

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



Jeffrey S. DeWitt
Chief Financial Officer

June 30, 2017

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: June 2017 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies, as of June 2017, revised revenue estimates for the FY 2017- FY 2021 District of Columbia Budget and Financial Plan. The forecast for local fund revenue is revised upward in FY 2017 by \$73.7 million, and by \$26.9 million in FY 2018. The FY 2017 increase to the revenue estimate is driven mainly by real property, deed taxes, and sales and business taxes which were largely bolstered by one-time events. A portion of the strong growth in the third quarter (spring) is re-occurring and reflected in the forecast period. Despite the upward revisions, the forecasted growth in revenue over the period of the financial plan continues to be modest and the outlook remains cautious. All policy changes related to the Tax Revision Commission have been incorporated into this estimate, but revenue changes from policies adopted by the District Council in June have not been incorporated, as they are not yet law. The table below compares the June 2017 estimate with the February 2017 revenue estimate with enacted tax policy changes.

June 2017 Revenue Estimate compared to February 2017

Local Source, General Fund Revenue Estimate (\$M)	Actual		Estimate			Projected	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
February 2017 Revenue Estimate		7,355.6	7,538.1	7,789.5	8,028.6	8,287.5	
<i>Tax Revision Commission final implementation</i>		-	(100.3)	(137.1)	(140.4)	(144.0)	
February 2017 Estimate adjusted		7,355.6	7,437.8	7,652.4	7,888.2	8,143.5	
Revision to February Estimate		73.7	26.9	31.7	28.3	16.5	
June 2017 Revenue Estimate	7,294.3	7,429.2	7,464.8	7,684.1	7,916.5	8,160.0	
Revenue Change From Previous Year							
Amount	390.1	135.0	35.5	219.4	232.4	243.5	
<i>Year-Over Year Percent Change</i>	5.6%	1.9%	0.5%	2.9%	3.0%	3.1%	

A variety of sources provides the basis for this estimate including: cash collection reports, federal data on District population, employment, and income, and forecasts of the US and regional economies prepared by private sector firms. Additionally, since the February forecast, stronger than expected first half property tax payments and final payments for business taxes, as well as unexpectedly high receipts from real estate transactions and continued strong growth in sales taxes receipts offset weaker than expected individual income tax final payments, for a net positive impact on the June revenue estimate.

The economic outlook over the period of the financial plan is similar to that of the past two years: continued increase in population, moderate economic growth, and improvement in labor market indicators. There remains a high degree of uncertainty around the direction of federal fiscal and other policies. Because of this, we continue to be cautious in our outlook, particularly as it relates to population growth and federal employment, related to possible reductions in federal spending. The President's budget recommendation included significant cuts and the temporary suspension of sequestration ends this fiscal year. We will continue to closely monitor key economic indicators for deviations from this forecast that might negatively impact the financial plan.

Revenue Forecast: FY 2017- 2021

The increase to the revenue estimate was driven mainly by strong property, business, deeds, and sales taxes. This strength offsets weakness in the individual income tax and the non-tax revenue categories. Despite the upward revisions, the forecasted growth in revenue over the period of the financial plan continues to be modest. Overall revenue is forecast to grow by 1.9 percent in FY 2017. Revenue growth shrinks to 0.5 percent in FY 2018 as the last of the triggered tax policy changes go into effect, reducing revenue by \$100 million. Without the tax policy changes, underlying growth is just under 2 percent. For the remainder of the financial plan period, revenue growth returns to around 3 percent. The following is an analysis of the main revisions by broad categories of revenue.

Real Property Taxes

Based on year-to-date collections data representing the first half of Tax Year 2017 real property tax payments, the forecast for real property tax revenue is revised upward by \$30 million in FY 2017. Based on more complete assessment data than was available in February, the estimate for FY 2018 is also increased by \$30 million. These changes bring year-over-year growth in real property taxes to 6.9 percent in FY 2017, slowing to 2.8 percent in FY 2018. Going forward, the rate of increase in property prices is expected to stabilize, with real property revenue growth between 3 and 4 percent for FY 2019 through FY 2021.

Sales and Excise Taxes

The District's overall sales tax revenue performance has been boosted by strong growth in the hospitality sector (hotels and restaurants) and the addition of e-commerce entities to the sales tax base over the past year. Sales tax revenue through May is almost 10 percent higher than the same period in 2016, but part of this revenue is non-recurring, as it is the result of one-time events. Additionally, there is considerable uncertainty around federal spending and immigration policy and their potential effects on tourism and consumer activity. Sales taxes are expected to grow 6.5 percent in 2017 as the effect of the boost in collections from one-time events earlier in the year tapers. Revenue is forecasted to grow by 1.6 percent in 2018, reflecting the one-time nature of the revenue boost in FY 2017. The outlook for sales tax collections is about 3.5 percent growth annually.

Individual Income Tax

The forecast for continued growth in District employment and resident wages results in no change to the estimate for the withholding component of personal income taxes, with projected growth averaging close to 4 percent throughout the forecast period.

The non-withholding components—refunds, declarations or estimated payments, and final payments—are typically closely associated with the stock market's performance. Given the performance in 2016, strong final payments would be expected when returns were filed this past spring; however, there is evidence of a deferral of capital gains realizations in anticipation of lower federal tax rates in tax year 2017 related to possible tax reform. Collections data through May shows a decrease in non-withholding of 67 percent year to date over last year. Other states have reported similar trends and the Congressional Budget Office has also noted this taxpayer behavior.

Because of income shifting between tax years in anticipation of federal tax reductions, individual income tax revenue for FY 2017 has been reduced to below the FY 2016 level. Although some of the deferred capital gains are expected to be realized in Tax Year 2018, changes in the District standard deduction and personal exemptions will offset additional revenue. Beyond FY 2018, revenue growth rises to around 4 percent, consistent with the long-term average growth of personal income.

Business Income Taxes

The forecast for business income tax revenue has been revised upward by \$46 million in FY 2017, and \$11 million in FY 2018. Year-to-date collections, which include the final payments for tax year 2016, are significantly stronger than previously anticipated. However, these gains may not be sustained particularly in light of tax reductions. In Tax Year 2018, the corporate franchise and unincorporated franchise tax rates will decrease from 9 percent to 8.25 percent, which will impact returns processed in 2019. Growth in business income taxes are expected to return to their trend growth of about 3 percent annually.

Deed Transfer and Recordation Taxes

Fiscal year-to-date deed recordation and transfer tax collections show a 7.7 percent increase in revenue compared to the same period last year. As a result, the revenue forecast for deed transfer and recordation taxes has been revised upward by \$43 million for FY 2017. The strong performance of FY 2017 deed tax collections is evidence that the District's real estate market remains vibrant, as both national and international investors continue to hold the District in high regard for investment purposes. However, this revenue source is volatile, with strong receipts in one period of the fiscal year being offset by lower receipts in other periods. Despite declining in FY 2018 from FY 2017 levels, deed taxes are still expected to be above the historic average level in FY 2018. Growth is expected to return to the long-run average of about 2.5 percent for FY 2019 and beyond.

Non-tax Revenue and Lottery

Revenue from non-tax sources was revised downward by \$27 million for FY 2017, due to reduced year-to-date traffic fine collections and lottery transfers. The downward revision to fines is mainly the result of reduced parking ticket issuances, which are down by almost 16 percent relative to the same period last year. Lottery transfers to the general fund are revised down this year due to reported sales decline and a higher payout ratio relative to last year. Based on current year's sales data from the agency, year-to-date sales are down 6 percent and prizes are up by 2.3 percent.

National and Regional Economies

The national economy continues at a pace of moderate growth with low inflation. Real GDP was 2.0 percent higher in the March 2017 quarter than a year earlier. Employment is increasing, and the unemployment rate continues to fall slowly. The outlook is for continued moderate growth in the national economy for the next several years. For example, the Board of Governors of the Federal Reserve System expects inflation-adjusted GDP to grow about 2 percent per year through 2019, and has indicated its intention to raise short-term interest rates if the economy continues to expand as anticipated.

- The U.S. economy added 2.2 million jobs (1.5%) from April 2016 to April 2017.
- The U.S. unemployment rate (seasonally adjusted) was 4.4 percent in April 2017, down from 5.0 percent a year earlier.
- U.S. Personal Income in the March 2017 quarter was 3.7 percent above a year ago.

- The S&P 500 stock market index average for May 2017 was 2.8 percent above the level of three months earlier, and 16.0 percent above a year earlier.
- Employment in the Washington metropolitan area has remained high during the past year. In the three-month period ending April, wage and salary jobs in the region grew by 51,933 (1.6%) compared to a year earlier. The District of Columbia accounted for about 13 percent of the increase in area employment.
- The D.C. metropolitan area unemployment rate was 3.2 percent in April (not seasonally adjusted), unchanged from a year earlier.
- In May 2017, the consensus forecast of 50 economists contributing to the Blue Chip Economic Indicators was that national real GDP growth would rise 2.1 percent in FY 2017 and 2.4 percent in FY 2018, up from the 1.6 percent rate of FY 2016. Nominal growth is expected to be 4.0 percent in FY 2017 and 4.5 percent in FY 2018, up from 2.8 percent in FY 2016.

The District of Columbia Economy

In recent months, income growth has been a little stronger in the District while job growth has slowed down. Also, more apartment units have been rented, the housing market has been strong, and hotel stays have increased.

- In the three months ending April 2017, there were 6,567 (0.8%) more wage and salary jobs located in the District than a year earlier. Federal government jobs in April were down by 1,300 (0.7%) from a year earlier, and private sector jobs increased by 6,567 (1.2%).
- District resident employment in the three months ending April 2017 increased by 7,108 (1.9%) compared to a year earlier.
- The April unemployment rate was 5.9 percent (seasonally adjusted), a decrease from 6.1 percent a year ago.
- Wages earned in the District of Columbia grew 5.5 percent in the December 2016 quarter, compared to the prior year. D.C. Personal Income was 5.1 percent higher.
- Single family home sales for the three-month period ending May 2017 were up 6.4 percent from a year ago, with a 5.5 percent increase in the average selling price. Condominium sales were up 3.0 percent, and the average selling price was 4.2 percent higher. The value of all home sale settled contracts for the three-month period ending May 2017 was 10.5 percent more than a year ago. For the past 12 months the value of all sales increased 9.0 percent.
- For the 12-month period ending April, 4,997 housing permits were issued, up 7.1 percent from a year ago; the three-month total of 896 was 33 percent more than in the same period of 2016.
- According to CoStar, occupied commercial office space in March 2017 was up 0.5 percent from a year ago, while the vacancy rate fell slightly over the past year from 11.4 percent in the March quarter of 2016 to 11.0 percent in the March quarter of 2017. Average rents were 3.6 percent higher in the March quarter than a year earlier.
- Hotel room-days sold for the three months ending April 2017 were 3.9 percent above the prior year, and hotel room revenues were up 7.6 percent.

Outlook

The economic forecasting services IHS Global Insight and Moody's Economy.com both assume that growth in District employment will be slower in FY 2017 and the years following than it was in both FY 2015 and FY 2016. They also agree that the federal sector will play a smaller role in the economy, and the annual increase in population will slow down. This revenue estimate anticipates continued, modest growth in jobs and income, similar to that which has occurred over the past year. This outlook includes:

- Job growth increases of 1.1 percent in FY 2017 and 0.4 percent in FY 2018, down from the 2.0 percent rate of increase in FY 2016. Federal employment is expected to begin falling in FY 2018 and for the remainder of the period of the financial plan.
- Population growth continues at a slightly slower pace (18,000—2.6 percent—over the two fiscal years 2017 and 2018); resident employment grows by 3.3 percent over the same period as the unemployment rate falls.
- DC Personal Income growth increases 5.1 percent in FY 2017 and 4.4 percent in FY 2018, compared to 4.7 percent in FY 2016.


Risks and Uncertainties

Developments outside of the local economy pose risks to the forecast. These include the possibility of slower national economic growth (the last recession ended almost 8 years ago), volatility in the stock market, increases in interest rates, and financial market problems as the Federal Reserve phases in tighter monetary policy measures. Possible disruptions arising from uncertainties around the world and potential national security events are other sources of risks to the forecast.

As noted, federal government fiscal policy uncertainty remains a primary concern. A federal budget has not yet been adopted for Fiscal Year 2018. Federal employment in the District has begun to decline and hiring constraints are in effect for many federal agencies. Upcoming deadlines regarding the budget and the debt ceiling also add to current economic uncertainty.

If you have any questions regarding this matter, please contact me on (202) 727-2476.

Sincerely,



Jeffrey S. DeWitt

Enclosures

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Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2012 through FY 2021

Fiscal Years	2012 act	2013 act	2014 act	2015 act	2016 est	2017 est	2018 est	2019 est	2020 est	2021 est
Gross State Product (\$ billion)	109.40 2.1%	110.92 1.4%	115.30 3.9%	120.88 4.8%	125.78 4.1%	131.30 4.4%	137.32 4.6%	143.33 4.4%	149.22 4.1%	154.96 3.8%
Real Gross State Product (billions \$2005)	103.90 0.6%	103.28 -0.6%	104.74 1.4%	107.07 2.2%	109.03 1.8%	111.38 2.2%	113.54 1.9%	115.61 1.8%	117.38 1.5%	118.78 1.2%
Personal Income (\$ billion)	41.89 4.5%	43.08 2.8%	45.53 5.7%	48.59 6.7%	50.86 4.7%	53.47 5.1%	55.82 4.4%	58.39 4.6%	61.04 4.5%	63.81 4.5%
Real Personal Income (billions \$2005)	33.75 2.6%	34.19 1.3%	35.51 3.9%	37.66 6.0%	39.08 3.8%	40.38 3.3%	41.55 2.9%	42.74 2.8%	43.70 2.3%	44.61 2.1%
Per Capita Income (\$)	66,128 2.1%	66,563 0.7%	69,206 4.0%	72,640 5.0%	74,816 3.0%	77,485 3.6%	79,989 3.2%	82,917 3.7%	85,983 3.7%	89,181 3.7%
Real Per Capita Income (\$2005)	53,282 0.2%	52,833 -0.8%	53,973 2.2%	56,289 4.3%	57,486 2.1%	58,518 1.8%	59,548 1.8%	60,686 1.9%	61,553 1.4%	62,354 1.3%
Wages earned in D.C. (\$ billion)	60.65 1.9%	62.08 2.4%	63.97 3.0%	66.88 4.5%	69.95 4.6%	72.76 4.0%	75.16 3.3%	78.04 3.8%	80.98 3.8%	84.25 4.0%
Wages earned by D.C. residents (\$ billion)	20.8 4.8%	21.7 4.1%	22.8 5.5%	24.2 6.0%	25.3 4.6%	26.6 5.1%	27.7 4.1%	28.9 4.2%	30.1 4.2%	31.5 4.5%
Population ('000)	633.4 2.4%	647.2 2.2%	657.9 1.7%	668.9 1.7%	679.8 1.6%	690.0 1.5%	697.8 1.1%	704.2 0.9%	709.9 0.8%	715.4 0.8%
Households ('000)	280.2 1.7%	286.1 2.1%	291.1 1.7%	295.7 1.6%	300.1 1.5%	304.1 1.3%	307.1 1.0%	309.8 0.9%	312.0 0.7%	314.5 0.8%
Civilian Labor Force ('000)	359.4 2.8%	373.7 4.0%	374.7 0.3%	385.0 2.8%	391.4 1.7%	397.4 1.5%	402.1 1.2%	406.4 1.1%	410.1 0.9%	414.2 1.0%
At-Place Employment ('000)	731.1 1.1%	745.3 1.9%	751.6 0.8%	764.5 1.7%	780.0 2.0%	788.2 1.1%	791.7 0.4%	795.3 0.5%	798.0 0.3%	800.9 0.4%
Resident Employment ('000)	325.9 3.5%	341.5 4.8%	345.1 1.1%	357.4 3.6%	367.2 2.7%	374.7 2.1%	379.4 1.2%	383.7 1.1%	387.4 1.0%	391.4 1.0%
Unemployment Rate	9.3	8.6	7.9	7.2	6.2	5.7	5.6	5.6	5.5	5.5
Housing Starts	3,436	3,537	4,506	3,966	4,494	4,529	3,333	2,943	2,706	2,667
Housing Stock ('000)	302.7 1.4%	308.6 1.9%	312.8 1.4%	316.1 1.1%	319.5 1.1%	323.0 1.1%	326.1 1.0%	329.4 1.0%	331.6 0.7%	334.9 1.0%
Home sales	6,347 1.2%	7,466 17.6%	7,616 2.0%	7,929 4.1%	8,340 5.2%	8,590 3.0%	8,676 1.0%	8,676 0.0%	8,676 0.0%	8,676 0.0%
Average home sale price ('000)	630.1 4.8%	712.8 13.1%	736.4 3.3%	767.9 4.3%	794.7 3.5%	819.3 3.1%	855.2 4.4%	894.0 4.5%	933.2 4.4%	974.8 4.5%
Change in S & P 500 Index of Common Stock*	15.7%	24.8%	13.6%	2.0%	6.4%	4.2%	4.2%	4.2%	4.2%	4.2%
Interest rate on 10-year Treasury notes (%)	1.9	2.1	2.7	2.2	1.9	2.2	2.5	2.7	3.0	3.4
Washington Area Consumer Prices: % change from prior calendar year (rather than fiscal year) basis. (For example, the value in FY 2015 is the % change from CY 2014.4 to CY 2015.4)	1.9	1.2	1.9	-0.1	0.7	2.2	2.3	2.3	2.4	2.4

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Global Insight (May 2017) and Moody's Analytics (Economy.com) (May 2017); forecasts of the national economy prepared by the Congressional Budget Office (January 2017) and Blue Chip Economic Indicators (May 2017); BLS labor market information from April 2016, the Census Bureau estimates of the D.C. population (2016); Bureau of Economic Analysis estimates of D.C. Personal Income (March 2017); Metropolitan Regional Information System (MRIS) D.C. home sales data (April 2016), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); CoStar information on commercial office buildings and residential property in D.C. (March 2017); and Delta Associates commercial office buildings and apartments in DC (March 2017).

FY 2016 - FY 2021 Revenue Actuals, Estimates and Projections: June 2017

(thousands of dollars)

Revenue Source	Actual	Estimate		Out year projections		
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
1 Real Property	2,357,459	2,520,061	2,590,303	2,680,894	2,772,122	2,861,970
2 <i>Transfer to TIF/Pilot</i>	(33,887)	(38,129)	(43,966)	(49,338)	(55,517)	(58,202)
3 Real Property (net)	2,323,572	2,481,932	2,546,337	2,631,556	2,716,605	2,803,768
4 Personal Property	59,101	61,170	63,005	64,895	66,517	68,180
5 Public Space Rental	40,386	36,247	37,471	38,734	39,997	41,299
8 Total Property (net)	2,423,059	2,579,349	2,646,813	2,735,185	2,823,119	2,913,247
9 General Sales	1,343,074	1,430,228	1,452,406	1,515,053	1,571,110	1,627,670
10 <i>Transfer to convention center</i>	(123,551)	(129,729)	(134,529)	(139,372)	(144,528)	(149,731)
11 <i>Transfer to TIF</i>	(33,963)	(29,369)	(30,868)	(34,953)	(37,868)	(39,583)
12 <i>Transfer to Ballpark Fund</i>	(16,420)	(15,900)	(15,900)	(15,900)	(15,900)	(15,900)
13 <i>Transfer to Healthy DC Fund</i>	(477)	(750)	(800)	(854)	(900)	(900)
14 <i>Transfer to WMATA</i>	(72,355)	(73,973)	(76,784)	(79,620)	(82,640)	(85,687)
15 <i>Transfer to Healthy Schools</i>	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)
16 <i>Transfer to ABRA</i>	(1,170)	(1,170)	(1,170)	(1,170)	(1,170)	(1,170)
17 General Sales (net)	1,090,872	1,175,071	1,188,089	1,238,918	1,283,838	1,330,433
18 Alcohol	6,468	6,576	6,684	6,792	6,900	7,008
19 Cigarette	30,451	30,146	29,845	29,547	29,251	28,959
20 Motor Vehicle	45,997	46,500	47,064	47,607	48,156	48,711
21 Motor Fuel Tax	25,331	25,133	24,936	24,740	24,545	24,353
22 <i>Transfer to Highway Trust Fund</i>	(25,331)	(25,133)	(24,936)	(24,740)	(24,545)	(24,353)
23 Total Sales (net)	1,173,788	1,258,293	1,271,682	1,322,864	1,368,145	1,415,111
24 Individual Income	1,907,862	1,892,363	1,977,697	2,024,215	2,102,282	2,189,233
25 Corp. Franchise	387,081	399,434	346,066	357,018	368,470	372,479
26 U. B. Franchise	169,387	170,234	166,159	171,809	177,459	183,109
27 Total Income	2,464,330	2,462,031	2,489,922	2,553,042	2,648,211	2,744,821
28 Public Utility	135,568	136,245	136,927	137,611	138,299	138,991
29 <i>Transfer to Ballpark Fund</i>	(8,105)	(8,186)	(8,268)	(8,351)	(8,434)	(8,518)
30 Public Utility (net)	127,463	128,059	128,659	129,260	129,865	130,473
31 Toll Telecommunications	50,930	51,156	51,382	51,608	51,834	52,060
32 <i>Transfer to Ballpark Fund</i>	(2,286)	(2,425)	(2,564)	(2,704)	(2,843)	(2,983)
33 Toll Telecommunications (net)	48,644	48,731	48,818	48,904	48,991	49,077
34 Insurance Premiums	104,917	104,937	106,521	108,442	110,402	112,400
35 <i>Transfer to Healthy DC Fund</i>	(44,605)	(46,426)	(49,617)	(50,610)	(51,622)	(52,654)
36 Insurance Premiums (net)	60,312	58,511	56,904	57,832	58,780	59,746
37 Healthcare Provider Tax	17,014	14,769	14,928	15,227	15,531	15,842
38 <i>Transfer to Nursing Facility Quality of Care Fund</i>	(17,014)	(14,769)	(14,928)	(15,227)	(15,531)	(15,842)
39 Ballpark fee	32,764	33,900	33,900	33,900	33,900	33,900
40 <i>Transfer to Ballpark Fund</i>	(32,764)	(33,900)	(33,900)	(33,900)	(33,900)	(33,900)
41 Hospital Bed Taxes	16,806	15,930	-	-	-	-
42 <i>Transfer to Hospital Fund</i>	(16,806)	(15,930)	-	-	-	-
43 ICF-IDD Assessment	4,860	5,519	5,704	5,704	5,704	5,704
44 <i>Transfer to Stevie Sellows</i>	(4,860)	(5,519)	(5,704)	(5,704)	(5,704)	(5,704)
45 Care First Contribution	-	-	-	-	-	-
46 <i>Transfer to Healthy DC Fund</i>	-	-	-	-	-	-
47 Total Gross Receipts (net)	236,419	235,301	234,381	235,996	237,636	239,296
48 Estate	53,967	37,860	22,344	18,364	18,764	19,551
49 Deed Recordation	250,028	244,445	227,547	233,052	238,557	244,062
50 <i>Transfer to HPTF/ Bond repayment/West End</i>	(37,504)	(36,754)	(36,436)	(36,269)	(37,114)	(37,959)
51 Deed Recordation (net)	212,524	207,691	191,111	196,783	201,443	206,103
52 Deed Transfer	174,640	185,163	170,467	174,888	179,309	183,730
53 <i>Transfer to HPTF/ Bond repayment/West End</i>	(26,196)	(27,861)	(27,874)	(27,544)	(28,227)	(28,910)
54 Deed Transfer (net)	148,444	157,302	142,593	147,344	151,082	154,820
55 Co-op Recordation	-	-	-	-	-	-
56 Economic Interests	19,450	20,518	15,550	16,195	16,600	16,600
57 Total Other Taxes (net)	434,385	423,371	371,598	378,686	387,889	397,074
58 TOTAL TAXES NET OF DEDICATED TAXES	6,731,981	6,958,345	7,014,396	7,225,773	7,465,000	7,709,549
59 Licenses & Permits	90,432	88,900	83,009	88,693	84,475	88,492
60 Fines & Forfeits	197,439	160,565	156,460	152,469	148,589	144,814
61 Charges for Services	80,251	75,507	74,130	74,254	74,379	74,379
62 Miscellaneous	140,886	100,921	91,757	92,952	94,094	92,762
63 TOTAL NON-TAX	509,008	425,893	405,356	408,368	401,537	400,447
64 Lottery	53,287	45,000	45,000	50,000	50,000	50,000
65 TOTAL REVENUE NET OF DEDICATED TAXES	7,294,276	7,429,238	7,464,752	7,684,141	7,916,537	8,159,996

FY 2016 - FY 2021 Revenue Actuals, Estimates and Projections: June 2017
(percent change from prior year)

Revenue Source	Actual	Estimate		Out year projections		
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
1 Real Property	7.4%	6.9%	2.8%	3.5%	3.4%	3.2%
2 <i>Transfer to TIF/Pilot</i>	-15.7%	12.5%	15.3%	12.2%	12.5%	4.8%
3 Real Property (net)	7.9%	6.8%	2.6%	3.3%	3.2%	3.2%
4 Personal Property	3.3%	3.5%	3.0%	3.0%	2.5%	2.5%
5 Public Space Rental	11.8%	-10.2%	3.4%	3.4%	3.3%	3.3%
8 Total Property (net)	7.8%	6.5%	2.6%	3.3%	3.2%	3.2%
9 General Sales	2.1%	6.5%	1.6%	4.3%	3.7%	3.6%
10 <i>Transfer to convention center</i>	6.1%	5.0%	3.7%	3.6%	3.7%	3.6%
11 <i>Transfer to TIF</i>	-9.6%	-13.5%	5.1%	13.2%	8.3%	4.5%
12 <i>Transfer to Ballpark Fund</i>	10.2%	-3.2%	0.0%	0.0%	0.0%	0.0%
13 <i>Transfer to Healthy DC Fund</i>	350.0%	57.2%	6.7%	6.7%	5.4%	0.0%
14 <i>Transfer to WMATA</i>	7.3%	2.2%	3.8%	3.7%	3.8%	3.7%
15 <i>Transfer to Healthy Schools</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16 <i>Transfer to ABRA</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17 General Sales (net)	1.6%	7.7%	1.1%	4.3%	3.6%	3.6%
18 Alcohol	3.6%	1.7%	1.6%	1.6%	1.6%	1.6%
19 Cigarette	-3.3%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
20 Motor Vehicle	-1.3%	1.1%	1.2%	1.2%	1.2%	1.2%
21 Motor Fuel Tax	0.3%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%
22 <i>Transfer to Highway Trust Fund</i>	0.3%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%
23 Total Sales (net)	1.4%	7.2%	1.1%	4.0%	3.4%	3.4%
24 Individual Income	2.1%	-0.8%	4.5%	2.4%	3.9%	4.1%
25 Corp. Franchise	25.7%	3.2%	-13.4%	3.2%	3.2%	1.1%
26 U. B. Franchise	21.2%	0.5%	-2.4%	3.4%	3.3%	3.2%
27 Total Income	6.4%	-0.1%	1.1%	2.5%	3.7%	3.6%
28 Public Utility	-7.1%	0.5%	0.5%	0.5%	0.5%	0.5%
29 <i>Transfer to Ballpark Fund</i>	-6.6%	1.0%	1.0%	1.0%	1.0%	1.0%
30 Public Utility (net)	-7.1%	0.5%	0.5%	0.5%	0.5%	0.5%
31 Toll Telecommunications	-9.4%	0.4%	0.4%	0.4%	0.4%	0.4%
32 <i>Transfer to Ballpark Fund</i>	-14.7%	6.1%	5.7%	5.5%	5.1%	4.9%
33 Toll Telecommunications (net)	-9.1%	0.2%	0.2%	0.2%	0.2%	0.2%
34 Insurance Premiums	0.4%	0.0%	1.5%	1.8%	1.8%	1.8%
35 <i>Transfer to Healthy DC Fund</i>	-0.4%	4.1%	6.9%	2.0%	2.0%	2.0%
36 Insurance Premiums (net)	1.0%	-3.0%	-2.7%	1.6%	1.6%	1.6%
37 Healthcare Provider Tax	32.4%	-13.2%	1.1%	2.0%	2.0%	2.0%
38 <i>Transfer to Nursing Facility Quality of Care Fund</i>	32.4%	-13.2%	1.1%	2.0%	2.0%	2.0%
39 Ballpark fee	-6.2%	3.5%	0.0%	0.0%	0.0%	0.0%
40 Transfer to Ballpark Fund	-6.2%	3.5%	0.0%	0.0%	0.0%	0.0%
41 Hospital Bed Taxes	-	-	-	-	-	-
42 Transfer to Hospital Fund	-	-	-	-	-	-
43 ICF-MR Assessment	-3.4%	13.6%	3.4%	0.0%	0.0%	0.0%
44 Transfer to Stevie Sellows	-3.4%	13.6%	3.4%	0.0%	0.0%	0.0%
45 Care First Contribution	-	-	-	-	-	-
46 Transfer to Healthy DC Fund	-	-	-	-	-	-
47 Total Gross Receipts (net)	-5.6%	-0.5%	-0.4%	0.7%	0.7%	0.7%
48 Estate	11.8%	-29.8%	-41.0%	-17.8%	2.2%	4.2%
49 Deed Recordation	-3.0%	-2.2%	-6.9%	2.4%	2.4%	2.3%
50 <i>Transfer to HPTF</i>	-3.0%	-2.0%	-0.9%	-0.5%	2.3%	2.3%
51 Deed Recordation (net)	-3.0%	-2.3%	-8.0%	3.0%	2.4%	2.3%
52 Deed Transfer	-11.9%	6.0%	-7.9%	2.6%	2.5%	2.5%
53 <i>Transfer to HPTF</i>	-11.9%	6.4%	0.0%	-1.2%	2.5%	2.4%
54 Deed Transfer (net)	-11.9%	6.0%	-9.4%	3.3%	2.5%	2.5%
55 Co-op Recordation	-	-	-	-	-	-
56 Economic Interests	-20.3%	5.5%	-24.2%	4.1%	2.5%	0.0%
57 Total Other Taxes (net)	-5.7%	-2.5%	-12.2%	1.9%	2.4%	2.4%
58 TOTAL TAXES NET OF DEDICATED TAXES	4.7%	3.4%	0.8%	3.0%	3.3%	3.3%
59 Licenses & Permits	1.9%	-1.7%	-6.6%	6.8%	-4.8%	4.8%
60 Fines & Forfeits	68.5%	-18.7%	-2.6%	-2.6%	-2.5%	-2.5%
61 Charges for Services	-15.0%	-5.9%	-1.8%	0.2%	0.2%	0.0%
62 Miscellaneous	21.3%	-28.4%	-9.1%	1.3%	1.2%	-1.4%
63 TOTAL NON-TAX	22.2%	-16.3%	-4.8%	0.7%	-1.7%	-0.3%
64 Lottery	-4.1%	-15.6%	0.0%	11.1%	0.0%	0.0%
65 TOTAL REVENUE NET OF DEDICATED TAXES	5.6%	1.9%	0.5%	2.9%	3.0%	3.1%