

# CITY OF READING, PENNSYLVANIA

OFFICE OF THE CITY AUDITOR  
ROOM 2-36  
815 WASHINGTON STREET  
READING, PA 19601-3690  
(610) 655-6123

MARIA M. RODRIGUEZ  
CITY AUDITOR

## CITY AUDITOR'S REPORT Monday, June 27, 2022

### Real Estate Transfer Tax - Update from 1/1/2018 to 5/31/2022

The City receives a tax levy of 3.5% on the value of the Real Estate Transfer Tax for properties sold. During the month of May of 2022, \$883,522.38 in revenue was recorded for this line item; this amount included a total of 229 Real Estate Transfer transactions of which 200 were taxable and 29 were non-taxable (see Table #2). For the current year, \$5.5 million was budgeted for this line item, and as of May 31, 2022, \$3,788,529.63 has already been recorded (see Table #1). Also during the month of May of the current year, five properties were sold for more than half of a million dollar threshold (see Table #3).

**Table #1**

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	883,522.38	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
<b>Total Revenue</b>	<b>3,788,529.63</b>	<b>8,793,785.75</b>	<b>6,591,062.41</b>	<b>4,651,324.54</b>	<b>4,290,174.10</b>
<b>Total Budgeted</b>	<b>5,500,000.00</b>	<b>4,700,000.00</b>	<b>4,200,000.00</b>	<b>3,800,000.00</b>	<b>3,350,000.00</b>
<b>Over/(Under) Budget</b>	<b>(1,711,470.37)</b>	<b>4,093,785.75</b>	<b>2,391,062.41</b>	<b>851,324.54</b>	<b>940,174.10</b>



**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

**Table #3**

Month	Address	Sale Price	Rate - 3.5%
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
<b>Total</b>		<b>4,979,800.00</b>	<b>174,293.00</b>

### **Business Privilege Tax/Business Privilege Tax Prior Year – Update as of 5/31/2022**

For the current year, the City budgeted a combined \$1,789,600 for Business Privilege Tax and Business Privilege Tax Prior Year, which is a \$323,200 increase over the 2021 budget for the Business Privilege Tax line item. And as of May 31, 2022, the City has recorded \$1,429,556.40 for these line items, which is \$334,581.88 more than the revenue that was recorded during the same period in 2021.

#### **Business Privilege Tax Revenue – 2021 vs. 2022 YTD Comparison:**

	2022 Budget	5/31/2022	Variance	2021 Budget	5/31/2021	Variance
<b>Business Privilege Tax</b>	1,708,800.00	1,382,972.13	(325,827.87)	1,385,600.00	1,052,824.41	(332,775.59)
<b>Business Privilege Tax - Prior Year</b>	80,800.00	46,584.27	(34,215.73)	80,800.00	42,150.11	(38,649.89)
<b>Total</b>	<b>1,789,600.00</b>	<b>1,429,556.40</b>	<b>(360,043.60)</b>	<b>1,466,400.00</b>	<b>1,094,974.52</b>	<b>(371,425.48)</b>

### **Miscellaneous**

The City was granted by the Federal Government \$61,134,970 for the American Rescue Plan Act (ARPA). \$30,567,485 was received on June 10 of 2021, and the same amount was just received on June 16 of 2022.