



NASSAU COUNTY LEGISLATURE
1550 FRANKLIN AVENUE, ROOM 126
MINEOLA, NEWYORK 11501
(516) 571-6292

Inter-Departmental Memo

To: Hon. Howard J. Kopel, Budget Review Committee Chairman
All Members of the Budget Review Committee

From: Maurice Chalmers, Director
Office of Legislative Budget Review

A handwritten signature in black ink, appearing to be "M. Chalmers", written over the "From:" line.

Date: March 14, 2012

Re: FY 12 Sales Tax

Year-to-date sales tax collections total \$107.8 million. This is an increase of \$3.6 million, or 3.5%, over the receipts through the same period last year. The chart below details the year to date gross sales tax receipts through March 12, 2012 compared to the same period last year.

Sales Tax Receipts

(Payments Through March 12, 2012 in millions)

	2011	2012	Variance \$	Variance %
Gross YTD Sales Tax	\$104.2	\$107.8	\$3.6	3.5%

The FY 12 sales tax budget of \$1.044 billion was based on the assumption that receipts would increase by 2.0% in FY 11 from FY 10, and then increase by 3.2% in FY 12. Since the 2011 receipts did better than anticipated, growing by 3.6% to \$1,027.5 million, a lesser growth of 1.6% will now be required to reach the 2012 budget.

The following is a brief overview of the collection process:

The sales tax rate in Nassau is 8.625%, of which 4.0% is the State's share, 4.0% is the County's share, 0.375% goes to the Metropolitan Commuter Transportation District, and the remaining 0.25% is distributed to the towns and cities in the County.

New York State collects the tax and makes regular, scheduled payments to the counties. The first payments in a quarter are estimates based on the County's percentage of statewide collections for that quarter in the prior year. The state will have received actual distribution information by the time of the final quarterly payment, which is adjusted to reflect the difference between the actual collections less the estimated pro-rated payments. For this reason it is difficult to project sales tax revenue based on the monthly receipts until those receipts are corrected at the end of a quarter. The state's quarters do not correspond to the calendar quarters, but are made up as follows: December through February, March through May, June through August, and September through November.

If you should have any further questions, please let me know.

cc: Hon. George Maragos, Nassau County Comptroller
Frank Moroney, Nassau County Chief Deputy Comptroller
Tim Sullivan, Deputy County Executive
Eric Naughton, Director, OMB
Evan Cohen, Executive Director, NIFA
David Gugerty, Minority Chief of Staff
Dan McCloy, Director of Law, Finance & Operations
Gregory May, Director of Legislative Affairs
William Muller, Clerk of the Legislature