



City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections November 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 November are \$67.1 million or 1.7% under budget expectations. This variance is driven by favorable collections from the Personal Property Replacement Tax (\$134.3 million), Charges for Service (\$32.5 million), Recreation Taxes (\$22.2 million), and Business Taxes (\$19.5 million). Business Taxes and Recreation Taxes 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 (\$158.9 million), the Sales Tax Residual (\$93.4 million), and Transaction Taxes (\$38.1 million). This negative underperformance in Transaction Taxes is driven by the Real Property Transfer Tax, which has been impacted by a slowdown in real estate activity through November. 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.

Additionally, collections for the Personal Property Replacement Tax remain unchanged from October due to the disbursement schedule. Although the City does not receive revenue from this Tax in the month of November, revenues have exceeded budget by \$134.3 million, or 68.4%, year-to-date. This favorable variance has helped offset underperforming revenues and collections are expected to exceed budget once again in December, the next disbursement month.

The Office of Budget and Management (OBM) has revised year-end estimates based on data collected through the fall 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)
November 2023

	2022 Month Actuals	2023 Month Budgeted	2023 Month Collections	2022 YTD Actuals	2023 YTD Budgeted	2023 YTD Collections	Diff	Percent Diff	2023 Annual Budget
Local Tax									
Utility Taxes	31,782	31,079	29,268	337,608	312,142	300,337	(11,805)	-3.8%	406,506
Chicago Sales Taxes	4,891	5,332	5,004	83,248	80,078	88,507	8,429	10.5%	90,067
Transaction Taxes	62,020	70,866	56,746	670,456	690,467	652,392	(38,075)	-5.5%	811,823
Transportation Taxes	29,143	33,623	33,144	287,327	324,055	340,693	16,638	5.1%	367,938
Recreation Taxes	24,758	25,830	25,819	259,311	265,970	288,148	22,178	8.3%	318,411
Business Taxes	14,719	14,884	15,825	117,344	109,438	128,935	19,497	17.8%	128,213
State Taxes/Revenues									
Income Tax	27,428	30,627	31,433	307,786	290,581	320,333	29,752	10.2%	377,400
Personal Property	-	-	-	403,321	196,322	330,665	134,343	68.4%	266,000
Replacement Tax									
Auto Rental Tax	378	490	363	3,089	2,809	3,213	404	14.4%	4,239
State Reimbursements	36	361	2	2,051	1,979	2,179	200	10.1%	2,000
Proceeds and Transfers									
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	152,400
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	72,830	56,663	66,744	477,111	379,786	286,356	(93,430)	-24.6%	619,375
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000
Local Non-Tax									
Licenses, Permits, and Certificates	9,567	9,253	8,757	97,041	115,032	102,391	(12,641)	-11.0%	123,597
Fines, Forfeitures, and Penalties	26,293	24,274	25,218	294,673	276,769	278,873	2,104	0.8%	302,208
Charges for Service	39,926	32,340	42,282	348,715	314,792	347,324	32,532	10.3%	363,574
Municipal Parking	552	504	626	6,368	6,973	6,636	(336)	-4.8%	7,676
Leases, Rentals, and Sales	701	689	441	13,646	12,507	8,849	(3,659)	-29.3%	31,966
Interest	-	-	-	-	-	-	-	NA	10,300
Internal Service Earnings	22,826	55,926	35,277	272,334	446,295	287,415	(158,880)	-35.6%	586,542
Other Revenue	2,102	2,745	5,146	110,443	115,505	101,184	(14,320)	-12.4%	149,950
Total Revenue	369,953	395,487	382,097	4,091,873	3,941,500	3,874,430	(67,070)	-1.70%	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.