



District of Columbia Cash Collections Report

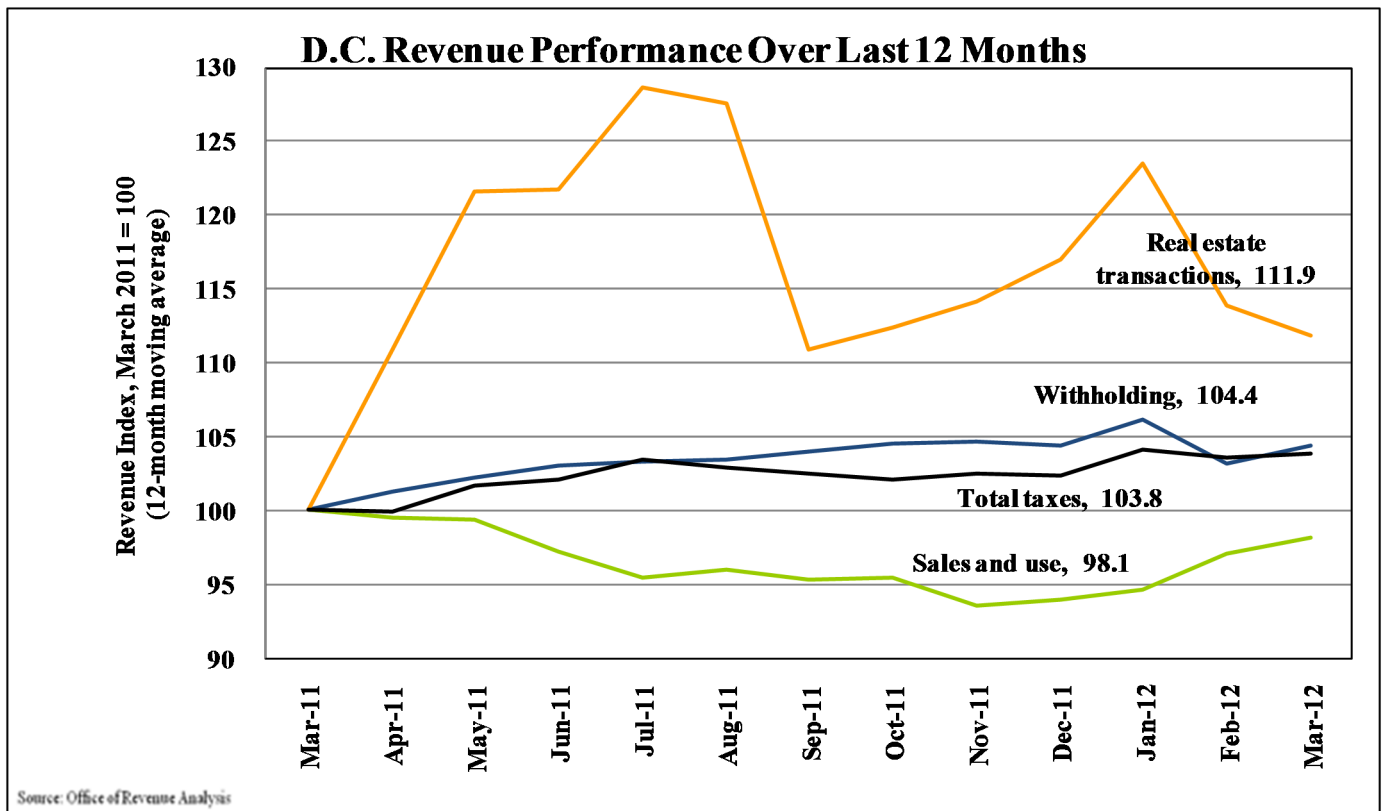
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Tax collections show growth

- The twelve-month moving average of total tax collections for March increased 3.8 percent over the same period last year. This is a slowdown from the previous month, when it grew 4.1 percent. However, the full extent of the growth may not be reflected in this report because processing of some March tax collections may have been delayed.
- Withholding tax collections over the past twelve months grew 4.4 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 March, and 2) the change in the law that required employers to increase the percentage of income tax withholdings from employees.
- Sales tax collections for the twelve-month period ending in March were slightly higher than the previous month, but are still 1.9 percent lower relative to the same period last year. Most of the decline is likely due to a pull back in spending by consumers because of the general uncertainty in the economy.
- The twelve-month moving average of real estate transactions tax collections for March grew by 11.9 percent compared to the same period of the previous year. A still active real estate market drove the extraordinary growth over the period.

Collections by Revenue Source

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

	March 2012	March 2011	Percent change
TOTAL TAX COLLEC- TIONS	2,125,202	2,100,410	1.2
Property	468,034	574,032	-18.5
Real Property Tax	461,446	573,447	-19.5
Personal Property	6,587	585	1026.0
Real Property Transac- tions	145,317	122,771	18.4
Deed Recordation Tax	69,828	64,102	8.9
Deed Transfer Tax	52,205	55,535	-6.0
Economic Interest Tax	23,284	3,134	642.9
Sales	561,414	526,692	6.6
General Sales and Use Tax	519,520	491,264	5.8
Excise Taxes	41,894	35,428	18.2
Income	753,849	688,658	9.5
Individual Income Tax	565,221	546,104	3.5
Corporate Franchise Tax	141,179	107,317	31.6
U.B. Franchise Tax	47,450	35,237	34.7
Gross Receipts and Estate	196,588	188,257	4.4
Gross Receipts Taxes	160,758	153,290	4.9
Estate Tax	35,829	34,966	2.5

Property Taxes. Year-to-date real property tax collections through March show a decline of 19.5 percent compared to the same period last year. However, the first real property tax payment for the new fiscal year was not due until March 31st, and that will be reflected in April's collections. So its meaningful performance would not be known until the next month's collections are reported.

Real Property Transactions Taxes. March fiscal year-to-date real property transaction taxes collections were up 18.4 percent from March 2011. Deed recordation tax collections increased by 8.9 percent year to date, while collections for the deed transfer tax were down by 6.0 percent. At the same time, economic interest tax collections demonstrated an increase of almost 643.0 percent. This may be due to a higher rate of financial activities related to new constructions rather than more property sales.

General Sales and Use Tax. March fiscal year-to-date general sales and use tax collections were up by 5.8 percent compared to the same period last year, mostly due to improved sales in March. However, the general condition of the economy remains volatile. Thus, still is some uncertainty about the recovery of sales and sales tax collections in the District to levels observed

prior to the most recent recession.

Excise Taxes. Fiscal year-to-date excise tax collections through March grew again, substantially—by 18.2 percent compared to the same period last year. This time around, higher motor vehicle excise taxes and cigarette excise tax collections are the main sources of strong growth. Nevertheless, while excise taxes collections fluctuate from time-to-time, in part some of the growth in collections for the month appears to be due to inconsistencies existing in processing collections rather than any drastic change in their related activities.

Income Taxes. March fiscal year-to-date individual income tax collections were 3.5 percent higher than that of the same period last year. The year-to-date withholding tax portion increased 0.8 percent, but on a month-to-month basis, it grew 14.1 percent higher than it did in March 2011. Again, the timing of the processing of collections appears to be the reason for this apparent change in the pattern of collections.

March fiscal year-to-date corporate franchise tax collections increased 31.6 percent compared to that of March of a year earlier, as business profits have soared over the past year. Unincorporated business tax collections were up 34.7 percent. The unincorporated business tax is tied closely to the District's real estate market and reflects the continued strong performance of the sector.

Gross Receipts Taxes. Overall, fiscal year-to-date gross receipts tax collections in March were up by 4.9 percent. Public utilities collections were down by 10.1 percent, and toll telecommunications collections were down by 3.3 percent. Insurance premiums, on the other hand, were up by 46.9 percent, offsetting losses caused by other lower collections. This also could be due to inconsistencies in reporting of collections from one year to another.

Non-Tax Revenues. March fiscal year-to-date non-tax revenue collections were up by 32.0 percent relative to a year earlier. Collections from licenses and permits increased by 57.0 percent while fines and forfeiture collections increased by 18.9 percent. Charges for services increased by 77.4 percent and miscellaneous nontax revenue increased 17.2 percent. But, non-tax receipts tend to be lumpy—receipts are high some months and very low in other months—so it is too early to evaluate the performance of this revenue source.

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