

Analysis of Tax Data for Economic Information

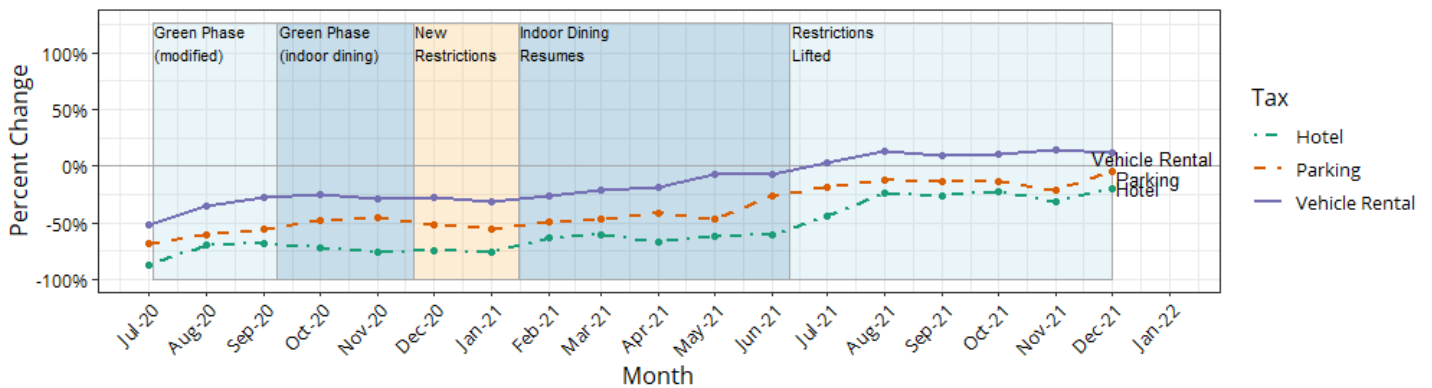
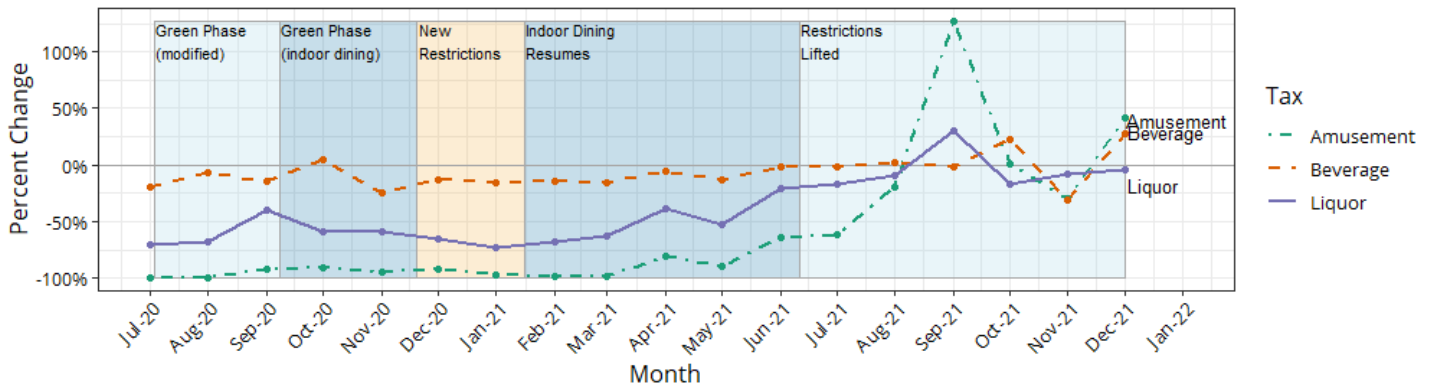
February 4, 2022

This report includes data for the entire calendar year 2021 for the use and occupancy tax, wage tax, and the six small taxes reported here on the first page. For the transfer tax, we are reporting on the first quarter of fiscal 2022. Collections for transfer tax improved significantly in the second quarter of fiscal 2022 – we hope that the detail data will be available for analysis in our next report. For the wage tax, we see an overall continuation of the negative trend in revenues for calendar year 2021, despite the impacts that we would expect from wage level increases.

Other Taxes

- For the full calendar year 2021, collections from all six taxes were unable to recover to pre-pandemic CY2019 amounts. However, Beverage and Vehicle Rental Tax collections were only down 5.1% and 4.7% respectively, and collections from all six taxes improved over CY2020.
- The Hotel Tax struggled the most, with CY2021 collections down \$37m (-48.2%) vs. CY2019.

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



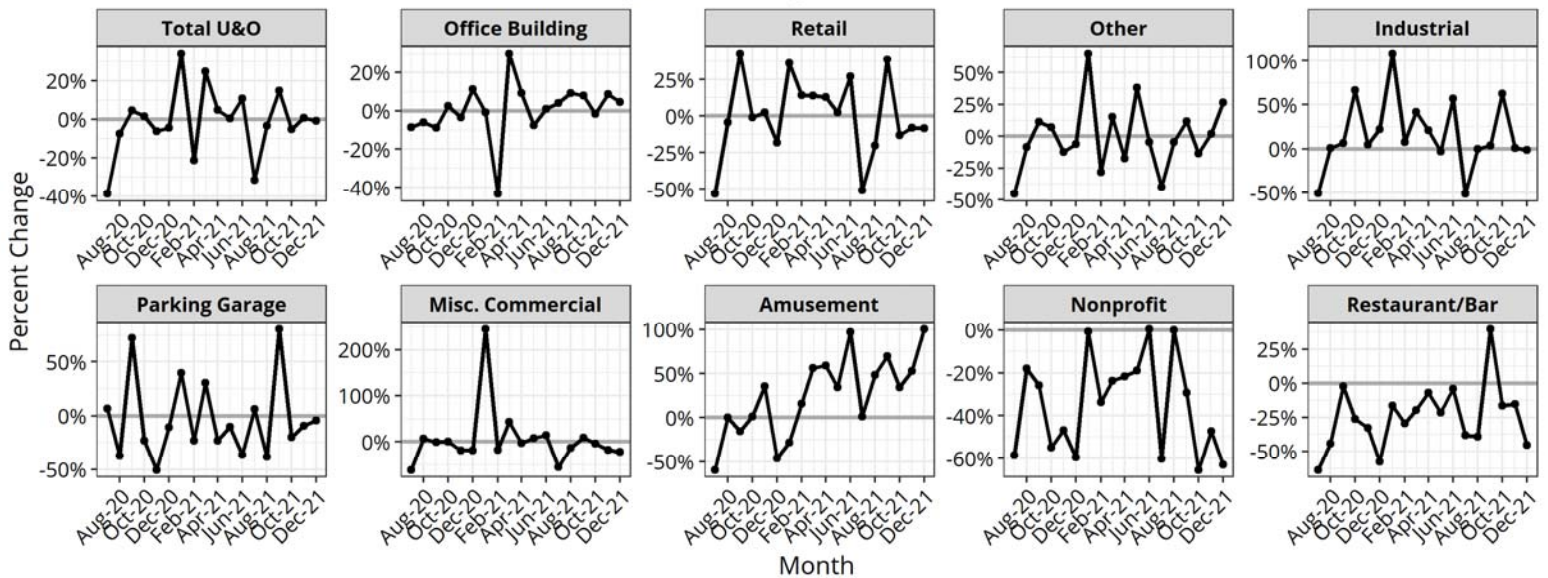
Tax Type Breakdown – Calendar Year to Date (Jan – Dec)

| Tax | CY2019 | CY2020 | CY2021 | Pct Change from CY2019 | Pct Change from CY2020 |
|----------------|--------------|--------------|--------------|------------------------|------------------------|
| Parking | \$99,909,667 | \$53,054,469 | \$69,134,884 | -30.8% | 30.3% |
| Beverage | \$77,733,170 | \$67,892,498 | \$73,772,229 | -5.1% | 8.7% |
| Liquor | \$82,516,483 | \$39,117,252 | \$54,808,630 | -33.6% | 40.1% |
| Hotel | \$76,743,740 | \$26,349,269 | \$39,731,726 | -48.2% | 50.8% |
| Amusement | \$26,018,433 | \$6,629,992 | \$14,951,010 | -42.5% | 125.5% |
| Vehicle Rental | \$6,384,778 | \$4,367,068 | \$6,083,591 | -4.7% | 39.3% |

Use and Occupancy Tax (U&O Tax)¹

- For the complete calendar year 2021, total U&O Tax revenue increased compared to 2020 (+10.5%) and was flat compared to 2019 (+.05%).
- U&O Tax revenue from nonprofit buildings continues to struggle, down 63.0% in December compared to FY2019 and -23.2% for the full calendar year compared to 2019.
- U&O Tax revenue from restaurants and bars declined in December, down 45.1% compared to FY2019.
- U&O Tax revenue from the amusement building type continues to do well and is up compared to both CY2019 (+25.5% for the full year) and CY2020 (+58.4% for the full year).

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



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

| Building Type | CY2019 | CY2020 | CY2021 | Pct Change from CY2019 | Pct Change from CY2020 |
|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|
| Total U&O | \$182,078,506 | \$165,608,986 | \$183,008,307 | 0.5% | 10.5% |
| Office Building | \$75,673,591 | \$66,075,246 | \$74,095,381 | -2.1% | 12.1% |
| Retail | \$32,337,766 | \$30,962,886 | \$32,889,456 | 1.7% | 6.2% |
| Other | \$24,823,076 | \$22,275,332 | \$24,691,746 | -0.5% | 10.8% |
| Industrial | \$21,508,640 | \$23,672,603 | \$24,718,180 | 14.9% | 4.4% |
| Parking Garage | \$7,523,157 | \$6,148,300 | \$6,659,863 | -11.5% | 8.3% |
| Misc. Commercial | \$5,889,743 | \$5,564,352 | \$6,243,704 | 6.0% | 12.2% |
| Amusement | \$4,967,620 | \$3,936,515 | \$6,234,626 | 25.5% | 58.4% |
| Nonprofit | \$5,755,641 | \$4,262,332 | \$4,418,361 | -23.2% | 3.7% |
| Restaurant/Bar | \$3,599,271 | \$2,711,419 | \$3,056,991 | -15.1% | 12.7% |

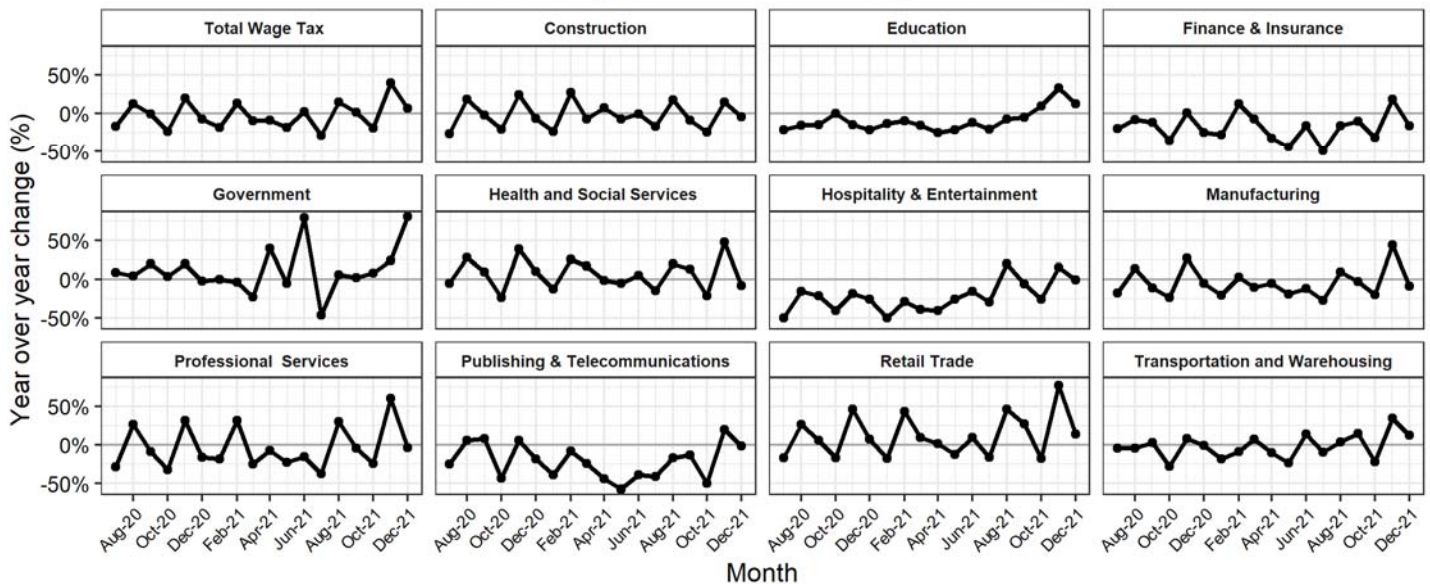
¹ July 2019 payments include annual filers who filed for the first six months of 2019 due to a change in Department of Revenue policy. There are no annual filers for July 2020 or 2021. "Other" building types include large apartment, parking lot, condo, mixed usage, hotel, bank, utility, small apartment,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

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Wage Tax²

- For CY2021, Wage Tax collections were down compared to both CY2020 (-2.2%) and the most recent non-pandemic calendar year, CY2019 (-6.4%).
- The top four industries (Health and Social Services, Government, Professional Services, and Education) were down 2.2% for the calendar year compared to CY2019 and 0.6% compared to CY2020, although Government was up compared to both CY2019 (+2.7%) and CY2020 (+7.0%). Education (+2.8) and Health and Social Services (+0.3%) were also up compared to CY2020 and CY2019, respectively.
- Outside the top four industries, Retail Trade was up compared to CY2019 (+7.7%), as well as compared to CY2020 (+9.2%). Construction (+3.0%), Hospitality & Entertainment (+4.3%), Transportation & Warehousing (+2.8%) and Other Sectors (+0.8%) also saw gains compared to CY2020.
- For both November and December, Total Wage Tax collections were up compared to FY2019.

*Top-level Industry Breakdown - July 2020-December 2021
 Percent Change from FY2019 - Wage Tax Revenue*



Top-level Industry Breakdown - Calendar Year to Date (Jan-Dec) - Wage Tax Revenue

| Industry | CY2019 | CY2020 | CY2021 | Pct Change from CY2019 | Pct Change from CY2020 |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Health and Social Services | \$445,751,627 | \$454,077,919 | \$447,097,311 | 0.3% | -1.5% |
| Government | \$236,145,133 | \$245,878,380 | \$252,577,311 | 7.0% | 2.7% |
| Professional Services | \$249,104,513 | \$236,937,449 | \$225,975,448 | -9.3% | -4.6% |
| Education | \$198,023,612 | \$174,243,209 | \$179,088,510 | -9.6% | 2.8% |
| Finance & Insurance | \$166,238,448 | \$154,459,368 | \$132,392,946 | -20.4% | -14.3% |
| Manufacturing | \$119,380,705 | \$124,419,185 | \$109,811,164 | -8.0% | -11.7% |
| Retail Trade | \$101,734,823 | \$100,365,296 | \$109,579,920 | 7.7% | 9.2% |
| Hospitality & Entertainment | \$114,269,926 | \$83,367,582 | \$86,991,254 | -23.9% | 4.3% |
| Construction | \$72,879,749 | \$67,320,784 | \$69,361,543 | -4.8% | 3.0% |
| Transportation and Warehousing | \$72,107,156 | \$66,718,788 | \$68,567,813 | -4.9% | 2.8% |
| Publishing & Telecommunications | \$88,481,417 | \$80,089,774 | \$59,628,171 | -32.6% | -25.5% |
| Other Sectors | \$244,242,710 | \$231,395,418 | \$233,279,331 | -4.5% | 0.8% |
| Total Wage Tax | \$2,108,359,819 | \$2,019,273,152 | \$1,974,350,721 | -6.4% | -2.2% |

² Some industries are excluded from the chart (88% of total Wage Tax is accounted for in the industry breakdown chart).

Transfer Tax

- Due to the coronavirus variants, “Single/Multi-family Homes/Condos” show an overall decline in collections compared to FY20 for quarter 1, decreasing by 6.9% or \$3.3mil in FY22; however, this trend does not carry over into quarter 2. Similarly, the number of sales follows a comparable pattern to collections with a decline of 19.6% in FY22.
- The coronavirus variants have also affected “Commercial” collections. Industrials are negative - (73.7%) or (\$8.7mil); Other Commercials are negative - (54.6%) or (\$6.7mil). Retail is down by (57.7%) or (\$1.7mil) and Large Apartments is down by (34.6%) or (1.35mil). “Office buildings” collections show a substantial percentage increase of 291.2% or \$2.9mil compared to FY20 and FY21.
- This negative trend is not expected to continue in the following third quarter.

(Revenue in millions, percent change from FY2020)

| Residential Transfer Tax Collections by Quarter for Houses/Condos | | | | | | | | |
|---|------------------|----------------|----------------|--------------|--------------|--------------|--------------|---------------|
| | Local Tax Amount | | | | # of Sales | | | |
| | FY20 | FY21 | FY22 | % Change | FY20 | FY21 | FY22 | % Change |
| Quarter 1 | \$48.15 | \$45.24 | \$44.82 | -6.9% | 8,532 | 7,186 | 6,858 | -19.6% |
| FYTD Total | \$48.15 | \$45.24 | \$44.82 | -6.9% | 8,532 | 7,186 | 6,858 | -19.6% |

| Commercial Transfer Tax Collections by Quarter for Industrial Buildings and all other Commercial Building Types | | | | | | | | |
|---|----------------|---------------|---------------|---------------|------------------|--------------|--------------|---------------|
| | Industrial | | | | Other Commercial | | | |
| | FY20 | FY21 | FY22 | % Change | FY20 | FY21 | FY22 | % Change |
| Quarter 1 | \$11.84 | \$3.26 | \$3.11 | -73.7% | \$12.2 | \$4.5 | \$5.6 | -54.6% |
| FYTD Total | \$11.84 | \$3.26 | \$3.11 | -73.7% | \$12.2 | \$4.5 | \$5.6 | -54.6% |

| Commercial Transfer Tax Collections by Quarter for Office Buildings, Large Apartments, and Retail | | | | | | | | | | | | |
|---|------------------|---------------|---------------|---------------|------------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| | Large Apartments | | | | Office Buildings | | | | Retail | | | |
| | FY20 | FY21 | FY22 | % Change | FY20 | FY21 | FY22 | % Change | FY20 | FY21 | FY22 | % Change |
| Quarter 1 | \$3.90 | \$4.00 | \$2.55 | -34.6% | \$1.0 | \$0.8 | \$3.8 | 291.2% | \$3.0 | \$2.4 | \$1.3 | -57.7% |
| FYTD Total | \$3.90 | \$4.00 | \$2.55 | -34.6% | \$1.0 | \$0.8 | \$3.8 | 291.2% | \$3.0 | \$2.4 | \$1.3 | -57.7% |