

CITY OF READING, PENNSYLVANIA

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CITY AUDITOR

CITY AUDITOR'S REPORT Monday, December 19, 2022

Real Estate Transfer Tax - Update from 1/1/2018 to 11/30/2022

The City receives a 3.5% Real Estate Transfer Tax on the sale value of all taxable real estate transactions. As of November 30, 2022, \$7,785,680.40 in revenue was recorded for Real Estate Transfer Tax. During this period, a total of 2,487 Real Estate Transfer transactions were completed, of which 2,047 were taxable and 440 were non-taxable (see Table #2). For the current year, \$5.5 million was budgeted for this revenue line item, and as of November 30, 2022, this amount has exceed its budget target by \$2,904,956.23. Out of the total revenue collected, about one million dollars came for properties that were sold for half a million dollars or more. (See Table #3)

Month	11/30/2022	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	883,522.38	447,710.27	157,245.87	441,084.11	322,871.76
June	842,707.71	719,042.39	1,464,932.00	363,997.72	350,369.72
July	793,696.36	752,234.50	437,026.44	359,547.89	350,708.33
August	747,631.78	1,078,840.76	361,892.51	353,006.61	514,841.63
September	654,921.99	678,323.20	501,228.42	350,731.42	324,492.29
October	958,192.93	480,665.62	493,787.54	340,908.53	389,823.15
November	619,275.83	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	8,404,956.23	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	2,904,956.23	4,093,785.75	2,391,062.41	851,324.54	940,174.10



Table #2

Month	Taxable	Non-Taxable	Total Transactions
January	216	33	249
February	135	37	172
March	250	41	291
April	201	40	241
May	200	29	229
June	199	41	240
July	209	43	252
August	166	50	216
September	149	47	196
October	173	42	215
November	149	37	186
Total	2147	440	2487

Table #3

Month	Property Address	Sale Price	Rate - 3.5%
January	527 Court St.	600,000.00	21,000.00
February	18 N 4th St.	\$525,000.00	18,375.00
March	920 Lancaster Ave.	\$2,958,333.00	103,541.66
April	1415 Alsace Rd.	\$575,000.00	20,125.00
April	1235 Lancaster Ave.	\$600,000.00	21,000.00
April	1220 Perkiomen Ave.	\$850,000.00	29,750.00
April	1041 Washington St.	\$550,000.00	19,250.00
May	232 N 6th Street	664,900.00	23,271.50
May	430 S 4th Street	840,000.00	29,400.00
May	1802 Hill Road	599,900.00	20,996.50
May	755 Hiester Ln	1,800,000.00	63,000.00
May	501 S 9th Street	1,075,000.00	37,625.00
June	500 N 9th Street	925,000.00	32,375.00
June	354 Penn Street	1,450,000.00	50,750.00
July	1619 Lorraine Rd	650,000.00	22,750.00
July	600 N 8th Street	1,000,000.00	35,000.00
July	930 Pike Street	1,280,000.00	44,800.00
July	952 Penn St	500,000.00	17,500.00
August	148 N 4th Street	2,250,000.00	78,750.00
August	1112 Muhlenberg	851,000.00	29,785.00
September	125 Morgantown Road	950,000.00	33,250.00
September	1025 Old Wyomissing Road	1,231,650.00	43,107.75
October	715 Clinton Street	1,350,000.00	47,250.00
October	708 Centre Avenue	525,000.00	18,375.00
October	1501 N 9th Street	600,000.00	21,000.00
October	783 Court Street	2,600,000.00	91,000.00
October	1200 N 11th Street	2,700,000.00	94,500.00
November	918 Penn Street	750,000.00	26,250.00
Total		31,250,783.00	1,093,777.41

Earned Income Tax (EIT) / Earned Income Tax Prior Year – Update as of 11/30/2022

The City’s General Fund has recorded a combined total of about \$24.7 million in revenue for EIT and EIT Prior Year as of November 30, 2022. EIT Prior Year revenue, which was approximately \$5.9 million as of year-end 2021, has already recorded about \$6.7 million and as of this date. And this revenue line item has exceeded its budget target by \$1,201,158.01. And even though the combined budget for these two revenue line items was \$770,000 higher for 2022 than it was for 2021, \$4,889,336.94 more in revenue has been recorded as of November 30, 2022 compared to the revenue recorded for the same period in 2021. And this revenue line item has already exceeded its budget target by approximately \$3.7 million

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

	2022 Budget	YTD 11/30/2022	Variance	2021 Budget	YTD 11/30/2021	Variance
Earned Income	15,512,120.00	18,040,763.59	2,528,643.59	15,512,120.00	14,063,233.86	(1,448,886.14)
EIT Prior	5,500,000.00	6,701,158.01	1,201,158.01	4,730,000.00	5,789,350.80	1,059,350.80
TOTAL	21,012,120.00	24,741,921.60	3,729,801.60	20,242,120.00	19,852,584.66	(389,535.34)