

To: Aspen City Council
From: Pete Strecker, Finance Director
Date: March 15, 2023
Re: January 2022 Consumption Tax Report

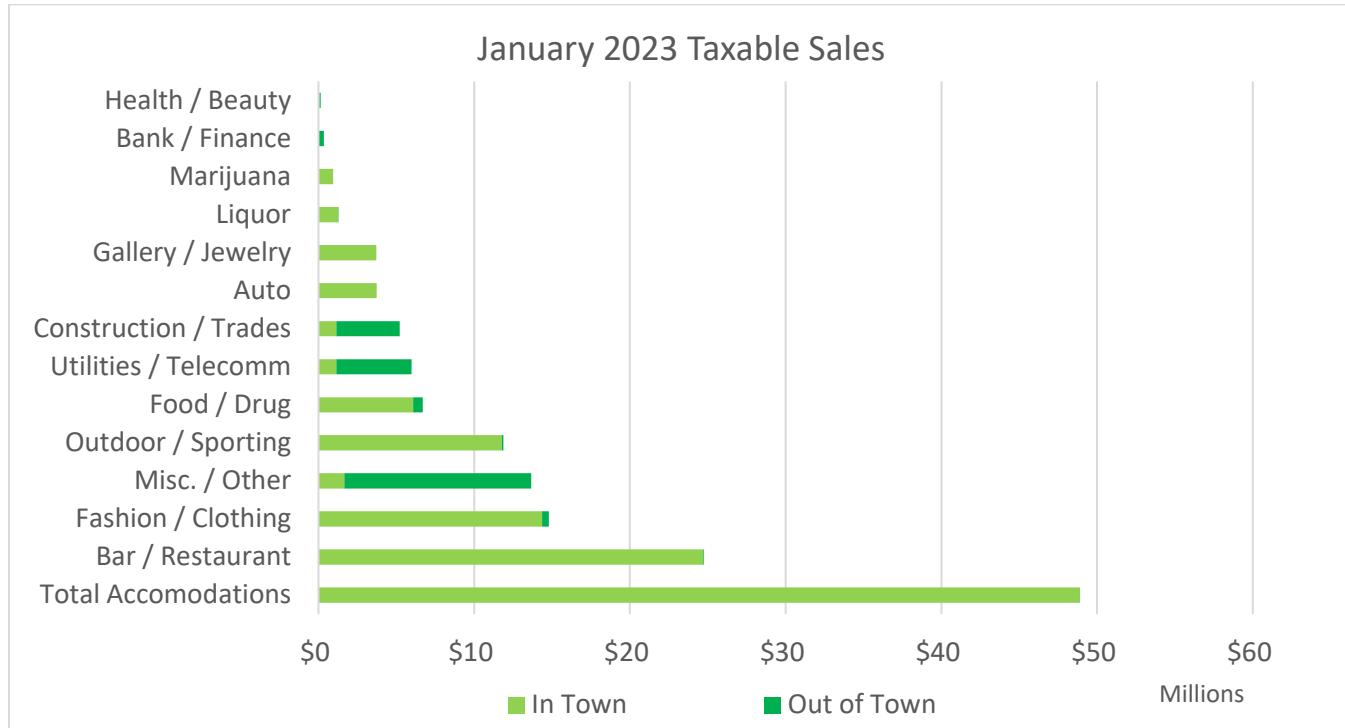


Aggregate Taxable Sales & Industry Highlights:

Aggregate taxable sales were up 21% relative to January 2022 and largely encompasses a sense of robust spending for the first month of the new calendar and fiscal year. Given January 2023 mirrored last month's mix of economic activity, with 84% of spend taking place within local brick and mortar sales versus just 16% from online/external businesses, these figures reflect strong performance for the local economy. As a reference point, January is typically 11% of annual taxable sales so there is reason to celebrate success for our business community.

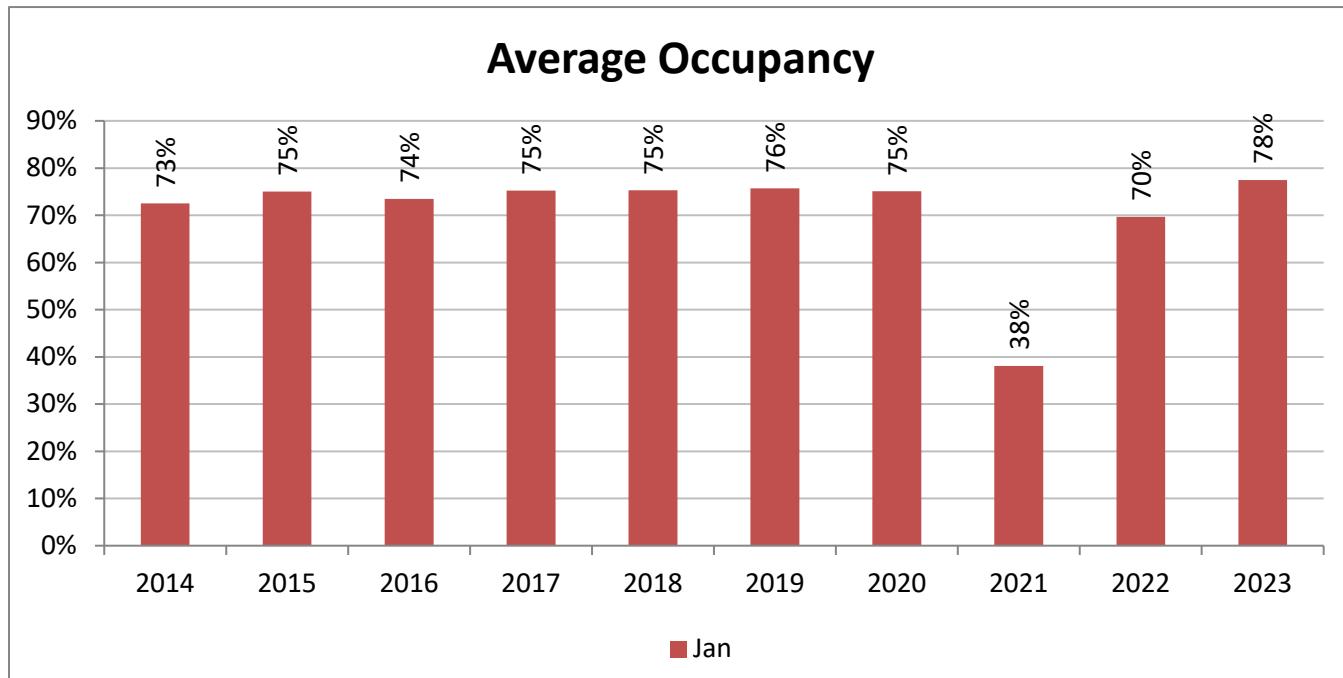
Diving into the industry level data slightly, the big sectors of accommodations, restaurants/bars, and miscellaneous all had elevated activity, up 20%, 16% and 151%, respectively. This last increase for miscellaneous business category had three significant filings that equated to roughly \$7M in one-time taxable sales, which dramatically skewed this monthly amount (all three filers were out of state).

There were a few industries that experienced declines in taxable sales relative to January 2022. Jewelry and gallery sales declined 14% this month, but have been more volatile over the last few years generally and is somewhat inherent to luxury goods. Cannabis sales also remain sluggish but remain consistent with the statewide trend of dampened sales, likely due to legalization of marijuana in nearby states.

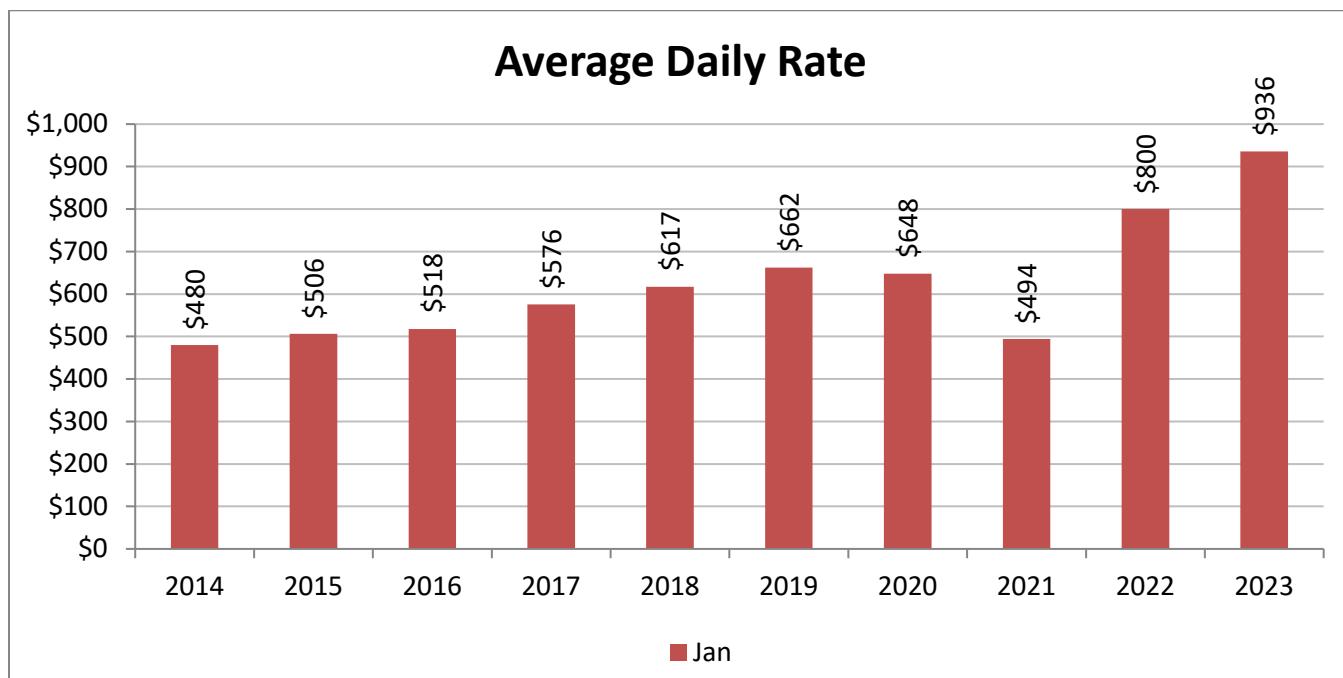


Sales and Lodging Tax:

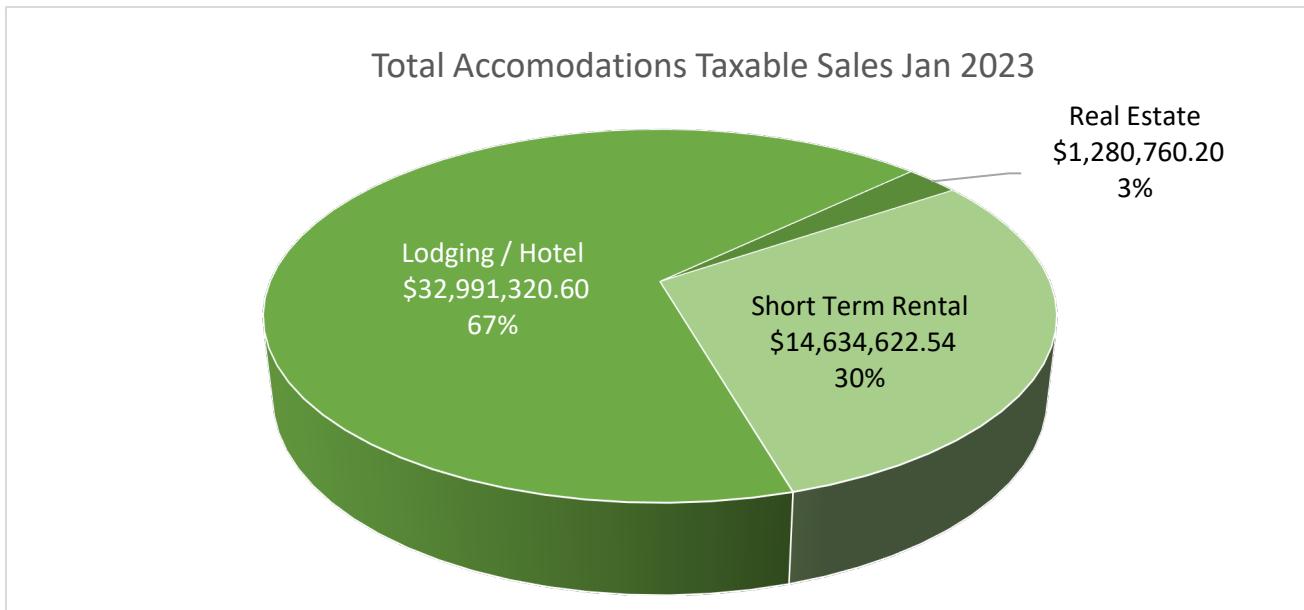
January sales and lodging tax collections paced 19% ahead of the same period one year ago. This robust start to the new year is certainly a reflection of occupancy levels returning to historic levels and the correlation of those visitor counts driving collections in the accommodations and restaurant/bar segments of the local economy.



Lodging tax collections were also up by the same 19% and have stabilized with the return of international tourism but are perhaps more influenced by the average daily rate escalation that rose 17% in January 2023 vs the same period a year prior.



Regarding the breakdown of the lodging tax base, roughly two-thirds of taxable sales are being generated by traditional lodge offerings and the remaining one-third is recorded from short-term rentals (condo-hotels, investment properties and owner-occupied but rented units).

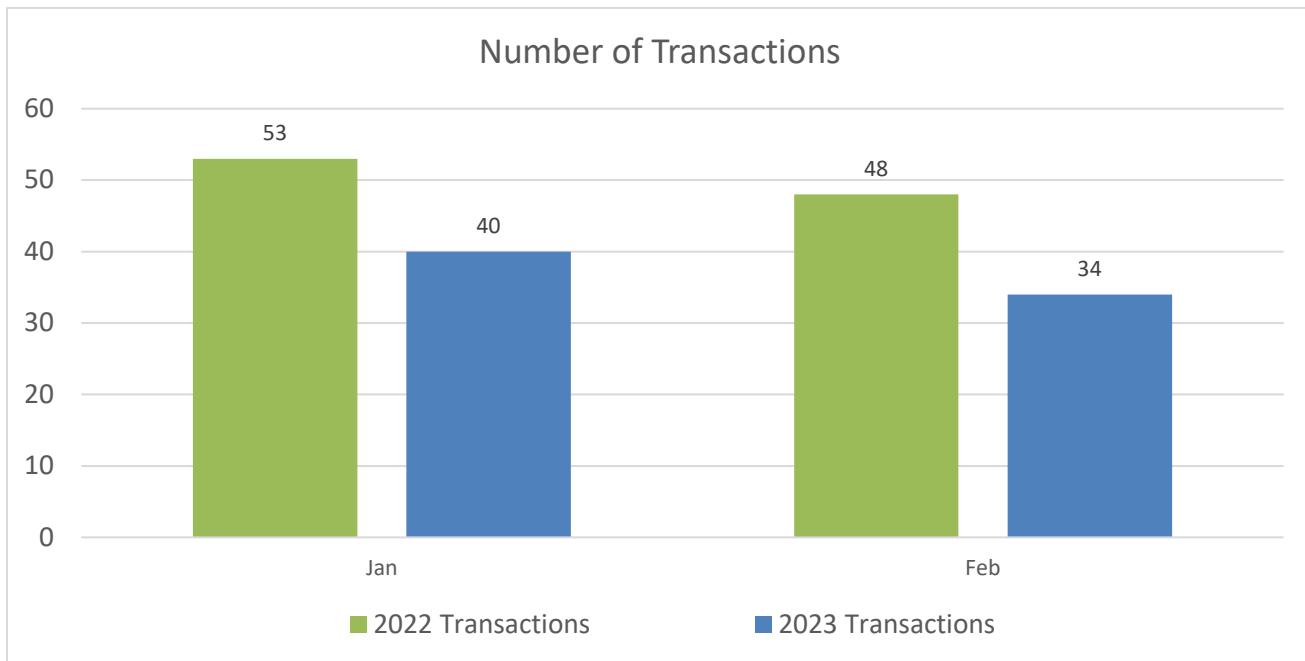
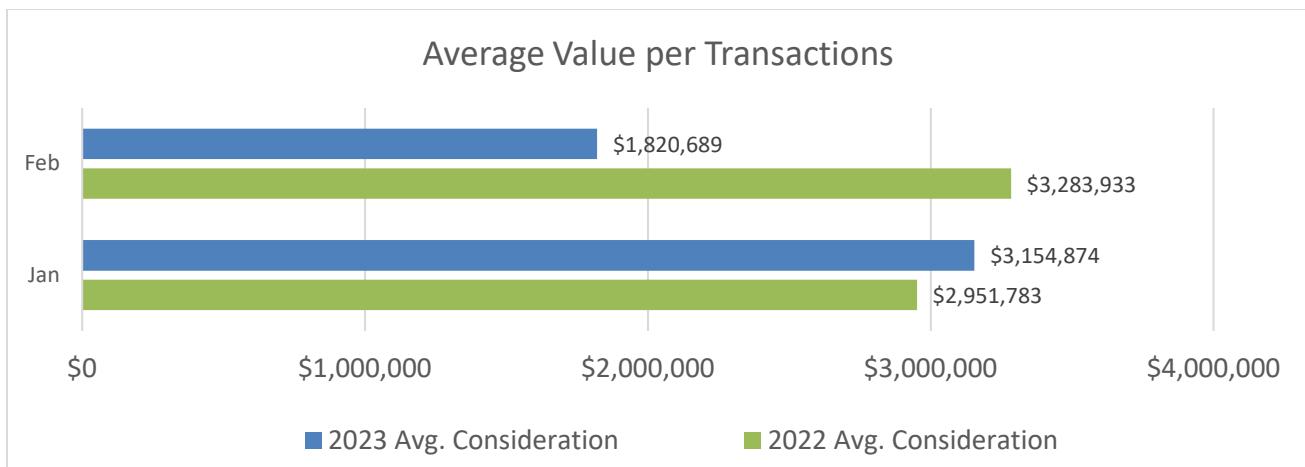


City Share of County Sales Tax:

The City of Aspen's allocated portion of Pitkin County's 2.0% sales tax ended the calendar year up roughly 8% from the same time last December (2021). Overall, collections for the year were up just shy of 19% which was in near perfect lockstep with the City's own sales tax performance in 2022. 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:

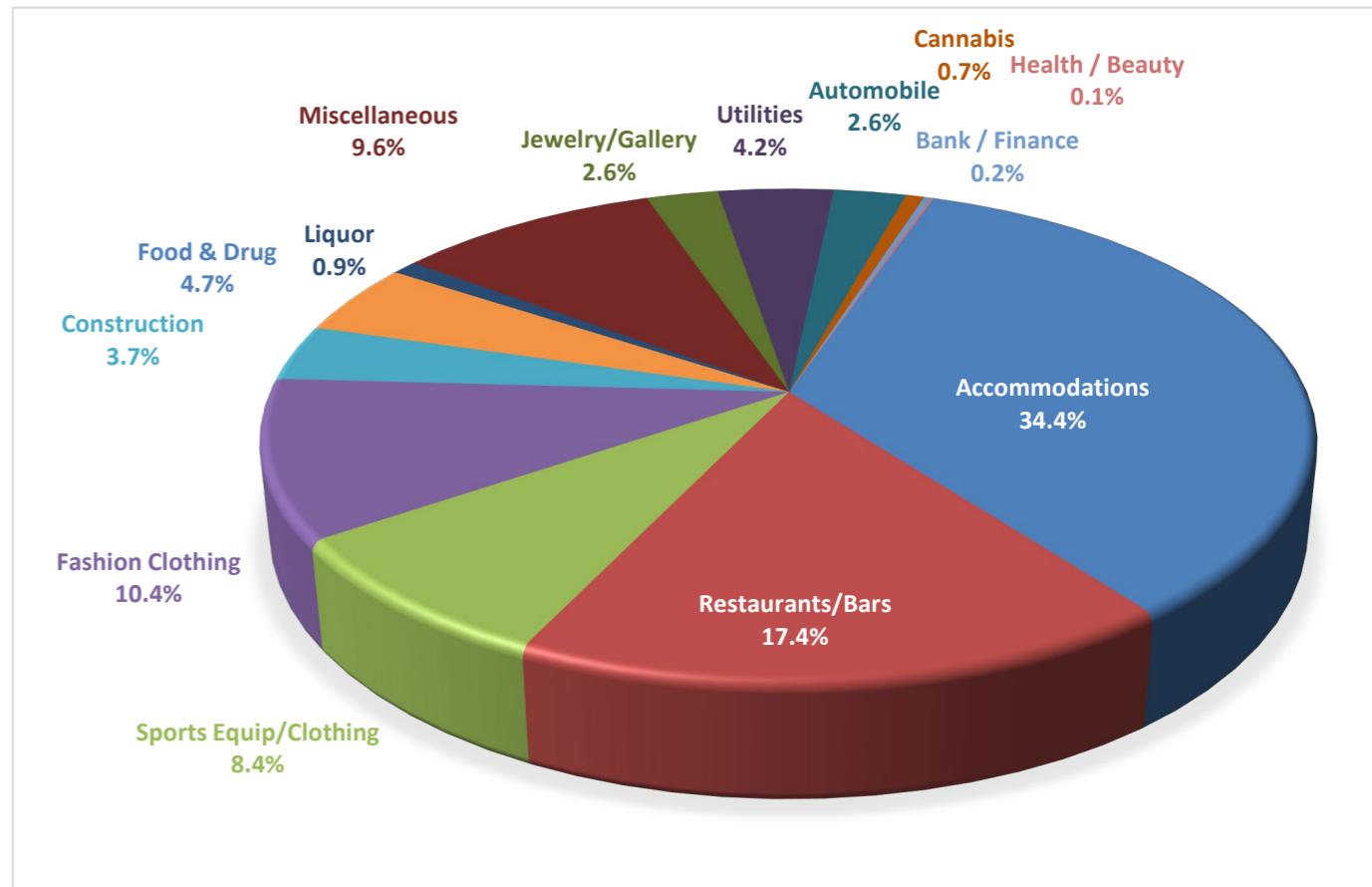
Year to date real estate transaction continues to be soft, with aggregate volume down 27% after two months. Overall tax receipts are now pacing 40% below last year's dollar value and, while high interest rate environments largely do not influence the predominate cash closure process in Aspen, the real estate market is expected to remain soft as the economy is being encouraged to cool by recent Fed action.



City of Aspen Retail Sales by Industry
January 2023

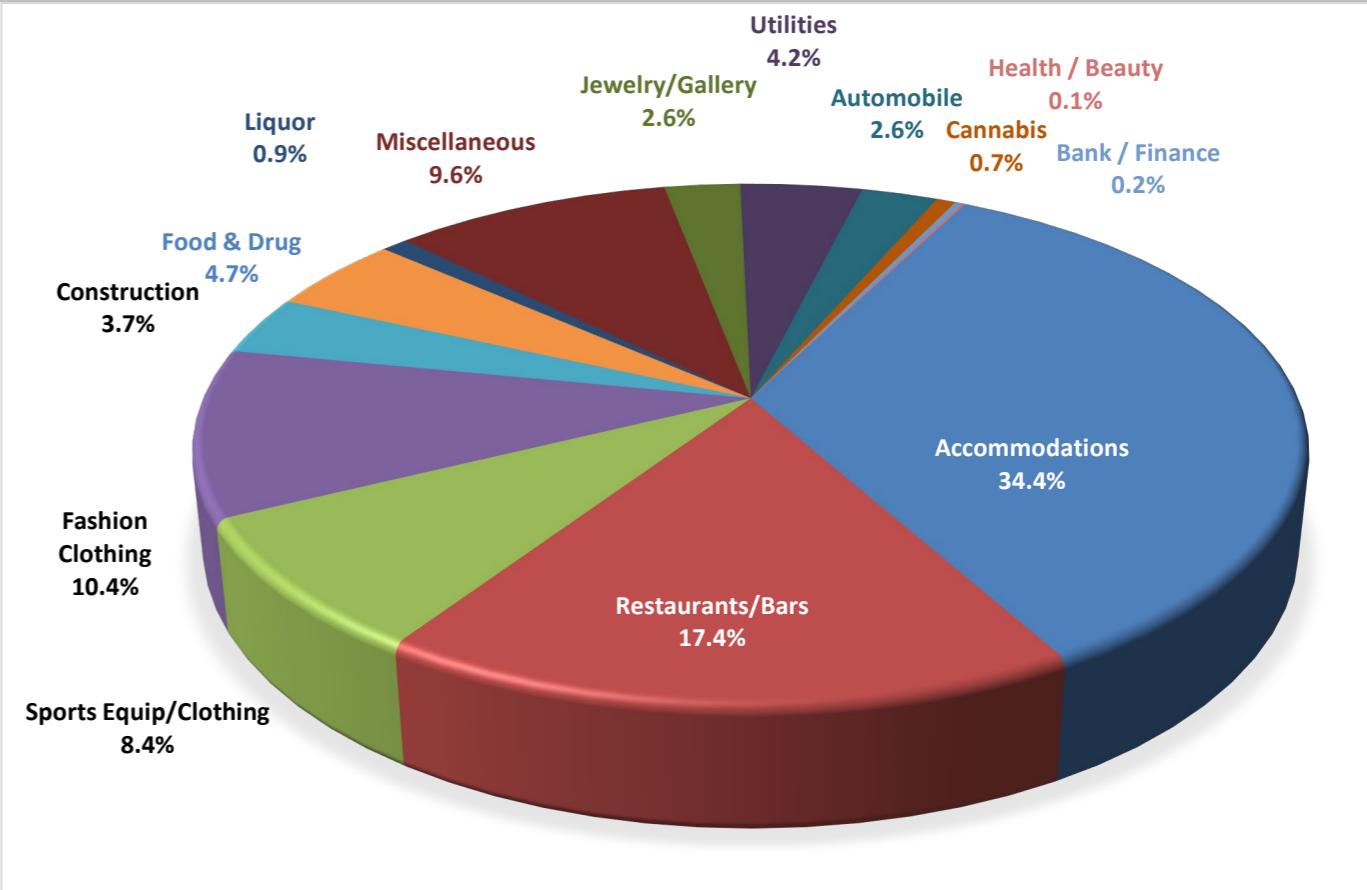
Year To Date Retail Sales

| Category | Retail Sales | % of Total Retail Sales | % Change to 2022 |
|-----------------------|----------------------|-------------------------|------------------|
| Accommodations | \$48,906,703 | 34.4% | 19.6% |
| Restaurants/Bars | \$24,751,922 | 17.4% | 15.5% |
| Sports Equip/Clothing | \$11,868,952 | 8.4% | 11.4% |
| Fashion Clothing | \$14,784,483 | 10.4% | 17.9% |
| Construction | \$5,211,379 | 3.7% | (0.1%) |
| Food & Drug | \$6,700,750 | 4.7% | 16.0% |
| Liquor | \$1,284,811 | 0.9% | 3.2% |
| Miscellaneous | \$13,671,918 | 9.6% | 150.8% |
| Jewelry/Gallery | \$3,709,634 | 2.6% | (14.2%) |
| Utilities | \$5,980,450 | 4.2% | 7.2% |
| Automobile | \$3,747,968 | 2.6% | 17.5% |
| Cannabis | \$949,285 | 0.7% | (6.8%) |
| Bank / Finance | \$354,130 | 0.2% | 15.8% |
| Health / Beauty | \$141,673 | 0.1% | (9.9%) |
| Total | \$142,064,058 | 100.0% | 20.6% |



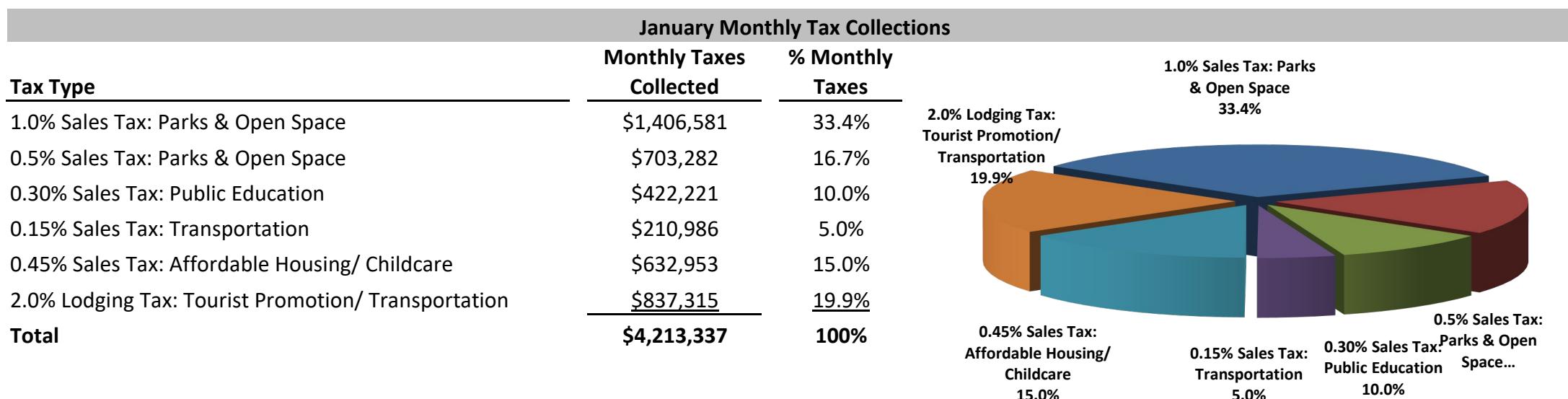
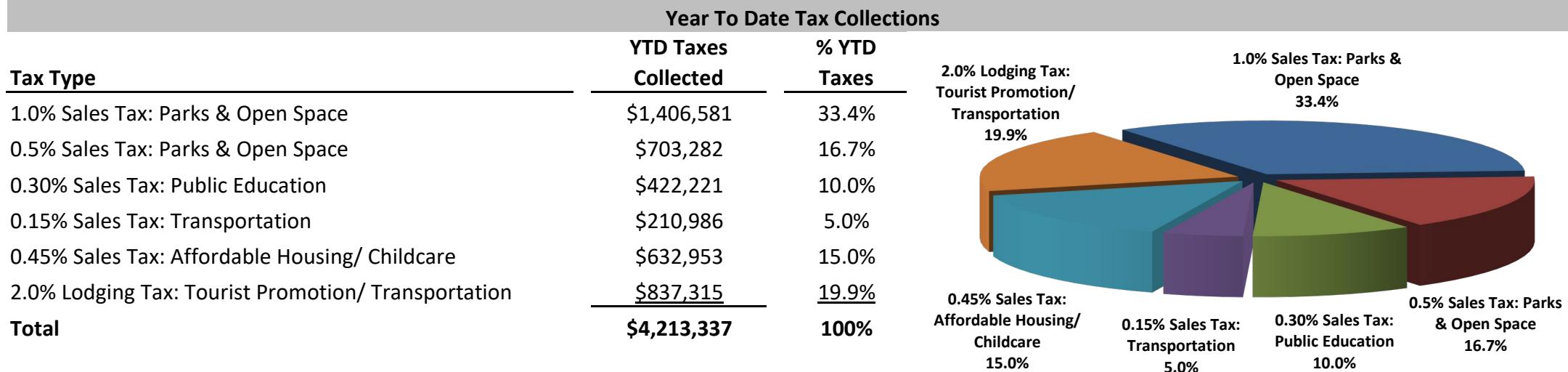
January Monthly Retail Sales

| Category | Retail Sales | % of Total Retail Sales | % Change to 2022 |
|-----------------------|----------------------|-------------------------|------------------|
| Accommodations | \$48,906,703 | 34.4% | 19.6% |
| Restaurants/Bars | \$24,751,922 | 17.4% | 15.5% |
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City of Aspen Sales and Lodging Tax

January 2023



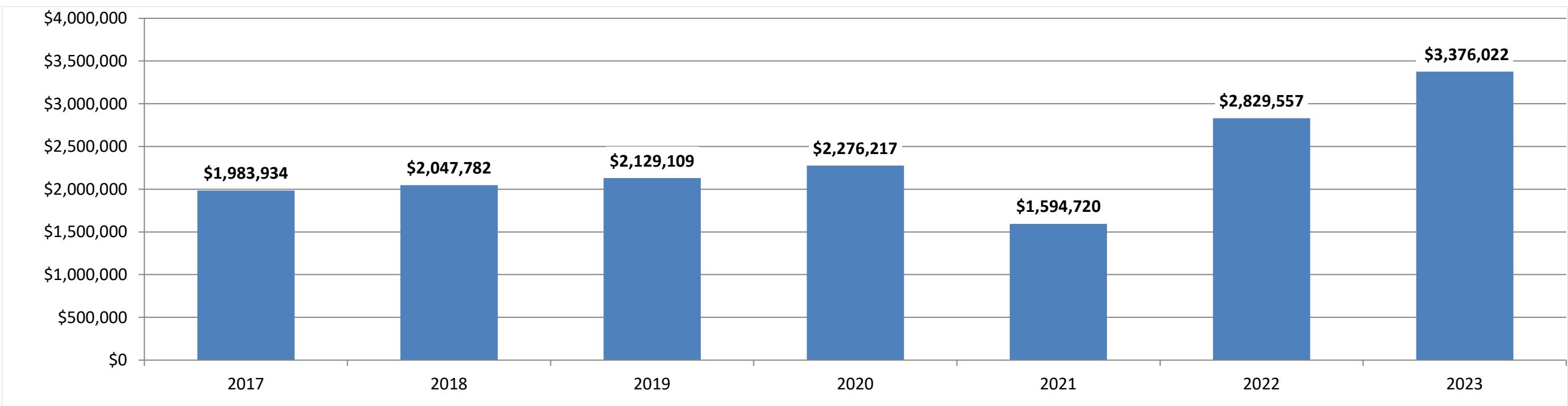
City of Aspen Sales Tax 2.4%

January 2023

Current Month Revenues are **19.3%** above last year's Monthly Revenues.
 Year To Date Revenues are **6.1%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **19.3%** 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 | | | \$6,086,800 | | | \$3,026,029 | | \$5,855,586 | |
| Mar | \$3,308,200 | | | \$9,395,000 | | | \$3,555,334 | | \$9,410,920 | |
| Apr | \$1,157,500 | | | \$10,552,500 | | | \$1,362,748 | | \$10,773,668 | |
| 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 January



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

January 2023

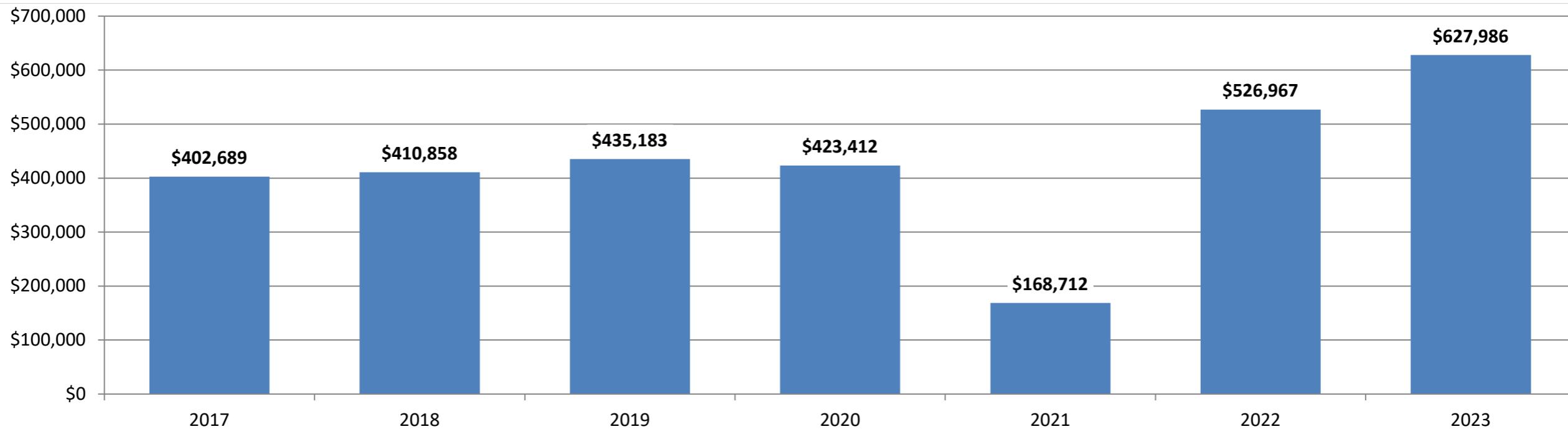
Current Month Revenues are 19.2% above last year's Monthly Revenues.

Year To Date Revenues are 8.6% above Year To Date Budgeted Revenues.

Year To Date Revenues are 19.2% above last year's Actual Year To Date Revenues.

| 2023 Monthly Budget vs. 2023 Actual | | | 2023 YTD Budget vs. 2023 Actual | | | 2023 vs. 2022 | | | | |
|-------------------------------------|-----------|-----------|---------------------------------|-------------|-----------|---------------|--------------|----------|-------------|----------|
| Month | Budget | Actual | Variance | Budget | Actual | Variance | 2022 Monthly | Variance | 2022 YTD | Variance |
| Jan | \$578,000 | \$627,986 | 8.6% | \$578,000 | \$627,986 | 8.6% | \$526,967 | 19.2% | \$526,967 | 19.2% |
| Feb | \$532,000 | | | \$1,110,000 | | | \$578,288 | | \$1,105,256 | |
| Mar | \$573,000 | | | \$1,683,000 | | | \$678,895 | | \$1,784,150 | |
| Apr | \$86,000 | | | \$1,769,000 | | | \$124,826 | | \$1,908,977 | |
| 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 January

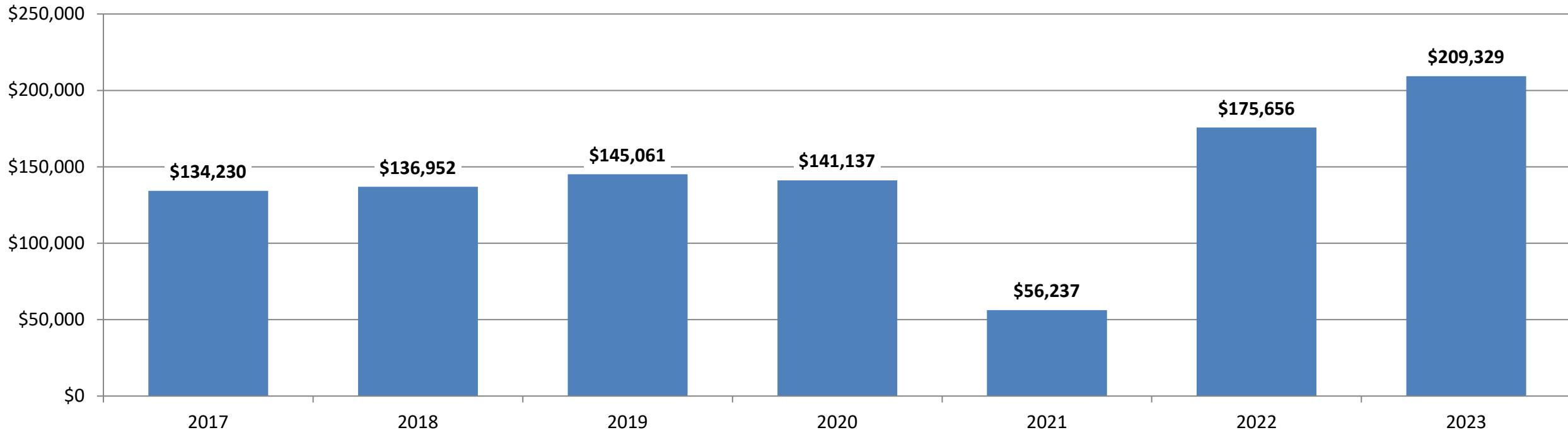


City of Aspen Transportation 0.5% Lodging Tax
January 2023

Current Month Revenues are **19.2%** above last year's Monthly Revenues.
 Year To Date Revenues are **8.5%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **19.2%** 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>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 | \$193,000 | \$209,329 | 8.5% | \$175,656 | 19.2% | \$175,656 | 19.2% |
| Feb | \$177,000 | | \$370,000 | | | \$192,763 | | \$368,419 | |
| Mar | \$191,000 | | \$561,000 | | | \$226,298 | | \$594,717 | |
| Apr | \$29,000 | | \$590,000 | | | \$41,609 | | \$636,326 | |
| 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 January

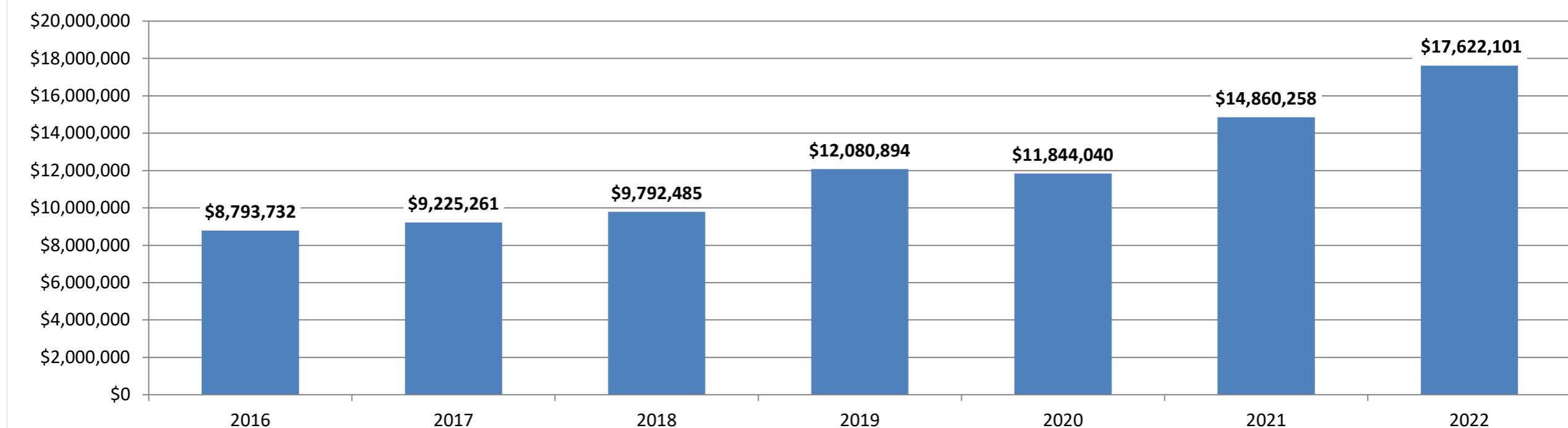


City of Aspen Portion of Pitkin County 3.6% Sales Tax
December 2022

Current Month Revenues are **7.7%** **above last year's Monthly Revenues.**
Year To Date Revenues are **24.4%** **above Year To Date Budgeted Revenues.**
Year To Date Revenues are **18.6%** **above last year's Actual Year To Date Revenues.**

| Month | 2022 Monthly Budget vs. 2022 Actual | | | 2022 YTD Budget vs. 2022 Actual | | | 2022 vs. 2021 | | | |
|--------------|--|---------------|-----------------|--|---------------|-----------------|----------------------|-----------------|-----------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | 2021 Monthly | Variance | 2021 YTD | Variance |
| Jan | \$1,761,000 | \$1,865,160 | 5.9% | \$1,761,000 | \$1,865,160 | 5.9% | \$1,092,020 | 70.8% | \$ 1,092,020 | 70.8% |
| Feb | \$1,631,000 | \$1,913,738 | 17.3% | \$3,392,000 | \$3,778,898 | 11.4% | \$1,183,150 | 61.7% | \$ 2,275,171 | 66.1% |
| Mar | \$1,689,000 | \$2,125,220 | 25.8% | \$5,081,000 | \$5,904,118 | 16.2% | \$1,515,832 | 40.2% | \$ 3,791,002 | 55.7% |
| Apr | \$660,000 | \$969,500 | 46.9% | \$5,741,000 | \$6,873,618 | 19.7% | \$817,669 | 18.6% | \$ 4,608,671 | 49.1% |
| May | \$482,000 | \$782,204 | 62.3% | \$6,223,000 | \$7,655,822 | 23.0% | \$665,386 | 17.6% | \$ 5,274,058 | 45.2% |
| June | \$1,035,000 | \$1,345,550 | 30.0% | \$7,258,000 | \$9,001,372 | 24.0% | \$1,218,669 | 10.4% | \$ 6,492,727 | 38.6% |
| July | \$1,394,000 | \$1,692,577 | 21.4% | \$8,652,000 | \$10,693,949 | 23.6% | \$1,694,768 | (0.1%) | \$ 8,187,494 | 30.6% |
| Aug | \$1,244,000 | \$1,545,937 | 24.3% | \$9,896,000 | \$12,239,887 | 23.7% | \$1,427,495 | 8.3% | \$ 9,614,989 | 27.3% |
| Sept | \$1,024,000 | \$1,379,994 | 34.8% | \$10,920,000 | \$13,619,880 | 24.7% | \$1,321,660 | 4.4% | \$ 10,936,649 | 24.5% |
| Oct | \$657,000 | \$992,304 | 51.0% | \$11,577,000 | \$14,612,184 | 26.2% | \$1,004,489 | (1.2%) | \$ 11,941,138 | 22.4% |
| Nov | \$686,000 | \$799,746 | 16.6% | \$12,263,000 | \$15,411,930 | 25.7% | \$867,346 | (7.8%) | \$ 12,808,484 | 20.3% |
| Dec | \$1,903,000 | \$2,210,170 | 16.1% | \$14,166,000 | \$17,622,101 | 24.4% | \$2,051,774 | 7.7% | \$ 14,860,258 | 18.6% |

Actual Collections Year To Date Through December

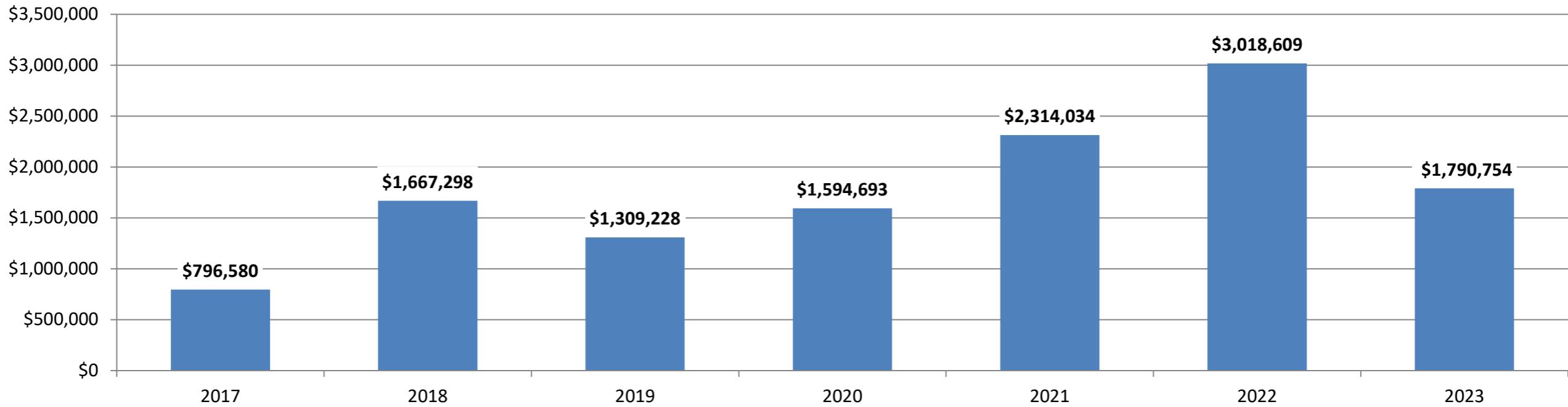


Housing Real Estate Transfer Tax
February 2023

Current Month Revenues are (63.4%) below last year's Monthly Revenues.
Year To Date Revenues are 63.4% above Year To Date Budgeted Revenues.
Year To Date Revenues are (40.7%) 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 | \$566,000 | \$1,224,320 | 116.3% | \$566,000 | \$1,224,320 | 116.3% | \$1,471,810 | (16.8%) | \$1,471,810 | (16.8%) |
| Feb | \$530,000 | \$566,434 | 6.9% | \$1,096,000 | \$1,790,754 | 63.4% | \$1,546,799 | (63.4%) | \$3,018,609 | (40.7%) |
| Mar | \$556,000 | | | \$1,652,000 | | | \$2,656,014 | | \$5,674,623 | |
| Apr | \$720,000 | | | \$2,372,000 | | | \$1,237,195 | | \$6,911,818 | |
| May | \$728,000 | | | \$3,100,000 | | | \$2,610,330 | | \$9,522,148 | |
| June | \$691,000 | | | \$3,791,000 | | | \$1,467,414 | | \$10,989,562 | |
| July | \$494,000 | | | \$4,285,000 | | | \$651,850 | | \$11,641,412 | |
| Aug | \$675,000 | | | \$4,960,000 | | | \$1,359,294 | | \$13,000,706 | |
| Sept | \$960,000 | | | \$5,920,000 | | | \$1,503,485 | | \$14,504,191 | |
| Oct | \$829,000 | | | \$6,749,000 | | | \$1,234,207 | | \$15,738,397 | |
| Nov | \$565,000 | | | \$7,314,000 | | | \$654,910 | | \$16,393,308 | |
| Dec | \$686,000 | | | \$8,000,000 | | | \$716,505 | | \$17,109,813 | |

Actual Collections Year To Date Through February



Wheeler Opera House Real Estate Transfer Tax
February 2023

Current Month Revenues are **(60.7%)** **below last year's Monthly Revenues.**
Year To Date Revenues are **68.5%** **above Year To Date Budgeted Revenues.**
Year To Date Revenues are **(40.1%)** **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 | \$285,000 | \$630,975 | 121.4% | \$285,000 | \$630,975 | 121.4% | \$782,223 | (19.3%) | \$782,223 | (19.3%) |
| Feb | \$273,000 | \$309,517 | 13.4% | \$558,000 | \$940,492 | 68.5% | \$788,144 | (60.7%) | \$1,570,367 | (40.1%) |
| Mar | \$280,000 | | | \$838,000 | | | \$1,350,338 | | \$2,920,704 | |
| Apr | \$358,000 | | | \$1,196,000 | | | \$641,488 | | \$3,562,192 | |
| May | \$373,000 | | | \$1,569,000 | | | \$1,347,355 | | \$4,909,547 | |
| June | \$343,000 | | | \$1,912,000 | | | \$751,367 | | \$5,660,914 | |
| July | \$245,000 | | | \$2,157,000 | | | \$334,708 | | \$5,995,622 | |
| Aug | \$338,000 | | | \$2,495,000 | | | \$704,878 | | \$6,700,499 | |
| Sept | \$477,000 | | | \$2,972,000 | | | \$768,111 | | \$7,468,610 | |
| Oct | \$409,000 | | | \$3,381,000 | | | \$631,571 | | \$8,100,181 | |
| Nov | \$288,000 | | | \$3,669,000 | | | \$338,325 | | \$8,438,506 | |
| Dec | \$331,000 | | | \$4,000,000 | | | \$369,022 | | \$8,807,528 | |

Actual Collections Year To Date Through February

