



D.C. REPORT OF CASH COLLECTIONS

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GENERAL FUND COLLECTIONS

Year-to-date (YTD) collections of \$411.9 million are \$20.6 million (5.3%) above collections for the same time last year. The YTD general fund growth is ahead of the budgeted estimate of a 0.1 percent increase for the year. Collections for the month of November are \$198.2 million, \$7.8 million (4.1%) more than November 2001 collections.

TOTAL TAX COLLECTIONS

YTD total tax collections of \$338.1 million are \$3.2 million (0.9%) below YTD collections for the same period last year. The YTD decline is below the 0.4 percent increase budgeted for the year. Tax collections for the month of November are \$153.1 million, 7.9 million (4.9%) below November 2001 tax collections.

COLLECTIONS BY REVENUE SOURCE

Property Tax Collections

➤ *\$9.5 million (62%) above YTD collections for the same time last year*

The YTD growth of 61.9 percent is considerably greater than the estimated growth of 8.5 percent forecasted in the revenue estimates. However, there is an adjustment that must be taken into account when comparing November 2002's real property tax collections to collections during the same time last year. Following the events of September 11, 2001, the District extended the deadlines for payments beyond the usual September 15 deadline. Consequently, a majority of the payments were processed during November and December 2001. Thus, collections were relatively higher during November 2001 in comparison to collections in November 2002.

Personal property tax collections and public space rental collections have annual due dates of July 31. However, some isolated payments are received throughout the year.

General Sales and Use Tax Collections

➤ *\$9.9 million (10%) above YTD collections for the same time last year*

The YTD increase of 9.5 percent is above the estimated 7.2 percent growth forecasted in the revenue estimates. Monthly general sales and use tax collections are slightly below collections compared to November 2001. The Convention Center transfer comprises a portion of sales tax collections for restaurants and hotel accommodations and is thus a measure of tourist-related tax

revenues. The Convention Center transfer for November is \$566,000 (10%) below November 2001 collections.

Selected Sales and Use Tax Collections

➤ *\$698,000 (9%) below YTD collections for the same time last year*

The YTD increase of 9.2 percent is considerably more than the 0.08 percent increase forecasted in the revenue estimates. YTD alcohol beverage sales collections are only slightly ahead of collections compared to the same time last year while YTD cigarette tax collections are 34 percent ahead of collections compared to the same time last year. YTD motor vehicle excise tax collections are 0.3 percent less than November 2001 collections compared to the same time last year as a result of sluggish auto sales.

Individual Income Tax Collections

➤ *\$21.6 million (15%) below YTD collections for the same time last year*

The YTD individual income tax collections show a decline of 15.1 percent compared to a 2.4 percent decline forecasted in the revenue estimates. Monthly individual income tax collections are \$16.7 million below November 2001 collections. However, an adjustment must be taken into account when comparing November 2002's collections to collections during the same time last year. \$18.5 million in collections that is reflected as cash for FY 2002 actually represents revenue correctly booked to FY 2001.

An examination of the individual income tax collections by components is revealing: 1) November YTD withholdings collections, after making the adjustment discussed above, are 13.8 percent below YTD November 2001 withholding collections; 2) November YTD declarations (estimated payments) are 33.6 percent above YTD November 2001 declarations; 3) November YTD final payments with returns are 17.5 percent ahead of YTD November 2001 payments; 4) YTD fiduciary collections are 17.0 percent below YTD November 2001 fiduciary collections; and 5) YTD refunds are 65.7 percent above YTD November 2001 refunds.

Corporate Franchise Tax Collections

➤ *\$2.4 million (117%) below YTD collections for the same time last year*

The YTD increase of 117.3 percent shown in the cash collections report is more than the estimated 3.5 percent decline forecasted in the revenue estimates. A judgment issued in January 2001 resulted in significantly higher refunds in FY 2002 including November 2001. This accounts for the significant difference between the November 2002 collections compared to the same time last year. As with the individual income tax collections, an examination of the components is revealing: YTD declarations (estimated payments) are 5.3 percent ahead of YTD declarations compared to the same time last year; YTD payments with returns are 34.0 percent below YTD payments compared to November 2001; YTD refunds are 34.4 percent below YTD November 2001 refunds.

Unincorporated Franchise Tax Collections

➤ *\$1.5 million (60%) below YTD collections for the same time last year*

The YTD decline of 60.2 percent shown in the cash collections report is significantly worse than the estimated 4.0 percent decline forecasted in the revenue estimates. Unincorporated franchise tax collections are also affected by the adverse judgment issued in January 2001. As a result, November 2002 collections are 126.6 percent above November 2001 collections. YTD declarations are 26.5 percent below YTD November 2001 declarations while YTD payments are 15.8 percent below the same period last year. YTD refunds are 29.7 percent above refunds for the same time last year.

Gross Receipts Tax Collections

➤ *2.9 million (11%) above YTD collections for the same time last year*

The YTD increase of 10.6 percent is ahead of the estimated 2.3 percent growth forecasted in the revenue estimates. Public utility tax collections are 17.0 percent above collections compared to the same time last year and are likely the result of increased collections from utility companies due to the colder temperatures experienced in Washington this fall. YTD toll telecommunication tax collections are 7.3 percent below collections compared to the same time last year. While some isolated payments come in throughout the year, insurance premium payments are not due until March.

Other Tax Collections

➤ *\$5.5 million (13%) below YTD collections for the same time last year*

The YTD decline of 12.9 percent is slightly better than the estimated 27.3 percent decline forecasted in the revenue estimates. YTD estate tax collections are 85.5 percent below collections compared to the same time last year. However, due to the unpredictable nature of this tax it is too early to begin to draw conclusions on how well the tax will perform. Moreover, November 2001 collections were unusually excessive. YTD, deed recordation tax collections are 59.3 percent above collections compared to the same time last year. YTD deed transfer tax collections are 67.6 percent above collections compared to the same time last year. Collections for both taxes are considerably higher than collections compared to November 2001. These collections may be the result of several high-priced properties in the city or the result of several large deals that rushed to settle before the end of the year. These two taxes have performed well in the past due to high-priced investments by large institutional investors in the local market as well as refinancing. This trend is expected to continue, however, there has been indication that softness (less office leasing activity, fewer construction starts, high prices, less demand) is present in the market.

There were no economic interest payments collected in November. This is an unstable and unpredictable tax throughout the year, and zero collections in any given month is quite common.

Non-Tax Collections-licenses and permits, fines and forfeitures, charges for services, miscellaneous revenue

➤ *\$21,333 (53%) above YTD collections for the same time last year*

Licenses and permits for the month of November are 157.6 percent above collections compared to November 2001. Applications for construction licenses were lower in the previous fiscal year compared to the present. Also, motor vehicle registrations were much higher this month compared to the same time last year.

YTD fines and forfeitures collections are 4.2 percent below November 2001 collections. This is due to collections from traffic fines that were slightly lower than collections during the same time last year.

Charges for services collections are 46.1 percent above collections compared to November 2001. Collections from parking meters and deed recordation fees are somewhat higher in comparison to collections during the same time last year.

Miscellaneous revenue collections are 68.9 percent above collections compared to the same time last year. Collections from unclaimed property were higher this month compared to collections during the same time last year. Also, collections from the Department of Corrections (reimbursements) were also higher compared to collections during the same time last year because of a payment received for services rendered to the US Marshals service.

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