



Comptroller Mychajliw Reports January 2013 Sales Tax Revenue

Comptroller and Administration express shared concern over 2013 sales tax revenue projections

(Buffalo) – Erie County Comptroller Stefan I. Mychajliw is reporting January 2013 sales tax revenue for Erie County to be \$31,111,048, approximately \$2,509,702 higher than the January 2012 sales tax revenue of \$28,601,346. This figure represents an 8.77% monthly growth for January 2013 compared to January 2012.

The release of the January 2013 sales tax revenue report comes on the heels of the Office of Erie County Comptroller and representatives of the Erie County Division of Budget and Management expressing concern of whether or not sales tax projections for all of 2013 are realistic.

“(We) hope that sales tax comes in better than we expect, but right now we don’t think that is going to be the case. **We think the budget for sales tax this year is overly optimistic. We are not going to make budget on that.**”

Source: Erie County Deputy Budget Director Dr. Timothy Callan, Erie County Legislature Finance and Management Committee, March 14th, 2013

It is much too early in the fiscal year to draw any firm conclusions or projections from the January 2013 cash distribution. We have contacted New York State, and they advised us that while overall revenue increased statewide, they will be adjusting our cash as the year progresses. We will continue close monitoring of this major revenue item.

When reporting December 2012 sales tax revenue figures last month, Erie County Comptroller Stefan I. Mychajliw responsibly sounded the alarm on a potential gap in the 2013 budget because of the county’s risky reliance on volatile sales tax revenue as its largest source of income. A red flag was also raised if the administration falls short on its own 2013 sales tax revenue projections.

There is a \$15,307,835 difference in what the administration projected to be 2013 sales tax revenue for Erie County and what was actually collected for 2012. Sales tax revenue for all of 2013 must grow by 3.73% in order for the administration to reach its budgeted target of \$426,033,687.

2011 Sales Tax Revenue: \$400,993,639
2012 Sales Tax Revenue: \$410,725,852
2013 Sales Tax Revenue: \$426,033,687

“I am leading by example by reducing expenses in my own department. My reform plan cut almost \$100,000 out of my own budget. If sales tax revenues fall short of the administration’s 2013 projections, this year’s budget will be out of balance. Sales tax shortfalls could be the main reason why there may be significant gaps. Even the administration admits its own sales tax revenue projections are overly optimistic. This could blow a hole in the budget,” said Comptroller Mychajliw.

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