

# Analysis of Tax Data for Economic Information

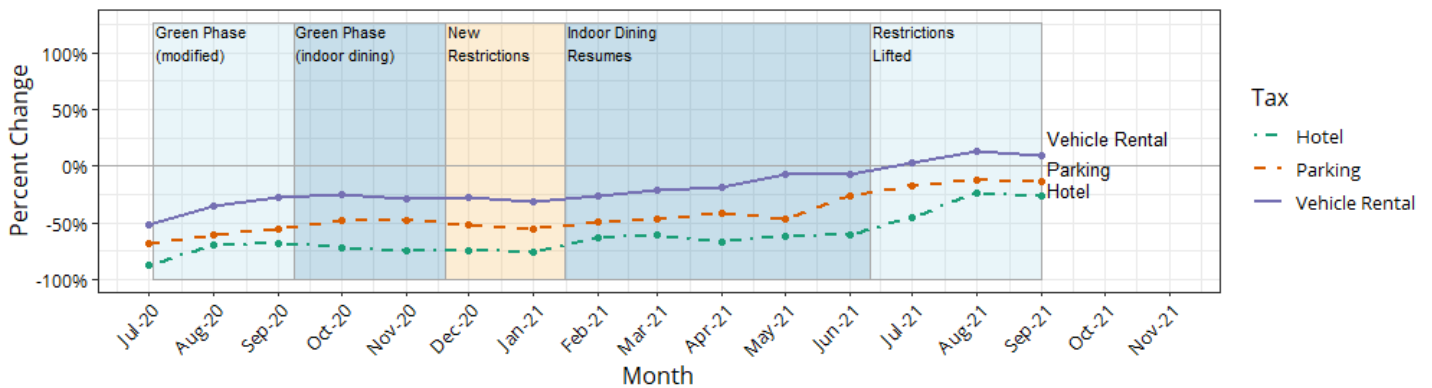
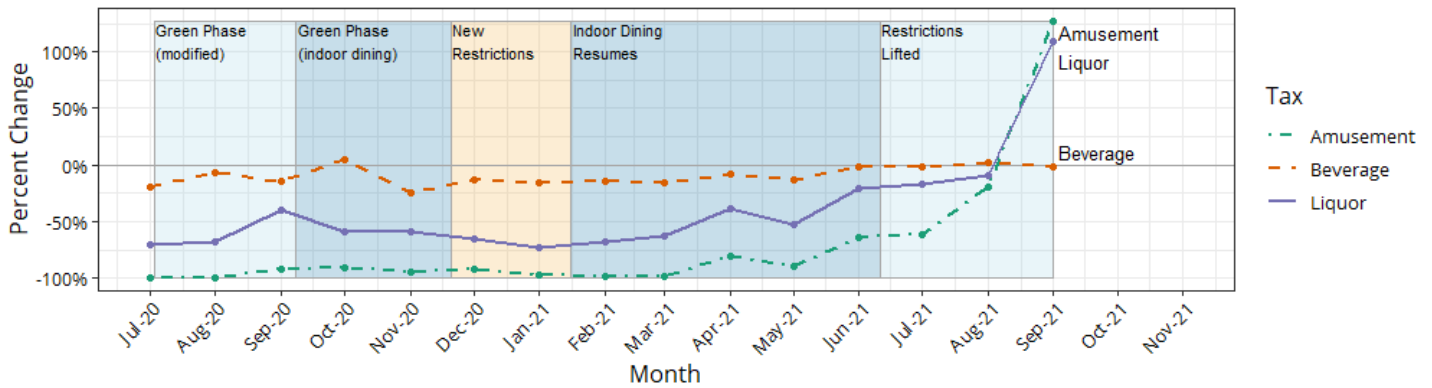
## October 21, 2021

September collections were strong for many of the taxes, including the smaller taxes (especially Amusement and Liquor), Use and Occupancy Tax (U&O), and Wage Tax. U&O collections are higher than the pre-pandemic levels of calendar 2019. The other taxes analyzed in this report are still lagging when compared to pre-pandemic levels. Looking at the Wage Tax by sector, we see that a few sectors show growth compared to calendar year-to-date 2019 but most of the sectors are showing declines. Collections from Transfer Tax have decreased in recent months but it is still not clear what is causing this. There are recent delays in obtaining the data needed to analyze this tax.

### Other Taxes

- Compared to FY2019, the Amusement and Liquor taxes improved tremendously in September.
- Compared to calendar year to date last year (CY2020), the Amusement (+62.0%), Vehicle Rental (+33.5%), and Liquor (+29.1%) taxes have improved the most but are still down vs. CY2019.

Percent Change from FY2019 by Tax: July 2020 through September 2021



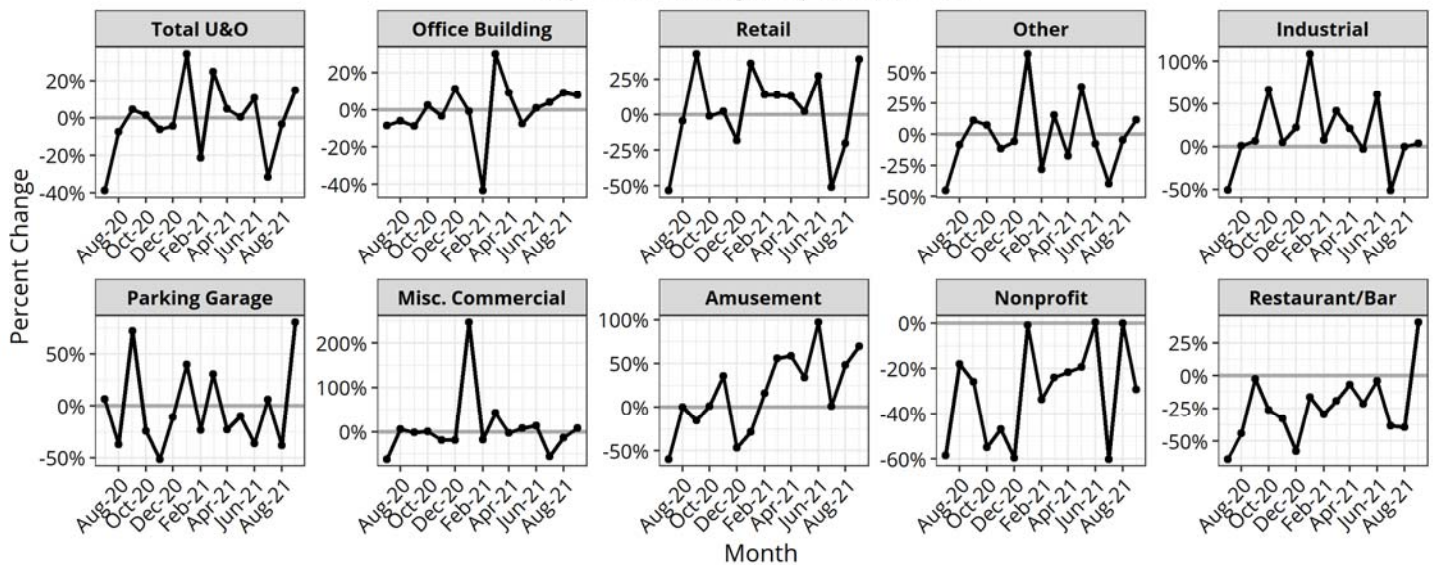
Tax Type Breakdown –Calendar Year to Date (Jan – Sept)

Tax	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
Parking	\$74,501,561	\$40,635,860	\$48,300,793	-35.2%	18.9%
Beverage	\$57,917,370	\$50,752,856	\$53,437,709	-7.7%	5.3%
Liquor	\$61,248,823	\$31,314,395	\$40,441,697	-34.0%	29.1%
Hotel	\$54,282,760	\$21,232,314	\$24,487,349	-54.9%	15.3%
Amusement	\$21,008,849	\$6,270,158	\$10,157,489	-51.7%	62.0%
Vehicle Rental	\$4,736,321	\$3,213,052	\$4,290,572	-9.4%	33.5%

**Use and Occupancy Tax (U&O Tax)<sup>1</sup>**

- Calendar year to date, total U&O collections are up 13.7% compared to last year and 1.5% compared to CY2019.
- U&O from restaurants/bars improved in September 2021, surpassing FY2019 levels (+40.4%).
- U&O collections from office buildings, the building type with the most collections, are only down 1.9% calendar year to date compared to CY2019. (They are up 16.7% compared to last year.) Collections from retail are up compared to both years.

*Percent Change from FY2019 in U&O Revenue by Building Type:  
July 2020 through September 2021*



*Building Type Breakdown – Calendar Year to Date (Jan-Aug) – U&O Revenue*

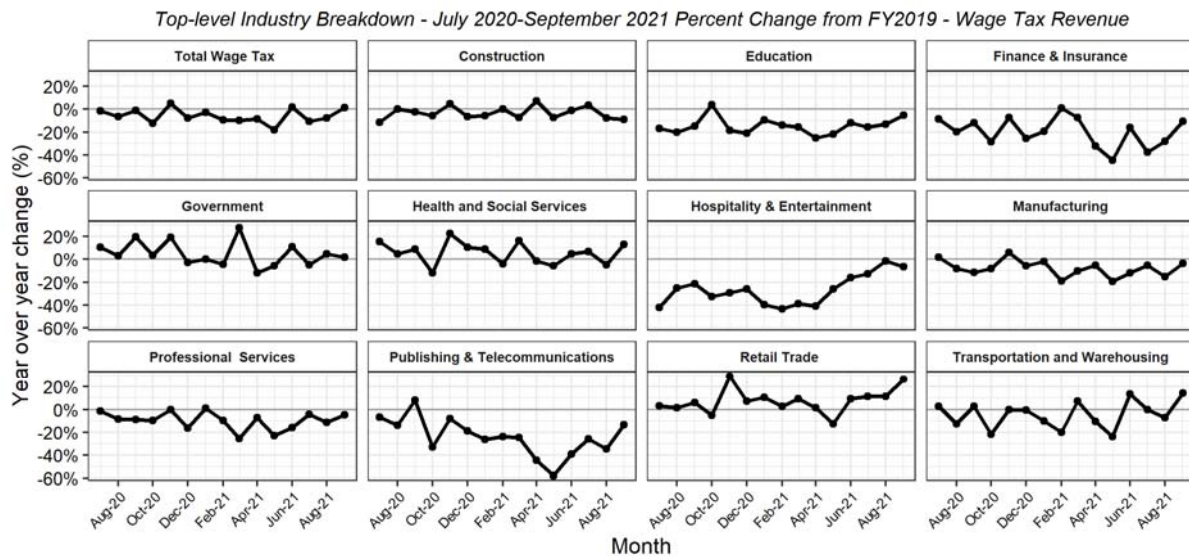
Building Type	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
<b>Total U&amp;O</b>	<b>\$137,900,321</b>	<b>\$123,135,723</b>	<b>\$139,991,193</b>	<b>1.5%</b>	<b>13.7%</b>
Office Building	\$56,737,121	\$47,697,148	\$55,652,378	-1.9%	16.7%
Retail	\$24,417,927	\$23,359,040	\$25,616,121	4.9%	9.7%
Other	\$18,606,264	\$16,559,657	\$18,501,211	-0.6%	11.7%
Industrial	\$16,533,097	\$18,109,729	\$19,731,769	19.3%	9.0%
Parking Garage	\$5,668,637	\$4,865,646	\$5,081,161	-10.4%	4.4%
Misc. Commercial	\$4,526,923	\$4,403,368	\$5,123,119	13.2%	16.3%
Amusement	\$3,924,889	\$2,842,641	\$4,468,719	13.9%	57.2%
Nonprofit	\$4,627,480	\$3,128,931	\$3,419,940	-26.1%	9.3%
Restaurant/Bar	\$2,857,984	\$2,169,562	\$2,396,776	-16.1%	10.5%

<sup>1</sup> July 2019 payments include annual filers who filed for the first six months of 2019 due to a change in Department of Revenue policy. There are no annual filers for July 2020 or 2021. "Other" building types include large apartment, parking lot, condo, mixed usage, hotel, bank, utility, small apartment, garage, pier, and unclassified.

# Analysis of Tax Data for Economic Information

## Wage Tax<sup>2</sup>

- For CY2021, Wage Tax collections were down compared to both CY2020 (-6.8%) and the most recent non-pandemic calendar year, CY2019 (-8.5%).
- The top four industries (Health and Social Services, Government, Professional Services, and Education) were down 4.6% for the calendar year compared to CY2019 and 5.3% compared to CY2020. Both Government (+0.3%) and Health and Social Services (+1.4%) were up compared to CY2019.
- Outside the top four industries, Retail Trade was also up compared to CY2019 (+6.4%), as well as compared to CY2020 (+9.0%). Construction also saw gains compared to CY2020 (+5.4%).
- For September, Total Wage Tax collections were up compared to FY2019 (+1.6%). Collections were up for Government (+1.8%), Health and Social Services (+13.1%), Retail Trade (+26.7%), and Transportation and Warehousing (+14.1%).



Top-level Industry Breakdown - Calendar Year to Date - Wage Tax Revenue

Industry	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
Health and Social Services	\$331,222,310	\$341,015,873	\$335,874,029	1.4%	-1.5%
Government	\$184,281,112	\$194,003,363	\$184,778,761	0.3%	-4.8%
Professional Services	\$185,474,534	\$184,017,360	\$163,912,288	-11.6%	-10.9%
Education	\$143,383,049	\$131,553,740	\$120,775,472	-15.8%	-8.2%
Finance & Insurance	\$128,631,188	\$126,887,586	\$101,409,887	-21.2%	-20.1%
Manufacturing	\$91,639,314	\$98,067,486	\$82,032,972	-10.5%	-16.4%
Retail Trade	\$76,185,735	\$74,407,526	\$81,076,740	6.4%	9.0%
Hospitality & Entertainment	\$84,099,320	\$63,229,862	\$60,032,818	-28.6%	-5.1%
Construction	\$54,418,037	\$49,634,155	\$52,323,461	-3.8%	5.4%
Transportation and Warehousing	\$53,667,994	\$50,436,791	\$49,802,675	-7.2%	-1.3%
Publishing & Telecommunications	\$67,681,484	\$65,421,286	\$43,720,058	-35.4%	-33.2%
Other Sectors	\$183,754,282	\$176,422,716	\$174,137,307	-5.2%	-1.3%
<b>Total Wage Tax</b>	<b>\$1,584,438,357</b>	<b>\$1,555,097,745</b>	<b>\$1,449,876,467</b>	<b>-8.5%</b>	<b>-6.8%</b>

<sup>2</sup> Some industries are excluded from the chart (88% of total Wage Tax is accounted for in the industry breakdown chart). July, October, and January data include quarterly payments processed late.

**Real Estate Transfer Tax<sup>3</sup>**

- House and Condos collections show a general decrease compare to CY2019. However, Quarter 1 shows an overall increase in collections the past couple of years (+7.6% compared to CY2019). Quarter 2 shows collections slightly dropped in CY2020 but recovered in CY2021.
- Collections for commercial buildings has the largest decrease in office buildings (-95.9%), followed by large apartments (-48.9%). In July CY2021, collections from office buildings showed a huge increase (+159.7%) but the magnitude of collections was still small. There have been no large collections for office buildings since the second quarter of calendar Year 2020.

(Revenue in millions)

Residential Transfer Tax Collections by Month for Houses/Condos								
	Local Tax Amount				# of Sales			
	CY19	CY20	CY21	Pct Change from 2019	CY19	CY20	CY21	Pct Change from 2019
<b>Quarter 1</b>	\$32.64	\$38.33	\$35.13	7.6%	7,178	7,602	6,055	-15.6%
<b>Quarter 2</b>	\$45.91	\$28.20	\$48.08	4.7%	8,573	4,266	7,402	-13.7%
<b>July</b>	\$17.57	\$15.26	\$9.85	-43.9%	3,103	2,505	1,581	-49.0%
<b>August</b>	\$16.55	\$14.16	\$1.02	-93.8%	3,066	2,376	206	-93.3%
<b>CY Total</b>	<b>\$112.68</b>	<b>\$95.95</b>	<b>\$94.07</b>	<b>-16.5%</b>	<b>21,920</b>	<b>16,749</b>	<b>15,244</b>	<b>-30.5%</b>

Commercial Transfer Tax Collections by Month for Industrial Buildings and all other Commercial Building Types								
	Industrial				Other Commercial			
	CY19	CY20	CY21	Pct Change from 2019	CY19	CY20	CY21	Pct Change from 2019
<b>Quarter 1</b>	\$4.44	\$7.80	\$4.63	4.2%	\$7.10	\$8.78	\$5.74	-19.2%
<b>Quarter 2</b>	\$6.09	\$1.50	\$4.22	-30.7%	\$6.36	\$3.03	\$10.17	59.9%
<b>July</b>	\$2.01	\$0.70	\$0.22	-89.2%	\$5.91	\$2.24	\$2.03	-65.7%
<b>August</b>	\$0.93	\$2.36	\$0.12	-87.3%	\$3.77	\$1.65	\$0.12	-96.7%
<b>CY Total</b>	<b>\$13.47</b>	<b>\$12.35</b>	<b>\$9.18</b>	<b>-31.8%</b>	<b>\$23.14</b>	<b>\$15.71</b>	<b>\$18.05</b>	<b>-22.0%</b>

Commercial Transfer Tax Collections by Month for Office Buildings, Large Apartments, and Retail												
	Large Apartments				Office Buildings				Retail			
	CY19	CY20	CY21	Pct Change from 2019	CY19	CY20	CY21	Pct Change from 2019	CY19	CY20	CY21	Pct Change from 2019
<b>Quarter 1</b>	\$5.03	\$5.77	\$7.02	39.5%	\$0.85	\$13.03	\$0.33	-61.3%	\$1.08	\$1.57	\$0.96	-11.0%
<b>Quarter 2</b>	\$12.75	\$2.01	\$3.26	-74.5%	\$18.05	\$13.09	\$0.32	-98.2%	\$1.88	\$1.33	\$3.43	82.6%
<b>July</b>	\$1.02	\$1.22	\$0.39	-61.5%	\$0.06	\$0.43	\$0.16	159.7%	\$0.72	\$1.70	\$0.16	-77.9%
<b>August</b>	\$2.08	\$1.71	\$0.01	-99.3%	\$0.63	\$0.27	-	-100.0%	\$1.38	\$0.15	-	-100.0%
<b>CY Total</b>	<b>\$20.88</b>	<b>\$10.70</b>	<b>\$10.68</b>	<b>-48.9%</b>	<b>\$19.58</b>	<b>\$26.82</b>	<b>\$0.81</b>	<b>-95.9%</b>	<b>\$5.06</b>	<b>\$4.75</b>	<b>\$4.55</b>	<b>-10.0%</b>

<sup>3</sup> August 2021 figures are preliminary through August 5<sup>th</sup>.