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ERIE COUNTY COMPTROLLER

HON. STEFAN I. MYCHAJLIW

March 28, 2017

The Honorable
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

RE: Sales Tax Update – 2016 Closeout and January 2017

Dear Honorable Members:

As I have in the past, I am writing to keep you up to date on the county's sales tax collections. Sales tax is the county's largest and most volatile revenue, and we need to pay close attention to how it performs. In 2016, sales tax revenue significantly missed the mark in the budget. So far, we only have January numbers for 2017 and it grew from January 2016.

In 2016, sales tax revenue grew by \$1,059,414 or 0.24%. This growth was not nearly enough to meet the budgeted amount. Total 2016 sales tax collections were \$5,643,131 below budget.

2015 Sales Tax Revenue	\$437,704,870
2016 Sales Tax Revenue	\$438,764,284
2015/2016 Difference	\$1,059,414 or 0.24%
2016 Sales Tax Revenue Budget Deficit	\$5,643,131

January 2017 collections were positive for the county, growing 1.78% from January 2016. However, these revenue numbers need to be stronger in future months in order to meet budget.

January 2016	\$29,910,917
January 2017	\$30,443,627
January 2016 to 2017 Growth	\$532,710 or 1.78%

The 2017 budget is balanced on the assumption that total sales tax collections will reach \$447,429,625. In order to achieve that, going forward, sales tax revenue must grow by 1.97%, or \$8,665,341, in 2017. I look forward to addressing this letter and answering any questions you may have at a future meeting of your Finance and Management Committee.

Sincerely,

STEFAN I. MYCHAJLIW
Erie County Comptroller