



D.C. REPORT OF CASH COLLECTIONS

AUGUST 2004

GENERAL FUND COLLECTIONS

Year-to-date (YTD) total non-dedicated general fund collections of \$3,469.3 million are \$393.8 million (12.8%) above collections received during the period October 2002 through August 2003. This YTD general fund collections growth is above the June revised budgeted estimate of a 6.1 percent increase for fiscal year 2004. For the month of August 2004, total non-dedicated general fund collections are \$311.3 million, which is \$2.1 million (0.7%) below August 2003 total non-dedicated general fund collections.

TOTAL TAX COLLECTIONS

YTD total tax collections of \$3,115.1 million are \$364.3 million (13.2%) greater than YTD total tax collections over the October-August period last year. This YTD increase is above the June revised 8.1 percent increase budgeted for fiscal year 2004. For the month of August 2004, total tax collections are \$279.8 million, which is \$6.2 million (2.3%) more than August 2003 total tax collections.

TAX COLLECTIONS BY REVENUE SOURCE

Property Tax Collections

- \$66.6 million (11.5%) above YTD collections for the same period last year

The YTD increase of 11.5 percent is above the estimate of 8.3 percent growth forecasted in the June revised revenue estimates for fiscal year 2004. The YTD increase is primarily due to real property tax collections, which are up 12.5 percent over FY 2004 to date compared to YTD collections through August 2003.

YTD personal property tax collections, which come in mainly in July and August due to their annual due date of July 31, are up 0.2 percent compared to YTD collections through August 2003.

YTD public space rental collections show a 29.3 percent increase relative to YTD collections over the October-August period last year. Most public space rental collections show up in the June and July collections reports because public space rentals have an annual June 30 due date. Consequently, only a minimal amount of additional public space rental collections is expected during the remainder of the fiscal year.

General Sales and Use Tax Collections

- \$57.4 million (9.2%) above YTD collections for the same period last year

The YTD increase of 9.2 percent is slightly below the 9.5 percent growth forecasted in the June revised revenue estimates for fiscal year 2004. August 2004 general sales and use tax collections are down by \$3.5 million (6.3%) compared to collections in August 2003.

A portion of sales tax collections from restaurant meals, on-premise consumption of liquor, rental vehicles, and hotel accommodations is transferred to the Convention Center Fund. Thus, the Convention

Center Transfer is a measure of tourist-related tax revenues. YTD Convention Center Transfer collections are 3.9 percent above collections compared to the same period last year. The August 2004 Convention Center Transfer is 19.2 percent below that of August 2003, reflecting a \$1.1 million drop in tourism sales tax revenue compared to last August.

Selective Sales and Use Tax Collections

- \$4.1 million (7.2%) above YTD collections for the same period last year

The YTD increase of 7.2 percent is above the estimate of 6.9 percent growth forecasted in the June revised revenue estimates for fiscal year 2004. Total August 2004 selective sales and use tax collections are 13.9 percent (\$0.8 million) below August 2003 collections.

YTD alcoholic beverage tax collections are 12.2 percent above collections compared to the same period last year. August 2004 alcoholic beverage tax collections are 3.2 percent below August 2003 collections.

YTD cigarette tax collections are 1.4 percent below collections compared to the same period last year. August 2004 cigarette tax collections are down by 21.8 percent relative to August 2003 collections.

YTD motor vehicle excise tax collections are 11.5 percent above collections over the same period last year. August 2004 motor vehicle excise tax collections are down by 11.0 percent relative to August 2003 collections. Due to the month-to-month volatility of motor vehicle excise tax collections, small or large percentage changes in a given month's collections relative to collections in the same month of the prior year is not unusual.

Individual Income Tax Collections

- \$93.1 million (11.1%) above YTD collections for the same period last year

YTD individual income tax collections show an increase of 11.1 percent compared to a 9.6 percent increase forecasted in the June revised revenue estimates for fiscal year 2004. For the month of August, individual income tax collections are \$7.3 million (11.1%) above collections in August 2003.

By components:

Withholdings: August 2004 YTD withholdings collections are 6.7 percent above August 2003 YTD withholding collections. For the month of August, withholdings are 14.3 percent above August 2003 withholdings.

Declarations: August 2004 YTD declarations (estimated payments) are 13.6 percent above August 2003 YTD declarations. For the month of August, declarations are 34.8 percent above August 2003 declarations. Declarations are collected quarterly. Declarations filing dates are January 15, April 15, June 15 and September 15.

Payments: August 2004 YTD final payments with returns are 26.2 percent above August 2003 YTD payments. For the month of August, payments are 23.0 percent below August 2003 payments. Final payments are due in April yet some payments are received after the due date.

Fiduciary: August 2004 YTD fiduciary collections are 102.0 percent above August 2003 YTD fiduciary collections. For the month of August, fiduciary collections are 159.3 percent above August 2003 fiduciary collections.

Refunds: August 2004 YTD refunds are 5.8 percent above August 2003 YTD refunds. For the month of August, refunds are 19.3 percent above August 2003 refunds.

Corporate Franchise Tax Collections

- \$11.9 million (11.9%) above YTD collections for the same period last year

The YTD increase of 11.9 percent shown in the cash collections report is above the estimated 6.3 percent decrease forecasted in the June revised revenue estimates for fiscal year 2004. For the month of August, corporate franchise tax collections are \$6.8 million (238.8%) below collections in August 2003. August's decrease is mainly due to a large increase in refunds in August 2004 compared to August 2003.

By components:

Declarations: YTD declarations (estimated payments) are 12.8 percent above YTD declarations compared to the same period last year. For the month of August, declarations are 35.4 percent above August 2003 declarations.

Payments: YTD payments with returns are 6.5 percent below YTD August 2003 payments. For the month of August, payments are 50.0 percent below August 2003 payments.

Refunds: YTD refunds are 12.1 percent below YTD August 2003 refunds. For the month of August, refunds are 512.9 percent above August 2003 refunds.

Unincorporated Business Franchise Tax Collections

- \$7.2 million (10.9%) above YTD collections for the same period last year

The YTD increase of 10.9 percent shown in the cash collections report is below the estimated 12.8 percent increase forecasted in the June revised revenue estimates for fiscal year 2004. Net collections for August 2004 are down 117.2 percent (\$1.1 million) compared to collections for August 2003. August's decrease is mainly due to a large increase in refunds in August 2004 compared to August 2003.

By components:

Declarations: YTD declarations are 28.3 percent above YTD August 2003 declarations. For the month of August, declarations are 5.3 percent below August 2003 declarations.

Payments: YTD payments are 9.9 percent below payments over the same period last year. For the month of August, payments are 73.4 percent above August 2003 payments.

Refunds: YTD refunds are 1.2 percent below refunds for the same period last year. For the month of August, refunds are 313.9 percent above August 2003 refunds.

Gross Receipts Tax Collections

- \$16.6 million (6.9%) above YTD collections for the same period last year

The YTD increase of 6.9 percent exceeds the estimated 1.6 percent growth forecasted in the June revised revenue estimates for fiscal year 2004. For the month of August, gross receipts tax collections are 11.5 percent (\$2.0 million) above August 2003 collections.

YTD public utilities collections are 2.7 percent above collections compared to the same period last year. For the month of August, public utilities tax collections are 0.2 percent below August 2003 collections.

YTD toll telecommunication tax collections are 14.1 percent above collections compared to the same period last year. For the month of August, toll telecommunications tax collections are 20.5 percent above August 2003 collections.

Insurance premium payments YTD collections are 14.4 percent above YTD collections for the same period last year. Collections in August 2004 are 234.8 percent above August 2003 collections. No insurance premium collections were recorded in July 2004. Thus, the strong collections growth in August may be due, in part, to the inclusion of July 2004 collections.

Other Tax Collections

- \$107.5 million (43.5%) above YTD collections for the same period last year

The YTD increase of 43.5 percent is considerably better than the estimated 13.0 percent increase forecasted in the June revised revenue estimates for fiscal year 2004.

YTD estate tax collections are 13.2 percent below collections compared to the same period last year.

YTD deed recordation taxes are 44.1 percent above collections compared to the same period last year and deed transfer tax collections are 48.4 percent above collections compared to the same period last year. The recordation tax is a tax on property sales and commercial refinancing, while the transfer tax is a tax on property sales. The collections growth shown for these two deed taxes is, in part, due to the higher tax rate for deed taxes, which took effect on January 1, 2003. The higher tax rate was not in effect for the first quarter of fiscal year 2003. More importantly, there continues to be a strong demand to own real estate and a very limited supply of owning opportunities. These two factors, along with low interest rates, are reflected in the strong annual growth of deed taxes.

YTD economic interest collections are 419.4 percent above collections over the same period last year. This is an unstable and unpredictable tax throughout the year, and zero or minimal collections in any given month are quite common, which tends to result in large percentage changes when relatively large collections occur. \$2.2 million, \$3.9 million, and \$4.6 million was received in November, December, and January respectively. These unexpectedly large collections alone exceed economic interest collections for all of FY 2003, which amounted to \$4.9 million. Due to the strength of the economic interest collections, the FY 2004 estimate has been increased to \$15.8 million. Since YTD collections are \$15.4 million, it appears that we are on track to meet the revised estimate.

TOTAL NON-DEDICATED NON-TAX COLLECTIONS

YTD total non-dedicated non-tax collections of \$286.5 million are \$44.8 million (18.5%) above YTD collections for the same period last year. This YTD increase is significantly better than the 1.8 percent decrease budgeted for fiscal year 2004. In August, total non-dedicated non-tax collections of \$27.4 million are 39.0 percent (\$7.7 million) above those of August 2003.

By source:

Licenses and Permits

YTD business and non-business licenses and permits are 0.3 percent below collections compared to the same period last year. In August, collections from licenses and permits are 101.2 percent above those of August 2003. Non-business licenses and permits collections (e.g., drivers licenses, bike registrations, boat registrations, vehicle registrations, reciprocity permits, personalized and temporary tags, and transfer of tags) increased by 7.0 percent on a YTD basis compared to the prior fiscal year and increased by 7.6 percent in August 2004 compared to August 2003. The other licenses and permits category—business licenses and permits—has declined by 7.0 percent on a YTD basis and increased by 251.8 percent in August 2004 compared to August 2003.

Fines and Forfeitures

YTD fines and forfeitures collections are 16.6 percent above collections compared to the same period last year. In August, collections from fines and forfeitures are 14.1 percent above those in August 2003.

Charges for Services

YTD charges for services (parking meters and other charges) collections are 3.9 percent above collections compared to the same period last year. In August, collections from charges for services are 2.2 percent above those in August 2003.

Miscellaneous

YTD miscellaneous revenue (e.g., interest income, unclaimed property, sale of surplus property, other transfers, and other revenue) collections are 39.7 percent above collections compared to the same period last year. In August, miscellaneous revenue collections are 70.1 percent above those in August 2003.

SPECIAL PURPOSE FUNDS

Special purpose funds are funds generated from non-tax sources—fees, fines, assessments, or reimbursements—that are dedicated to the District agency that collects the revenue. The agency uses this revenue to cover the cost of performing the agency's functions. YTD special purpose fund collections of \$177.5 million are \$32.6 million (22.5%) above YTD collections for the same period last year. In August, special purpose fund collections are 5.9 percent above those of August 2003.