

City of Chicago Office of Budget and Management

Comparative Estimate of Revenue Collections

February 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 February are \$9.9 million or 3.1% lower than budget expectations. This variance is driven by internal service earnings (\$12.0 million), transaction taxes (\$6.9 million), recreation taxes (\$1.9 million), and leases, rentals, and sales (\$1.8 million). 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 second month in a row. Amusement taxes are driving the underperformance in the recreation taxes category, while rentals and leases are driving the variance for the leases, rentals and sales category.

Offsetting these declines are higher than expected collections from charges for services (\$8.5 million), transportation taxes (\$2.6 million), and fines, forfeitures, and penalties (\$4.5 million).

It is important to note that two months of collections are not sufficient to make any changes or adjustments to expectations for the full fiscal year, and that some of these variances are likely timing related and should track closer to budget as the year progresses.

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Corporate Fund (in thousands) February 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	5,065	4,946	4,888	4,923	4,946	4,888	(58)	-1.2%	406,506
Chicago Sales Taxes	2,117	4,148	3,854	3,074	4,148	3,854	(294)	-7.1%	90,067
Transaction Taxes	45,465	61,344	61,519	82,591	76,736	70,032	(6,705)	-8.7%	811,823
Transportation Taxes	13,941	24,623	27,194	30,898	24,623	27,194	2,571	10.4%	367,938
Recreation Taxes	13,543	29,400	27,953	25,528	30,689	28,816	(1,873)	-6.1%	318,411
Business Taxes	1,464	4,361	4,994	3,314	4,361	4,994	633	14.5%	128,213
State Taxes/Revenues									
Income Tax	-	-	-	-	-	-	-	-	377,400
Personal Property Replacement Tax	-	-	-	-	-	-	-	-	266,000
Auto Rental Tax	-	-	-	-	-	-	-	-	4,239
State Reimbursements	3	12	1	77	57	68	11	18.9%	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	7,757	9,557	8,880	16,905	19,721	19,261	(460)	-2.3%	123,597
Fines, Forfeitures, and Penalties	18,693	23,368	23,986	52,574	47,555	52,071	4,516	9.5%	302,208
Charges for Service	30,823	25,875	26,948	60,286	53,400	61,855	8,455	15.8%	363,574
Municipal Parking	503	572	584	1,252	1,394	1,384	(10)	-0.7%	7,676
Leases, Rentals, and Sales Interest	2,658	1,469	130	1,620	2,478	707	(1,770)	-71.4%	31,966
Internal Service Earnings	-	-	-	-	-	-	-	-	10,300
Other Revenue	33,484	22,340	17,657	39,585	46,928	34,952	(11,976)	-25.5%	586,542
	5,386	2,518	256	1,089	5,534	2,590	(2,943)	-53.2%	149,950
Total Revenue	180,901	214,532	208,844	323,717	322,570	312,669	(9,901)	-3.1%	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