

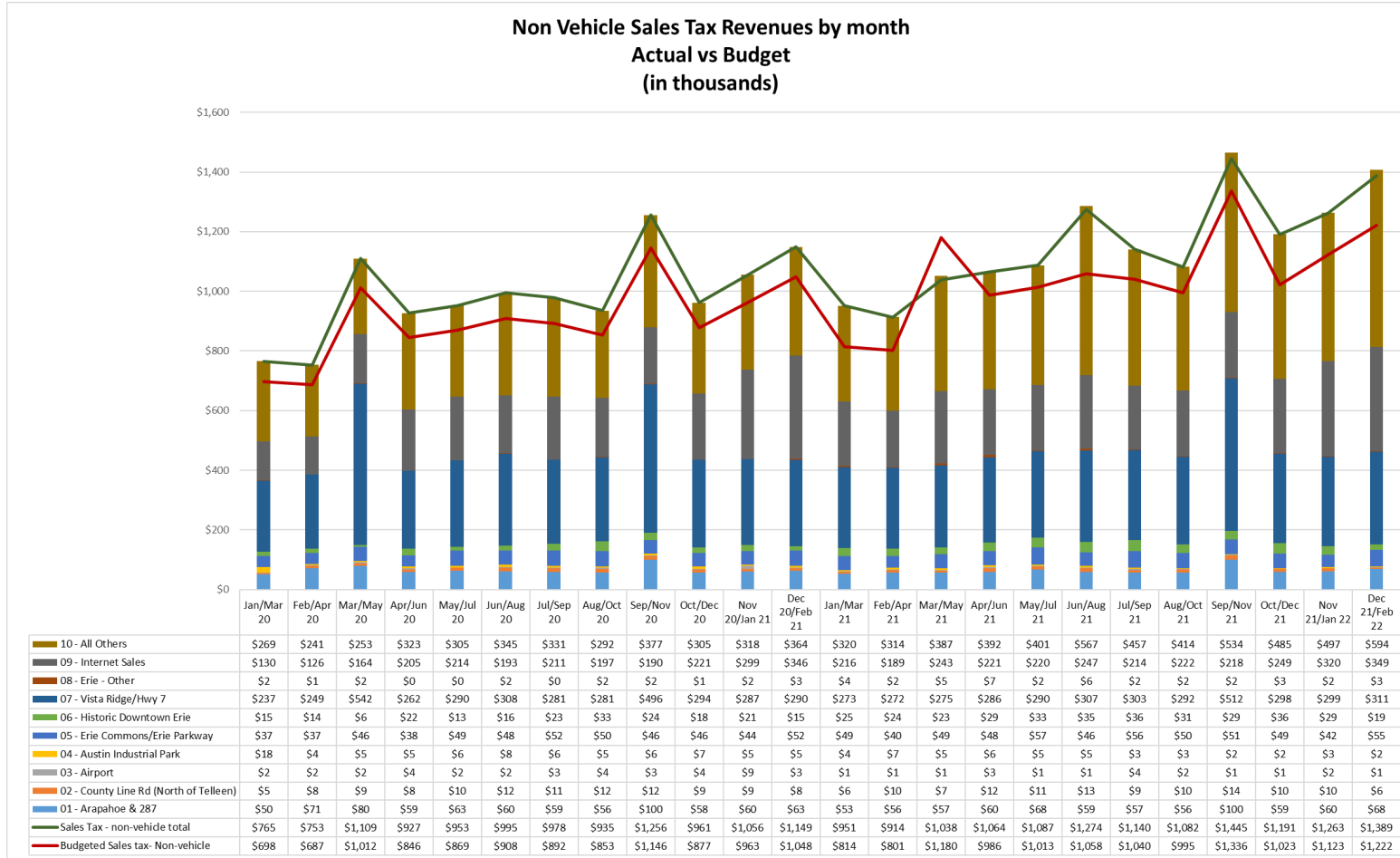


Monthly Sales Tax Update

February 2022 Receipts

Monthly Highlights (non-vehicle sales tax):

- There is a two-month delay between tax filing and receipts. As a statutory Town, the State collects sales tax on the Town's behalf and remits to the Town on a monthly basis.
- Total non-vehicle Sales Tax receipts for Feb 2022 (Dec 2021 filing month) was **\$1.4 million**, which exceeds the monthly budget of \$1.2 million.
- **\$125 thousand (10%) increase** from Jan 2022 receipts (Nov 2021 filing month), reflecting a spike due to holiday shopping.
- **\$240 thousand (21%) increase** compared to Feb 2021 receipts, primarily reflecting growing population, inflation, and economic recovery.
- Total Non-vehicle sales tax for 2021 is **\$13.8 million**, which exceeds budget of \$12.6 million.
- The budget per month is based on monthly trends from the prior years. While we think that this should smooth out for 2022, the current war in Ukraine is causing new uncertainty in the economy and continues to make predictions by month challenging.





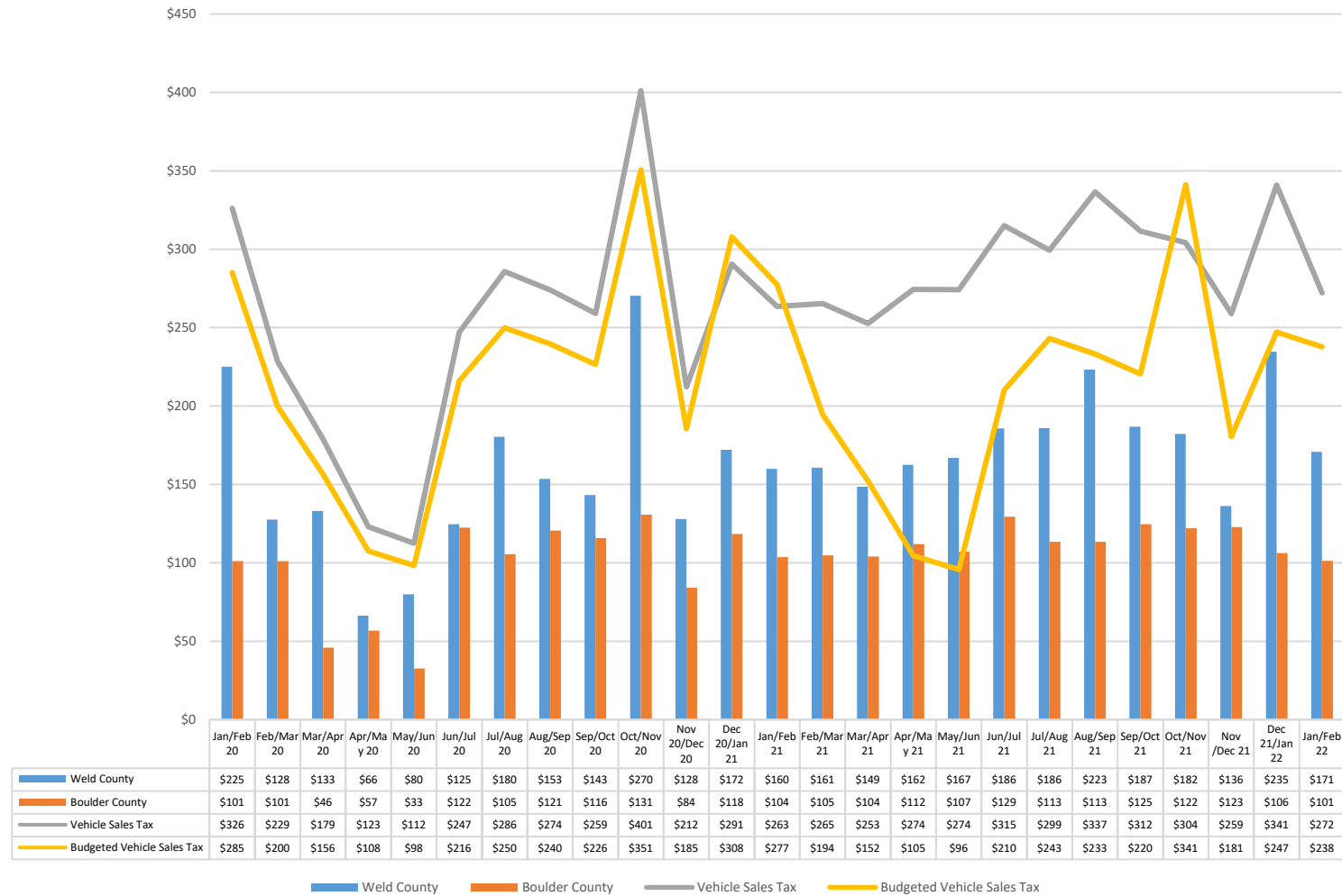
Monthly Sales Tax Update

February 2022 Receipts

Monthly Highlights (vehicle sales tax):

- Vehicle sales tax receipts have a one-month delay. The counties collect taxes and remit to the Town on a monthly basis.
- Total vehicle Sales Tax receipts for Feb 2022 (Jan sales) was **\$272,000**, which exceeds the monthly budget of \$226,000.
- **\$69,000 (9%) decrease** from Jan 2022 receipts (Dec sales). Jan 2022 receipts reflect the spike in sales tax due to holiday shopping.
- **\$9,000 (3%) decrease** compared to Feb. 2021 receipts, primarily due to ongoing supply chain disruptions.
- Total vehicle sales tax for 2021 is **\$3.5 million**, which exceeds budget of \$2.5 million.
- The budget per month is based on monthly trends from the prior years. While we think that this should smooth out for 2022, the current war in Ukraine is causing new uncertainty in the economy and continues to make predictions by month challenging.

Vehicle Sales Tax Revenues by month
Actual vs Budget
(in thousands)

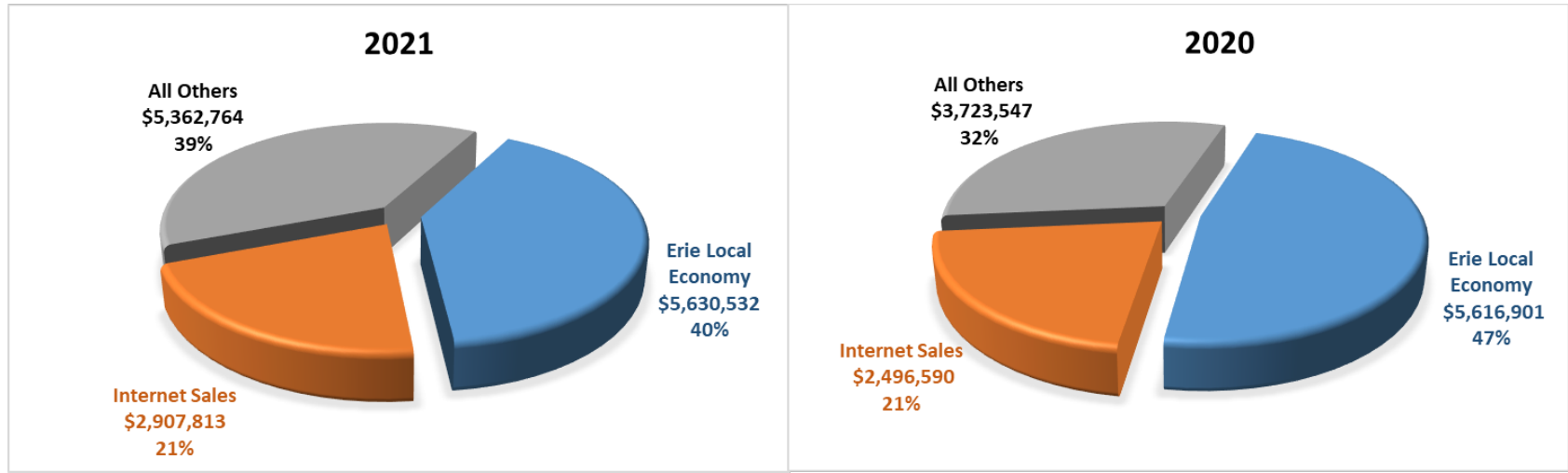




Monthly Sales Tax Update

February 2022 Receipts

Non-vehicle Sales tax breakdown by Local Economy vs. Others



- In 2021, non-vehicle sales tax revenues generated from within Erie make up 40% of the total non-vehicle sales tax revenues, compared to 47% in 2020. Sales tax revenues generated from the local economy increase by approximately \$13,600 (0.2%), compared to 2020. In 2020, we received a one-time payment of approximately \$237,000 as a result of an audit. Factoring out 2020 one-time payment, sales tax from Erie local economy actually increased by approximately \$251,000 (4%) in 2021 compared to 2020.
- In 2021, the top 10 taxpayers generate approximately \$4.2 million in sales tax which is 76% of total non-vehicle sales tax generated from the local economy or 31% of total non-vehicle sales tax (including internet and sales outside of Erie).
- The “All Others” category includes sales tax generated from vendors outside of Erie, utilities and cables companies. This category makes up 39% in 2021, compared to 32% in 2020, primarily due to increase in sales tax from furnishing and construction materials not paid via use tax (for example: Public improvement construction materials, furniture for newly built homes). The increase is due to a combination of increase in construction activities, inflation, and prices affected by supply chain disruptions.
- Internet sales continues to make up a significant portion of Erie’s total non-vehicle sales tax revenues. Sales tax from this category increase by \$411,000 (16.5%), indicating that shopping online trend is here to stay as the pandemic continues to linger. The increase also reflects inflation and increase in prices due to supply chain disruptions.

