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COUNTY OF ERIE

STEFAN I. MYCHAJLIW
COMPTROLLER

April 11, 2013

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

Re: February 2013 Sales Tax

Dear Honorable Legislators:

The State has notified the County of the amount of sales tax revenue for February, 2013. Subject to small adjustments for interest, February, 2013 sales tax was $34,461,986.36 this compares to $36,427,057.50 for February 2012 a decline of $1,965,017.14 or -5.39%. This brings the total January-February, 2013 sales tax revenue to $65,565,782.35 compared to $65,028,403.88 for January-February, 2012 an increase of $537,738.47 or 0.83% growth.

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

The same concern was even expressed by representatives of the Erie County Division of Budget and Management last month, when they expressed similar concern before your honorable body of whether or not sales tax projections for all of 2013 are realistic.

"(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 Timothy Callan, Erie County Legislature Finance and Management Committee, March 14th, 2013

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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.

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

Sincerely yours,

Gregory G. Gach
Deputy Comptroller

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