

# City of Chicago Office of Budget and Management

## Comparative Estimate of Revenue Collections

### April 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 April are \$18.8 million or 1.9% lower than budget expectations. This variance is driven by lower than budgeted collections from internal service earnings (\$18.7 million), transaction taxes (\$12.7 million), the STSC residual (\$7.4 million), other revenue (\$7.0 million), and charges for services (\$6.9 million). Variances for internal service earnings and other revenue through the year are timing related, while a slowdown in real estate activity is contributing to the underperformance in the real property transfer tax within the transaction taxes category for the fourth month in a row.

Higher than expected collections from fines, forfeitures, and penalties (\$12.6 million), the personal property replacement tax (\$9.1 million), transportation taxes (\$7.9 million), business taxes (\$4.0 million), and incomes tax (\$2.8 million) are offsetting the negative variances noted above.

It is important to note that April is the first month that the City collects revenue from a few major sources including the Sales Tax Corporation Residual and the Personal Property Replacement Tax. Trends observed thus far are not sufficient to make adjustments to expectations for the full fiscal year. 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) April 2023

	2022	2023		2022	YTD	2023	Diff	Percent Diff	2023 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections			
<b>Local Tax</b>									
Utility Taxes	40,820	37,842	37,355	88,571	81,866	81,622	(244)	-0.3%	406,506
Chicago Sales Taxes	4,090	4,379	4,680	10,153	12,764	12,324	(440)	-3.4%	90,067
	56,542	61,993	57,952	196,051	192,332	179,675		-6.6%	811,823
Transaction Taxes							(12,657)		
Transportation Taxes	27,083	27,106	29,741	74,283	76,548	84,446	7,897	10.3%	367,938
Recreation Taxes	28,275	30,293	30,594	75,298	86,432	85,861	(571)	-0.7%	318,411
Business Taxes	7,192	7,620	9,704	15,137	16,992	21,006	4,014	23.6%	128,213
<b>State Taxes/Revenues</b>									
Income Tax	43,206	26,845	38,525	63,430	59,634	62,461	2,826	4.7%	377,400
Personal Property Replacement Tax	85,610	54,114	63,190	85,610	54,114	63,190	9,076	16.8%	266,000
Auto Rental Tax	239	298	163	239	298	163	(136)	-45.5%	4,239
State Reimbursements	206	42	1	890	151	70	(81)	-53.8%	2,000
<b>Proceeds and Transfers</b>									
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	152,400
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	37,626	33,828	26,468	37,626	33,828	26,468	(7,361)	-21.8%	619,375
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000
<b>Local Non-Tax</b>									
Licenses, Permits, and Certificates	8,750	10,218	9,797	34,386	41,178	41,666	488	1.2%	123,597
Fines, Forfeitures, and Penalties	24,822	22,992	23,812	101,962	96,868	109,505	12,638	13.0%	302,208
Charges for Service	25,388	31,299	30,977	78,602	109,115	102,166	(6,949)	-6.4%	363,574
Municipal Parking	567	531	594	2,393	2,537	2,614	77	3.0%	7,676
Leases, Rentals, and Sales	2,262	1,145	575	4,421	4,734	3,040	(1,695)	-35.8%	31,966
Interest	-	-	-	-	-	-	-	NA	10,300
Internal Service Earnings	20,496	30,979	22,182	81,751	101,882	83,223	(18,658)	-18.3%	586,542
Other Revenue	1,311	4,143	164	27,423	10,244	3,230	(7,014)	-68.5%	149,950
<b>Total Revenue</b>	<b>414,485</b>	<b>385,668</b>	<b>386,473</b>	<b>978,226</b>	<b>981,518</b>	<b>962,729</b>	<b>(18,789)</b>	<b>-1.9%</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.*