

District of Columbia Cash Collections Report

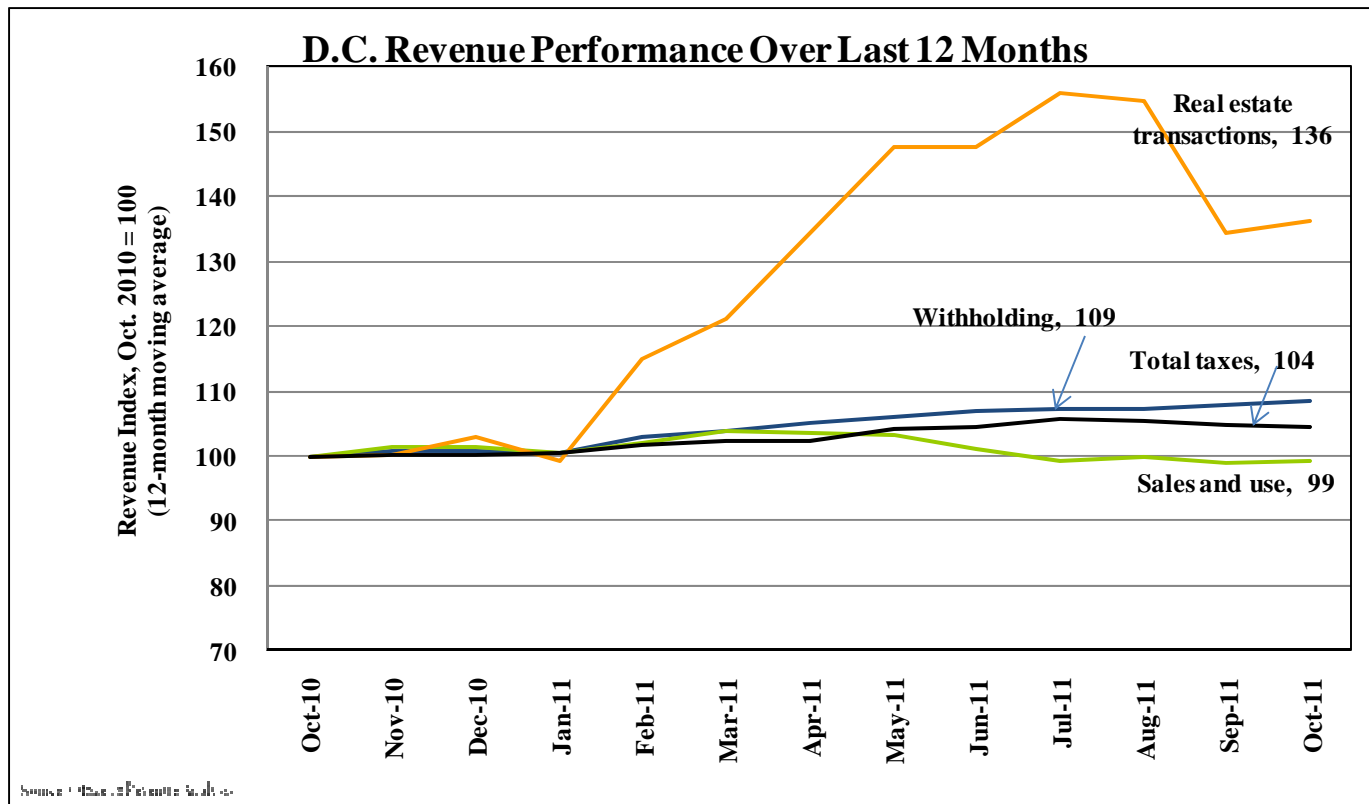
Office of Revenue Analysis
Office of the Chief Financial Officer
Government of the District of Columbia

Vincent C. Gray, Mayor
Natwar M. Gandhi, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist
Farhad Niami, Director of Economic Affairs

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Tax collections growth continues

- The twelve-month moving average of total tax collections for the first month of the new fiscal year grew 4 percent over the same period last year. Growth has slowed since this past summer, but it is too early to say whether this is a trend or merely cyclical. Growth in total tax collections over the past twelve months can be largely attributed to strong wages and salaries growth, an active commercial real estate market, and a rebound in capital gains from equities over this period.
- Withholding tax collections in October grew 9 percent over the previous year because of strong growth in wages and salaries.
- Sales tax collections for the twelve-month period ending in October were slightly lower (almost flat) relative to the same period last year. This may be due to a pull back in spending by consumers because of the general uncertainty in the economy.
- Real estate transactions tax collections grew by 36 percent in October compared to the same period of the previous year. The District's vibrant commercial real estate market continues to drive the extraordinarily strong growth in collections from this tax source.

Collections by Revenue Source

October YTD Tax Collections by Source: 2011 vs. 2010 (\$ '000)

	October 2011	October 2010	Percent change
TOTAL TAX COLLECTIONS	265,070	275,389	-3.7
Property	17,457	27,192	-35.8
Real Property Tax	15,698	26,567	-40.9
Personal Property Tax	1,759	626	181.0
Real Property Transactions	14,120	10,857	30.0
Deed Recordation Tax	8,115	5,837	39.0
Deed Transfer Tax	5,923	4,724	25.4
Economic Interest Tax	83	296	-72.0
Sales	98,423	93,698	5.0
General Sales and Use Tax	92,371	90,826	1.7
Excise Taxes	6,053	2,872	110.8
Income	110,333	124,239	-11.2
Individual Income Tax	100,588	103,028	-2.4
Corporate Franchise Tax	6,713	17,871	-62.4
U.B. Franchise Tax	3,032	3,340	-9.2
Gross Receipts and Estate	24,737	19,403	27.5
Gross Receipts Taxes	19,223	16,808	14.4
Estate Tax	5,514	2,595	112.5

Property Taxes. Real property tax collections during the first month of the new fiscal year are 35.8 percent below the same period last year. The first real property tax payment for the new fiscal year is due in March and therefore the current performance of real property tax collections does not predict likely performance for the fiscal year.

Real Property Transactions Taxes. October real property transaction taxes collections were up 30.0 percent from October 2010. Deed recordation tax collections increased by 39.0 percent, while collections for the deed transfer tax increased by 25.4 percent. The high volume and price of DC's commercial property sales continue to drive deed taxes revenue growth.

General Sales and Use Tax. October general sales and use tax collections were up by 1.7 percent compared to the same period last year. This is certainly a

change from the early part of FY 2011 when there was double digit or high single digit growth. The slow down in growth may reflect the prevailing high level of uncertainty about general economic conditions.

Excise Taxes. Excise tax collections in October grew substantially by 110.8 percent compared to the same period last year. Higher motor vehicle fuel taxes and cigarette excise tax collections are the main sources of the strong overall excise tax growth.

Income Taxes. Individual income tax collections during the month of October were 2.4 percent lower than that of the same period last year. This is in spite of the fact that the withholding tax portion grew 7.5 percent. But no component of the non-withholding tax collections is due until January and so the current performance is not a good indicator of likely performance for the fiscal year.

October corporate franchise tax collections decreased 62.4 percent compared to that of October of a year earlier, while unincorporated business tax collections were down 9.2 percent. Again, no major payments are due until January so it is too early to evaluate the performance of the business tax receipts.

Gross Receipts Taxes. Overall, gross receipts tax collections in October were up by 14.4 percent. Public utilities collections were down by 3.3 percent, and toll telecommunications collections were down by 2.3 percent. Insurance premiums collections are due in March and June.

Non-Tax Revenues. October non-tax revenue collections were down by 21.8 percent relative to a year earlier due mainly to a 93.5 percent decrease in collections from fines and forfeitures. 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 performance of this revenue source.

For further information or to comment on this report, contact: Farhad Niami (202) 727-3897, or farhad.niami@dc.gov.