

**Attachment 1**  
**Core Revenue Report**  
**June 2021**

The following tables include the FY20/21 budget and year to date revenues. The receipts represent funds received to date.

**PROPERTY TAX**

Property Tax is the first largest source of the General Fund revenue. The City typically receives property tax payments in December, April, and June. Unlike other tax revenues, property taxes have not been impacted by COVID-19. The City received its first two property tax payments for FY20/21 in December 2020 and April 2021. One more additional payment is anticipated to be received in June 2021. The following table presents FY20/21 budget, and revenues received to date.

Property Tax	Amended Budget	YTD Receipts	% of Amended Budget
FY20/21	8,123,294	8,191,673	100.8%

**TRANSIENT OCCUPANCY TAX (TOT)**

Transient Occupancy Tax (TOT) is the General Fund's second largest source of revenue which the City receives on a monthly basis. Unlike property taxes, TOT has been significantly impacted by COVID-19. The following table presents FY20/21 budget and revenues received to date.

Transient Occupancy Tax	Amended Budget	YTD Receipts	% of Amended Budget
FY20/21	3,539,000	3,067,956	86.7%

The City receives transient occupancy tax in the month following the stay. The following table shows a monthly breakdown of TOT revenues when compared to the same month last year. The reduction in TOT in December and January may have resulted from temporary COVID-19 restrictions. Also noted is the decline in the March 2020 TOT, due to COVID-19 pandemic. The FY18/19 column was also added to show pre-pandemic TOT revenues for comparison purposes.

Lodging Period	2018/19	2019/20	2020/21	Net Difference
July		839,162	289,435	(549,727)
August		807,047	340,019	(467,028)
September		608,652	327,958	(280,694)
October		588,842	347,103	(241,739)
November		485,652	216,516	(269,136)
December		364,933	90,066	(274,867)
January		372,122	109,118	(263,004)
February	385,453	409,906	205,512	(204,394)
March	426,391	145,558	334,004	188,446
April	485,045	22,362	379,613	357,251
May	461,126	56,465	428,612	372,147
		4,700,701	3,067,956	(1,632,745)
<i>June 2021 TOT Payments are anticipated to be received late July 2021</i>				

## SALES AND USE TAX

Sale and Use tax is the third largest source of the City's General Fund revenues. The City receives a 1% Bradley Burns Tax and a 1% Measure U Transactions and Use Tax.

In FY19/20, the City received sales tax monthly; however, two payments were advances, which were based on estimated sales, prior period tax receipts, adjustments, and current distributions. This was followed by a true-up within each quarter. Due to this methodology, the advance monthly tax contributions were not truly representative of actual performance.

In FY20/21, the State changed its tax collection methodology. The State now calculates a factor for each agency based on how the agency's sales tax performed last year to the statewide total, and then applies that factor to the total statewide prepayments they received for that month. If statewide prepayments are tracking higher than the agency's local sales, this could inflate the two advances. Additionally, the higher advances could also represent audit cases or late payments that they also processed during that month. This new methodology contributes to higher advance payments, with a lower true-up amount.

The impact of COVID-19 on the Sale and Use tax revenues has been less significant when compared to TOT. The following table presents FY20/21 budget and revenues received to date.

Sales and Use Tax	Amended Budget	YTD Receipts	% of Amended Budget
FY20/21	3,735,000	3,184,585	85.3%

The following table shows a monthly breakdown of sales tax revenues when compared to the same month last year. The FY 18/19 column was added to show pre-pandemic sales tax revenue for comparison purposes.

Tax Return Period	2018/19	2019/20	2020/21	Net Difference
July Advance		373,338	358,945	(14,393)
August Advance		439,453	427,105	(12,348)
September True-up		376,610	243,269	(133,341)
October Advance		297,095	343,188	46,093
November Advance		323,622	333,869	10,247
December True-up		496,186	302,359	(193,827)
January Advance	330,343	244,631	281,830	37,199
February Advance	333,268	322,132	339,550	17,418
March True-up	227,013	171,312	239,864	68,552
April Advance	352,427	241,956	314,606	72,650
		3,286,335	3,184,585	(101,750)

**May 2021 payments are anticipated to be received in late July as the State pays the City two months in arrears**

(1) The October Fiscal Year 19/20 amount includes an annual sales tax payment of \$50,983. This represents an annual remittance for select businesses that are within the shared taxing jurisdictions of Monterey and Pacific Grove. The Fiscal Year 18/19 payment of \$52,971 was received in April. The timing difference associated with these payments contribute to a positive increase in Fiscal Year 19/20; however, the October remittance from the State is just below prior year