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COMPTROLLER MYCHAJLIW RELEASES DECLINING SALES TAX FIGURES

According to data released by New York State, revenue for the quarter in Erie County shows sales tax revenue declining steeply at a rate of almost 16%, for a total loss of \$32.1 million

(ERIE COUNTY, NY) – Erie County Comptroller Stefan Mychajliw’s office released the most recent sales tax figures from New York State for the month of May, 2020. The Office of the New York State Comptroller has notified the office that for Erie County for the first quarter, sales tax revenue is down nearly 16%. For the period March to May 2020, sales tax revenue is \$172,057,982.14.

That compares to the same period in 2019, where sales tax collected was \$204,175,772.56. The total loss of sales tax revenue for the previous three-month period was \$32.1 million.

“As Erie County’s Chief Fiscal Officer, it’s important for me to share all information in a timely manner so that lawmakers can navigate the budget challenges related to COVID-19,” said Comptroller Mychajliw. “The fact that sales tax revenue was down \$32.1 million for the previous quarter is quite alarming. That is a significant revenue loss for the County of Erie.”

The Office of Erie County Comptroller has been providing regular updates to Erie County lawmakers since March 11, 2020 on the impact the global pandemic might have on Erie County finances. The drop-in sales tax revenue reflects the fact that so many businesses were forced by the government to remain closed for much of this quarter.

The somewhat “positive” news to share is that the percentage drop in the decline of sales tax revenue for the month of May is not as steep as previous months. For the month of May, comparing May 2019 to May 2020, Erie County saw a sales tax revenue decline of 5.03%, or \$4.1 million. In May, 2019 Erie County collected \$82,927,640.38. For May, 2020 that figure was \$78,758,393.74.

“The fact that May sales tax losses weren’t as steep as that of the previous month may be an indicator the worst of this behind us, at least for now,” said Comptroller Mychajliw. “If the government forces businesses and the economy to shut down again, the sales tax revenue losses could be worse in the months ahead.”

In fact, April proved to be a very challenging month for Erie County, with county share sales tax revenue down nearly 28%.

The Office of Erie County Comptroller will continue to monitor this revenue source closely and report data immediately to both the Erie County Legislature and the general public.

“These volatile fluctuations in monthly sales tax revenue further reflects that we live in very uncertain times. While it is a bit encouraging to see the May sales tax numbers drop far less, it by no means suggests we are out of the woods. Lawmakers and taxpayers need to be kept up to date with the latest information. No doubt we still face some difficult times ahead.”

“County lawmakers need as much information as possible so that they can prepare for the tough decisions that will have to be made,” concluded Comptroller Mychajliw.

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