



# District of Columbia Cash Collections Report

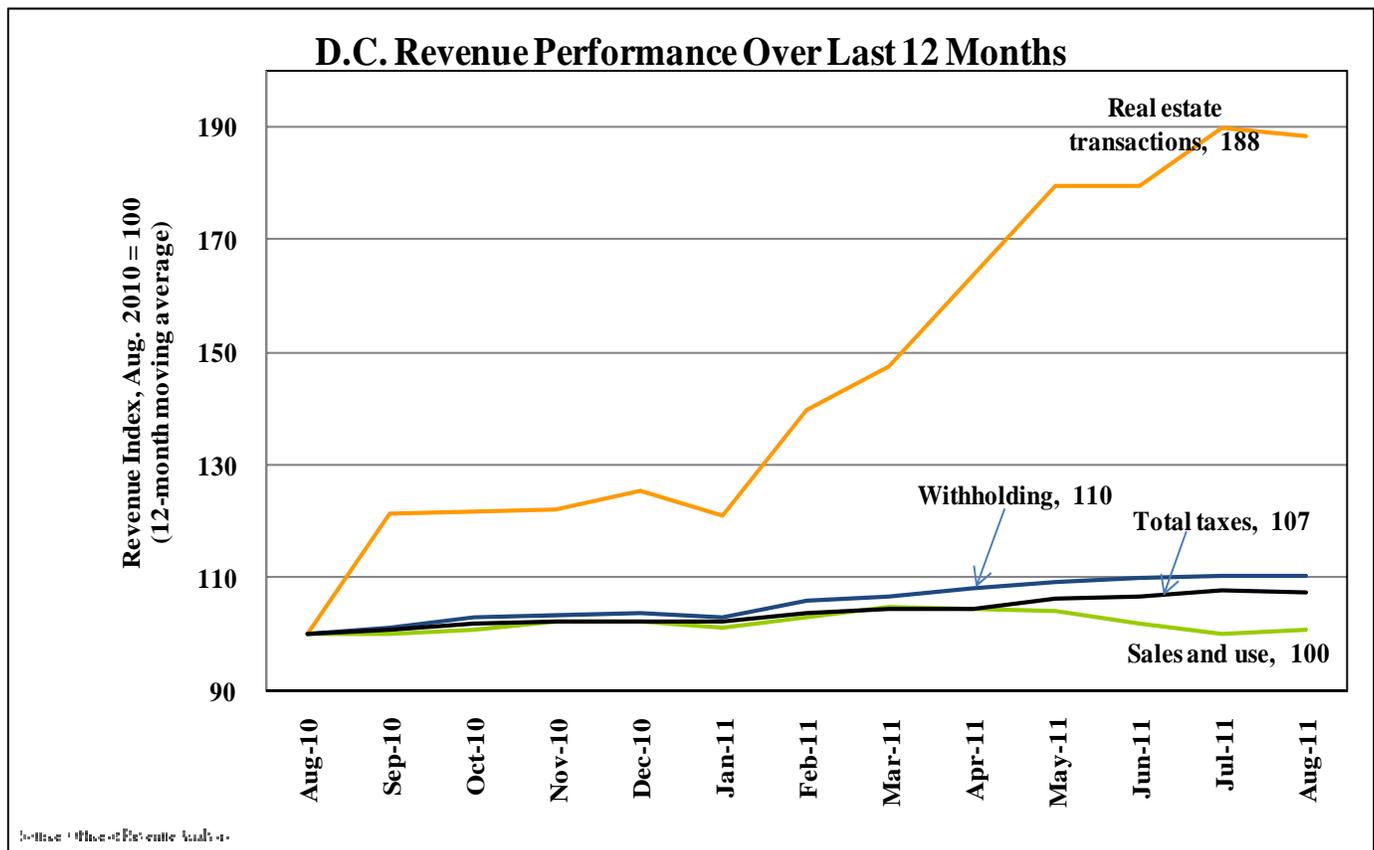
Office of Revenue Analysis  
Office of the Chief Financial Officer  
Government of the District of Columbia

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Volume II, Issue XI

August 2011



### Tax collections show growth

- The twelve-month moving average of total tax collections through August grew 7 percent over the same period last year. The strong growth in total tax collections this year is largely due to strong wages and salaries growth, a highly active commercial real estate market, as well as a rebound in equities last year.
- Withholding tax collections through August grew 10 percent over the previous year, because of strong growth in wages and salaries.
- Sales tax collections, for the twelve month period ending in August were unchanged from the same period last year. Given the weakening in some national economic indicators and signs of weakness in the D.C. jobs market, flat sales tax collections growth may well be a sign of a general weakening in the District's economy as the performance of the sales tax collections usually mirrors the performance of the District economy.
- Real estate transactions tax collections grew by 88 percent in August over the same period of the previous year. Driven by strong sales in the District's high-end commercial real estate market.

# Collections by Revenue Source

## August YTD Tax Collections by Source: 2011 vs. 2010 (\$ '000)

|   | August<br>2011   | August<br>2010   | Percent<br>change |
|---|------------------|------------------|-------------------|
| <b>TOTAL TAX COLLEC-<br/>TIONS</b>      | <b>4,083,128</b> | <b>3,767,496</b> | <b>8.4</b>        |
| <b>Property</b>                         | <b>984,262</b>   | <b>1,047,007</b> | <b>-6.0</b>       |
| Real Property Tax                       | 933,488          | 991,612          | -5.9              |
| Personal Property Tax                   | 50,774           | 55,526           | -8.3              |
| <b>Real Property Transac-<br/>tions</b> | <b>289,515</b>   | <b>154,342</b>   | <b>87.6</b>       |
| Deed Recordation Tax                    | 150,735          | 76,747           | 96.4              |
| Deed Transfer Tax                       | 124,437          | 62,193           | 100.1             |
| Economic Interest Tax                   | 14,342           | 15,400           | -6.9              |
| <b>Sales</b>                            | <b>981,997</b>   | <b>964,897</b>   | <b>1.8</b>        |
| General Sales and Use Tax               | 890,609          | 884,270          | 0.7               |
| Excise Taxes                            | 91,388           | 80,627           | 13.3              |
| <b>Income</b>                           | <b>1,450,229</b> | <b>1,277,300</b> | <b>13.5</b>       |
| Individual Income Tax                   | 1,148,416        | 993,738          | 15.6              |
| Corporate Franchise Tax                 | 186,786          | 178,863          | 4.4               |
| U.B. Franchise Tax                      | 115,027          | 104,701          | 9.9               |
| <b>Gross Receipts and Estate</b>        | <b>377,125</b>   | <b>323,950</b>   | <b>16.4</b>       |
| Gross Receipts Taxes                    | 309,939          | 287,589          | 7.8               |
| Estate Tax                              | 67,187           | 36,360           | 84.8              |

**Property Taxes.** YTD real property tax collections through August are 6.0 percent below the same period last year.. However, based on the strength of the collections from first half payments, we expect real property tax revenue for the fiscal year to be 4.9 percent below that of last year. This is considerably better than the 12 percent decline that was estimated in the FY 2011 budget last June.

**Real Property Transactions Taxes.** August YTD real property transaction taxes collections were up 87.6 percent from the previous year. For the deed recordation, tax collections increased by 96.4 percent, while collections for the deed transfer tax doubled. The high volume of commercial property sales continue to drive deed tax revenue growth.

**General Sales and Use Tax.** YTD general sales and use tax collections were up by less than 1 percent

compared to the same period last year. This is a drastic slowing from the first quarter when growth was double digits or high single digit. Is this sign of a general slowdown just over the horizon?

**Excise Taxes.** YTD excise tax collections grew 13.3 percent compared to the same period last year. Higher motor vehicle and cigarette excise tax collections are the main source of the strong overall excise tax growth.

**Income Taxes.** Individual income tax collections through August were 15.6 percent higher than that of the same period last year. The withholding tax portion alone grew 9.9 percent.

YTD corporate franchise tax collections grew 4.4 percent over that of August of a year earlier, while unincorporated business tax collections, were up 9.9 percent.

**Gross Receipts Taxes.** Overall, YTD gross receipts tax collections were up by 16.4 percent. Public utilities collections were up by 1.0 percent, and toll telecommunications collections were down by 2.1 percent. Insurance premiums collections, which are generally due in March, and June are up by 1.7 percent.

**Non-Tax Revenues.** YTD through August, non-tax revenue collections were up by 14.2 percent relative to a year earlier. The strong growth in collections from non-tax was led by much higher than expected revenue from licenses and permit fees.

\* On September 16, 2011, and at the time of this report, the Office of Revenue Analysis released a new revenue estimate for the current fiscal year, and as such, in this report references to estimates are based on the most recent one.

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