



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

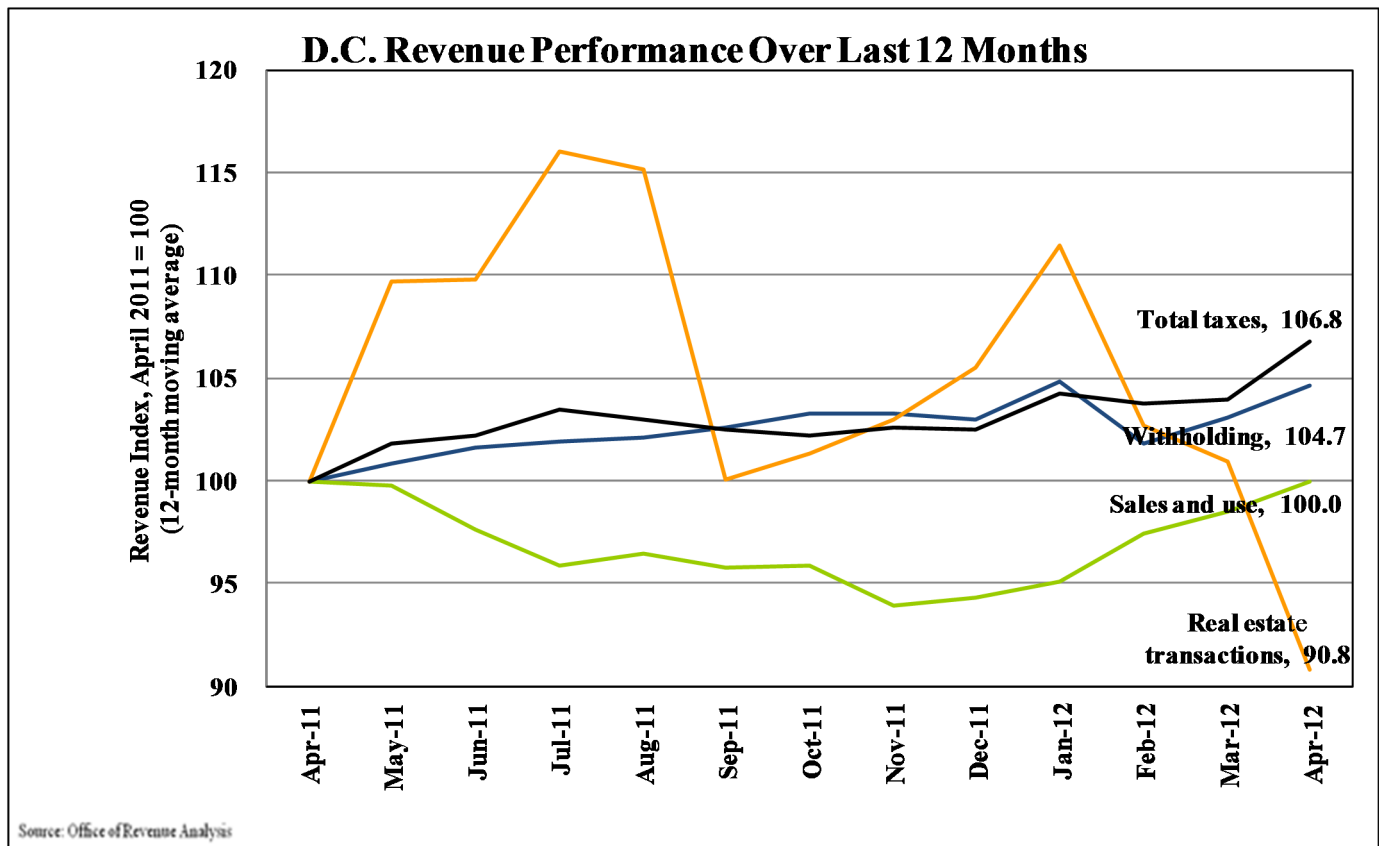
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District of Columbia Cash Collections Report

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Tax collections show growth

- The twelve-month moving average of total tax collections for April increased 6.8 percent over the same period last year. The pace of growth of tax collections picked up in April as last month it grew just 3.8 percent. Even so, the total collections shown here might be understating the true because of changes in the timing of the processing of collections for some tax sources this month.
- Withholding tax collections over the past twelve months grew 4.7 percent over the previous year. The strength in withholding collections growth is attributable to: 1) strong wages and salaries growth in the District over the twelve-month period ending in April, and 2) the change in the law that required employers to increase the percentage of income tax withholdings from employees.
- Sales tax collections for the twelve-month period ending in April is now at the same level of collections as same time last year. After declining for most of previous year, sales tax collections have been steadily recovering since late last year.
- The twelve-month moving average of real estate transactions tax collections for April shows a sharp decline from the same period of the previous year. The active real estate market that drove the revenue growth over the past year appears to be now slowing.

Collections by Revenue Source

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

	April 2012	April 2011	Percent change
TOTAL TAX COLLECTIONS	2,938,058	2,750,302	6.8
Property	910,365	872,985	4.3
Real Property Tax	902,627	872,340	3.5
Other Property Taxes	7,738	645	1099.7
Real Property Transactions	155,764	160,795	-3.1
Deed Recordation Tax	76,256	84,901	-10.2
Deed Transfer Tax	56,141	72,150	-22.2
Economic Interest Tax	23,367	3,743	524.3
Sales	674,476	625,772	7.8
General Sales and Use Tax	620,708	578,014	7.4
Excise Taxes	53,769	47,759	12.6
Income	977,806	885,644	10.4
Individual Income Tax	727,708	692,652	5.1
Corporate Franchise Tax	169,020	122,401	38.1
U.B. Franchise Tax	81,079	70,591	14.9
Gross Receipts and Estate	219,647	205,106	7.1
Gross Receipts Taxes	184,733	169,390	9.1
Estate Tax	34,914	35,715	-2.2

Property Taxes. Year-to-date real property tax collections through April show an increase of 3.5 percent compared to the same period last year. This pace of growth is slower than forecasted, but we expect collections to be on track to meet the estimate when all the first half payments are processed.

Real Property Transactions Taxes. April fiscal year-to-date real property transaction taxes collections were down 3.1 percent from April 2011. Deed recordation tax collections decreased by 10.2 percent year to date, while collections for the deed transfer tax were down by 22.2 percent. Although the volume of real property transactions in FY 2012 is lower than the previous year, some of the decrease is likely due to changes in the timing of the processing of collections. At the same time, economic interest tax collections increasing by 524.3 percent.

General Sales and Use Tax. April fiscal year-to-date general sales and use tax collections were up by 7.4 per-

cent compared to the same period last year. As the national economy strengthened late last year, District sales and use tax collections started to recover from the impact of the downturn. But, given recent weakness in the national economy, it remains to be seen whether growth can continue at the current pace.

Excise Taxes. Fiscal year-to-date excise tax collections through April grew by 12.6 percent compared to the same period last year. Higher motor vehicle excise taxes and cigarette excise tax collections were the main sources of the strong growth.

Income Taxes. April fiscal year-to-date individual income tax collections were 5.1 percent higher than that of the same period last year. The year-to-date withholding tax portion increased 3.4 percent, but on a month-to-month basis, it grew 18.0 percent higher than it did in April 2011. Changes in the timing of the processing of collections partly explains the change in the pattern of collections.

April fiscal year-to-date corporate franchise tax collections increased 38.1 percent compared to that of April of a year earlier, as business profits have soared over the past year. Unincorporated business tax collections were up 14.9 percent. The implementation of combined reporting requirement for businesses explains most of the significant increase in collections from the business taxes.

Gross Receipts Taxes. Overall, fiscal year-to-date gross receipts tax collections in April were up by 9.1 percent. Toll telecommunications collections were up by 4.3 percent and collections from insurance premiums were up by 49.3 percent, while public utilities collections were down by 3.1 percent.

Non-Tax Revenues. April fiscal year-to-date non-tax revenue collections were up by 22.4 percent relative to a year earlier. Collections from licenses and permits increased by 31.4 percent while fines and forfeiture collections increased by 4.4 percent. Charges for services increased by 64.1 percent and miscellaneous nontax revenue was increased by 24.5. Because non-tax receipts tend to be lumpy—receipts are high some months and very low in other months—it is too early to evaluate the performance of this revenue source.

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