

CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT Monday, January 24, 2022

Real Estate Transfer Tax Revenue - Update as of December 31, 2021

For the month of December, the City's revenue was \$837,430.85 for Real Estate Transfer Tax. And as of December 31, 2021, \$8,793,785.75 has been recorded in revenue for this line item. This is the highest revenue amount recorded for this line item when compared to the previous four years. And in 2021, this revenue amount ended up with a surplus of \$4,093,785.75. Since January of this year, 2,583 transactions for Real Estate Transfer Tax have been completed, of which 2,179 transactions were taxable and 404 were non-taxable transactions. And about \$1.6 million in revenue was recorded in 2021 for properties that sold for more than a half a million dollar threshold. (See Table #2 for details.)

The following chart illustrates revenue for Real Estate Transfer Tax YTD – 12/31/21 to 12/31/2017.
Table #1

	YTD 12/31/2021	YTD 12/31/2020	YTD 12/31/2019	YTD 12/31/2018	YTD 12/31/2017
January	535,849.04	323,123.52	223,920.68	293,105.03	276,076.87
February	523,300.89	511,220.85	615,116.21	204,053.26	210,173.34
March	1,178,885.61	601,103.82	266,411.11	348,937.95	297,329.36
April	717,308.73	235,765.07	548,506.44	347,097.22	581,143.64
May	447,710.27	157,245.87	441,084.11	322,871.76	313,275.46
June	719,042.39	1,464,932.00	363,997.72	350,369.72	528,760.06
July	752,234.50	437,026.44	359,547.89	350,708.33	374,898.32
August	1,078,840.76	361,892.51	353,006.61	514,841.63	264,020.74
September	678,323.20	501,228.42	350,731.42	324,492.29	291,320.27
October	480,665.62	493,787.54	340,908.53	389,823.15	238,576.24
November	844,193.89	510,649.58	330,855.79	267,444.32	309,954.88
December	837,430.85	993,086.79	457,238.03	576,429.44	336,617.89
Total Revenue	8,793,785.75	6,591,062.41	4,651,324.54	4,290,174.10	4,022,147.07
Total Budgeted	4,700,000.00	4,200,000.00	3,800,000.00	3,350,000.00	3,050,000.00
Over/(Under) Budget	4,093,785.75	2,391,062.41	851,324.54	940,174.10	972,147.07



Properties that sold in 2021 for more than a half a million dollar threshold:

Table # 2

Property Address	Month of Sale	Sale Price	Rate - 3.5%
100 Lancaster Avenue	January	1,925,000.00	67,375.00
323 N 4 th Street	January	950,000.00	33,250.00
1800 Centre Avenue	February	5,200,000.00	182,000.00
1260 Hill RD	March	875,000.00	30,625.00
300 Lackawanna St	March	11,387,550.00	398,564.25
1211 Carbon Street	March	575,000.00	20,125.00
601 Lancaster Avenue	April	729,000.00	25,515.00
100 Lancaster Avenue	April	3,038,439.74	106,345.39
1414 Moss Street	April	600,000.00	21,000.00
Belmont Ave.	June	2,500,000.00	87,500.00
2045 Centre Ave.	June	670,000.00	23,450.00
1015 Rockland	June	1,500,000.00	52,500.00
Museum Road	July	1,150,000.00	40,250.00
50 N 9th Street	July	2,400,000.00	84,000.00
442 S 6th Street	July	540,000.00	18,900.00
812 Penn Street	August	2,544,332.00	89,051.62
1810 N 5th Street	August	550,000.00	19,250.00
801 Hiester Lane	August	1,528,580.00	53,500.30
In Town Motel LLC	August	965,000.00	33,775.00
211 S 9th Street	August	650,000.00	22,750.00
232 S 6th Street	September	675,000.00	23,625.00
19 S 3rd Street	September	500,000.00	17,500.00
600 Penn Street	November	3,200,000.00	112,000.00
101 Fern Avenue	November	550,000.00	19,250.00
1226 N 9th Street	November	570,000.00	19,950.00
1505 Lorraine Rd	December	650,000.00	22,750.00
726 Washington Street	December	561,600.00	19,656.00
Total		46,984,501.74	1,644,457.56

Earned Income Tax / Earned Income Tax Prior Year – Update as of 12/31/2021

As of December 31, 2021, the City’s General Fund had recorded \$21,139,108.06 in revenue for Earned Income Tax. Although about \$2.1 million less in revenue was budgeted for 2021 compared to 2020 budget, the City’s YTD Earned Income Tax is higher this year by \$489,495.55 when compared to the YTD revenue amount recorded for the same period of 2020. Also, because the revenue that will be received in January of this year for EIT and EIT Prior will be accrued to 2021, this amount will be even higher.

Earned Income Tax revenue YTD comparison between 2021 vs. 2020:

	2021 Budget	YTD 12/31/21	Variance	2020 Budget	YTD 12/31/20	Variance
Earned Income Tax	15,512,120.00	15,265,023.40	(247,096.60)	16,861,000.00	14,486,552.74	(2,374,447.26)
EIT Prior	4,730,000.00	5,874,084.66	1,144,084.66	5,500,000.00	6,163,059.77	663,059.77
Total	20,242,120.00	21,139,108.06	896,988.06	22,361,000.00	20,649,612.51	(1,711,387.49)