



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT Monday, December 14, 2020

Real Estate Transfer Tax Revenue - Update as of November 30, 2020

The Real Estate Transfer Tax is part of Act 511 Taxes which are the largest revenue source of the City General Fund. For the current fiscal year, the City budgeted \$4.2 million for this revenue line item; and as of November 30, 2020, the City has collected \$5,597,975.62 of total revenue budgeted, and the Real Estate Transfer Tax revenue has already exceeded its budget target almost by \$1.4 million

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

| | 11/30/2020 | 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 | 437,026.44 | 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 | 501,228.42 | 350,731.42 | 324,492.29 | 291,320.27 | 411,260.51 |
| October | 493,787.54 | 340,908.53 | 389,823.15 | 238,576.24 | 236,985.93 |
| November | 510,649.58 | 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 | 5,597,975.62 | 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 | 1,397,975.62 | 851,324.54 | 940,174.10 | 1,272,147.07 | 1,472,612.86 |



Earned Income Tax – Update as of November 30, 2020

For the current fiscal year, the City budgeted \$22,361,000.00 for Earned Income Tax & Earned Income Tax Prior, and as of November 30, 2020, the City has collected \$19,412,162.02 or 87% of total amount budgeted. The revenue collected for Earned Income Tax Prior has exceeded its budget target by \$584,891.50. The largest amount of this revenue is collected by the second quarter of the year.

In 2019, for the same period of time the City collected \$20,722,283.06 or 94% of total amount budgeted which is \$1,310,121.04 more than in 2020. However, this year, \$361,000.00 more was budgeted than last year.

Earned Income Tax & Earned Income Tax Prior revenue.

| | 2020 | YTD | YTD | 2019 | YTD | YTD |
|--------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | Budget | 11/30/2020 | Variance | Budget | 11/30/2019 | Variance |
| Earned Income Tax | 16,861,000.00 | 13,327,270.52 | (3,533,729.48) | 16,500,000.00 | 14,269,795.06 | (2,230,204.94) |
| EIT Prior | 5,500,000.00 | 6,084,891.50 | 584,891.50 | 5,500,000.00 | 6,452,488.00 | 952,488.00 |
| Total | 22,361,000.00 | 19,412,162.02 | (2,948,837.98) | 22,000,000.00 | 20,722,283.06 | (1,277,716.94) |

Per Capita Tax and Per Capita Tax Prior – Update as of October 31, 2020

For the current fiscal year, the City budgeted \$275,000 for Per Capita Tax and as of October 31, 2020, the City has received \$261,736.61.

For Per Capita Tax Prior, the City budgeted \$60,000.00 and as of October 31, 2020, the City has collected \$230,115.13, and Per Capita Tax Prior revenue has already exceeded its budget expectations by \$170,115.13. For the same period in 2019, Per Capital Prior revenue exceeded its budget target by \$207,875.28. However, \$30,000.00 less was budgeted in 2019 compared to 2020 budget.

Per Capital and Per Capital Tax Prior revenue.

| | 2020 Budget | 10/31/2020 | Variance | 2019 Budget | 10/31/2019 | Variance |
|------------------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| Per Capital Tax | 275,000.00 | 261,736.61 | (13,263.39) | 275,000.00 | 207,853.18 | (67,146.82) |
| Per Capital Tax Prior | 60,000.00 | 230,115.13 | 170,115.13 | 30,000.00 | 237,875.28 | 207,875.28 |
| Total | 335,000.00 | 491,851.74 | 156,851.74 | 305,000.00 | 445,728.46 | 140,728.46 |