

**Quarterly Update on Revenue Collections
Montgomery County
FY2008**

Reported through:
March 2008

Collection Update

- **Three Quarter Results:**

- Total tax collections totaled \$1.826 billion and were 0.7% below the three quarters of FY07.
- Income tax collections through March stood at \$802.3 million and are on target with the revised estimate presented in the CE's FY09 Recommended Budget.
- The General Fund portion of property tax collections (including penalties and interest) was \$776.2 million – and 0.6 percent above the same period in FY07 and on target with the revised estimate.

- **Transfer and Recordation Taxes:**

- Collections from the transfer tax (excluding condominium conversion) during the first three quarters of FY08 were \$60.4 million, or 22.8% below the same period last year and on target with the revised estimate.
- Collections from the recordation tax (excluding the CIP portion) were \$40.6 million, a decrease of 25.1% over last year and slightly above the revised estimate.

Collection Update

- **Transfer and Recordation Taxes (continued):**

- The decrease in the transfer and recordation taxes is due to continued decline in housing sales (↓34.3% through three quarters) and a 26.6% drop in mortgage refinancing activity.
- The volume of transfers during the first three quarters of FY08 was down 27.7% compared to the same period last year, and the volume of recordation tax transactions was down 26.7% compared fiscal year 2007.
- The only positive area is non-residential transfers (excluding farms and rezoning) with total collections up 7.2%
- The combined amount of revenues from the transfer and recordation taxes (excluding CIP portion and condo conversions) was \$101.0 million compared to \$132.4 million for the first nine months of last fiscal year (↓23.7%).

Collection Update

- **Consumption Taxes:**

- Total revenues from the consumption taxes (fuel/energy, hotel/motel, telephone, and admissions) totaled \$89.2 million during the first three quarters of FY08, which are 1.8% above the same period in FY07 and are on target with the revised estimate.
- Fuel/energy tax collections totaled \$58.2 million and are slightly above target with the revised estimate.
- Collections from the telephone tax are \$18.7 million and are above the target estimate which is entirely due to continued stronger than expected growth in wireless phones.
- Collections from the hotel/motel tax are running 0.4% below the same period last year and are running below the revised estimate.
- Collections from the admissions tax to date are 4.7 percent below the first three quarters of last year and are on target with the revised estimate.

Collection Update

- **Other Revenues:**

- Revenues from the County's pooled investment income were \$36.6 million during the first three quarters of this fiscal year and were 2.3% below the same period last year. However, with the recent rate cuts by the Federal Reserve that have yet to be fully incorporated in the County's pooled investments, Finance expects that differential to increase.
- Highway user revenues received to date were \$20.3 million and 6.1% below the first three quarters of FY07 and running well below revised estimate.

Collection Update

**MONTGOMERY COUNTY
MAJOR REVENUE COLLECTIONS
FISCAL YEAR 2008**

<u>TAXES :</u>	REPORTING PERIOD	VARIANCE		PERCENT CHANGE	FY08 Revised 3/08	FY08 BUDGET	VARIANCE		PERCENT CHANGE	
		FY08	FY07				FY08 / FY07	FY06		FY07 / FY06
INCOME(1)	March	\$802,264,435	\$786,659,289	\$15,605,146	2.0%	1.5%	1.7%	\$652,270,126	\$134,389,163	20.6%
PROPERTY (General Fund)(2)	March	776,242,935	771,989,769	4,253,166	0.6%	0.7%	0.5%	793,986,172	(21,996,404)	-2.8%
TRANSFER (excl. condo conversion)	March	60,352,895	78,203,706	(17,850,811)	-22.8%	-24.9%	13.0%	108,566,206	(30,362,500)	-28.0%
RECORDATION (excl. School CIP)	March	40,613,536	54,234,616	(13,621,080)	-25.1%	-29.1%	-0.3%	73,037,076	(18,802,460)	-25.7%
FUEL/ENERGY	March	58,153,441	57,198,750	954,692	1.7%	0.5%	0.9%	59,471,920	(2,273,171)	-3.8%
HOTEL/MOTEL	March	10,977,787	11,016,448	(38,661)	-0.4%	3.6%	5.3%	9,669,089	1,347,358	13.9%
TELEPHONE	March	18,726,394	18,005,904	720,490	4.0%	2.3%	2.9%	17,988,041	17,863	0.1%
ADMISSIONS	March	1,336,168	1,401,820	(65,652)	-4.7%	-4.5%	3.4%	1,378,774	23,046	1.7%
<u>MISCELLANEOUS :</u>										
INVESTMENT INCOME: Total Pooled	March	\$36,627,315	\$37,483,215	(855,900)	-2.3%	-17.5%	0.5%	\$26,559,905	10,923,310	41.1%
HIGHWAY USER	March	20,329,104	21,621,384	(1,292,280)	-6.0%	0.6%	1.7%	20,310,878	1,310,505	6.5%
TOTAL		\$1,825,624,009	\$1,837,814,900	(\$12,190,891)	-0.7%	-1.2%	1.7%	\$1,763,238,189	\$74,576,711	4.2%

NOTES:

- (1) Comparing Income Tax Collections to Previous Periods is Not Meaningful (N.M.) because of acceleration of additional filings from January '07 to November '06.
- (2) Property Tax for General Fund includes adjustment for the income tax offset (rebate)

May-08