



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR

CITY AUDITOR'S REPORT Monday, July 28, 2025

General Fund top-most revenue line items collected as of June 30, 2025.

- **Real Estate Transfer Tax** – The city levies a 3.5 percent of the value of all taxable Real Estate Transfer transactions. For the year 2025, \$6.5 million was budgeted, and as of June 30, 2025, \$4,246,426.70 or 65% has been recorded for this revenue line item, and this revenue line has collected \$654,046.24 more compared to the same period in 2024 (Table 1). During the first six months of 2025, 869 transactions were completed, of which 696 were taxable and 173 were not taxable transactions (table 3). Also, six (6) properties were sold for over one (1) million dollars threshold (table 2), which combined generated about \$348,408.69.

TABLE 1

Month	YTD 6/30/2025	YTD 12/31/2024	YTD 12/31/2023	YTD 12/31/2022	YTD 12/31/2021
January	772,820.26	523,273.24	537,365.84	702,030.86	535,849.04
February	519,235.49	538,608.11	429,825.33	512,582.49	523,300.89
March	616,654.54	510,472.73	734,930.69	954,153.08	1,178,885.61
April	758,375.36	667,229.02	675,249.34	736,240.82	717,308.73
May	687,797.25	701,432.66	730,111.19	883,522.38	447,710.27
June	891,543.80	651,364.70	843,730.75	842,707.71	719,042.39
July		711,474.03	568,800.48	793,696.36	752,234.50
August		740,958.84	790,833.91	747,631.78	1,078,840.76
September		677,784.14	622,560.84	654,921.99	678,323.20
October		858,111.59	799,185.41	958,192.93	480,665.62
November		558,219.20	602,955.16	619,275.83	844,193.89
December		595,672.07	549,013.52	512,935.97	837,430.85
YTD REVENUE	4,246,426.70	7,734,600.33	7,884,562.46	8,917,892.20	8,793,785.75
TOTAL BUDGETED	6,500,000.00	6,200,000.00	6,000,000.00	5,500,000.00	4,700,000.00
Over/(Under) Budget	(2,253,573.30)	1,534,600.33	1,884,562.46	3,417,892.20	4,093,785.75



Month	Property Address	Sale Price	Rate - 3.5%
January	1725 N 5th Street	2,124,534.00	74,358.69
January	1235 Lancaster Avenue	1,200,000.00	42,000.00
February	1746 N 3rd Street	2,500,000.00	87,500.00
March			0.00
April			0.00
May			0.00
June	1120 Centre Avenue	1,200,000.00	42,000.00
June	527 Court Street	1,250,000.00	43,750.00
June	527 Court Street	1,680,000.00	58,800.00
Total		9,954,534.00	348,408.69

Month	Taxable	Non-Taxable	Total Transactions
January	116	23	139
February	78	34	112
March	100	28	128
April	136	21	157
May	129	44	173
June	137	23	160
Total	696	173	869

- [illegible]

- **Property Tax Revenue** – For the current year, \$25,534,065 was budgeted for Property Tax, which include Property Tax Current, Property Tax Prior Year, Penalty and interest, and Discount and Allowance. As of June 30, 2025, \$21,458,126.23 or 84% of revenue has been recorded. In previous years, the Property Tax was the largest source of revenue within the City General Fund, but in the years of 2023 and 2024, Earned Income Tax revenue surpassed the Property Tax revenue by about \$2.4, and \$4.3 million consecutively.

Property Taxes	2025 Budget	YTD 06/30/2025	Variance	2024 Budget	YTD 12/31/2024
Discount & Allowance	(379,292.00)	(384,289.63)	(4,997.63)	(384,597.00)	(376,223.61)
Property Tax Current	23,321,328.00	20,575,665.91	(2,745,662.09)	23,177,728.00	23,348,150.79
Property Tax Prior	1,828,230.00	1,036,138.80	(792,091.20)	1,724,892.00	1,917,086.33
Penalty and Interest	763,799.00	230,611.15	(533,187.85)	724,363.00	804,939.33
Total Property Taxes	25,534,065.00	21,458,126.23	(4,075,938.77)	25,242,386.00	25,693,952.63

- **Earned Income Tax (EIT)/Earned Income Tax Prior Year** – for the current year, about \$28.8 million of revenue was budgeted for Earned Income Tax, and as of June 30, 2025, \$16.1 million or 56% has been collected. Since most of the revenue of the EIT Prior year is collected early in the year, this revenue line item has already sustained a revenue surplus of \$285,449.35. In 2024, about \$30 million was collected, and the ETI revenue line items ended with a surplus of about \$4 million. Most likely, the Earned Income Tax will meet its budget target since two more strong quarters will be collected this year.

Earned Income Tax	2025 Budget	YTD 06/30/2025	Variance	2024 Budget	YTD 12/31/2024
Earned Income Tax	20,880,000.00	7,832,936.86	(13,047,063.14)	18,578,300.00	22,033,760.61
EIT Prior Year	7,985,400.00	8,270,849.35	285,449.35	7,486,600.00	8,022,130.94
Total EIT	28,865,400.00	16,103,786.21	(12,761,613.79)	26,064,900.00	30,055,891.55

- **The User Fees Revenue** – The User Fees revenue is the revenue collected for the EMS services that the City provides to its residents. For the current year, \$3 million was budgeted for this revenue line item, and as of June 30, 2025, \$3,337,976.94 has been recorded. And this revenue line item already has a surplus of \$337,976.94 . However, due to the liability that the City has with the Previous collection company, \$609,750.00 is encumbrances to pay for this liability.

USER FEES - EMS	YTD 06/30/2025	YTD 12/31/2024	YTD 12/31/2023	YTD 12/31/2022	YTD 12/31/2021
Revenue Collected	3,337,976.94	2,377,793.24	4,176,989.61	3,047,755.50	3,287,855.40
2025 Budget	3,000,000.00	3,000,000.00	3,064,000.00	3,009,000.00	3,033,500.00
Over/(Under) Budget	337,976.94	(622,206.76)	1,112,989.61	38,755.50	254,355.40

- **Business Privilege Tax/Business Privilege Tax Prior Year** – For the year 2025, \$2,287,700 was budgeted for Business Privilege Tax, and as of June 30, 2025, \$1,460,932.49 or 64% has already been recorded. In 2024, \$2,347,200.43 was collected, and the year ended with a surplus of \$186,200.43. However, \$126,700.00 more was budgeted for this revenue line item in 2025.

	2025 Budget	YTD 06/30/2025	Variance	2024 Budget	YTD 12/31/2024
Business Privilege Tax	2,208,200.00	1,434,847.57	(773,352.43)	2,100,000.00	2,195,704.13
Bus Priv Tax - Prior Year	79,500.00	26,084.92	(53,415.08)	61,000.00	151,496.30
Total	2,287,700.00	1,460,932.49	(826,767.51)	2,161,000.00	2,347,200.43