

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections

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

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Corporate Fund February 2021 (in thousands)	2020			2021			Difference	Percent	2021 Annual Budget
	1 Month Actuals	2 Month Budgeted	3 Month Collections	1 YTD Actuals	2 YTD Budgeted	3 YTD Collections			
Local Tax									
Utility Taxes	6,103	5,859	5,064	6,103	5,859	5,064	(794)	-13.6%	390,803
Chicago Sales Taxes	3,048	2,145	1,824	3,048	2,145	1,824	(321)	-15.0%	63,639
Transaction Taxes	41,780	35,676	44,623	49,015	44,841	56,408	11,567	25.8%	478,129
Transportation Taxes	33,303	20,217	13,981	33,303	20,217	13,981	(6,236)	-30.8%	308,693
Recreation Taxes	24,823	13,703	13,491	26,069	15,099	14,234	(865)	-5.7%	223,911
Business Taxes	5,462	1,741	1,433	5,462	1,741	1,433	(307)	-17.7%	66,122
State Taxes/Revenues									
Income Tax	24,790	28,316	29,592	24,790	28,316	29,592	1,275	4.5%	262,279
Personal Property									

1. **2020 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. **2021 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. **2021 Month Collections and YTD Collections:** Revenues reflect cash collections for the current budget year. 2021 Month Collections reflect the amount collected specifically

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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 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. The last column (2021 Annual Budget) reflects collections that are 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

In general, only two months of collections is not sufficient to make any changes or adjustments to expectations for the full fiscal year. Even during stable economic conditions, seasonality in some revenue streams and the irregular nature of others lead to significant variances from one year to the next that smooth out as the year progresses. This year, as the City is in the early stages of a recovery from the COVID-19 pandemic, the predictability of the path of that recovery is still uncertain and likely to affect various revenue streams differently.

Total collections for the first two months are slightly lower than budget expectations. These variances from budget, including transportation taxes and licenses, permits, and certificates, are below expectations likely due to the prolonged impact the pandemic has had on industries related to these revenue streams and should lessen as the economic recovery continues.

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Corporate Fund (in thousands) February 2021

	2020	2021		2020	YTD	2021	Diff	Percent Diff	2021 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections			
Local Tax									
Utility Taxes	6,103	5,859	5,064	6,103	5,859	5,064	(794)	-13.6%	390,803
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Business Taxes	5,462	1,741	1,433	5,462	1,741	1,433	(307)	-17.7%	66,122
State Taxes/Revenues									
Income Tax	24,790	28,316	29,592	24,790	28,316	29,592	1,275	4.5%	262,279
Personal Property Replacement Tax	-	-	-	-	-	-	-	NA	147,000
Auto Rental Tax	-	-	-	-	-	-	-	NA	3,332
State Reimbursements	4	29	3	55	53	41	(12)	-22.1%	2,000
Proceeds and Transfers									
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	-	-	-	-	-	-	-	NA	570,179
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	23,000
Local Non-Tax									
Licenses, Permits, and Certificates	9,800	9,198	7,740	22,502	19,419	14,756	(4,662)	-24.0%	119,200
Fines, Forfeitures, and Penalties	27,605	23,445	18,036	48,064	44,744	39,973	(4,771)	-10.7%	381,500
Charges for Service	9,114	19,699	7,488	18,867	40,493	43,771	3,278	8.1%	277,900
Municipal Parking	625	506	503	1,607	1,173	1,275	101	8.6%	7,600
Leases, Rentals, and Sales Interest	1,264	342	1,041	1,388	1,633	1,980	347	21.2%	39,300
Internal Service Earnings	-	-	-	-	-	-	-	NA	6,500
Other Revenue	26,833	33,139	33,484	30,762	33,702	37,946	4,243	12.6%	410,732
Total Revenue	214,830	196,564	178,480	273,588	264,798	263,200	(1,598)	-0.6%	3,926,639

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