



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, September 28, 2020

Property Tax Revenue Update - 8/31/2020

For this fiscal year, the City budgeted \$24,828,000.00 for Real Estate Tax which includes the amounts for Property Tax Current, Property Tax Prior, Penalty & Interest, and Discount & Allowance. As of 8/31/2020, the City has collected a total of \$20,638,314.34 or 83% and the total revenue collected is about \$1,552,742.09 or 7 % less than the same amount collected in 2019 for the same period of time. However in 2020 \$322,800.00 was budgeted more than last year, and also, Penalty & Interest will not be charged this year due to COVID-19 pandemic.

The following charts explains Property Taxes Budget to Actual.

	2020 Budget	8/31/2020	Variance	2019 Budget	8/31/2019	Variance
Discount & Allowance	(367,000.00)	(333,132.74)	33,867.26	(367,000.00)	(364,272.45)	2,727.55
Property Tax Current	22,141,000.00	19,545,012.78	(2,595,987.22)	21,951,200.00	20,467,303.33	(1,483,896.67)
Property Tax Prior	2,450,000.00	1,229,035.68	(1,220,964.32)	2,317,000.00	1,758,410.02	(558,589.98)
Penalty & Interest	604,000.00	197,398.62	(406,601.38)	604,000.00	329,615.53	(274,384.47)
Total	24,828,000.00	20,638,314.34	(4,189,685.66)	24,505,200.00	22,191,056.43	(2,314,143.57)



Real Estate Transfer Tax Revenue - Update as of 8/31/2020

The Real Estate Transfer Tax is part of Act 511 Taxes which are about 24% of the City total General Fund revenue. For this fiscal year, the City budgeted \$4,200,000.00 in revenue for Real Estate Transfer Tax and as of August 31, 2020, the City has collected a total of \$4,092,307.08 or 97% of total revenue budgeted. Usually, the revenue collected for the current month is received the first week of the following month. On September 3, 2020, an email was received from Berks County, Recorder of Deeds office which indicated that they were experiencing some difficulties generating detailed reports due to some technical issues. Due to those issues, the revenue for the month of July was not received until September. At the moment no reports have been received since June and for this reason, the City Auditor office has not been able to verify the revenue received for the months of July and August.

The following chart demonstrates YTD revenue collected for the Real Estate Transfer from 2016-2020.

	8/31/2020	2019	2018	2017	2016
January	323,123.52	223,920.68	293,105.03	276,076.87	192,536.00
February	511,220.85	615,116.21	204,053.26	210,173.34	170,629.07
March	601,103.82	266,411.11	348,937.95	297,329.36	220,051.13
April	235,765.07	548,506.44	347,097.22	581,143.64	279,084.30
May	157,245.87	441,084.11	322,871.76	313,275.46	777,337.35
June	1,464,932.00	363,997.72	350,369.72	528,760.06	268,082.88
July	437,023.44	359,547.89	350,708.33	374,898.32	207,575.28
August	361,892.51	353,006.61	514,841.63	264,020.74	426,785.52
September		350,731.42	324,492.29	291,320.27	411,260.51
October		340,908.53	389,823.15	238,576.24	236,985.93
November		330,855.79	267,444.32	309,954.88	210,393.54
December		457,238.03	576,429.44	336,617.89	271,891.35
Total Revenue	4,092,307.08	4,651,324.54	4,290,174.10	4,022,147.07	3,672,612.86
Total Budgeted	4,200,000.00	3,800,000.00	3,350,000.00	2,750,000.00	2,200,000.00
Over/(Under) Budget		851,324.54	940,174.10	1,272,147.07	1,472,612.86