



CITY OF READING, PENNSYLVANIA

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Real Estate Transfer Tax Revenue - Update as of January 31, 2021

The City receives a tax levy of 3.5% on the value of the Real Estate Transfer Tax for any properties sold. For the fiscal year of 2021, the City budgeted \$4.7 million for the Real Estate Transfer revenue line item and for the month of January, 2021, the City has collected \$535,849.04. For the fiscal year of 2020, the City ended up with a surplus of \$2,391,062.41 for this line item.

The following chart demonstrates YTD revenue collected for Real Estate Transfer from 2017-2021

	2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
January	535,849.04	323,123.52	223,920.68	293,105.03	276,076.87
February		511,220.85	615,116.21	204,053.26	210,173.34
March		601,103.82	266,411.11	348,937.95	297,329.36
April		235,765.07	548,506.44	347,097.22	581,143.64
May		157,245.87	441,084.11	322,871.76	313,275.46
June		1,464,932.00	363,997.72	350,369.72	528,760.06
July		437,026.44	359,547.89	350,708.33	374,898.32
August		361,892.51	353,006.61	514,841.63	264,020.74
September		501,228.42	350,731.42	324,492.29	291,320.27
October		493,787.54	340,908.53	389,823.15	238,576.24
November		510,649.58	330,855.79	267,444.32	309,954.88
December		993,086.79	457,238.03	576,429.44	336,617.89
Total Revenue	535,849.04	6,591,062.41	4,651,324.54	4,290,174.10	4,022,147.07
Total Budgeted	4,700,000.00	4,200,000.00	3,800,000.00	3,350,000.00	2,750,000.00
Over/(Under) Budget		2,391,062.41	851,324.54	940,174.10	1,272,147.07



During the month of January of 2021, 168 transactions for Real Estate Transfer Tax has taken place in the City and out of these 168 transactions, 149 were taxable and 19 were not taxable transactions.

The following chart illustrates the total transactions of Real Estate Transfer Tax during January, 2021

	Total Transactions	Non-Taxable	Taxable
January	168	19	149

Also during the month of January of 2021, two properties were sold in the City of Reading for more than a half of million dollar threshold; and these two transactions brought in \$100,625.00 in Real Estate Transfer Tax revenue which is included in the amount that was collected in the month of January 2021.

The following table list the two properties sold within the threshold of half of million dollars.

Property Address	Month of Sale	Sale Price	Rate - 3.5%
100 Lancaster Avenue	January	1,925,000.00	67,375.00
323 N 4 th Street	January	950,000.00	33,250.00
Total		2,875,000.00	100,625.00

Property Tax Revenue - Update as of December 31, 2020

For the fiscal year of 2020, the City budgeted \$24.8 million in revenue for property taxes and as of December 31, 2020, the City has collected \$24.3 million or 98% of total amount budgeted. Recently, the City received about \$70,000 more for the Property Tax Prior line item and this revenue will be accrued to the fiscal year of 2020. This revenue will decrease the negative variance from 497,699.70 to about \$427,700 dollars instead; and the majority of the revenue collected for Penalty & Interest is due to prior year's unpaid Property Taxes.

Also, we have to take into consideration that for the fiscal year of 2020, a total of \$322,800.00 dollars more was budgeted compared to 2019 budget. And due to the Pandemic the Administration opted to extend the discount period until August 31, 2020.

	2020 Budget	12/31/2020	Variance	2019 Budget	12/31/2019	Variance
Discount and Allowance	(367,000.00)	(333,272.14)	33,727.86	(367,000.00)	(364,373.09)	2,626.91
Property Tax Current	22,141,000.00	22,270,877.31	129,877.31	21,951,200.00	22,218,356.65	267,156.65
Property Tax Prior	2,450,000.00	2,012,193.60	(437,806.40)	2,317,000.00	2,465,704.81	148,704.81
Penalty and Interest	604,000.00	380,501.53	(223,498.47)	604,000.00	652,367.54	48,367.54
Total Property Taxes	24,828,000.00	24,330,300.30	(497,699.70)	24,505,200.00	24,972,055.91	466,855.91