

City of Chicago Office of Budget and Management

Comparative Estimate of Revenue Collections

August 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 August are \$50.4 million or 1.9% higher than budget expectations. This variance is driven by favorable collections from the Personal Property Replacement Tax (\$110.4 million), Transportation Taxes (\$18.2 million), Recreation Taxes (\$12.4 million), and Charges for Service (\$13.4 million). Transfers from the State of Illinois for both Personal Property Replacement Tax as well as Income Tax continue to surpass expectations through August, while falling near and below collections over the same period last year respectively. Transportation Taxes and Recreation Tax performances are driven by a healthy return to pre-pandemic leisure activity, large entertainment events, and increased tourism. The Charges for Service category is impacted by revenue from ground emergency medical transport.

Offsetting this higher than budgeted revenue are collections from Internal Service Earnings (\$60.0 million), the Sales Tax Residual (\$29.2 million), and Transaction Taxes (\$21.5 million). Variance in collections for internal service earnings are timing related while the lower-than-budgeted revenue from the Sales Tax Residual is due to less residual revenue coming to the Corporate Fund as more sales tax proceeds go towards debt service from a recent debt restructuring. Underperformance in transaction taxes is driven by the real property transfer tax which has been impacted by a slowdown in real estate activity through August.

The Office of Budget and Management (OBM) has revised year-end estimates based on data collected through the summer months and will continue to monitor collections to inform any needed adjustments to the City's budget.

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Corporate Fund (in thousands) August 2023

	2022 Month Actuals	2023 Month Budgeted	2023 Month Collections	2022 YTD Actuals	YTD Budgeted	2023 YTD Collections	Diff	Percent Diff	2023 Annual Budget
Local Tax									
Utility Taxes	39,396	37,099	33,862	239,221	221,945	214,884	(7,061)	-3.2%	406,506
Chicago Sales Taxes	4,880	5,267	5,206	67,435	64,130	69,498	5,368	8.4%	90,067
Transaction Taxes	66,579	74,455	67,552	486,827	487,622	466,082	(21,540)	-4.4%	811,823
Transportation Taxes	31,130	33,538	34,535	198,661	219,789	237,998	18,209	8.3%	367,938
Recreation Taxes	24,149	25,498	26,913	185,701	189,452	201,886	12,434	6.6%	318,411
Business Taxes	14,717	13,494	14,193	28,726	67,667	74,845	7,178	10.6%	128,213
State Taxes/Revenues									
Income Tax	21,642	33,810	26,501	213,108	209,682	217,936	8,254	3.9%	377,400
Personal Property Replacement Tax	9,422	8,665	13,363	292,175	151,570	261,964	110,393	72.8%	266,000
Auto Rental Tax	297	327	650	1,462	1,438	1,801	364	25.3%	4,239
State Reimbursements	1	24	1,669	1,422	1,011	2,076	1,066	105.5%	2,000
Proceeds and Transfers									
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	152,400
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	39,300	51,433	31,021	190,381	209,457	180,302	(29,155)	-13.9%	619,375
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000
Local Non-Tax									
Licenses, Permits, and Certificates	10,853	11,160	10,442	67,571	84,241	74,864	(9,377)	-11.1%	123,597
Fines, Forfeitures, and Penalties	29,776	25,969	27,454	212,226	200,676	204,794	4,118	2.1%	302,208
Charges for Service	33,171	29,625	33,471	229,258	230,613	244,018	13,404	5.8%	363,574
Municipal Parking	552	606	582	4,823	5,203	4,988	(215)	-4.1%	7,676
Leases, Rentals, and Sales	582	1,020	283	12,391	8,830	7,256	(1,575)	-17.8%	31,966
Interest	-	-	-	-	-	-	-	NA	10,300
Internal Service Earnings	28,546	33,215	27,871	178,627	259,056	199,014	(60,042)	-23.2%	586,542
Other Revenue	864	1,606	6,910	119,617	95,580	94,156	(1,423)	-1.5%	149,950
Total Revenue	355,857	386,811	362,479	2,729,631	2,707,961	2,758,363	50,401	1.9%	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.

Sales Tax Corporation Residual reflects current withholding schedule.