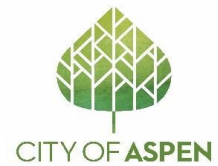


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: July 17, 2023
Re: May 2023 Consumption Tax Report

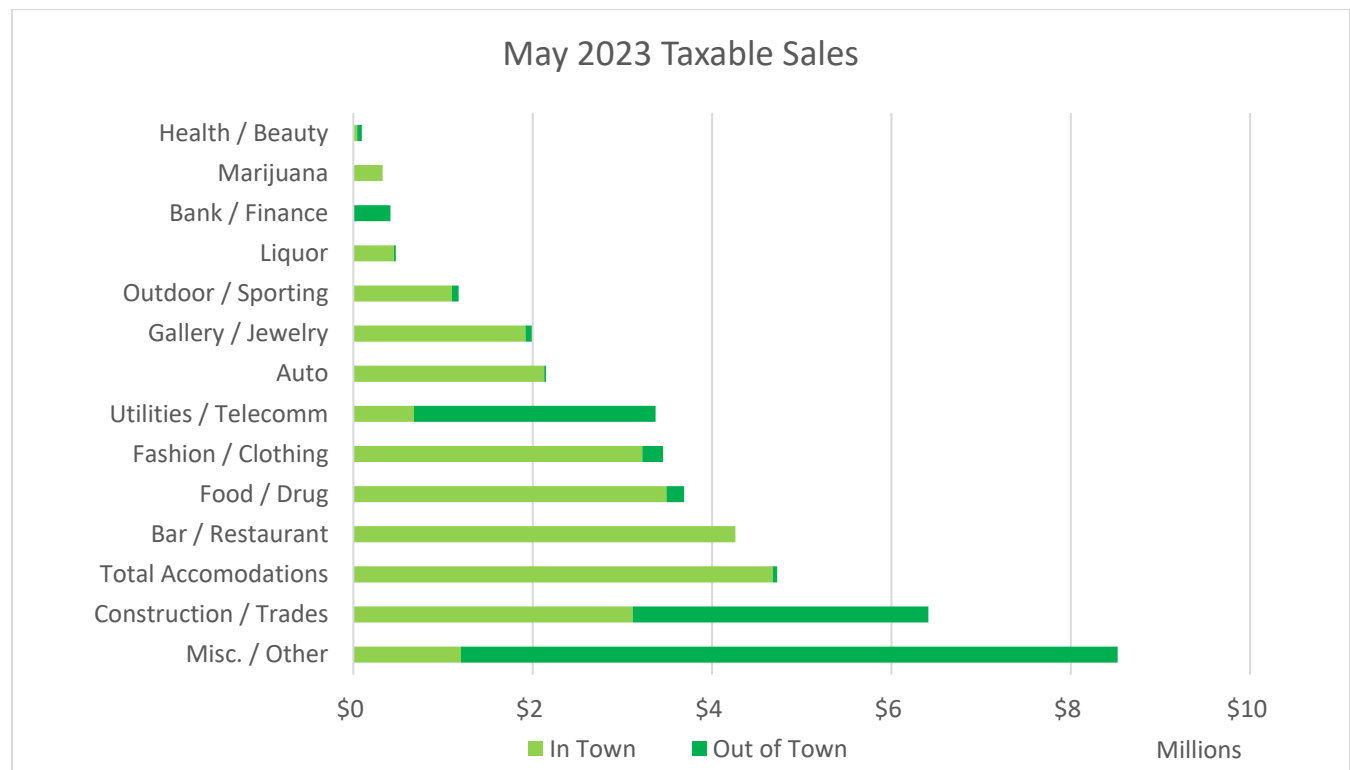


Aggregate Taxable Sales & Industry Highlights:

May is traditionally the smallest percentage of annual taxable sales in the calendar year; and as such, relatively small fluctuations in taxable sales can look dramatic. This tends to materialize in areas like accommodations where average nightly room rates fall off peak season highs and other on premises sales (in hotel restaurants, bars, spas and on-site retail shops) have a greater and more varied influence on monthly taxable sales.

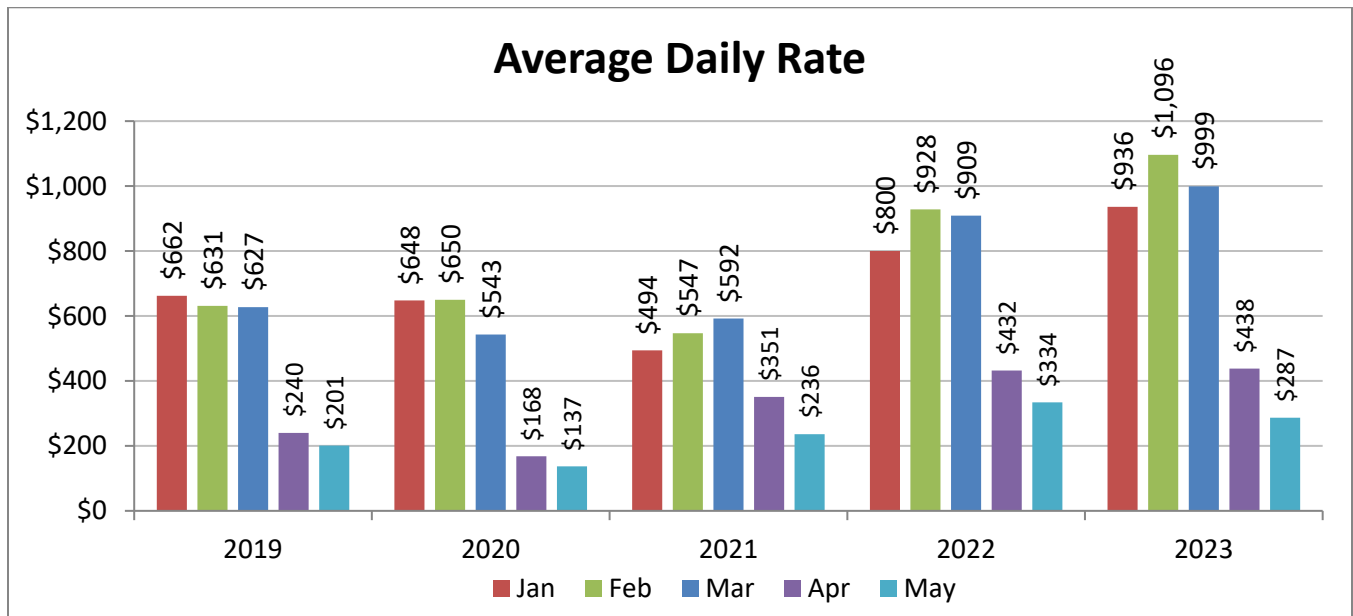
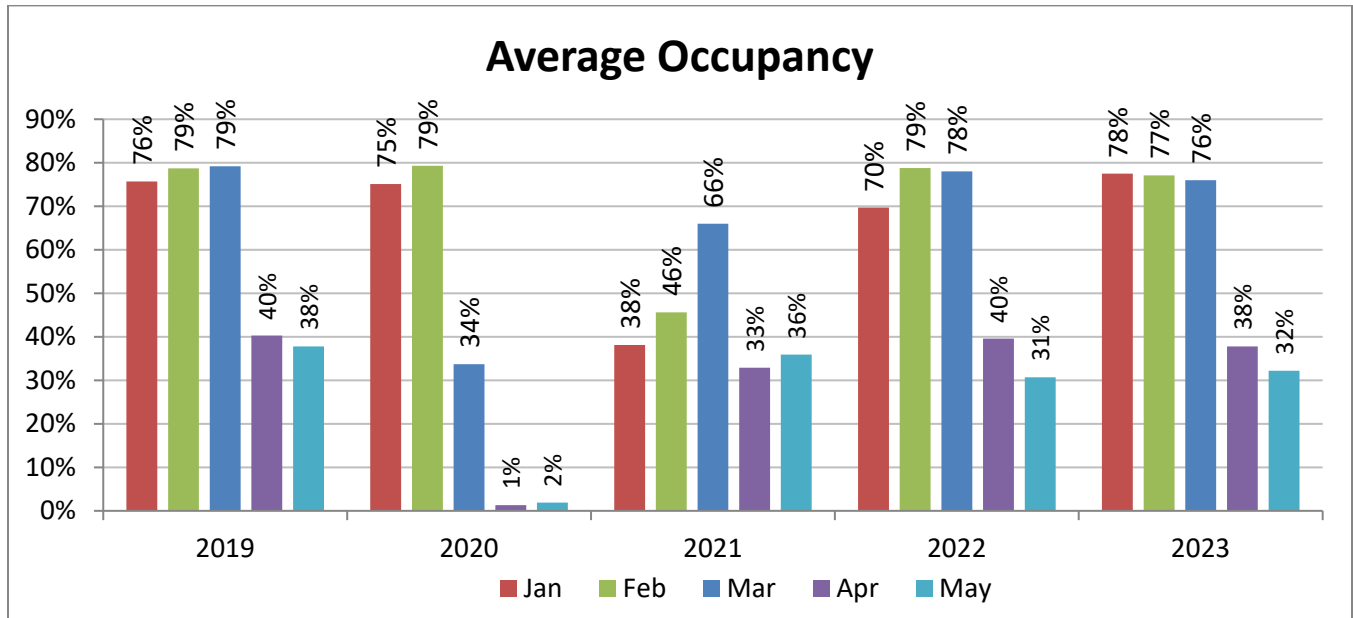
While aggregate taxable sales were flat when benchmarking against May 2022 and seemly stable, there was some shake up in the monthly industry composition, with accommodations and restaurant/bars taxable activity retreating and general miscellaneous sales spiking. With this in mind, it is perhaps not as surprising that May's spend within local brick and mortar establishments was a mere 65% of the monthly total sales, down from the 85% benchmark set during the first quarter of the calendar year.

Looking at the numbers, the high dollar sectors of accommodations (down 16.8%) and restaurants/bars (down 16.7%) saw a decline in taxable sales. It is important to note several businesses, hotels and lodge-exempt short-term rental permitted properties were closed for a portion, or all, of the month as is common in the ever-shortening offseason, which has a direct effect on these totals. Notable sectors that experienced growth include construction (up 0.2%) and miscellaneous (up 57.6%). The miscellaneous sector saw two large (potentially) one-time payments from out-of-town businesses which primarily drove this increase. And the more unpredictable and luxury sectors of fashion clothing (down 13.7%) and jewelry/gallery (up 16.1%) saw varying sales results, as is often the case.



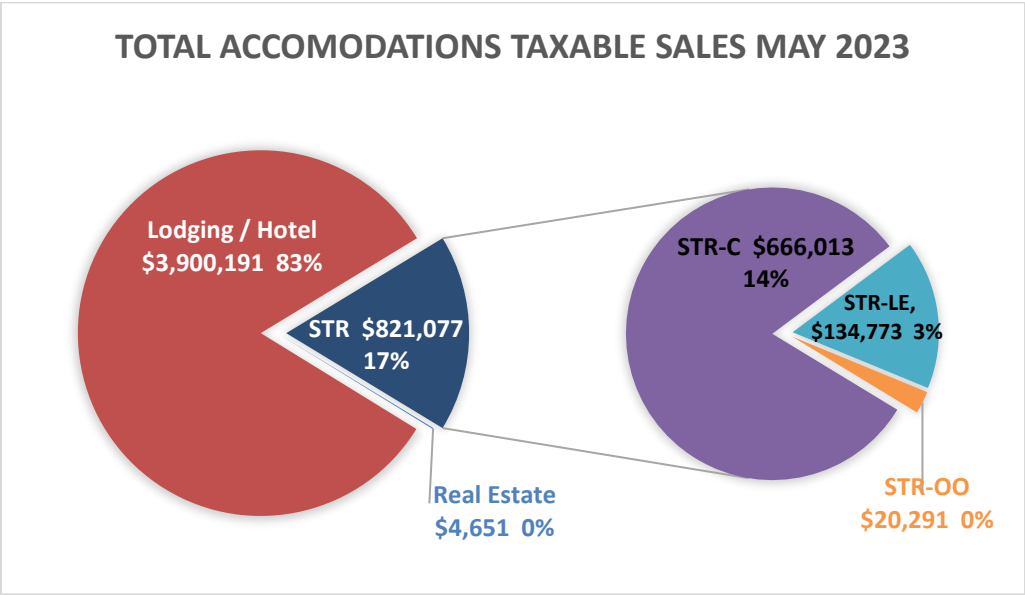
Sales and Lodging Tax:

May sales tax and lodging tax collections paced 1.4% and 17.8% behind May 2022; respectively. Year-to-date sales tax revenues remain up 4.2%; however, and lodging tax remains 5.7% above the same timeframe one year ago. Though still reflective of positive growth after five months, the monthly figures continue to reflect a softening in the larger economy and in local tax collections, with high interest rate environments dampening economic activity in attempts to curb inflation.



May's breakdown of the local lodging base reflects roughly 83% of taxable sales generated by traditional lodge offerings and 17% from short-term rentals (condo-hotels, investment properties and owner-occupied but rented units). Again, it is important to note that several hotel and lodge-exempt short-term rental permitted properties were largely closed this month and skewed these numbers.

May is also the first month of collections for the new voter-approved short term rental excise tax. Recalling there are two different tax rates – 5% for lodge-exempt or owner-occupied units and 10% for second homeowner / investment properties – this is the first glimpse this new revenue stream, to be utilized for increased community affordable housing and for infrastructure maintenance and repair and environmental initiatives.

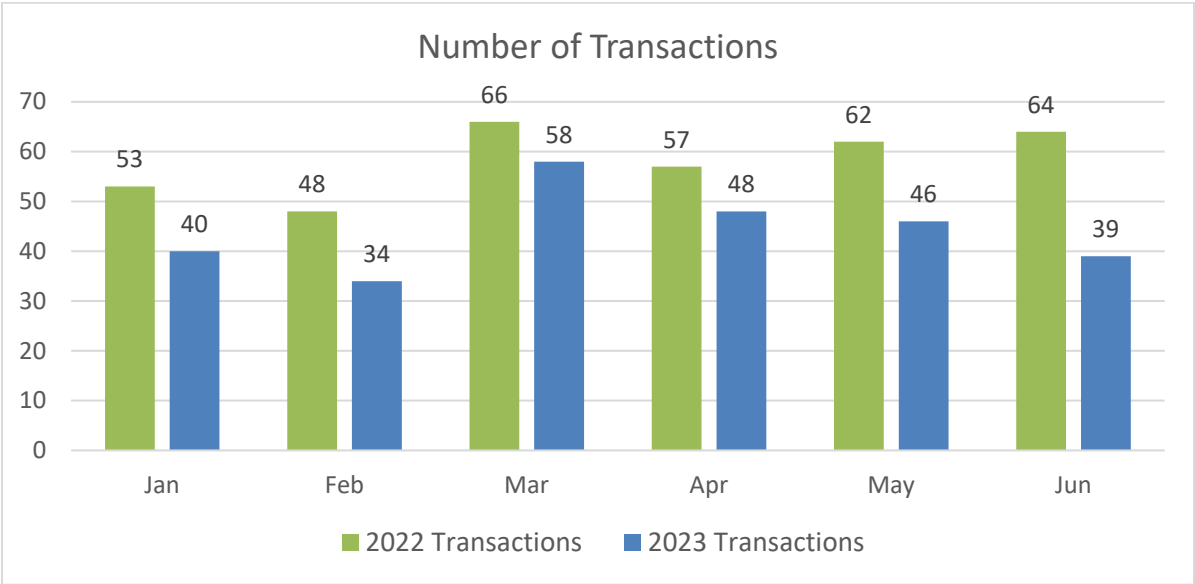


City Share of County Sales Tax:

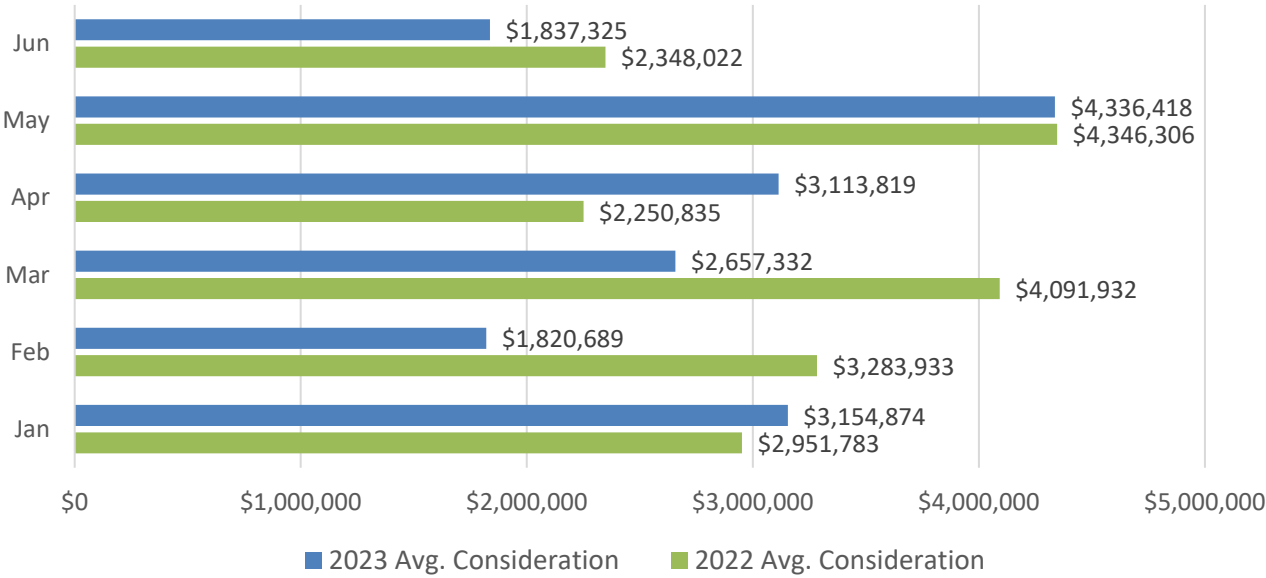
The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax continues to be strong with April collections up 2.9% to April 2022 and overall collections up 12% year to date. These funds remain one of the only sources of discretionary receipts for the Council to apply and are deposited within the City’s General Fund.

Real Estate Transfer Taxes:

Halfway through the year, aggregate volume in real estate activity is lagging last year’s experience by 24%. June collections in HRETT funds decreased by 54% and WRETT decreased by 52% when comparing to June 2022 collections. Overall, real estate transfer tax receipts are pacing roughly 33% below last year’s collections and are not expected to match those of 2022.



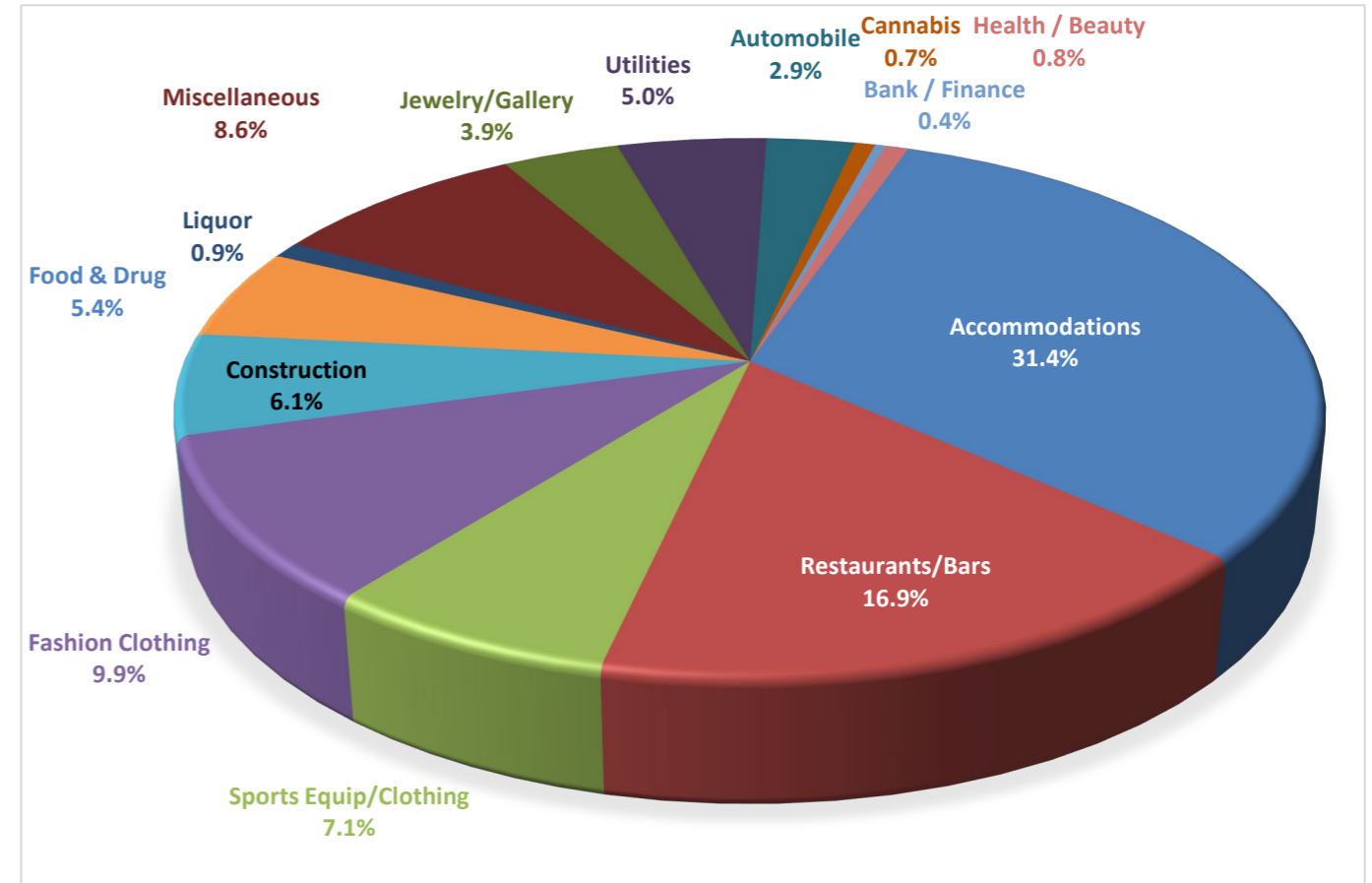
Average Value per Transactions



City of Aspen Retail Sales by Industry
May 2023

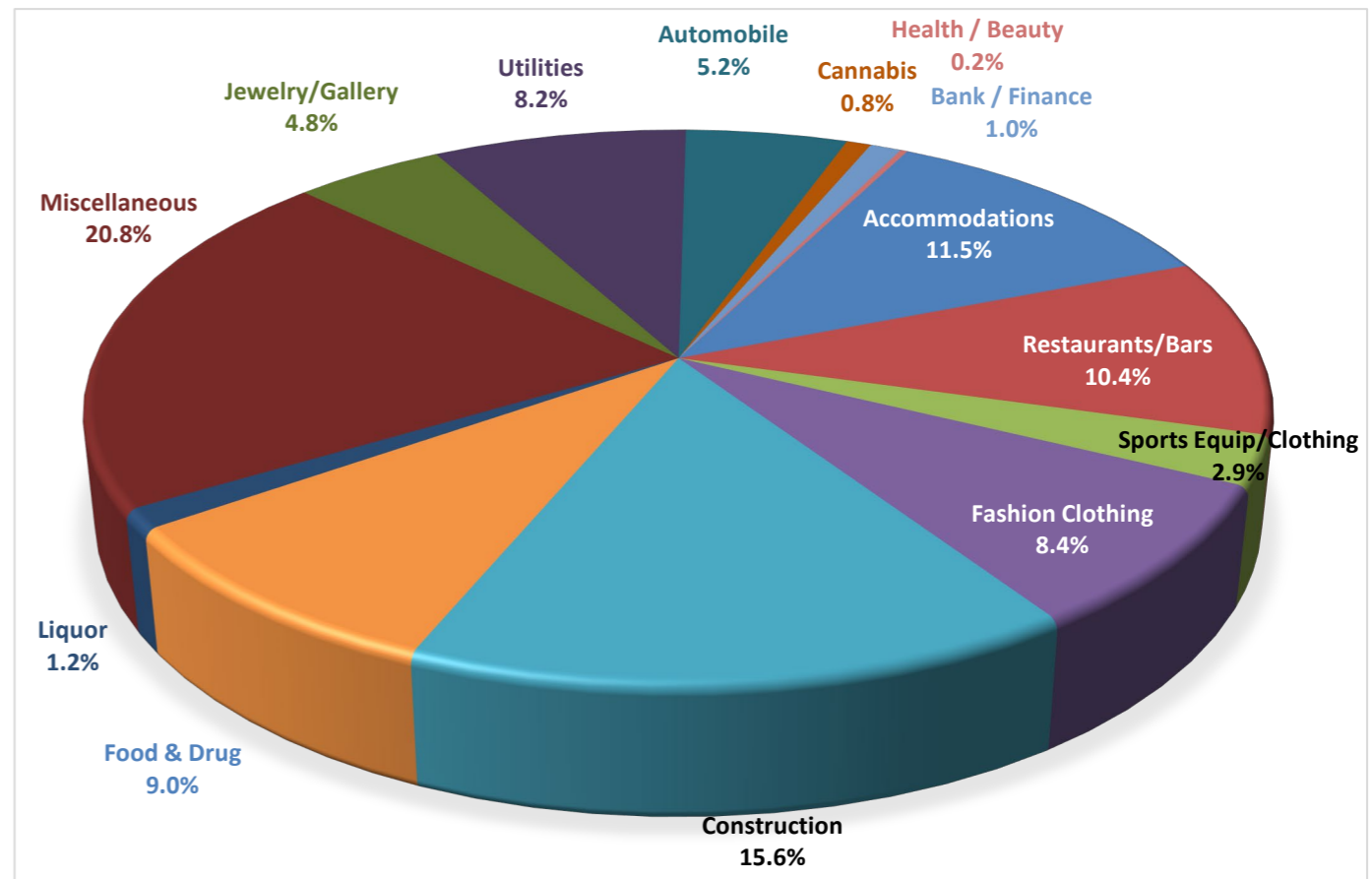
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$161,882,725	31.4%	4.3%
Restaurants/Bars	\$87,192,735	16.9%	6.0%
Sports Equip/Clothing	\$36,787,778	7.1%	2.9%
Fashion Clothing	\$51,254,073	9.9%	(6.1%)
Construction	\$31,427,235	6.1%	2.1%
Food & Drug	\$28,095,673	5.4%	4.2%
Liquor	\$4,883,776	0.9%	(7.5%)
Miscellaneous	\$44,413,249	8.6%	30.5%
Jewelry/Gallery	\$20,063,565	3.9%	5.1%
Utilities	\$25,617,338	5.0%	7.0%
Automobile	\$15,169,015	2.9%	0.2%
Cannabis	\$3,504,053	0.7%	(18.8%)
Bank / Finance	\$1,861,493	0.4%	(3.4%)
Health / Beauty	\$3,907,529	0.8%	175.7%
Total	\$516,060,236	100.0%	5.2%



May Monthly Retail Sales

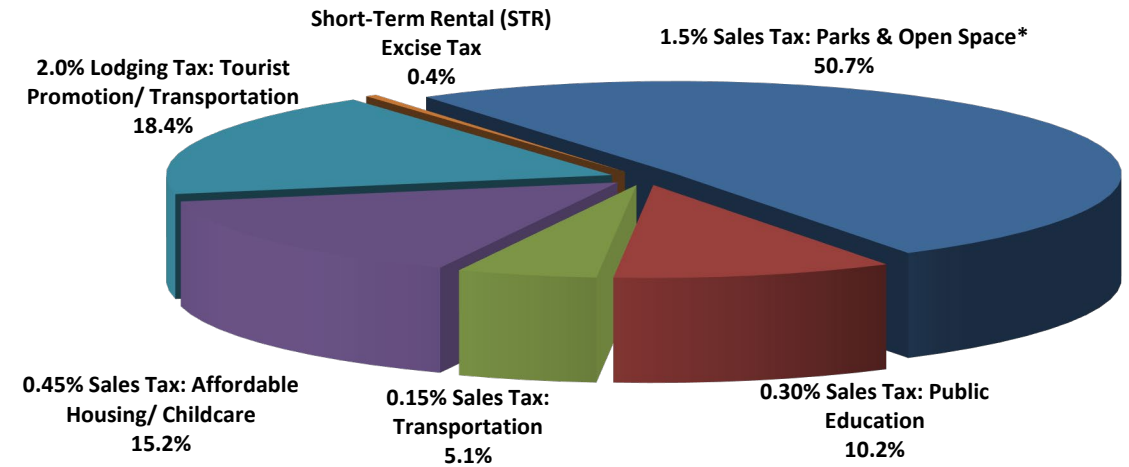
Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$4,725,919	11.5%	(16.8%)
Restaurants/Bars	\$4,260,121	10.4%	(16.7%)
Sports Equip/Clothing	\$1,173,633	2.9%	(14.0%)
Fashion Clothing	\$3,453,638	8.4%	(13.7%)
Construction	\$6,412,861	15.6%	0.2%
Food & Drug	\$3,687,465	9.0%	(3.2%)
Liquor	\$472,523	1.2%	(19.0%)
Miscellaneous	\$8,522,497	20.8%	57.6%
Jewelry/Gallery	\$1,990,022	4.8%	16.1%
Utilities	\$3,371,211	8.2%	(1.8%)
Automobile	\$2,149,118	5.2%	(20.6%)
Cannabis	\$326,127	0.8%	(8.3%)
Bank / Finance	\$413,928	1.0%	21.1%
Health / Beauty	\$94,103	0.2%	(48.9%)
Total	\$41,053,166	100.0%	(0.1%)



**City of Aspen Tax Collections
May 2023**

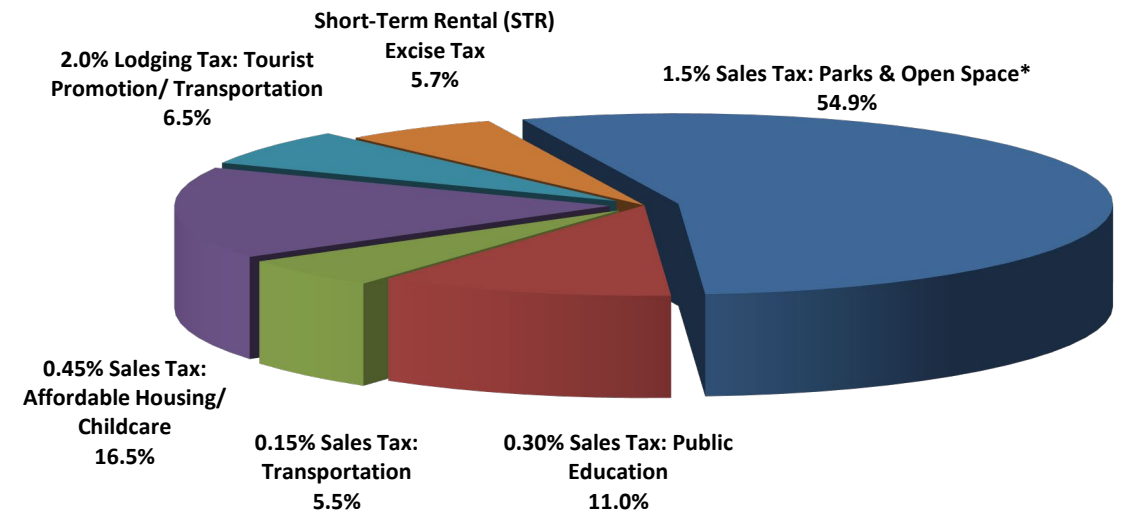
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.5% Sales Tax: Parks & Open Space*	\$7,656,288	50.7%
0.30% Sales Tax: Public Education	\$1,533,720	10.2%
0.15% Sales Tax: Transportation	\$765,632	5.1%
0.45% Sales Tax: Affordable Housing/ Childcare	\$2,296,876	15.2%
2.0% Lodging Tax: Tourist Promotion/ Transportation	\$2,781,721	18.4%
Short-Term Rental (STR) Excise Tax	\$63,071	0.4%
Total	\$15,097,309	100%



May Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.5% Sales Tax: Parks & Open Space*	\$605,232	54.9%
0.30% Sales Tax: Public Education	\$121,046	11.0%
0.15% Sales Tax: Transportation	\$60,523	5.5%
0.45% Sales Tax: Affordable Housing/ Childcare	\$181,570	16.5%
2.0% Lodging Tax: Tourist Promotion/ Transportation	\$71,922	6.5%
Short-Term Rental (STR) Excise Tax	\$63,071	5.7%
Total	\$1,103,364	100%



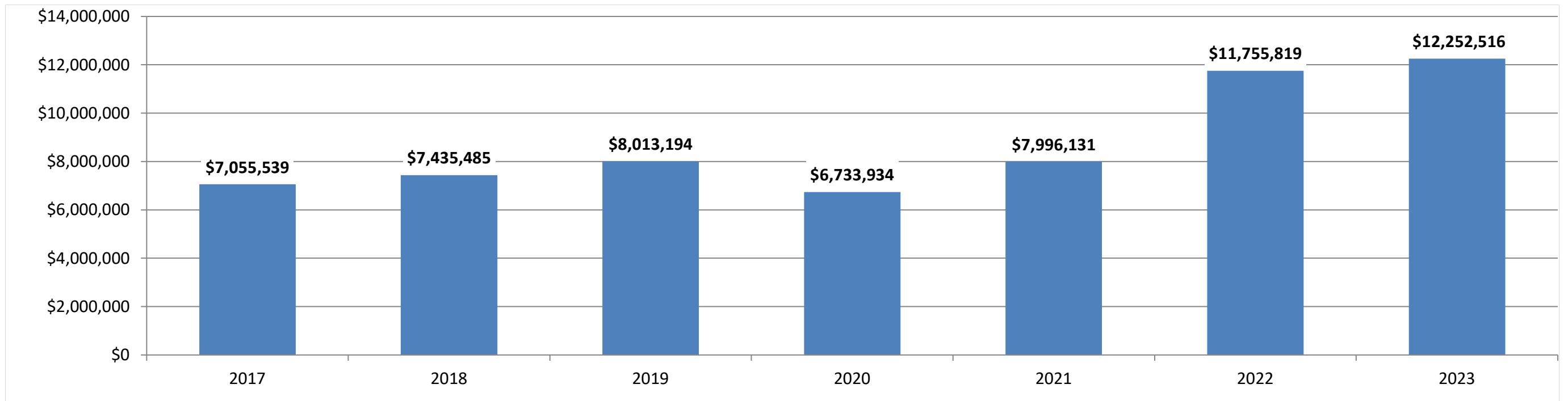
*0.5% tax was approved in perpetuity

City of Aspen Sales Tax 2.4%
May 2023

Current Month Revenues are (1.4%) below last year's Monthly Revenues.
Year To Date Revenues are 6.5% above Year To Date Budgeted Revenues.
Year To Date Revenues are 4.2% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget*</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget*</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$3,182,200	\$3,376,022	6.1%	\$3,182,200	\$3,376,022	6.1%	\$2,829,557	19.3%	\$2,829,557	19.3%
Feb	\$2,904,600	\$3,158,972	8.8%	\$6,086,800	\$6,534,994	7.4%	\$3,026,029	4.4%	\$5,855,586	11.6%
Mar	\$3,308,200	\$3,471,458	4.9%	\$9,395,000	\$10,006,452	6.5%	\$3,555,334	(2.4%)	\$9,410,920	6.3%
Apr	\$1,157,500	\$1,277,693	10.4%	\$10,552,500	\$11,284,145	6.9%	\$1,362,748	(6.2%)	\$10,773,668	4.7%
May	\$954,400	\$968,371	1.5%	\$11,506,900	\$12,252,516	6.5%	\$982,151	(1.4%)	\$11,755,819	4.2%
June	\$2,424,500			\$13,931,400			\$2,501,486		\$14,257,305	
July	\$3,175,300			\$17,106,700			\$3,002,254		\$17,259,559	
Aug	\$2,667,100			\$19,773,800			\$2,746,873		\$20,006,432	
Sept	\$2,269,800			\$22,043,600			\$2,465,287		\$22,471,719	
Oct	\$1,302,400			\$23,346,000			\$1,506,923		\$23,978,642	
Nov	\$1,109,200			\$24,455,200			\$1,078,493		\$25,057,134	
Dec	\$4,326,000			\$28,781,200			\$4,067,070		\$29,124,204	

Actual Collections Year To Date Through May



City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
May 2023

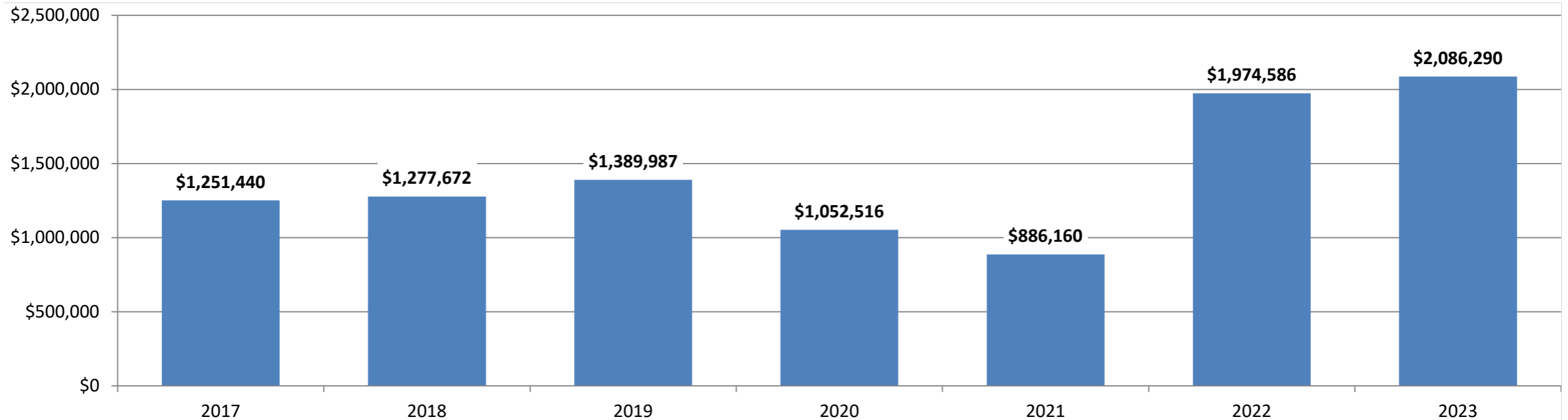
Current Month Revenues are (17.8%) below last year's Monthly Revenues adjusted for rate increase.

Year To Date Revenues are 13.6% above Year To Date Budgeted Revenues.

Year To Date Revenues are 5.7% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$578,000	\$627,986	8.6%	\$578,000	\$627,986	8.6%	\$526,967	19.2%	\$526,967	19.2%
Feb	\$532,000	\$637,657	19.9%	\$1,110,000	\$1,265,643	14.0%	\$578,288	10.3%	\$1,105,256	14.5%
Mar	\$573,000	\$664,693	16.0%	\$1,683,000	\$1,930,336	14.7%	\$678,895	(2.1%)	\$1,784,150	8.2%
Apr	\$86,000	\$102,013	18.6%	\$1,769,000	\$2,032,349	14.9%	\$124,826	(18.3%)	\$1,908,977	6.5%
May	\$67,000	\$53,941	(19.5%)	\$1,836,000	\$2,086,290	13.6%	\$65,610	(17.8%)	\$1,974,586	5.7%
June	\$293,000			\$2,129,000			\$334,739		\$2,309,326	
July	\$425,000			\$2,554,000			\$443,471		\$2,752,797	
Aug	\$344,000			\$2,898,000			\$381,176		\$3,133,973	
Sept	\$229,000			\$3,127,000			\$317,090		\$3,451,062	
Oct	\$113,000			\$3,240,000			\$158,018		\$3,609,081	
Nov	\$89,000			\$3,329,000			\$77,679		\$3,686,759	
Dec	\$666,250			\$3,995,250			\$683,005		\$4,369,764	

Actual Collections Year To Date Through May

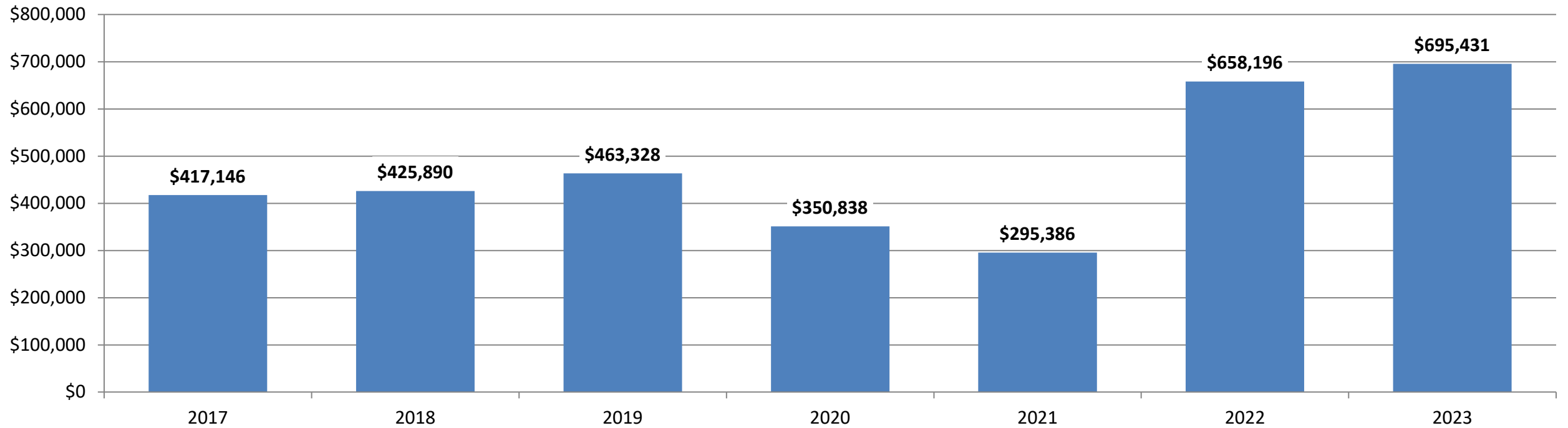


**City of Aspen Transportation 0.5% Lodging Tax
May 2023**

Current Month Revenues are **(17.8%)** below last year's Monthly Revenues
Year To Date Revenues are **13.6%** above Year To Date Budgeted Revenues.
Year To Date Revenues are **5.7%** above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$193,000	\$209,329	8.5%	\$193,000	\$209,329	8.5%	\$175,656	19.2%	\$175,656	19.2%
Feb	\$177,000	\$212,552	20.1%	\$370,000	\$421,881	14.0%	\$192,763	10.3%	\$368,419	14.5%
Mar	\$191,000	\$221,565	16.0%	\$561,000	\$643,446	14.7%	\$226,298	(2.1%)	\$594,717	8.2%
Apr	\$29,000	\$34,004	17.3%	\$590,000	\$677,450	14.8%	\$41,609	(18.3%)	\$636,326	6.5%
May	\$22,000	\$17,980	(18.3%)	\$612,000	\$695,431	13.6%	\$21,870	(17.8%)	\$658,196	5.7%
June	\$98,000			\$710,000			\$111,580		\$769,776	
July	\$142,000			\$852,000			\$147,824		\$917,600	
Aug	\$115,000			\$967,000			\$127,059		\$1,044,659	
Sept	\$76,000			\$1,043,000			\$105,697		\$1,150,355	
Oct	\$38,000			\$1,081,000			\$52,673		\$1,203,028	
Nov	\$30,000			\$1,111,000			\$25,893		\$1,228,921	
Dec	\$220,750			\$1,331,750			\$227,669		\$1,456,590	

Actual Collections Year To Date Through May



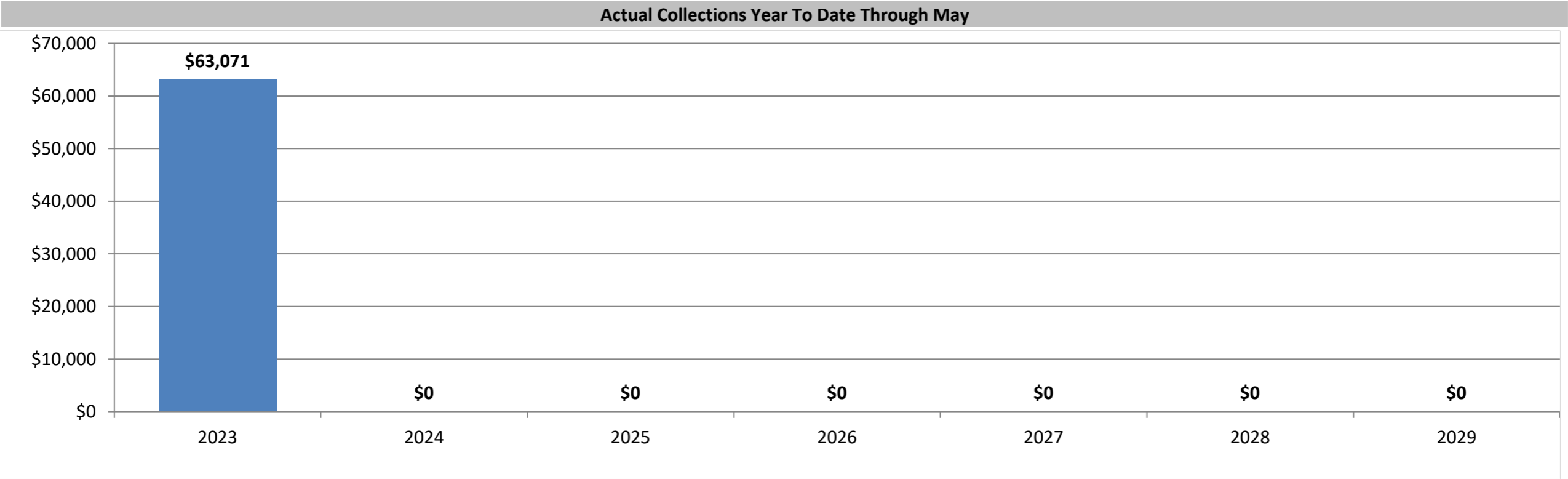
City of Aspen Short-Term Rental (STR) Excise Tax
May 2023

Current Month Revenues are N/A above last year's Monthly Revenues.

Year To Date Revenues are N/A above Year To Date Budgeted Revenues.

Year To Date Revenues are N/A above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
Jan	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Feb	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Mar	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Apr	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
May	\$110,000	\$63,071	(42.7%)	\$110,000	\$63,071	(42.7%)	\$0	0.0%	\$0	0.0%
June	\$640,000			- \$750,000			\$0	0.0%	\$0	0.0%
July	\$740,000			- \$1,490,000			\$0	0.0%	\$0	0.0%
Aug	\$610,000			- \$2,100,000			\$0	0.0%	\$0	0.0%
Sept	\$540,000			- \$2,640,000			\$0	0.0%	\$0	0.0%
Oct	\$300,000			- \$2,940,000			\$0	0.0%	\$0	0.0%
Nov	\$240,000			- \$3,180,000			\$0	0.0%	\$0	0.0%
Dec	\$1,610,000			- \$4,790,000			\$0	0.0%	\$0	0.0%

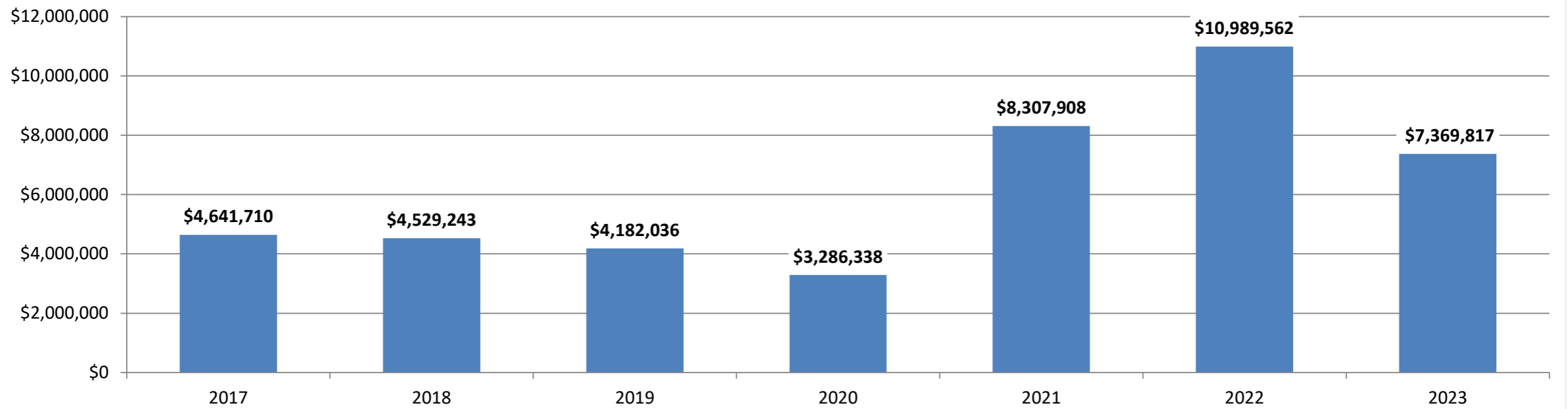


**Housing Real Estate Transfer Tax
June 2023**

Current Month Revenues are (54.4%) below last year's Monthly Revenues.
 Year To Date Revenues are 55.5% above Year To Date Budgeted Revenues.
 Year To Date Revenues are (32.9%) below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
Jan	\$708,000	\$1,224,320	72.9%	\$708,000	\$1,224,320	72.9%	\$1,471,810	(16.8%)	\$1,471,810	(16.8%)
Feb	\$663,000	\$566,434	(14.6%)	\$1,371,000	\$1,790,754	30.6%	\$1,546,799	(63.4%)	\$3,018,609	(40.7%)
Mar	\$696,000	\$1,487,603	113.7%	\$2,067,000	\$3,278,357	58.6%	\$2,656,014	(44.0%)	\$5,674,623	(42.2%)
Apr	\$900,000	\$1,464,435	62.7%	\$2,967,000	\$4,742,792	59.9%	\$1,237,195	18.4%	\$6,911,818	(31.4%)
May	\$910,000	\$1,958,085	115.2%	\$3,877,000	\$6,700,877	72.8%	\$2,610,330	(25.0%)	\$9,522,148	(29.6%)
June	\$863,000	\$668,940	(22.5%)	\$4,740,000	\$7,369,817	55.5%	\$1,467,414	(54.4%)	\$10,989,562	(32.9%)
July	\$617,000			\$5,357,000			\$651,850		\$11,641,412	
Aug	\$843,000			\$6,200,000			\$1,359,294		\$13,000,706	
Sept	\$1,199,000			\$7,399,000			\$1,503,485		\$14,504,191	
Oct	\$1,036,000			\$8,435,000			\$1,234,207		\$15,738,397	
Nov	\$706,000			\$9,141,000			\$654,910		\$16,393,308	
Dec	\$859,000			\$10,000,000			\$716,505		\$17,109,813	

Actual Collections Year To Date Through June

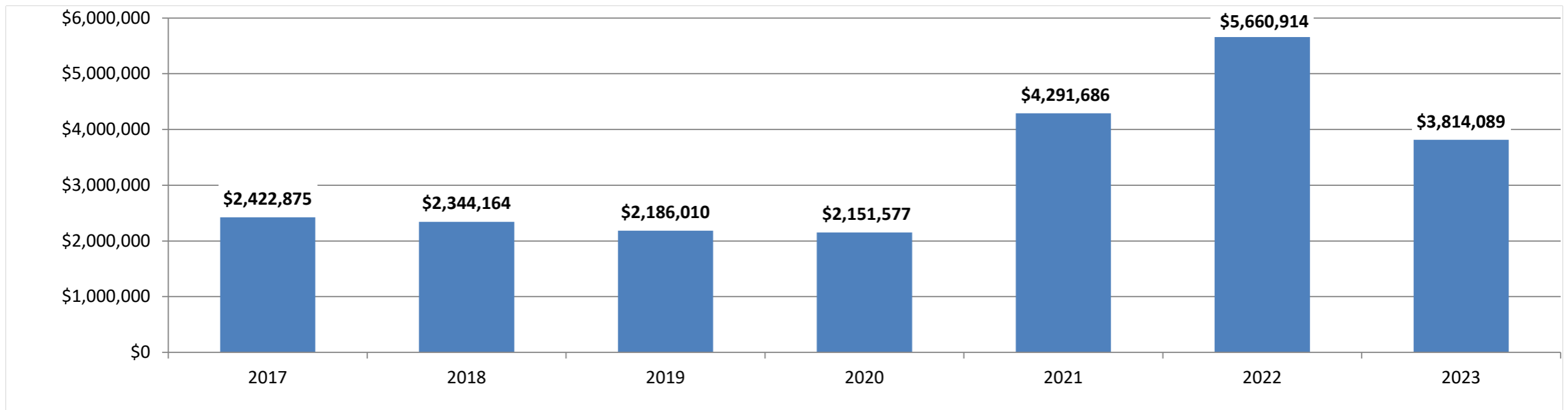


**Wheeler Opera House Real Estate Transfer Tax
June 2023**

Current Month Revenues are (52.3%) below last year's Monthly Revenues.
Year To Date Revenues are 59.5% above Year To Date Budgeted Revenues.
Year To Date Revenues are (32.6%) below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$357,000	\$630,975	76.7%	\$357,000	\$630,975	76.7%	\$782,223	(19.3%)	\$782,223	(19.3%)
Feb	\$341,000	\$309,517	(9.2%)	\$698,000	\$940,492	34.7%	\$788,144	(60.7%)	\$1,570,367	(40.1%)
Mar	\$350,000	\$770,626	120.2%	\$1,048,000	\$1,711,118	63.3%	\$1,350,338	(42.9%)	\$2,920,704	(41.4%)
Apr	\$448,000	\$747,317	66.8%	\$1,496,000	\$2,458,435	64.3%	\$641,488	16.5%	\$3,562,192	(31.0%)
May	\$467,000	\$997,376	113.6%	\$1,963,000	\$3,455,811	76.0%	\$1,347,355	(26.0%)	\$4,909,547	(29.6%)
June	\$429,000	\$358,278	(16.5%)	\$2,392,000	\$3,814,089	59.5%	\$751,367	(52.3%)	\$5,660,914	(32.6%)
July	\$307,000			\$2,699,000			\$334,708		\$5,995,622	
Aug	\$423,000			\$3,122,000			\$704,878		\$6,700,499	
Sept	\$597,000			\$3,719,000			\$768,111		\$7,468,610	
Oct	\$511,000			\$4,230,000			\$631,571		\$8,100,181	
Nov	\$360,000			\$4,590,000			\$338,325		\$8,438,506	
Dec	\$410,000			\$5,000,000			\$369,022		\$8,807,528	

Actual Collections Year To Date Through June



**City of Aspen Portion of Pitkin County 3.6% Sales Tax
April 2023**

Current Month Revenues are **2.9%** **above last year's Monthly Revenues.**
 Year To Date Revenues are **8.7%** **above Year To Date Budgeted Revenues.**
 Year To Date Revenues are **12.0%** **above last year's Actual Year To Date Revenues.**

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$2,171,000	\$2,307,400	6.3%	\$2,171,000	\$2,307,400	6.3%	\$1,865,160	23.7%	\$ 1,865,160	23.7%
Feb	\$2,010,000	\$2,164,326	7.7%	\$4,181,000	\$4,471,725	7.0%	\$1,913,738	13.1%	\$ 3,778,898	18.3%
Mar	\$2,082,000	\$2,225,720	6.9%	\$6,263,000	\$6,697,446	6.9%	\$2,125,220	4.7%	\$ 5,904,118	13.4%
Apr	\$813,000	\$997,641	22.7%	\$7,076,000	\$7,695,087	8.7%	\$969,500	2.9%	\$ 6,873,618	12.0%
May	\$594,000			\$7,670,000			\$782,204		\$ 7,655,822	
June	\$1,275,000			\$8,945,000			\$1,345,550		\$ 9,001,372	
July	\$1,718,000			\$10,663,000			\$1,692,577		\$ 10,693,949	
Aug	\$1,533,000			\$12,196,000			\$1,545,937		\$ 12,239,887	
Sept	\$1,262,000			\$13,458,000			\$1,379,994		\$ 13,619,880	
Oct	\$809,000			\$14,267,000			\$992,304		\$ 14,612,184	
Nov	\$845,000			\$15,112,000			\$799,746		\$ 15,411,930	
Dec	\$2,346,000			\$17,458,000			\$2,051,774		\$ 17,463,705	

Actual Collections Year To Date Through April

