



Comptroller Mychajliw Reports December 2012 Sales Tax Revenue

2012 budgeted sales tax revenue does not meet its target as Erie County's dependence on volatile sales tax revenues remains a serious cause of concern for 2013

(Buffalo) – Erie County Comptroller Stefan I. Mychajliw is reporting December 2012 sales tax revenue for Erie County to be \$36,129,051, approximately \$528,965 higher than the December 2011 sales tax revenue of \$35,600,086. This figure represents a 1.48% monthly growth for December 2012 compared to December 2011.

In addition to reporting the December 2012 sales tax revenue, Erie County now has final sales tax revenue figures for all of 2012.

The administration fell short in their 2012 sales tax revenue budget projections. There is a \$321,281 shortfall in what was budgeted for 2012 sales tax revenue than what was actually received. According to the 2012 budget, the estimated revenue for 2012 sales tax revenue was \$411,047,133. Year-end figures show the actual amount of 2012 sales tax revenue received was \$410,725,852.

"The goal is to exceed sales tax revenue projections, not miss your target. The news is not good. Ideally we would want to collect sales tax revenue at a pace far stronger than what you project," said Erie County Comptroller Stefan I. Mychajliw.

Unfortunately for Erie County taxpayers, the administration's 2013 sales tax projected revenue is \$426,033,687.

When you compare that to the actual sales tax revenues collected in 2012, the 2013 County sales tax needs to grow by **3.73%** or \$15,307,835. That represents a very difficult number to attain as the economy continues its very slow and sluggish recovery.

Since Erie County is so dependent on volatile sales tax revenue as its largest source of revenue, and there appears to be such a big dependency on the budget being balanced on an extremely large anticipated spike in sales tax revenue, a big budget gap may be created if the administration's aggressive sales tax target of **3.73%** is not attained.

December 2011 Sales Tax Revenue: \$35,600,086
December 2012 Sales Tax Revenue: \$36,129,051
Difference: \$528,965

Year to Date sales tax growth through December 2012: 2.43%
Projected sales tax growth in the 2012 Budget over 2011 actual: 2.51%

Erie County Sales Tax Revenue for 2011: \$400,993,639
Erie County Sales Tax Revenue for 2012: \$410,725,852
Erie County projected Sales Tax Revenue for 2013: \$426,033,687.

Estimated Sales Tax percentage growth needed to reach the administration's projected 2013 figure: **3.73%**

"We are responsibly sounding the alarm yet again. There will be serious consequences to the 2013 budget if the administration's aggressive sales tax revenue projections are not met. It is extremely risky to depend so heavily on volatile sales tax revenues. Wall Street warned Erie County about this in the past, and I am sounding the warning bell as well. There can be significant budget gaps in 2013 if the administration's sales tax revenue projections are even slightly off," added Comptroller Mychajliw.

###

www.erie.gov/comptroller