Montgomery County, Maryland

FY2015 THIRD QUARTERLY REVENUE UPDATE
Presentation to the Montgomery County Council

Department of Finance
The General Fund (G.F.) portion of property tax collections (including penalties and interest but excluding storm damage) was $1,072.0 million.

Property Taxes: $88.5 million below the last fiscal year or down 52.8 percent.

Revenues from extensions and reconciliation were $79.1 million which was extension, and reconciliation for tax year 2013.

The number and amount of revenues collected from taxpayers declined for an
the number of taxpayers. The significant decrease in
revenue for November 2014 and to the significant decrease in
revenue for November 2014 and to the significant decrease in
distribution in November 2014.

Income tax revenues through March were down 19.3% below revenues for the same period in FY14. The

Income Taxes:

Three Quarter Fiscal Year Results

Revenue Update

in all categories except for hotel/motel tax and investment income.
Revenue were down 4.5 percent compared to the same period in FY14. Revenues totaled $2,112 billion and

Total tax revenues, including investment income, totaled $2,112 billion and
Revenue Update
Three Quarter Fiscal Year Results

- **Property Taxes (continued):**
  - After the triennial reassessment rates for real property declined three years in a row, the real property taxable assessment increased 1.0 percent in FY14 and is estimated to increase 3.0 percent for FY15.

- **Transfer and Recordation Taxes:**
  - Revenues from the transfer tax (excluding condominium conversions) through March of FY15 were $62.8 million, or 7.7 percent below last fiscal year.
  - Revenues from the recordation tax (excluding the CIP portion and the rate premium) were $38.3 million, a decrease of 8.4 percent from the three quarters of last fiscal year.
  - The decrease in the transfer tax was due primarily to a decrease in the total number of transfers, not including condo conversions, which was down 4.6% during the three quarters of FY15 compared to last fiscal year. The volume of residential transfer tax transactions was down 4.4 percent and the volume of non-residential transactions was down 17.7 percent.
  - The decrease in the recordation tax was attributed to the decline residential recordation tax transactions (↓8.9%) compared to the three quarters of fiscal year 2014, and the volume of other recordation tax transactions was down a modest 0.3 percent compared to last fiscal year.
  - The combined amount of revenues from the transfer and recordation taxes (excluding condo conversions, CIP portion, and rate premium) was $101.1 million compared to $109.9 million for the same period last year (↓8.0%).
Revenues from the admissions tax were down 1.3 percent compared to the same period last year and largely attributed to a decline in revenues from motion pictures) (17.9\%) and coin-operated amusement.

Revenues from the hotel/motel tax were 6.6 percent above the same period last year reflecting higher occupancy and room rates.

Revenues from the hotel/motel tax were $31.4 million and 12.6 percent over the three quarters of FY 14.

Excluding that payment, tax revenues increased 3.3 percent in FY 15 telephone tax in FY 14 included a one-time payment of $5.5 million. However, the below the $36.9 million during three quarters of FY 14. However, the revenues from the telephone tax were $36.9 million and 12.6 percent.

In May 2014 revenues is primarily due to the rate cut enacted by the County Council quarters of FY 15 compared to $146.5 million in FY 14. The decrease in fuel/energy tax collections totaled $139.7 million during the three quarters of FY 14.

Three Quarter Fiscal Year Results

Consumption Taxes:

Revenue Update
# Revenue Summary Sheet

<table>
<thead>
<tr>
<th>MAJOR REVENUE COLLECTIONS</th>
<th>Fiscal Year 2015</th>
<th>Fiscal Year 2014</th>
<th>Variance FY15-FY14</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TAXES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax</td>
<td>$753,759,071</td>
<td>$830,909,008</td>
<td>($77,149,937)</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Property Tax (General Fund only)</td>
<td>$1,071,980,220</td>
<td>$1,075,136,959</td>
<td>($3,156,739)</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Transfer Tax (1)</td>
<td>$62,763,898</td>
<td>$67,993,106</td>
<td>($5,229,208)</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Recordation Tax (2)</td>
<td>$38,325,959</td>
<td>$41,856,778</td>
<td>($3,530,819)</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Fuel/Energy Tax</td>
<td>$139,731,886</td>
<td>$148,518,886</td>
<td>($6,787,200)</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Telephone Tax (3)</td>
<td>$31,425,504</td>
<td>$35,936,453</td>
<td>($4,510,949)</td>
<td>-12.6%</td>
</tr>
<tr>
<td>Hotel/Motel Tax</td>
<td>$11,185,870</td>
<td>$10,492,979</td>
<td>$692,892</td>
<td>6.6%</td>
</tr>
<tr>
<td>Admissions Tax</td>
<td>$2,063,089</td>
<td>$2,325,213</td>
<td>($262,123)</td>
<td>-11.3%</td>
</tr>
<tr>
<td><strong>MISCELLANEOUS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income (4)</td>
<td>$812,289</td>
<td>$447,982</td>
<td>$364,307</td>
<td>81.3%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$2,112,047,587</td>
<td>$2,211,617,364</td>
<td>($99,569,777)</td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

**SOURCE:** Revenue data excluding income taxes and admissions tax from the County's Oracle eBusiness system. Revenue data for the income tax and admission tax from the Maryland State Comptroller.

**NOTES:**
1. Excludes revenue from condominium conversions
2. Excludes School CIP and tax premium allocation
3. Telephone tax in fiscal year 2014 includes a one-time payment of $5,525,682.62. Excluding that payment, telephone tax revenues were $30,410,770 in FY14 or an increase of 3.3 percent in FY15.
4. Pooled investment income only