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

Jeffrey S. DeWitt
Chief Financial Officer

December 30, 2014

The Honorable Vincent C. Gray
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW – 6th Floor
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW – Suite 504
Washington, DC 20004

Re: December 2014 Revenue Estimates

Dear Mayor Gray and Chairman Mendelson,

This letter certifies, as of December 2014, revised revenue estimates for the FY 2014 - 2018 District of Columbia Budget and Financial Plan. The revenue estimate for FY 2015 is $6.578 billion, $83.4 million less than the previous estimate. For FY 2016, the revised estimate is $6.830 billion, a $39.5 million reduction from the previous estimate. Although the forecast has decreased from the prior estimate, revenue growth remains strong over the forecast period, ranging from 3.2 percent to 4.3 percent, and more than making up for the FY 2015 reduction by FY 2018. The table below compares the December revenue estimate to the previous one.

December 2014 estimate compared to previous estimate

	Preliminary	Estimate		Projected	
Local Source, General Fund Revenue Estimate ($ million)	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**
September 2014 estimate*	**6,334.1**	**6,660.9**	**6,869.3**	**7,091.0**	**7,311.3**
December Revision to Estimate	(25.4)	(83.4)	(39.5)	(43.7)	21.4
December 2014 Estimate	**6,308.6**	**6,577.6**	**6,829.8**	**7,047.3**	**7,332.7**
Percent change from previous year	*1.7%*	*4.3%*	*3.8%*	*3.2%*	*4.1%*

**September 2014 estimate is the same as the February 2014 estimate adjusted for tax code changes.*

Overview

The revised revenue estimate is based on a preliminary review of revenue for FY 2014 and revised economic forecasts for the U.S. and the District. The preliminary review of FY 2014 revenue shows that revenue was in line with the estimate in the February 2014 revised Budget and Financial Plan. There were, however, shortfalls in revenue from both business- and capital gains-related individual income taxes and traffic fines. Revenue from business profits- and capital gains-related income taxes was $133 million lower than forecast and revenue from traffic fines was $38 million below forecast. These losses were offset by greater than anticipated gains of $53 million in deed taxes, $39 million in wage-related income taxes, and $71 million in non-tax revenue other than fines, mainly from one-time miscellaneous sources.

The FY 2014 shortfall in the income taxes and traffic fines revenue is expected to have a ripple effect on revenue in FY 2015 and beyond. In particular, the previous revenue estimate for FY 2015 traffic fines revenue assumed increased revenue from the full implementation of various automatic traffic enforcement (ATE) initiatives in FY 2014 and implementation of additional equipment by the start of FY 2015. As implementation of the ATE equipment in FY 2014 was delayed, and full implementation of both the FY 2014 and FY 2015 initiatives are now expected to occur later in the current fiscal year, the revenue shortfall from delayed implementation of the ATE equipment compounds and almost doubles in FY 2015. The total revenue shortfall of $83 million in FY 2015 caused by the ripple effect of income taxes and traffic fines revenue shortfall in FY 2014 narrows to $40 million in FY 2016 because of anticipated stronger growth in the national and local economies in FY 2016.

Revenue Highlights

Real Property

Real property tax revenue growth for FY 2014 matched the forecast, growing at a 4.4 percent rate from FY 2013. The forecast for FY 2015 is revised slightly higher by $15 million based on preliminary billing information and it also reflects the 7 percent cap on aggregate residential real property tax revenue. Real property tax revenue for FY 2016 is revised higher by $32 million based on continued growth in property values and sales prices in 2014.

Deed Recordation, Deed Transfer, and Economic Interest Taxes

Revenue from real property transaction taxes exceeded the forecast by $53 million in FY 2014 as the strong price growth, particularly in sales of commercial office buildings, propelled deed taxes revenue upwards in spite of somewhat lower volumes. While this remains a very volatile component of revenue, initial strong collections data in the first months of FY 2015, along with improvements in the economy, suggest continued strength in this revenue source this fiscal year and the next. For FY 2015 and FY 2016, the forecast is higher by approximately $50 million.

Sales Taxes and Gross Receipts

Revenue from sales and gross receipts taxes was $6 million lower than anticipated in FY 2014. An $8 million shortfall in sales taxes revenue was primarily the result of weakness in the economy, the federal government shutdown last fall, and a relatively harsh winter, which deterred shoppers in the early part of the fiscal year. With the one-time effects of the federal shutdown and harsher than anticipated winter behind us, and a more upbeat economic forecast for FY 2015 and beyond, the gap compared to the previous forecast is eliminated in FY 2015. This is offset by lower revenues from gross receipts taxes in FY 2015 as the revenue was boosted in FY 2014 by a one-time increase in insurance premium taxes.

Individual Income

Individual income tax revenue was $42 million lower than forecast in FY 2014. The shortfall was due exclusively to lower than expected revenue from the capital gains component of income. Other states income tax revenue was also hit by the so-called "April surprise". It stemmed from taxpayers shifting capital gains income from tax year 2013 to 2012 in anticipation of a federal tax increase in 2013. Although the income shift was anticipated in the forecast, forecasting capital gains income is notoriously difficult even in a normal year. As it turned out, the extent of the income shifting was much greater than anticipated, resulting in a shortfall in revenue after the April returns were tallied. On the other hand, District revenue from the withholding component of income grew at a healthy rate of 4 percent in FY 2014 and will benefit from forecasted stronger economic growth in FY 2015 and FY 2016, narrowing the individual income tax revenue shortfall to $19 million in FY 2015 and $6 million in FY 2016.

Business Income

Business income tax revenue was significantly lower than anticipated in FY 2014. Following declines and sluggish growth in FY 2013, business income tax revenue was expected to increase in FY 2014, mirroring the national rebound in corporate profits that propelled the stock market to new highs. The use of sophisticated tax planning, including inversions, as well as increased use of tax incentive programs continue to weaken the relationship between business income tax revenue and corporate earnings. Higher than usual credits and refunds related to the implementation of combined reporting requirements two years ago are also a drag on business income tax revenue growth. And, starting in FY 2015, credits related to a provision in the legislation implementing combined reporting requirements (FAS 109) will cost the District $9 million annually. All these factors combine to reduce business income tax revenue in FY 2015 and FY 2016 by about $68 million compared to the previous estimate.

Non-tax Revenue and Lottery

Revenue from non-tax sources and the lottery was $28 million higher than forecast in FY 2014, but the contribution of different components of non-tax revenue sources to the net surplus was highly uneven, with shortfalls in some sources offset by surplus in others.

Implementation delays of ATE initiatives cost the District almost $40 million in lost traffic fines revenue in FY 2014. The number of ticket issuances in FY 2014 plummeted by more than 50 percent from FY 2013 and FY 2012, averaging only 30,000 a month, compared to almost 70,000 in FY 2012 and reaching lows of just 10,000 per month in the early part of FY 2014.

The previous forecast for FY 2015 assumed a full roll-out of all new ATE equipment by the beginning of the fiscal year. This has yet to occur, and it will compound the shortfall in traffic fines revenue in FY 2015 as the revenue losses from implementation delays in FY 2014 add to revenue losses from delayed implementation of the FY 2015 ATE initiatives. Revenues in FY 2015 are lower by $78 million, recovering slightly in FY 2016. The reduced forecast is still predicated on a full implementation of all ATE initiatives by April of 2015.

Other non-tax revenue was higher by almost $71 million in FY 2014 compared to the February forecast. The gain was driven almost entirely by increases in miscellaneous income, which includes revenue from unclaimed properties, a one-time payment from the federal government, a one-time payment from DC Water related to a recently signed agreement, as well as other one-time unpredictable sources. Non-tax revenue other than fines are revised higher by $38 million in FY 2015 and $34 million in FY 2016, mainly due to expected higher revenue from fees, including licensing and permitting fees and the emergency ambulance fee. Strong growth in revenue from fees is a natural consequence of a growing population and a strengthening economy.

Lottery revenue in FY 2014 was $5.2 million lower than expected because of delays in signing a contract for various instant ticket games. Lottery revenues for FY 2015 are lower by $11 million in FY 2015 due to reduced sales volume as a lack of instant ticket contracts continued into the first quarter of FY 2015. The lottery revenue shortfall is reduced to $5 million in FY 2016.

National and Regional Economies

The fundamentals underlying the national economy continue to improve. Real GDP grew at annual rates of 4.6 percent and 5 percent in the 2nd and 3rd quarters of 2014, respectively, well over the 2.2 percent average since the low point of the Great Recession five years ago. National forecasts expect significant growth to continue through the duration of this Financial Plan.

- U.S. employment added 2.9 million jobs (1.9 percent) from October 2013 to October 2014.
- The U.S. unemployment rate (seasonally adjusted) fell slightly to 5.8 percent in October 2014, the lowest rate in over six years.

- U.S. Personal Income in the September 2014 quarter was 4.4 percent above a year ago.
- The S & P 500 stock market index in October 2014 was 1.8 percent below its level three months ago, but 12.6 percent more than a year ago.
- In the three-month period ending October 2014, wage and salary jobs in the Washington metropolitan area grew by 10,533 (0.3 percent) compared to a year earlier. The District of Columbia accounted for almost 80 percent of the increase in area employment. The rate of growth of metropolitan area employment has been below the U.S. average for about two years.
- The metropolitan area unemployment rate was 4.7 percent in October (not seasonally adjusted), down from 5.2 percent a year earlier.
- In November 2014, the consensus of fifty economists contributing to the Blue Chip Economic Indicators continued to forecast steady growth in real GDP. The FY 2014 gain is expected to be 2.3 percent (up from 1.8 percent in FY 2013), and 2.9 percent in FY 2015. Nominal growth is expected to be 3.9 percent in FY 2014 and 4.6 percent in FY 2015.

The District's Economy

Highlights of recent trends in the D.C. economy include a recent pick-up in job growth, more population, and a slowing in much of the housing market.

- Job growth has picked up since the early summer. In the three months ending October 2014, there were 8,167 (1.1 percent) more wage and salary jobs located in the District than a year earlier. Of particular note, there were 3,367 fewer federal government jobs in October than there were a year earlier, while the private sector jobs increased by 9,267 (1.8 percent).
- District resident employment in the three months ending October 2014 was 12,050 (3.6 percent) more than a year earlier.
- The November unemployment rate fell slightly to 7.6 percent (seasonally adjusted), a decrease from 8.0 percent a year ago.
- Wages earned in the District of Columbia grew 4.1 percent in the September 2014 quarter compared to the same quarter a year ago. D.C. personal income was 4.2 percent higher.
- Home sales and prices reflect a cooling of both single family sales and price appreciation. Single family sales for the three-month period ending October 2014 were up 0.3 percent from a year ago, and there was a 2.4 percent decrease in the average selling price. Condominium sales were down 0.5 percent, but the average price was 8.6 percent higher. The value of all home sale settled contracts for the three-month period ending October 2014 was 1.6 percent more than a year ago.
- Commercial office effective rents continued to edge downward over the past year. Leased space in September 2014 was up 0.8 percent from a year ago, while the vacancy rate rose slightly over the past year from 12.5 percent to 12.9 percent.
- Hotel room-days sold for the three months ending October 2014 were 9.3 percent above the prior year, and hotel room revenues were up by 13.9 percent. These large increases appear in part to reflect the government shut down that affected the prior year.

Outlook

The economic forecasting services IHS Global Insight and Moody's Economy.com both assume that growth rates of Personal Income in the District of Columbia will be higher in FY 2015 than in FY 2014, and will be even higher in FY 2016. They also agree that (1) the federal sector will play a smaller role in the economy, with employment continuing to shrink over the period, (2) professional and business services and the hospitality sector will be the largest sources of job growth, (3) employment growth in the education and health sectors will be much slower in FY 2015 and FY 2016 than it was in FY 2014 and in each of the prior 8 years going back to FY 2006, (4) the stock market will grow much more slowly over the next several years, and (5) the annual increase in population will begin to slow down.

Economic assumptions for the revenue estimate

Against a background of an improving national economy, federal spending constraints, and fairly strong employment gains over the past several months, the economic assumptions for the December revenue estimate include:

- Job growth picks up from 0.7 percent in FY 2014 to 1.1 percent in FY 2015, and 0.9 percent in FY 2016. Professional and business services and hospitality are the leading sectors.
- Population growth continues at a slightly slower pace (19,400—3.0 percent--over the two fiscal years 2015 and 2016); resident employment grows by 2.8 percent over that time.
- D.C. Personal Income picks up from 2.7 percent growth in FY 2014 to 4.4 percent in FY 2015, and 4.8 percent in FY 2016.

A detailed table of economic assumptions is attached.

Risks and uncertainties

The federal government's fiscal policy remains a primary concern. Although it will continue to anchor the District's economy, the federal government can no longer be counted on to be a source of significant growth over the next several years. The extent to which various aspects of the District's economy may eventually be affected in an unfolding era of federal austerity is an area of uncertainty. If federal austerity turns out to be more severe than this estimate assumes, the District's fiscal outlook would no doubt be adversely affected. It should be noted that in recent months, employment growth in the suburban parts of the Washington Metropolitan Area has been very slow.

Developments outside of the local economy represent other sources of uncertainty and potential downside risk. These include the possibility of slower national economic growth, declines in the stock market, increases in interest rates, and additional financial market problems as the Federal Reserve phases out some of its monetary stimulus activities. Possible disruptions to oil supplies, other developments arising from uncertainties in the Middle East or elsewhere, and national security events also add to uncertainty.

If you have any questions regarding this matter, please contact me on (202) 727-2476.

Sincerely,

Jeffrey S. DeWitt

Jeffrey S. DeWitt

Enclosures

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Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2009 through FY 2018

Fiscal Years	2009 act	2010 act	2011 act	2012 act	2013 act	2014 est	2015 est	2016 est	2017 est	2018 est
Gross State Product ($ billion)	101.73	105.05	110.02	111.81	112.67	114.90	118.54	123.40	129.36	135.00
	1.0%	*3.3%*	*4.7%*	*1.6%*	*0.8%*	*2.0%*	*3.2%*	*4.1%*	*4.8%*	*4.4%*
Real Gross State Product (billions $2005)	101.98	103.54	106.22	106.27	105.43	105.38	106.32	108.41	111.18	113.41
	-0.9%	*1.5%*	*2.6%*	*0.0%*	*-0.8%*	*-0.1%*	*0.9%*	*2.0%*	*2.5%*	*2.0%*
Personal Income ($ billion)	40.23	41.31	45.04	47.46	48.69	49.98	52.18	54.68	57.24	60.01
	1.3%	*2.7%*	*9.0%*	*5.4%*	*2.6%*	*2.7%*	*4.4%*	*4.8%*	*4.7%*	*4.8%*
Real Personal Income (billions $2005)	40.35	40.77	43.53	44.93	45.48	46.08	47.59	49.20	50.65	52.12
	1.3%	*1.0%*	*6.8%*	*3.2%*	*1.2%*	*1.3%*	*3.3%*	*3.4%*	*3.0%*	*2.9%*
Per Capita Income ($)	68,122	68,449	72,897	75,126	75,525	76,087	78,181	80,846	83,697	86,924
	-0.6%	*0.5%*	*6.5%*	*3.1%*	*0.5%*	*0.7%*	*2.8%*	*3.4%*	*3.5%*	*3.9%*
Real Per Capita Income ($2005)	68,328	67,550	70,446	71,120	70,550	70,151	71,313	72,744	74,058	75,490
	-0.6%	*-1.1%*	*4.3%*	*1.0%*	*-0.8%*	*-0.6%*	*1.7%*	*2.0%*	*1.8%*	*1.9%*
Wages earned in D.C. ($ billion)	54.91	57.24	59.53	60.62	62.05	63.49	65.59	68.33	71.36	74.61
	2.3%	*4.2%*	*4.0%*	*1.8%*	*2.4%*	*2.3%*	*3.3%*	*4.2%*	*4.4%*	*4.6%*
Wages earned by D.C. residents ($ billion)	20.7	22.0	23.4	24.6	25.4	26.0	27.3	28.7	30.2	31.8
	4.9%	*6.1%*	*6.6%*	*5.0%*	*3.4%*	*2.3%*	*4.8%*	*5.2%*	*5.4%*	*5.3%*
Population ('000)	590.6	603.5	617.8	631.7	644.7	656.9	667.4	676.3	683.9	690.4
	1.9%	*2.2%*	*2.4%*	*2.2%*	*2.1%*	*1.9%*	*1.6%*	*1.3%*	*1.1%*	*0.9%*
Households ('000)	262.1	266.5	274.3	277.8	282.6	286.9	290.4	293.3	295.9	298.0
	1.6%	*1.7%*	*2.9%*	*1.3%*	*1.7%*	*1.5%*	*1.2%*	*1.0%*	*0.9%*	*0.7%*
Civilian Labor Force ('000)	334.3	343.9	348.6	359.3	371.6	370.1	374.6	378.4	381.7	384.4
	0.5%	*2.9%*	*1.4%*	*3.1%*	*3.4%*	*-0.4%*	*1.2%*	*1.0%*	*0.9%*	*0.7%*
At-Place Employment ('000)	701.3	708.5	723.1	731.5	744.4	749.5	757.5	764.2	769.7	773.3
	-0.2%	*1.0%*	*2.1%*	*1.2%*	*1.8%*	*0.7%*	*1.1%*	*0.9%*	*0.7%*	*0.5%*
Resident Employment ('000)	304.4	308.8	313.2	325.5	340.0	342.1	346.8	351.8	356.4	359.6
	-2.6%	*1.5%*	*1.4%*	*3.9%*	*4.4%*	*0.6%*	*1.4%*	*1.4%*	*1.3%*	*0.9%*
Unemployment Rate	8.9	10.2	10.1	9.4	8.5	7.6	7.4	7.0	6.6	6.5
Housing Starts	367	1,325	1,922	3,493	3,609	3,657	2,619	2,326	2,279	2,270
Housing Stock ('000)	295.2	296.7	298.4	302.7	308.6	312.8	316.1	319.5	323.0	326.1
	0.5%	*0.5%*	*0.6%*	*1.4%*	*1.9%*	*1.4%*	*1.1%*	*1.1%*	*1.1%*	*1.0%*
Home sales	5,849	6,968	6,269	6,347	7,466	7,616	7,768	7,846	7,576	7,409
	0.5%	*19.1%*	*-10.0%*	*1.2%*	*17.6%*	*2.0%*	*2.0%*	*1.0%*	*-3.4%*	*-2.2%*
Average home sale price ('000)	597.3	538.4	601.0	630.1	712.8	736.4	773.0	815.5	860.5	909.2
	-10.5%	*-9.9%*	*11.6%*	*4.8%*	*13.1%*	*3.3%*	*5.0%*	*5.5%*	*5.5%*	*5.7%*
Change in S & P 500 Index of Common Stock*	19.7%	10.6%	1.8%	15.7%	24.8%	12.8%	4.8%	2.9%	3.3%	4.8%
Interest rate on 10-year Treasury notes (%)	0.0	3.4	3.0	1.9	2.1	2.7	2.9	3.5	4.1	4.4
Washington Area Consumer Prices: % change from prior year	0.3	2.4	2.5	1.8	1.3	1.9	1.3	1.8	2.3	2.6

** Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2013 is the % change from CY 2012.4 to CY 2013.4)*

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Global Insight (November 2014) and Moody's Economy.com (November 2014); forecasts of the national economy prepared by the Congressional Budget Office (August 2014) and Blue Chip Economic Indicators (November 2014); BLS labor market information from October 2014, the Census Bureau estimates of the D.C. population (2013);Bureau of Economic Analysis estimates of D.C. Personal Income (June 2014); Metropolitan Regional Information System (MRIS) D.C. home sales data (October 2014), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); Delta Associates information on commercial office buildings and residential property in D.C. (September 2014); Cushman and Wakefield information of commercial office buildings in DC (September 2014); and Reis information on apartment buildings in D.C.(June 2014).

FY 2013 - FY 2018 Revenue Actuals, Estimates and Projections: December 2014
(thousands of dollars)

		Actual	Preliminary	Estimate		Out year projections		
	Revenue Source	**FY 13**	**FY 14**	**FY 15**	**FY 16**	**FY 17**	**FY 18**	
1	Real Property	1,914,840	2,004,663	2,186,609	2,285,770	2,337,613	2,413,037	1
2	*Transfer to TIF/Pilot*	(27,986)	(30,135)	(43,131)	(44,098)	(38,493)	(49,075)	2
3	Real Property (net)	1,886,854	1,974,528	2,143,478	2,241,672	2,299,120	2,363,962	3
4	Personal Property	54,878	55,413	55,967	56,527	57,092	57,663	4
5	*Transfer to Neighborhood Investment Fund*						-	5
6	Personal Property (net)	54,878	55,413	55,967	56,527	57,092	57,663	6
7	Public Space Rental	33,370	33,210	38,000	38,000	38,000	38,000	7
8	*Transfer to DDOT Enterprise*	-	(500)	(500)	(500)	(500)	(500)	8
10	Public Space Rental (net)	33,370	32,710	37,500	37,500	37,500	37,500	10
11	**Total Property (net)**	**1,975,102**	**2,062,651**	**2,236,945**	**2,335,699**	**2,393,712**	**2,459,125**	11
12	General Sales	1,137,892	1,172,059	1,243,932	1,294,221	1,345,475	1,456,430	12
13	*Transfer to convention center*	(104,108)	(105,451)	(112,060)	(116,542)	(121,204)	(126,052)	13
14	*Transfer to TIF*	(37,506)	(21,278)	(28,668)	(26,829)	(28,303)	(30,950)	14
15	*Transfer to Arts Commission*	-	-	-	-	-	-	15
16	*Transfer to Ballpark Fund*	(15,408)	(16,319)	(13,880)	(14,352)	(14,352)	(14,898)	16
17	*Transfer to Healthy DC Fund*	-	(106)	(214)	(428)	(854)	(854)	17
18	*Transfer to WMATA*	(62,268)	(65,350)	(65,000)	(65,000)	(65,000)	(65,000)	18
19	*Transfer to Healthy Schools*	(4,502)	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)	19
20	*Transfer to ABRA*	(460)	(460)	(1,170)	(1,170)	(1,170)	(1,170)	20
21	General Sales (net)	913,640	958,829	1,018,674	1,065,634	1,110,326	1,213,240	21
22	Alcohol	5,945	6,153	6,381	6,621	6,851	7,085	22
23	Cigarette	33,991	33,400	32,832	32,266	31,710	34,330	23
24	*Transfer to Smoking Cessation Fund*						0	24
25	Cigarette (Net)	33,991	33,400	32,832	32,266	31,710	34,330	25
26	Motor Vehicle	46,584	47,705	49,898	51,365	53,127	54,952	26
27	Motor Fuel Tax	22,391	22,391	22,167	21,945	21,726	21,509	27
28	*Transfer to Highway Trust Fund*	(22,391)	(22,391)	(22,167)	(21,945)	(21,726)	(21,509)	28
30	**Total Sales (net)**	**1,000,160**	**1,046,087**	**1,107,785**	**1,155,886**	**1,202,014**	**1,309,607**	30
31	Individual Income	1,640,899	1,679,173	1,725,016	1,801,314	1,877,789	1,950,944	31
32	Corp. Franchise	298,983	280,186	285,297	294,652	306,479	321,414	32
33	U. B. Franchise	154,297	135,395	136,455	139,721	144,632	149,932	33
34	**Total Income**	**2,094,179**	**2,094,754**	**2,146,768**	**2,235,687**	**2,328,900**	**2,422,290**	34
35	Public Utility	142,452	145,672	149,023	154,239	159,637	164,905	35
36	*Transfer to Ballpark Fund*	(8,653)	(8,603)	(8,730)	(9,015)	(9,330)	(9,638)	36
37	Public Utility (net)	133,799	137,069	140,293	145,224	150,307	155,267	37
38	Toll Telecommunications	56,761	52,520	53,297	55,035	56,962	58,841	38
39	*Transfer to Ballpark Fund*	(2,233)	(2,173)	(2,205)	(2,277)	(2,356)	(2,434)	39
40	Toll Telecommunications (net)	54,528	50,347	51,092	52,758	54,606	56,407	40
41	Insurance Premiums	77,549	97,192	91,880	93,181	90,802	93,926	41
42	*Transfer to Healthy DC Fund*	(25,629)	(34,695)	(38,167)	(40,559)	(43,162)	(45,995)	42
43	Insurance Premiums (net)	51,920	62,497	53,713	52,622	47,640	47,931	43
44	Healthcare Provider Tax	15,117	13,774	15,117	15,117	15,117	15,117	44
45	*Transfer to Nursing Facility Quality of Care Fund*	(15,117)	(13,774)	(15,117)	(15,117)	(15,117)	(15,117)	45
46	Healthcare Provider Tax (net)	-	-	-	-	-	-	46
47	Ballpark fee	29,234	25,251	26,059	26,125	27,248	27,793	47
48	*Transfer to Ballpark Fund*	(29,234)	(25,251)	(26,059)	(26,125)	(27,248)	(27,793)	48
50	Hospital Bed Tax & Provider Fee	15,156	27,915	-	-	-	-	50
51	*Transfer to Hospital Fund*	(15,156)	(27,915)	-	-	-	-	51
53	ICF-MR Assessment	2,622	5,202	5,519	5,519	5,519	5,519	53
54	*Transfer to Stevie Sellows*	(2,622)	(5,202)	(5,519)	(5,519)	(5,519)	(5,519)	54
56	Care First Contribution	5,000	5,000	-	-	-	-	56
57	*Transfer to Healthy DC Fund*	(5,000)	(5,000)	-	-	-	-	57
59	**Total Gross Receipts (net)**	**240,247**	**249,913**	**245,098**	**250,604**	**252,553**	**259,605**	59
60	Estate	39,700	32,123	32,123	32,123	32,123	32,123	60
61	Deed Recordation	208,568	209,180	215,050	224,082	235,062	244,700	61
62	*Transfer to HPTF*	(30,616)	(31,227)	(31,945)	(32,648)	(33,595)	(34,300)	62
63	Deed Recordation (net)	177,952	177,953	183,105	191,434	201,467	210,400	63
64	Deed Transfer	152,889	151,880	156,436	162,850	170,504	176,983	64
65	*Transfer to HPTF*	(22,603)	(22,782)	(23,238)	(23,726)	(24,366)	(24,805)	65
66	Deed Transfer (net)	130,286	129,098	133,198	139,124	146,138	152,178	66
67	Co-op Recordation	5,553	5,201	5,253	5,306	5,359	5,412	67
68	Economic Interests	5,815	25,970	20,000	11,000	10,000	10,000	68
69	**Total Other Taxes (net)**	**359,306**	**370,345**	**373,679**	**378,987**	**395,087**	**410,113**	69
70	**TOTAL TAXES NET OF DEDICATED TAXES**	**5,668,994**	**5,823,750**	**6,110,275**	**6,356,863**	**6,572,266**	**6,860,740**	70
71	Licenses & Permits	78,857	79,210	79,209	78,104	80,030	80,864	71
72	Fines & Forfeits	145,509	136,794	148,105	150,552	147,029	143,682	72
73	Charges for Services	75,416	79,237	77,238	75,429	78,072	76,216	73
74	Miscellaneous	166,268	134,685	107,762	106,365	106,883	107,207	74
76	**TOTAL NON-TAX**	**466,050**	**429,926**	**412,314**	**410,450**	**412,014**	**407,969**	76
77	Lottery	68,314	54,967	54,967	62,500	63,000	64,000	77
78	**TOTAL REVENUE NET OF DEDICATED TAXES**	**6,203,358**	**6,308,643**	**6,577,556**	**6,829,813**	**7,047,280**	**7,332,709**	78

FY 2013 - FY 2018 Revenue Actuals, Estimates and Projections: December 2014
(percent change from prior year)

		Actual	Preliminary	Estimate		Out year projections		
	Revenue Source	**FY 13**	**FY 14**	**FY 15**	**FY 16**	**FY 17**	**FY 18**	
1	Real Property	5.1%	4.7%	9.1%	4.5%	2.3%	3.2%	1
2	*Transfer to TIF/Pilot*	-13.2%	7.7%	43.1%	2.2%	-12.7%	27.5%	2
3	Real Property (net)	5.4%	4.6%	8.6%	4.6%	2.6%	2.8%	3
4	Personal Property	-1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	4
5	*Transfer to Neighborhood Investment Fund*	-						5
6	Personal Property (net)	-1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	6
7	Public Space Rental	2.7%	-0.5%	14.4%	0.0%	0.0%	0.0%	7
8	*Transfer to DDOT Unified*							8
10	Public Space Rental (net)		-2.0%	14.6%	0.0%	0.0%	0.0%	10
11	**Total Property (net)**	**5.2%**	**4.4%**	**8.4%**	**4.4%**	**2.5%**	**2.7%**	11
12	General Sales	2.4%	3.0%	6.1%	4.0%	4.0%	8.2%	12
13	*Transfer to convention center*	3.0%	1.3%	6.3%	4.0%	4.0%	4.0%	13
14	*Transfer to TIF*	68.6%	-43.3%	34.7%	-6.4%	5.5%	9.4%	14
15	*Transfer to Arts Commission*							15
16	*Transfer to Ballpark Fund*	22.4%	5.9%	-14.9%	3.4%	0.0%	3.8%	16
17	*Transfer to Healthy DC Fund*			101.9%	100.0%	99.5%	0.0%	17
18	*Transfer to WMATA*		4.9%	-0.5%	0.0%	0.0%	0.0%	18
19	*Transfer to Healthy Schools*		-5.2%	0.0%	0.0%	0.0%	0.0%	19
20	*Transfer to ABRA*		0.0%	154.3%	0.0%	0.0%	0.0%	20
21	General Sales (net)	0.0%	4.9%	6.2%	4.6%	4.2%	9.3%	21
22	Alcohol	15.1%	3.5%	3.7%	3.8%	3.5%	3.4%	22
23	Cigarette	-4.5%	-1.7%	-1.7%	-1.7%	-1.7%	8.3%	23
24	*Transfer to Smoking Cessation*							24
25	Cigarette (Net)							25
26	Motor Vehicle	5.9%	2.4%	4.6%	2.9%	3.4%	3.4%	26
27	Motor Fuel Tax	-1.7%	0.0%	-1.0%	-1.0%	-1.0%	-1.0%	27
28	*Transfer to Highway Trust Fund*	-1.7%	0.0%	-1.0%	-1.0%	-1.0%	-1.0%	28
30	**Total Sales (net)**	**0.1%**	**4.6%**	**5.9%**	**4.3%**	**4.0%**	**9.0%**	30
31	Individual Income	10.1%	2.3%	2.7%	4.4%	4.2%	3.9%	31
32	Corp. Franchise	-1.3%	-6.3%	1.8%	3.3%	4.0%	4.9%	32
33	U. B. Franchise	-5.3%	-12.3%	0.8%	2.4%	3.5%	3.7%	33
34	**Total Income**	**7.0%**	**0.0%**	**2.5%**	**4.1%**	**4.2%**	**4.0%**	34
35	Public Utility	1.9%	2.3%	2.3%	3.5%	3.5%	3.3%	35
36	*Transfer to Ballpark Fund*	1.7%	-0.6%	1.5%	3.3%	3.5%	3.3%	36
37	Public Utility (net)	1.9%	2.4%	2.4%	3.5%	3.5%	3.3%	37
38	Toll Telecommunications	-3.1%	-7.5%	1.5%	3.3%	3.5%	3.3%	38
39	*Transfer to Ballpark Fund*	0.6%	-2.7%	1.5%	3.3%	3.5%	3.3%	39
40	Toll Telecommunications (net)	-3.3%	-7.7%	1.5%	3.3%	3.5%	3.3%	40
41	Insurance Premiums	-10.9%	25.3%	-5.5%	1.4%	-2.6%	3.4%	41
42	*Transfer to Healthy DC Fund*	-24.8%	35.4%	10.0%	6.3%	6.4%	6.6%	42
43	Insurance Premiums (net)	-1.9%	20.4%	-14.1%	-2.0%	-9.5%	0.6%	43
44	Healthcare Provider Tax	13.5%	-8.9%	9.8%	0.0%	0.0%	0.0%	44
45	*Transfer to Nursing Facility Quality of Care Fund*	13.5%	-8.9%	9.8%	0.0%	0.0%	0.0%	45
46	Healthcare Provider Tax (net)		-					46
47	Ballpark fee	-8.4%	-13.6%	3.2%	0.3%	4.3%	2.0%	47
48	*Transfer to Ballpark Fund*	-8.4%	-13.6%	3.2%	0.3%	4.3%	2.0%	48
50	Hospital Bed Tax & Provider Fee	-3.8%	84.2%					50
51	*Transfer to Hospital Fund*	-3.8%	84.2%					51
53	ICF-MR Assessment	159.5%	98.4%	6.1%	0.0%	0.0%	0.0%	53
54	*Transfer to Stevie Sellows*	159.5%	98.4%	6.1%	0.0%	0.0%	0.0%	54
56	Care First Contribution	0.0%	0.0%					56
57	*Transfer to Healthy DC Fund*	0.0%	0.0%					57
59	**Total Gross Receipts (net)**	**-0.1%**	**4.0%**	**-1.9%**	**2.2%**	**0.8%**	**2.8%**	59
60	Estate	-61.5%	-19.1%	0.0%	0.0%	0.0%	0.0%	60
61	Deed Recordation	27.6%	0.3%	2.8%	4.2%	4.9%	4.1%	61
62	*Transfer to HPTF*	24.9%	2.0%	2.3%	2.2%	2.9%	2.1%	62
63	Deed Recordation (net)	28.1%	0.0%	2.9%	4.5%	5.2%	4.4%	63
64	Deed Transfer	25.8%	-0.7%	3.0%	4.1%	4.7%	3.8%	64
65	*Transfer to HPTF*	24.0%	0.8%	2.0%	2.1%	2.7%	1.8%	65
66	Deed Transfer (net)	26.1%	-0.9%	3.2%	4.4%	5.0%	4.1%	66
67	Co-op Recordation		-6.3%	1.0%	1.0%	1.0%	1.0%	67
68	Economic Interests	-73.2%	346.6%	-23.0%	-45.0%	-9.1%	0.0%	68
69	**Total Other Taxes (net)**	**-3.6%**	**3.1%**	**0.9%**	**1.4%**	**4.2%**	**3.8%**	69
70	**TOTAL TAXES NET OF DEDICATED TAXES**	**4.1%**	**2.7%**	**4.9%**	**4.0%**	**3.4%**	**4.4%**	70
71	Licenses & Permits	1.5%	0.4%	0.0%	-1.4%	2.5%	1.0%	71
72	Fines & Forfeits	-19.9%	-6.0%	8.3%	1.7%	-2.3%	-2.3%	72
73	Charges for Services	2.2%	5.1%	-2.5%	-2.3%	3.5%	-2.4%	73
74	Miscellaneous	42.0%	-19.0%	-20.0%	-1.3%	0.5%	0.3%	74
76	**TOTAL NON-TAX**	**3.5%**	**-7.8%**	**-4.1%**	**-0.5%**	**0.4%**	**-1.0%**	76
77	Lottery	2.9%	-19.5%	0.0%	13.7%	0.8%	1.6%	77
78	**TOTAL REVENUE NET OF DEDICATED TAXES**	**4.0%**	**1.7%**	**4.3%**	**3.8%**	**3.2%**	**4.1%**	78