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Inter-Departmental Memo

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

From: Maurice Chalmers, Director
Office of Legislative Budget Review

Date: February 19, 2014

Re: FY 13 Year-End Sales Tax

Now that the final payment of FY 13 sales tax has been received, the County will end the year with total collections of \$1,138.2 million, or a 6.3% growth from the FY 12 receipts. This translates into \$67.8 million more in sales tax in 2013 than in 2012.

Sales Tax Receipts

(Payments Received Through February 12, 2014 in millions)

	2013	2014	Variance \$	Variance %
Gross YTD Sales Tax	\$1,070.4	\$1,138.2	\$67.8	6.3%

From a budgetary basis, the County ended the year with a \$21.3 million surplus (when compared to the 2013 budget of \$1,116.8 million). The County does not anticipate an accounting adjustment for the part-County sales tax collections will be necessary as the actual part-County collections were less than the 2013 budget. The part-County sales tax is collected on hotel room occupancy and alcoholic beverages in Nassau County, outside of the city of Long Beach. It is used to offset General Fund property taxes in the three towns and the city of Glen Cove.

The chart below shows gross annual collections (in millions) for fiscal years 2011 through 2013 and the sales tax budget for 2014.

Fiscal Year	Gross Sales Tax Revenues	Annual Growth
2011*	1,027.6	1.8%
2012	1,070.4	4.2%
2013	1,138.2	6.3%
2014 Budget	1,161.5	2.0%

*Includes Residual Energy Tax

The proposed sales tax revenue in the FY 14 Executive Budget, excluding the deferred piece, is \$1,161.5 million. This estimate was based on the Office of Management and Budget's (OMB) assumption that collections will increase by 4.0% compared to the FY 13 Adopted Budget. With the higher 2013 year end collections of \$1,138.2 million, a lower growth rate of 2.0% will now be required to make the FY 14 sales tax budget. The current Moody's Economy.com forecast for Gross County Product is 2.2% which is sufficient to achieve the budget. The Office of Legislative Budget Review will be providing periodical updates as 2014 sales tax information becomes available.

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

cc: Hon. George Maragos, Nassau County Comptroller
Tim Sullivan, Deputy County Executive
Roseann D'Alleva, 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