



# District of Columbia Cash Collections Report

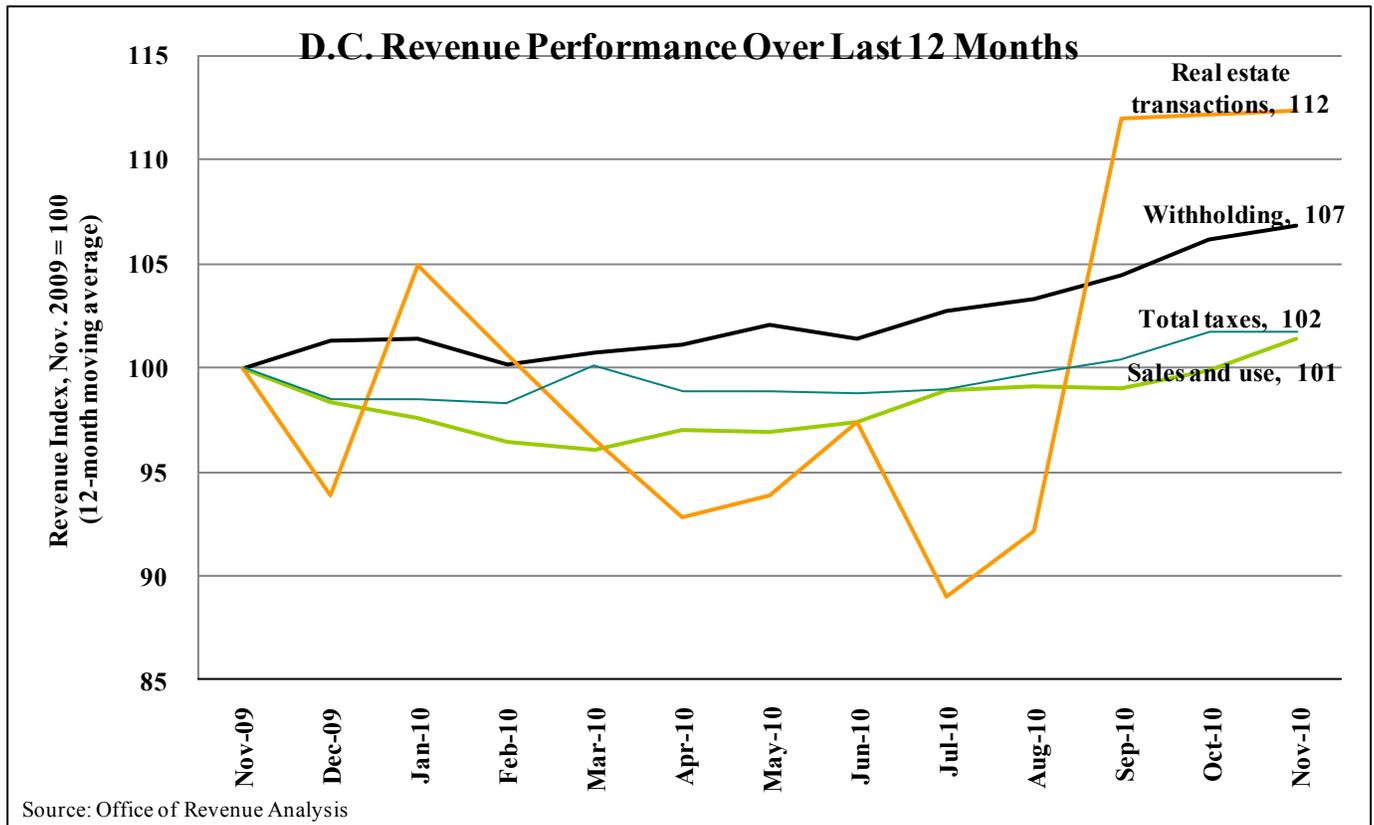
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### *Tax collections continue their slow growth*

- The twelve-month moving average for total tax collections shows a 2 percent increase over November of the previous year. The growth in total tax collections during the first two months of the new fiscal year has been steady. This, so far, is consistent with other DC economic indicators that suggest a very slow recovery is occurring in the District of Columbia.
- The twelve-month moving average of withholding tax collections reflects strong growth (7 percent) so far this year.
- At the same time, the twelve-month moving average for sales tax collections shows a very modest growth of 1 percent over the previous November. This reflects a slow-paced recovery of sales tax collections.
- For the month of November, the twelve-month moving average of real estate transactions tax collections grew strongly, with 12 percent growth over the previous November.

# Collections by Revenue Source

## November YTD Tax Collections by Source: 2010 vs. 2009 (\$ '000)

	Nov. 2010	Nov. 2009	Percent change
<b>TOTAL TAX COLLECTIONS</b>	<b>498,158</b>	<b>446,059</b>	<b>11.7</b>
<b>Property</b>	<b>31,454</b>	<b>22,161</b>	<b>41.9</b>
Real Property Tax	30,776	21,593	42.5
Personal Property Tax	678	568	19.4
<b>Real Property Transactions</b>	<b>25,590</b>	<b>24,460</b>	<b>4.6</b>
Deed Recordation Tax	14,194	13,086	8.5
Deed Transfer Tax	10,998	11,374	-3.3
Economic Interest Tax	398	0	n.a.
<b>Sales</b>	<b>190,109</b>	<b>174,527</b>	<b>8.9</b>
General Sales and Use Tax	184,159	161,210	14.2
Excise Taxes	5,950	13,317	-55.3
<b>Income</b>	<b>211,733</b>	<b>187,573</b>	<b>12.9</b>
Individual Income Tax	197,206	166,124	18.7
Corporate Franchise Tax	12,024	11,894	1.1
U.B. Franchise Tax	2,503	9,555	-73.8
<b>Gross Receipts and Estate</b>	<b>39,272</b>	<b>37,338</b>	<b>5.2</b>
Gross Receipts Taxes	29,251	33,270	-12.1
Estate Tax	10,021	4,068	146.3

**Property Taxes.** Unlike the strong growth during the month of October, in November (the second month of the new fiscal year), real property tax collections decreased by 29.3 percent in comparison with collections during the same month a year earlier. However, YTD collections were still up by 42 percent. As real estate tax payments are generally due in March and September of each year, we remain optimistic and do not believe that November collections are an indication of the change in collections that will occur this year.

**Real Property Transactions Taxes.** YTD November real property transaction taxes were up 4.6 percent from the previous year. YTD collections of deed recordation taxes increased by 8.5 percent, while those for deed transfer taxes decreased by 3.3 percent. This suggests that, while there was a large increase in property transactions during the first two months of the year, it was mostly due to refinancing of existing properties rather than new purchases.

**General Sales and Use Tax.** YTD sales tax collections show an almost 9 percent improvement from the same period last year. General sales and use tax collections

have grown by 14.2 percent YTD relative to last year at this time.

**Excise Taxes.** Excise tax collections YTD show a considerable reduction (55.3 percent) through the month of November relative to the same period last year. This decline is attributed to a significant decline in cigarette tax collections. However, we do not believe that this early reduction over the previous year reflects the expected growth for the current fiscal year.

**Income Taxes.** YTD individual income tax collections were up 18.7 percent. At the same time, YTD withholding tax collections were up 14.8 percent through the second month of the new fiscal year.

Corporate franchise tax collections, YTD, increased slightly (by 1.1 percent) relative to the same period last year. YTD unincorporated business tax collections were down 73.8 percent. However, since no business taxes are due during the month of November, this does not reflect the expected trend for the remainder of the fiscal year.

**Gross Receipts Taxes.** YTD gross receipts tax collections were up 5.2 percent. Broken down by type of gross receipt tax, public utilities collections were down by 7.5 percent and toll telecommunications collections were down by 34.6 percent. Insurance premiums collections were down 23.2 percent. Insurance premiums are generally due in March, so the collections through November are not an indication of the collection pattern for the remainder of the year.

**Non-Tax Revenues.** Collections for most non-tax revenue sources tend to be lumpy—that is, there are large collections for some months and almost no collections in other months, and non-tax collections are often not tied to economic activity in the District. Nevertheless, collections of non-tax revenues YTD November were up by 92.0 percent relative to a year earlier. Unclaimed property sales were up 255.8 percent. However, because of the nature of non-tax revenue collections, it is too soon in the fiscal year to make projections for the entire fiscal year based on these early results.

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