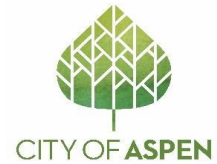


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: May 15, 2023
Re: March 2023 Consumption Tax Report



Aggregate Taxable Sales & Industry Highlights:

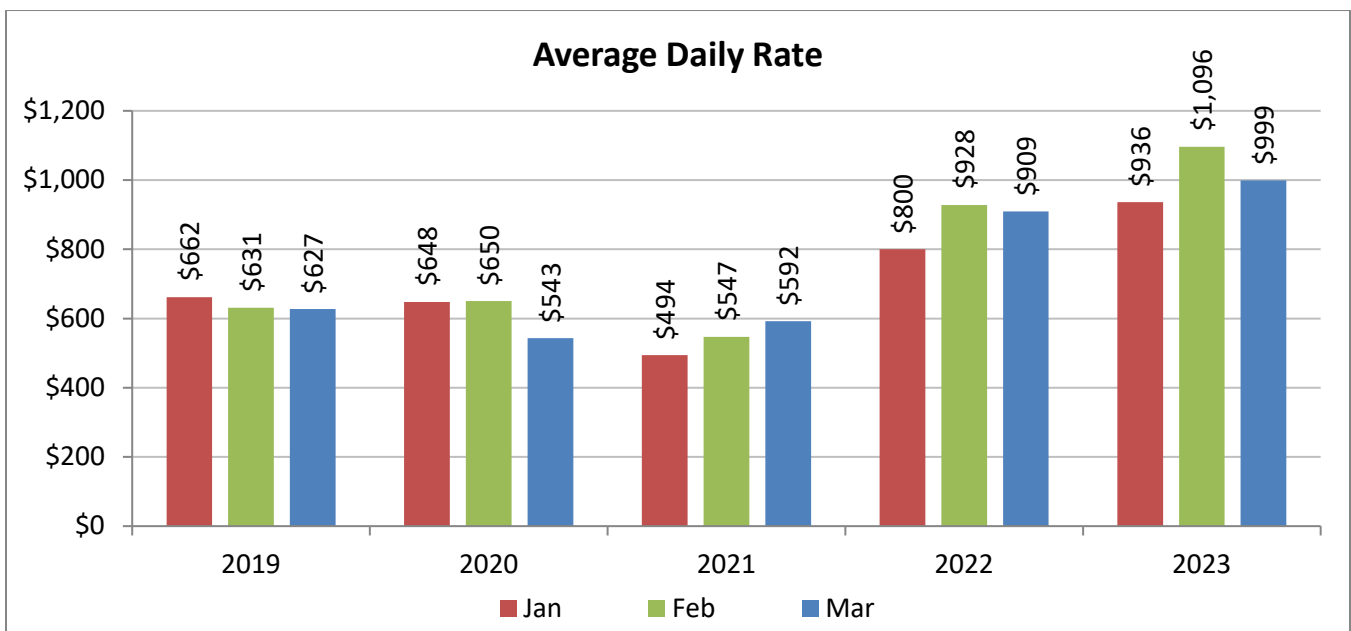
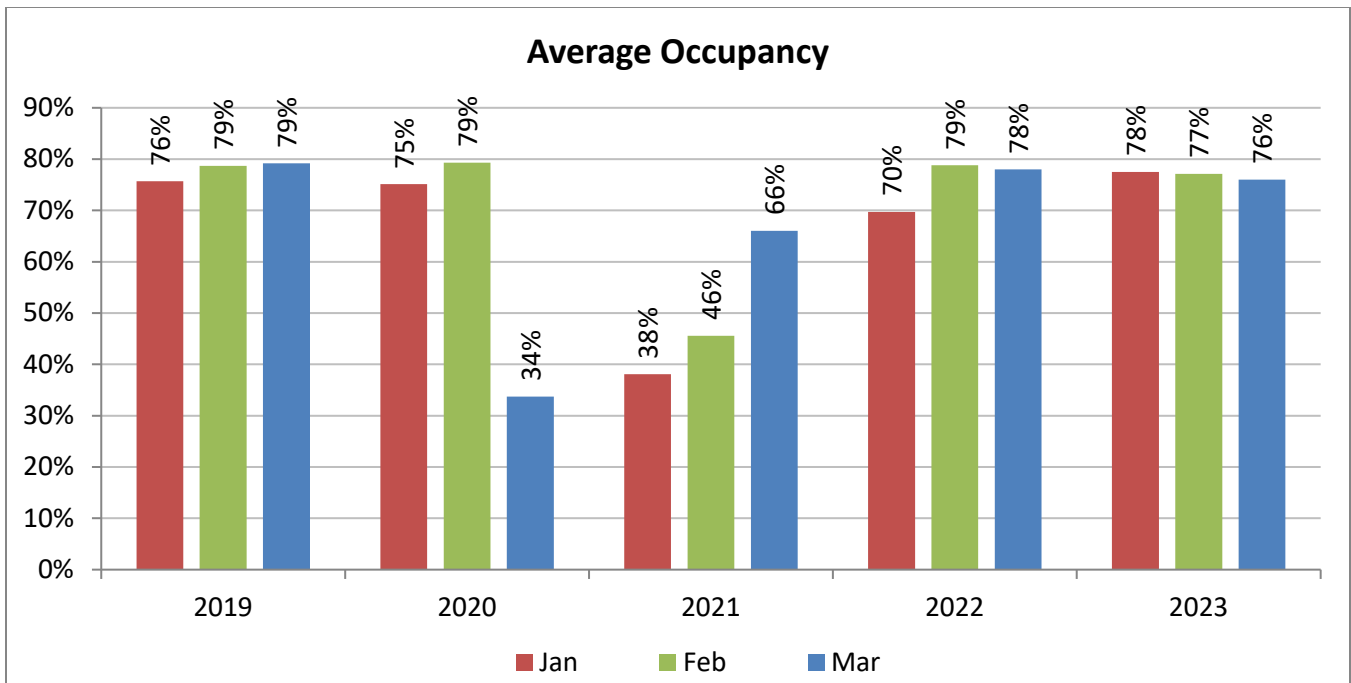
Aggregate taxable sales were down 2% in March when benchmarking against March 2022 one year ago. Despite this slightly muted activity, this month's activity continued the winter season trend of robust local economic activity, with 85% of spend taking place within local brick and mortar sales versus just 15% from online/external businesses, underlining strong performance for the local economy. Generally speaking, March is typically 11.5% of annual taxable sales, putting it in the top third of months for annual economic activity.

Diving into the industry level data, the high dollar sectors, accommodations (down 1.2%) and restaurants/bars (up 3.1%) posted very strong sales but are being compared to a record setting period of March 2022. Other notable sectors seeing growth are automobile (up 30%), miscellaneous (up 12%) and food & drug (up 6%). The more unpredictable and luxury sectors of fashion clothing (down 19.6%) and jewelry/gallery (down 36.6%) saw large declines, but still posted sales nearly double the historical average.

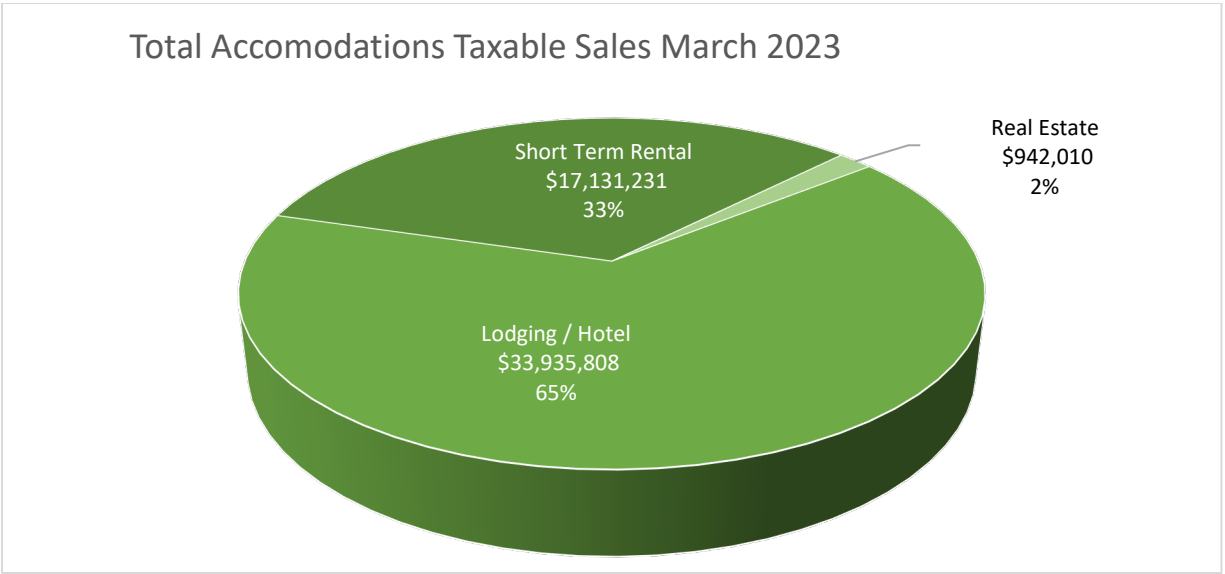


Sales and Lodging Tax:

March sales and lodging tax collections paced 2.4% and 2.1% behind March 2022, respectively. While this may seem soft, it is important to note March 2022 and 2023 both saw approximately \$3.5M in sales tax revenue while the proceeding five March periods averaged around \$2M. Further highlighting the overall growth/strength in sales tax collections when looking at the "winter season" of December 2022 to March 2023, tax revenue collected in just this four-month period (\$14M) is greater than the entirety of 2014 sales tax collections (\$13M) roughly one decade ago. Year-to-date sales tax revenues is up over 6% compared to an exceptional 2022; however, we may be starting to see the start to an overall softening of the economy and local sales tax collections with high interest rate environments stifling economic activity in attempts to improve the labor market conditions and curb inflation.



March's breakdown of the local lodging base reflects roughly two-thirds of taxable sales generated by traditional lodge offerings and one-third from short-term rentals (condo-hotels, investment properties and owner-occupied but rented units). These percentages and overall taxable sales are closely aligned with January's and February's experience.

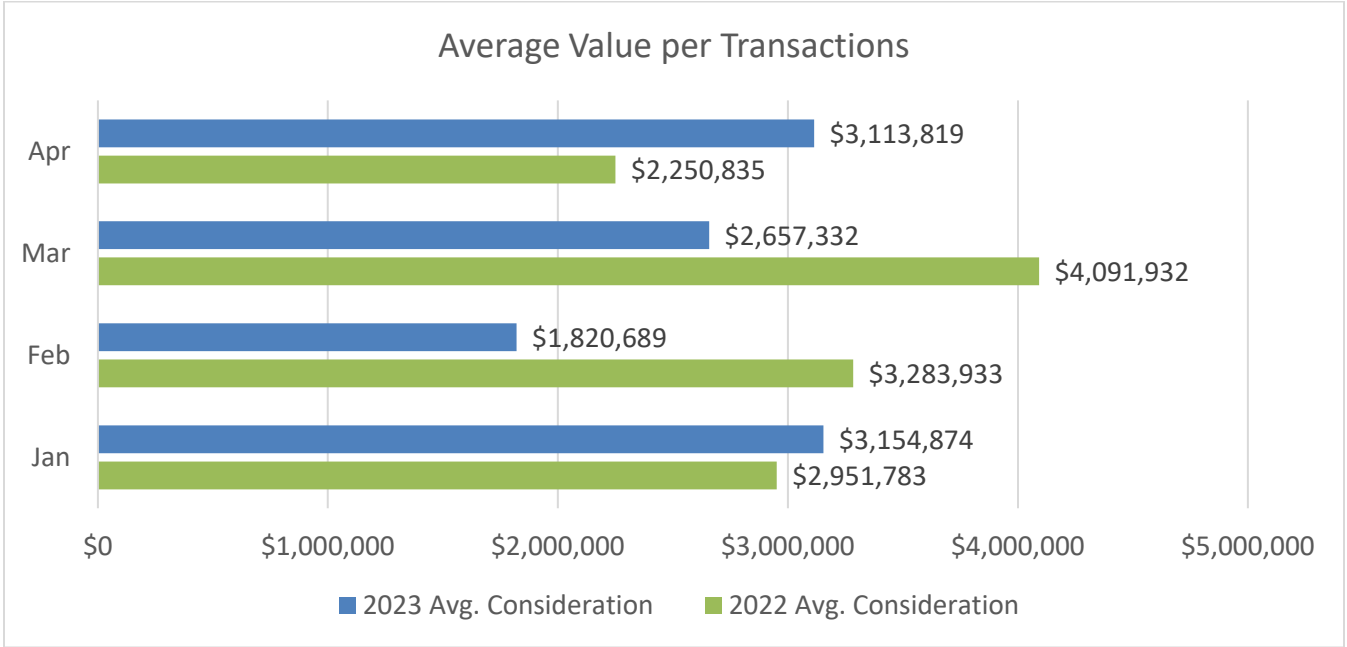


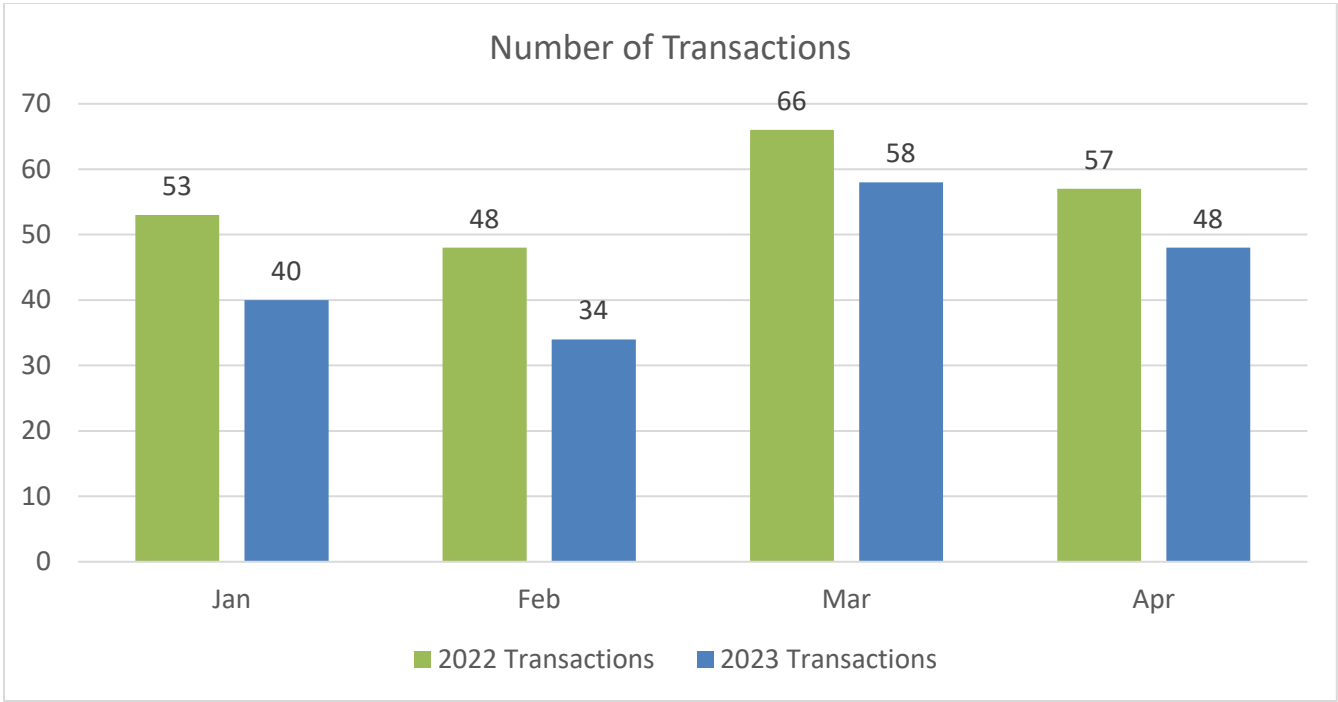
City Share of County Sales Tax:

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax continues to be strong with February collections up 13% to February 2022 and overall collections up 18% 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 four months, aggregate volume in real estate activity is lagging last year’s experience by 20%. However, April reversed the trend of the previous two months and posted an increase in average value per transaction, with April 2023 including 6 transactions over \$10M vs just 2 in April 2022, highlighting the volatility in this revenue stream. Overall tax receipts are still pacing roughly 31% below last year’s collections and are not expected to match those of 2022.

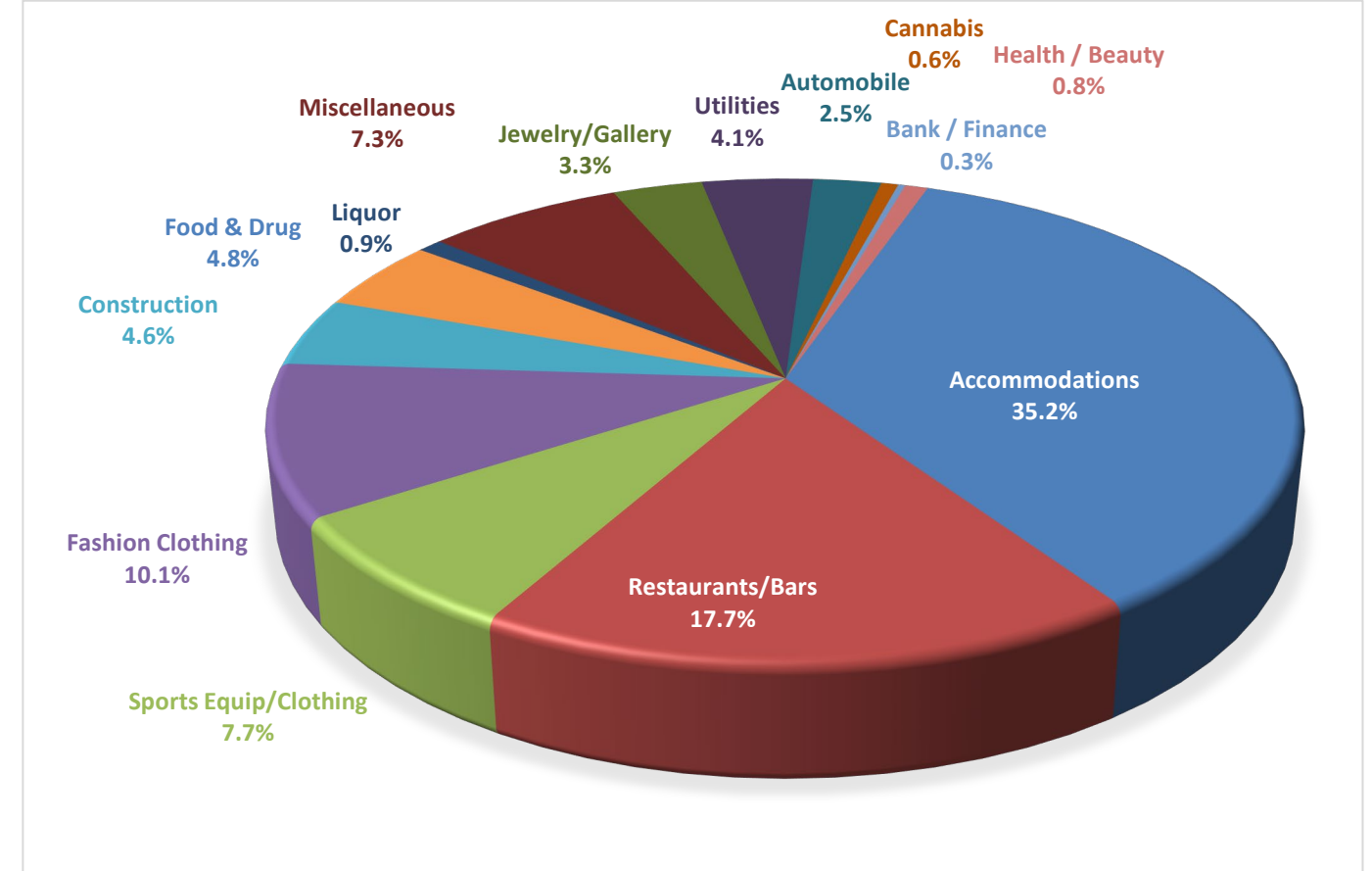




City of Aspen Retail Sales by Industry
March 2023

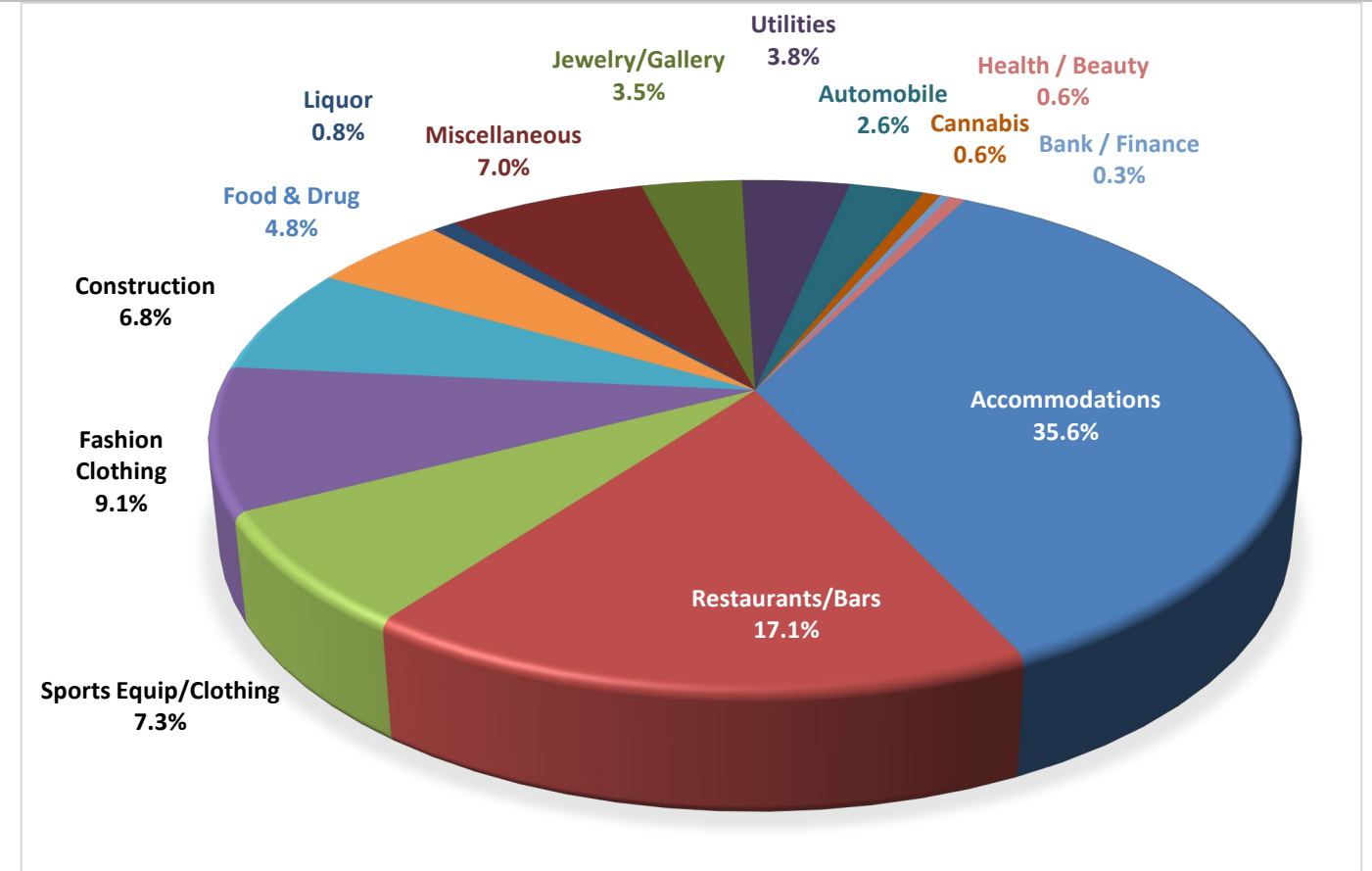
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$148,397,650	35.2%	7.0%
Restaurants/Bars	\$74,613,364	17.7%	9.3%
Sports Equip/Clothing	\$32,415,087	7.7%	2.5%
Fashion Clothing	\$42,701,807	10.1%	(3.2%)
Construction	\$19,330,412	4.6%	(0.7%)
Food & Drug	\$20,091,707	4.8%	4.3%
Liquor	\$3,838,276	0.9%	(5.4%)
Miscellaneous	\$30,747,251	7.3%	38.0%
Jewelry/Gallery	\$13,997,912	3.3%	(6.4%)
Utilities	\$17,339,304	4.1%	7.4%
Automobile	\$10,654,713	2.5%	11.4%
Cannabis	\$2,663,658	0.6%	(18.0%)
Bank / Finance	\$1,114,745	0.3%	(7.9%)
Health / Beauty	\$3,540,113	0.8%	222.0%
Total	\$421,445,999	100.0%	7.0%



March Monthly Retail Sales

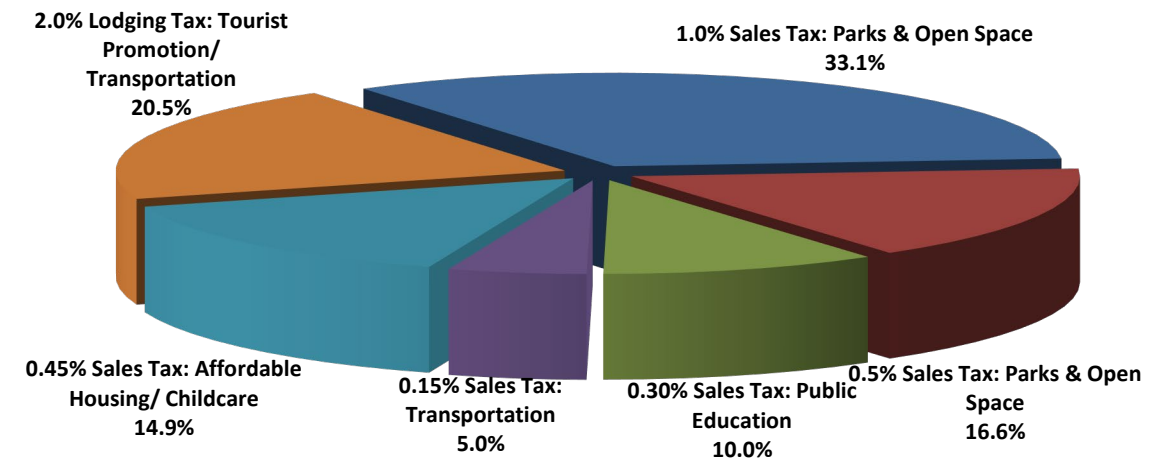
Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$52,009,049	35.6%	(1.2%)
Restaurants/Bars	\$25,021,376	17.1%	3.1%
Sports Equip/Clothing	\$10,633,791	7.3%	(0.1%)
Fashion Clothing	\$13,258,114	9.1%	(19.6%)
Construction	\$9,885,914	6.8%	2.9%
Food & Drug	\$7,080,535	4.8%	6.1%
Liquor	\$1,228,222	0.8%	(9.4%)
Miscellaneous	\$10,301,111	7.0%	12.5%
Jewelry/Gallery	\$5,180,449	3.5%	(36.6%)
Utilities	\$5,571,929	3.8%	3.7%
Automobile	\$3,851,825	2.6%	30.2%
Cannabis	\$911,045	0.6%	(15.2%)
Bank / Finance	\$491,011	0.3%	(17.9%)
Health / Beauty	\$822,671	0.6%	140.8%
Total	\$146,247,041	100.0%	(2.1%)



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

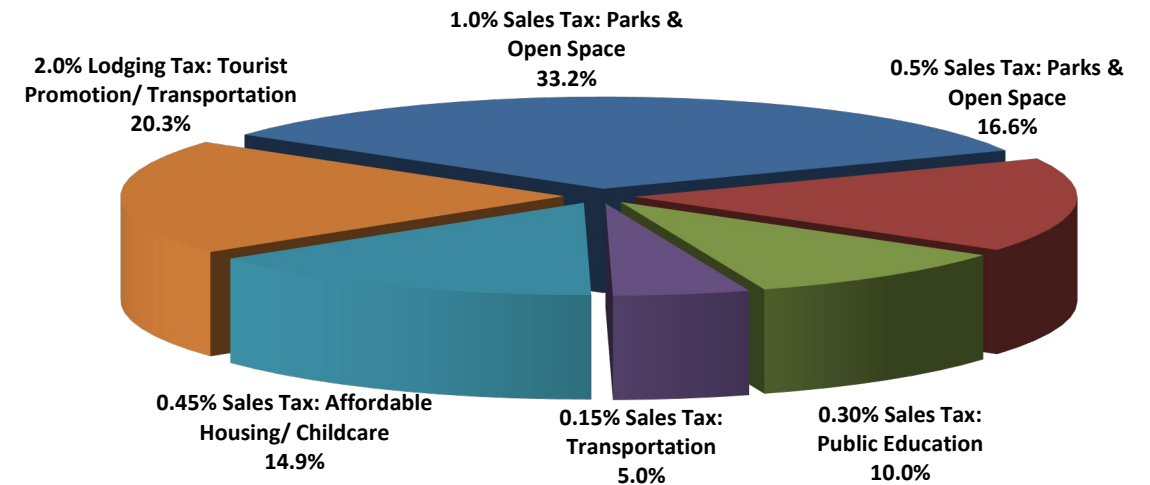
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.0% Sales Tax: Parks & Open Space	\$4,168,438	33.1%
0.5% Sales Tax: Parks & Open Space	\$2,084,207	16.6%
0.30% Sales Tax: Public Education	\$1,252,756	10.0%
0.15% Sales Tax: Transportation	\$625,267	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$1,875,784	14.9%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$2,573,782</u>	<u>20.5%</u>
Total	\$12,580,234	100%



March Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.0% Sales Tax: Parks & Open Space	\$1,445,706	33.2%
0.5% Sales Tax: Parks & Open Space	\$722,852	16.6%
0.30% Sales Tax: Public Education	\$435,477	10.0%
0.15% Sales Tax: Transportation	\$216,857	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$650,566	14.9%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$886,258</u>	<u>20.3%</u>
Total	\$4,357,716	100%

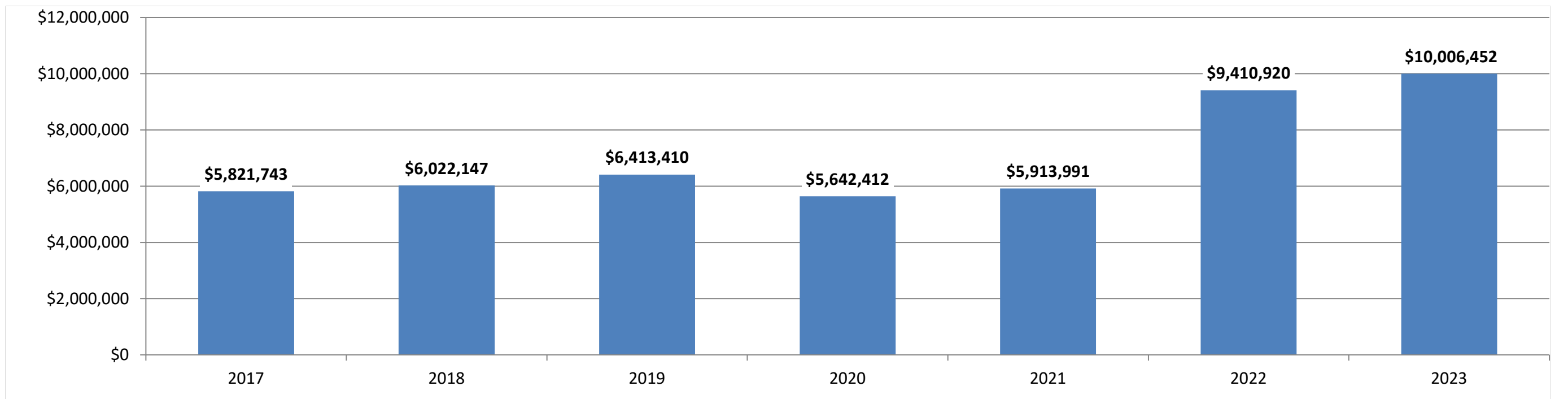


City of Aspen Sales Tax 2.4%
March 2023

Current Month Revenues are (2.4%) below last year's Monthly Revenues.
Year To Date Revenues are 6.5% above Year To Date Budgeted Revenues.
Year To Date Revenues are 6.3% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<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	\$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			\$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 March



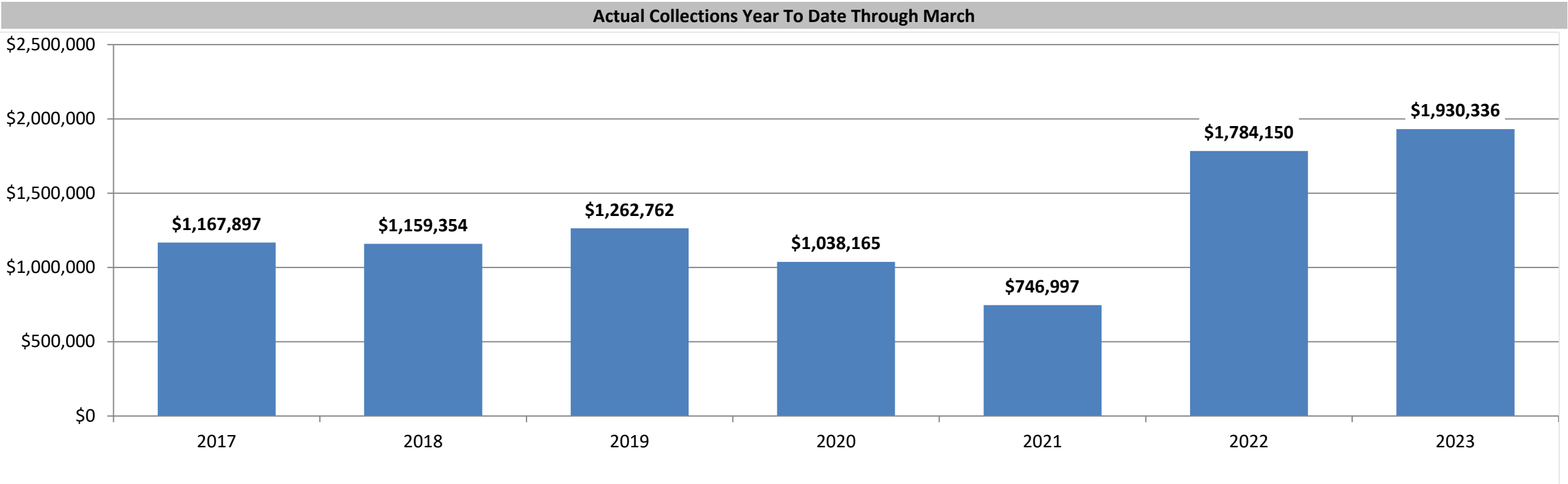
City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
March 2023

Current Month Revenues are (2.1%) below last year's Monthly Revenues adjusted for rate increase.

Year To Date Revenues are 14.7% above Year To Date Budgeted Revenues.

Year To Date Revenues are 8.2% 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	\$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			\$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	

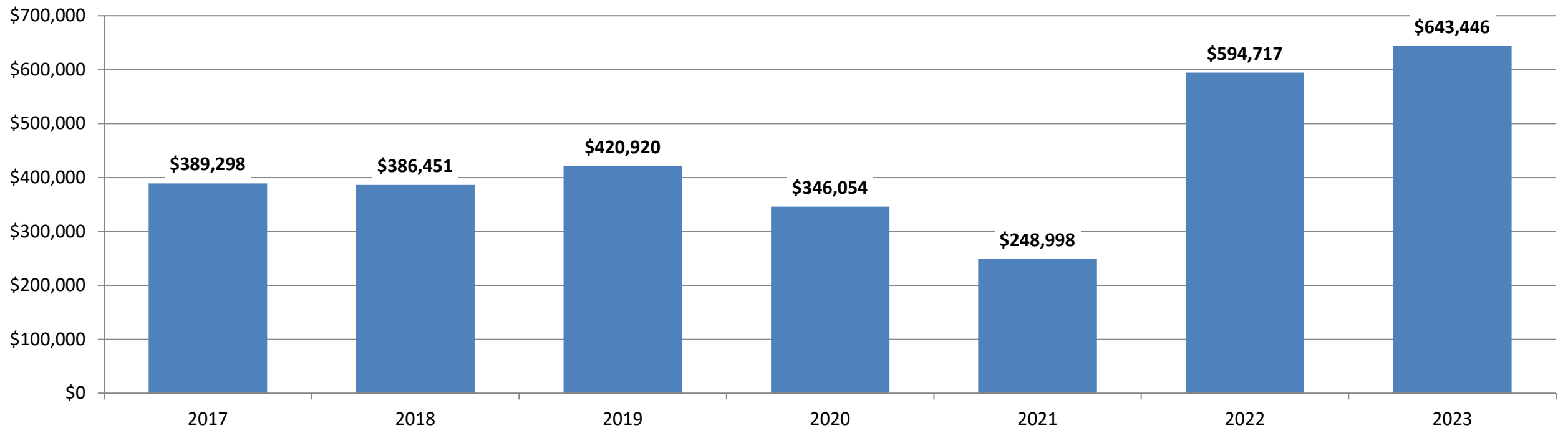


**City of Aspen Transportation 0.5% Lodging Tax
March 2023**

Current Month Revenues are (2.1%) below last year's Monthly Revenues
 Year To Date Revenues are 14.7% above Year To Date Budgeted Revenues.
 Year To Date Revenues are 8.2% 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>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			\$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 March

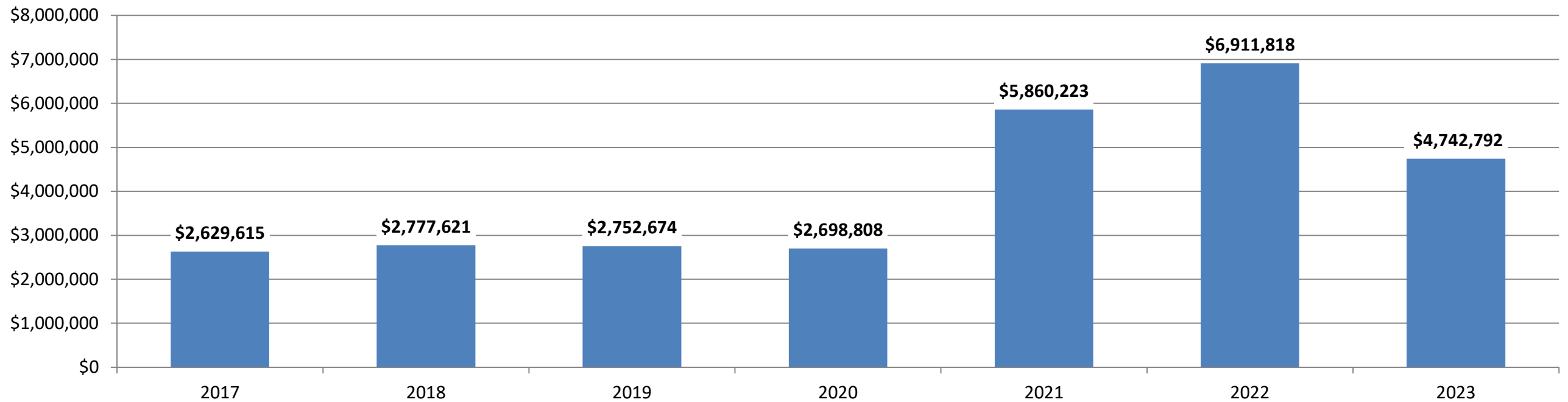


**Housing Real Estate Transfer Tax
April 2023**

Current Month Revenues are **18.4%** **above last year's Monthly Revenues.**
 Year To Date Revenues are **59.9%** **above Year To Date Budgeted Revenues.**
 Year To Date Revenues are **(31.4%)** **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	\$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			\$3,877,000			\$2,610,330		\$9,522,148	
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 April

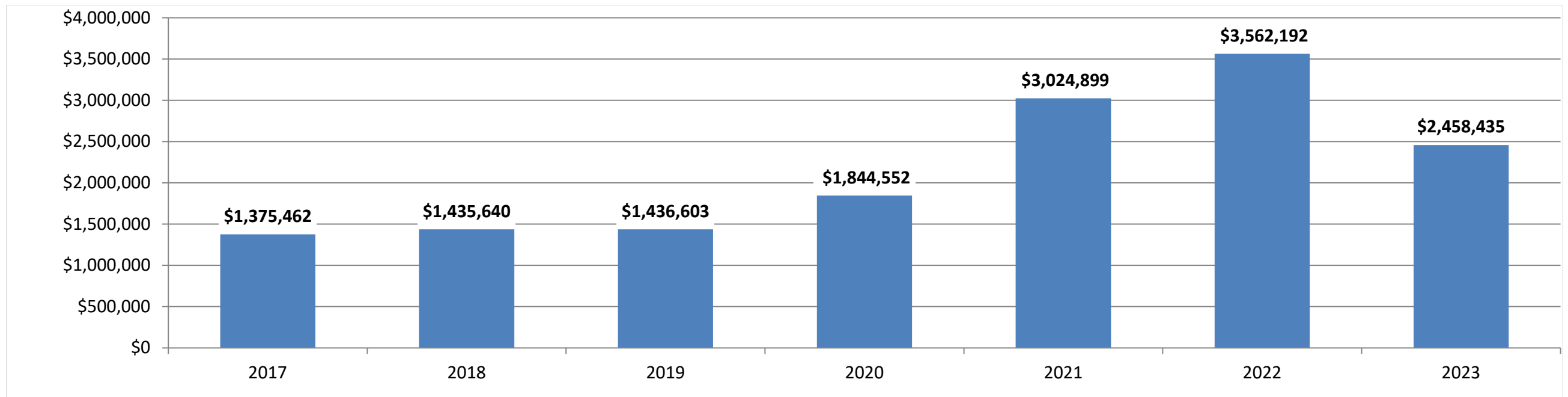


**Wheeler Opera House Real Estate Transfer Tax
April 2023**

Current Month Revenues are **16.5%** above last year's Monthly Revenues.
Year To Date Revenues are **64.3%** above Year To Date Budgeted Revenues.
Year To Date Revenues are **(31.0%)** 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			\$1,963,000			\$1,347,355		\$4,909,547	
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 April



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

Current Month Revenues are 13.1% above last year's Monthly Revenues.
Year To Date Revenues are 7.0% above Year To Date Budgeted Revenues.
Year To Date Revenues are 18.3% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<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			\$6,263,000			\$2,125,220		\$ 5,904,118	
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 February

