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BUDGET REVIEW



NASSAU COUNTY LEGISLATURE
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Inter-Departmental Memo

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

From: Maurice Chalmers, Director
Office of Legislative Budget Review

A handwritten signature in blue ink, appearing to be "MC", located to the right of the "From:" field.

Date: July 12, 2012

Re: Year-to-date Sales Tax Update

With the receipt of the July 12 check, the County has now received the quarterly adjustment for the period March 1st through May 31st. On a check to check basis, the July 12, 2012 check increased 32.9% from the July 12, 2011 check. On a year-to-date basis, receipts compared to 2011 have increased by 5.9%. This growth in sales tax has strengthened since the 4.3% level achieved as of the June 29, 2012 check. Sales tax collections could fall by 1.7% over the rest of the year and the 2012 sales tax budget would be achieved. To attain the Office of Management and Budget's current projection, 2.1% growth over the remainder of the year is required.

Sales Tax Receipts

(Payments Through July 12, 2012 in millions)

	2011	2012	Variance \$	Variance %
Gross YTD Sales Tax	\$449.6	\$476.1	\$26.5	5.9%

It should be mentioned that the July 12, 2012 check included \$1.6 million in prior period adjustments. The same check last year had a reduction of \$977 thousand in prior period adjustments.

The robust sales tax collections mirror national economic trends seen in the job market, pending home sales and sales of automobiles. In May 2012, U.S. employers advertised more jobs than

April 2012. Moreover, the 3.6 million jobs advertised in May 2012 represent the second highest level recorded in the past four years.¹

According to the National Association of Realtors statistics, Americans signed more contracts to buy previously owned homes in May 2012 when compared to the prior year, matching the fastest pace recorded in two years.²

Lastly, automakers reported strong June 2012 sales. Industry experts in Detroit expect annual 2012 vehicle sales of 14.0 million, greater than 2011's 12.8 million sales volume.³

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

¹ The Associated Press, "US Job Openings Rose in May, Good Sign for Hiring", Long Island Business News, July 10, 2012.

² The Associated Press, "Pending Home Sales Up, Match 2-Year High", CBSNews.com, June 27, 2012.

³ The Associated Press, "Carmakers Report Strong June Sales, Easing Worries", Long Island Business News, July 3, 2012.