

To: Aspen City Council
From: Anthony Lewin, Senior Tax Auditor
Date: December 15, 2020
Re: October 2021 Consumption Tax Report

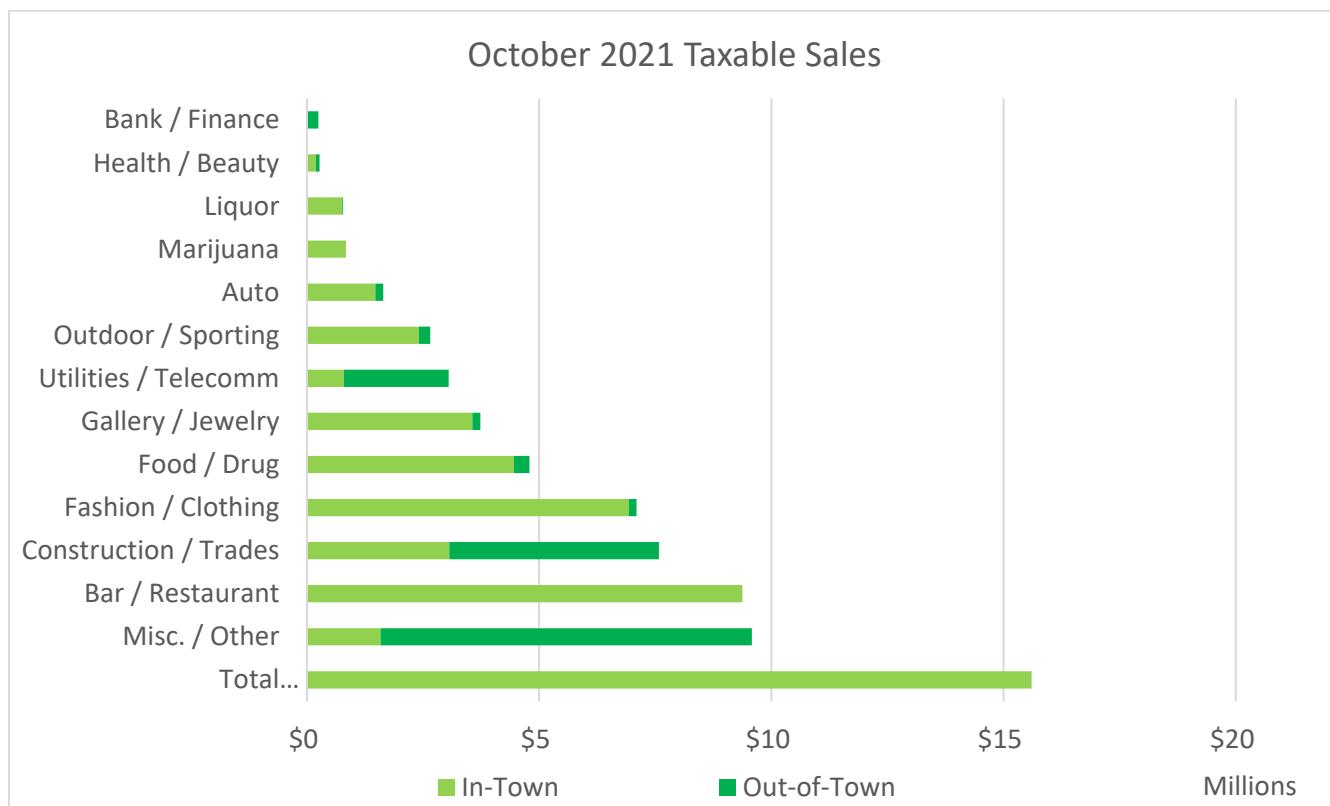


Aggregate Taxable Sales & Industry Highlights:

Taxable sales for the month of October were up 42% relative to 2020 and 75% relative to 2019; and for ten months of the year, are 30% above 2020 collections and 23% above 2019. This reflects a continued picture of robust economic activity extending into the fall foliage period and as actuals come in next month for the start of the ski season.

What is somewhat surprising this month is the extent to which certain industries exceeded pre-pandemic levels for the month - accommodations, as one of the largest economic drivers of the local economy, was up more than 100% for the month and has now surpassed aggregate 2019 collections after starting roughly 60% in the hole due to early 2021 COVID restrictions. Other industries such as fashion clothing, jewelry/gallery and miscellaneous sectors also saw a doubling or more in their monthly figures. The only industry that had a softer month was related to automobile sales and perhaps may largely be attributable to the supply shortage that is hampering consumers and dealers alike.

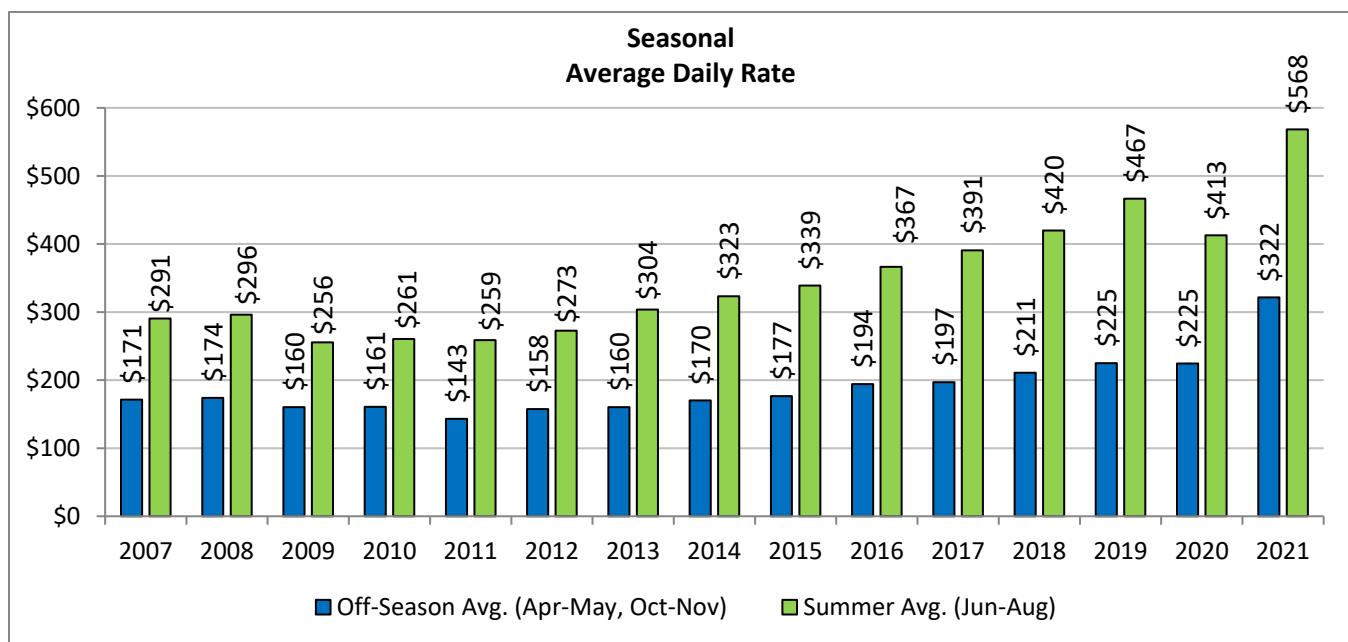
Peering into the monthly receipts a bit more, it is also notable that roughly 75% of October sales were driven within the City's brick and mortar establishments and only a quarter of sales were from online/external businesses. These non-City sales typically are happening in three main sectors: construction, utilities and telecom, and miscellaneous.



Sales and Lodging Tax:

Focusing on actual tax, collections for the month of October were up 45% relative to 2020 and 67% relative to 2019. October, while typically a shoulder season period for businesses to dial back and prepare for the pending ski season, saw high consumer spending despite inflationary price pressures and appears to still be fueled by pent up COVID driven demand. Looking at year-to-date collections, 2021 is roughly 31% above 2020 and is now 24% above 2019 collections through ten months.

Regarding the separate and dedicated City 2.0% lodging tax, collections for the month of October were up 133% relative to 2020 and 90% relative to 2019 remittances; and on a year-to-date basis, collections are pacing 23% over 2020 and are just 1% off 2019 levels. Robust lodging activity is largely being driven by growth in both summer and off-season months, and is highlighting that Aspen's tourism economy extends beyond the winter ski season as perhaps is most commonly assumed.

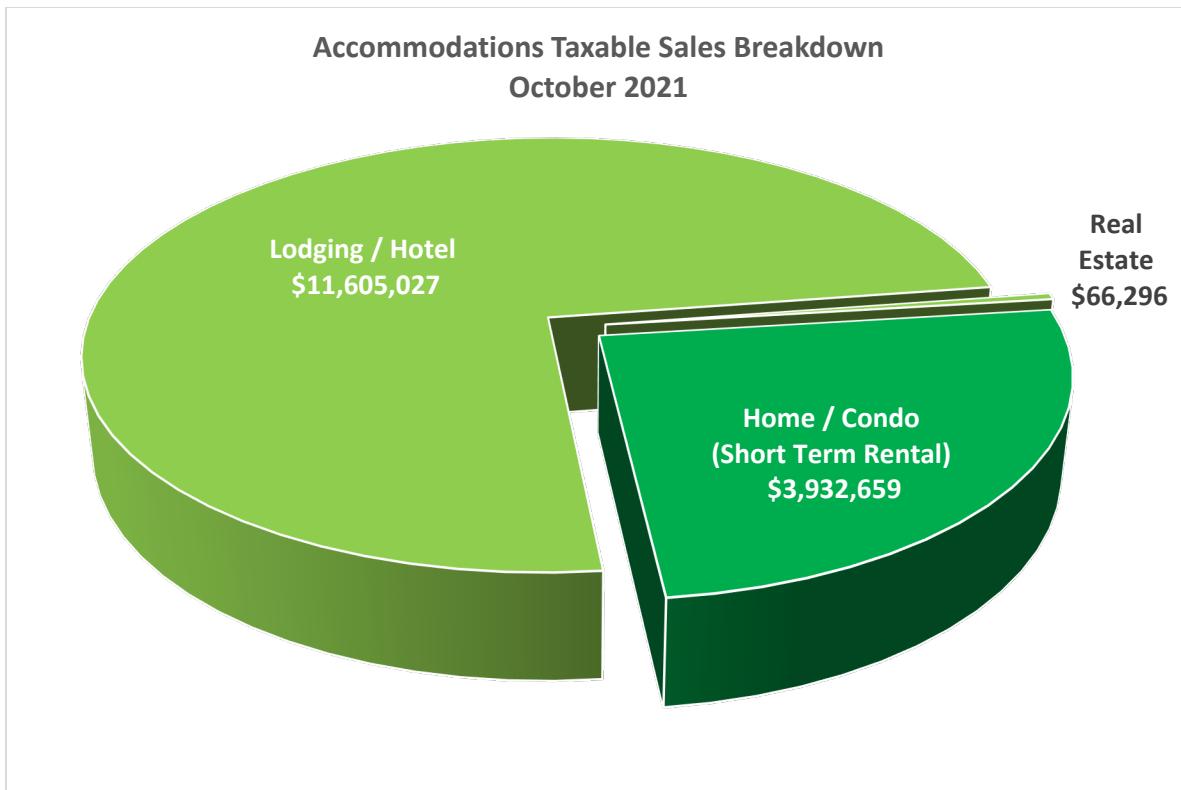


Short-Term Rentals

The short-term rental (STR) market in Aspen will experience a pause on growth, following the City Council's adoption of Ordinance #27 on December 8th. This action included a moratorium on land use applications for new STRs in the community, effective immediately. With this pause, the Council and the Community plan to take the next number of months to discuss the impact these businesses have on the neighborhoods where they are located; the transit, utility and other infrastructure needs to accommodate these operations and guests; and the environmental impacts they bring around waste, noise, etc.

It is important to note that prior to the deadline included in Ordinance #27, City staff did see an acceleration of STR application submittals. With this, there is an expectation that identification of these lodge offerings and improved tax remittance will result in the coming months, but that impact has not worked its way into this October monthly report.

Lastly, as depicted by the following graphic, the taxable sales from short-term rentals for October made up 25% of the overall lodging industry total.



City Share of County Sales Tax:

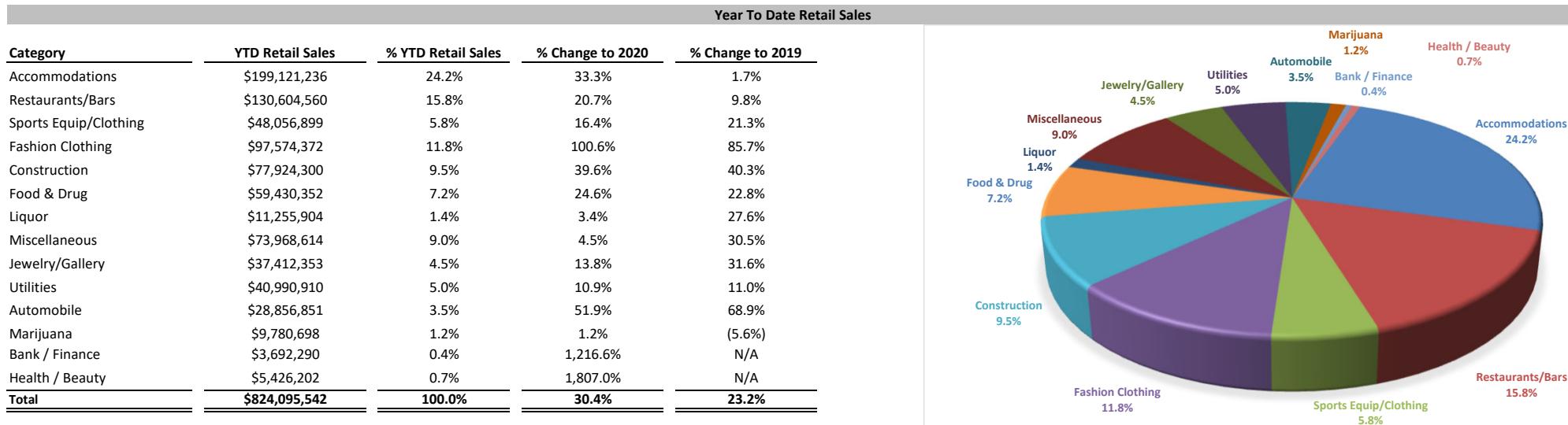
The City of Aspen is allocated a portion of Pitkin County's 2.0% sales tax, with its share established based on a formulaic allocation for all municipalities generating economic activity within the County boundaries. Because the County tax collection process is performed at the State level, the County's collections lag by an additional month relative to the City's own collection process.

Pitkin County's year-to-date collections have fallen just slightly off from last month, now up 26% ahead of 2020 remittances, but 24% ahead of 2019 levels. As noted last month, the economic drivers within the broader County tax base is different than the more accommodation and restaurant centric economy within Aspen city limits; thus, there are small variances to the pace of growth between the City's sales tax and this revenue stream.

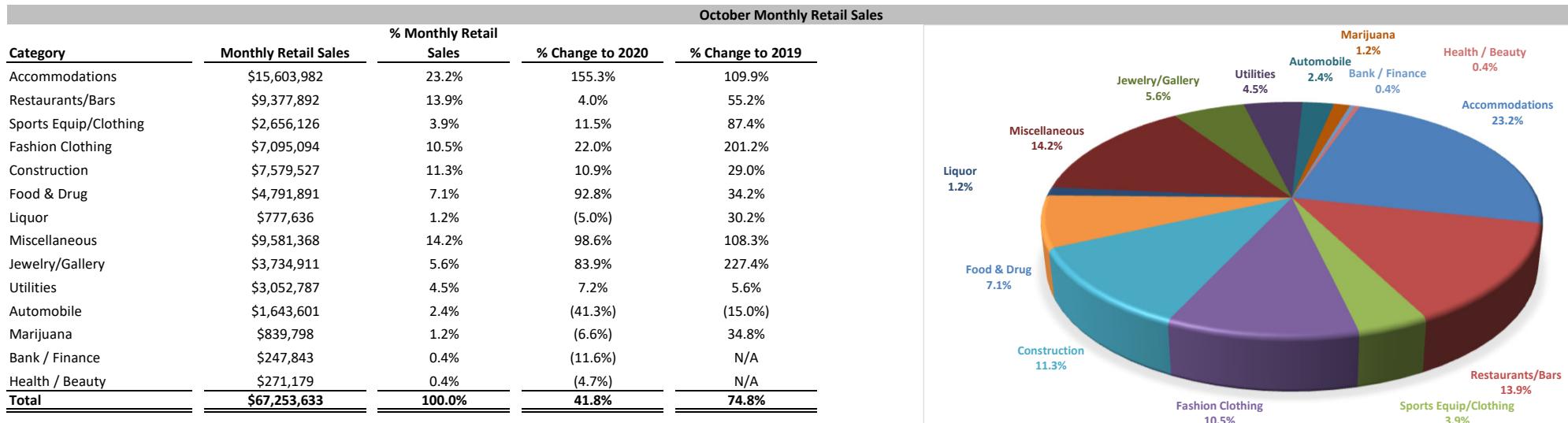
Real Estate Transfer Taxes:

November collections for the Housing and Wheeler Real Estate Transfer Taxes were up roughly 21% when compared to 2020 monthly figures, and are now pacing 15% and 10% up, respectively after eleven months. With one month remaining for the year, it is anticipated that collections will reach a new all-time record, with proceeds going towards future affordable housing development and the arts.

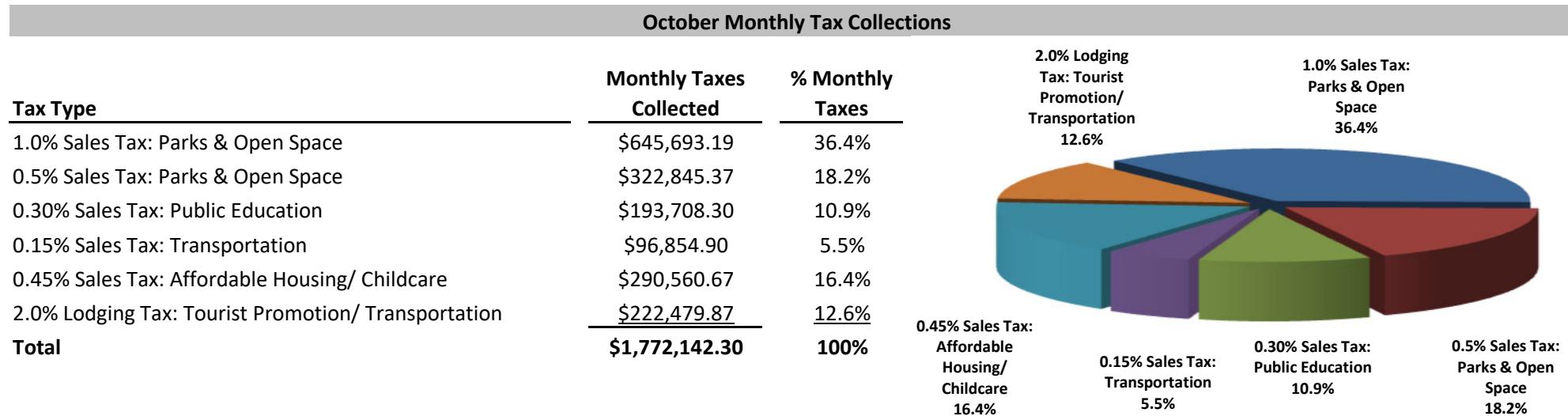
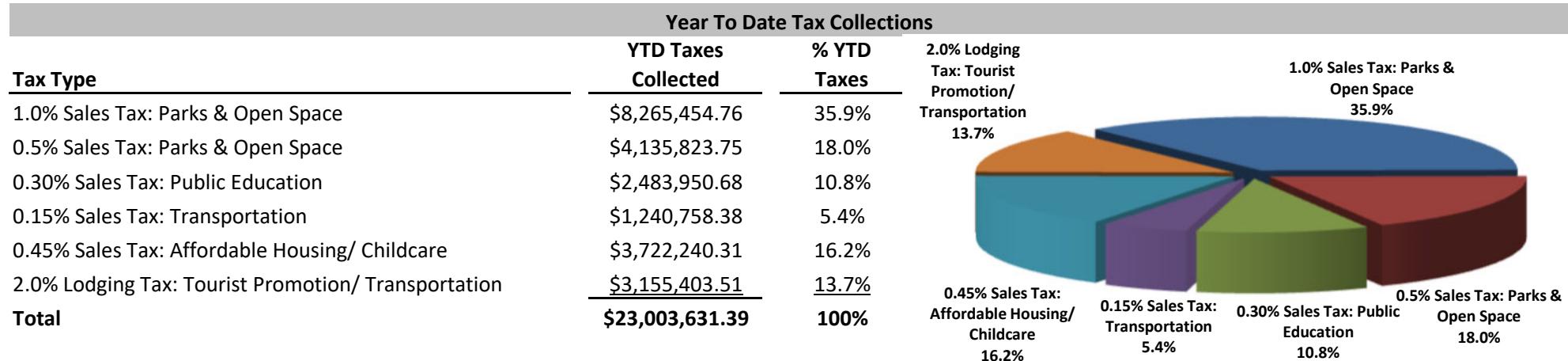
City of Aspen Retail Sales by Industry
October 2021



Beginning October 2020, two new categories (Bank / Finance and Health / Beauty) were added to reflect items previously reported within Miscellaneous. These adjustments will ultimately skew the annual percentage change in these industries and is therefore important to note - industry contraction or expansion cannot be gauged by these percentages until 2022, when a full year's worth of data has been compiled with the new categorizations.



City of Aspen Sales and Lodging Tax
October 2021

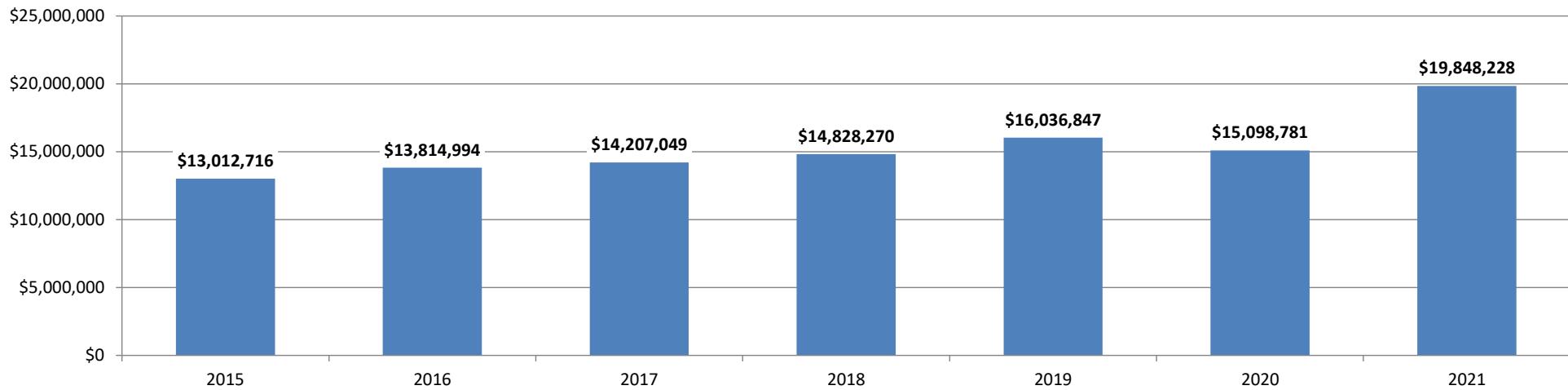


City of Aspen Sales Tax 2.4%
October 2021

Current Month Revenues are 45.2% **above last year's Monthly Revenues.**
Year To Date Revenues are 45.6% **above Year To Date Budgeted Revenues.**
Year To Date Revenues are 31.5% **above last year's Actual Year To Date Revenues.**

2021 Monthly Budget vs. 2021 Actual				2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020 Monthly</u>	<u>Variance</u>	<u>2020 YTD</u>	<u>Variance</u>
Jan	\$1,595,006	\$1,594,720	(0.0%)	\$1,595,006	\$1,594,720	(0.0%)	\$2,276,217	(29.9%)	\$2,276,217	(29.9%)
Feb	\$1,486,326	\$1,673,483	12.6%	\$3,081,332	\$3,268,203	6.1%	\$2,122,818	(21.2%)	\$4,399,035	(25.7%)
Mar	\$1,888,591	\$2,645,788	40.1%	\$4,969,923	\$5,913,991	19.0%	\$1,243,377	112.8%	\$5,642,412	4.8%
Apr	\$777,333	\$1,117,415	43.7%	\$5,747,255	\$7,031,407	22.3%	\$524,409	113.1%	\$6,166,820	14.0%
May	\$609,455	\$964,724	58.3%	\$6,356,711	\$7,996,131	25.8%	\$567,114	70.1%	\$6,733,934	18.7%
June	\$1,451,356	\$2,213,718	52.5%	\$7,808,067	\$10,209,848	30.8%	\$1,315,505	68.3%	\$8,049,440	26.8%
July	\$1,922,418	\$3,058,702	59.1%	\$9,730,485	\$13,268,550	36.4%	\$1,984,791	54.1%	\$10,034,230	32.2%
Aug	\$1,631,118	\$2,493,158	52.8%	\$11,361,603	\$15,761,708	38.7%	\$1,783,192	39.8%	\$11,817,422	33.4%
Sept	\$1,413,986	\$2,536,858	79.4%	\$12,775,590	\$18,298,565	43.2%	\$2,214,205	14.6%	\$14,031,628	30.4%
Oct	\$855,843	\$1,549,662	81.1%	\$13,631,433	\$19,848,228	45.6%	\$1,067,153	45.2%	\$15,098,781	31.5%
Nov	\$719,393			\$14,350,825			\$972,967		\$16,071,748	
Dec	\$2,635,754			\$16,986,579			\$2,286,874		\$18,358,622	

Actual Collections Year To Date Through October



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

October 2021

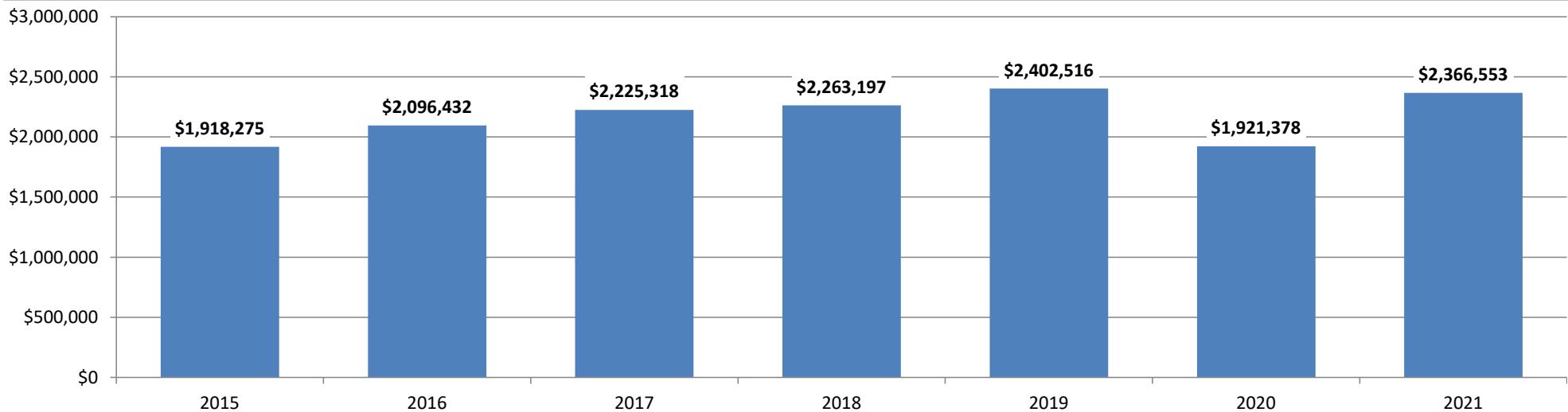
Current Month Revenues are 133.0% above last year's Monthly Revenues.

Year To Date Revenues are 21.2% above Year To Date Budgeted Revenues.

Year To Date Revenues are 23.2% above last year's Actual Year To Date Revenues.

Month	2021 Monthly Budget vs. 2021 Actual			2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
	Budget	Actual	Variance	Budget	Actual	Variance	2020 Monthly	Variance	2020 YTD	Variance
Jan	\$304,500	\$168,712	(44.6%)	\$304,500	\$168,712	(44.6%)	\$423,412	(60.2%)	\$423,412	(60.2%)
Feb	\$270,000	\$208,731	(22.7%)	\$574,500	\$377,443	(34.3%)	\$417,502	(50.0%)	\$840,914	(55.1%)
Mar	\$353,250	\$369,554	4.6%	\$927,750	\$746,997	(19.5%)	\$197,251	87.4%	\$1,038,165	(28.0%)
Apr	\$64,500	\$88,271	36.9%	\$992,250	\$835,268	(15.8%)	\$5,581	1,481.7%	\$1,043,746	(20.0%)
May	\$49,500	\$50,893	2.8%	\$1,041,750	\$886,160	(14.9%)	\$8,770	480.3%	\$1,052,516	(15.8%)
June	\$186,750	\$231,840	24.1%	\$1,228,500	\$1,118,001	(9.0%)	\$99,543	132.9%	\$1,152,059	(3.0%)
July	\$280,500	\$429,454	53.1%	\$1,509,000	\$1,547,455	2.5%	\$263,959	62.7%	\$1,416,018	9.3%
Aug	\$213,000	\$328,132	54.1%	\$1,722,000	\$1,875,586	8.9%	\$227,695	44.1%	\$1,643,713	14.1%
Sept	\$151,500	\$324,107	113.9%	\$1,873,500	\$2,199,693	17.4%	\$206,067	57.3%	\$1,849,780	18.9%
Oct	\$78,750	\$166,860	111.9%	\$1,952,250	\$2,366,553	21.2%	\$71,598	133.0%	\$1,921,378	23.2%
Nov	\$54,000			\$2,006,250			\$78,030		\$1,999,408	
Dec	\$406,500			\$2,412,750			\$268,092		\$2,267,501	

Actual Collections Year To Date Through October

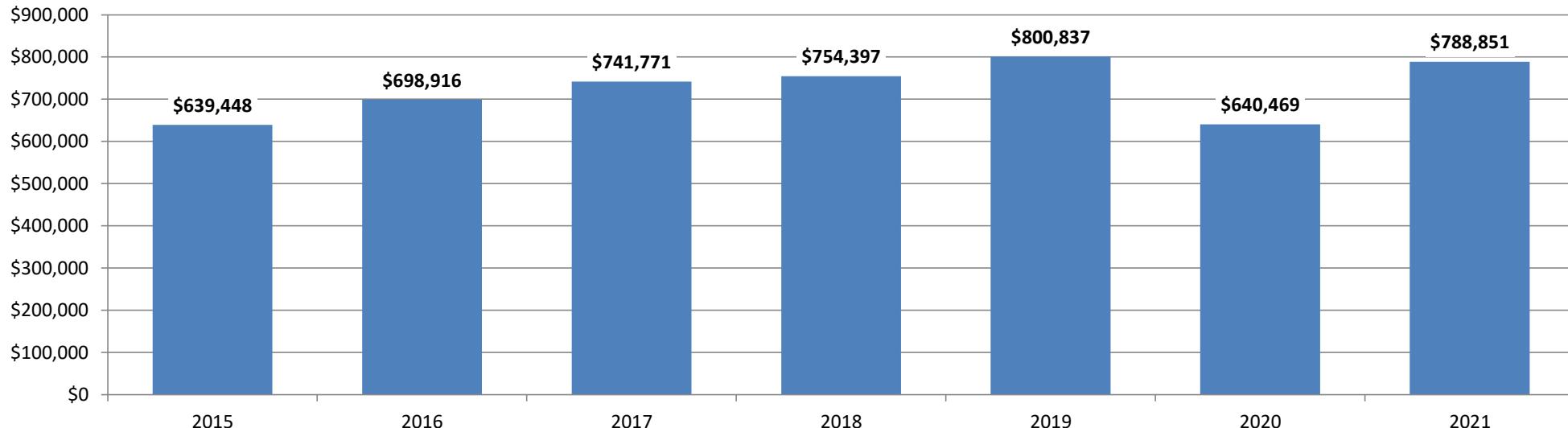


City of Aspen Transportation 0.5% Lodging Tax
October 2021

Current Month Revenues are 133.1% above last year's Monthly Revenues.
Year To Date Revenues are 21.2% above Year To Date Budgeted Revenues.
Year To Date Revenues are 23.2% above last year's Actual Year To Date Revenues.

Month	2021 Monthly Budget vs. 2021 Actual			2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
	Budget	Actual	Variance	Budget	Actual	Variance	2020 Monthly	Variance	2020 YTD	Variance
Jan	\$101,500	\$56,237	(44.6%)	\$101,500	\$56,237	(44.6%)	\$141,137	(60.2%)	\$141,137	(60.2%)
Feb	\$90,000	\$69,577	(22.7%)	\$191,500	\$125,813	(34.3%)	\$139,167	(50.0%)	\$280,304	(55.1%)
Mar	\$117,750	\$123,184	4.6%	\$309,250	\$248,998	(19.5%)	\$65,750	87.4%	\$346,054	(28.0%)
Apr	\$21,500	\$29,424	36.9%	\$330,750	\$278,421	(15.8%)	\$1,860	1,481.7%	\$347,915	(20.0%)
May	\$16,500	\$16,964	2.8%	\$347,250	\$295,386	(14.9%)	\$2,923	480.3%	\$350,838	(15.8%)
June	\$62,250	\$77,280	24.1%	\$409,500	\$372,666	(9.0%)	\$33,181	132.9%	\$384,019	(3.0%)
July	\$93,500	\$143,151	53.1%	\$503,000	\$515,817	2.5%	\$87,986	62.7%	\$472,005	9.3%
Aug	\$71,000	\$109,377	54.1%	\$574,000	\$625,195	8.9%	\$75,898	44.1%	\$547,903	14.1%
Sept	\$50,500	\$108,036	113.9%	\$624,500	\$733,231	17.4%	\$68,700	57.3%	\$616,603	18.9%
Oct	\$26,250	\$55,620	111.9%	\$650,750	\$788,851	21.2%	\$23,866	133.1%	\$640,469	23.2%
Nov	\$18,000			\$668,750			\$26,010		\$666,479	
Dec	\$135,500			\$804,250			\$89,364		\$755,842	

Actual Collections Year To Date Through October

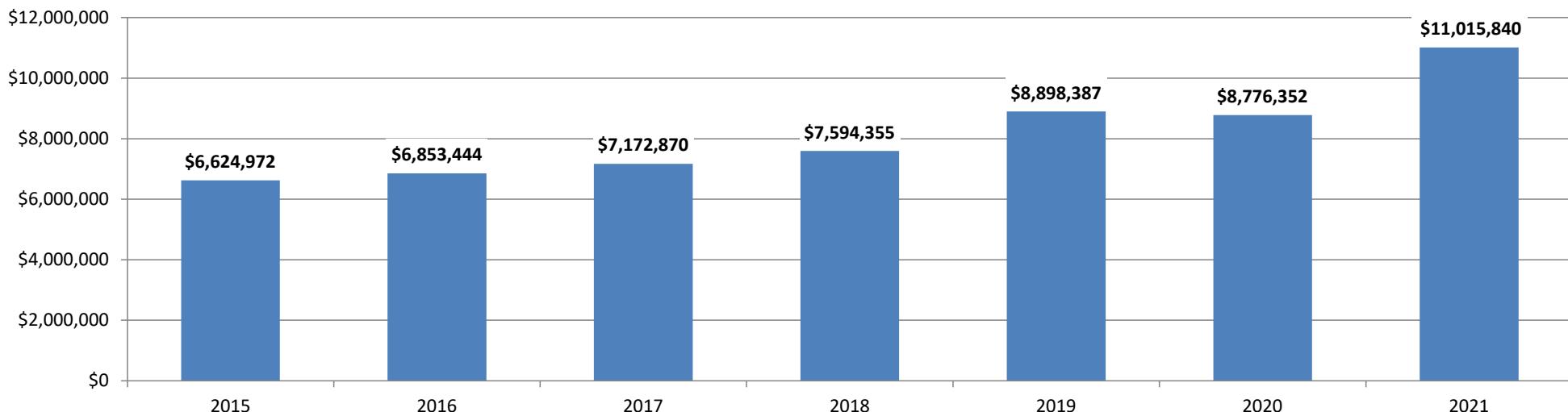


City of Aspen Portion of Pitkin County 3.6% Sales Tax
September 2021

Current Month Revenues are 11.8% above last year's Monthly Revenues.
Year To Date Revenues are 30.4% above Year To Date Budgeted Revenues.
Year To Date Revenues are 25.5% above last year's Actual Year To Date Revenues.

2021 Monthly Budget vs. 2021 Actual				2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2020 Monthly	Variance	2020 YTD	Variance
Jan	\$1,357,000	\$1,092,020	(19.5%)	\$1,357,000	\$1,092,020	(19.5%)	\$1,512,709	(27.8%)	\$ 1,512,709	(27.8%)
Feb	\$1,277,000	\$1,183,150	(7.3%)	\$2,634,000	\$2,275,171	(13.6%)	\$1,449,548	(18.4%)	\$ 2,962,257	(23.2%)
Mar	\$1,293,000	\$1,515,832	17.2%	\$3,927,000	\$3,791,002	(3.5%)	\$708,210	114.0%	\$ 3,670,467	3.3%
Apr	\$484,000	\$817,669	68.9%	\$4,411,000	\$4,608,671	4.5%	\$498,211	64.1%	\$ 4,168,678	10.6%
May	\$398,000	\$744,578	87.1%	\$4,809,000	\$5,353,249	11.3%	\$430,729	72.9%	\$ 4,599,408	16.4%
June	\$822,000	\$1,218,669	48.3%	\$5,631,000	\$6,571,918	16.7%	\$713,217	70.9%	\$ 5,312,624	23.7%
July	\$1,097,000	\$1,694,768	54.5%	\$6,728,000	\$8,266,686	22.9%	\$1,164,095	45.6%	\$ 6,476,719	27.6%
Aug	\$917,000	\$1,427,495	55.7%	\$7,645,000	\$9,694,181	26.8%	\$1,117,891	27.7%	\$ 7,594,610	27.6%
Sept	\$801,000	\$1,321,660	65.0%	\$8,446,000	\$11,015,840	30.4%	\$1,181,742	11.8%	\$ 8,776,352	25.5%
Oct	\$498,000			\$8,944,000			\$845,122		\$ 9,621,474	
Nov	\$484,000			\$9,428,000			\$688,722		\$ 10,310,196	
Dec	\$1,461,000			\$10,889,000			\$1,533,844		\$ 11,844,040	

Actual Collections Year To Date Through September

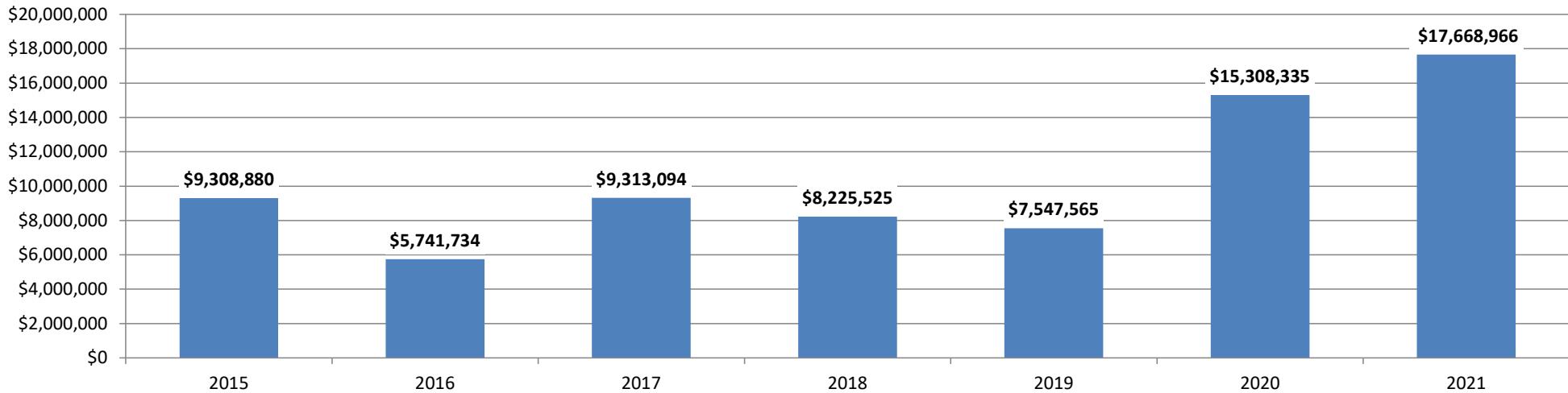


Housing Real Estate Transfer Tax
November 2021

Current Month Revenues are 20.7% above last year's Monthly Revenues.
Year To Date Revenues are 210.6% above Year To Date Budgeted Revenues.
Year To Date Revenues are 15.4% above last year's Actual Year To Date Revenues.

2021 Monthly Budget vs. 2021 Actual				2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2020 Monthly	Variance	2020 YTD	Variance
Jan	\$440,400	\$1,602,114	263.8%	\$440,400	\$1,602,114	263.8%	\$1,098,343	45.9%	\$1,098,343	45.9%
Feb	\$412,600	\$711,920	72.5%	\$853,000	\$2,314,034	171.3%	\$496,350	43.4%	\$1,594,693	45.1%
Mar	\$432,900	\$1,294,339	199.0%	\$1,285,900	\$3,608,373	180.6%	\$598,199	116.4%	\$2,192,893	64.5%
Apr	\$560,000	\$2,251,850	302.1%	\$1,845,900	\$5,860,223	217.5%	\$505,915	345.1%	\$2,698,808	117.1%
May	\$566,200	\$1,070,000	89.0%	\$2,412,100	\$6,930,223	187.3%	\$110,180	871.1%	\$2,808,988	146.7%
June	\$537,300	\$1,377,685	156.4%	\$2,949,400	\$8,307,908	181.7%	\$477,350	188.6%	\$3,286,338	152.8%
July	\$384,200	\$919,840	139.4%	\$3,333,600	\$9,227,748	176.8%	\$885,546	3.9%	\$4,171,884	121.2%
Aug	\$524,800	\$1,904,684	262.9%	\$3,858,400	\$11,132,432	188.5%	\$2,542,417	(25.1%)	\$6,714,301	65.8%
Sept	\$746,400	\$1,891,643	153.4%	\$4,604,800	\$13,024,074	182.8%	\$3,947,332	(52.1%)	\$10,661,632	22.2%
Oct	\$644,600	\$2,571,511	298.9%	\$5,249,400	\$15,595,585	197.1%	\$2,928,865	(12.2%)	\$13,590,497	14.8%
Nov	\$439,200	\$2,073,381	372.1%	\$5,688,600	\$17,668,966	210.6%	\$1,717,838	20.7%	\$15,308,335	15.4%
Dec	\$511,400			\$6,200,000			\$2,281,317		\$17,589,652	

Actual Collections Year To Date Through November



Wheeler Opera House Real Estate Transfer Tax
November 2021

Current Month Revenues are 20.9% above last year's Monthly Revenues.
Year To Date Revenues are 209.6% above Year To Date Budgeted Revenues.
Year To Date Revenues are 9.5% above last year's Actual Year To Date Revenues.

2021 Monthly Budget vs. 2021 Actual				2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2020 Monthly	Variance	2020 YTD	Variance
Jan	\$235,400	\$828,882	252.1%	\$235,400	\$828,882	252.1%	\$565,600	46.5%	\$565,600	46.5%
Feb	\$213,800	\$370,913	73.5%	\$449,200	\$1,199,795	167.1%	\$262,833	41.1%	\$828,432	44.8%
Mar	\$221,500	\$672,890	203.8%	\$670,700	\$1,872,685	179.2%	\$567,936	18.5%	\$1,396,369	34.1%
Apr	\$291,700	\$1,152,214	295.0%	\$962,400	\$3,024,899	214.3%	\$448,184	157.1%	\$1,844,552	64.0%
May	\$298,400	\$559,092	87.4%	\$1,260,800	\$3,583,990	184.3%	\$58,875	849.6%	\$1,903,427	88.3%
June	\$228,300	\$707,695	210.0%	\$1,489,100	\$4,291,686	188.2%	\$248,150	185.2%	\$2,151,577	99.5%
July	\$185,600	\$480,929	159.1%	\$1,674,700	\$4,772,615	185.0%	\$464,915	3.4%	\$2,616,492	82.4%
Aug	\$272,200	\$982,807	261.1%	\$1,946,900	\$5,755,422	195.6%	\$1,298,686	(24.3%)	\$3,915,178	47.0%
Sept	\$411,300	\$970,454	135.9%	\$2,358,200	\$6,725,875	185.2%	\$2,027,283	(52.1%)	\$5,942,461	13.2%
Oct	\$355,100	\$1,321,834	272.2%	\$2,713,300	\$8,047,709	196.6%	\$1,495,710	(11.6%)	\$7,438,171	8.2%
Nov	\$230,300	\$1,066,985	363.3%	\$2,943,600	\$9,114,694	209.6%	\$882,569	20.9%	\$8,320,741	9.5%
Dec	\$289,400			\$3,233,000			\$1,161,524		\$9,482,264	

Actual Collections Year To Date Through November

