

# **Update on Revenue Estimates**

to the  
Management and Fiscal Policy Committee  
by the  
Department of Finance  
January 17, 2008

# Revenue 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.
- 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.

- **Transfer and Recordation Taxes:**

- Collections from the transfer tax (excluding condominium conversion) during the first half of FY08 were \$44.7 million, or 17.8% 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 18.5% over last year and below the revised estimate presented during SAG FY09.

# Revenue Update

- **Transfer and Recordation Taxes (continued):**
  - The decrease in the transfer and recordation taxes is due to continued decline in housing sales and mortgage activity. Total recordation tax collections decreased 18.5% to date, while collections from mortgage refinancing decreased 16.1%.
  - 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 combined amount of revenues from the transfer and recordation taxes (excluding CIP portion and condo conversions) was \$73.9 million compared to \$90.2 million for the first six months of last fiscal year (↓18.1%).

# Revenue Update

- **Consumption Taxes:**

- Total revenues from the consumption taxes (fuel/energy, hotel/motel, telephone, and admissions) totaled \$48.6 million during the first half of FY08, which are 0.9% above the same period in FY07 and are on target with the revised estimate.
- Fuel/energy tax collections totaled \$29.3 million and are slightly below target with the revised estimate. The lag in revenues 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 above the target estimate and entirely due to continued stronger than expected growth in wireless phones.
- Collections from the hotel/motel tax are running 4.7% above the same period last year and are running slightly below the revised estimate.
- Collections from the admissions tax to date are 3.9 percent above the first half of last year and above the target estimate.

# Revenue 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 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.