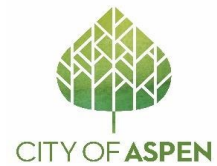


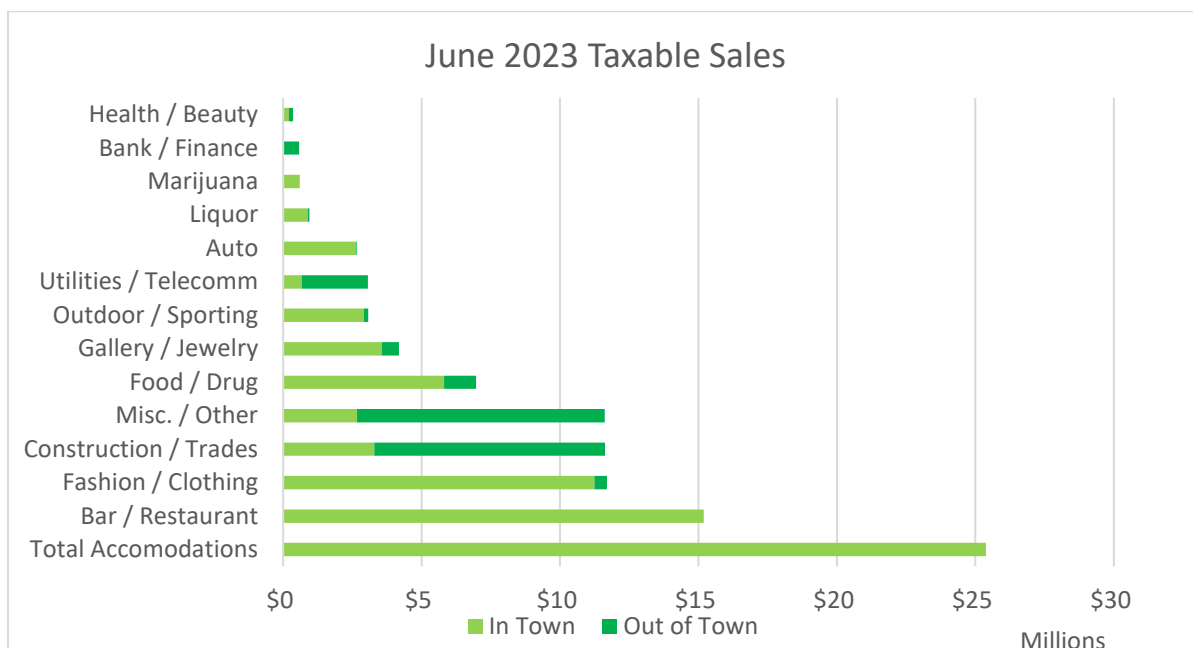
To: Aspen City Council
From: Pete Strecker, Finance Director
Date: August 15, 2023
Re: June 2023 Consumption Tax Report



Aggregate Taxable Sales & Industry Highlights:

June marks the official start of the local summer economy and brings with it a dramatic jump in sales tax collections following the sleepy off-season. While still not as robust as peak months throughout the year, June taxable sales equate to roughly 8.5% of yearly totals, placing it really as only the 7th “busiest” economic month of the year. Focusing specifically on this year, June 2023 was relatively strong when viewed against all historical comparisons except for 2022, which reflects a 7.2% drop relative to the previous year’s benchmark. While this is notable, when delving further into the details, one major filer resolved a significant overdue balance in June 2022 that makes this comparison less relevant, and if excluded, brings the comparison between years to nearly flat overall.

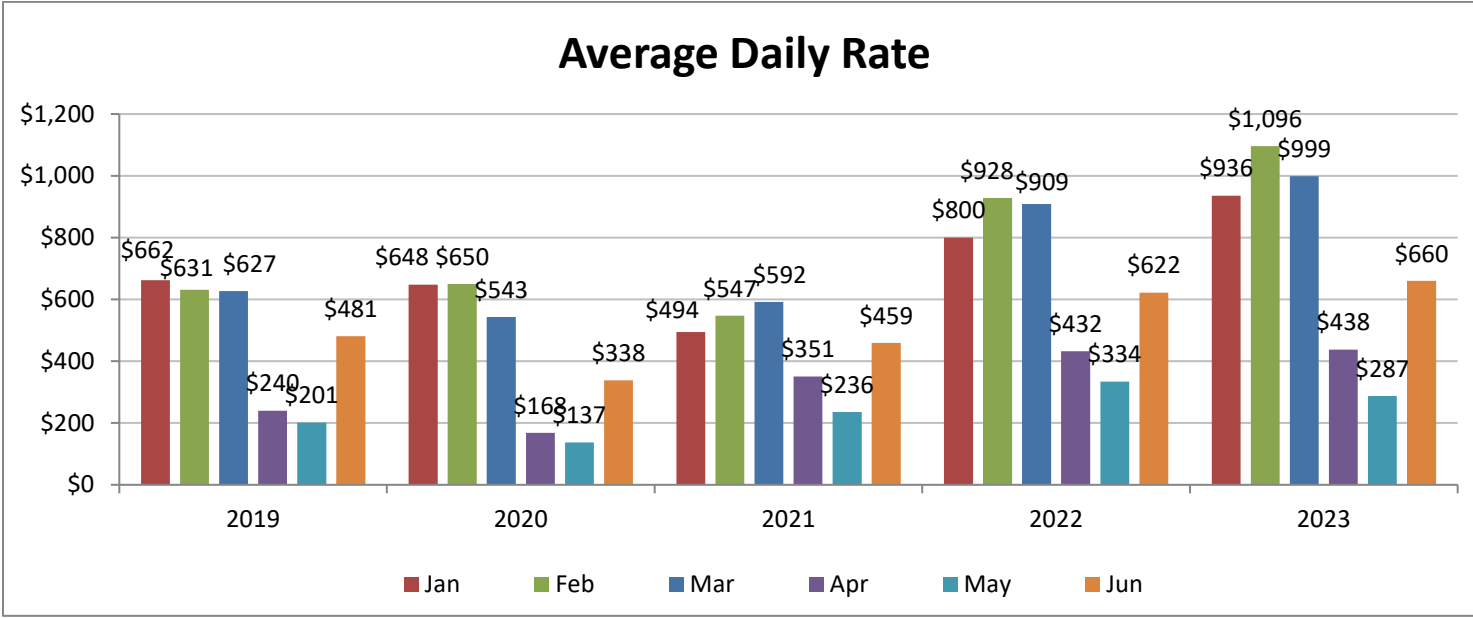
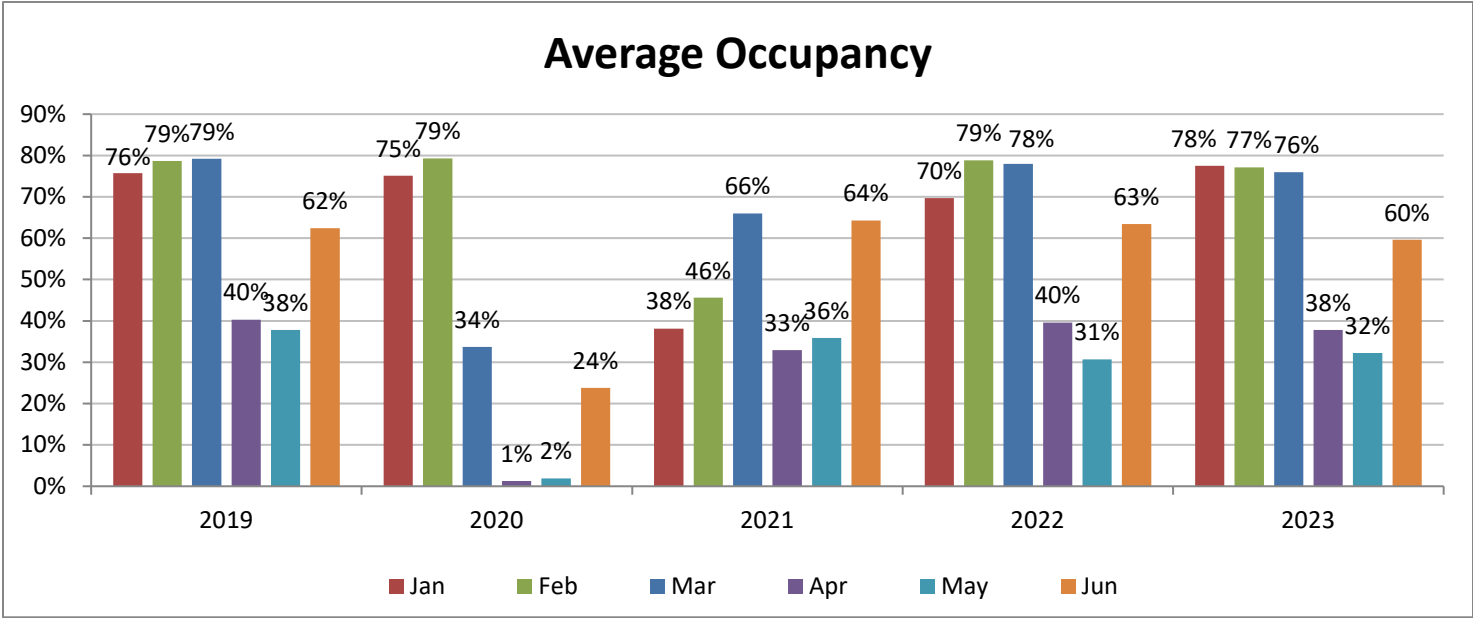
By industry, June’s high dollar sectors of accommodations (down 8.4%) and restaurants/bars (roughly flat) exhibited an unusual disparity this month for these often-linked sectors. With occupancy figures continuing to retreat (as reported by Destimetrics), one would expect that patron volume at local eateries would also experience a decline and result in a trickle-down effect for softer restaurant sales. Clearly this did not materialize as expected, and while absolute reasoning for this variance has not been fully established, a few datapoints have provided some helpful context to make an educated guess. Taking a closer look at the accommodations sector has highlighted that traditional lodging stays were nearly flat for the comparison period, whereas taxable STR related stays have retreated. A portion of this decline in STR reported sales is believed to be driven by the change in timing on reported taxable sales for the short-term rental industry – this is the product of the new STR tax implementation which has brought filers into greater compliance with reporting sales once transactions complete (the room nights have occurred) and not when the reservation was first booked. Additionally, stays of 30 or more days are exempt from taxation and have been on the rise, along with prevalent actual owner stays, and therefore are reducing taxable nights (more common in STR properties). So, while these changes to taxable sales on STR properties has resulted in fewer accommodations tax revenue, it has not diminished the patronage of restaurants as one might expect.



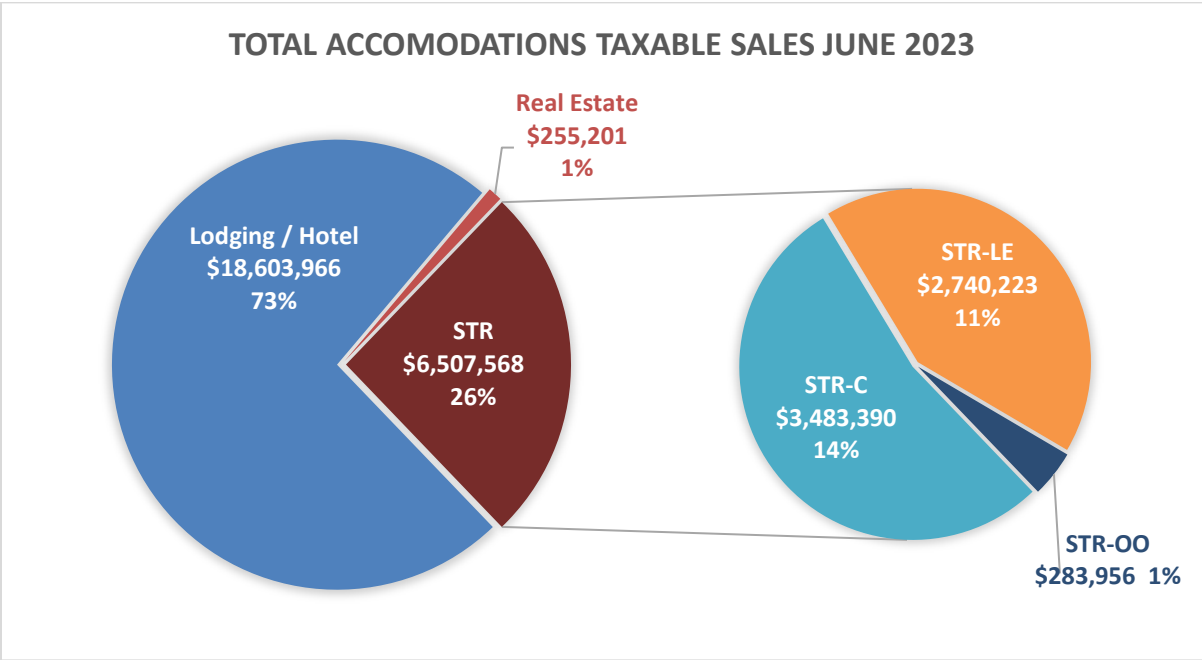
Aside from these headline industries above, the last notable movement in this month’s report was in construction (up 18.5%) which reflect some activation in commercial sites around town that had been previously dormant for some time. And overall, June’s spend within local brick and mortar establishments was 77% of the monthly total sales, down from the 85% benchmark set during the first quarter of the calendar year.

Sales and Lodging Tax:

June sales tax and lodging tax collections paced 5.5% and 14.6% respectively behind a record setting June 2022 benchmark. Again, it should be noted that if the June 2022 late payment was removed from the comparison period, sales tax collections would be nearly flat. Year-to-date sales tax revenues remain up 2.5% on an aggregate basis; lodging tax similarly 2.7% above the same timeframe one year ago. Though still reflective of positive growth after six 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.



June’s breakdown of the local lodging base reflects roughly 73% of taxable sales generated by traditional lodge offerings and 26% from short-term rentals (STRs). Of the STR industry, roughly half of taxable sales were generated within the second home / investment (classic) properties and just 4% was within owner-occupied properties, with the remainder in historical offerings from lodge exempt type units.



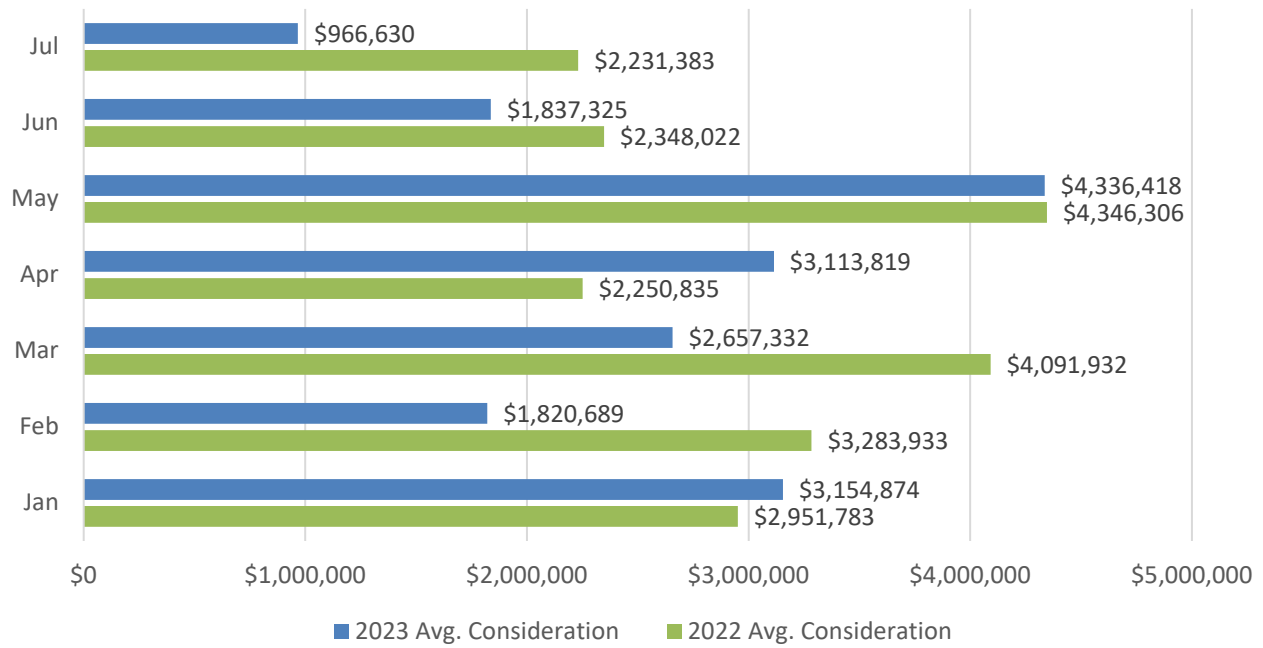
City Share of County Sales Tax:

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax continues to be strong with May collections up 13.1% to May 2022 and overall collections up 12.1% year to date. This strength in collections varies from Aspen’s economic experience as the unincorporated areas of the County drive online sales higher and as Snowmass Village saw strong results (during this shoulder season). 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.

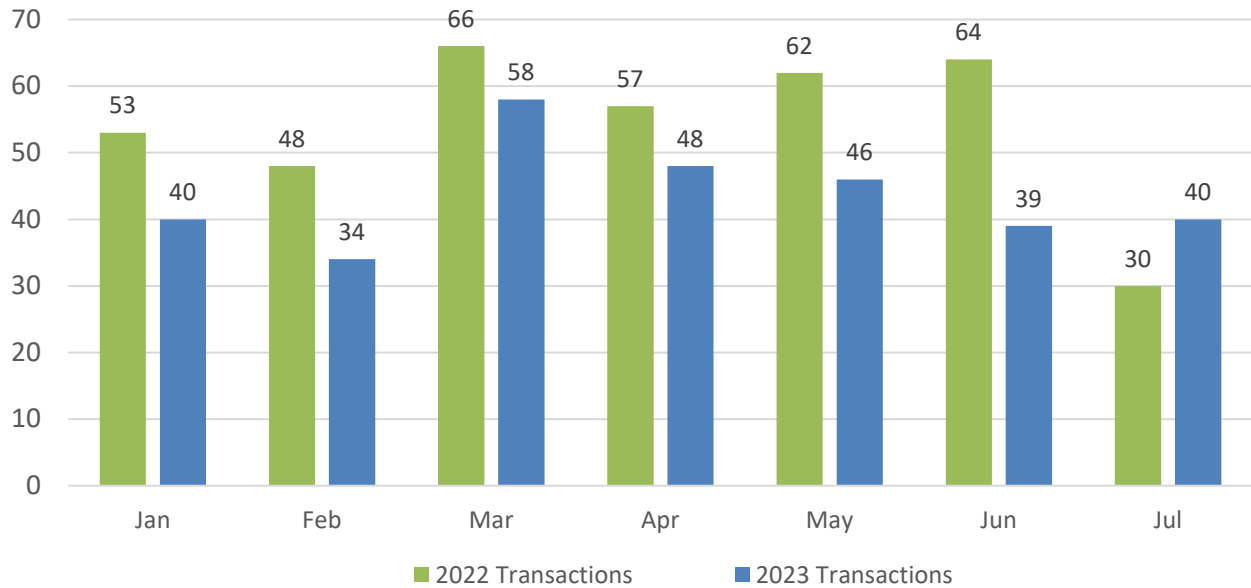
Real Estate Transfer Taxes:

Seven months into the year, aggregate volume in real estate activity is lagging last year’s experience by 20%. June collections in HRETT funds decreased by 43% and WRETT decreased by 42% when comparing to July 2022 collections. Overall, real estate transfer tax receipts are pacing roughly 33% below last year’s collections on a year-to-date basis.

Average Value per Transactions



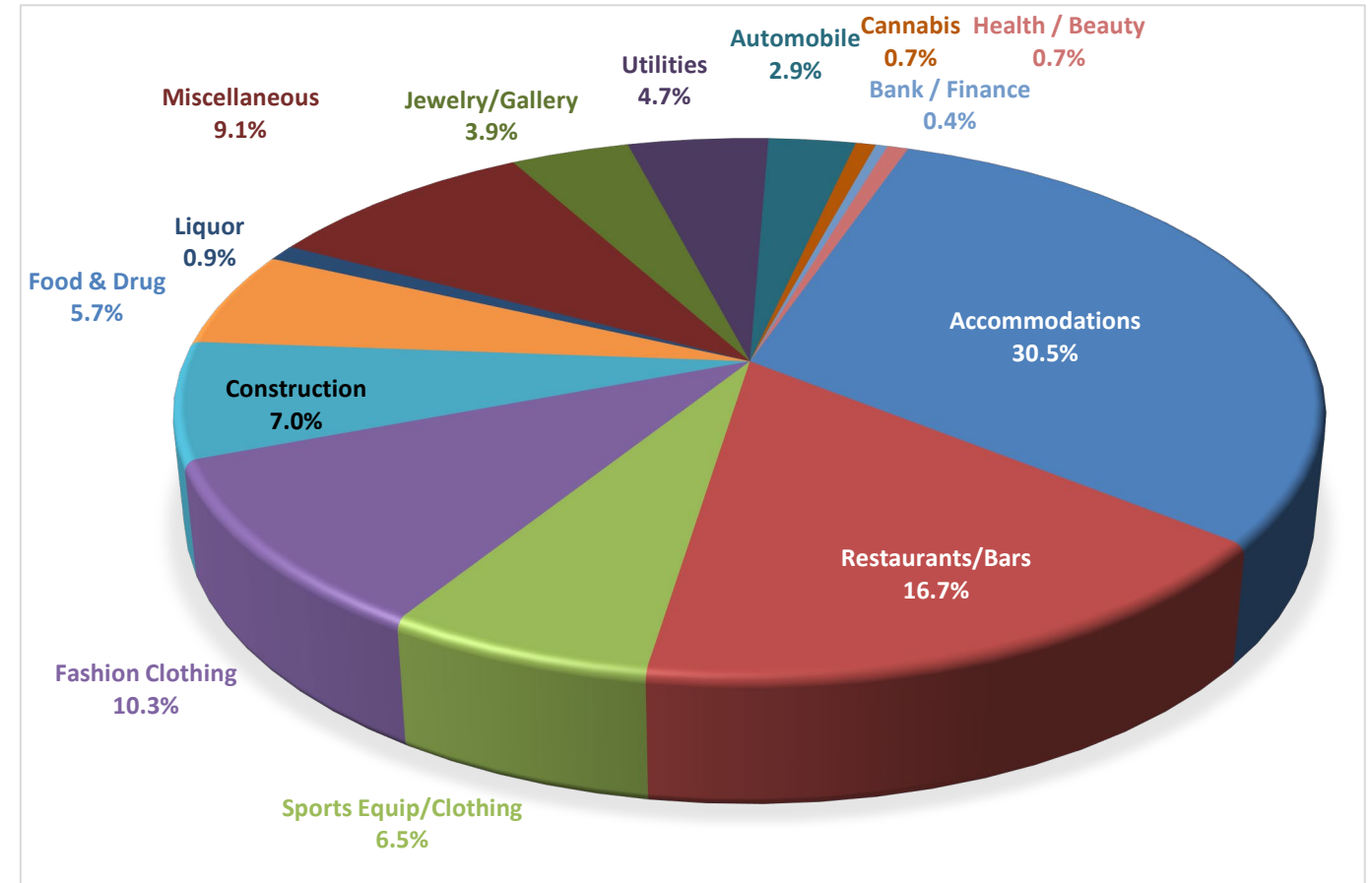
Number of Transactions



City of Aspen Retail Sales by Industry
June 2023

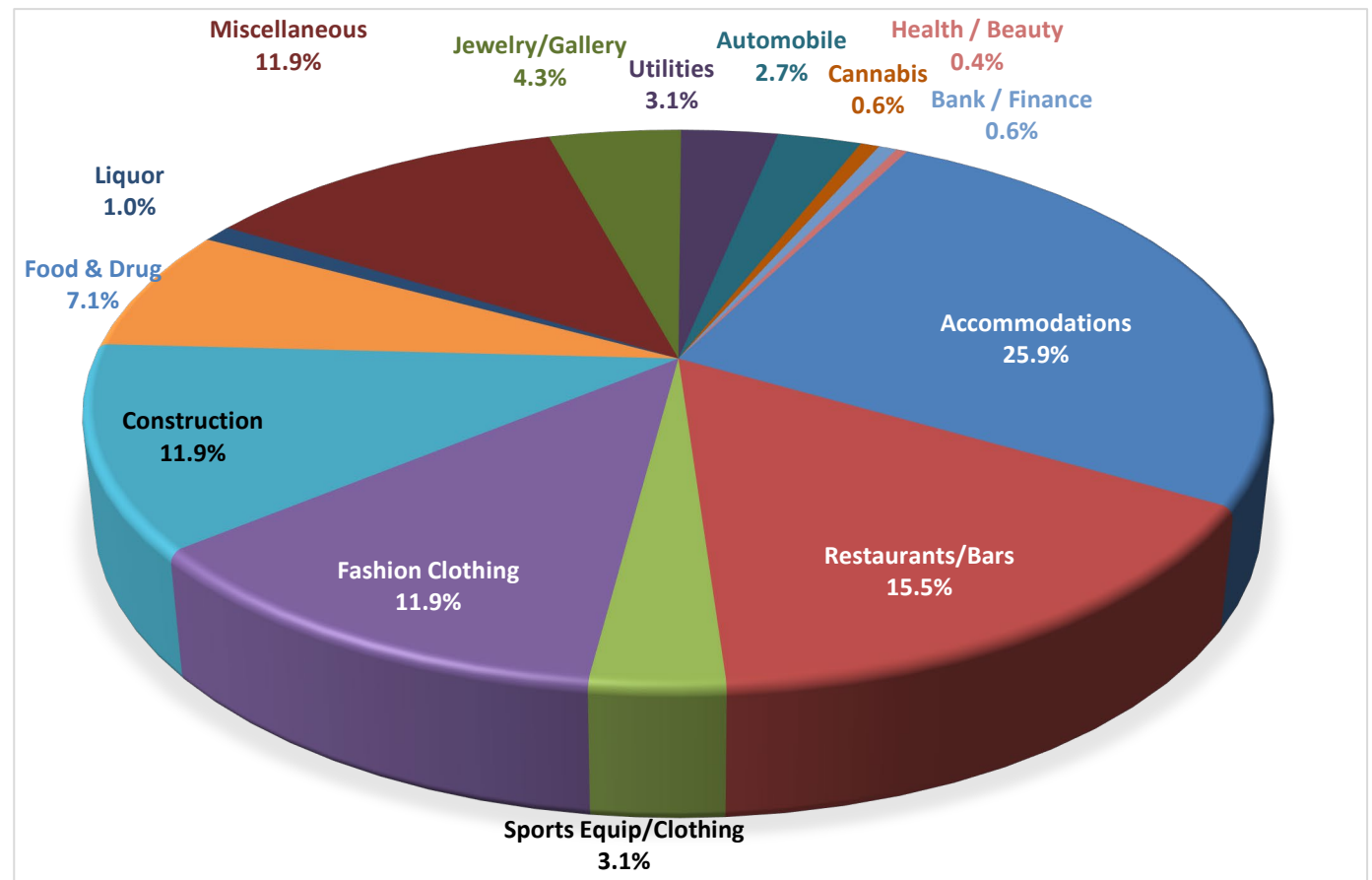
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$187,248,451	30.5%	2.3%
Restaurants/Bars	\$102,367,764	16.7%	5.1%
Sports Equip/Clothing	\$39,856,397	6.5%	0.5%
Fashion Clothing	\$62,943,543	10.3%	(5.5%)
Construction	\$43,052,411	7.0%	6.0%
Food & Drug	\$35,060,237	5.7%	(7.3%)
Liquor	\$5,826,404	0.9%	(8.7%)
Miscellaneous	\$56,030,828	9.1%	19.1%
Jewelry/Gallery	\$24,246,449	3.9%	8.6%
Utilities	\$28,684,304	4.7%	4.9%
Automobile	\$17,833,599	2.9%	0.2%
Cannabis	\$4,101,087	0.7%	(18.8%)
Bank / Finance	\$2,433,182	0.4%	(10.5%)
Health / Beauty	\$4,268,994	0.7%	66.0%
Total	\$613,953,649	100.0%	3.0%



June Monthly Retail Sales

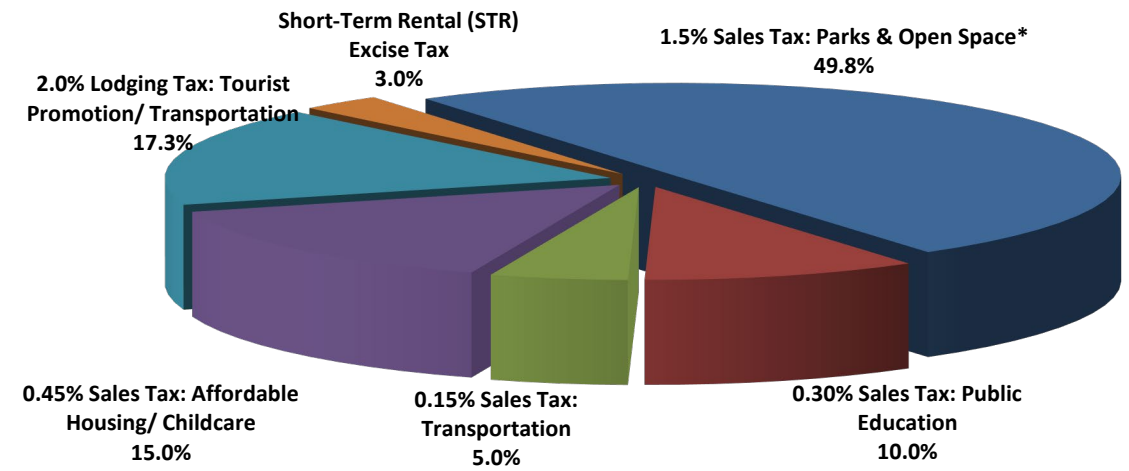
Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$25,365,726	25.9%	(8.4%)
Restaurants/Bars	\$15,175,030	15.5%	0.2%
Sports Equip/Clothing	\$3,068,619	3.1%	(21.1%)
Fashion Clothing	\$11,689,470	11.9%	(2.7%)
Construction	\$11,625,176	11.9%	18.5%
Food & Drug	\$6,964,564	7.1%	(35.9%)
Liquor	\$942,628	1.0%	(14.4%)
Miscellaneous	\$11,617,579	11.9%	(10.6%)
Jewelry/Gallery	\$4,182,884	4.3%	29.7%
Utilities	\$3,066,967	3.1%	(9.6%)
Automobile	\$2,664,584	2.7%	(0.0%)
Cannabis	\$597,034	0.6%	(19.2%)
Bank / Finance	\$571,689	0.6%	(27.9%)
Health / Beauty	\$361,465	0.4%	(68.7%)
Total	\$97,893,413	100.0%	(7.2%)



**City of Aspen Tax Collections
June 2023**

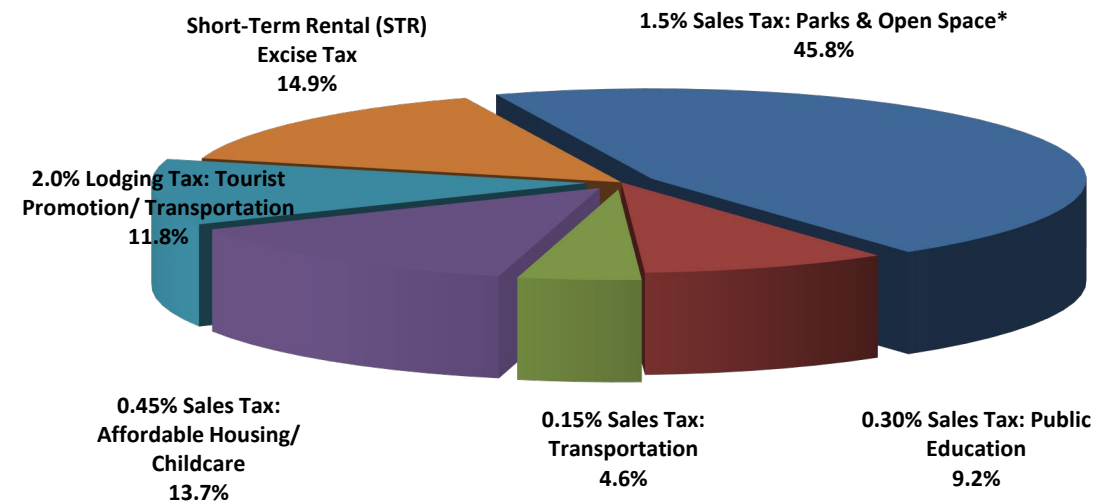
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.5% Sales Tax: Parks & Open Space*	\$9,134,397	49.8%
0.30% Sales Tax: Public Education	\$1,829,342	10.0%
0.15% Sales Tax: Transportation	\$913,443	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$2,740,309	15.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	\$3,163,072	17.3%
Short-Term Rental (STR) Excise Tax	\$543,469	3.0%
Total	\$18,324,031	100%



June Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.5% Sales Tax: Parks & Open Space*	\$1,478,109	45.8%
0.30% Sales Tax: Public Education	\$295,622	9.2%
0.15% Sales Tax: Transportation	\$147,811	4.6%
0.45% Sales Tax: Affordable Housing/ Childcare	\$443,433	13.7%
2.0% Lodging Tax: Tourist Promotion/ Transportation	\$381,351	11.8%
Short-Term Rental (STR) Excise Tax	\$480,398	14.9%
Total	\$3,226,723	100%



*0.5% tax was approved in perpetuity

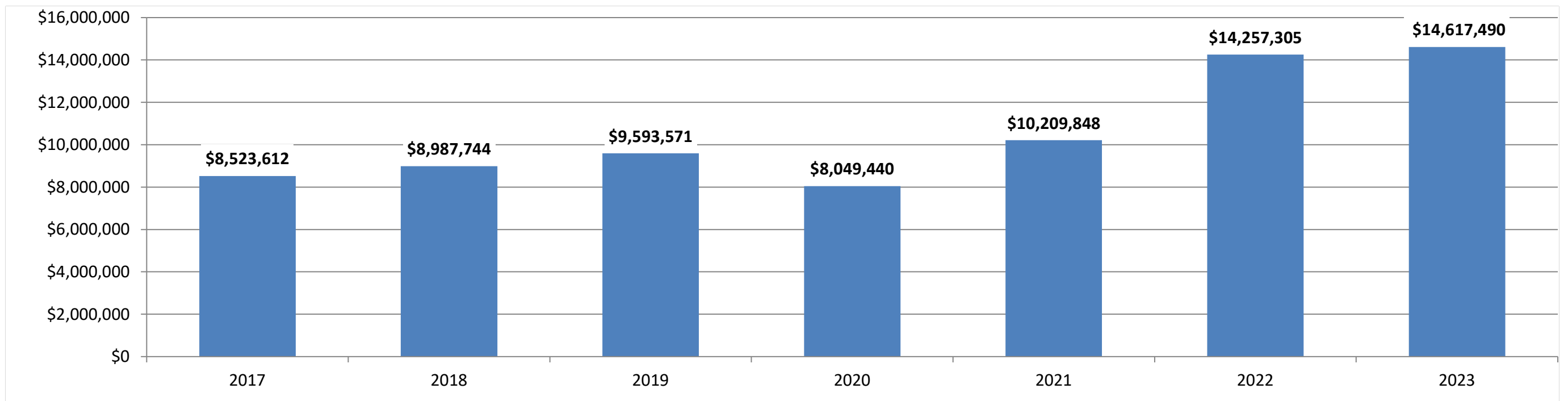
City of Aspen Sales Tax 2.4%

June 2023

Current Month Revenues are (5.5%) below last year's Monthly Revenues.
 Year To Date Revenues are 4.9% above Year To Date Budgeted Revenues.
 Year To Date Revenues are 2.5% 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	\$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	\$2,364,974	(2.5%)	\$13,931,400	\$14,617,490	4.9%	\$2,501,486	(5.5%)	\$14,257,305	2.5%
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 June



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

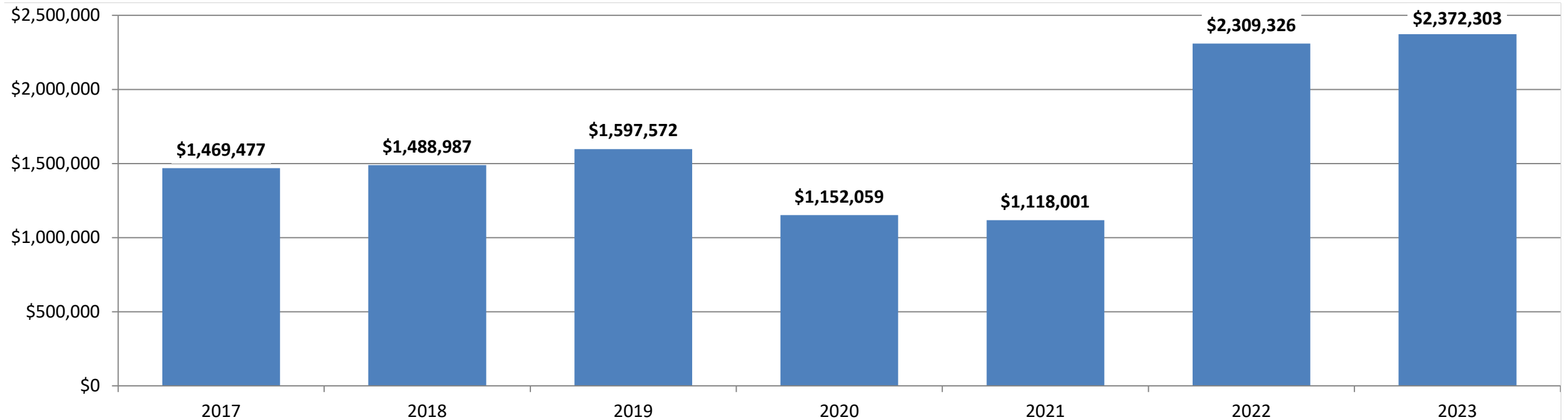
Current Month Revenues are (14.6%) below last year's Monthly Revenues adjusted for rate increase.

Year To Date Revenues are 11.4% above Year To Date Budgeted Revenues.

Year To Date Revenues are 2.7% 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	\$286,013	(2.4%)	\$2,129,000	\$2,372,303	11.4%	\$334,739	(14.6%)	\$2,309,326	2.7%
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 June

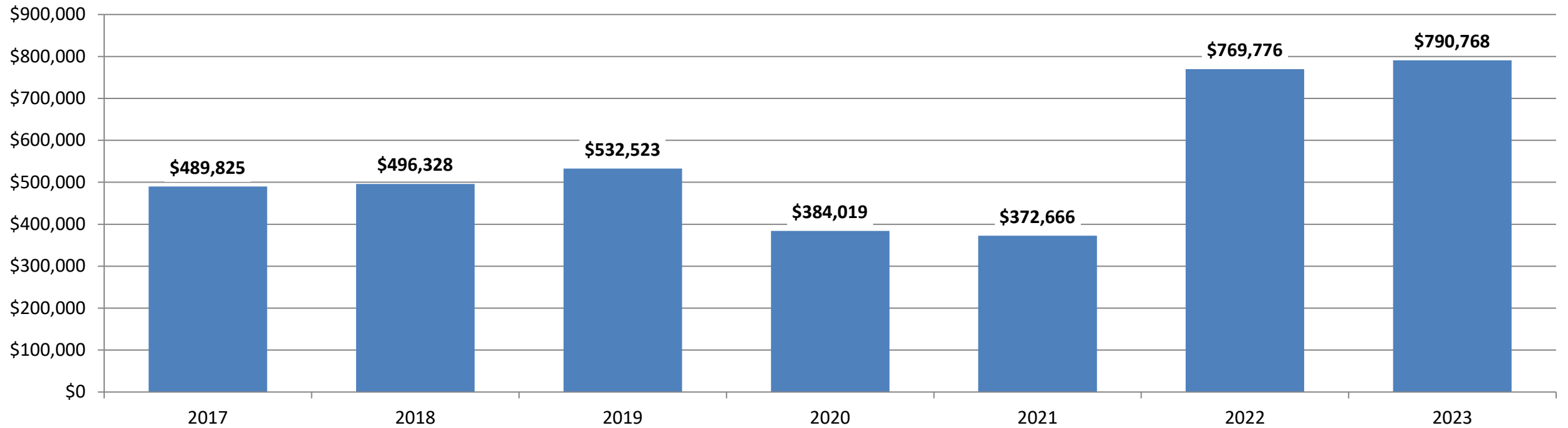


**City of Aspen Transportation 0.5% Lodging Tax
June 2023**

Current Month Revenues are **(14.6%)** below last year's Monthly Revenues
Year To Date Revenues are **11.4%** above Year To Date Budgeted Revenues.
Year To Date Revenues are **2.7%** 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	\$95,338	(2.7%)	\$710,000	\$790,768	11.4%	\$111,580	(14.6%)	\$769,776	2.7%
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 June



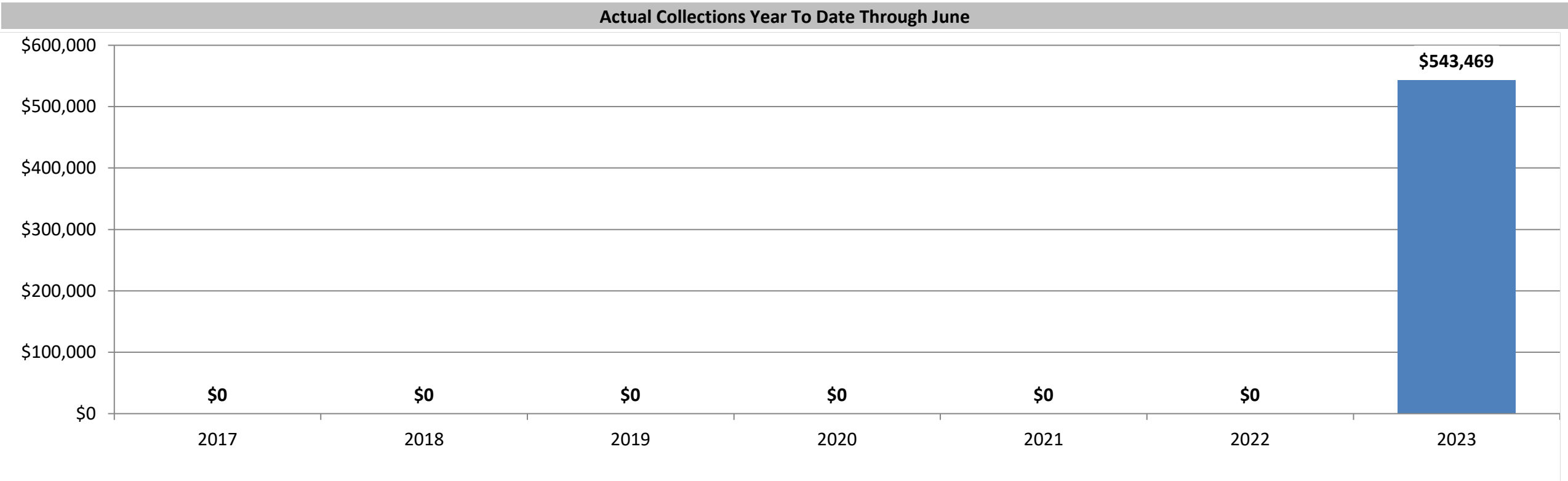
City of Aspen Short-Term Rental (STR) Excise Tax
June 2023

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.

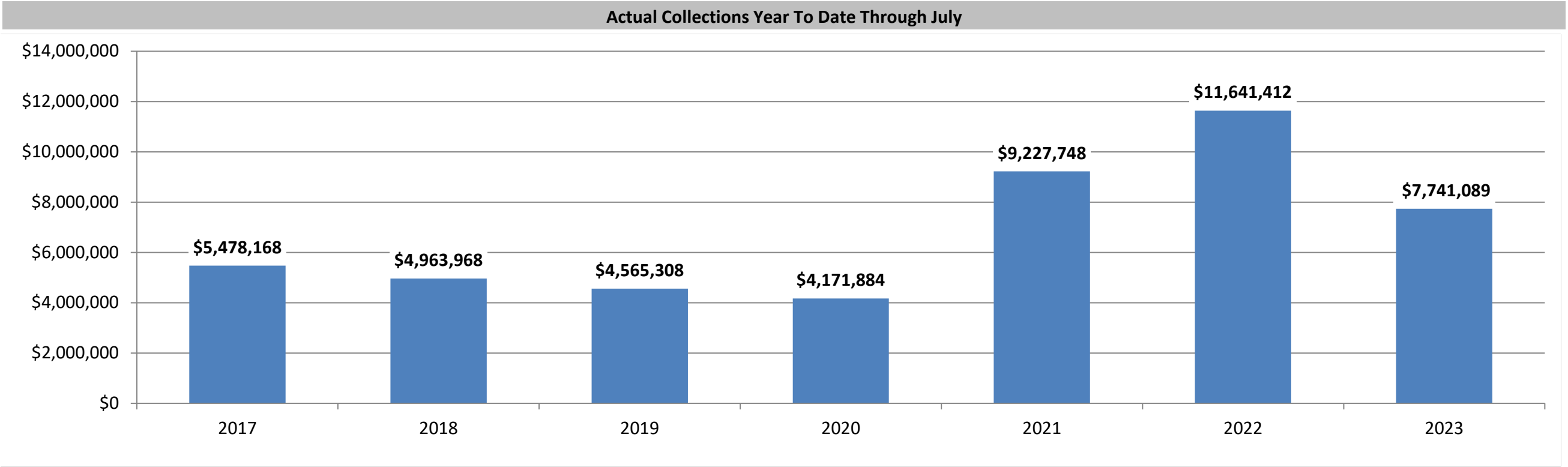
2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
Jan	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Feb	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Mar	\$0	\$0	0.0%	\$0	\$0	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	\$480,398	(24.9%)	\$750,000	\$543,469	(27.5%)	\$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
July 2023

Current Month Revenues are (43.0%) below last year's Monthly Revenues.
Year To Date Revenues are 44.5% above Year To Date Budgeted Revenues.
Year To Date Revenues are (33.5%) 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	\$371,272	(39.8%)	\$5,357,000	\$7,741,089	44.5%	\$651,850	(43.0%)	\$11,641,412	(33.5%)
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	

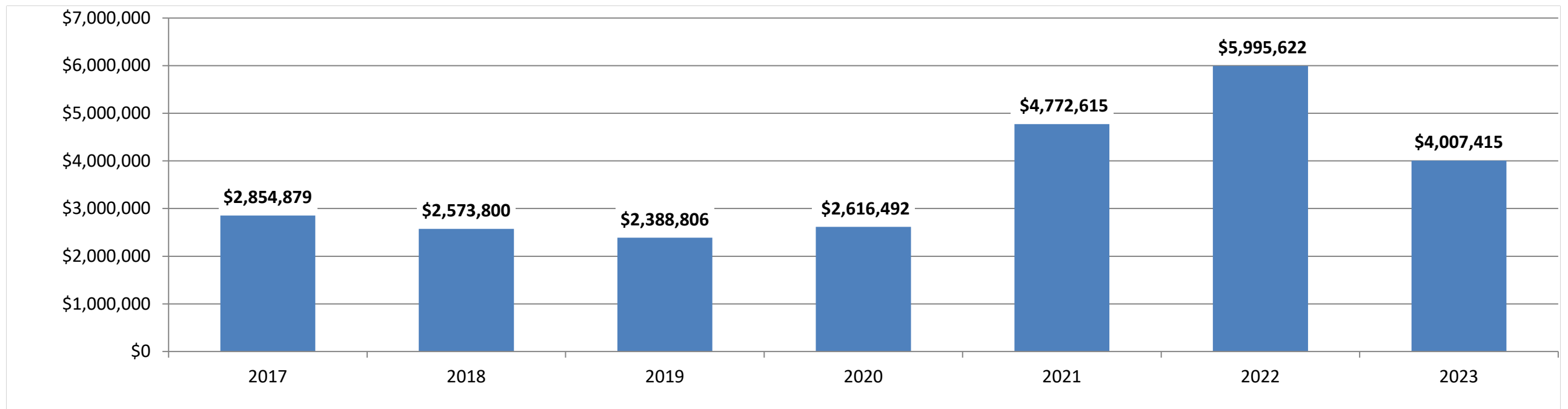


**Wheeler Opera House Real Estate Transfer Tax
July 2023**

Current Month Revenues are (42.2%) below last year's Monthly Revenues.
Year To Date Revenues are 48.5% above Year To Date Budgeted Revenues.
Year To Date Revenues are (33.2%) 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	\$193,326	(37.0%)	\$2,699,000	\$4,007,415	48.5%	\$334,708	(42.2%)	\$5,995,622	(33.2%)
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 July



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

Current Month Revenues are **13.1%** **above last year's Monthly Revenues.**

Year To Date Revenues are **11.9%** **above Year To Date Budgeted Revenues.**

Year To Date Revenues are **12.1%** **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	\$884,659	48.9%	\$7,670,000	\$8,579,746	11.9%	\$782,204	13.1%	\$ 7,655,822	12.1%
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 May

