

## City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections December 2021

The City of Chicago's monthly comparative estimate of revenue collections provides a summary of revenues received and transfers made in the City's Corporate Fund for the current fiscal year. The information contained in these monthly reports is for informational purposes only and does not reflect final audited figures.

Historically, the City has waited until all revenue has been collected before publishing reports. This can delay the City's ability to share data by up to five months. The changes made with this report allow the City to provide a more current and timely picture of its revenues as they are collected.

This guide provides information to help read the report and understand the data shared.

### READING THE REPORT

City of Chicago Office of Budget and Management  
Comparative Estimate of Revenue Collections

Corporate Fund

(in thousands)

	1	2	3	1	2	3			4
	2020 Month Actuals	2021 Month Budgeted	2021 Month Collections	2020 YTD Actuals	2020 YTD Budgeted	2021 YTD Collections	Difference	Percent	2021 Annual Budget
<b>Local Tax</b>									
Utility Taxes	6,103	5,859	5,064	6,103	5,859	5,064	(794)	-13.6%	390,803
Chicago Sales Taxes	3,048	2,145	1,824	3,048	2,145	1,824	(321)	-15.0%	63,639
Transaction Taxes	41,780	35,676	44,623	49,015	44,841	56,408	11,567	25.8%	478,129
Transportation Taxes	33,303	20,217	13,981	33,303	20,217	13,981	(6,236)	-30.8%	308,693
Recreation Taxes	24,823	13,703	13,491	26,069	15,099	14,234	(865)	-5.7%	223,911
Business Taxes	5,462	1,741	1,433	5,462	1,741	1,433	(307)	-17.7%	66,122
<b>State Taxes/Revenues</b>									
Income Tax	24,790	28,316	29,592	24,790	28,316	29,592	1,275	4.5%	262,279
Personal Property									

- 2020 Month Actuals and YTD Actuals:** The actual revenue numbers for the prior year contained in this report remain estimates pending adjustments during the annual audit process.
- 2021 Month Budgeted and YTD Budgeted:** Month Budgeted refers to the collections that are anticipated for the reporting month. What this means:
  - For some tax revenues there can be a 2–3-month difference between the month for which the tax is due and the month in which it is collected. This report pertains to the collection month, which means at the beginning of the fiscal year some tax revenues accrue to the prior fiscal year and do not appear in this report.
  - For some non-tax revenues, specifically fines, forfeitures and penalties and charges for service for which the City is reimbursed, the beginning of the fiscal year includes a mix of revenues related to the prior fiscal year as well as the current fiscal year. In those cases, actuals have been adjusted for known prior year collections.
  - Monthly budget amounts are created by taking the total revenue anticipated and allocating across months based on historical patterns, seasonality, and in the case of some tax revenues expected economic conditions.
- 2021 Month Collections and YTD Collections:** Revenues reflect cash collections for the current budget year. 2021 Month Collections reflect the amount collected specifically in the reported month while the YTD Collections reflect the cumulative amount collected for the year, through the reporting month. Due to a lag in collections, some revenue

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December 2021**

streams do not begin for the current budget year until the second, third, or fourth month. As part of regular activity, the City reviews revenues received to ensure those revenues are allocated to the appropriate period. The City could determine after these reports are published that some reported revenue belongs to a prior period and make adjustments to reflect those revenues in the proper period.

4. **2021 Annual Budget:** This column reflects collections that are expected for the full fiscal year.

## **UNDERSTANDING THE REPORT**

Comparisons between these estimated budget revenues and collections are one indication of revenue performance and can indicate economic developments that may affect the annual revenue forecast. However, while budget estimates take some seasonality into account, there can be significant fluctuations from one month to the next, both in when revenues are received and at times, in the activities from which revenues are derived. Over the course of the year, many of these fluctuations even out. However, early in any fiscal year, these fluctuations can both give the impression of better or worse conditions and could mask underlying risks. As a result, the City intends to update its year end estimate with the annual Budget Forecast to be published in August.

Most of the City's sales tax revenues collected by the State go first to the Sales Tax Securitization Corporation (STSC), which issues bonds on the City's behalf and "withholds" a portion of the sales tax revenue for debt service. Revenues not withheld for debt service are then passed to the city as "residual" revenue and are reported here under Proceeds and Transfers. In the 2021 budget appropriation the City anticipated refinancing existing bonds, which would have decreased debt service and increased the residual to the City. The anticipated refinancing has not occurred, so the budgeted and actual revenues reported reflect increased withholdings for STSC debt service and decreased residual to the City compared to what would have occurred under the refinancing scenario.

## **MONTHLY ANALYSIS**

Even during stable economic conditions, seasonality in some revenue streams and the irregular nature of others lead to significant variances from one year to the next that smooth out as the year progresses. This year, as the City entered a recovery from the COVID-19 pandemic, the predictability of the path of that recovery is still uncertain and likely to affect various revenue streams differently.

Total collections through December 2021 are above budget expectations due to strong transaction tax performance, including the personal property lease tax and real property transaction tax, as well as income tax revenue and personal property replacement tax revenue. Sales Tax continues to reflect strong collections, helped by the passage of "Leveling the Playing Field for Illinois Retail Act," the state's online sales tax law. Other revenues continue to show the effects of the pandemic and resulting economic downturn but are showing signs of recovery as the pandemic impacts wane and as lagging revenues are received.

**City of Chicago Office of Budget and Management  
Comparative Estimate of Revenue Collections**

**Corporate Fund  
December 2021  
(in thousands)**

	2020			2021			2021			2021 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections	Difference	Percent		
<b>Local Tax</b>										
Utility Taxes	25,293	24,292	24,607	326,049	326,587	334,497	7,910	2.4%		390,803
Chicago Sales Taxes	2,311	3,412	4,617	50,477	60,744	64,033	3,290	5.4%		63,639
Transaction Taxes	35,925	38,860	54,049	436,832	446,717	621,075	174,358	39.0%		478,129
Transportation Taxes	12,805	26,432	25,212	190,084	309,780	238,753	(71,027)	-22.9%		308,693
Recreation Taxes	15,882	20,565	21,419	171,237	200,924	216,102	15,178	7.6%		223,911
Business Taxes	1,532	5,904	6,563	27,898	61,322	61,395	73	0.1%		66,122
<b>State Taxes/Revenues</b>										
Income Tax	17,314	14,422	20,392	239,094	211,295	293,904	82,609	39.1%		319,228
Personal Property Replacement Tax	5,780	5,590	15,067	128,408	117,514	243,023	125,509	106.8%		200,000
Auto Rental Tax	196	319	408	1,575	2,562	2,840	278	10.9%		3,332
State Reimbursements	2	27	27	1,442	2,000	2,164	164	8.2%		2,000
<b>Proceeds and Transfers</b>										
Reserve Fund Interest	-	-	-	-	-	-	-	NA		19,000
Sales Tax Corporation Residual	54,560	59,557	72,576	368,180	375,261	474,856	99,595	26.5%		628,776
Proceeds and Transfers - American Rescue Plan	-	-	-	-	-	-	-	NA		782,200
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA		23,000
<b>Local Non-Tax</b>										
Licenses, Permits, and Certificates	7,574	8,245	8,307	109,985	119,600	109,471	(10,129)	-8.5%		119,200
Fines, Forfeitures, and Penalties	23,910	29,965	31,219	238,416	369,700	318,654	(51,046)	-13.8%		381,500
Charges for Service	100,571	45,397	33,542	318,729	340,400	304,749	(35,651)	-10.5%		277,900
Municipal Parking	592	649	765	7,371	7,600	7,253	(347)	-4.6%		7,600
Leases, Rentals, and Sales	388	14,590	54,241	7,814	29,300	60,305	31,005	105.8%		39,300
Interest	-	-	-	-	-	-	-	NA		6,500
Internal Service Earnings	68,927	108,142	106,556	494,158	485,773	494,623	8,850	1.8%		410,732
Other Revenue	30,602	6,800	31,103	122,015	124,522	153,630	29,108	23.4%		125,820
<b>Total Revenue</b>	<b>404,165</b>	<b>413,168</b>	<b>510,673</b>	<b>3,239,763</b>	<b>3,591,599</b>	<b>4,001,326</b>	<b>409,727</b>	<b>11.4%</b>		<b>4,877,385</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 may not reflect all adjustments recorded in future periods*

*Sales Tax Corporation Residual Annual Budget amount anticipated reductions in withholding resulting from the refinancing proposal included with the 2021 appropriation. Expected and actuals instead reflect current withholding schedule.*

*2021 Annual Budget updated per the approved revenue budget amendment.*