

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections March 2021

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 as they are collected.

This guide provides information to help read the report and understand the data shared.

READING THE REPORT

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

Corporate Fund									
(in thousands)									
	1	2	3	1	2	3			4
	2020 Month Actuals	2021 Month Budgeted	2021 Month Collections	2020 YTD Actuals	2021 YTD Budgeted	2021 YTD Collections	Difference	Percent	2021 Annual Budget
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 in the reported month while the YTD Collections reflect the cumulative amount collected

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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. **2021 Annual Budget:** This column 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

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 quarter of 2021 are above budget expectations due to strong transaction tax performance, especially the personal property lease tax, as well as income tax revenue and reimbursements for charges for service. However, the majority of revenue streams continue to show evidence of the lingering impact the pandemic has had on the City's economy that should lessen as those effects subside.

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Comparative Estimate of Revenue Collections**

**Corporate Fund
March 2021
(in thousands)**

	2020		2021		2020		2021		2021	
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections	Difference	Percent	Annual Budget	
Local Tax										
Utility Taxes	36,651	37,219	35,227	42,754	43,077	40,481	(2,596)	-6.0%	390,803	
Chicago Sales Taxes	3,147	2,147	1,813	6,196	4,291	3,644	(647)	-15.1%	63,639	
Transaction Taxes	34,038	30,538	36,989	83,055	75,379	93,506	18,127	24.0%	478,129	
Transportation Taxes	33,416	20,217	13,925	66,720	40,435	27,906	(12,528)	-31.0%	308,693	
Recreation Taxes	19,231	14,548	12,928	45,301	29,647	27,163	(2,484)	-8.4%	223,911	
Business Taxes	6,393	2,429	1,681	11,855	4,170	3,120	(1,050)	-25.2%	66,122	
State Taxes/Revenues										
Income Tax	18,899	15,223	20,825	43,689	43,540	50,417	6,877	15.8%	262,279	
Personal Property Replacement Tax	-	-	-	-	-	-	-	NA	147,000	
Auto Rental Tax	-	-	-	-	-	-	-	NA	3,332	
State Reimbursements	53	40	82	108	93	123	30	32.6%	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	8,820	10,559	10,018	31,322	29,978	24,774	(5,204)	-17.4%	119,200	
Fines, Forfeitures, and Penalties	21,935	27,962	26,359	79,962	72,706	67,760	(4,946)	-6.8%	381,500	
Charges for Service	19,049	11,788	22,160	36,313	24,722	32,028	7,306	29.6%	277,900	
Municipal Parking	443	622	675	1,739	1,795	1,770	(25)	-1.4%	7,600	
Leases, Rentals, and Sales	623	944	467	1,992	2,577	2,444	(133)	-5.2%	39,300	
Interest	-	-	-	-	-	-	-	NA	6,500	
Internal Service Earnings	25,114	19,472	19,470	55,876	53,175	57,416	4,241	8.0%	410,732	
Other Revenue	61,744	2,548	409	64,296	5,362	1,331	(4,031)	-75.2%	125,820	
Total Revenue	289,558	196,257	203,028	571,177	430,948	433,885	2,937	0.7%	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