COUNTY OF ERIE

STEFAN I. MYCHAJLIW
COMPTROLLER

March 3, 2014

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

RE: 2013 Sales Tax Revenue

Dear Honorable Legislators:

New York State has notified the County of the total amount of sales tax revenue collected for 2013. Despite an increase in revenue from last year, the County collected nearly $6 million less than what the Administration budgeted for. This confirms what I cautioned your honorable body about several times throughout the past year. The Administration was, and continues to be, overly aggressive with their sales tax revenue projections.

Annual Sales Tax Revenue:	January – December 2012	$410,720,331.50
	January – December 2013	$420,081,213.92
	Annual Difference:	**+$9,360,882.42 or +2.28%**
Monthly Sales Tax Revenue:	December 2012	$36,123,530.63
	December 2013	$34,181,081.38
	Monthly Difference:	**-$1,942,449.25 or -5.38%**

These numbers are very concerning to me for three reasons:

1. Sales Tax Revenue came in $5,952,473.08 under budget.
2. Revenue declined by nearly $2 million in December, a month it typically grows.
3. The Canadian Dollar continues to lose value.

As the Canadian Dollar declines in value, it simply will no longer be worth the trip for Canadian citizens to come to the United States to shop. I fear that the decline in December 2013 sales tax revenue may mark the beginning of a trend. If this trend materializes, continued failure to meet budget on sales tax revenue is not something the County Executive will have the luxury of ignoring in 2014, similar to what happened in 2013.

Sincerely,

STEFAN I. MYCHAJLIW
Erie County Comptroller

cc: Hon. Mark C. Poloncarz
Erie County Fiscal Stability Authority

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