



District of Columbia Cash Collections Report

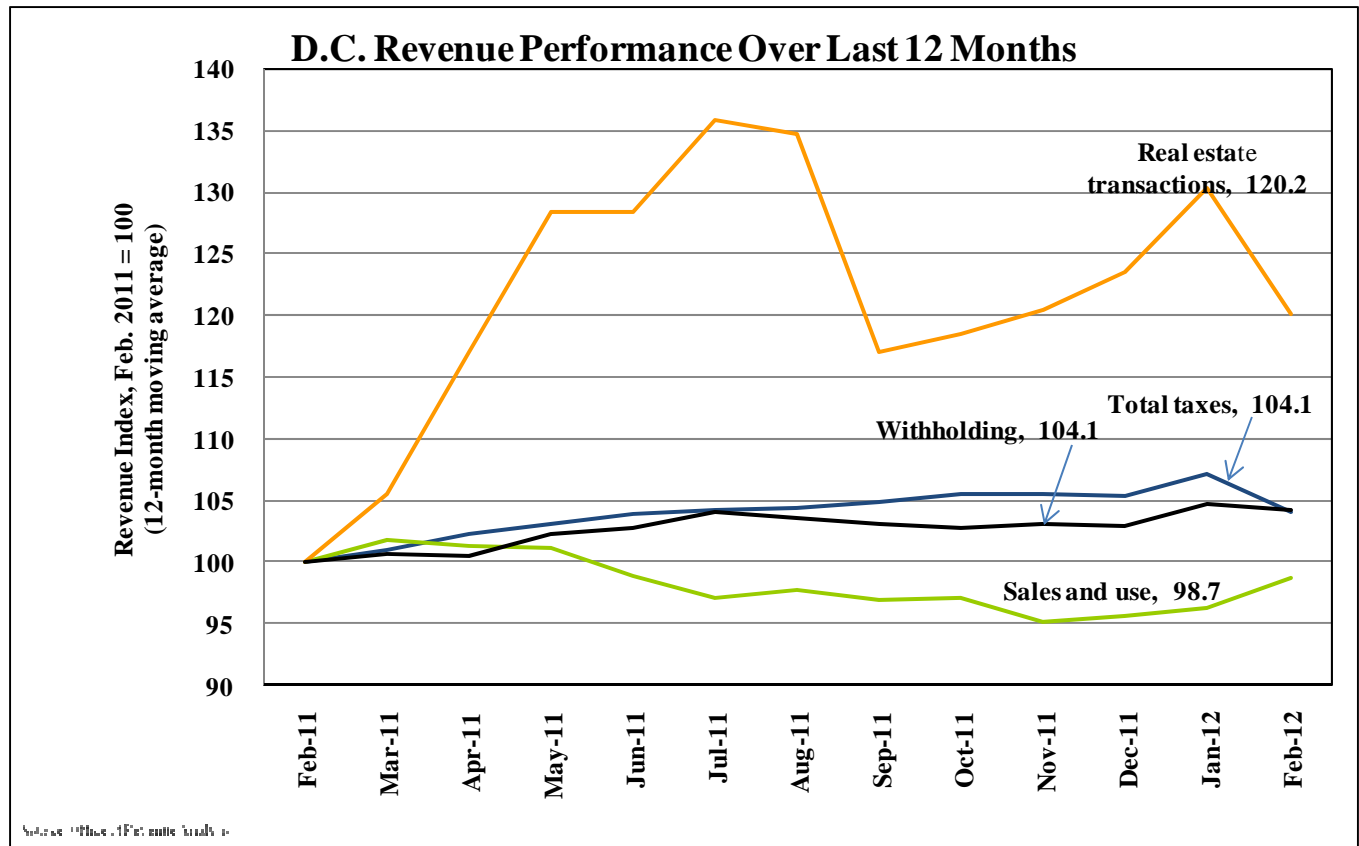
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Tax collections show growth

- The twelve-month moving average of total tax collections for February increased 4.1 percent over the same period last year. This is a slowdown from the previous month, when it grew 6.2 percent. However, the full extent of the growth may not be reflected in this report because processing of some February tax collections was delayed.
- Withholding tax collections over the past twelve months grew 4.1 percent over the previous year. The strength in withholding collections growth is attributable to strong wages and salaries growth in the District over the twelve-month-period ending in February as the District labor market continues to strengthen.
- Sales tax collections for the twelve-month-period ending in February were slightly higher than the previous month, but are still 1.3 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 February grew by 20.2 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

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

	February 2012	February 2011	Percent change
TOTAL TAX COLLEC- TIONS	1,363,347	1,329,588	2.5
Property	25,502	72,711	-64.9
Real Property Tax	20,094	71,995	-72.1
Personal Property	5,408	716	655.3
Real Property Transac- tions	125,496	97,971	28.1
Deed Recordation Tax	58,717	51,468	14.1
Deed Transfer Tax	45,365	45,430	-0.1
Economic Interest Tax	21,414	1,074	1893.8
Sales	462,140	436,410	5.9
General Sales and Use Tax	428,756	411,660	4.1
Excise Taxes	33,384	24,750	34.9
Income	609,635	594,736	2.5
Individual Income Tax	495,571	502,989	-1.5
Corporate Franchise Tax	72,198	57,061	26.5
U.B. Franchise Tax	41,866	34,687	20.7
Gross Receipts and Estate	140,574	127,760	10.0
Gross Receipts Taxes	107,743	97,879	10.1
Estate Tax	32,830	29,882	9.9

Property Taxes. Year-to-date real property tax collections through the second month of the calendar year show a decline of 72.1 percent compared to the same period last year. However, the first real property tax payment for the new fiscal year is not due until March 31st, so it is not meaningful to discuss its current performance.

Real Property Transactions Taxes. February fiscal year to date real property transaction taxes collections were up 28.1 percent from February 2011. Deed recordation tax collections increased by 14.1 percent year to date, while collections for the deed transfer tax were down by 0.1 percent and economic interest tax collections increased by almost 1900 percent. This may be due to higher rate of financial activities related to new constructions rather than more property sales.

General Sales and Use Tax. February fiscal year-to-date general sales and use tax collections were up by 4.1 percent compared to the same period last year, mostly due to improved sales in the month of February. However, the general conditions of the economy remains to be volatile and, because

of that, there still exists some uncertainty about the complete recovery of sales activities in the District, and as such, their related tax collections, to levels observed prior to the most recent recession.

Excise Taxes. Fiscal year to date excise tax collections through February grew substantially—by 34.9 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 are seasonal by nature, in part some of the growth in collections for the month appears to be due to inconsistencies existing in processing of collections rather than any drastic change in their related activities.

Income Taxes. February fiscal year to date individual income tax collections were slightly—1.5 percent—lower than that of the same period last year. The withholding tax portion declined 1.8 percent. Again, the timing of the processing of collections appears to be the reason for this seemingly change of the pattern in collections.

February fiscal year to date corporate franchise tax collections increased 26.5 percent compared to that of February of a year earlier, as business profits have soared over the past year. The unincorporated business tax collections were up 20.7 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 February were up by 10.1 percent. Public utilities collections were down by 2.9 percent, and toll telecommunications collections were up by 9.6 percent. Insurance premiums, on the other hand, were up by 171.5 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. February fiscal year to date non-tax revenue collections were up by 23.9 percent relative to a year earlier. Collections from licenses and permits increased by 86.4 percent while fines and forfeiture collections increased by 11.1 percent. Charges for services increased by 93.4 percent and miscellaneous nontax revenue decreased 2.9 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 reve-

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