

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER



**Fitzroy Lee**  
Acting Chief Financial Officer

February 28, 2022

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 306  
Washington, DC 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

***Re: February 2022 Revenue Estimates***

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimate for the FY 2022 – FY 2026 District of Columbia Budget and Financial Plan. FY 2022 local source revenue has been revised upward by \$148.8 million based on stronger year-to-date collections. The out-year forecast for FY 2022 – FY 2025 has also been revised upward by a total of approximately \$454.2 million. The table below compares the February 2022 estimate with the December 2021 revenue estimate.

**February revenue estimate compared to previous estimate**

	Actual		Estimated		Projected	
Local Source, General Fund Revenue Estimate (\$M)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
December 2021 Revenue Estimate		8,937.9	9,273.1	9,547.1	9,839.4	
<i>February revision</i>		148.8	172.4	147.4	134.3	
<b>February 2022 Revenue Estimate</b>	<b>8,723.5</b>	<b>9,086.7</b>	<b>9,445.5</b>	<b>9,694.6</b>	<b>9,973.7</b>	<b>10,264.8</b>
<b>Revenue Change from Previous Year</b>						
Amount	573.6	363.2	358.8	249.1	279.2	291.1
<i>Year-Over-Year Percent Change</i>	7.0%	4.2%	3.9%	2.6%	2.9%	2.9%

The District's economy continues to recover from the pandemic-induced recession of 2020 and revenue has returned to FY 2019 levels. Business and individual income taxes continue to be major

drivers of the revenue rebound. Sales tax revenue, particularly retail sales from both online and physical establishments, have improved considerably. However, the District's commercial real property market is expected to decline in FY 2022 and is not expected to return to its FY 2021 peak during the financial plan period, as expanded levels of remote work are expected to reduce demand for office space, limiting growth in the value of commercial office properties.

Overall, the District's economic outlook is positive, with revenues growing throughout the financial plan period. Wage growth continues to be strong, particularly for high wage employment, and is expected to remain so due to the high demand for workers. While District resident employment is expected to recover this year, employment in the District is not expected to recover fully until FY 2025. At the end of calendar year 2021, the S&P 500 index was 27 percent higher than it was at the start of 2020 but has since declined and become more volatile as heightened inflation and recent geopolitical events has raised global uncertainty.

While the forecast anticipates a return to pre-pandemic growth, the outlook remains cautious. The magnitude and persistence of inflation is a key source of uncertainty. While the forecast assumes that the recent spike in prices is the result of shortages and surging demand related to the rebound from the pandemic, sustained inflation poses a significant risk to the economy. Additionally, the pace and extent to which employees return to the workplace and the extent of permanent population loss also remain uncertain and pose longer-term threats to the District's economic and fiscal outlook. Finally, the possibility of a federal government shutdown is now a recurring risk to the District's economy.

A variety of sources form the basis for this estimate including year-to-date cash collection reports, preliminary real property tax assessments and final appeals data, and input from various advisory groups, drawn from key District business sectors as well as national and regional economists and revenue estimators from surrounding jurisdictions.

## **Revenue Highlights**

Year-to-date revenue growth is strong, concentrated in sales and individual and business income tax revenue. One-time revenue from unincorporated business taxes, likely due to large commercial property sales transactions and collection of prior year toll telecommunication taxes, also contribute to the upward revision in FY 2022. Revenue is expected to grow by 3.9 percent in FY 2022, 4.2 percent in FY 2023, and by an average of 2.8 percent in FY 2024 through FY 2026. The following is an analysis of the main sources of District revenue.

### ***Real property tax***

Real property tax revenue in FY 2022 is expected to decline by 4.5 percent from FY 2021, based on final FY 2022 bills issued in February. Real property assessments for 2023 show solid growth in residential real property but flat growth in commercial property. Real property tax collections are expected to grow 0.9 percent in FY 2023. Revenue is forecasted to grow in the range of 2.0 percent to 2.5 percent for the remainder of the financial plan, far below the pre-COVID average

growth rate of 4.9 percent, due to weakness in the commercial property market, particularly large office properties.

### ***Sales and Excise taxes***

Strong retail sales coupled with increased inflation continue to drive most of the growth in year-to-date sales tax collections. The inflationary pressure has broadened and remained persistent, impacting the price of goods. We expect this trend to continue through FY 2022. Restaurant and hotel sales, the components of the general sales tax base hardest hit during the pandemic, continued to recover until early December 2021, after which the Omicron variant and public health measures taken to control its spread decreased economic activity in January and February. Sales tax revenue growth in FY 2022 is estimated to be 24.8 percent, a strong rebound from FY 2021 but still not sufficient to recover pre-pandemic levels.

Both restaurants and hotels are expected to continue their path of slow recovery. The recent relaxing of masking and proof of vaccination requirements as well as the annual Cherry Blossom parade and race that are planned for late March and April are conducive to increased economic activity in the spring. General sales tax revenue is expected to grow 9.2 percent in FY 2023, reaching the FY 2019 peak, and by an average of 4.6 percent from FY 2024 through FY 2026.

Motor vehicle excise tax collections continue to surpass expectation, as the pent up demand for cars after the pandemic lockdowns continues in FY 2022, and prices for new and used vehicles remain elevated. Year-to-date tax collections have increased by 39 percent relative to last year and the forecast for FY 2022 has been revised upward by \$10.5 million to reflect these changes. Revenue in FY 2023 is expected to decline by 16.4 percent, as prices decline and demand ebbs.

### ***Income taxes***

Individual and business income taxes are expected to continue their strong growth in FY 2022, accounting for approximately 33.2 percent, or \$49.4 million, of the revenue increase. Stronger unincorporated business taxes drive most of the increase in income tax revenue.

Withholding collections also continued to benefit from strong growth in wages and salaries as businesses provide pay raises and bonuses in response to the tight labor market. The non-withholding component of individual income tax revenue remains unchanged from December. Although year-to-date non-withholding collections are strong, reflecting stronger stock market gains during the early months of the fiscal year, volatility has increased following the federal government's monetary policy actions and recent geopolitical events. As a result, the forecast for individual income tax revenue is adjusted to reflect changes in the withholding component only, which added \$14.8 million to the FY 2022 forecast and a total of \$50 million to the remainder of the forecast for the financial plan period. Individual income tax revenue is expected to grow 7.9 percent in FY 2022, 8.6 percent in FY 2023, and an average of 4.5 percent in FY 2024 through FY 2026.

Several large, estimated payments from unincorporated business taxpayers were made in December, likely due to one-time capital gains realizations, increasing the FY 2022 forecast by \$34.6 million. Due to the high degree of volatility of this revenue source, growth is expected to decline throughout the remainder of the financial plan period. The forecast for corporate income tax collections remains unchanged.

### ***Gross receipts taxes***

FY 2022 total gross receipts tax revenue is revised upwards by \$8.9 million, mostly due to one-time audit collections. The forecast for insurance premium tax revenue, which is another component of the gross receipt tax revenue, has also been revised upwards due to increases in the number of policy providers and increases in property and life insurance premiums. Revenue for the financial plan period FY 2023-2025 is thus revised upwards by an average of \$7.2 million annually.

### ***Deed taxes***

Deed tax revenue grew 22 percent in FY 2021, as both the sales of high-value homes, and the number of real estate transactions continued to grow throughout the course of the year. Although year-to-date tax collections appear strong due to a few high-value deed transactions that occurred in December, revenue has been trending slightly lower than the estimated monthly average. Accordingly, the forecast for this highly volatile revenue source remains unchanged.

### ***Non-tax revenue***

The estimate for overall non-tax revenue has been revised upward by \$24.1 million, mainly due to stronger year-to-date collection of fines and permit fees. Revenue from parking ticket enforcement comprise most of the revision in this category as both traffic and the use of street parking have increased from pandemic lows. Revenue from building and structure permit fees is also rebounding relative to last year as permitting activities related to building renovations increase. As a result, non-tax revenue is revised upward by an average of \$18.3 million annually throughout the financial plan period.

### **National Economy**

The Omicron variant of COVID-19 did not cause as much economic damage as previous waves of the virus even though the human damage has been significant. The widespread availability of vaccines and therapies alleviated the need for severe restrictions on economic activity. The limited duration of the wave also meant activity could restart relatively quickly in February.

- Employment rose 4.5 percent in January 2022 over the same period a year ago, and the unemployment rate declined from 6.6 percent to 4 percent.
- Inflation adjusted gross domestic product increased 5.7 percent in 2021 compared to 2020, the strongest growth since 1984 but following the weakest annual growth in 2020 (-3.4 percent) since 1946.

- Personal income grew 7 percent and wages grew 9.5 percent in the 4<sup>th</sup> quarter 2021 compared to the 4<sup>th</sup> quarter 2020.
- The S&P 500 index was 21 percent higher for the month of January 2022 than January 2021, though year to date in 2022, the index is down 9 percent.

## **Regional and District Economy**

Both the District and the Washington metropolitan region have had the same mixed economic outcomes as the national economy. Income and wages growth are strong while employment continues to lag behind pre-pandemic levels. The Omicron variant disrupted the economy and return to workplace plans for many companies. However, as the wave has receded, all three jurisdictions (the District, Maryland, and Virginia) have announced the easing of mask and vaccine requirements.

- Employment growth in the three-months ending December 2021, compared to the same period in 2020, was 3.3 percent in the District and 4.1 percent for the metro region.
- The unemployment rate in December 2021 was 5.1 percent in the District and 3.3 percent for the metro region. In December 2020, those were 8.8 percent and 6.5 percent, respectively.
- Back-to-workplace data from Kastle security shows an average 22 percent occupancy for offices in the District and 24 percent for the metro area in January. This is down from 27 percent and 29 percent, respectively, in December 2021, reflecting the slowing of return to the workplace plans stemming from the rapid spread of the Omicron variant.
- District personal income and wages grew 3.5 percent and 7.3 percent, respectively, in the quarter ending September 2021 compared to the same quarter in 2020.
- Home sales, both single family and condominium, in the District declined 13.3 percent in the 3-month period ending November 2021 compared to the same period in 2020, and the total value of sales declined 6.7 percent.
- Population in the District, based on the U.S. 2020 Census, was 695,600 in FY 2020, below the estimated 708,600 in FY 2019. In FY 2021, population decreased to 673,500 but not all of the decline is considered permanent, and population is expected to increase to 697,900 by the end of the financial plan period.

## **Economic Outlook**

The District economy continues to improve but still has not fully recovered. Some measures, such as income and gross domestic product, recovered quickly, but employment had a steeper climb to return to pre-COVID levels, largely due to the pandemic's impact on jobs in the hospitality and business services sectors.

The economic outlook for the District's economy is for continued recovery but at a pace slightly below the U.S. average over the next year. This outlook is generally consistent with the forecasts for the U.S. economy and with national and D.C. forecasts prepared by IHS Markit and Moody's Analytics.

The outlook for key economic variables includes:

- Jobs located in the District increase 3.7 percent in FY 2022, a rebound from FY 2021, 1.9 percent in FY 2023, and 1 percent in FY 2024, cumulatively bringing jobs in the District close to 2019 levels.
- The District's population increases by 17,300 —2.6 percent—over the three fiscal years 2021 through 2024. This pace reverses some of the pandemic-related decline as people move back to the District.
- Resident employment growth is expected to increase 3.7 percent in FY 2022, recovering to FY 2019 levels. The unemployment rate, which was 5.5 percent in FY 2019, rose to an average rate of 7.2 percent in FY 2021 and has declined to 5.2 percent in FY 2022 as the economy recovers.
- District personal income growth is expected to be 2 percent in FY 2022 over FY 2021 which included federal pandemic relief transfers. Personal income grows 4.4 percent in FY 2023.
- The S&P 500 index grew 27 percent in 2021 and is expected to decline in FY 2022 by 5.3 percent.

### **Risks to the Forecast**

There are several risks to the current forecast:

- Geopolitical instability: The recent Russian invasion of Ukraine has roiled the stock market. A modest decline in the stock market is assumed in the current forecast, but the risk for a much more severe correction has increased. Also, the price of oil has significantly increased, adding more pressure to elevated price levels and increasing the risk of slower economic growth.
- Rising inflation and interest rates: Even prior to the current geopolitical turmoil, rising inflation, and the possibility of the Federal Reserve sharply increasing interest rates to contain it, posed a serious risk to the economy. This risk is heightened by current geopolitical events.
- Pandemic: Although the Omicron wave of the pandemic has been relatively short and had less economic impact than previous waves, the human costs were significant. There is still a risk of the emergence of another variant more resistant to current therapies that may have greater public health and economic consequences.
- Staffing shortages: Staffing shortages continue to be a problem, for restaurants and hotels in particular, and shortages are now affecting the professional and government sectors as well.
- Population migration: As noted, the District's population was much lower than previously thought in 2020 and declined by 22,000 in FY 2021. Research conducted by the Office of Revenue Analysis, using more timely U.S. Postal Service data, suggests that this decline is likely temporary due to the pandemic and offices still not being fully reopened. To the extent that the population does not return as expected, recovery may be delayed. Inflation, particularly in housing prices, may delay the return of temporarily relocated people.
- Office vacancy: The Omicron wave reversed the trend of office workers gradually returning to offices in the District. The reality that many employees have been successfully

working remotely for two years as of March, coupled with some of the on-going challenges in public transportation (Metro) support a greater prevalence of remote work in the future. To the extent that hybrid schedules are established, office space will still be in demand but there will be fewer workers daily in the downtown area.

These risks as well as the now-recurring risk of a federal government shutdown make forecasting the economy and revenue more complicated. We will continue to monitor the international, national, and local economic activity for any developments that would impede the forecast. If you have any questions regarding these matters, please contact me at (202) 727-2476.

Sincerely,



Fitzroy Lee

### **DISTRIBUTION LIST**

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Kathy Patterson, District of Columbia Auditor

**February 2022 Revenue Estimate**  
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**TABLE 1: REVENUE SUMMARY TABLE**

\$ in Thousands	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS	
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
<b>PROPERTY</b>	3,037,653	2,897,816	2,923,513	2,979,858	3,048,620	3,122,087
Real Property	2,914,101	2,783,175	2,808,872	2,865,217	2,933,979	3,007,446
Personal Property	80,479	76,157	76,157	76,157	76,157	76,157
Public Space Rental	43,073	38,484	38,484	38,484	38,484	38,484
<i>Dedicated to other funds</i>	-43,939	-39,396	-39,291	-50,460	-56,328	-57,623
<b>PROPERTY (NET)</b>	2,993,714	2,858,421	2,884,223	2,929,398	2,992,293	3,064,464
<b>SALES &amp; EXCISE</b>	1,309,821	1,634,052	1,763,616	1,875,196	1,938,476	2,005,921
General Sales	1,202,736	1,520,742	1,660,301	1,770,859	1,833,172	1,899,685
Alcohol	6,197	6,334	6,435	6,538	6,642	6,793
Cigarette	22,185	22,074	21,964	21,854	21,745	21,636
Motor Vehicle	55,085	60,085	50,204	51,109	52,038	53,020
Motor Fuel	23,618	24,817	24,712	24,836	24,879	24,787
<i>Dedicated to other funds</i>	-358,876	-451,324	-478,816	-506,798	-521,592	-530,280
<b>SALES &amp; EXCISE (NET)</b>	950,944	1,182,728	1,284,800	1,368,398	1,416,884	1,475,641
<b>INCOME</b>	3,506,270	3,745,849	3,991,611	4,159,395	4,326,219	4,475,872
Individual Income	2,643,213	2,851,669	3,097,463	3,255,758	3,407,803	3,534,577
Corporate Franchise	670,250	682,400	704,982	727,635	742,979	766,335
U.B. Franchise	192,807	211,780	189,166	176,002	175,437	174,961
<b>INCOME (NET)</b>	3,506,270	3,745,849	3,991,611	4,159,395	4,326,219	4,475,872
<b>GROSS RECEIPTS</b>	370,135	386,756	387,355	387,741	390,067	392,702
Public Utilities	129,291	130,971	131,689	132,478	133,273	134,073
Toll Telecommunications	37,861	46,724	38,619	38,997	38,808	38,903
Insurance Premiums	130,261	128,822	134,198	135,499	136,814	138,142
Ballpark Fee	37,014	42,603	39,900	37,900	37,900	37,900
Private sports wagering	2,140	2,355	4,798	4,338	4,412	4,485
Games of Skill	3	14	2,563	2,615	2,615	2,615
Health Related Taxes	33,564	35,268	35,588	35,913	36,245	36,584
<i>Dedicated to other funds</i>	-138,297	-146,823	-146,994	-150,972	-152,481	-154,239
<b>GROSS RECEIPTS (NET)</b>	231,838	239,933	240,361	236,769	237,586	238,463
<b>OTHER TAX</b>	585,255	625,973	609,262	562,990	558,715	573,145
Estate	31,742	36,141	34,067	34,482	34,903	35,329
Deed Recordation	297,229	321,493	313,015	288,685	286,076	294,086
Deed Transfer	234,503	244,865	238,284	219,655	217,569	223,563
Economic Interest	21,782	23,473	23,896	20,167	20,167	20,167
<i>Dedicated to other funds</i>	-81,161	-86,297	-84,246	-77,811	-77,116	-78,862
<b>OTHER TAX (NET)</b>	504,094	539,676	525,016	485,179	481,599	494,283
<b>TOTAL TAX (GROSS)</b>	<b>8,809,134</b>	<b>9,290,447</b>	<b>9,675,358</b>	<b>9,965,179</b>	<b>10,262,097</b>	<b>10,569,728</b>
<b>TOTAL TAX (NET)</b>	<b>8,186,861</b>	<b>8,566,607</b>	<b>8,926,011</b>	<b>9,179,139</b>	<b>9,454,581</b>	<b>9,748,723</b>
<b>NONTAX</b>	488,498	476,654	475,738	473,030	476,457	472,156
Licenses & Permits	126,367	133,964	143,775	142,707	147,021	144,856
Fines & Forfeits	137,544	153,237	150,633	148,275	145,658	143,605
Charges for Services	80,588	71,637	68,172	68,169	69,570	69,144
Miscellaneous	143,999	117,815	113,158	113,878	114,209	114,551
<b>NONTAX (NET)</b>	488,498	476,654	475,738	473,030	476,457	472,156
<b>LOTTERY</b>	48,150	43,458	43,731	43,975	44,275	45,550
<i>Dedicated to other funds</i>				-1,576	-1,576	-1,627
<b>LOTTERY (NET)</b>	48,150	43,458	43,731	42,399	42,699	43,923
<b>GROSS REVENUE</b>	9,345,783	9,810,558	10,194,827	10,482,184	10,782,830	11,087,433
<b>LOCAL FUND REVENUE</b>	8,723,509	9,086,718	9,445,480	9,694,567	9,973,737	10,264,802
<b>OTHER FUNDS (See Table 2)</b>	622,273	723,840	749,346	787,616	809,092	822,631

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**TABLE 1: REVENUE SUMMARY TABLE (Continued)**

% Change from Year Ago	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS		
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	
<b>PROPERTY</b>	2.8%	-4.6%	0.9%	1.9%	2.3%	2.4%	
Real Property	2.7%	-4.5%	0.9%	2.0%	2.4%	2.5%	
Personal Property	3.6%	-5.4%	0.0%	0.0%	0.0%	0.0%	
Public Space Rental	8.6%	-10.7%	0.0%	0.0%	0.0%	0.0%	
<i>Dedicated to other funds</i>	-1.0%	-10.3%	-0.3%	28.4%	11.6%	2.3%	
<b>PROPERTY (NET)</b>	2.9%	-4.5%	0.9%	1.6%	2.1%	2.4%	
<b>SALES &amp; EXCISE</b>	-0.5%	24.8%	7.9%	6.3%	3.4%	3.5%	
General Sales	-1.6%	26.4%	9.2%	6.7%	3.5%	3.6%	
Alcohol	3.1%	2.2%	1.6%	1.6%	1.6%	2.3%	
Cigarette	-11.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
Motor Vehicle	35.3%	9.1%	-16.4%	1.8%	1.8%	1.9%	
Motor Fuel	5.1%	5.1%	-0.4%	0.5%	0.2%	-0.4%	
<i>Dedicated to other funds</i>	-11.0%	25.8%	6.1%	5.8%	2.9%	1.7%	
<b>SALES &amp; EXCISE(NET)</b>	4.1%	24.4%	8.6%	6.5%	3.5%	4.1%	
<b>INCOME</b>	12.9%	6.8%	6.6%	4.2%	4.0%	3.5%	
Individual Income	11.2%	7.9%	8.6%	5.1%	4.7%	3.7%	
Corporate Franchise	16.4%	1.8%	3.3%	3.2%	2.1%	3.1%	
U.B. Franchise	26.8%	9.8%	-10.7%	-7.0%	-0.3%	-0.3%	
<b>INCOME (NET)</b>	12.9%	6.8%	6.6%	4.2%	4.0%	3.5%	
<b>GROSS RECEIPTS</b>	-0.3%	4.5%	0.2%	0.1%	0.6%	0.7%	
Public Utilities	-5.5%	1.3%	0.5%	0.6%	0.6%	0.6%	
Toll Telecommunications	-7.4%	23.4%	-17.3%	1.0%	-0.5%	0.2%	
Insurance Premiums	8.5%	-1.1%	4.2%	1.0%	1.0%	1.0%	
Ballpark Fee	-0.6%	15.1%	-6.3%	-5.0%	0.0%	0.0%	
Private sports wagering		10.0%	103.8%	-9.6%	1.7%	1.7%	
Games of Skill				2.0%	0.0%	0.0%	
Health Related Taxes	-6.5%	5.1%	0.9%	0.9%	0.9%	0.9%	
<i>Dedicated to other funds</i>	5.5%	6.2%	0.1%	2.7%	1.0%	1.2%	
<b>GROSS RECEIPTS (NET)</b>	-3.4%	3.5%	0.2%	-1.5%	0.3%	0.4%	
<b>OTHER TAX</b>	19.4%	7.0%	-2.7%	-7.6%	-0.8%	2.6%	
Estate	-14.8%	13.9%	-5.7%	1.2%	1.2%	1.2%	
Deed Recordation	13.8%	8.2%	-2.6%	-7.8%	-0.9%	2.8%	
Deed Transfer	30.7%	4.4%	-2.7%	-7.8%	-0.9%	2.8%	
Economic Interest	79.7%	7.8%	1.8%	-15.6%	0.0%	0.0%	
<i>Dedicated to other funds</i>	17.6%	6.3%	-2.4%	-7.6%	-0.9%	2.3%	
<b>OTHER TAX (NET)</b>	19.7%	7.1%	-2.7%	-7.6%	-0.7%	2.6%	
<b>TOTAL TAX (GROSS)</b>	6.9%	5.5%	4.1%	3.0%	3.0%	3.0%	
<b>TOTAL TAX (NET)</b>	7.9%	4.6%	4.2%	2.8%	3.0%	3.1%	
<b>NONTAX</b>	-6.6%	-2.4%	-0.2%	-0.6%	0.7%	-0.9%	
Licenses & Permits	0.6%	6.0%	7.3%	-0.7%	3.0%	-1.5%	
Fines & Forfeits	-7.0%	11.4%	-1.7%	-1.6%	-1.8%	-1.4%	
Charges for Services	17.3%	-11.1%	-4.8%	0.0%	2.1%	-0.6%	
Miscellaneous	-20.3%	-18.2%	-4.0%	0.6%	0.3%	0.3%	
<b>NONTAX (NET)</b>	-6.6%	-2.4%	-0.2%	-0.6%	0.7%	-0.9%	
<b>LOTTERY</b>	26.5%	-9.7%	0.6%	0.6%	0.7%	2.9%	
<i>Dedicated to other funds</i>					0.0%	3.2%	
<b>LOTTERY (NET)</b>	26.5%	-9.7%	0.6%	-3.0%	0.7%	2.9%	
<b>GROSS REVENUE</b>	6.2%	5.0%	3.9%	2.8%	2.9%	2.8%	
<b>LOCAL FUND REVENUE</b>	7.0%	4.2%	3.9%	2.6%	2.9%	2.9%	
<b>OTHER FUNDS (See Table 2)</b>	-4.0%	16.3%	3.5%	5.1%	2.7%	1.7%	

**TABLE 2: DEDICATED/ENTERPRISE REVENUE**

\$ in Thousands		ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS	
DEDICATED TO	Tax Type	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
TIF	Real Property	18,942	15,481	15,589	16,940	18,555	19,073
	General Sales	4,306	11,952	15,425	17,797	22,724	23,844
PILOT	Real Property	24,273	23,170	22,958	32,775	37,028	37,806
	General Sales	7,628	9,128	9,726	10,391	10,762	11,157
Walter Reed Redevelopment	Real Property	724	744	744	744	744	744
Convention Center	General Sales	53,396	100,078	110,055	118,243	123,236	128,414
Convention Center-DestinationDC	General Sales	1,535	3,937	4,247	4,642	4,814	4,990
Ballpark	General Sales	4,323	10,926	12,113	16,150	16,150	16,150
	Public Utility	7,337	7,450	7,393	7,422	7,407	7,414
	Toll Telecom	2,186	3,233	2,710	2,971	2,841	2,906
	Ballpark Fee	37,014	42,603	39,900	37,900	37,900	37,900
Healthy DC - Marijuana	General Sales	1,818	1,799	2,234	2,505	2,656	2,736
Healthy DC - MCO	Insurance premium	58,069	58,069	61,203	62,427	63,676	64,949
WMATA - Operations	General Sales	40,289	63,433	71,804	82,096	84,559	84,559
WMATA - Capital	General Sales	178,500	178,500	178,500	178,500	178,500	178,500
Healthy Schools	General Sales	5,590	5,690	5,690	5,690	5,690	5,690
ABRA	General Sales	1,170	1,170	1,170	1,170	1,170	1,170
Comm. on Arts and Humanities	General Sales	36,703	39,895	43,141	44,778	46,451	48,283
Highway Trust Fund	Motor Fuel	23,618	24,817	24,712	24,836	24,879	24,787
Nursing Facility Quality of Care	Health Related	15,453	15,965	16,285	16,610	16,943	17,281
Hospital Fund	Health Related	8,479	8,454	8,454	8,454	8,454	8,454
Hospital Provider Fee Fund	Health Related	5,317	5,310	5,310	5,310	5,310	5,310
ICF-IDD Stevie Sellows	Health Related	4,314	5,539	5,539	5,539	5,539	5,539
Dept of Behavioral Health	Sports Wager	127	200	200	200	200	200
Neighborhood Safety and Engagement Fund	Sports Wager				2,069	2,106	2,143
	Lottery-SW				788	788	814
Early Childhood Development Fund	Sports Wager				2,069	2,106	2,143
	Lottery-SW				788	788	814
Housing Production Trust Fund (HPTF)	Deed Recordation	41,459	45,090	45,076	41,432	41,038	42,240
	Deed Transfer	34,530	36,082	35,355	32,562	32,248	33,148
	Economic Interest	1,049	841	891	891	891	891
HPTF-Debt Service	Deed Recordation	3,126	3,134	1,876	1,871	1,873	1,873
	Deed Transfer	646	647	387	386	387	387
	Economic Interest	-	-	-	-	-	-
West End Maintenance	Deed Recordation	176	251	330	334	339	162
	Deed Transfer	176	251	330	334	339	162
<b>TOTAL</b>		<b>622,273</b>	<b>723,840</b>	<b>749,346</b>	<b>787,616</b>	<b>809,092</b>	<b>822,631</b>

## Estimated Key Economic Indicators for the DC Economy - February 2022

Forecast Period Fiscal Year 2017 to Fiscal Year 2026

Variable	Actual					Estimated		Forecast		
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Gross Domestic Product - DC (\$billions)	132.2	138.3	143.0	144.5	149.7	161.3	170.6	179.5	189.1	198.5
<i>% change annual</i>	3.1%	4.6%	3.4%	1.0%	3.6%	7.7%	5.8%	5.2%	5.4%	5.0%
Real GDP-DC (2012 \$billions)	120.4	123.3	124.5	123.0	124.8	128.9	132.0	135.0	138.2	141.0
<i>% change annual</i>	1.3%	2.4%	1.0%	-1.2%	1.4%	3.3%	2.4%	2.3%	2.4%	2.0%
Personal Income (\$billions)	54.0	56.1	57.1	60.7	64.4	65.6	68.6	72.1	76.0	80.0
<i>% change annual</i>	3.7%	3.9%	1.8%	6.4%	6.0%	2.0%	4.4%	5.2%	5.5%	5.2%
Real Personal Income (2012 \$billions)	45.2	45.7	47.3	49.4	50.4	49.5	50.8	52.4	54.3	55.9
<i>% change annual</i>	1.9%	1.2%	3.4%	4.5%	2.1%	-1.9%	2.7%	3.2%	3.5%	3.0%
Per capita personal income	78,479	80,439	80,816	86,402	94,386	97,380	100,387	105,066	110,298	115,428
<i>% change annual</i>	2.2%	2.5%	0.5%	6.9%	9.2%	3.2%	3.1%	4.7%	5.0%	4.7%
Real per capita personal income (2012\$)	64,960	65,051	66,878	70,329	73,970	73,384	74,382	76,432	78,712	80,685
<i>% change annual</i>	0.5%	0.1%	2.8%	5.2%	5.2%	-0.8%	1.4%	2.8%	3.0%	2.5%
Wages in DC (\$billions)	72.0	75.5	78.0	79.4	83.0	88.8	94.0	99.0	104.2	109.3
<i>% change annual</i>	3.9%	4.8%	3.4%	1.8%	4.6%	6.9%	5.9%	5.4%	5.2%	4.9%
Wages of DC residents (\$billions)	27.1	29.0	30.2	31.0	32.6	34.9	36.9	38.7	40.8	42.7
<i>% change annual</i>	5.4%	7.0%	4.4%	2.5%	5.1%	7.3%	5.7%	4.8%	5.4%	4.8%
Population (000s)	694.9	702.6	708.6	695.6	673.5	676.8	685.6	690.8	694.5	697.9
<i>% change annual</i>	1.4%	1.1%	0.8%	-1.8%	-3.2%	0.5%	1.3%	0.8%	0.5%	0.5%
Households (000s)	308.9	315.1	320.9	322.5	321.5	320.8	323.0	326.3	329.3	332.2
<i>% change annual</i>	1.7%	2.0%	1.9%	0.5%	-0.3%	-0.2%	0.7%	1.0%	1.0%	0.9%
Civilian labor force (000s)	401.7	407.4	412.6	411.6	408.2	414.5	415.6	416.7	417.5	418.5
<i>% change annual</i>	2.1%	1.4%	1.3%	-0.2%	-0.8%	1.6%	0.3%	0.3%	0.2%	0.2%
Employment in DC (000s)	782.6	791.1	795.9	763.5	740.6	767.8	782.1	790.2	797.5	801.3
<i>% change annual</i>	1.0%	1.1%	0.6%	-4.1%	-3.0%	3.7%	1.9%	1.0%	0.9%	0.5%
Employment of DC residents (000s)	377.0	383.6	390.0	382.5	378.8	392.7	396.9	400.2	401.5	403.1
<i>% change annual</i>	2.3%	1.8%	1.7%	-1.9%	-1.0%	3.7%	1.1%	0.8%	0.3%	0.4%
Unemployment rate	6.2	5.8	5.5	7.1	7.2	5.2	4.7	4.9	5.1	5.3
Housing Starts	4,309	4,732	6,172	5,192	5,471	3,748	3,102	2,884	2,820	2,644
Home Sales	8,598	8,957	8,459	8,439	10,439	10,140	9,674	9,765	9,911	10,047
<i>% change annual</i>	3.1%	4.2%	-5.6%	-0.2%	23.7%	-2.9%	-4.6%	0.9%	1.5%	1.4%
Avg Home Sale Price (000s)	825	835	799	806	841	909	965	1,003	1,028	1,050
<i>% change annual</i>	3.8%	1.2%	-4.3%	0.8%	4.3%	8.1%	6.2%	3.9%	2.5%	2.1%
SP 500 Stock Index	19.2%	3.3%	14.7%	15.2%	27.0%	-5.3%	1.4%	1.2%	0.7%	2.7%
US 10 Year Treasury	2.3%	2.7%	2.5%	1.1%	1.3%	1.9%	2.5%	3.0%	3.3%	3.5%
Washington Area CPI: % change prior year	1.1%	2.0%	-0.7%	0.5%	3.9%	5.6%	2.4%	2.2%	2.2%	2.2%

\* Change in SP500 Index is change from 4th quarter to 4th quarter on calendar basis. (For example, the value in FY2018 is the % change from CY 2017:4 to CY 2018:4).

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Markit (January 2022) and Moody's Analytics (January 2022); forecasts of the national economy prepared by the Congressional Budget Office (July 2021) and Blue Chip Economic Indicators (January 2022); BLS labor market information from January 2022; the Census Bureau estimates of DC population (2021); BEA estimates of DC personal income (2021q3); Metropolitan Regional Information System (MRIS) DC home sales data (January 2022), accessed in part through the Greater Capital Area Association of Realtors.