

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections April 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)	1	2	3	1	2	3		4	
	2021 Month Actuals	2022 Month Budgeted	2022 Month Collections	2021 YTD Actuals	YTD Budgeted	2022 YTD Collections	Difference	Percent	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

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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 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 through April track close to budget expectations. The variances from budget for internal service earnings and other revenue are likely timing related, while transportation taxes, charges for services, and business taxes, along with fines, forfeitures, and penalties have shown a slower than anticipated recovery. Transaction taxes, driven by a strong real estate market through the first few months of the year, as well as the personal property lease tax continue to perform better than budget. Collections for utility taxes, driven by increases in natural gas prices, and the personal property replacement tax ended April ahead of expectations as well. 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.

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Corporate Fund (in thousands) April 2022

	2021	2022		2021	YTD	2022	Diff	Percent Diff	2022 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	Budgeted	YTD Collections			
Local Tax									
Utility Taxes	35,706	35,536	40,820	78,558	77,445	88,559	11,114	14.4%	388,902
Chicago Sales Taxes	2,806	3,832	4,090	7,008	11,290	10,153	(1,137)	-10.1%	73,055
Transaction Taxes	45,428	45,389	56,542	152,134	141,875	196,051	54,176	38.2%	582,313
Transportation Taxes	17,816	28,456	27,083	54,325	100,699	74,283	(26,416)	-26.2%	336,087
Recreation Taxes	16,296	27,506	28,275	45,166	78,520	75,298	(3,222)	-4.1%	274,350
Business Taxes	2,475	8,108	7,192	5,890	25,249	15,137	(10,112)	-40.0%	112,744
State Taxes/Revenues									
Income Tax	33,205	24,481	43,206	54,031	60,506	63,430	2,924	4.8%	366,600
Personal Property Replacement Tax	46,409	35,623	85,610	46,409	35,623	85,610	49,987	140.3%	163,683
Auto Rental Tax	135	297	239	135	297	239	(58)	-19.6%	3,960
State Reimbursements	42	38	206	166	141	890	750	532.2%	2,000
Proceeds and Transfers									
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	385,000
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	27,054	40,136	37,626	27,054	40,136	37,626	(2,510)	-6.3%	569,933
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000
Local Non-Tax									
Licenses, Permits, and Certificates	9,034	10,012	8,750	33,427	40,473	34,386	(6,087)	-15.0%	119,600
Fines, Forfeitures, and Penalties	25,516	28,686	24,822	90,634	122,550	101,962	(20,588)	-16.8%	369,700
Charges for Service	42,283	24,628	25,388	58,590	103,215	78,602	(24,614)	-23.8%	340,400
Municipal Parking	636	512	567	2,403	2,475	2,519	44	1.8%	7,600
Leases, Rentals, and Sales	149	1,086	2,262	2,931	4,284	4,421	137	3.2%	29,300
Interest	-	-	-	-	-	-	-	NA	6,500
Internal Service Earnings	23,062	28,986	20,496	80,907	98,288	81,751	(16,537)	-16.8%	485,773
Other Revenue	9,569	4,389	854	68,229	48,840	65,600	16,761	34.3%	124,522
Total Revenue	337,622	347,699	414,029	807,995	991,905	1,016,516	24,611	2.5%	4,836,022

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