



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT
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Real Estate Transfer Tax Revenue - Update as of August 31, 2021

For the month of August, the City's revenue is \$1,078,840.76 for Real Estate Transfer Tax. As of August 31, 2021, \$5,953,172.19 has been recorded in revenue for this line item which is the highest amount in the last five years. The Revenue for Real Estate Transfer Tax has already exceeded it budget target by \$1,253,172.19. Since January of this year, 1,741 transactions for Real Estate Transfer Tax have been completed, of which 1,468 transactions were taxable and 273 were not taxable. See table 1. Consequently, the City recorded \$1,409,726.56 in revenue for properties sold for more than half a million threshold for this fiscal year. See table 2 for details.

The following chart illustrates revenue for Real Estate Transfer Tax YTD 8-31-21 thru 8-31-17

Table with 6 columns: Month, YTD 8/31/2021, YTD 8/31/2020, YTD 8/31/2019, YTD 8/31/2018, YTD 8/31/2017. Rows include months from January to August, Total Revenue, Total Budgeted, and Over/(Under) Budget.



The following chart demonstrates total transactions for Real Estate Transfer Tax YTD thru 8-31-21

**Table 1**

Month	Total Transactions	Taxable	Non-Taxable
January	168	149	19
February	157	135	22
March	294	239	55
April	232	198	34
May	186	158	28
June	246	198	48
July	207	174	33
August	251	217	34
<b>Total</b>	<b>1741</b>	<b>1468</b>	<b>273</b>

The table below demonstrates the # of transactions for properties sold over the 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 <sup>th</sup> 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
	May	0	0
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 Heister 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
<b>Total</b>		<b>40,277,901.74</b>	<b>1,409,726.56</b>

## **Earned Income Tax and Earned Income Tax Prior (EIT) – Update as of August 31, 2021**

As of August 31, 2021, the City's General Fund recorded \$14,283,460.15 in revenue for Earned Income Tax. Although about \$2.1 million less in revenue was budgeted for 2021 compared to 2020, the City Earned Income Tax is slightly higher this year by \$49,671.47 compared to the revenue recorded for the same period of 2020.

### **Earned Income Tax revenue YTD comparison between 2021 vs 2020**

	<b>2021 Budget</b>	<b>YTD 8/31/2021</b>	<b>Variance</b>	<b>2020 Budget</b>	<b>YTD 8/31/2020</b>	<b>Variance</b>
<b>Earned Income</b>	15,512,120.00	8,747,958.49	<b>(6,764,161.51)</b>	16,861,000.00	8,311,897.27	<b>(8,549,102.73)</b>
<b>EIT Prior</b>	4,730,000.00	5,535,501.66	<b>805,501.66</b>	5,500,000.00	5,921,891.41	<b>421,891.41</b>
<b>TOTAL</b>	<b>20,242,120.00</b>	<b>14,283,460.15</b>	<b>(5,958,659.85)</b>	<b>22,361,000.00</b>	<b>14,233,788.68</b>	<b>(8,127,211.32)</b>

In 2015, the DCED granted \$520,000.00 to the City and according to DCED guidelines a closeout audit is needed by October 28, 2021. The closeout audit will be conducted by Herbein & Company and the audit results will be provided soon after the completion of the closeout audit.