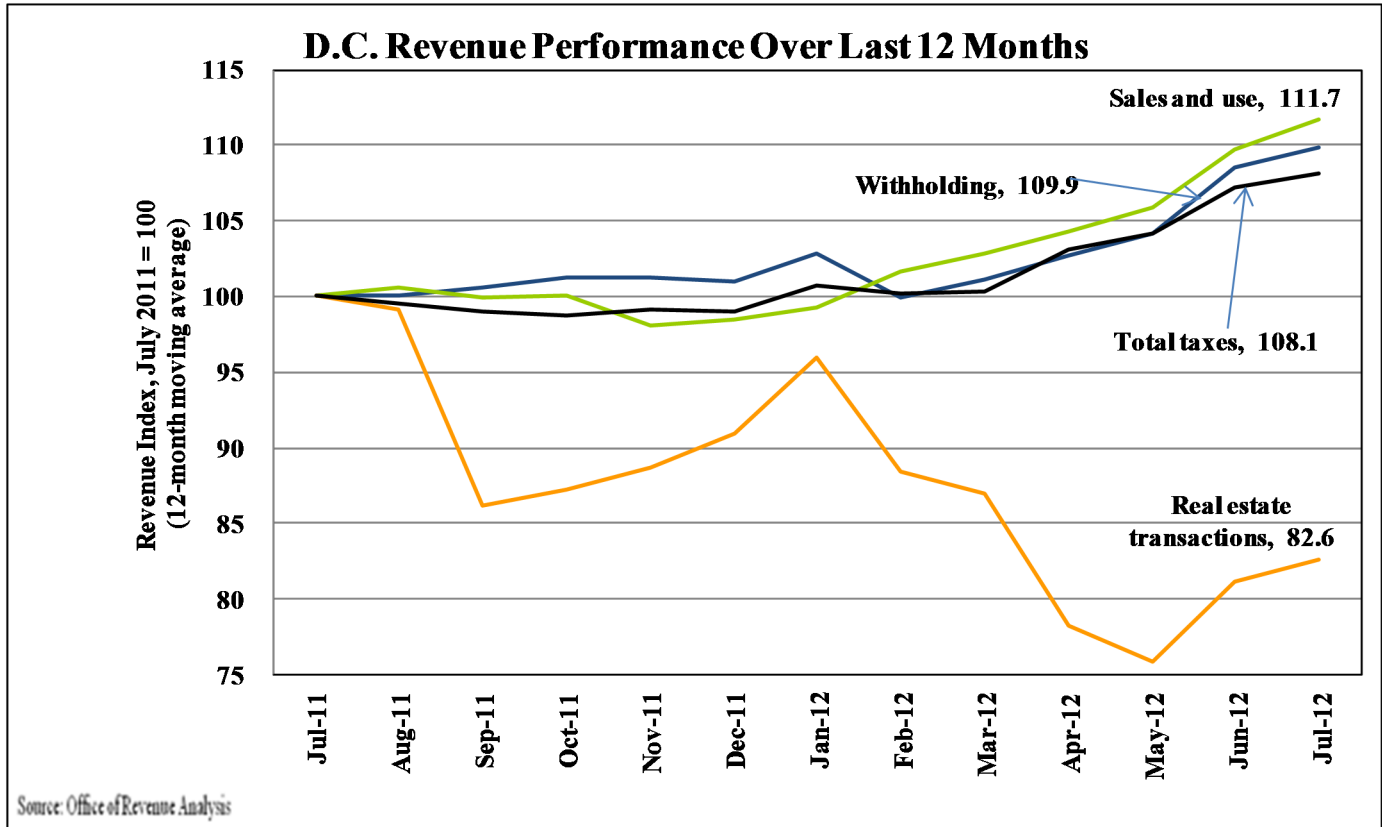
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Tax collections show growth

- The twelve-month moving average of total tax collections for July increased 8.1 percent over the same period last year. The pace of growth of tax collections picked up again in July after slowing slightly the previous three months.
- The twelve-month moving average for withholding tax collections grew 9.9 percent over the previous year. The strength in withholding collections growth is attributable to: 1) strong wages and salaries growth in the District over the twelve-month period ending in July, and 2) several legislative changes that increase the amount of withheld income tax.
- Sales tax collections for the twelve-month period ending in July are up by almost 11.7 percent relative to the same time last year. This follows the trend that started right after the beginning of the new calendar year in January 2012.
- The twelve-month moving average of real estate transactions (deed) taxes collections for July ticked up, but collections are still a 17.4 percent below the same period of the previous year. This is a marked reversal from the previous year when an active real estate market drove strong growth in collections for the real estate transactions taxes.

Collections by Revenue Source

July YTD Tax Collections by Source: 2012 vs. 2011 (\$ '000)

	July 2012	July 2011	Percent change
TOTAL TAX COLLECTIONS	4,239,919	3,787,074	12.0
Property	1,002,055	923,447	8.5
Real Property Tax	964,526	903,854	6.7
Other Property Taxes	37,529	19,593	91.5
Real Property Transactions	264,177	269,322	-1.9
Deed Recordation Tax	136,362	138,000	-1.2
Deed Transfer Tax	102,744	117,736	-12.7
Economic Interest Tax	25,071	13,585	84.6
Sales	1,005,903	892,282	12.7
General Sales and Use Tax	921,754	808,533	14.0
Excise Taxes	84,149	83,749	0.5
Income	1,573,833	1,355,558	16.1
Individual Income Tax	1,208,826	1,060,899	14.0
Corporate Franchise Tax	233,997	181,352	29.0
U.B. Franchise Tax	131,010	113,307	15.6
Gross Receipts and Estate	393,951	346,465	13.7
Gross Receipts Taxes	298,371	287,714	3.7
Estate Tax	95,580	58,750	62.7

Property Taxes. Year-to-date real property tax collections through July show an increase of 6.7 percent compared to the same period last year. This pace of growth is slightly below the forecasted 7.2 percent, but collections are on track to meet the estimate.

Real Property Transactions Taxes. July fiscal year-to-date real property transaction taxes collections were down 1.9 percent from July 2011. Deed recordation tax collections decreased by 1.2 percent year to date, while collections for the deed transfer tax were down by 12.7 percent. At the same time, economic interest tax collections increased by 84.6 percent.

General Sales and Use Tax. July fiscal year-to-date general sales and use tax collections were up by 14.0 percent compared to the same period last year. As the national economy strengthened late last year, District sales and use tax collections started to recover from the impact of the downturn. But, given recent weakness in the national

economy, it remains to be seen whether growth can continue at the current pace.

Excise Taxes. Fiscal year-to-date excise tax collections through July grew by a modest 0.5 percent compared to the same period last year. Higher cigarette excise tax collections were the main sources of this modest growth.

Income Taxes. July fiscal year-to-date individual income tax collections were 14.0 percent higher than that of the same period last year. The year-to-date withholding tax portion increased 10.9 percent.

July fiscal year-to-date corporate franchise tax collections increased 29.0 percent compared to that of July of a year earlier, as business profits have soared over the past year. Unincorporated business tax collections were up 15.6 percent. The implementation of the combined reporting requirement for businesses explains the unusually high growth in collections from the business taxes.

Gross Receipts Taxes. Overall, fiscal year-to-date gross receipts tax collections in July were up by 3.7 percent. Toll telecommunications collections were down by 6.4 percent and collections from insurance premiums were up by 27.4 percent, while public utilities collections were down by 6.3 percent.

Non-Tax Revenues. July fiscal year-to-date non-tax revenue collections were up by 22.3 percent relative to a year earlier. Collections from licenses and permits increased by 3.3 percent while fines and forfeiture collections increased by 26.2 percent. Charges for services increased by 19.3 percent and miscellaneous nontax revenue was increased by 39.4. Because non-tax receipts tend to be lumpy—receipts are high some months and very low in other months—it is too early to evaluate the performance of this revenue source.

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