

CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT Monday, December 27, 2021

Real Estate Transfer Tax Revenue - Update as of November 30, 2021

For the month of November, the City's revenue is \$844,193.89 for Real Estate Transfer Tax. And as of November 30, 2021, \$7,956,354.90 has been recorded in revenue for this line item. This is the highest revenue amount when compared to the previous four years at November 30. And for 2021, this revenue amount has already exceeded its budget target by \$3,256,354.90. Since January of this year, 2,363 transactions for Real Estate Transfer Tax have been completed, of which 1,988 transactions were taxable and 375 were not taxable. And about \$1.5 million in revenue has been recorded this fiscal year for properties that sold for more than half a million dollar threshold.

The following chart illustrates revenue for Real Estate Transfer Tax YTD 11-30-21 thru 11-30-17:

	11/30/2021	11/30/2020	11/30/2019	11/30/2018	11/30/2017
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
Total Revenue	7,956,354.90	5,597,975.62	4,194,086.51	3,713,744.66	3,685,529.18
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	3,256,354.90	1,397,975.62	394,086.51	363,744.66	635,529.18



Earned Income Tax and Earned Income Tax Prior Year – Update as of November 30, 2021

As of November 30, 2021, the City’s General Fund had recorded \$19,852,584.66 in revenue for Earned Income Tax. Although about \$2.1 million less in revenue was budgeted for 2021 compared to 2020, the City’s Earned Income Tax is higher this year by \$440,422.64 compared to the revenue recorded for the same period of 2020.

Earned Income Tax revenue YTD comparison between 2021 vs 2020:

	2021 Budget	YTD 11/30/21	Variance	2020 Budget	YTD 11/30/20	Variance
Earned Income	15,512,120.00	14,063,233.86	(1,448,886.14)	16,861,000.00	13,327,270.52	(3,533,729.48)
EIT/Prior	4,730,000.00	5,789,350.80	1,059,350.80	5,500,000.00	6,084,891.50	584,891.50
Total	20,242,120.00	19,852,584.66	(389,535.34)	22,361,000.00	19,412,162.02	(2,948,837.98)

User Fees Revenue – Update as of November 30, 2021

For the current year, the City originally budgeted \$3,000,000.00 for the User Fees revenue line item. And as of November 30, 2021, the City recorded \$3,033,106.74 in revenue. However, this year, the budget of the User Fees has been amended; it has been increased by \$33,500.00 in order to cover the expenses for the collection of the User Fees revenue. In 2020, due to the Pandemic and to a new company collecting the User Fees revenue, this line item faced a decrease of \$790,857.47.

The Chart below explains the revenue collected:

	11/30/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
YTD User Fees-EMS	3,033,106.74	2,405,142.53	3,333,157.10	2,808,204.15	2,912,755.52
Budget	3,033,500.00	3,196,000.00	3,095,000.00	2,900,000.00	2,900,000.00
Over/Under Budget	(393.26)	(790,857.47)	238,157.10	(91,795.85)	12,755.52