



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 08, 2020

Property Tax Revenue - Update as of May 31, 2020

For the this fiscal year, the City budgeted \$24,828,000.00 for the Real Estate Tax which includes the amounts for Property Tax Prior, Penalty & Interest, and Discount & Allowance. As of 5/31/2020, the City has collected \$17,153,707.43 million or 69% which is approximately \$2,247,243.87 less compared to the revenue collected in 2019 for the same period of time. Nevertheless we must take into consideration that it could be the case that less revenue has been collected due to the extension of the discount period and property owner may be waiting to pay their property taxes.

The following charts explains Property Taxes Budget to Actual Comparison.

	2019 Budget	YTD 5/31/2019	%	2020 Budget	YTD 5/31/2020	YTD Variance	% Coll.
Property Tax Current	21,951,200.00	18,481,975.89		22,141,000.00	16,890,489.94	(1,591,485.95)	
Property Tax Prior	2,317,000.00	1,111,481.01		2,450,000.00	473,095.59	(638,385.42)	
Penalty & Interest	604,000.00	169,998.62		604,000.00	122,686.89	(47,311.73)	
Discount & Allowance	(367,000.00)	(362,504.22)		(367,000.00)	(332,564.99)	29,939.23	
Total	24,505,200.00	19,400,951.30	79%	24,828,000.00	17,153,707.43	(2,247,243.87)	69%

Earned Income Tax Revenue - Update as of May 31, 2020

For the current fiscal year, the City budgeted \$16,861,000.00 for Earned Income Tax and \$5,500,000.00 For EIT Prior. These two line items together add to a total of \$22,361,000.00 budgeted for this fiscal year.

As of May 31, 2020, the City has collected a total revenue of \$9,435,157.33 or 42% of total budgeted for EIT and EIT Prior combined. Due to the fact that most of the revenue of EIT Prior is received during the first quarter of the year, this line item has already exceeded it budget expectations by \$112,874.76.



In 2020, \$361,000.00 more was budgeted in revenue for EIT than in 2019, and for the same period of time the City has collected \$750,165.07 less compared to 2019 YTD.

The following chart illustrates the revenue the City has collected for the Earned Income Tax and Earned Income Tax Prior as of May 31, 2019 & 2020 respectively.

	2019 Budget	YTD 5/31/2019	%	2020 Budget	YTD 5/31/2020	YTD Variance	% Coll.
Earned Income Tax	16,500,000.00	3,900,989.70		16,861,000.00	3,822,282.77	(78,706.93)	
Earned Income Tax Prior	5,500,000.00	6,284,332.90		5,500,000.00	5,612,874.76	(671,458.14)	
Total	22,000,000.00	10,185,322.60	46%	22,361,000.00	9,435,157.53	(750,165.07)	42%

Real Estate Transfer Tax Revenue - Update as of 5/31/2020

During the month of May only \$157,245.87 was received for the Real Estate Transfer Tax which is the lowest monthly amount collected this year.

For this fiscal year, the City budgeted \$4,200,000.00 in revenue for this line item and as of May 31, 2020, the City has collected a total of \$1,828,459.13 or 44% of the total revenue budgeted

As I stated last month, The Real Estate Transfer Tax is a good component of the total General Fund revenue. And hopefully this revenue will increase as soon as the real estate market goes back to normal.

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

	5/31/2020	5/31/2019	5/31/2018	5/31/2017	5/31/2016
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
Total Revenue	1,828,459.13	2,095,038.55	1,516,065.22	1,677,998.67	1,639,637.85
Total Budgeted	4,200,000.00	3,800,000.00	3,350,000.00	2,750,000.00	2,200,000.00