



Sales Tax Revenue Drops Significantly

March 2013 sales tax revenues down -1.12%; anemic year-to-date growth could cause significant gaps in 2013 budget based on the administration's overly optimistic revenue estimates

(Buffalo) – Erie County Comptroller Stefan I. Mychajliw is reporting March 2013 sales tax revenue for Erie County to be \$30,856,160. This is approximately **\$348,955 lower** than the March 2012 sales tax revenue of \$31,205,115. This figure represents a **-1.12% decrease** for March 2013 compared to March 2012.

March 2012 Sales Tax Revenue: \$31,205,115
March 2013 Sales Tax Revenue: \$30,856,160
Difference: - \$348,955 or - 1.12%

The year-to-date sales tax revenue growth for the first three months of the year (January-March) is a **paltry 0.23%**.

January-March 2012 Sales Tax Revenue: \$96,233,519
January-March 2013 Sales Tax Revenue: \$96,450,784
Year-to-Date Difference: + \$217,265 or + 0.23%

Over the next nine months **sales tax revenue must grow 4.8% for the remainder of the year** in order for the administration to reach their own overly optimistic projection of receiving \$426,033,687 for 2013. Year-to-date growth for 2013 is + 0.23%.

2011 Sales Tax Revenue: \$400,993,639
2012 Sales Tax Revenue: \$410,720,332
2013 Projected Sales Tax Revenue: \$426,033,687

The release of the March 2013 sales tax revenue report comes continued warnings from Comptroller Mychajliw and even representatives of the Erie County Division of Budget and Management expressing concern of whether or not their own sales tax projections for 2013 are realistic:

“We are worried about some of the trends in sales tax.”

Source: Erie County Deputy Budget Director Dr. Timothy Callan, Erie County Legislature Finance and Management Committee, May 2nd, 2013

“In sales tax, again, if we had to budget it over, I would have budgeted less in sales tax.”

Source: Erie County Budget Director Robert Keating, Erie County Legislature Finance and Management Committee, May 2nd, 2013

“The sales tax number is an area of concern.”

Source: Erie County Deputy Budget Director Dr. Timothy Callan, Erie County Legislature Finance and Management Committee, May 2nd, 2013

“(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

Potential Budget Gaps Based on 2013 Sales Tax Growth

Actual 2013 Year-to-Date 0.23%: - \$14,368,698
1%: - \$11,206,151
2%: - \$7,098,948
3%: - \$2,991,745
4.8%: \$0

“The administration should take our concerns and their own multiple warnings on their overly optimistic sales tax revenue very seriously. My office will continue to responsibly sound the alarm about the administration’s aggressive projections that could cause problems with this year’s budget. We are glad the administration shares my concern with their overly optimistic sales tax revenue projections.”

“This is a serious issue that I will continue to keep a close eye on. Every month we have reported the data to the Legislature and public. It is important for people to know how troubling this trend is and the negative impact it could have on the 2013 budget,” said Comptroller Mychajliw.

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