

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

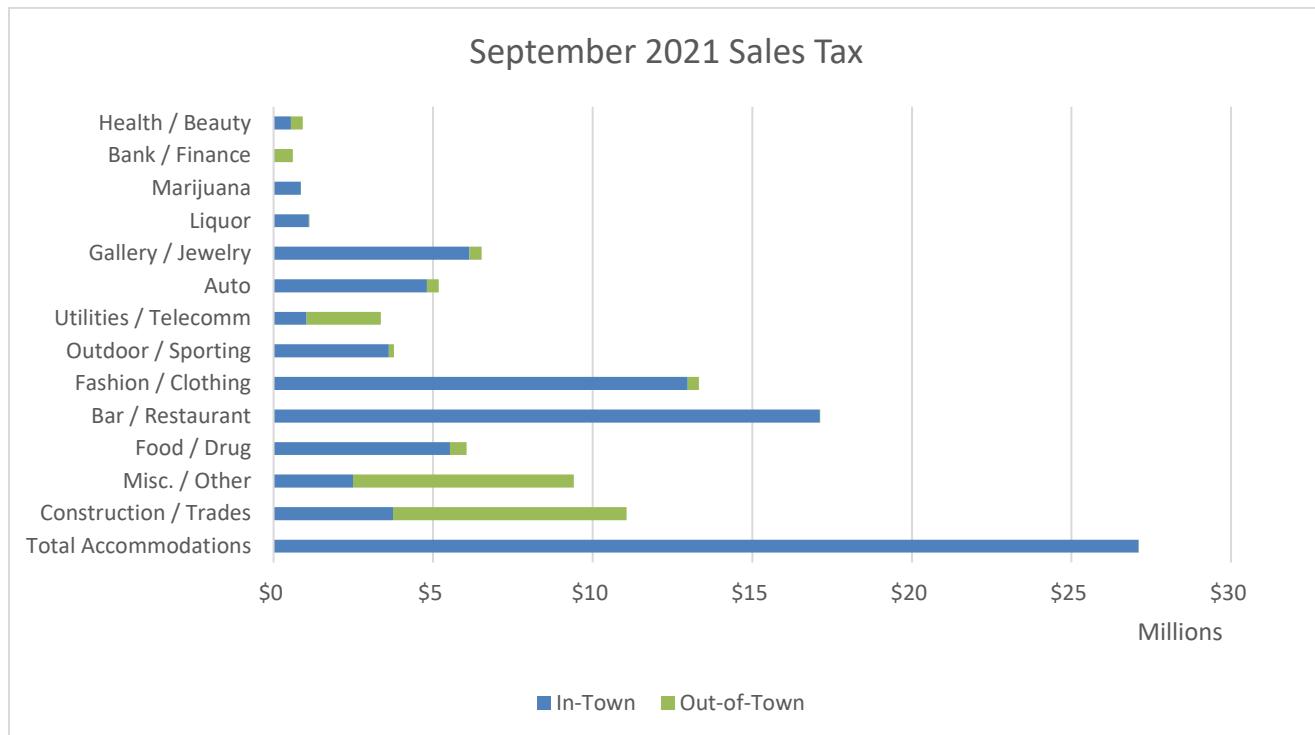


Aggregate Taxable Sales & Industry Highlights:

Taxable sales for the month of September were up 18% relative to 2020 and 67% relative to 2019; for the first nine months of the year, the same are 30% above 2020 collections and 20% above 2019. Consistent with general business community sentiment, this month's report caps off the robust economic activity for the summer period. It also assists in cushioning any possible downside risks that remain present due to the persistence of the pandemic and its impact on a return to "normal" business operations.

The accommodations industry has easily surpassed 2020 sales figures and has all but achieved parity with 2019, with taxable sales lagging just 2.6% through September. This industry's revival in its financial stance reflects both better enforcement of vacation rentals as well as higher average daily rate and increased bookings. Additionally, specific to the month of September, there was an immense increase in taxable lodging this year (up 76% from pre-pandemic 2019 levels) and is believed to be predominately due to the shift in the timing of the Food and Wine Classic. And in looking back to June, it is notable that the accommodations industry still outpaced June 2019 sales by 9% despite that event's absence that month.

With more than 80% of total taxable sales occurring within City limits, and as the accommodations and restaurants/bars industries (roughly 40% of the overall economic activity for the City) experiencing strong sales now over the collective nine months, the aggregate local economy has come full circle from the beginning of the year.



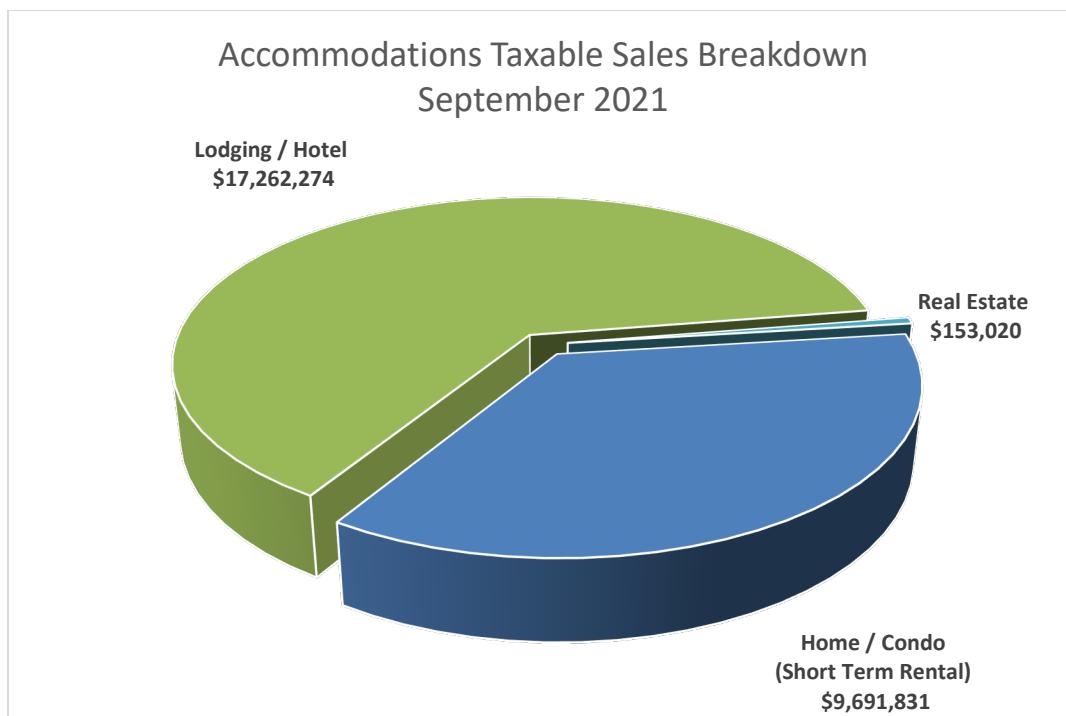
Sales and Lodging Tax:

In terms of actual tax, collections for the month of September were up 15% relative to 2020 and 66% relative to 2019. Again, this robust monthly collection period is believed to be the result of the shift of the annual Food and Wine Classic that otherwise would have been accounted for in June. Looking beyond the monthly activity and to the year-to-date collections, 2021 is now pacing 30% above 2020 and 21% above 2019.

Focusing in on lodging taxes, collections for the month of September were up 57% relative to 2020 and 92% relative to 2019 remittances; and on a year-to-date basis, collections are pacing 19% over 2020 and are just 5% off 2019 levels.

Short-Term Rentals

As stated within last month's consumption report, the short-term rental industry has started to become clearer in terms of its volume and financial impact on the overall accommodation industry here in Aspen. This is thanks, in large part, to the implementation of new monitoring software coupled with code amendment changes around the vacation rental permit and business license requirements for this industry that occurred one year ago. As depicted by the graphic below, the taxable sales from short-term rentals for September made up slightly more than one-third 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.

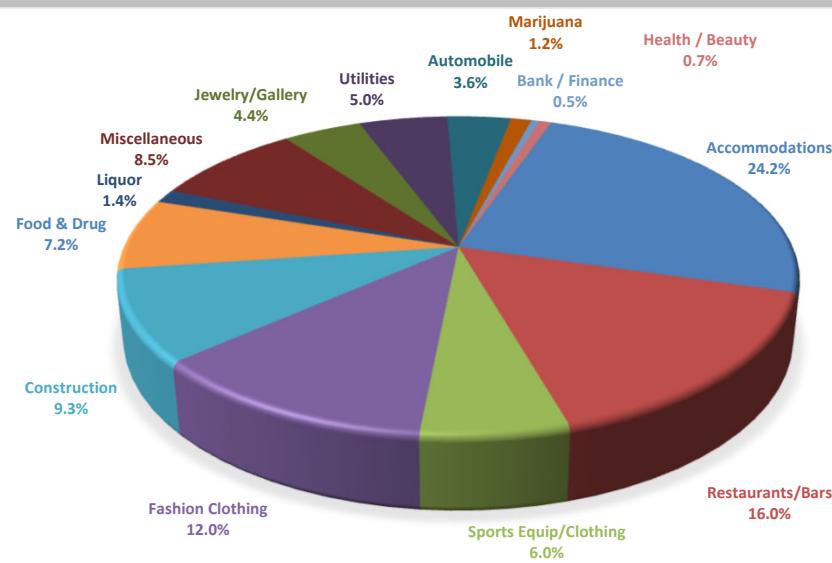
While the monthly changes have not always been mirror images of each other, the City of Aspen's and Pitkin County's year-to-date collections appear to be closely tied together as one would expect, and are pacing just shy of 30% ahead of 2020 remittances, and 21% ahead of 2019 levels. There is some inherent variances in terms of industry make-up between the larger County tax base and that of the smaller City of Aspen, but that does not seem to be manifesting into any material variance for overall tax collections.

Real Estate Transfer Taxes:

Monthly collections again lost ground relative to 2020 activity at this same time last year, however that is not to say that real estate activity has significantly diminished, as 2021 is still pacing ahead of last year's record year. For October, Housing and Wheeler Real Estate Transfer Taxes were down 12.2% and 11.6%, respectively when compared to 2020 figures. Through the first ten months of the year, aggregate collections however remain well over last year's totals through October, pacing up 14.8% and 8.2%, respectively. Collections will continue to benefit both affordable housing development and the performing and visual arts.

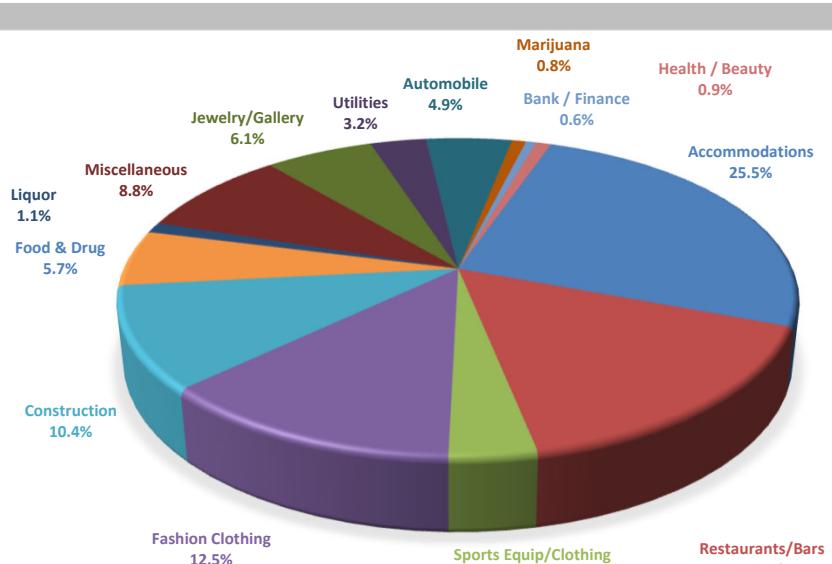
City of Aspen Retail Sales by Industry
September 2021

Category	Year To Date Retail Sales			
	YTD Retail Sales	% YTD Retail Sales	% Change to 2020	% Change to 2019
Accommodations	\$183,517,255	24.2%	28.1%	(2.6%)
Restaurants/Bars	\$121,226,669	16.0%	22.2%	7.4%
Sports Equip/Clothing	\$45,400,773	6.0%	16.7%	18.8%
Fashion Clothing	\$90,479,278	12.0%	111.2%	80.2%
Construction	\$70,344,773	9.3%	43.5%	41.6%
Food & Drug	\$54,638,461	7.2%	20.9%	21.9%
Liquor	\$10,478,268	1.4%	4.1%	27.4%
Miscellaneous	\$64,387,247	8.5%	(2.4%)	23.7%
Jewelry/Gallery	\$33,677,442	4.4%	9.1%	23.4%
Utilities	\$37,938,123	5.0%	11.2%	11.4%
Automobile	\$27,213,250	3.6%	68.0%	79.6%
Marijuana	\$8,940,900	1.2%	1.9%	(8.1%)
Bank / Finance	\$3,444,448	0.5%	#DIV/0!	#DIV/0!
Health / Beauty	\$5,155,023	0.7%	#DIV/0!	#DIV/0!
Total	\$756,841,909	100.0%	29.5%	20.0%

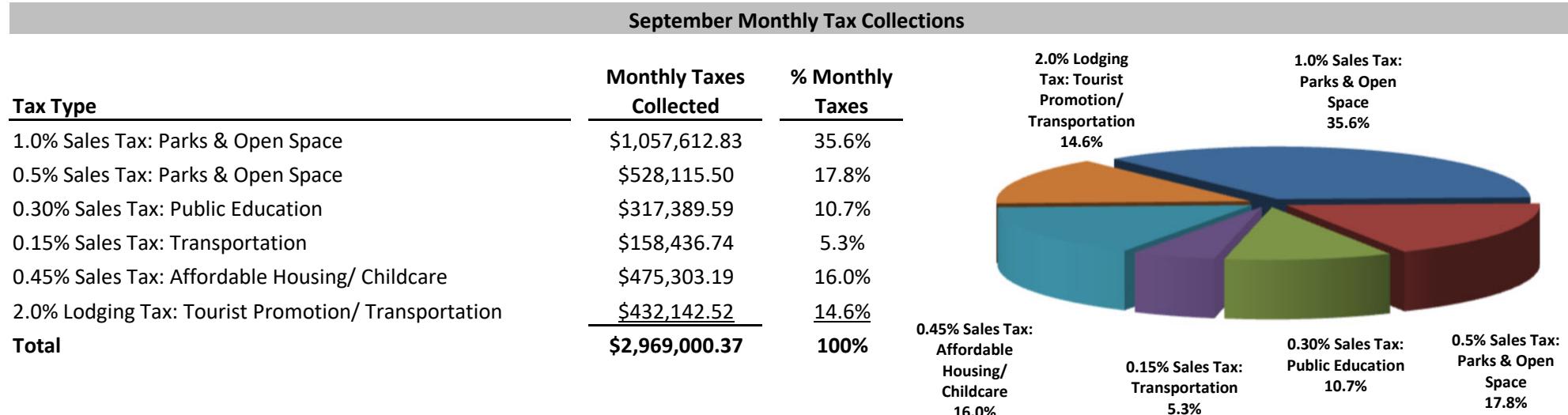
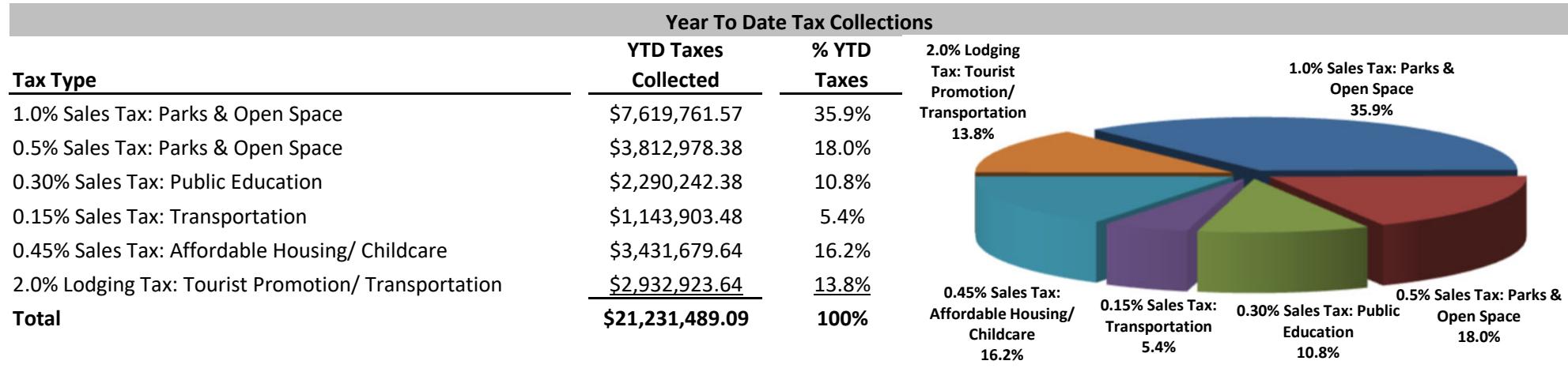


Beginning October 2020, industries were assessed and revised. This includes Luxury Goods which no longer reflects high end clothing which now is captured within Clothing. Additionally, two new categories (Bank / Finance and Health / Beauty) were added to reflect items previously reported within Miscellaneous. 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 a full year's worth of data has been compiled with the new categorizations.

Category	September Monthly Retail Sales			
	Monthly Retail Sales	% Monthly Retail Sales	% Change to 2020	% Change to 2019
Accommodations	\$27,107,125	25.5%	65.6%	75.9%
Restaurants/Bars	\$17,126,514	16.1%	24.7%	61.7%
Sports Equip/Clothing	\$3,772,132	3.5%	(2.1%)	57.6%
Fashion Clothing	\$13,326,175	12.5%	87.1%	154.1%
Construction	\$11,064,907	10.4%	18.8%	47.8%
Food & Drug	\$6,046,856	5.7%	10.2%	29.3%
Liquor	\$1,129,460	1.1%	(18.5%)	46.4%
Miscellaneous	\$9,406,552	8.8%	(54.9%)	3.8%
Jewelry/Gallery	\$6,515,665	6.1%	52.5%	119.1%
Utilities	\$3,357,635	3.2%	11.0%	12.0%
Automobile	\$5,180,911	4.9%	54.2%	295.7%
Marijuana	\$859,099	0.8%	(26.1%)	(6.6%)
Bank / Finance	\$605,328	0.6%	#DIV/0!	#DIV/0!
Health / Beauty	\$916,836	0.9%	#DIV/0!	#DIV/0!
Total	\$106,415,195	100.0%	18.3%	66.7%



City of Aspen Sales and Lodging Tax
September 2021

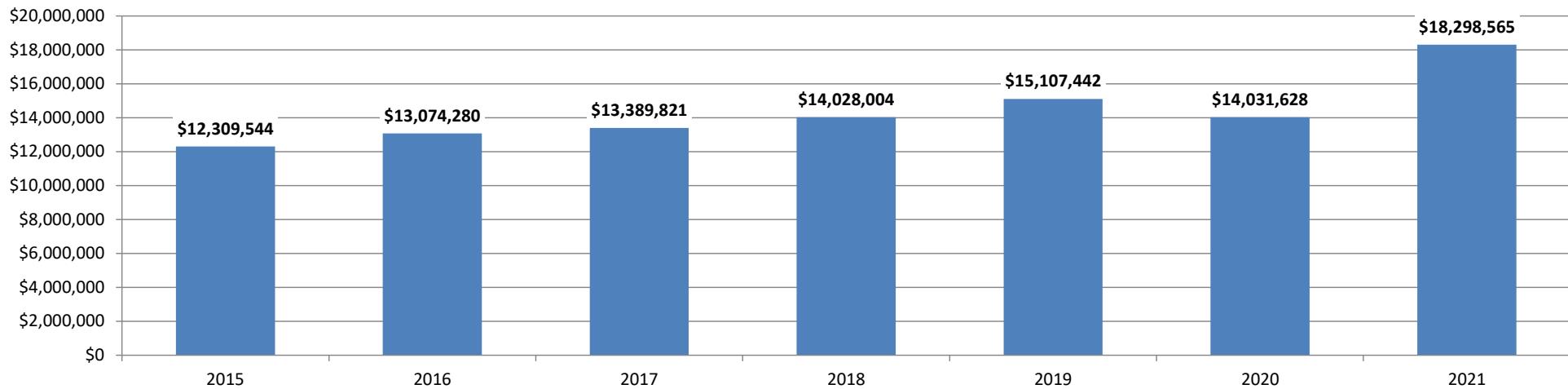


City of Aspen Sales Tax 2.4%
September 2021

Current Month Revenues are **14.6%** above last year's Monthly Revenues.
 Year To Date Revenues are **43.2%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **30.4%** above last year's Actual Year To Date Revenues.

2021 Monthly Budget vs. 2021 Actual				2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
<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			\$13,631,433			\$1,067,153		\$15,098,781	
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 September

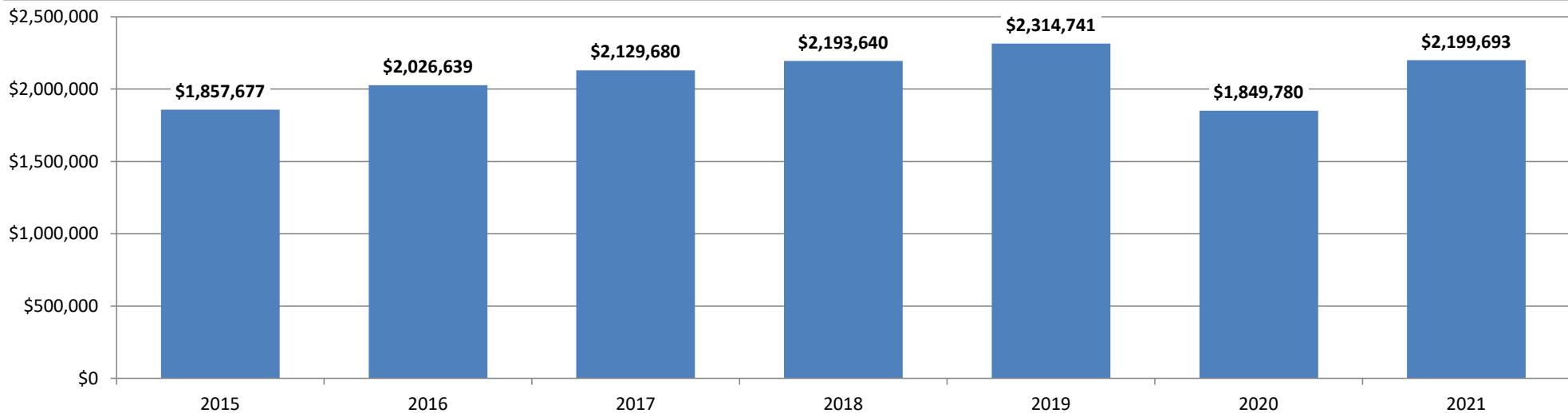


City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
September 2021

Current Month Revenues are 57.3% above last year's Monthly Revenues.
Year To Date Revenues are 17.4% above Year To Date Budgeted Revenues.
Year To Date Revenues are 18.9% 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			\$1,952,250			\$71,598		\$1,921,378	
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 September

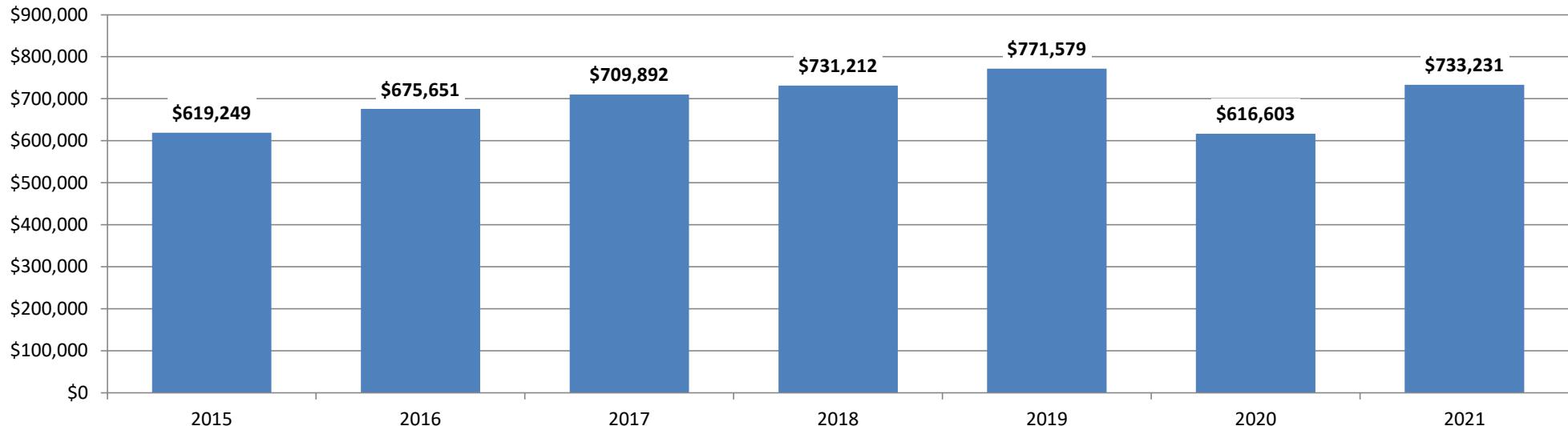


City of Aspen Transportation 0.5% Lodging Tax
September 2021

Current Month Revenues are 57.3% above last year's Monthly Revenues.
Year To Date Revenues are 17.4% above Year To Date Budgeted Revenues.
Year To Date Revenues are 18.9% 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			\$650,750			\$23,866		\$640,469	
Nov	\$18,000			\$668,750			\$26,010		\$666,479	
Dec	\$135,500			\$804,250			\$89,364		\$755,842	

Actual Collections Year To Date Through September

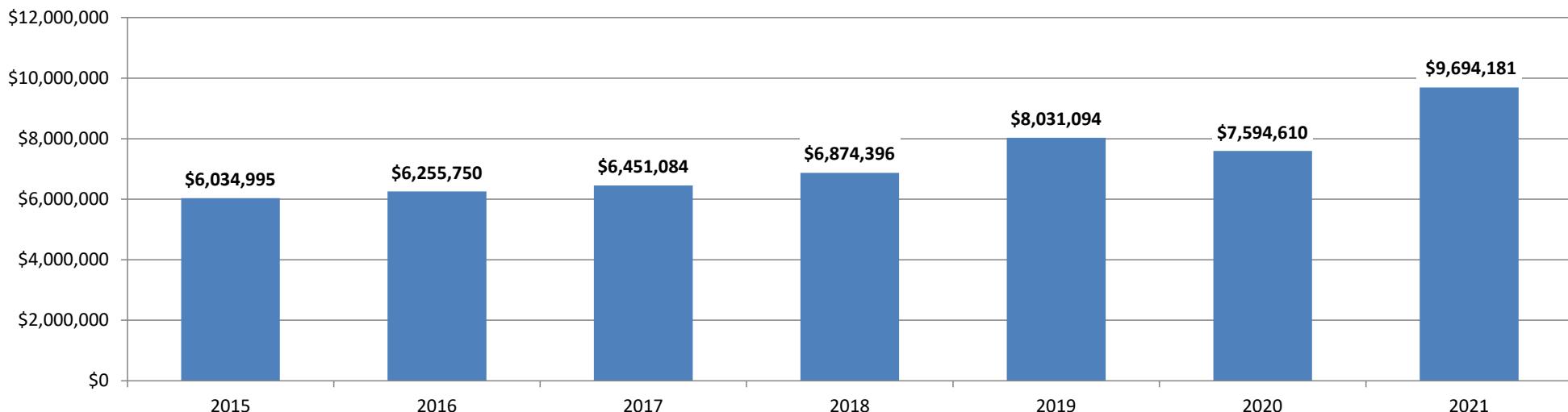


City of Aspen Portion of Pitkin County 3.6% Sales Tax
August 2021

Current Month Revenues are 27.7% above last year's Monthly Revenues.
Year To Date Revenues are 26.8% above Year To Date Budgeted Revenues.
Year To Date Revenues are 27.6% 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			\$8,446,000			\$1,181,742		\$ 8,776,352	
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 August

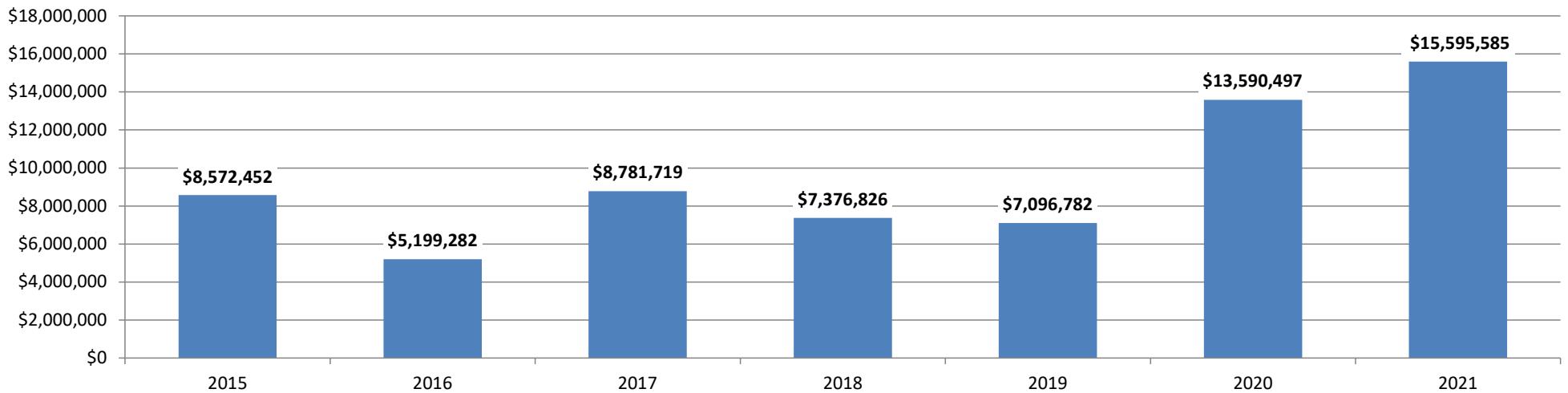


Housing Real Estate Transfer Tax
October 2021

Current Month Revenues are (12.2%) below last year's Monthly Revenues.
Year To Date Revenues are 197.1% above Year To Date Budgeted Revenues.
Year To Date Revenues are 14.8% 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	\$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			\$5,688,600			\$1,717,838		\$15,308,335	
Dec	\$511,400			\$6,200,000			\$2,281,317		\$17,589,652	

Actual Collections Year To Date Through October



Wheeler Opera House Real Estate Transfer Tax

October 2021

Current Month Revenues are **(11.6%)** **below last year's Monthly Revenues.**
Year To Date Revenues are **196.6%** **above Year To Date Budgeted Revenues.**
Year To Date Revenues are **8.2%** **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			\$2,943,600			\$882,569		\$8,320,741	
Dec	\$289,400			\$3,233,000			\$1,161,524		\$9,482,264	

Actual Collections Year To Date Through October

