



COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

May 10, 2013

The Honorable Erie County Legislature
92 Franklin Street
Buffalo, New York 14202

Re: March 2013 Sales Tax

Dear Honorable Legislators:

The State has notified the County of the amount of sales tax revenue for March, 2013. Subject to small adjustments for interest, March 2013 sales tax was \$30,856,160.67.

This compares to \$31,205,115.42 for March 2012, a decline of \$348,954.75, or -1.12%. This brings the total January-March of 2013 sales tax revenue to \$96,450,784.65 compared to \$96,233,519.30 for January-March of 2012 an increase of \$217,265.35 or 0.23% growth.

While it is still too early to draw any conclusions on how 2013 sales tax will end this reinforces this office's warnings and the administration's multiple public warnings about their own overly optimistic sales tax projections contained in the Poloncarz administration's 2013 budget, an increase of 3.73% over 2012 actual.

If this trend of 0.23% growth continues for the remainder of 2013, then sales tax would end below budget by \$14,368,698.

The same concern was again expressed by representatives of the Erie County Division of Budget and Management this month, when they mirrored this office's concerns of whether or not sales tax projections for all of 2013 are realistic.

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

Source: Erie County Senior Budget Consultant 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 Senior Budget Consultant 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

Erie County Senior Budget Consultant Source: Erie County Senior Budget Consultant Timothy Callan, Erie County Legislature Finance and Management Committee, March 14th, 2013

This office will continue to monitor this account, the largest revenue in the budget at \$426,033,687, closely throughout the year and will report to your Honorable Body as we receive monthly updates from the State.

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

March 2012 Sales Tax Revenue: \$31,205,115

March 2013 Sales Tax Revenue: \$30,856,160

Difference: - \$348,955 or - 1.12%

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%

2011 Sales Tax Revenue: \$400,993,639

2012 Sales Tax Revenue: \$410,720,332

2013 Projected Sales Tax Revenue: \$426,033,687

If you have any questions, please do not hesitate contacting this office.

Sincerely yours,



Stefan I. Mychajliw

Erie County Comptroller

cc: Mark C. Poloncarz, County Executive
Erie County Fiscal Stability Authority