



District of Columbia Cash Collections Report

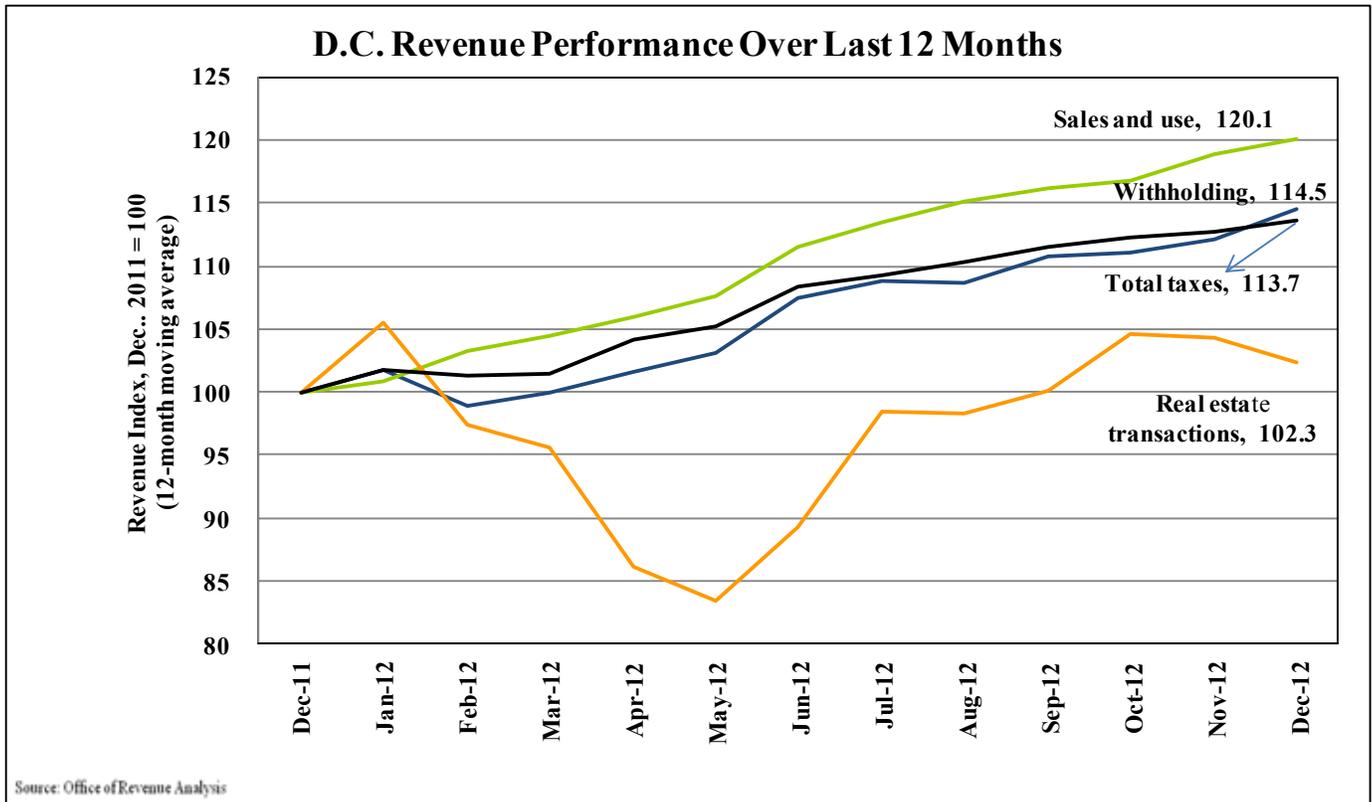
Office of Revenue Analysis
Office of the Chief Financial Officer
Government of the District of Columbia

Vincent C. Gray, Mayor
Natwar M. Gandhi, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist
Farhad Niemi, Director of Economic Affairs

Volume IV, Issue III

December 2012



Tax collections show growth

- The twelve-month moving average of total tax collections for December shows an increase of 13.7 percent over the same period last year. Growth in total collections has been continuous almost throughout calendar year 2012. Advances in sales and personal incomes, an overall increase in real estate activities, as well as a rebound in capital gains, have contributed to higher collections. In addition, total tax collections may have been affected by increases in economic activities associated with to preparations for the presidential elections this year.
- Withholding tax collections during the same twelve-month period grew by almost 14.5 percent over the previous year. The strength in withholding collections growth is attributable to strong wages and salaries growth in the District in December.
- Sales tax collections for the twelve-month-period ending in December were 20.1 percent higher relative to the same period last year. Again, this could be attributed to increased activities related to the presidential elections this year.
- The twelve-month period moving average of real estate transactions tax collections for December grew by about 2.3 percent compared to the same period of the previous year, but showed a slight decline from a month earlier. Overall, real estate transactions have been on the rise since May of this year, increasing by almost 20 percent since their lowest point in April 2012.

Collections by Revenue Source

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

	December 2012	December 2011	Percent change
TOTAL TAX COLLEC- TIONS	915,532	794,721	15.2
Property	33,111	27,985	18.3
Real Property Tax	28,446	23,804	19.5
Personal Property Tax	4,666	4,182	11.6
Real Property Transac- tions	65,300	64,505	1.2
Deed Recordation Tax	37,106	34,425	7.8
Deed Transfer Tax	26,237	22,641	15.9
Economic Interest Tax	1,957	7,439	-73.7
Sales	303,693	260,645	16.5
General Sales and Use Tax	280,643	242,516	15.7
Excise Taxes	23,050	18,129	27.1
Income	450,877	366,541	23.0
Individual Income Tax	353,322	288,193	22.6
Corporate Franchise Tax	65,328	50,195	30.1
U.B. Franchise Tax	32,226	28,153	14.5
Gross Receipts and Estate	62,552	75,045	-16.6
Gross Receipts Taxes	49,746	60,168	-17.3
Estate Tax	12,806	14,878	-13.9

Property Taxes. Real property tax collections during the first three months of the new fiscal year are 19.5 percent above the same period last year. There are reasons to believe that the real estate market, in the District of Columbia is thriving once again. However, first half real property tax payments for the new fiscal year are due in March. Therefore it would be prudent not to cast judgment on this growth rate until then and to wait until the first installments of property tax payments are recorded.

Real Property Transactions Taxes. December fiscal year to date real property transaction taxes collections were up 1.2 percent from December 2011. Deed recordation tax collections increased by 7.8 percent year to date, while collections for the deed transfer tax increased, by 15.9 percent. However, the sharp decrease in economic interest tax collections of 73.7 percent was mainly responsible for the minimal growth in overall collections in this category for the year to date.

General Sales and Use Tax. December fiscal year to date general sales and use tax collections were up by 15.7 percent compared to the same period last year. This continued increase signals increased consumer confidence over the course of the year. At the same time, activities related to the presidential elections this year, especially during the last few months of fiscal year 2012 and the early part of fiscal year 2013, may have been a strong factor in the increased growth in sales.

Excise Taxes. Fiscal year to date excise tax collections through December grew substantially—by 27.1 percent compared to the same period last year. Higher motor vehicle fuel and excise tax collections are the main sources of the strong overall excise tax growth.

Income Taxes. December fiscal year to date individual income tax collections were 22.6 percent higher than that of the same period last year. The withholding tax portion grew 15.8 percent. No component of the non-withholding tax collections is due until January so the current performance of non-withholding tax collections is not significant.

December fiscal year to date corporate franchise tax collections increased substantially, by 30.1 percent, compared to that of December of a year earlier, while unincorporated business tax collections were up 14.5 percent. Again, no major payments are due until January so it is too early to evaluate the performance of the business tax receipts.

Gross Receipts Taxes. Overall, fiscal year to date gross receipts tax collections in December were down by 17.3 percent. Public utilities collections were down by 4.9 percent and insurance premium s collections were down by 101.0 percent, similar to the previous month.

Non-Tax Revenues. December fiscal year to date non-tax revenue collections were down slightly (by 0.3 percent relative to a year earlier). In the meanwhile, collections from automated enforcement were up by 2,136.7 percent (due mostly to timing of recording) while “other” fines and forfeitures declined by 57.6 percent. But, non-tax receipts tend to be lumpy—receipts are high in some months and very low in other months—so it is too early to evaluate the performance of this revenue source.

For further information or to comment on this report, contact: Farhad Niami (202) 727-3897, or farhad.niami@dc.gov.