

# City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections March 2022

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.

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

## READING THE REPORT

Corporate Fund January 2022 (in thousands)	City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections										
	<span style="color: red; font-weight: bold;">1</span> <span style="color: green; font-weight: bold;">2</span> <span style="color: blue; font-weight: bold;">3</span> <span style="color: red; font-weight: bold;">1</span> <span style="color: green; font-weight: bold;">2</span> <span style="color: blue; font-weight: bold;">3</span>	<span style="color: black; font-weight: bold;">4</span>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 16.6%; text-align: center;">2021 Month Actuals</td> <td style="width: 16.6%; text-align: center;">2022 Month Budgeted</td> <td style="width: 16.6%; text-align: center;">2022 Month Collections</td> <td style="width: 16.6%; text-align: center;">2021 YTD Actuals</td> <td style="width: 16.6%; text-align: center;">2022 YTD Budgeted</td> <td style="width: 16.6%; text-align: center;">2022 YTD Collections</td> <td style="width: 16.6%; text-align: center;">Difference</td> <td style="width: 16.6%; text-align: center;">Percent</td> </tr> </table>	2021 Month Actuals	2022 Month Budgeted	2022 Month Collections	2021 YTD Actuals	2022 YTD Budgeted	2022 YTD Collections	Difference	Percent	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 100%; text-align: center;">2022 Annual Budget</td> </tr> </table>	2022 Annual Budget
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2022 Annual Budget											

1. **2021 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. **2022 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. **2022 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 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

# City of Chicago Office of Budget and Management

## Comparative Estimate of Revenue Collections

### March 2022

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. **2022 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.

#### MONTHLY ANALYSIS

This year, as the city continues to recover from the COVID-19 pandemic, the predictability of the path of its economic recovery continues to be uncertain and will likely affect various revenue streams differently. 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.

Total collections for the first quarter track close to budget expectations. The variances from budget for income tax and internal service earnings are likely timing related, while transportation taxes, recreation taxes, and business taxes, along with fines, forfeitures, and penalties have shown a slower than anticipated recovery. As the Office of Budget and Management (OBM) continues to collect data through the second quarter of the year, trends should emerge that will help inform any needed adjustments to the City's budget.

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

### Corporate Fund (in thousands) March 2022

	2021	2022		2021	YTD	2022	Diff	Percent Diff	2022 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections			
<b>Local Tax</b>									
Utility Taxes	35,236	36,881	42,202	40,301	41,909	47,125	5,216	12.4%	388,902
Chicago Sales Taxes	2,082	3,728	2,939	4,152	7,458	6,016	(1,442)	-19.3%	73,055
Transaction Taxes	37,251	39,301	51,428	90,332	96,486	133,442	36,956	38.3%	582,313
Transportation Taxes	15,376	28,807	16,041	35,332	72,243	46,937	(25,306)	-35.0%	336,087
Recreation Taxes	12,944	23,283	20,448	27,156	51,014	46,002	(5,012)	-9.8%	274,350
Business Taxes	1,681	9,245	4,441	3,120	17,141	7,759	(9,382)	-54.7%	112,744
<b>State Taxes/Revenues</b>									
Income Tax	20,825	36,025	20,224	20,825	36,025	20,224	(15,801)	-43.9%	366,600
Personal Property Replacement Tax	-	-	-	-	-	-	-	-	163,683
Auto Rental Tax	-	-	-	-	-	-	-	-	3,960
State Reimbursements	82	38	607	123	103	685	582	567.1%	2,000
<b>Proceeds and Transfers</b>									
ARP Revenue Replacement	-	-	-	-	-	-	-	-	385,000
Reserve Fund Interest	-	-	-	-	-	-	-	-	19,000
Sales Tax Corporation Residual	-	-	-	-	-	-	-	-	569,933
Other Proceeds and Transfers	-	-	-	-	-	-	-	-	75,000
<b>Local Non-Tax</b>									
Licenses, Permits, and Certificates	10,047	10,684	9,294	24,393	30,462	25,998	(4,464)	-14.7%	119,600
Fines, Forfeitures, and Penalties	27,028	32,665	28,413	65,118	93,864	77,027	(16,837)	-17.9%	369,700
Charges for Service	32,990	27,615	38,781	16,307	78,587	97,531	18,943	24.1%	340,400
Municipal Parking	675	614	703	1,767	1,963	1,952	(11)	-0.6%	7,600
Leases, Rentals, and Sales Interest	5,665	1,078	636	2,781	3,198	2,245	(953)	-29.8%	29,300
Internal Service Earnings	-	-	-	-	-	-	-	-	6,500
Other Revenue	19,868	24,016	26,853	29,972	62,490	75,029	12,538	20.1%	485,773
	58,017	3,236	2,269	58,660	8,450	3,305	(5,145)	-60.9%	124,522
<b>Total Revenue</b>	<b>279,766</b>	<b>277,214</b>	<b>265,279</b>	<b>420,340</b>	<b>601,394</b>	<b>591,275</b>	<b>(10,118)</b>	<b>-1.7%</b>	<b>4,836,022</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*