



ERIE COUNTY COMPTROLLER
HON. STEFAN I. MYCHAJLIW

September 5, 2018

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

RE: 2018 Sales Tax Update

Dear Honorable Members:

This correspondence is being sent to update you on the status of 2018 sales tax collections. For the first six months of the year, sales tax revenue increased by \$9,969,165.01. This growth represents a 4.6% increase from the same six month period in 2017.

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|---------------------|------------------------|
| 2017 January – June | \$216,910,757.81 |
| 2018 January – June | \$226,879,922.82 |
| YTY Increase: | \$9,969,165.01 / 4.60% |

At the year's midpoint in June of 2018, sales tax revenue showed no signs of slowing down, growing 6.25% from June of 2017.

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|---------------|------------------------|
| 2017 June | \$35,900,178.99 |
| 2018 June | \$38,144,017.50 |
| YTY Increase: | \$2,243,838.51 / 6.25% |

This growth is a positive sign for Erie County's budget. For the first six months of the year, sales tax revenue has come in \$6,765,001.07 over budget. The budget was balanced on the assumption that sales tax revenue would grow at 1.48%, however in the first two quarters of 2018 actual sales tax revenue growth was 4.59%.

With June closing out strong at over 6% growth, it may be an indicator that the remainder of the year will continue to significantly outperform budget expectations. This is a positive sign for Erie County government and those we share sales tax revenue with, like school districts and local municipalities.

It is important to note that we have seen a decrease in the number of vehicles crossing between the United States and Canada. It is rare to see bridge traffic slowing down and sales tax revenue climbing. Historically, our county has benefited from our geographical proximity to Canada that brought patrons to our stores. It is clearly a direct benefit of federal income tax cuts that have placed more discretionary income in the pockets of our residents, combined with historically low unemployment rates.

I am pleased to report that sales tax revenue is rising significantly and that we are seeing a benefit from the federal tax cuts. My office will continue to monitor and report on these figures and trends. If your honorable body has any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stefan I. Mychajliw', with a long horizontal flourish extending to the right.

STEFAN I. MYCHAJLIW
Erie County Comptroller