



# District of Columbia Cash Collections Report

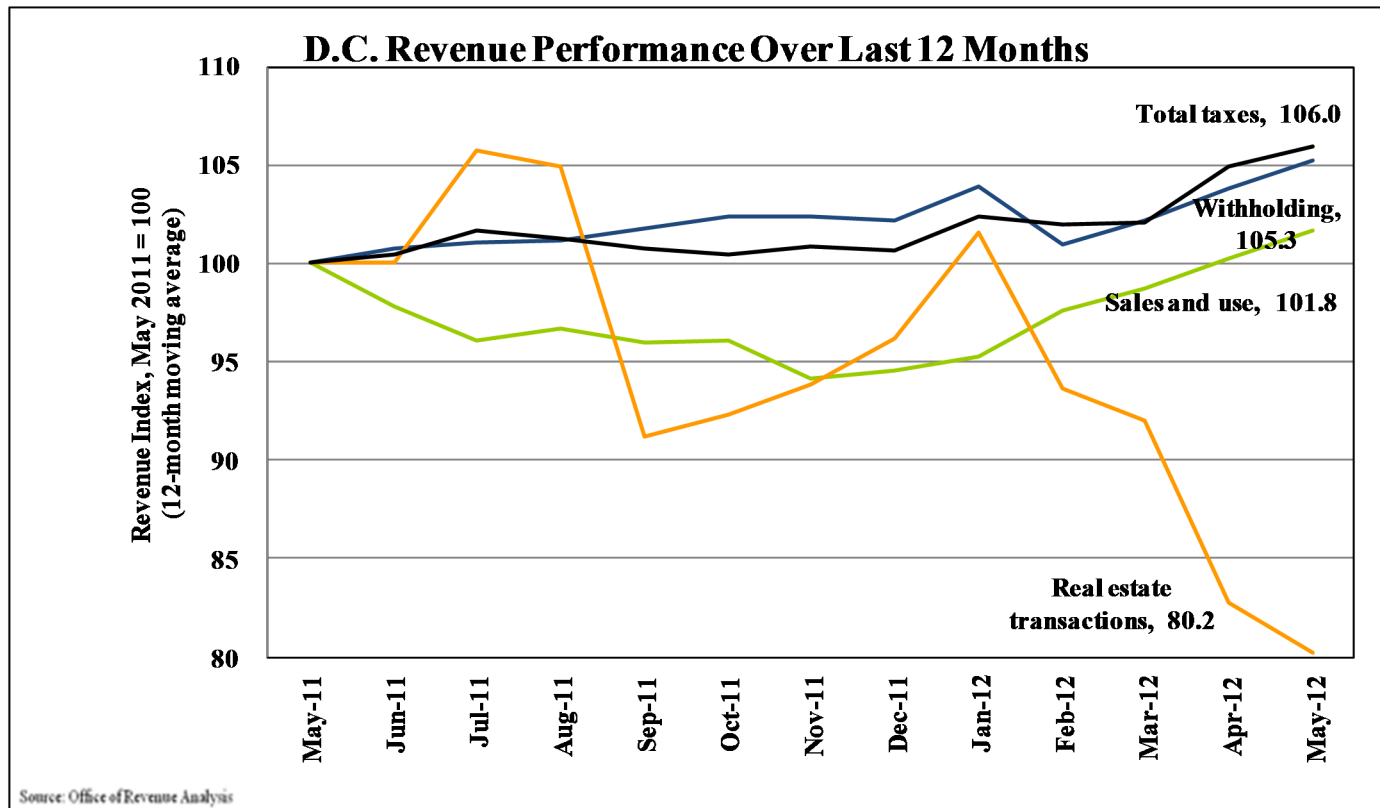
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Volume III, Issue VIII

May 2012



## Tax collections show growth

- The twelve-month moving average of total tax collections for May increased 6.0 percent over the same period last year. The pace of growth of tax collections picked up in May and has been consistent since March.
- Withholding tax collections over the past twelve months grew 5.3 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 May, 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 May is up by almost 2 percent relative to the same time last year. After declining for most of the 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 May shows a sharp 20.0 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 now be slowing.

# Collections by Revenue Source

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

	May 2012	May 2011	Percent change
<b>TOTAL TAX COLLECTIONS</b>	<b>3,363,406</b>	<b>3,129,941</b>	<b>7.5</b>
<b>Property</b>	<b>947,525</b>	<b>879,682</b>	<b>7.7</b>
Real Property Tax	939,741	878,725	6.9
Other Property Taxes	7,784	957	713.4
<b>Real Property Transactions</b>	<b>181,708</b>	<b>198,573</b>	<b>-8.5</b>
Deed Recordation Tax	90,492	96,657	-6.4
Deed Transfer Tax	67,468	93,381	-27.7
Economic Interest Tax	23,748	8,534	178.3
<b>Sales</b>	<b>777,331</b>	<b>715,585</b>	<b>8.6</b>
General Sales and Use Tax	714,290	656,557	8.8
Excise Taxes	63,042	59,029	6.8
<b>Income</b>	<b>1,195,375</b>	<b>1,072,958</b>	<b>11.4</b>
Individual Income Tax	909,104	851,402	6.8
Corporate Franchise Tax	177,259	135,573	30.7
U.B. Franchise Tax	109,013	85,983	26.8
<b>Gross Receipts and Estate</b>	<b>261,467</b>	<b>263,143</b>	<b>-0.6</b>
Gross Receipts Taxes	224,330	215,289	4.2
Estate Tax	37,137	47,853	-22.4

**Property Taxes.** Year-to-date real property tax collections through May show an increase of 7.7 percent compared to the same period last year. This pace of growth is slightly below the forecasted 8.8 percent, but we expect collections to be on track to meet the estimate when all the first half payments are processed.

**Real Property Transactions Taxes.** May fiscal year-to-date real property transaction taxes collections were down 8.5 percent from May 2011. Deed recordation tax collections decreased by 6.4 percent year to date, while collections for the deed transfer tax were down by 27.7 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 increased by 178.3 percent.

**General Sales and Use Tax.** May fiscal year-to-date general sales and use tax collections were up by 8.8 percent

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 May grew by 6.8 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.** May fiscal year-to-date individual income tax collections were 6.8 percent higher than that of the same period last year. The year-to-date withholding tax portion increased 5.1 percent, but on a month-to-month basis, it was 16.7 percent higher than it was in May 2011.

May fiscal year-to-date corporate franchise tax collections increased 30.7 percent compared to that of May of a year earlier, as business profits have soared over the past year. Unincorporated business tax collections were up 26.8 percent. The implementation of the combined reporting requirement for businesses explains almost all the increase in collections from the business taxes.

**Gross Receipts Taxes.** Overall, fiscal year-to-date gross receipts tax collections in May were up by 4.2 percent. Toll telecommunications collections were down by 5.1 percent and collections from insurance premiums were up by 26.9 percent, while public utilities collections were down by 5.2 percent.

**Non-Tax Revenues.** May fiscal year-to-date non-tax revenue collections were up by 24.5 percent relative to a year earlier. Collections from licenses and permits increased by 20.2 percent while fines and forfeiture collections increased by 2.7 percent. Charges for services increased by 61.3 percent and miscellaneous nontax revenue was increased by 44.3. 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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