



District of Columbia Cash Collections Report

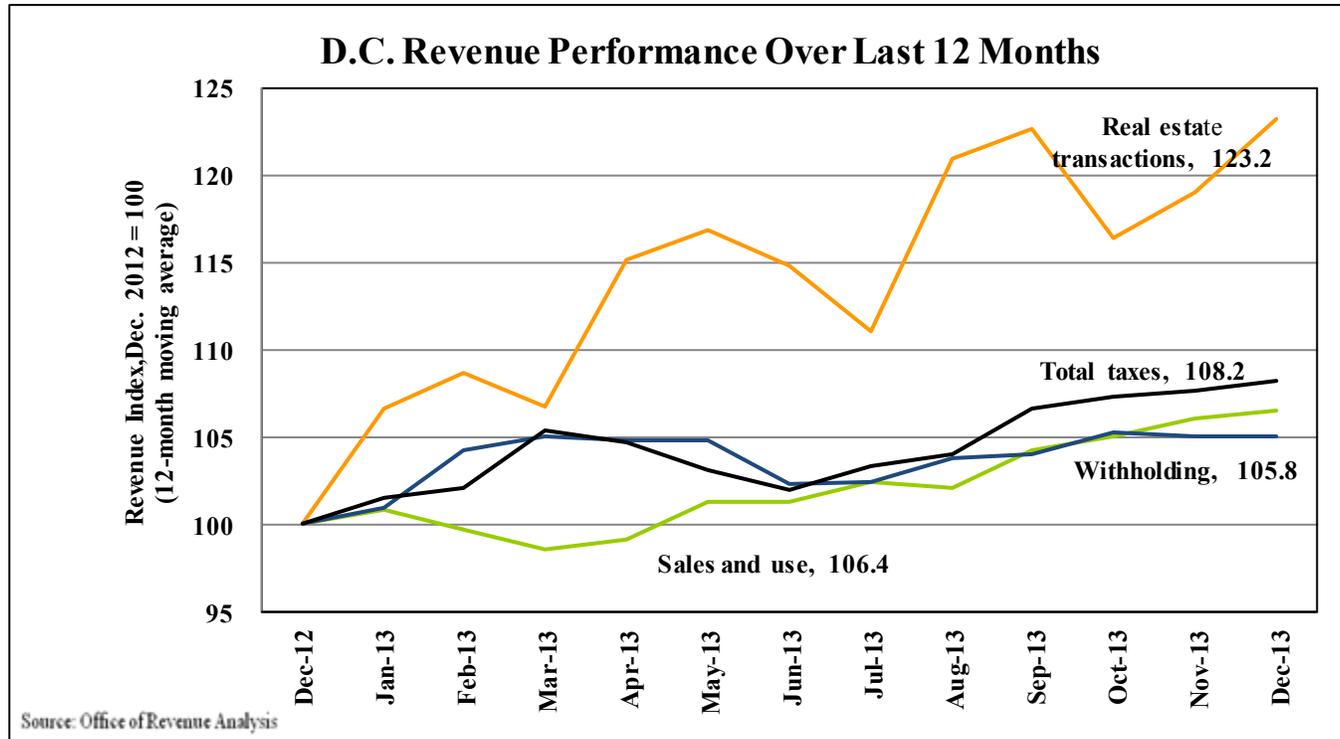
Office of Revenue Analysis
Office of the Chief Financial Officer
Government of the District of Columbia

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

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

Volume V, Issue III

December 2013



Highlights

- The twelve-month moving average of total tax collections in December 2013 increased 8.2 percent over the same period last year. Growth in revenue collections through December was strong in spite of the federal government's partial shutdown in October.
- The twelve-month moving average for withholding tax collections for December grew 5.8 percent over the previous year as the fiscal benefits of a growing population offset the effects of federal budget austerity and the federal government shut down.
- Sales tax collections for the month of December were 6.4 percent higher compared to the same period last year. Strong growth in sales tax collections, like the growth in withholding collections, reflects the benefits of a growing population.
- Real estate transactions tax collections for December grew by about 23.2 percent compared to the same period last year, reflecting strong real estate activity for the period.

Collections by Revenue

Dec. YTD Tax Collections by Source: FY2014 vs. FY2013 (\$ '000)

	December 2013	December 2012	Percent change
TOTAL TAX COLLEC- TIONS	937,413	915,063	2.4
Property	19,560	34,301	-43.0
Real Property Tax	14,446	29,635	-51.2
Personal Property Tax and Public Space Rental	5,114	4,666	9.6
Real Property Transac- tions	89,511	63,587	40.8
Deed Recordation Tax	47,905	36,092	32.7
Deed Transfer Tax	30,878	26,173	18.0
Economic Interest Tax	10,728	1,322	711.3
Sales	311,924	303,747	2.7
General Sales and Use Tax	296,221	280,804	5.5
Excise Taxes	15,704	22,943	-31.6
Income	455,672	450,876	1.1
Individual Income Tax	368,730	353,322	4.4
Corporate Franchise Tax	61,280	65,327	-6.2
U.B. Franchise Tax	25,662	32,226	-20.4
Gross Receipts and Es- tate	60,746	62,552	-2.9
Gross Receipts Taxes	53,192	49,746	6.9
Estate Tax	7,554	12,806	-41.0

Property Taxes. Real property tax collections, fiscal year to date, are 43.0 percent below the same period last year. Note that the first installment of property tax payments are not due until March, so this is not an indicator of likely real property tax growth for the fiscal year.

Real Property Transactions Taxes. December fiscal year to date real property transaction taxes collections were up 40.8 percent over December 2012. Deed recordation tax collections increased by 32.7 percent year to date, while collections for the deed transfer tax increased by 18.0 percent. The strong growth in the real estate transactions taxes in recent months reflects strong real estate market activity in the District of Columbia for the month. But the performance of this revenue source is both seasonal and volatile, so the performance for any given month is not a good predictor of fiscal year performance.

General Sales and Use Tax. December fiscal year to date general sales and use tax collections were up by 5.5 percent compared to the same period last year. This is a strong rebound from slowing growth over the summer.

Excise Taxes. Fiscal year to date excise tax collections through December dropped by 31.6 percent compared to the same period last year, due mostly to much lower cigarette and motor vehicle excise tax collections.

Income Taxes. December fiscal year to date individual income tax collections grew 4.4 percent over the same period last year. The withholding tax portion grew 4.6 percent, while non-withholding increased by 1.1 percent. As noted in the highlights on the previous page, strong withholding growth primarily reflects the District's rising population. Non-withholding tax collections through December is not an indicator of likely performance for the fiscal year as the first estimated payments for the fiscal year are not due until January.

December fiscal year to date corporate franchise tax collections decreased by 6.2 percent, compared to that of December of a year earlier, while unincorporated business tax collections decreased by 20.4 percent. Tax payments for business tax filers are not due until March of 2014, so, as for the individual income tax, the December performance is not a good indicator of likely performance for the fiscal year.

Gross Receipts Taxes. Overall, fiscal year to date gross receipts tax collections in December were up by 6.9 percent. Public utilities collections were up by 2.3 percent. Toll telecommunications were up by 3.1 percent.

Non-Tax Revenues. December fiscal year to date non-tax revenue collections (excluding legalized gambling and special purpose revenue) were down by 3.7 percent relative to a year earlier. Collections from automated enforcement show a decrease of 53.3 percent over the same period last year. Meanwhile, traffic fines increased 30.3 percent. Collections in "other" fines and forfeitures were up by 19.0 percent relative to the year before. A new policy decision that went into effect at the beginning of the fiscal year reduced the rates charged on certain traffic citations. This may have been the primary reason for reduction in fines and forfeiture collections.

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