

**Quarterly Update on Revenue Collections
Montgomery County
FY 2008**

Reported through:
December 2007

Collection Update

- **First Half Year Results:**

- Total tax collections totaled \$1.383 billion and were 0.3% below the first half of FY07.
- Income tax collections through December stood at \$456.1 million and are on target with the revised estimates presented during SAG FY09 (in Fall 2007).
- The General Fund portion of property tax collections (including penalties and interest) was \$767.8 million – and 4.9 percent above the first half of FY07 and running slightly above the revised estimate primarily due to accelerated processing of payments.

- **Transfer and Recordation Taxes:**

- Collections from the transfer tax (excluding condominium conversion) during the first half of FY08 were \$44.7 million, or 17.7% below the same period last year and below the revised estimate.
- Collections from the recordation tax (excluding the CIP portion) were \$29.2 million, a decrease of 19.5% over last year and below the revised estimate presented during SAG FY09.

Collection Update

- **Transfer and Recordation Taxes (continued):**
 - The decrease in the transfer and recordation taxes is due to continued decline in housing sales and a 19% drop in mortgage refinancing activity.
 - The volume of transfers during the first half of FY08 was down 23.1% compared to last year, and the volume of recordation tax transactions was down 19.8% compared to the first half of fiscal year 2007.
 - The only bright area is the non-residential sector with collections that are roughly unchanged from the same six month period in FY07.
 - The combined amount of revenues from the transfer and recordation taxes (excluding CIP portion and condo conversions) was \$73.9 million compared to \$90.6 million for the first six months of last fiscal year (↓18.4%).

Collection Update

- **Consumption Taxes:**

- Total revenues from the consumption taxes (fuel/energy, hotel/motel, telephone, and admissions) totaled \$48.5 million during the first half of FY08, which are 0.6% above the same period in FY07 and, on balance, are on target with the revised estimates.
- Fuel/energy tax collections totaled \$29.3 million and are slightly below target with the revised estimate. The decline in collections is attributed to the unusually warm winter that the Washington area has experienced to date.
- Collections from the telephone tax are \$11.0 million and are slightly above the target estimate, entirely due to continued stronger than expected growth in wireless phones lines.
- Collections from the hotel/motel tax are running 2.7% above the same period last year, but below the revised estimate.
- Collections from the admissions tax to date are 3.9 percent above the first half of last year and in line with the target estimate.

Collection Update

- **Other Revenues:**

- Revenues from the County's pooled investment income were \$24.4 million during the first half of this fiscal year and were 7.6% above the same period last year. However, with the recent dramatic rate cuts by the Federal Reserve that have yet to be fully incorporated in the County's pooled investments, Finance expects the differential of 7.6% to dissipate completely.
- Highway user revenues received to date were \$12.1 million and 6.1% below the first half of FY07 and running below revised estimate for SAG FY09.

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

	REPORTING PERIOD	FY08		FY07	VARIANCE FY08/FY07	PERCENT CHANGE	FY08 SAG FY09	FY08 BUDGET
<u>TAXES :</u>								
INCOME	December	\$456,133,572		\$480,309,799	(\$24,176,227)	-5.0%	-1.7%	1.7%
PROPERTY (General Fund)	December	767,769,028		732,173,959	35,595,069	4.9%	0.6%	0.5%
TRANSFER (excl. condo conversion)	December	44,664,653		54,272,085	(9,607,433)	-17.7%	-7.2%	13.0%
RECORDATION (excl. School CIP)	December	29,227,502		36,311,079	(7,083,578)	-19.5%	-12.9%	-0.3%
FUEL/ENERGY	December	29,296,630		29,587,318	(290,689)	-1.0%	0.5%	0.9%
HOTEL/MOTEL	December	7,383,936		7,193,301	190,635	2.7%	6.3%	5.3%
TELEPHONE	December	11,011,786		10,674,384	337,401	3.2%	1.3%	2.9%
ADMISSIONS	December	817,333		787,019	30,315	3.9%	3.4%	3.4%
<u>MISCELLANEOUS :</u>								
INVESTMENT INCOME (Total Pooled)	December	24,392,588		22,676,180	1,716,408	7.6%	-7.2%	0.5%
HIGHWAY USER	December	12,112,400		12,905,299	(792,899)	-6.1%	0.6%	1.7%
<u>TOTAL</u>		1,382,809,427		1,386,890,425	(4,080,998)	-0.3%	-1.4%	1.7%

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