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NASSAU COUNTY LEGISLATURE
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Inter-Departmental Memo

To: Hon. Howard J. Kopel, Chairman of the Budget Review Committee
All Members of the Budget Review Committee

From: Maurice Chalmers, Director
Office of Legislative Budget Review

Date: January 13, 2014

Re: FY 13 Sales Tax

Nassau County year-to-date sales tax collections total \$1,086.9 million through January 10, 2014. This is an increase of \$68.4 million, or 6.7%, over receipts through the same period of last year. The chart below details gross year to date sales tax collections for 2013 compared to 2012.

Sales Tax Receipts

(Payments Distributed Through January 10, 2014 in millions)

	2012	2013	Variance \$	Variance %
Gross YTD Sales Tax	\$1,018.5	\$1,086.9	\$68.4	6.7%

The January 10, 2014 check includes the quarterly adjustment for the months of September through November. Previous checks were based on estimates as the State projects the County's collection for the time period based on previous year performance. However, this payment is based on actual collections and adjusted for any over or under payment from the previous distributions in the quarter.

Although sales tax is performing well on a year-to-date basis, the current check is 25.6% less than last year's check for the same time period. The decline reflects both weaker sales tax collections and the adjustments made to the distribution checks from earlier in the quarter.

Approximately half of the decline reflects monthly assessments, vendor late payments, and prior period adjustments. The remaining decline reflects lower sales that occurred from September through November compared to the previous year. Sales tax collections by auto dealers represent a share of the decrease; however, it is not the only sector driving the drop. The overall reduction in sales tax collections could be driven by a variety of factors including artificially high sales following Superstorm Sandy, a consumer confidence decrease due to the Federal Government impasse, or Thanksgiving occurring later in November thereby shortening the holiday buying season.

The 2013 Adopted Budget for Sales tax collections is \$1,116.8 million. Should the remaining two checks stay flat, the County would generate a \$22.0 million surplus to budget. If there is a 1.0% growth in the remaining checks, the County would generate a \$22.5 million surplus and a negative 1.0% growth rate would generate a \$21.5 million surplus.

The February 12, 2014 check will complete all sales tax collections for purchases made during 2013.

If you should have any further questions, please let me know.

cc: Hon. George Maragos, Nassau County Comptroller
Steven Labriola, Nassau County Chief Deputy Comptroller
Tim Sullivan, Deputy County Executive
Roseann D'Alleva, Budget Director, OMB
Evan Cohen, Executive Director, NIFA
David Gugerty, Minority Chief of Staff
Dan McCloy, Director of Law, Finance & Operations
Gregory May, Director of Legislative Affairs
William Muller, Clerk of the Legislature