

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections April 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	2021 YTD Budgeted	2021 YTD Collections	Difference	Percent	2021 Annual Budget
Local Tax									
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
State Taxes/Revenues									
Income Tax	24,790	28,316	29,592	24,790	28,316	29,592	1,275	4.5%	262,279
Personal Property									

1. **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.
2. **2021 Month Budgeted and YTD Budgeted:** Month Budgeted refers to the collections that are anticipated for the reporting month. What this means:
 - a. 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.
 - b. 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.
 - c. 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.
3. **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

**City of Chicago Office of Budget and Management
Comparative Estimate of Revenue Collections
April 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 sales tax bonds on the City's behalf and "withholds" a portion of the sales tax revenue for debt service. Sales tax 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 is in the early stages of 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 for the first four months of 2021 are above budget expectations due to strong transaction tax performance, especially the personal property lease tax, as well as income tax revenue, personal property replacement tax revenue, and reimbursements for charges for service. While other revenues continue to show the effects of the pandemic and resulting economic downturn, these are expected to continue to improve as the City's reopening progresses and as lagging revenues are received. The most impacted major tax revenues are transportation taxes—which includes ground transportation, parking, and vehicle fuel—and business taxes which includes hotel tax and bag tax.

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

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

	2020			2021			2021			2021 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections	Difference	Percent		
Local Tax										
Utility Taxes	34,785	36,427	35,680	77,538	79,505	75,974	(3,531)	-4.4%	390,803	
Chicago Sales Taxes	2,276	2,355	2,629	8,473	6,646	6,539	(107)	-1.6%	63,639	
Transaction Taxes	32,208	36,923	45,180	115,263	112,302	139,215	26,913	24.0%	478,129	
Transportation Taxes	20,843	20,217	17,711	87,562	60,652	45,619	(15,034)	-24.8%	308,693	
Recreation Taxes	15,279	15,525	16,302	60,579	45,172	43,475	(1,697)	-3.8%	223,911	
Business Taxes	3,000	3,254	2,430	14,855	7,424	5,573	(1,851)	-24.9%	66,122	
State Taxes/Revenues										
Income Tax	27,758	26,164	33,205	46,656	41,387	54,031	12,644	30.5%	262,279	
Personal Property Replacement Tax	35,891	32,535	46,409	35,891	32,535	46,409	13,874	42.6%	147,000	
Auto Rental Tax	239	213	135	239	213	135	(78)	-36.7%	3,332	
State Reimbursements	18	34	42	126	127	166	39	30.7%	2,000	
Proceeds and Transfers										
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000	
Sales Tax Corporation Residual	37,533	30,512	27,054	37,533	30,512	27,054	(3,458)	-11.3%	570,179	
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	23,000	
Local Non-Tax										
Licenses, Permits, and Certificates	7,257	10,131	9,012	38,579	40,109	33,828	(6,281)	-15.7%	119,200	
Fines, Forfeitures, and Penalties	15,353	33,086	24,383	85,353	105,792	89,983	(15,809)	-14.9%	381,500	
Charges for Service	15,124	19,300	41,896	53,040	44,023	59,454	15,431	35.1%	277,900	
Municipal Parking	202	568	636	2,252	2,363	2,586	223	9.4%	7,600	
Leases, Rentals, and Sales	126	1,972	87	2,137	4,550	2,865	(1,685)	-37.0%	39,300	
Interest	-	-	-	-	-	-	-	NA	6,500	
Internal Service Earnings	19,207	19,286	22,137	75,084	72,460	79,578	7,117	9.8%	410,732	
Other Revenue	4,341	2,800	9,492	68,637	66,400	68,155	1,755	2.6%	125,820	
Total Revenue	271,440	291,303	334,421	809,798	752,172	780,638	28,465	3.8%	3,926,639	

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.