

CITY OF READING, PENNSYLVANIA

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Real Estate Transfer Tax - Update from 1/1/2018 to 4/30/2022

The City receives a tax levy of 3.5% on the value of the Real Estate Transfer Tax for properties sold. During April of 2022, \$736,240.82 in revenue was recorded; this amount included a total of 241 Real Estate Transfer transactions of which 201 were taxable and 40 were non-taxable. For the current year, \$5.5 million was budgeted for this line item, and about \$2.9 million has already been recorded as of April 30th.

The chart below illustrates actual Real Estate Transfer Tax data from 2018 to 04/30/2022:

Month	2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
January	702,030.86	535,849.04	323,123.52	223,920.68	293,105.03
February	512,582.49	523,300.89	511,220.85	615,116.21	204,053.26
March	954,153.08	1,178,885.61	601,103.82	266,411.11	348,937.95
April	736,240.82	717,308.73	235,765.07	548,506.44	347,097.22
May		447,710.27	157,245.87	441,084.11	322,871.76
June		719,042.39	1,464,932.00	363,997.72	350,369.72
July		752,234.50	437,026.44	359,547.89	350,708.33
August		1,078,840.76	361,892.51	353,006.61	514,841.63
September		678,323.20	501,228.42	350,731.42	324,492.29
October		480,665.62	493,787.54	340,908.53	389,823.15
November		844,193.89	510,649.58	330,855.79	267,444.32
December		837,430.85	993,086.79	457,238.03	576,429.44
Total Revenue	2,905,007.25	8,793,785.75	6,591,062.41	4,651,324.54	4,290,174.10
Total Budgeted	5,500,000.00	4,700,000.00	4,200,000.00	3,800,000.00	3,350,000.00
Over/(Under) Budget	(2,594,992.75)	4,093,785.75	2,391,062.41	851,324.54	940,174.10



The chart below illustrates 2022 Real Estate Transfer Transactions through 4/30/22:

Month	Taxable	Non-Taxable	Total Transactions
January	216	33	249
February	135	37	172
March	250	41	291
April	201	40	241

Earned Income Tax / Earned Income Tax Prior Year – Update as of 04/30/2022

As of April 30, 2022, the City’s General Fund has recorded \$7,465,248.97 in revenue for EIT and EIT Prior Year. Since most of the EIT Prior Year revenue is received during the first quarter of the year, the majority of the revenue that has been recorded in 2022 is for the EIT Prior Year line item. As of April 30, 2022, the EIT Prior Year revenue has already exceeded its budget target by \$693,071.33. In 2021, approximately \$5.8 million of EIT Prior Year revenue was collected as of year-end. And for just the first four months of 2022, about \$6.1 million has already been collected. As a result, almost \$319,000 more in revenue for EIT Prior Year has already been recorded as of April 30, 2022 when compared to what had been recorded for the entire year in 2021.

Because the City will be exiting Act 47 this year, for 2023 and future years, there is a high probability that the City will no longer be collecting the non-resident EIT Tax. However, the EIT Prior Year revenue that will be recorded during 2023 might not be fully impacted. Any significant, negative impact to EIT Prior Year revenue may not appear until 2024 because most of the EIT Prior Year revenue recorded during 2023 will be from 2022, when non-resident EIT Prior Year will still have been collected during the first six months of that year.

Earned Income Tax Revenue - Comparison Between 2021 and YTD 2022:

	2022 Budget	YTD 4/30/22	Variance	2021 Budget	YTD 12/31/21	Variance
Earned Income Tax	15,512,120.00	1,272,177.64	(14,239,942.36)	15,512,120.00	15,265,023.40	(247,096.60)
EIT Prior	5,500,000.00	6,193,071.33	693,071.33	4,730,000.00	5,874,084.66	1,144,084.66
Total	21,012,120.00	7,465,248.97	(13,546,871.03)	20,242,120.00	21,139,108.06	896,988.06

Business Privilege License – Update as of April 30, 2022

Although the amount of \$280,000 has been budgeted since 2019, this year, as of April 30, 2022, the City has already recorded \$224,813.38 in revenue for Business Privilege License, which is 80% of the total amount budgeted for the year. In 2020, due to the pandemic, this revenue line item came in under budget by \$14,526.00 as of year-end.

The table below illustrates Business Privilege License Revenue vs. Budget from 2018 to 4/30/2022:

Business Privilege License	4/30/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Budgeted Amount	280,000.00	280,000.00	280,000.00	280,000.00	275,000.00
Revenue Recorded	224,813.38	286,163.90	265,474.00	309,477.00	298,292.00
Over/(Under) Budget	(55,186.62)	6,163.90	(14,526.00)	29,477.00	23,292.00

User Fees Revenue – Update as of 4/30/2022

For the fiscal year of 2022, the City budgeted \$3,000,000 for User Fees, which is the revenue collected for the EMS services that the City provides. And as of April 30, 2022, the City has recorded \$1,024,757.28. If the revenue received in the upcoming months continues with this same trend, the User Fees Revenue line item should meet its budget target by 12/31/2022.

The chart below illustrates User Fees Revenue vs. Budget from 2018 to 4/30/2022:

	4/30/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
User Fees-EMS	1,024,757.28	3,287,855.40	2,405,142.53	3,333,157.10	2,808,204.15
Total Budgeted	3,000,000.00	3,033,500.00	3,196,000.00	3,095,000.00	2,900,000.00
Over/(Under) Budget	(1,975,242.72)	254,355.40	(790,857.47)	238,157.10	(91,795.85)