



# County of Erie

MARK C. POLONCARZ  
COMPTROLLER

March 31, 2011

Nils Olsen, Chairman  
Buffalo Fiscal Stability Authority  
Market Arcade Building, Suite 400  
617 Main Street  
Buffalo, New York 14203-1485

Dear Mr. Olsen:

I am writing to inform you that the Erie County Comptroller's Office will adjust the City of Buffalo's share of sales tax proceeds on the April 6<sup>th</sup> 2011 New York State sales tax distribution, to recoup a first quarter 2011 overpayment of \$937,270.65.

Pursuant to the sales tax sharing formula, Buffalo's share is based on Federal decennial census figures. Since the Buffalo Fiscal Stability Authority's intercept of Buffalo's share of 1<sup>st</sup> quarter 2011 sales tax monies occurred prior to the release of the Federal 2010 census data, the intercept was based on year 2000 census data.

The substantial drop in Buffalo's population from 292,648 in the 2000 census to 261,310 in the 2010 census, negatively impacts the City's share of sales tax monies. Recalculation of the 1<sup>st</sup> quarter sales tax sharing using 2010 census data for all cities and towns disclosed that Buffalo had been overpaid as follows:

	<u>Sharing based on 2000 census figures</u>	<u>Corrected sharing based on 2010 census figures</u>	<u>Overpayment</u>
3% sales tax	\$ 17,917,159.76	\$ 17,212,035.18	\$705,124.58
Share of \$12.5 million of 1% sales tax	<u>5,898,813.29</u>	<u>5,666,667.22</u>	<u>232,146.07</u>
Total	<u>\$ 23815,973.05</u>	<u>\$22,878,702.40</u>	<u>\$937,270.65</u>

We will coordinate this recoupment directly with the Office of the NY State Comptroller out of sales tax receipts the State will disburse on April 6<sup>th</sup> 2011. Pursuant to the sales tax sharing formula, the entire recoupment amount of \$937,270.65 has been shared with other cities, towns and villages as part of Erie County's March 31, 2011 sales tax distribution.

Sincerely yours,

  
Mark Poloncarz, Esq.  
Erie County Comptroller

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