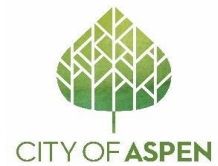


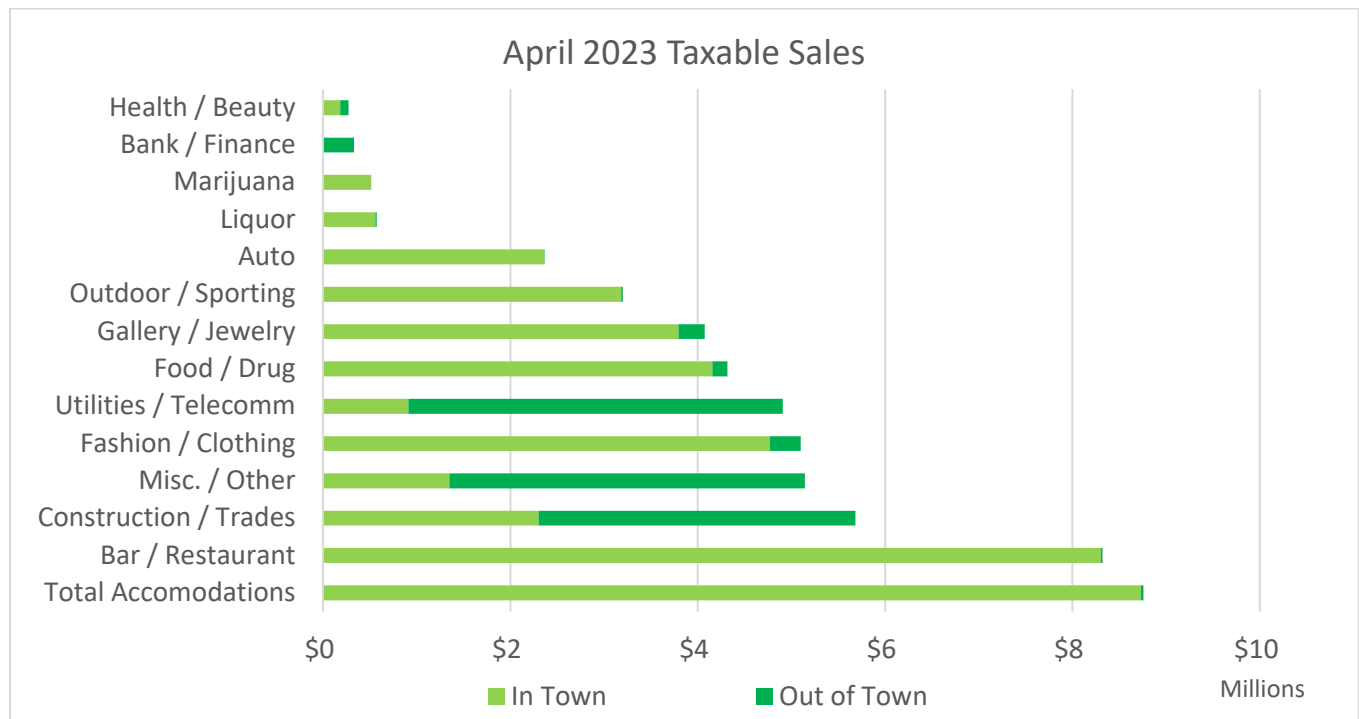
To: Aspen City Council
From: Pete Strecker, Finance Director
Date: June 15, 2023
Re: April 2023 Consumption Tax Report



Aggregate Taxable Sales & Industry Highlights:

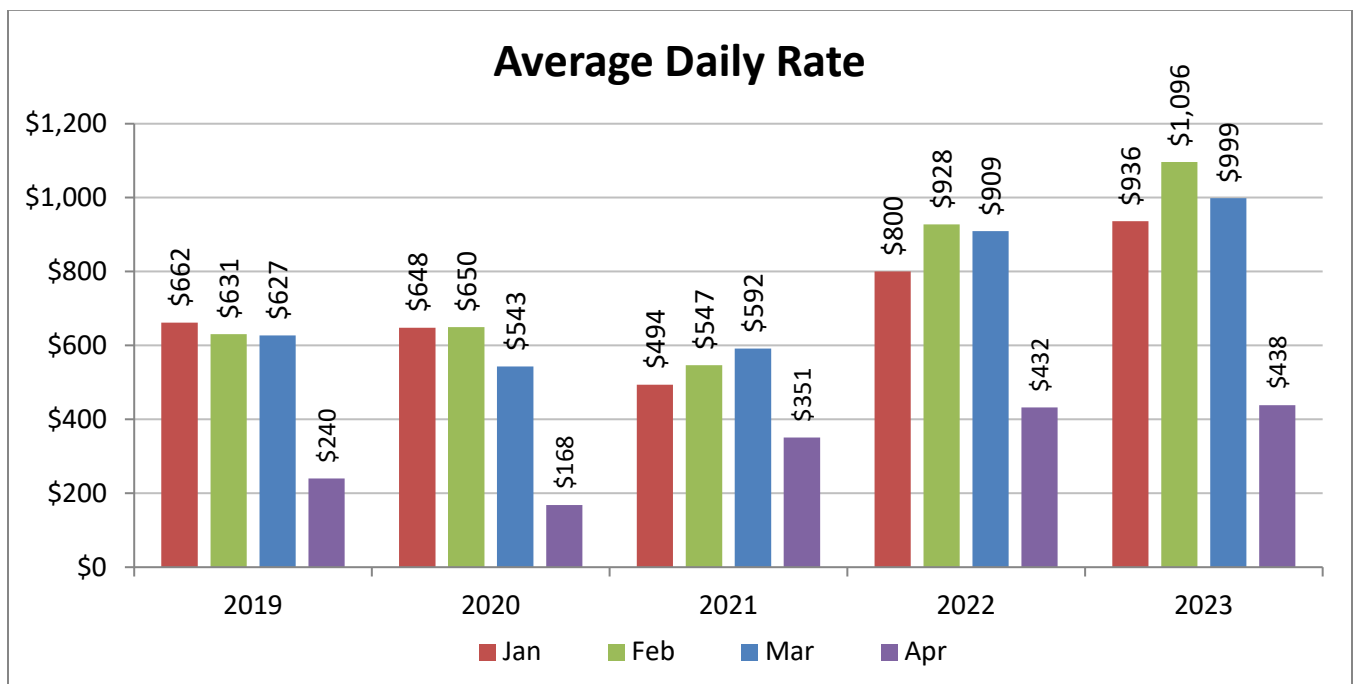
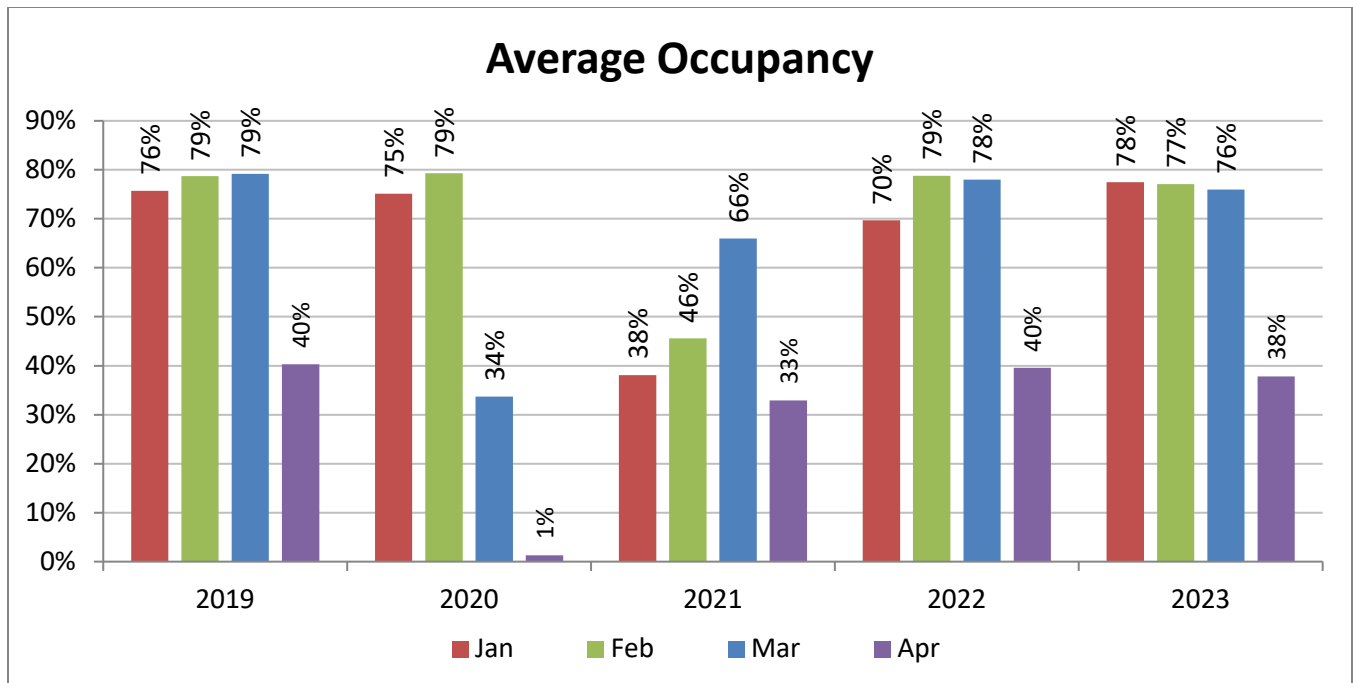
Aggregate taxable sales were down 3.8% in April when benchmarking against April 2022 one year ago. With the end of ski season, a shift away from local business activity is experienced, with 77% of spend taking place within local brick and mortar sales versus 23% from online/external businesses (this split was closer to 85%/15% local to online during the first quarter). Generally speaking, April is typically 4% of annual taxable sales, putting it in the bottom third of months for annual economic activity; and as such, relatively small fluctuations in taxable sales can look more dramatic (though they are less impactful to the overall annual picture).

Diving into the industry level data, the high dollar sectors of accommodations (down 19%) and restaurants/bars (down 6.6%) saw a decline in taxable sales but only when compared to a record setting month of April 2022. April 2023 taxable sales are still significantly higher than any other prior year (except 2022). Notable sectors that experienced growth include construction (up 15.3%), sports equipment (up 15.1%), utilities (up 12.4%), and food (up 10.9%). The more unpredictable and luxury sectors of fashion clothing (down 21.1%) and jewelry/gallery (up 68.1%) saw varying sales results, as is often the case.

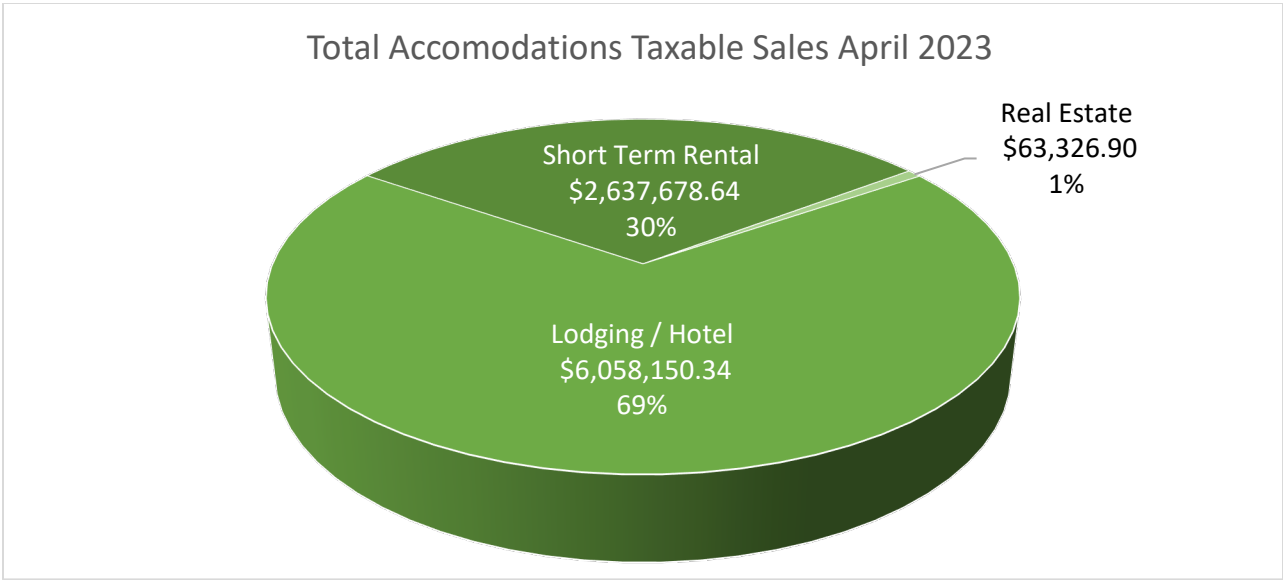


Sales and Lodging Tax:

April sales tax and lodging tax collections paced 6.2% and 18.3% behind April 2022, respectively, whereas year-to-date sales tax revenues remain up 4.7% and lodging tax is up 6.5% compared to 2022. Though still reflective of positive growth after four 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.



April's breakdown of the local lodging base reflects roughly 70% of taxable sales generated by traditional lodge offerings and 30% from short-term rentals (condo-hotels, investment properties and owner-occupied but rented units). These percentages and overall taxable sales are closely aligned with the previous 3 months – not surprising given the heavy concentration of lodge-exempt permitted properties included in the short-term rental program.

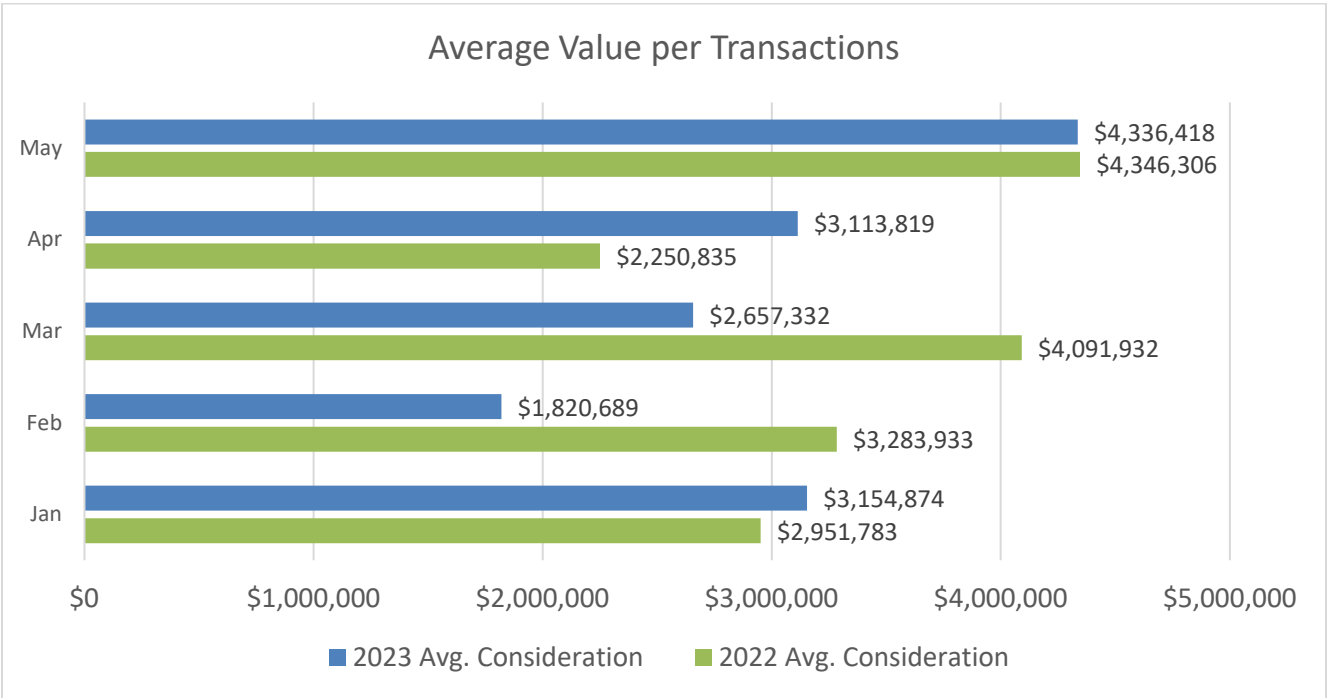


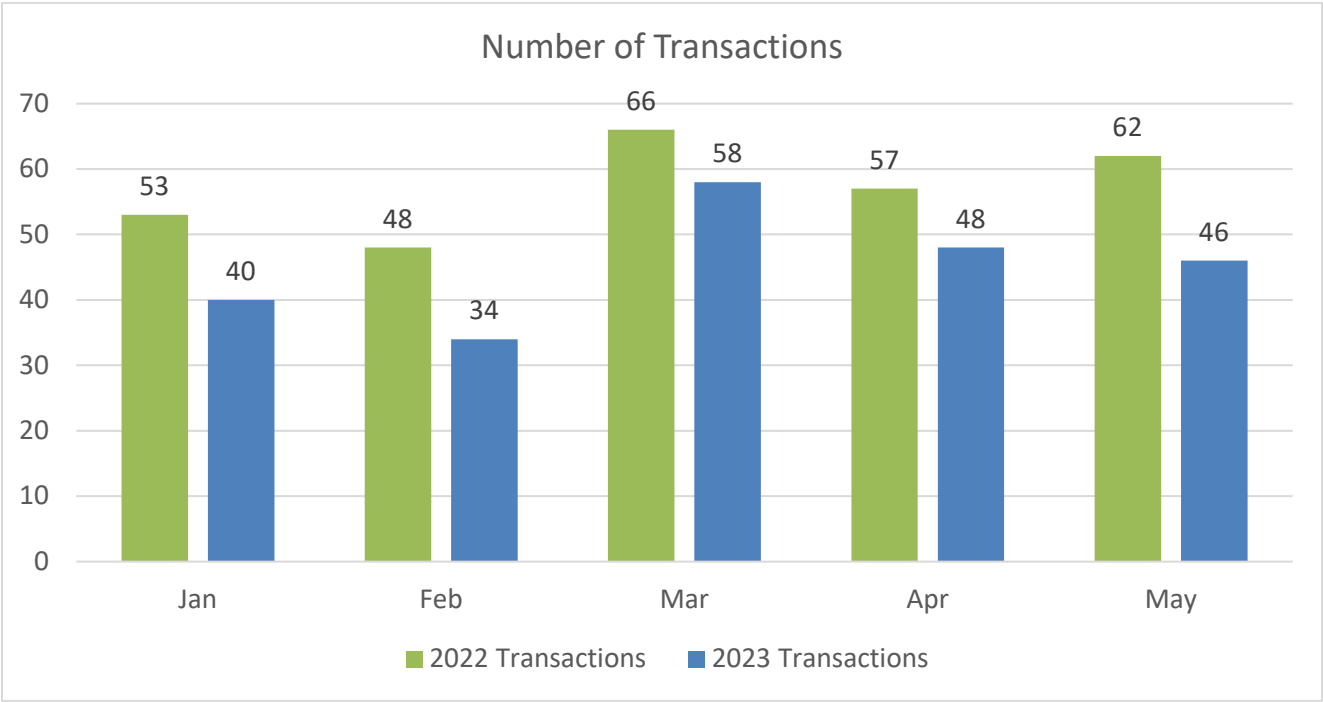
City Share of County Sales Tax:

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax continues to be strong with March collections up 4.7% to March 2022 and overall collections up 13.4% 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:

After five months, aggregate volume in real estate activity is lagging last year’s experience by 21%. May saw nearly identical figures to last year in average value per transaction. However, nearly one-third of the May 2023 RETT can be attributed to a single transaction, again highlighting the volatility in this revenue stream. Overall, tax receipts are still pacing roughly 30% below last year’s collections and are not expected to match those of 2022.

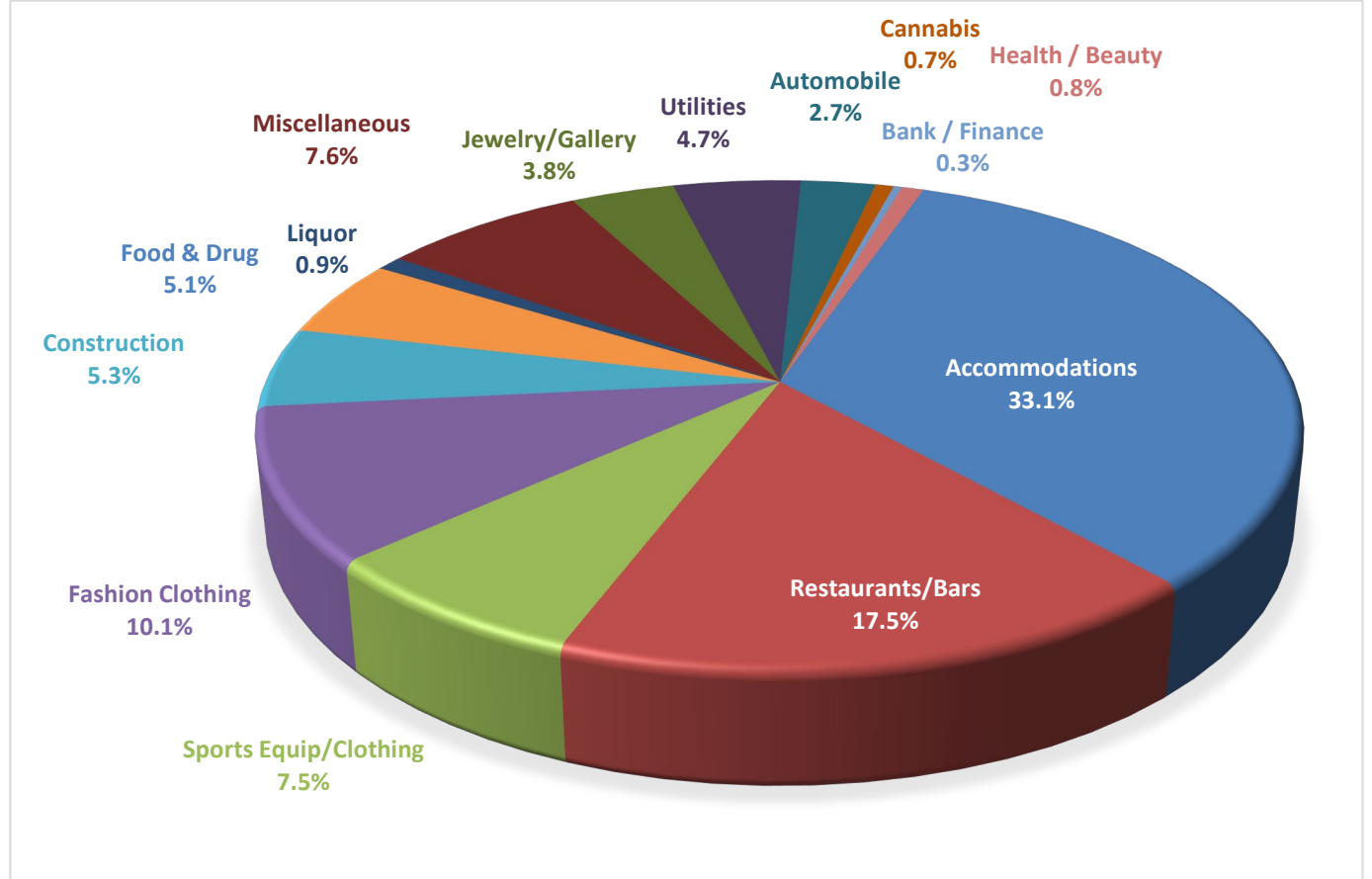




City of Aspen Retail Sales by Industry
April 2023

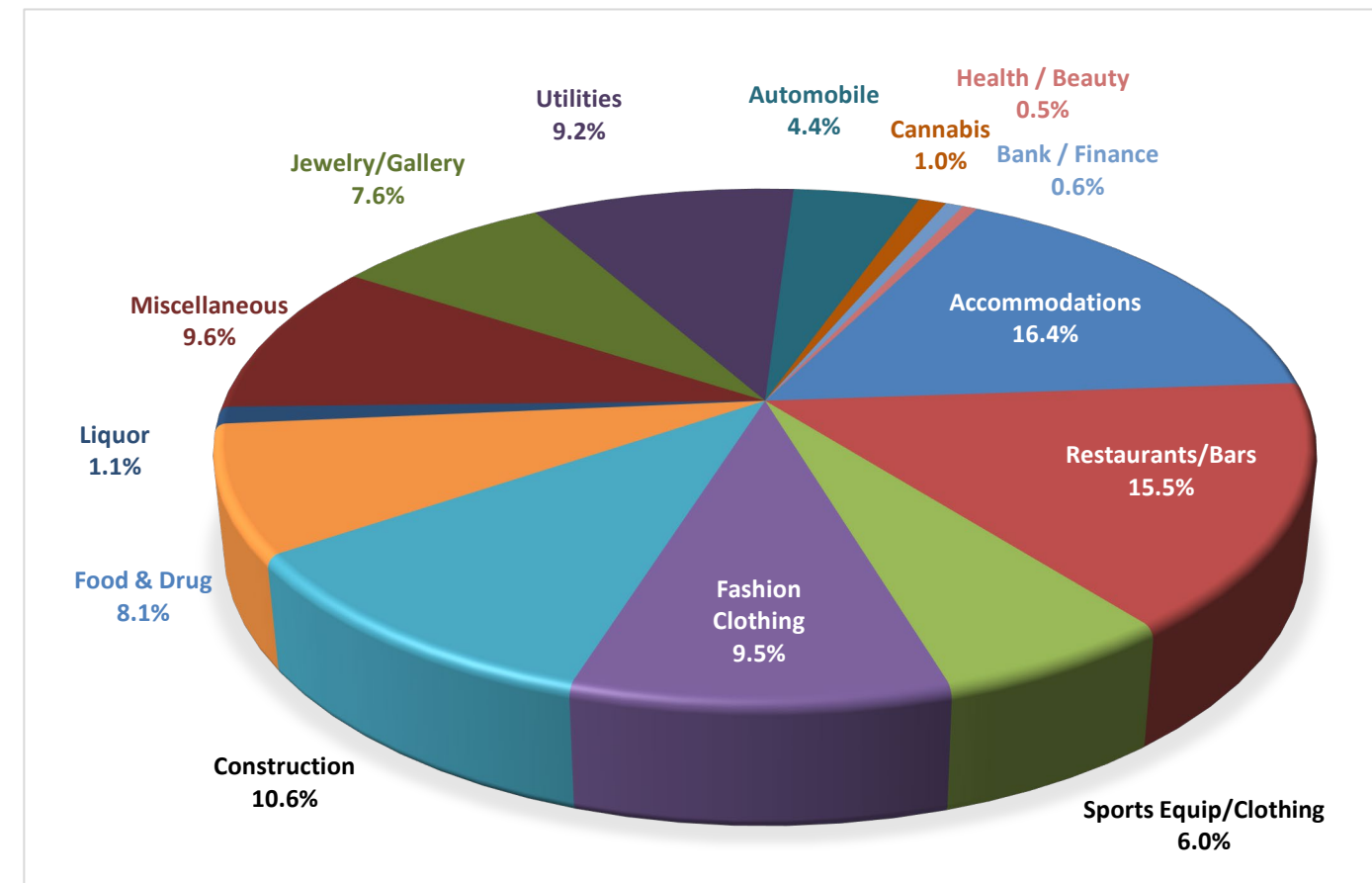
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$157,156,806	33.1%	5.1%
Restaurants/Bars	\$82,932,614	17.5%	7.5%
Sports Equip/Clothing	\$35,614,145	7.5%	3.5%
Fashion Clothing	\$47,800,435	10.1%	(5.5%)
Construction	\$25,014,374	5.3%	2.6%
Food & Drug	\$24,408,208	5.1%	5.4%
Liquor	\$4,411,253	0.9%	(6.1%)
Miscellaneous	\$35,890,752	7.6%	25.4%
Jewelry/Gallery	\$18,073,543	3.8%	4.0%
Utilities	\$22,246,127	4.7%	8.5%
Automobile	\$13,019,897	2.7%	4.8%
Cannabis	\$3,177,926	0.7%	(19.7%)
Bank / Finance	\$1,447,565	0.3%	(8.7%)
Health / Beauty	\$3,813,426	0.8%	209.2%
Total	\$475,007,070	100.0%	5.6%



April Monthly Retail Sales

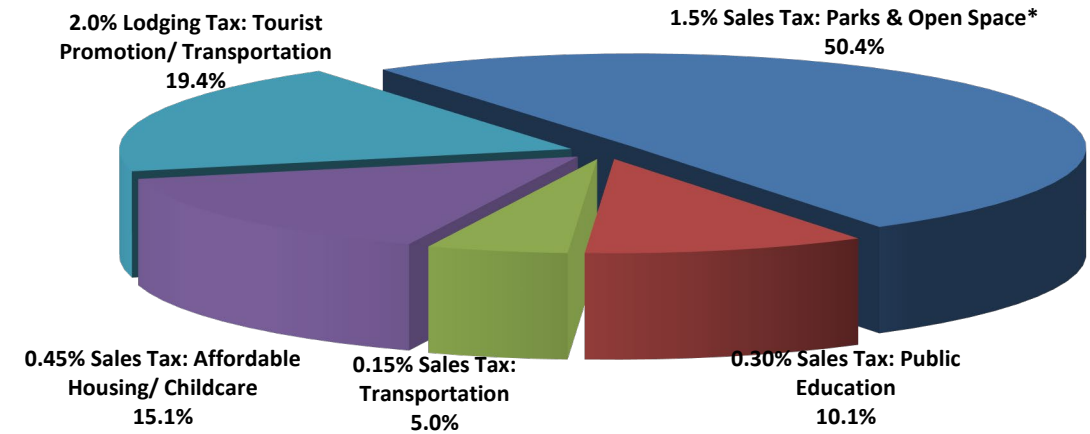
Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$8,759,156	16.4%	(19.1%)
Restaurants/Bars	\$8,319,250	15.5%	(6.6%)
Sports Equip/Clothing	\$3,199,058	6.0%	15.1%
Fashion Clothing	\$5,098,628	9.5%	(21.1%)
Construction	\$5,683,961	10.6%	15.3%
Food & Drug	\$4,316,501	8.1%	10.9%
Liquor	\$572,978	1.1%	(11.0%)
Miscellaneous	\$5,143,501	9.6%	(18.8%)
Jewelry/Gallery	\$4,075,631	7.6%	68.1%
Utilities	\$4,906,823	9.2%	12.4%
Automobile	\$2,365,184	4.4%	(17.4%)
Cannabis	\$514,268	1.0%	(27.7%)
Bank / Finance	\$332,820	0.6%	(11.2%)
Health / Beauty	\$273,313	0.5%	104.1%
Total	\$53,561,071	100.0%	(3.8%)



**City of Aspen Sales and Lodging Tax
April 2023**

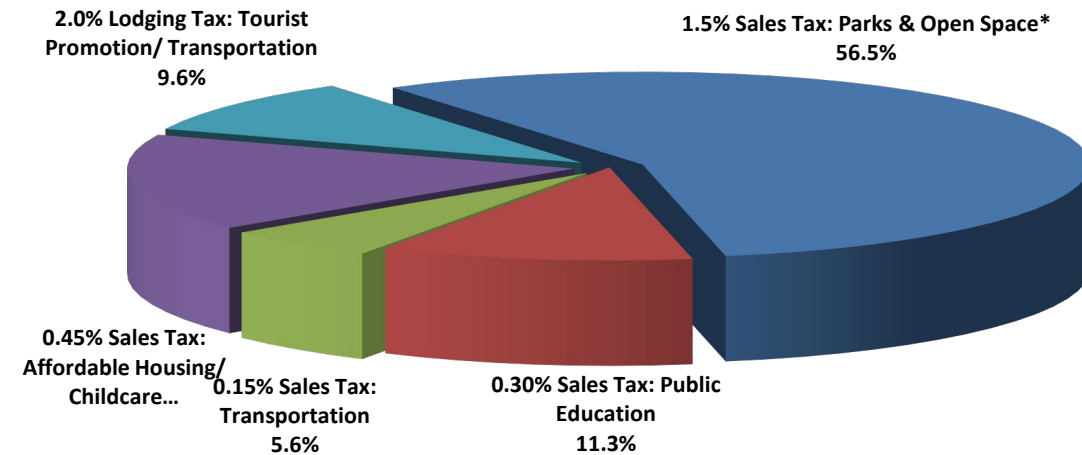
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.5% Sales Tax: Parks & Open Space*	\$7,051,056	50.4%
0.30% Sales Tax: Public Education	\$1,412,673	10.1%
0.15% Sales Tax: Transportation	\$705,109	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$2,115,307	15.1%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$2,709,799</u>	<u>19.4%</u>
Total	\$13,993,944	100%



April Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.5% Sales Tax: Parks & Open Space*	\$798,411	56.5%
0.30% Sales Tax: Public Education	\$159,918	11.3%
0.15% Sales Tax: Transportation	\$79,842	5.6%
0.45% Sales Tax: Affordable Housing/ Childcare	\$239,522	16.9%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$136,017</u>	<u>9.6%</u>
Total	\$1,413,710	100%



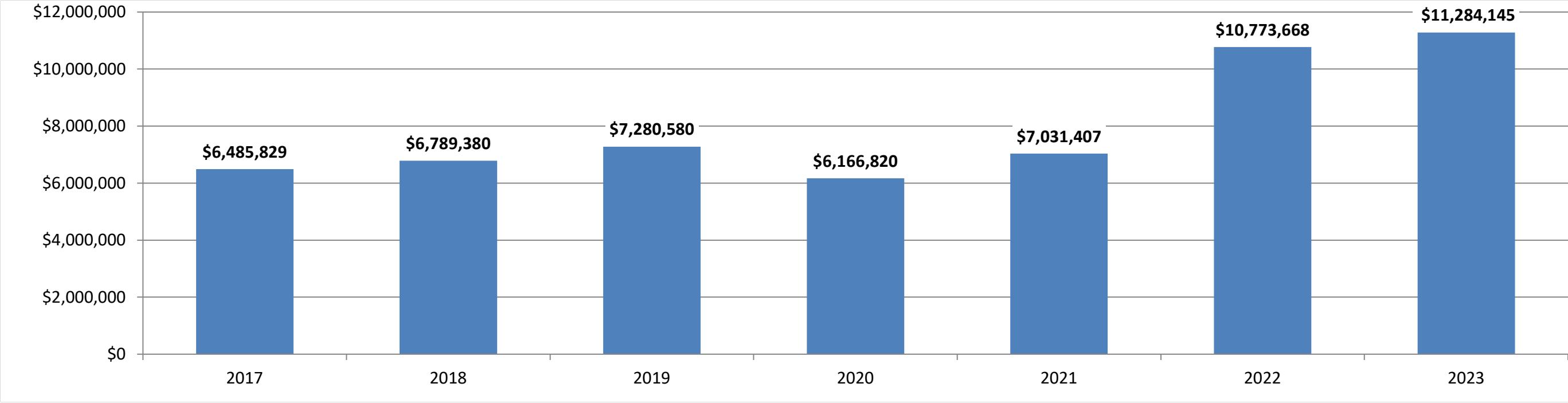
***0.5% tax was approved in perpetuity**

City of Aspen Sales Tax 2.4%
April 2023

Current Month Revenues are (6.2%) below last year's Monthly Revenues.
Year To Date Revenues are 6.9% above Year To Date Budgeted Revenues.
Year To Date Revenues are 4.7% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget*	Actual	Variance	Budget*	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
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			\$11,506,900			\$982,151		\$11,755,819	
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 April



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

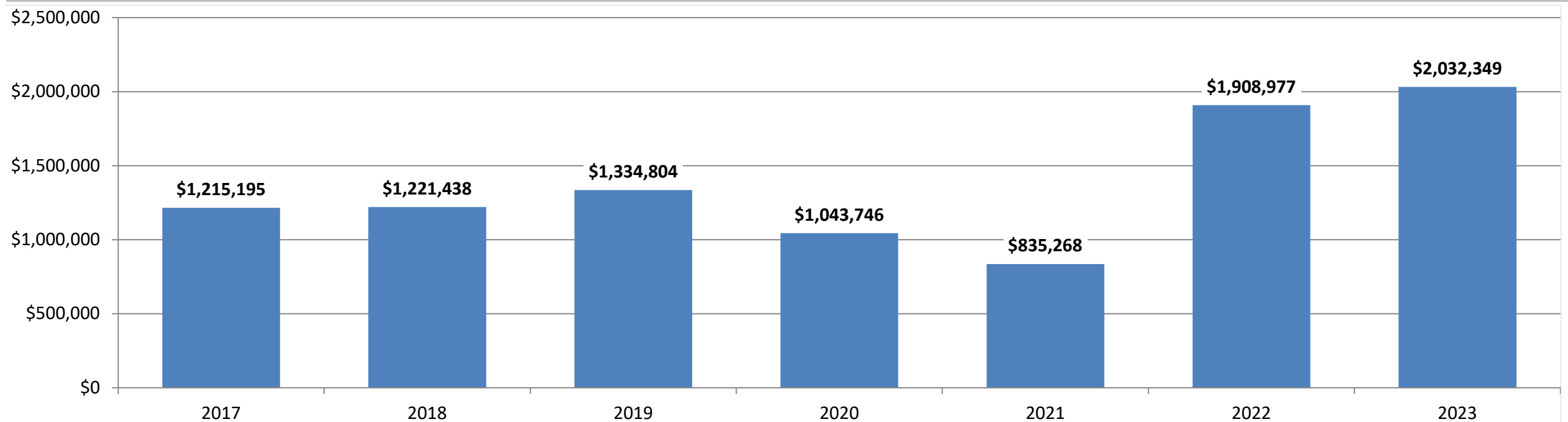
Current Month Revenues are (18.3%) below last year's Monthly Revenues adjusted for rate increase.

Year To Date Revenues are 14.9% above Year To Date Budgeted Revenues.

Year To Date Revenues are 6.5% 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			\$1,836,000			\$65,610		\$1,974,586	
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 April

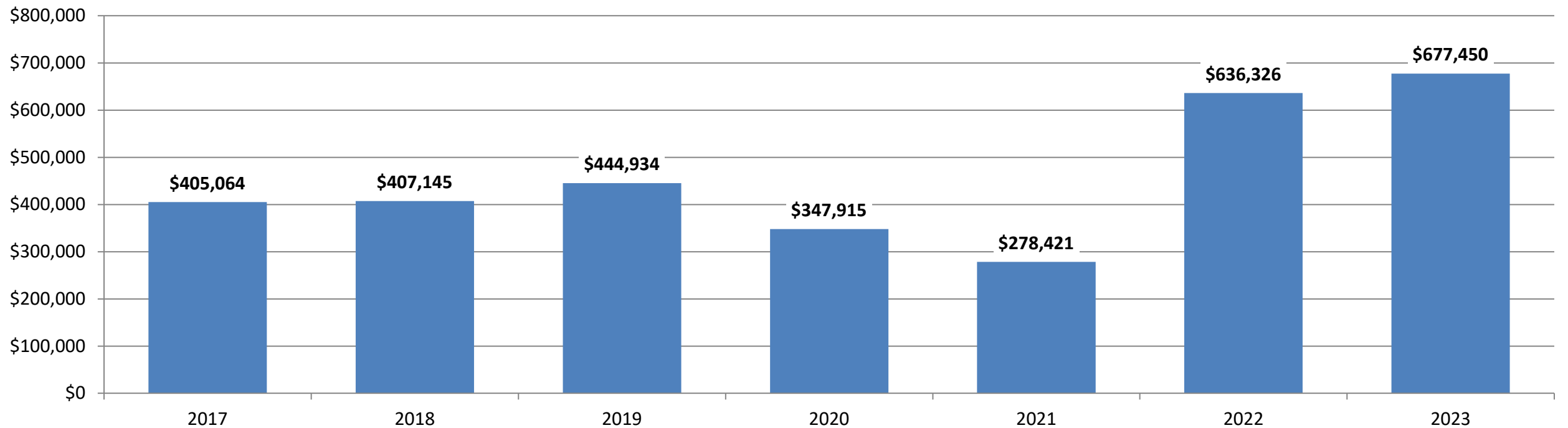


**City of Aspen Transportation 0.5% Lodging Tax
April 2023**

Current Month Revenues are (18.3%) below last year's Monthly Revenues
 Year To Date Revenues are 14.8% above Year To Date Budgeted Revenues.
 Year To Date Revenues are 6.5% 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	\$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			\$612,000			\$21,870		\$658,196	
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 April

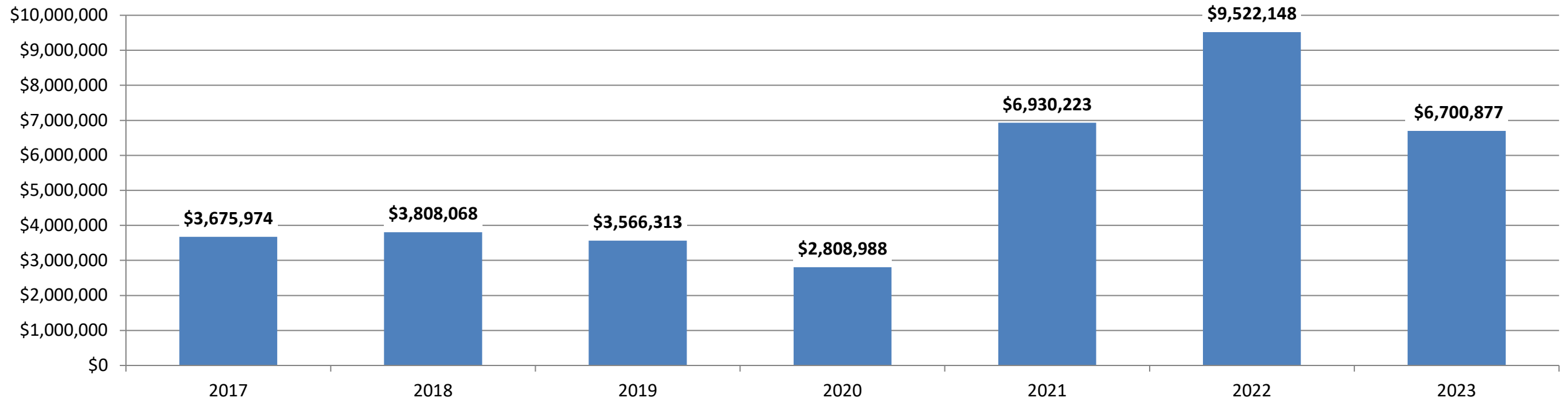


**Housing Real Estate Transfer Tax
May 2023**

Current Month Revenues are (25.0%) below last year's Monthly Revenues.
 Year To Date Revenues are 72.8% above Year To Date Budgeted Revenues.
 Year To Date Revenues are (29.6%) below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
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			\$4,740,000			\$1,467,414		\$10,989,562	
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 May

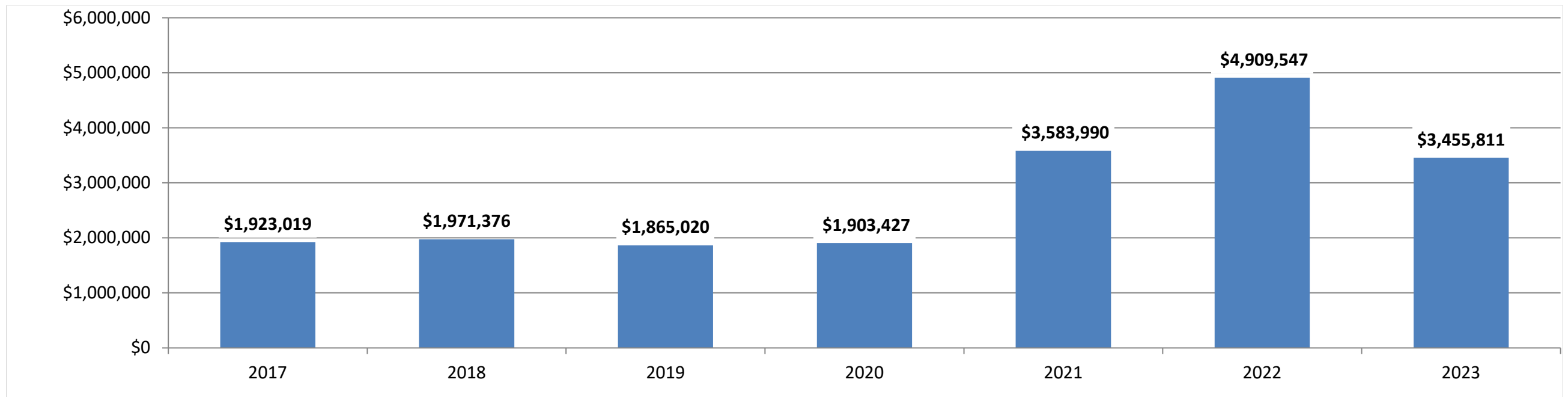


**Wheeler Opera House Real Estate Transfer Tax
May 2023**

Current Month Revenues are (26.0%) below last year's Monthly Revenues.
 Year To Date Revenues are 76.0% above Year To Date Budgeted Revenues.
 Year To Date Revenues are (29.6%) below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
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			\$2,392,000			\$751,367		\$5,660,914	
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 May



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

Current Month Revenues are 4.7% above last year's Monthly Revenues.
Year To Date Revenues are 6.9% above Year To Date Budgeted Revenues.
Year To Date Revenues are 13.4% 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			\$7,076,000			\$969,500		\$ 6,873,618	
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 March

