

City of Chicago Office of Budget and Management

Comparative Estimate of Revenue Collections

March 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 March are \$4.5 million or 0.7% lower than budget expectations. Collections from internal service earnings (\$17.0 million), income taxes (\$8.9 million), transaction taxes (\$8.8 million), other revenue (\$3.0 million), and leases, rentals, and sales (\$1.3 million) are contributing to these variances. Internal service earnings variances 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 third month in a row.

Offsetting these lower-than-expected collections are revenues from charges for services (\$22.3 million), fines, forfeitures, and penalties (\$5.7 million), transportation taxes (\$5.2 million), and business taxes (\$1.9 million).

It is important to note that the City does not collect revenue from a few major sources through the first quarter of the year, and that trends observed thus far are not sufficient to make adjustments to expectations for the full fiscal year. Some variances are likely timing related and should track closer to budget as the year progresses.

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

Corporate Fund (in thousands) March 2023

	2022	2023		2022	YTD	2023	Diff	Percent Diff	2023 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	Budgeted	YTD Collections			
Local Tax									
Utility Taxes	42,202	39,078	39,403	47,125	44,024	44,291	267	0.6%	406,506
Chicago Sales Taxes	2,933	4,238	3,780	6,016	8,385	7,633	(752)	-9.0%	90,067
Transaction Taxes	51,384	53,603	51,666	133,311	130,339	121,698	(8,641)	-6.6%	811,823
Transportation Taxes	16,041	24,819	27,510	46,937	49,442	54,704	5,263	10.6%	367,938
Recreation Taxes	20,445	25,450	26,451	46,002	56,139	55,268	(871)	-1.6%	318,411
Business Taxes	4,441	5,011	6,299	7,758	9,372	11,293	1,922	20.5%	128,213
State Taxes/Revenues									
Income Tax	20,224	32,790	23,936	20,224	32,790	23,936	(8,853)	-27.0%	377,400
Personal Property Replacement Tax	-	-	-	-	-	-	-	-	266,000
Auto Rental Tax	-	-	-	-	-	-	-	-	4,239
State Reimbursements	607	52	1	684	109	69	(41)	-37.1%	2,000
Proceeds and Transfers									
ARP Revenue Replacement	-	-	-	-	-	-	-	-	152,400
Reserve Fund Interest	-	-	-	-	-	-	-	-	19,000
Sales Tax Corporation Residual	-	-	-	-	-	-	-	-	619,375
Other Proceeds and Transfers	-	-	-	-	-	-	-	-	75,000
Local Non-Tax									
Licenses, Permits, and Certificates	9,294	11,239	12,608	25,998	30,960	31,869	910	2.9%	123,597
Fines, Forfeitures, and Penalties	28,413	26,320	27,521	77,027	73,876	79,593	5,717	7.7%	302,208
Charges for Service	38,781	29,415	47,254	97,531	82,816	105,076	22,260	26.9%	363,574
Municipal Parking	703	613	636	1,952	2,006	2,020	14	0.7%	7,676
Leases, Rentals, and Sales Interest	636	1,111	1,538	2,245	3,589	2,246	(1,343)	-37.4%	31,966
Internal Service Earnings	-	-	-	-	-	-	-	-	10,300
Other Revenue	26,853	23,975	19,476	75,029	70,903	54,428	(16,475)	-23.2%	586,542
	2,269	567	476	3,305	6,101	3,066	(3,035)	-49.7%	149,950
Total Revenue	265,227	278,280	288,383	591,144	600,850	596,373	(4,477)	-0.7%	5,214,185

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