



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT Monday, July 13, 2020

Real Estate Transfer Tax Revenue - Update as of 6/30/2020

For this fiscal year, the City budgeted \$4,200,000.00 in revenue for Real Estate Transfer Tax and as of June 30, 2020, the City has collected a total of \$3,293,391.13 or 78% of the total revenue budgeted.

The revenue received from this line item during the month of June has significantly increased over the previous years; and for the month of June, the City has collected a total of \$1,464,932.00. Three large transactions were completed in the month of June, one in the amount of \$2,928,000.00, \$14,862,571.00, and the largest one in the amount of \$15,250,000.00. Beside these three transactions, there were two other transactions that also were completed in June, one in the amount of \$445,000.00 and \$500,000.00.

The Real Estate Transfer Tax is part of Act 511 Taxes which are about 24% of the City total General Fund revenue.

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

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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
Total Revenue	3,293,391.13	2,459,036.27	1,866,434.94	2,206,758.73	1,907,720.73
Total Budgeted	4,200,000.00	3,800,000.00	3,350,000.00	2,750,000.00	2,200,000.00



Properties Transactions – June, 2020- Sale Price of \$445,000.00 and up

Property Address	Sale Price	Real Estate Transfer Tax / 3.5%
901 Elm Street	445,000.00	15,575.00
1130 Centre Avenue	500,000.00	17,500.00
820 Penn Street	2,928,000.00	102,480.00
1025 Old Wyomissing Rd	14,862,571.00	520,189.99
1200 Rockland Street	15,250,000.00	533,750.00
Total	33,985,571.00	1,189,494.99

Property Tax Revenue - Update as of June 30, 2020

For 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 6/30/2020, the City has collected \$18,415,555.26 million or 74% which is around \$1,683,781.14 less than the revenue collected in 2019 for the same period of time. In fact, it could be the case that less revenue has been collected due to the extension of the discount period and property owners may be waiting to pay their property taxes.

The following chart explains Property Taxes Budget to Actual Comparison.

	2019 Budget	YTD 6/30/2019	% Coll.	2020 Budget	YTD 6/30/2020	YTD Variance	% Coll.
Property Tax Current	21,951,200.00	18,988,938.03		22,141,000.00	17,932,390.59	(1,056,547.44)	
Property Tax Prior	2,317,000.00	1,271,478.97		2,450,000.00	659,619.92	(611,859.05)	
Penalty & Interest	604,000.00	202,398.76		604,000.00	156,638.66	(45,760.10)	
Discount & Allowance	(367,000.00)	(363,479.36)		(367,000.00)	(333,093.91)	30,385.45	
Total	24,505,200.00	20,099,336.40	82%	24,828,000.00	18,415,555.26	(1,683,781.14)	74%