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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 "M. Chalmers", written over the "From" field.

Date: November 8, 2012

Re: FY 12 Sales Tax

Year-to-date sales tax collections total \$826.2 million. This is an increase of \$39.1 million, or 5.0%, over the receipts through the same period last year.

Sales Tax Receipts

(Payments Through November 9, 2012 in millions)

	2011	2012	Variance \$	Variance %
Gross YTD Sales Tax	\$787.1	\$826.2	\$39.1	5.0%

To attain the Office of Management and Budget's current projection, only a 1.04% growth over the remainder of the year is required. Based on year to date collections, the 2012 budget will be exceeded.

According to MasterCard Advisors' SpendingPulse data, Superstorm Sandy decreased **retail sales** in the Mid-Atlantic and Northeastern Regions by nearly \$4.0 billion or 20% of the weekly historical total.¹ According to the December 31, 2011 Nassau County Comprehensive Annual Financial Report, in 2010, retail trade sales constituted 53.14% of total Nassau County taxable sales.

There are different views on the net economic impact of Superstorm Sandy.

¹ The Associated Press, "Sandy Knocks Off Big Chunk of Retail Sales", Long Island Business News, November 6, 2012.

According to New York State Comptroller DiNapoli, the rebuilding effort may offset some of the initial losses.² However, Moody's Analytics opines that the two forces completely offset each other and the storm has no noticeable impact on the national economic data.³ Others opine that the storm will have a net positive impact on the economy. According to John Silvia, chief economist for Wells Fargo Securities, there will be a slight lift from the storm to the national economy.⁴ Given the magnitude of the recent storm, OLBR will be closely monitoring any shifts in sales tax collections.

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
Roseann D'Alleva, Acting 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
Peter Clines, Minority Counsel
Aline Khatchadourian, Minority Finance Director

² Solnik, Claude, "Sandy Expected to Take \$18B toll on NY", Long Island Business News, November 2, 2012.

³ Isidore, Chris, "Sandy's Economic Impact", CNN/Money.com, October 30, 2012.

⁴ Same as above.