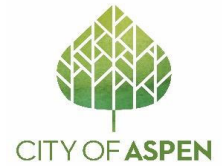


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: August 15, 2022
Re: June 2022 Consumption Tax Report

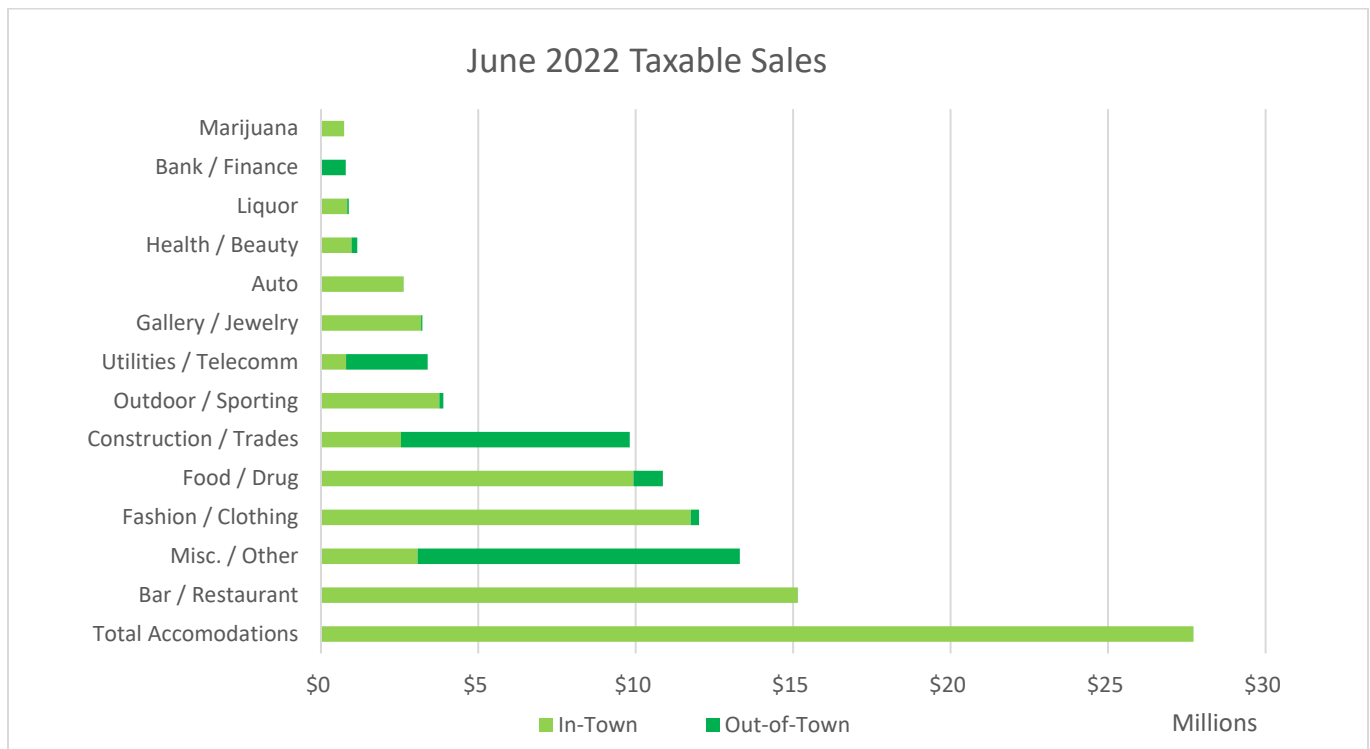


Aggregate Taxable Sales & Industry Highlights:

June represents the beginning of the summer tourism season and on average represents 8% of annual taxable sales. In June, taxable sales were 6% greater than June 2021 and 40% greater on a year-to-date basis compared to 2021. Given 9% inflation in June, however, it is reasonable to assume that economic activity was lagging compared to 2021.

The accommodations industry experienced 35% growth in taxable sales, likely due in part to the return of the Food and Wine Classic in this period, but also due to price escalation. Conversely, restaurants and bars showed a significant decrease in taxable sales of 17% compared to last year, as several restaurants in town are still shuttered and some outdoor seating spaces have been reclaimed for public use. Other industries with reduced sales were Sports Equipment and Clothing, Construction, Liquor, Jewelry, Automobile and Cannabis.

June’s economic activity reflects a ratio of 79% local brick and mortar sales vs. 21% from online/external businesses. With the seasonal increase in tourist visitation, it is not surprising for this in- vs out-of-town split to be decreasing for remote sales as local sales increased. Of note, however, is the Miscellaneous sector (which include large online marketplaces and one-time sales) remained as the third largest dollar volume industry this month.



Sales and Lodging Tax:

Actual revenue collections are 13% greater than June 2021, however, this includes the collection of a late 2021 sales tax remittance that is not reflected in the Taxable Sales by Industry total for June 2022.

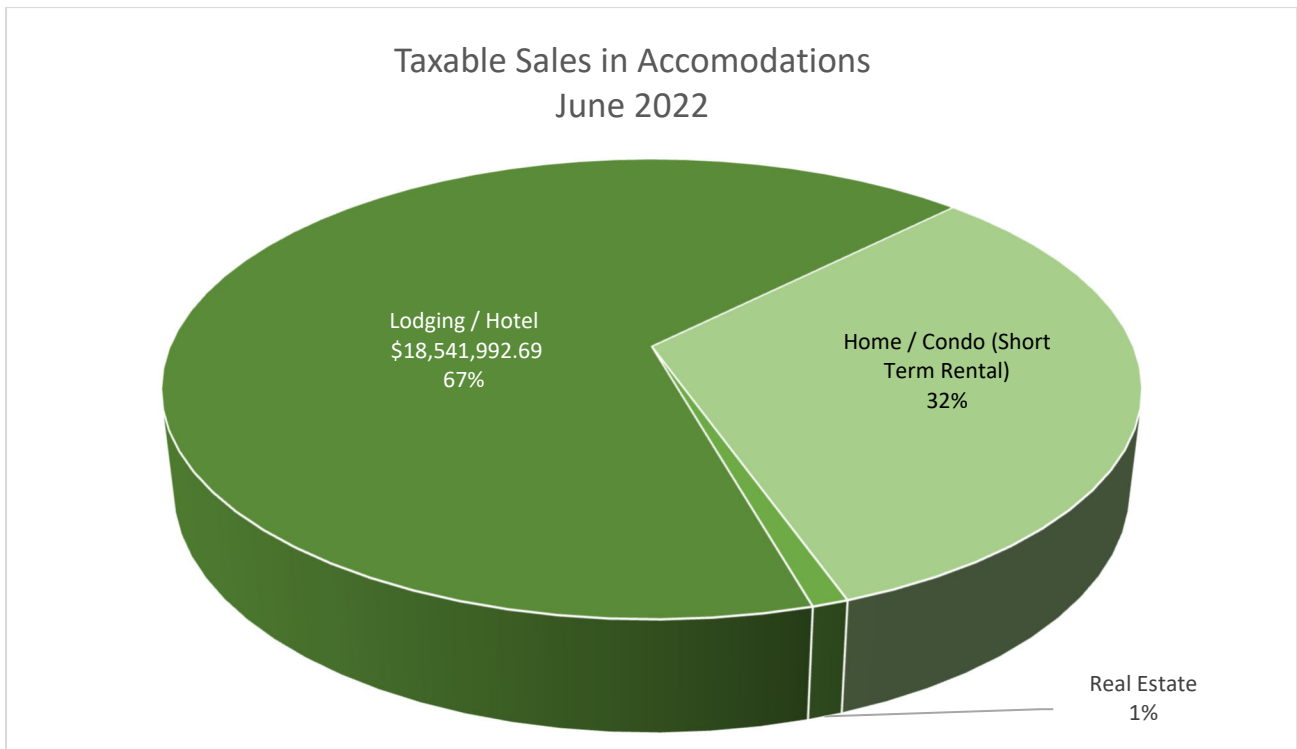
The pacing of collections relative to 2021 has continued to drop – to 39% above 2021 collections excluding the one-time late payment – after six months (down from 77% at the start of the year, and 47% in May). Given continued economic uncertainty from geopolitical impacts to food and gas production, as well as the continued increase in interest rates set by the Federal Reserve to combat inflation, we believe we will remain on track for a slowdown in economic activity.

The City’s dedicated 2.0% lodging tax receipts for June increased 44% relative to one year prior, and held year-to-date collections to 106% over 2021 receipts, well above last year’s aggregate after six months. These figures continue to be most heavily influenced by the increase in average nightly rate as opposed to the level of occupancy.

Short-Term Rentals

Ordinance #9 regulating short-term rentals went into effect on July 29, 2022, establishing three types of permits (classic, lodge-exempt, and owner-occupied), fees and “good neighbor” policies. Questions about these new regulations can be addressed to Emmy Garrigus the Lodging and Downtown Core Program Manager.

Council is continuing its deliberations about whether to put a new tax question forward to voters that would apply to short term rentals and/or lodging accommodations. The next scheduled meeting on the issue is August 16 in Council Chambers beginning at 4:00pm.

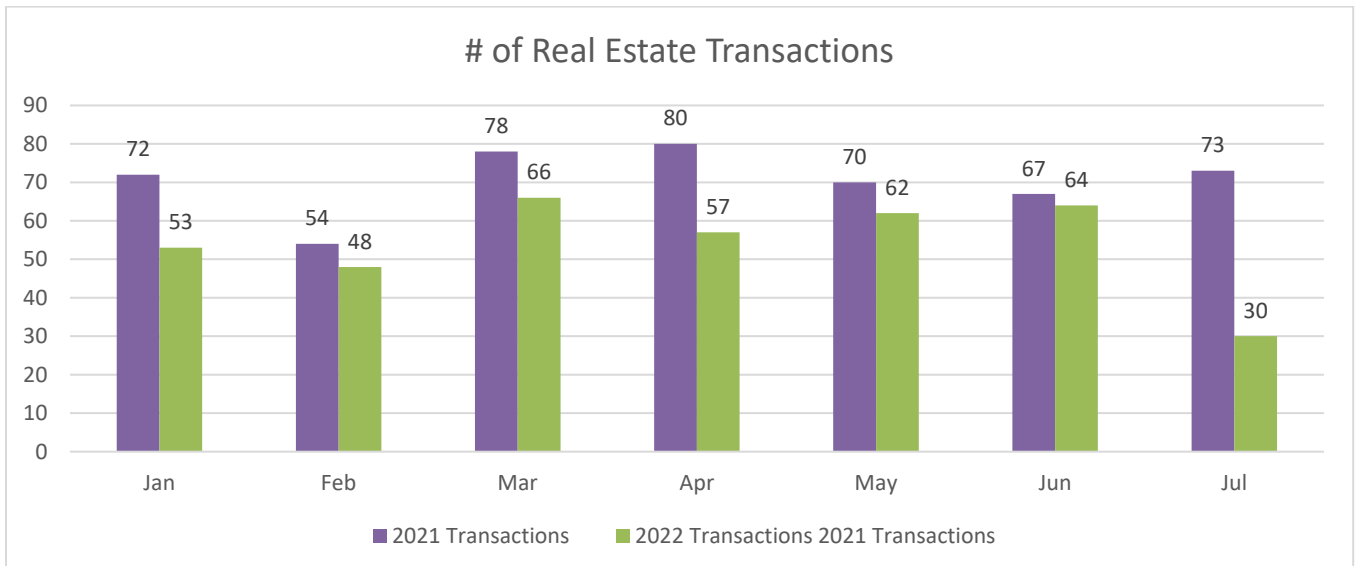
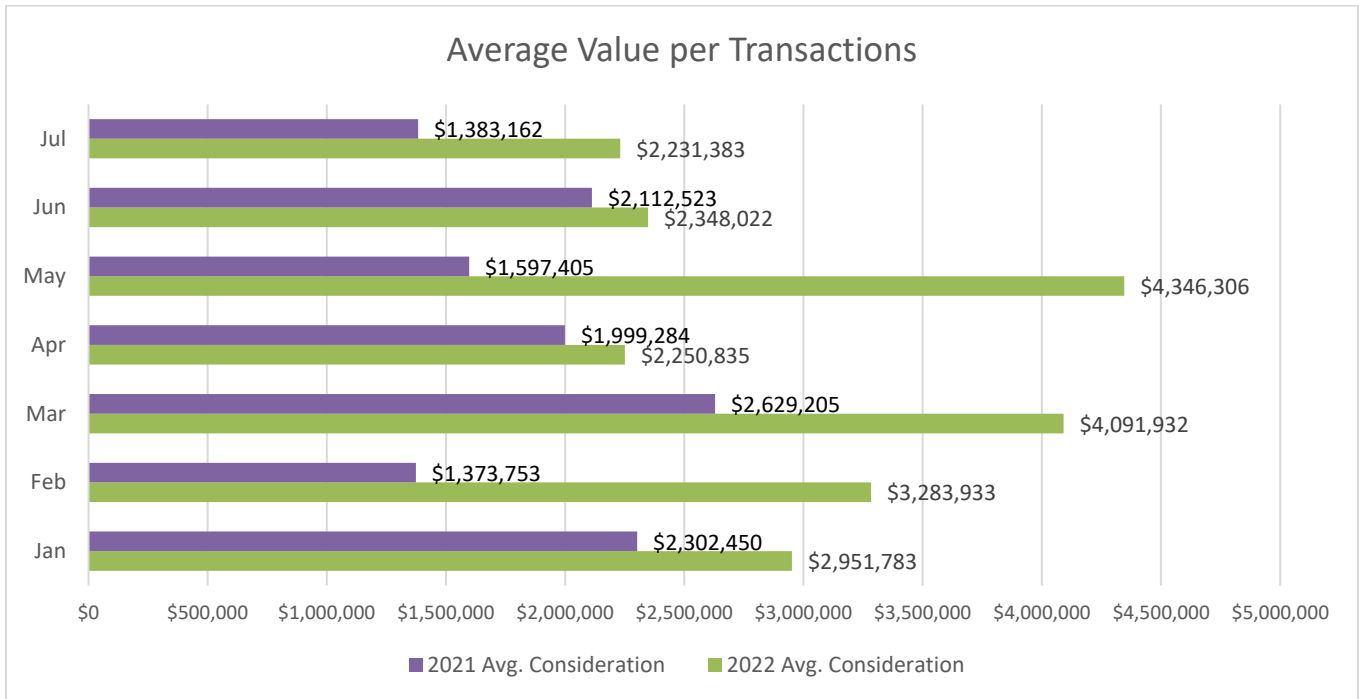


City Share of County Sales Tax:

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax for the month of May was up 17% relative to the same month in 2021. Similar to the City’s own sales tax collection experience, the year-to-date pacing of collections is trending softer, and stands at 45% ahead of last year after six months, but down from the 71% at the start of the year.

Real Estate Transfer Taxes:

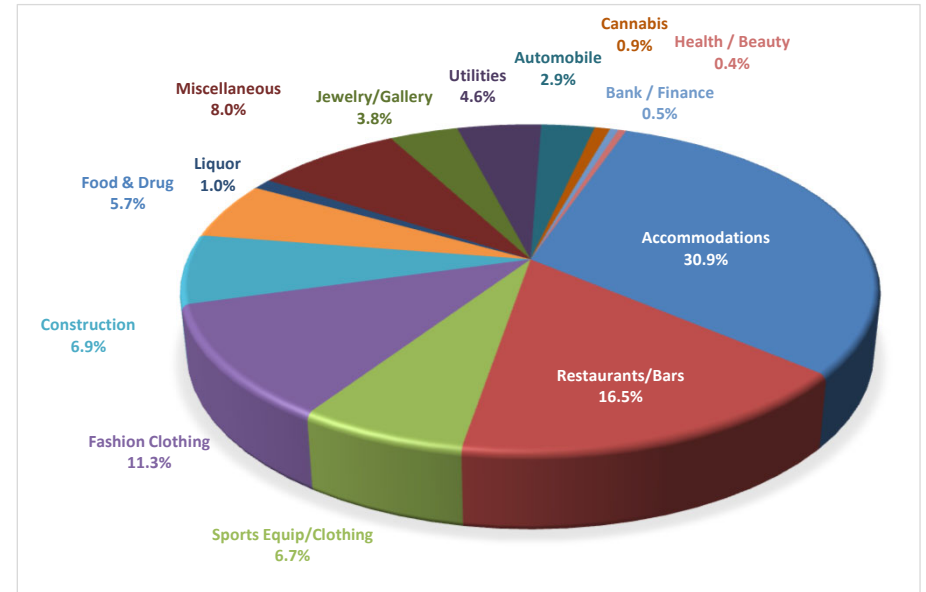
Through July 2022, real estate transfer tax collections are 29% less than collections through July 2021, although year-to-date collections are 26% greater than 2021. The average consideration per transaction remains significantly higher than 2021, but the number of transactions has fallen by more than 50% to 30 (versus 64 in June) and is nearly 60% less than the 2021 volume at this same time.



**City of Aspen Retail Sales by Industry
June 2022**

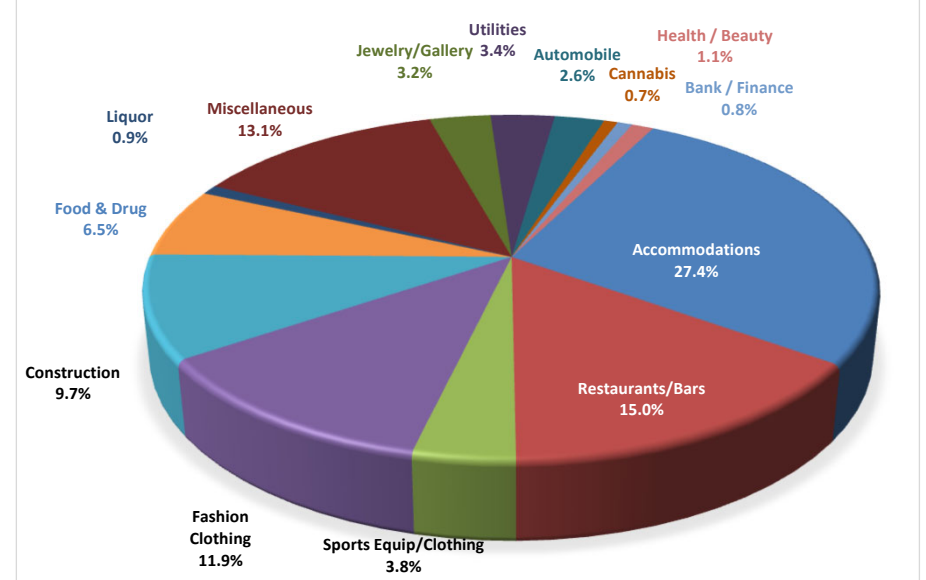
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$182,951,104	30.9%	97.0%
Restaurants/Bars	\$97,432,835	16.5%	57.2%
Sports Equip/Clothing	\$39,651,493	6.7%	20.9%
Fashion Clothing	\$66,571,970	11.3%	45.9%
Construction	\$40,598,850	6.9%	(6.9%)
Food & Drug	\$33,499,827	5.7%	12.0%
Liquor	\$6,169,365	1.0%	(1.8%)
Miscellaneous	\$47,337,547	8.0%	20.5%
Jewelry/Gallery	\$22,321,931	3.8%	37.6%
Utilities	\$27,332,733	4.6%	(1.9%)
Automobile	\$17,425,706	2.9%	12.6%
Cannabis	\$5,053,397	0.9%	(9.4%)
Bank / Finance	\$2,719,953	0.5%	18.7%
Health / Beauty	\$2,572,021	0.4%	(14.8%)
Total	\$591,638,733	100.0%	39.9%



June Monthly Retail Sales

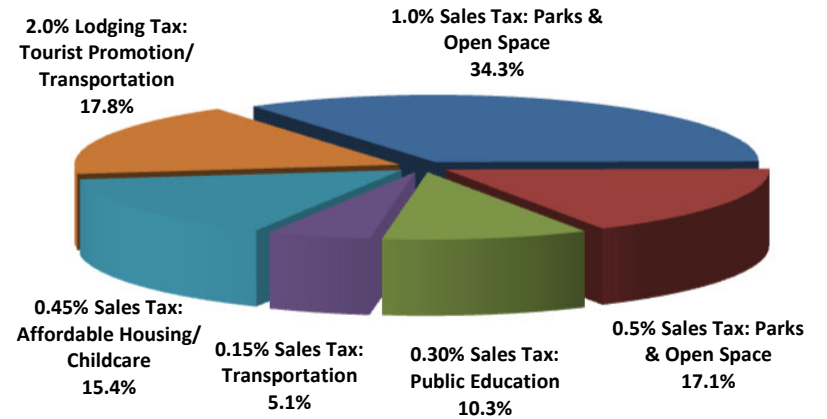
Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$27,706,558	27.4%	35.3%
Restaurants/Bars	\$15,145,281	15.0%	(17.3%)
Sports Equip/Clothing	\$3,889,291	3.8%	(8.9%)
Fashion Clothing	\$12,007,720	11.9%	4.8%
Construction	\$9,809,090	9.7%	(20.4%)
Food & Drug	\$6,534,864	6.5%	2.3%
Liquor	\$887,089	0.9%	(22.7%)
Miscellaneous	\$13,306,552	13.1%	69.0%
Jewelry/Gallery	\$3,225,028	3.2%	(13.9%)
Utilities	\$3,390,866	3.4%	0.2%
Automobile	\$2,623,121	2.6%	(23.3%)
Cannabis	\$739,093	0.7%	(21.8%)
Bank / Finance	\$792,731	0.8%	14.0%
Health / Beauty	\$1,154,523	1.1%	80.2%
Total	\$101,211,807	100.0%	6.4%



**City of Aspen Sales and Lodging Tax
June 2022**

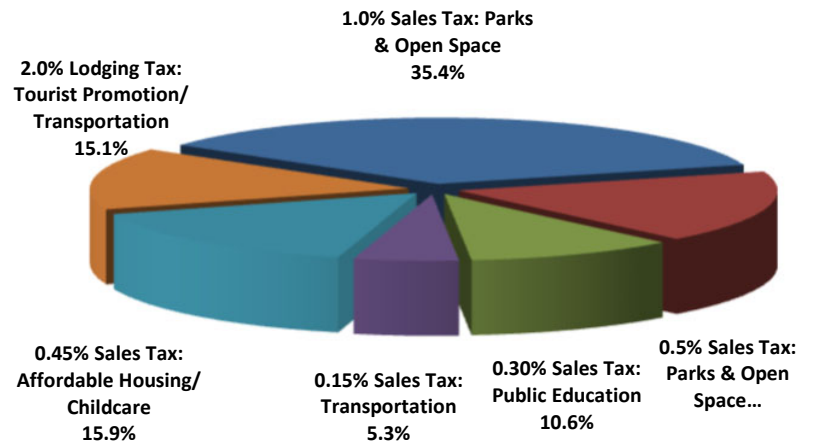
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.0% Sales Tax: Parks & Open Space	\$5,939,736.32	34.3%
0.5% Sales Tax: Parks & Open Space	\$2,969,861.43	17.1%
0.30% Sales Tax: Public Education	\$1,783,643.38	10.3%
0.15% Sales Tax: Transportation	\$890,967.81	5.1%
0.45% Sales Tax: Affordable Housing/ Childcare	\$2,672,872.21	15.4%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$3,079,101.67</u>	<u>17.8%</u>
Total	\$17,336,182.82	100%



June Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.0% Sales Tax: Parks & Open Space	\$1,042,180.43	35.4%
0.5% Sales Tax: Parks & Open Space	\$521,088.74	17.7%
0.30% Sales Tax: Public Education	\$312,909.66	10.6%
0.15% Sales Tax: Transportation	\$156,328.26	5.3%
0.45% Sales Tax: Affordable Housing/ Childcare	\$468,978.91	15.9%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$446,319.36</u>	<u>15.1%</u>
Total	\$2,947,805.36	100%



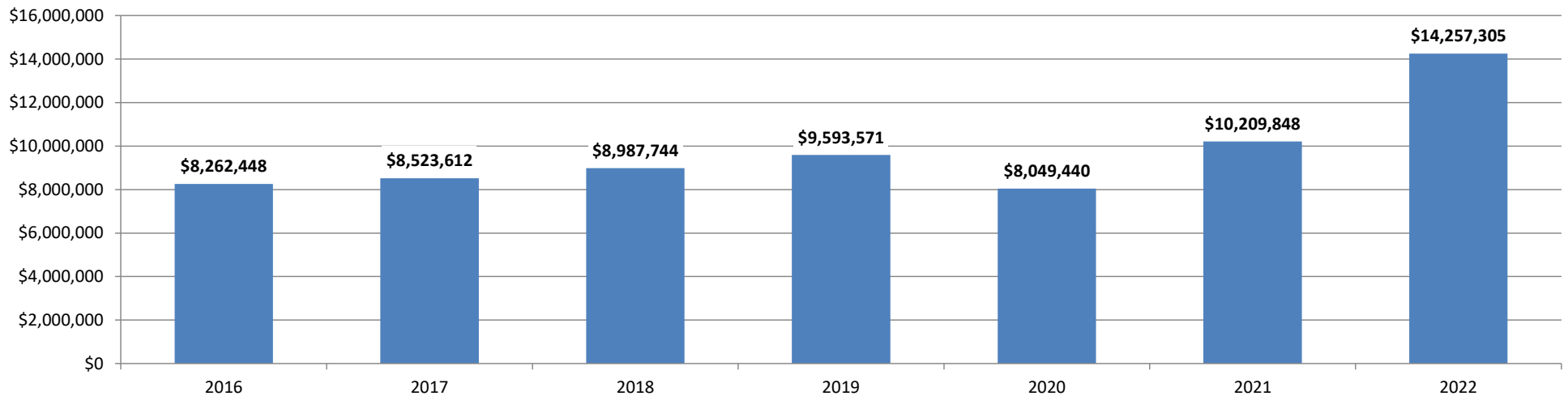
**City of Aspen Sales Tax 2.4%
June 2022**

Current Month Revenues are 13.0% above last year's Monthly Revenues.
Year To Date Revenues are 28.1% above Year To Date Budgeted Revenues.
Year To Date Revenues are 39.6% above last year's Actual Year To Date Revenues.

2022 Monthly Budget vs. 2022 Actual				2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
Month	Budget*	Actual	Variance	Budget*	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$2,516,000	\$2,829,557	12.5%	\$2,516,000	\$2,829,557	12.5%	\$1,594,720	77.4%	\$1,594,720	77.4%
Feb	\$2,295,000	\$3,026,029	31.9%	\$4,811,000	\$5,855,586	21.7%	\$1,673,483	80.8%	\$3,268,203	79.2%
Mar	\$2,623,000	\$3,555,334	35.5%	\$7,434,000	\$9,410,920	26.6%	\$2,645,788	34.4%	\$5,913,991	59.1%
Apr	\$956,000	\$1,362,748	42.5%	\$8,390,000	\$10,773,668	28.4%	\$1,117,415	22.0%	\$7,031,407	53.2%
May	\$802,000	\$982,151	22.5%	\$9,192,000	\$11,755,819	27.9%	\$964,724	1.8%	\$7,996,131	47.0%
June	\$1,941,000	\$2,501,486	28.9%	\$11,133,000	\$14,257,305	28.1%	\$2,213,718	13.0%	\$10,209,848	39.6%
July	\$2,487,000			\$13,620,000			\$3,058,702		\$13,268,550	
Aug	\$2,107,000			\$15,727,000			\$2,493,158		\$15,761,708	
Sept	\$1,817,000			\$17,544,000			\$2,536,858		\$18,298,565	
Oct	\$1,076,000			\$18,620,000			\$1,549,662		\$19,848,228	
Nov	\$925,000			\$19,545,000			\$1,149,543		\$20,997,771	
Dec	\$3,421,000			\$22,966,000			\$3,511,405		\$24,509,175	

* Budget amounts restated to capture additional 0.3% sales tax dedicated to public education previously excluded.

Actual Collections Year To Date Through June

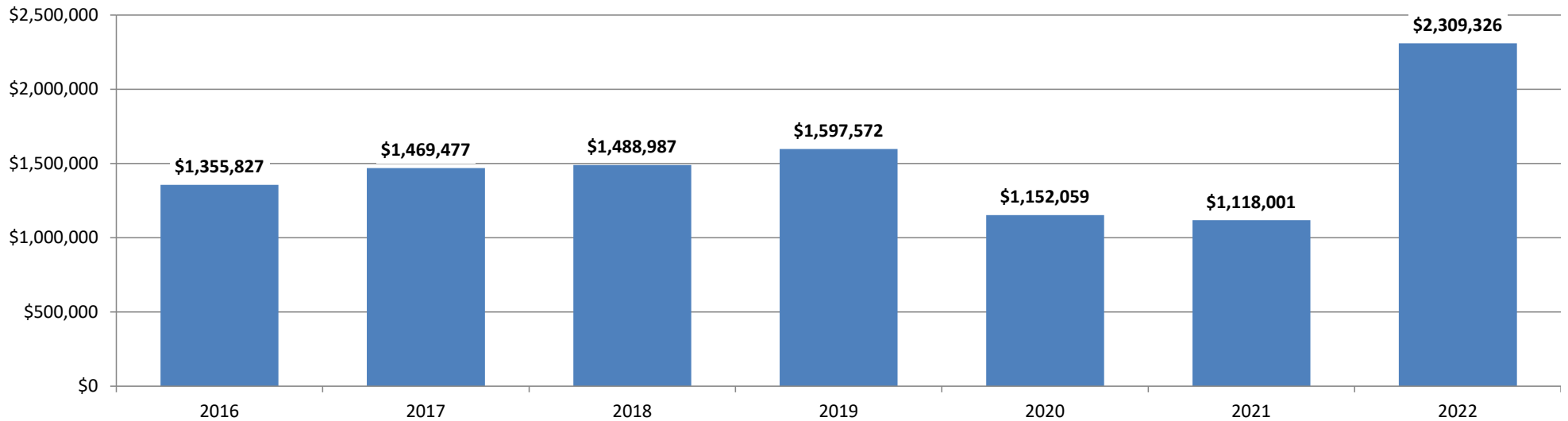


**City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
June 2022**

Current Month Revenues are 44.4% above last year's Monthly Revenues.
Year To Date Revenues are 40.6% above Year To Date Budgeted Revenues.
Year To Date Revenues are 106.6% above last year's Actual Year To Date Revenues.

<u>Month</u>	<u>2022 Monthly Budget vs. 2022 Actual</u>			<u>2022 YTD Budget vs. 2022 Actual</u>			<u>2022 vs. 2021</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021 Monthly</u>	<u>Variance</u>	<u>2021 YTD</u>	<u>Variance</u>
Jan	\$446,300	\$526,967	18.1%	\$446,300	\$526,967	18.1%	\$168,712	212.3%	\$168,712	212.3%
Feb	\$410,500	\$578,288	40.9%	\$856,800	\$1,105,256	29.0%	\$208,731	177.0%	\$377,443	192.8%
Mar	\$442,000	\$678,895	53.6%	\$1,298,800	\$1,784,150	37.4%	\$369,554	83.7%	\$746,997	138.8%
Apr	\$66,200	\$124,826	88.6%	\$1,365,000	\$1,908,977	39.9%	\$88,271	41.4%	\$835,268	128.5%
May	\$51,800	\$65,610	26.7%	\$1,416,800	\$1,974,586	39.4%	\$50,893	28.9%	\$886,160	122.8%
June	\$225,700	\$334,739	48.3%	\$1,642,500	\$2,309,326	40.6%	\$231,840	44.4%	\$1,118,001	106.6%
July	\$327,800			\$1,970,300			\$429,454		\$1,547,455	
Aug	\$265,500			\$2,235,800			\$328,132		\$1,875,586	
Sept	\$176,800			\$2,412,600			\$324,107		\$2,199,693	
Oct	\$87,200			\$2,499,800			\$166,860		\$2,366,553	
Nov	\$68,700			\$2,568,500			\$97,749		\$2,464,302	
Dec	\$514,000			\$3,082,500			\$666,832		\$3,131,133	

Actual Collections Year To Date Through June

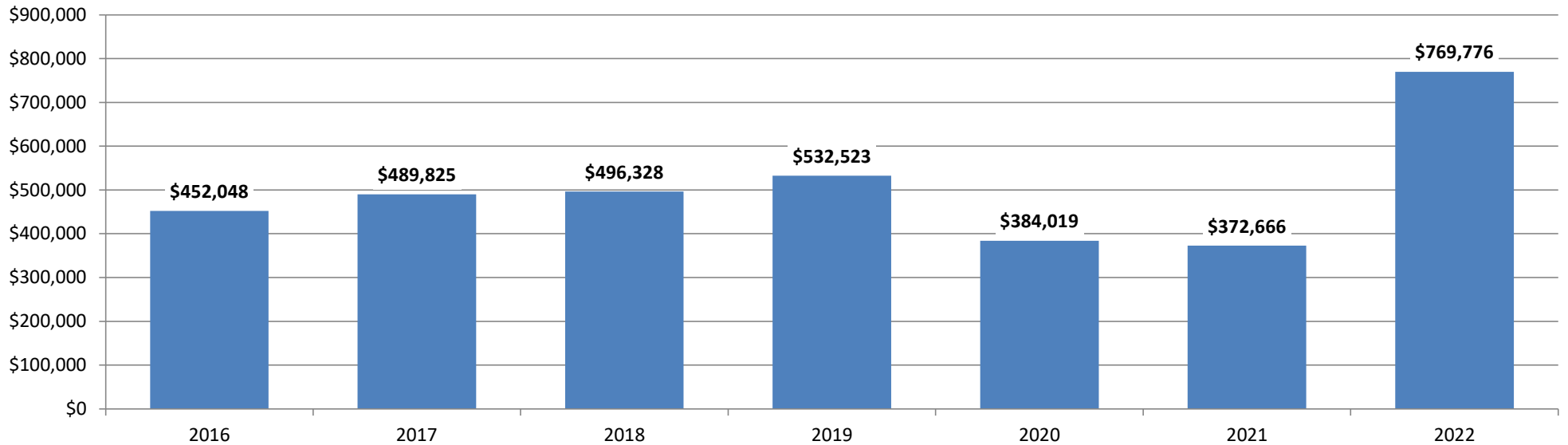


**City of Aspen Transportation 0.5% Lodging Tax
June 2022**

Current Month Revenues are 44.4% above last year's Monthly Revenues.
Year To Date Revenues are 40.6% above Year To Date Budgeted Revenues.
Year To Date Revenues are 106.6% above last year's Actual Year To Date Revenues.

<u>Month</u>	<u>2022 Monthly Budget vs. 2022 Actual</u>			<u>2022 YTD Budget vs. 2022 Actual</u>			<u>2022 vs. 2021</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021 Monthly</u>	<u>Variance</u>	<u>2021 YTD</u>	<u>Variance</u>
Jan	\$148,800	\$175,656	18.0%	\$148,800	\$175,656	18.0%	\$56,237	212.3%	\$56,237	212.3%
Feb	\$136,800	\$192,763	40.9%	\$285,600	\$368,419	29.0%	\$69,577	177.1%	\$125,813	192.8%
Mar	\$147,300	\$226,298	53.6%	\$432,900	\$594,717	37.4%	\$123,184	83.7%	\$248,998	138.8%
Apr	\$22,100	\$41,609	88.3%	\$455,000	\$636,326	39.9%	\$29,424	41.4%	\$278,421	128.5%
May	\$17,300	\$21,870	26.4%	\$472,300	\$658,196	39.4%	\$16,964	28.9%	\$295,386	122.8%
June	\$75,200	\$111,580	48.4%	\$547,500	\$769,776	40.6%	\$77,280	44.4%	\$372,666	106.6%
July	\$109,300			\$656,800			\$143,151		\$515,817	
Aug	\$88,500			\$745,300			\$109,377		\$625,195	
Sept	\$58,900			\$804,200			\$108,036		\$733,231	
Oct	\$29,100			\$833,300			\$55,620		\$788,851	
Nov	\$22,900			\$856,200			\$32,583		\$821,434	
Dec	\$171,300			\$1,027,500			\$222,278		\$1,043,711	

Actual Collections Year To Date Through June

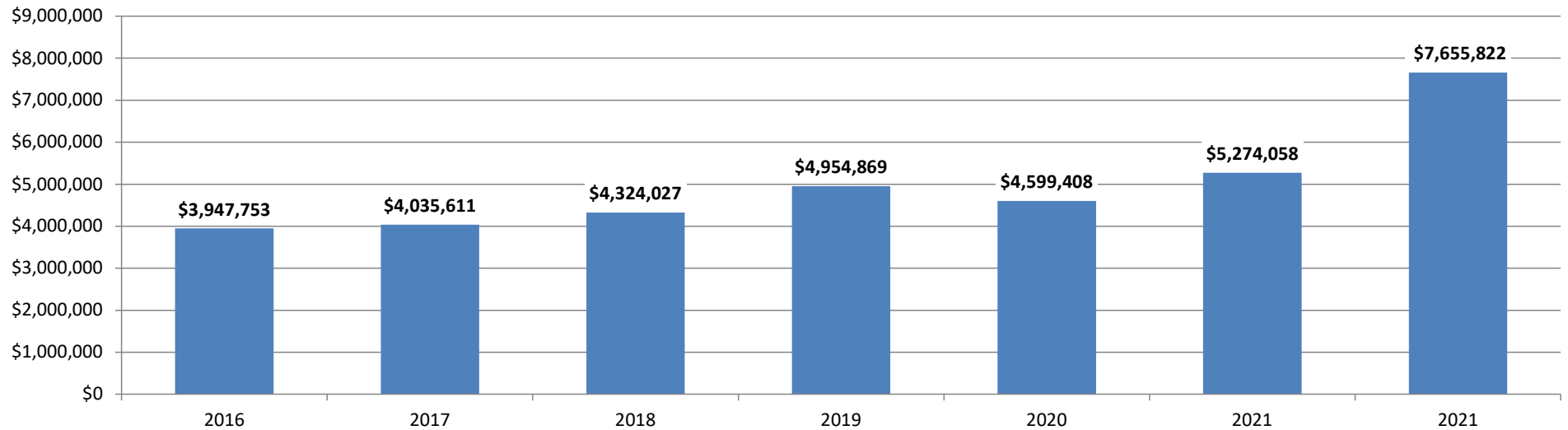


**City of Aspen Portion of Pitkin County 3.6% Sales Tax
May 2022**

Current Month Revenues are 17.6% above last year's Monthly Revenues.
Year To Date Revenues are 23.0% above Year To Date Budgeted Revenues.
Year To Date Revenues are 45.2% above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$1,761,000	\$1,865,160	5.9%	\$1,761,000	\$1,865,160	5.9%	\$1,092,020	70.8%	\$ 1,092,020	70.8%
Feb	\$1,631,000	\$1,913,738	17.3%	\$3,392,000	\$3,778,898	11.4%	\$1,183,150	61.7%	\$ 2,275,171	66.1%
Mar	\$1,689,000	\$2,125,220	25.8%	\$5,081,000	\$5,904,118	16.2%	\$1,515,832	40.2%	\$ 3,791,002	55.7%
Apr	\$660,000	\$969,500	46.9%	\$5,741,000	\$6,873,618	19.7%	\$817,669	18.6%	\$ 4,608,671	49.1%
May	\$482,000	\$782,204	62.3%	\$6,223,000	\$7,655,822	23.0%	\$665,386	17.6%	\$ 5,274,058	45.2%
June	\$1,035,000			\$7,258,000			\$1,218,669		\$ 6,492,727	
July	\$1,394,000			\$8,652,000			\$1,694,768		\$ 8,187,494	
Aug	\$1,244,000			\$9,896,000			\$1,427,495		\$ 9,614,989	
Sept	\$1,024,000			\$10,920,000			\$1,321,660		\$ 10,936,649	
Oct	\$657,000			\$11,577,000			\$1,004,489		\$ 11,941,138	
Nov	\$686,000			\$12,263,000			\$867,346		\$ 12,808,484	
Dec	\$1,903,000			\$14,166,000			\$2,051,774		\$ 14,860,258	

Actual Collections Year To Date Through May

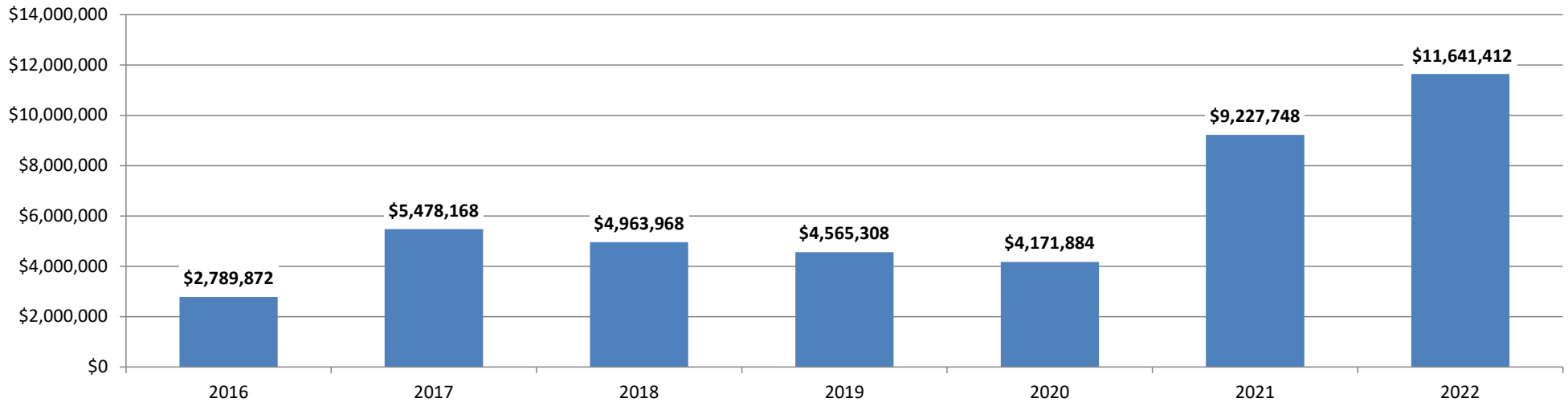


**Housing Real Estate Transfer Tax
July 2022**

Current Month Revenues are (29.1%) below last year's Monthly Revenues.
Year To Date Revenues are 171.7% above Year To Date Budgeted Revenues.
Year To Date Revenues are 26.2% above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$566,000	\$1,471,810	160.0%	\$566,000	\$1,471,810	160.0%	\$1,602,114	(8.1%)	\$1,602,114	(8.1%)
Feb	\$530,000	\$1,546,799	191.8%	\$1,096,000	\$3,018,609	175.4%	\$711,920	117.3%	\$2,314,034	30.4%
Mar	\$556,000	\$2,656,014	377.7%	\$1,652,000	\$5,674,623	243.5%	\$1,294,339	105.2%	\$3,608,373	57.3%
Apr	\$720,000	\$1,237,195	71.8%	\$2,372,000	\$6,911,818	191.4%	\$2,251,850	(45.1%)	\$5,860,223	17.9%
May	\$728,000	\$2,610,330	258.6%	\$3,100,000	\$9,522,148	207.2%	\$1,070,000	144.0%	\$6,930,223	37.4%
June	\$691,000	\$1,467,414	112.4%	\$3,791,000	\$10,989,562	189.9%	\$1,377,685	6.5%	\$8,307,908	32.3%
July	\$494,000	\$651,850	32.0%	\$4,285,000	\$11,641,412	171.7%	\$919,840	(29.1%)	\$9,227,748	26.2%
Aug	\$675,000			\$4,960,000			\$1,904,684		\$11,132,432	
Sept	\$960,000			\$5,920,000			\$1,891,643		\$13,024,074	
Oct	\$829,000			\$6,749,000			\$2,571,511		\$15,595,585	
Nov	\$565,000			\$7,314,000			\$2,041,431		\$17,637,016	
Dec	\$686,000			\$8,000,000			\$3,454,185		\$21,091,202	

Actual Collections Year To Date Through July



**Wheeler Opera House Real Estate Transfer Tax
July 2022**

Current Month Revenues are **(30.4%)** below last year's Monthly Revenues.
 Year To Date Revenues are **178.0%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **25.6%** above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$285,000	\$782,223	174.5%	\$285,000	\$782,223	174.5%	\$828,882	(5.6%)	\$828,882	(5.6%)
Feb	\$273,000	\$788,144	188.7%	\$558,000	\$1,570,367	181.4%	\$370,913	112.5%	\$1,199,795	30.9%
Mar	\$280,000	\$1,350,338	382.3%	\$838,000	\$2,920,704	248.5%	\$672,890	100.7%	\$1,872,685	56.0%
Apr	\$358,000	\$641,488	79.2%	\$1,196,000	\$3,562,192	197.8%	\$1,152,214	(44.3%)	\$3,024,899	17.8%
May	\$373,000	\$1,347,355	261.2%	\$1,569,000	\$4,909,547	212.9%	\$559,092	141.0%	\$3,583,990	37.0%
June	\$343,000	\$751,367	119.1%	\$1,912,000	\$5,660,914	196.1%	\$707,695	6.2%	\$4,291,686	31.9%
July	\$245,000	\$334,708	36.6%	\$2,157,000	\$5,995,622	178.0%	\$480,929	(30.4%)	\$4,772,615	25.6%
Aug	\$338,000			\$2,495,000			\$982,807		\$5,755,422	
Sept	\$477,000			\$2,972,000			\$970,454		\$6,725,875	
Oct	\$409,000			\$3,381,000			\$1,321,834		\$8,047,709	
Nov	\$288,000			\$3,669,000			\$1,050,147		\$9,097,856	
Dec	\$331,000			\$4,000,000			\$1,751,029		\$10,848,886	

Actual Collections Year To Date Through July

