



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

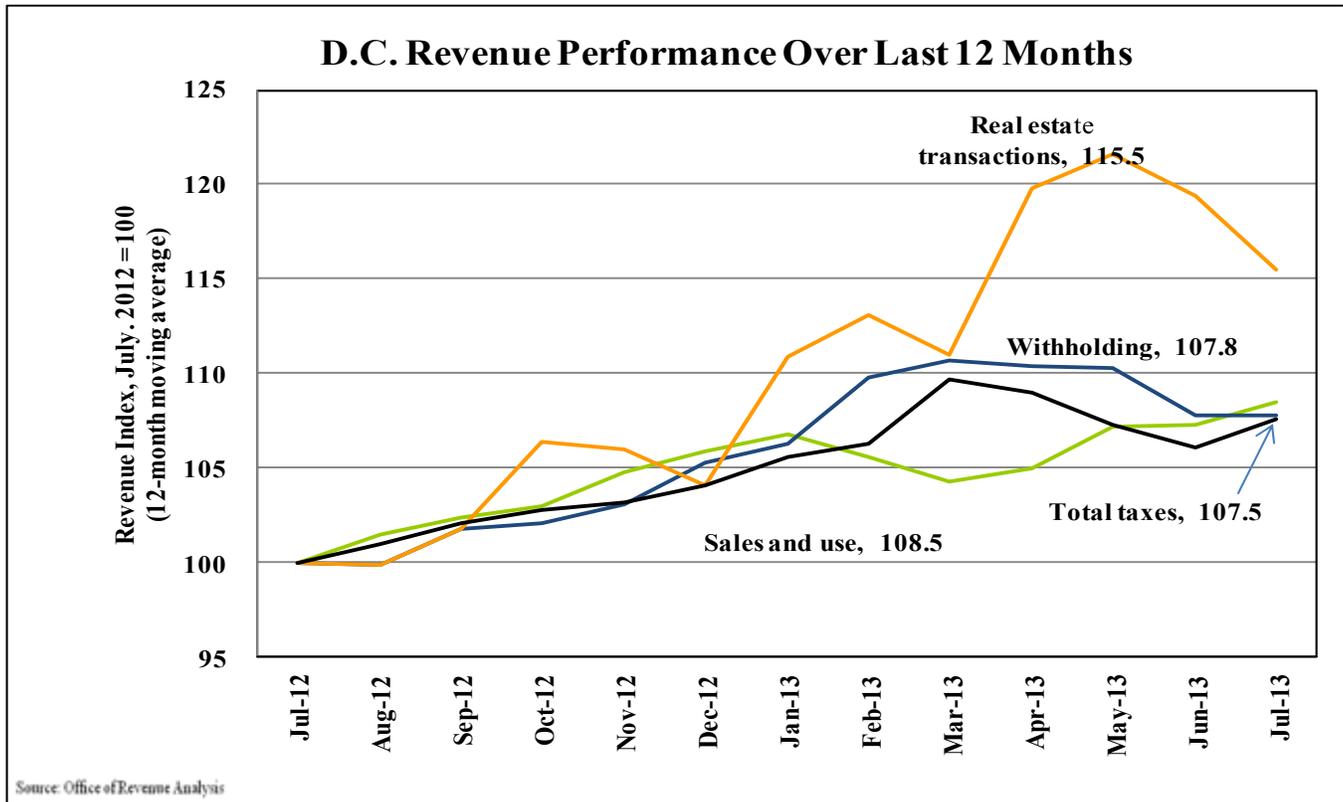
District of Columbia Cash Collections Report

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Volume IV, Issue X

July 2013



Tax collections show growth

- The twelve-month moving average of total tax collections for July increased 7.5 percent over the same period last year. However, although July's total collections appear to be larger than the month before, growth has been slowing since March 2013, mostly due to lower collections in real estate transactions, income and gross receipt taxes relative to the earlier months.
- Withholding tax collections during the twelve-month period ending July 2013 grew by 7.8 percent over the previous year, yet were slightly lower than a month before. In general, strong wages and salaries growth in the District has been the main driver of higher growth for withholding tax collections, but it seems that wages and salaries growth has slowed in recent months, perhaps from the effects of the federal sequestration.
- Sales tax collections for the twelve-month period ending in July were 8.5 percent higher relative to the same period last year, although much of this increase was due to changes in the timing of processing.
- The twelve-month period moving average of real estate transactions tax collections for July grew by about 15.5 percent compared to the same period last year, reflecting, perhaps, a slowing but still fairly vibrant DC real estate market despite recent federal cutbacks.

Collections by Revenue Source

July YTD Tax Collections by Source: 2013 vs. 2012 (\$ '000)

	July 2013	July 2012	Percent change
TOTAL TAX COLLEC- TIONS	4,468,849	4,233,828	5.6
Property	1,054,843	995,211	6.0
Real Property Tax	1,000,144	957,682	4.4
Personal Property Tax and Public Space Rental	54,699	37,529	45.7
Real Property Transac- tions	286,805	264,177	-8.6
Deed Recordation Tax	167,227	140,968	18.6
Deed Transfer Tax	115,333	102,744	12.2
Economic Interest Tax	4,245	20,464	-79.3
Sales	1,041,971	1,005,485	3.6
General Sales and Use Tax	954,442	921,340	3.6
Excise Taxes	87,529	84,145	4.0
Income	1,759,620	1,573,833	11.8
Individual Income Tax	1,382,011	1,208,826	14.3
Corporate Franchise Tax	244,117	233,997	4.3
U.B. Franchise Tax	133,492	131,010	1.9
Gross Receipts and Estate	325,610	395,123	-17.6
Gross Receipts Taxes	291,257	299,542	-2.8
Estate Tax	34,352	95,580	-64.1

Property Taxes. Real property tax collections, fiscal year to date, are 6.0 percent above the same period last year, reflecting first half real property tax payments that were due on March 31. This is in line with the estimate and reflects the growth in real property assessments completed at the end of calendar year 2011.

Real Property Transactions Taxes. July fiscal year to date real property transaction taxes collections were up 8.6 percent over July 2012. Deed recordation tax collections increased by 18.6 percent year to date, while collections for the deed transfer tax increased by 12.2 percent. The strong growth in the real estate transactions taxes in recent months reflects strong real estate market activity in the District of Columbia. However, there was a considerable drop in economic interest taxes of 79.3 percent. The unpredictable nature of this particular tax could make collections lumpy from time-to-time

General Sales and Use Tax. July fiscal year to date general sales and use tax collections were up by 3.6 percent compared to the same period last year. The year to date

growth in general sales and use tax collections through July reverses a slight decline in collections during the early months of the current calendar year. The fluctuations in the growth pattern seen over the past few months largely reflect changes in the timing of processing rather than fluctuations in economic activity. The year to date growth through July is in line with expectations.

Excise Taxes. Fiscal year to date excise tax collections through July grew by 4.0 percent compared to the same period last year. Higher motor vehicle excise tax collections are the main source of the strong overall excise tax growth.

Income Taxes. July fiscal year to date individual income tax collections grew 14.3 percent over the same period last year. The withholding tax portion grew 7.0 percent, while non-withholding grew by almost 87.9 percent. Final payments were due in April, so the current performance of non-withholding tax collections is mainly a result of the strong performance of the stock market in the previous year.

July fiscal year to date corporate franchise tax collections increased by 4.3 percent, compared to that of July of a year earlier, while unincorporated business tax collections increased by 1.9 percent.

Gross Receipts Taxes. Overall, fiscal year to date gross receipts tax collections in July were down by 2.8 percent. Public utilities collections were up by 1.8 percent. Toll telecommunications were up by 2.3 percent and insurance premiums collections were down by 14.2 percent. The sharp decline of insurance premiums collections since April are most likely due to changes in the timing of processing the collections.

Non-Tax Revenues. July fiscal year to date non-tax revenue collections (including lottery and special purpose funds) were up by 8.6 percent relative to a year earlier. Collections from automated enforcement show an increase of 7.2 percent over the same period last year. Meanwhile, traffic fines dropped 29.1 percent. This is mainly attributed to the increasing of the compliance due mostly to increases in speed limit in some areas. Collections in "other" fines and forfeitures were down by 35.3 percent relative to the year before.

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