

# City of Chicago Office of Budget and Management

## Comparative Estimate of Revenue Collections

### July 2023

As the city continues its post-pandemic recovery in 2023, some revenue streams are expected to chart a faster path to recovery while others may lag based on economic conditions. Even during stable economic conditions, seasonality in some revenue streams and the irregular nature of others lead to significant variances from one month to the next that smooth out as the year progresses.

#### **MONTHLY ANALYSIS**

Total collections through July are \$77.1 million or 3.3% higher than budget expectations. This variance is driven by favorable collections from the personal property replacement tax (\$105.7 million), income tax (\$15.6 million), business taxes (\$15.6 million), and transportation taxes (\$14.2 million). Transfers from the State of Illinois for both Personal Property Replacement Tax as well as Income Tax continue to surpass expectations through July, while falling below collections over the same period last year. Transportation Taxes and Business Taxes were supported by increased ride share and tourism activity respectively, as well as receipts from audits completed by the city to-date.

Offsetting this higher than budgeted revenue are collections from internal service earnings (\$48.8 million) and transaction taxes (\$20.5 million). Variance in collections for internal service earnings are timing related, while the underperformance in transaction taxes is driven by the real property transfer tax. This transfer tax has been impacted by slow real estate activity through July.

July is the fourth month that the City receives revenue from a few major sources including the Sales Tax Corporation Residual and the Personal Property Replacement Tax. Trends observed are still evolving and the Office of Budget and Management will continue to monitor collections to inform any needed adjustments to the City's budget.

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### Corporate Fund (in thousands) July 2023

	2022	2023		2022	YTD	2023	Diff	Percent Diff	2023 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	Budgeted	YTD Collections			
<b>Local Tax</b>									
Utility Taxes	33,934	31,386	28,581	200,630	184,846	179,854	(4,992)	-2.7%	406,506
Chicago Sales Taxes	40,253	37,477	38,847	62,222	58,863	62,865	4,002	6.8%	90,067
Transaction Taxes	85,036	95,786	73,228	420,248	413,167	392,623	(20,545)	-5.0%	811,823
Transportation Taxes	32,179	35,545	36,033	167,535	190,511	204,696	14,185	7.4%	367,938
Recreation Taxes	29,935	29,202	33,569	161,552	163,988	174,576	10,588	6.5%	318,411
Business Taxes	19,066	16,104	19,008	60,127	54,172	69,751	15,579	28.8%	128,213
<b>State Taxes/Revenues</b>									
Income Tax	40,860	29,094	31,931	191,467	175,873	191,436	15,563	8.8%	377,400
Personal Property Replacement Tax	82,523	39,725	82,886	282,753	142,905	248,600	105,695	74.0%	266,000
Auto Rental Tax	504	279	375	1,165	1,111	1,152	41	3.7%	4,239
State Reimbursements	200	241	833	1,421	986	963	(23)	-2.3%	2,000
<b>Proceeds and Transfers</b>									
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	152,400
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	34,078	42,668	26,421	151,081	158,023	149,280	(8,743)	-5.5%	619,375
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000
<b>Local Non-Tax</b>									
Licenses, Permits, and Certificates	8,670	10,897	9,294	56,718	73,081	64,035	(9,045)	-12.4%	123,597
Fines, Forfeitures, and Penalties	28,530	29,166	26,167	182,450	174,706	176,739	2,032	1.2%	302,208
Charges for Service	49,265	29,214	34,217	196,086	200,989	210,429	9,440	4.7%	363,574
Municipal Parking	598	701	557	4,270	4,597	4,404	(193)	-4.2%	7,676
Leases, Rentals, and Sales Interest	1,436	1,070	2,841	11,809	7,811	6,972	(838)	-10.7%	31,966
Internal Service Earnings	-	-	-	-	-	-	-	NA	10,300
Other Revenue	23,578	31,667	33,173	153,576	225,841	177,029	(48,812)	-21.6%	586,542
<b>Total Revenue</b>	<b>513,654</b>	<b>533,152</b>	<b>482,345</b>	<b>2,423,864</b>	<b>2,325,445</b>	<b>2,402,541</b>	<b>77,096</b>	<b>3.3%</b>	<b>5,214,185</b>

*Month Budgeted refers to the month collections are anticipated. In some instances, there is a 2-3-month difference between the month for which a tax is due and the month in which it is collected.*

*Revenues are recorded at a point in time and may not reflect all adjustments recorded in future periods.*

*Sales Tax Corporation Residual reflects current withholding schedule.*