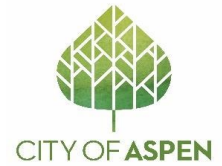


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: October 11, 2022
Re: August 2022 Consumption Tax Report

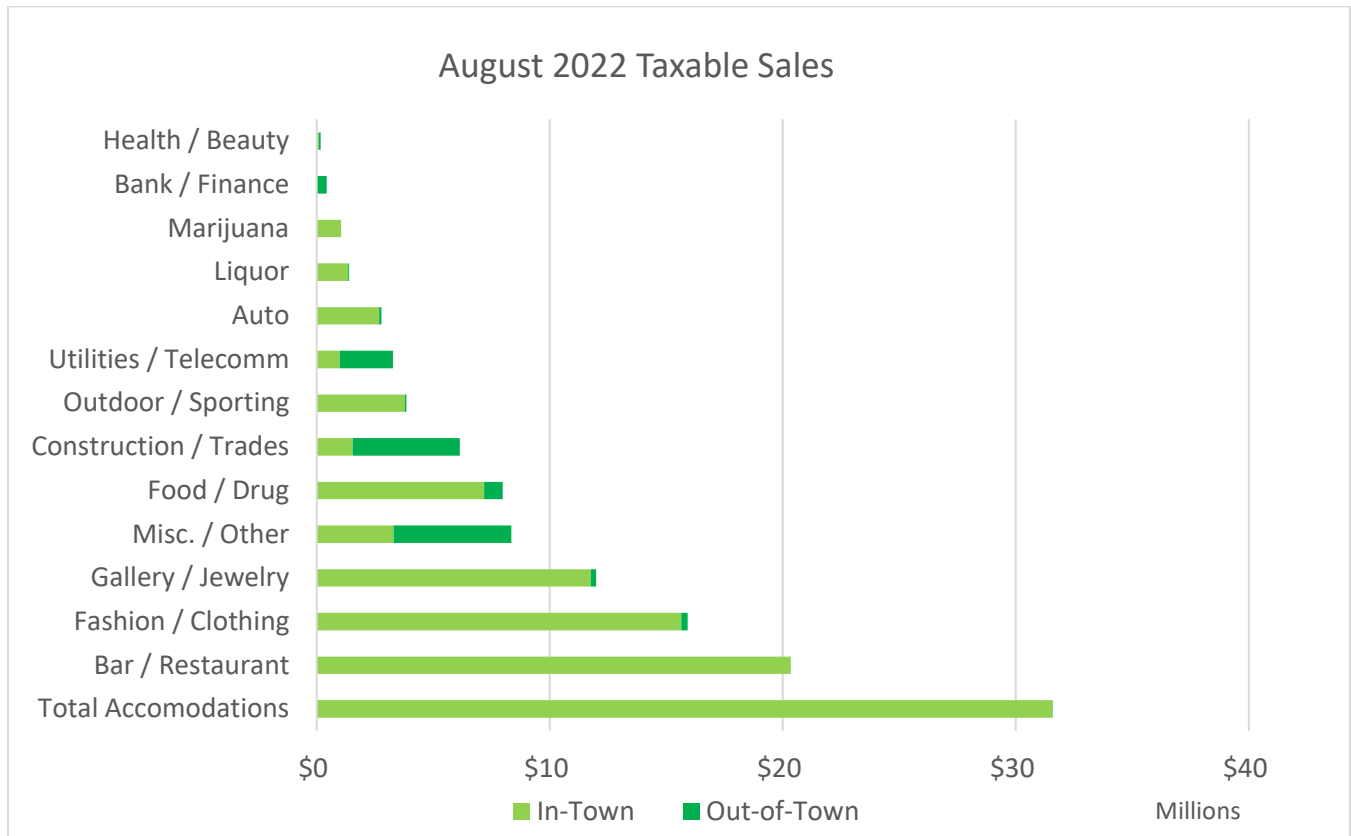


Aggregate Taxable Sales & Industry Highlights:

August is the month for that last hoorah for families before the school season jumps into gear. It is a period of time in the local economy when local businesses make that last push; before the crowds begin to officially wane from the feverish pace experienced over the summer. August historically represents roughly 9.5% of annual tax receipts.

This year’s monthly sales reflect above average spending, with tax receipts surpassing last year’s taxable sales by 12%. This statistic incorporates continued strength of the accommodations and restaurant industries as in past months, but also includes robust (though often erratic) spending in the luxury sectors of fashion clothing and jewelry/gallery. Only a few sectors of the economy demonstrated softening, the largest of which was construction. When looking at year-to-date taxable sales, the economic activity is pacing about 28.5% over last year.

This month’s economic activity reflects a ratio of 88% local brick and mortar sales vs. 12% from online/external businesses. With summer coming to a close and local shop visitation to be dialed back further next month, staff anticipates this split to sway back slightly towards an online environment for the next three reporting periods.



Sales and Lodging Tax:

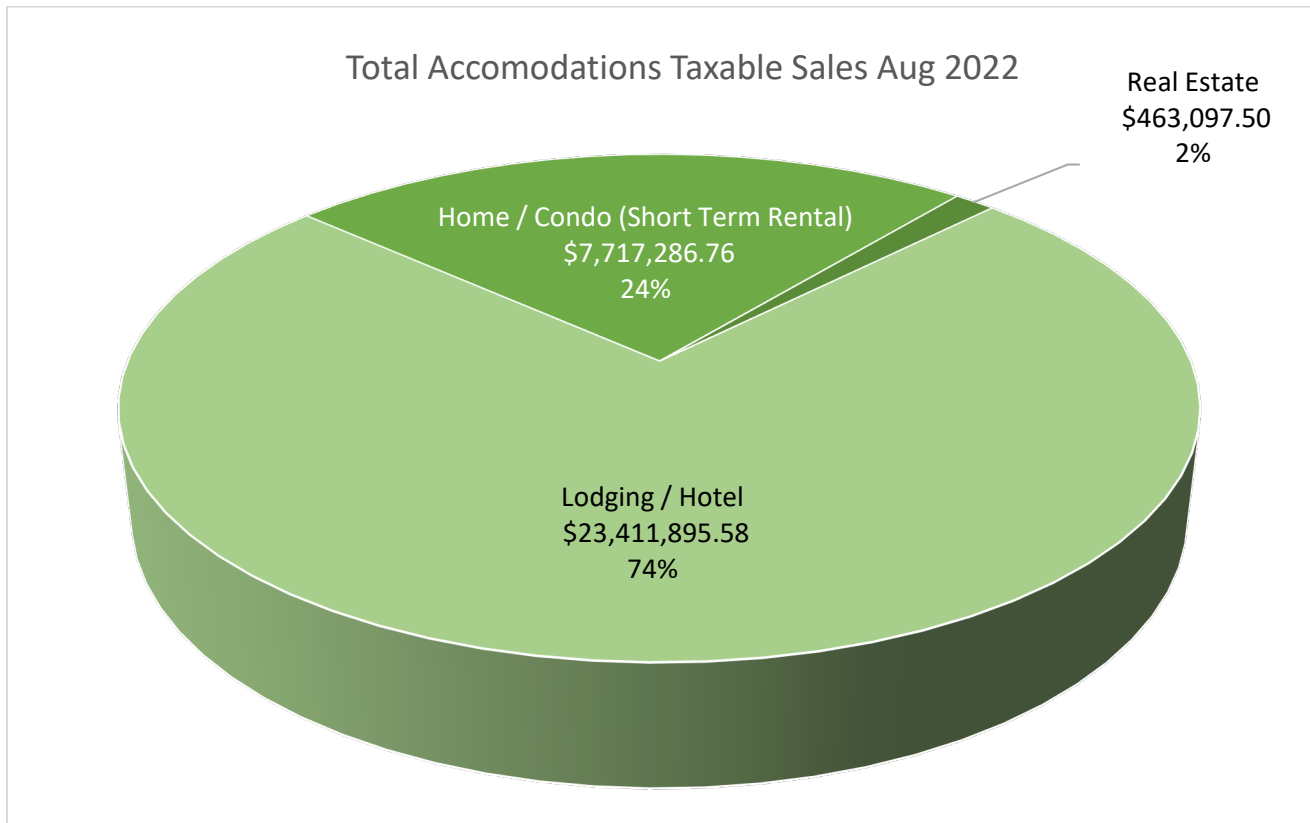
Actual monthly revenues are up about 10% from August 2021, with year-to-date collections now pacing 27% ahead of last year. Though these figures reflect robust growth to date, economic headwinds are likely to persist and ensure this to be unsustainable. Even though the local economy is routinely late to reflect economic pressures visible in the national economy, persistent and substantial Federal Reserve rate hikes are all but ensured to dampen international tourism, and is lowering even domestic travel, as the strong US dollar and waning consumer sentiment weigh heavy.

Focusing in on the accommodations industry, the City's lodging tax receipts for the month of August increased 16% relative the same period last year. Annually, collections are now pacing 67% over 2021 after two-thirds of the year. August included a drop in occupancy relative to last year (down roughly 7%) but did not severely impact revenues as high average nightly rates persisted and were roughly 12% over those levied a year ago.

Short-Term Rentals

As noted in last month's update, Aspen voters will be asked about their support or opposition for a new excise tax on the short-term rental industry this November. The tax question includes a variation in tax rate applicable to the nightly stay based upon the type of short-term rental: if approved, a 5% tax would be levied on nightly stays at lodge-exempt and owner-occupied units, a 10% tax would be levied on nightly stays associated with 2nd homeowner and investment property units.

If adopted, the uses of this new tax would be prioritized such that at least 70% of tax collections would be utilized for affordable housing, and the remainder would be utilized for environmental initiatives and infrastructure maintenance and repair.

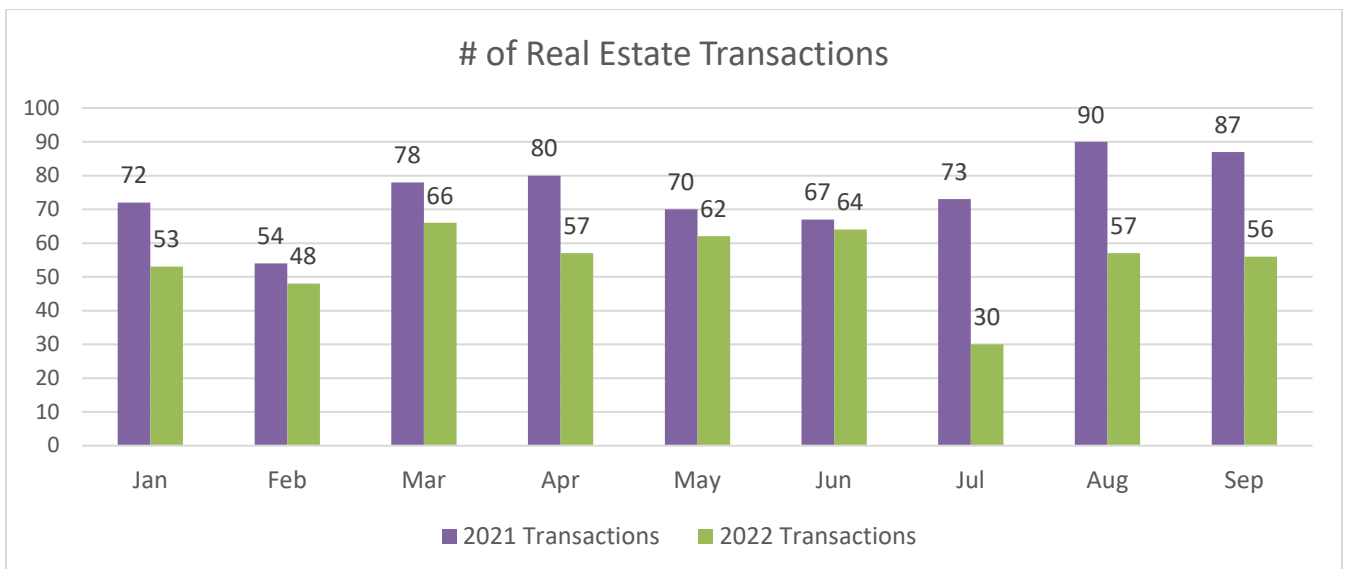
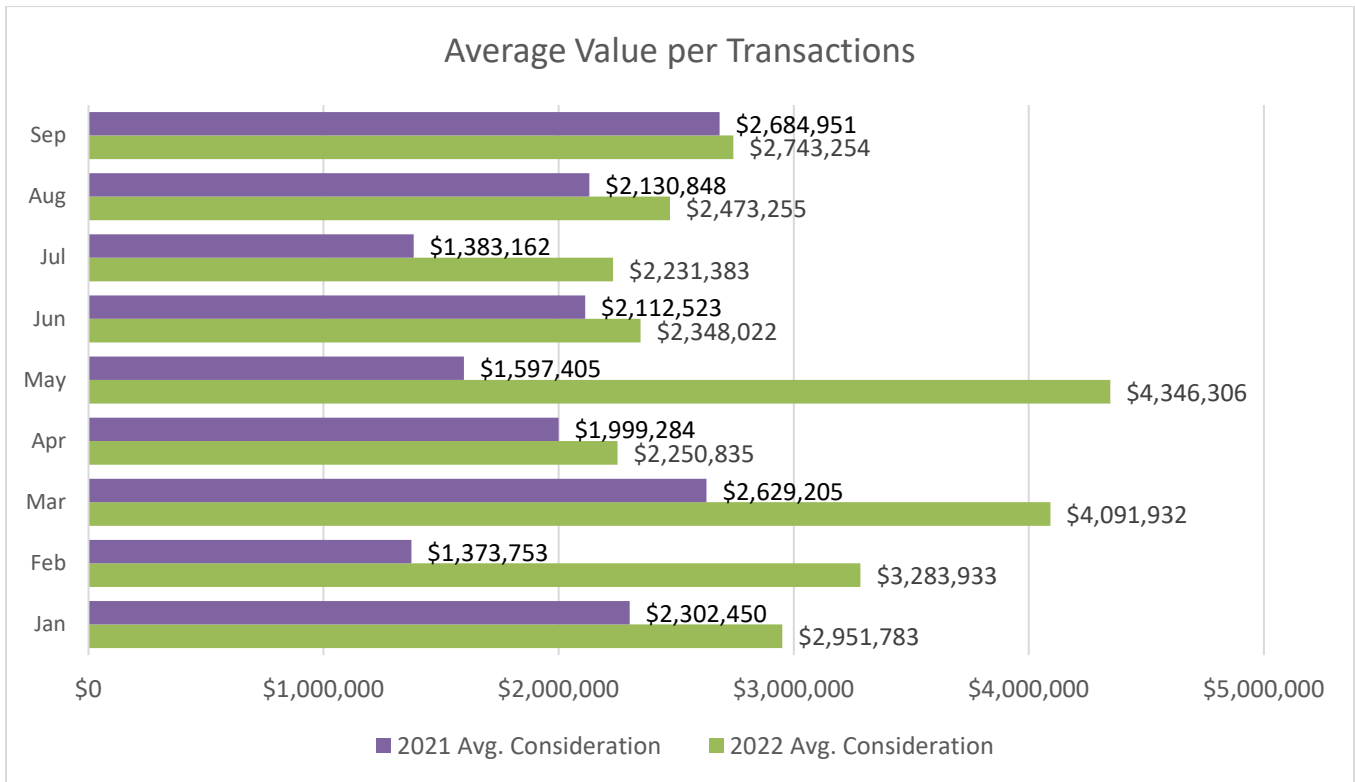


City Share of County Sales Tax:

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax for the month of August were essentially flat relative to the same month in 2021, with year-to-date collections 31% ahead of last year after seven months

Real Estate Transfer Taxes:

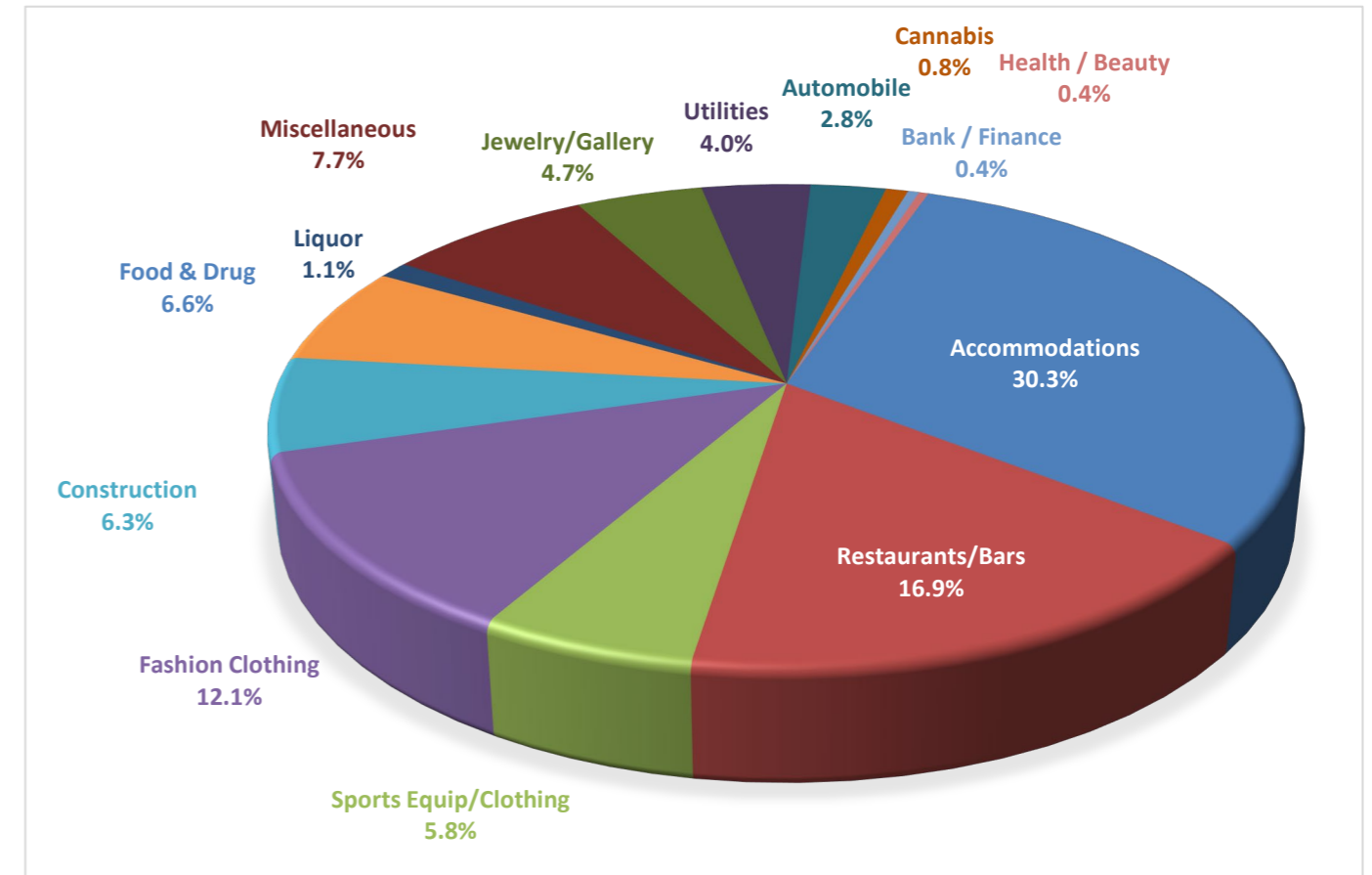
September real estate transfer tax collections again were down relative to the same month in 2021, this month’s figures reflecting a 20% decline. With this additional softness factored in, 2022 collections are now pacing just 11% over 2021. The volume of transactions has now declined 27% from last year, with the average cash consideration per transaction now just 8% over that of 2021.



City of Aspen Retail Sales by Industry
August 2022

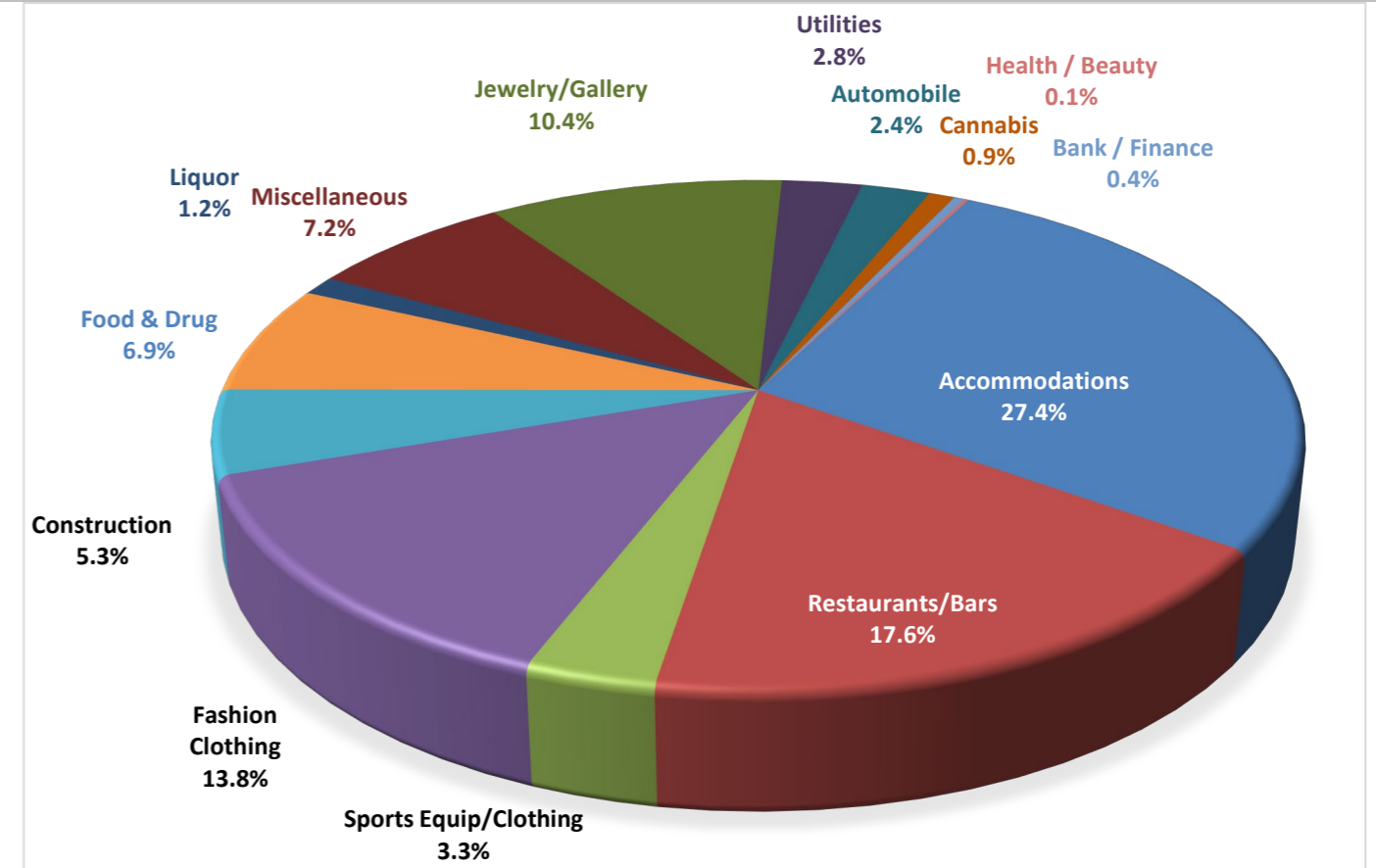
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$253,222,589	30.3%	61.9%
Restaurants/Bars	\$141,558,187	16.9%	36.0%
Sports Equip/Clothing	\$48,797,883	5.8%	17.2%
Fashion Clothing	\$101,281,997	12.1%	31.3%
Construction	\$53,020,604	6.3%	(10.6%)
Food & Drug	\$54,786,976	6.6%	12.7%
Liquor	\$9,268,728	1.1%	(0.9%)
Miscellaneous	\$64,220,764	7.7%	16.8%
Jewelry/Gallery	\$39,361,122	4.7%	44.9%
Utilities	\$33,782,132	4.0%	(2.3%)
Automobile	\$23,383,436	2.8%	6.1%
Cannabis	\$6,931,542	0.8%	(14.2%)
Bank / Finance	\$3,485,129	0.4%	22.8%
Health / Beauty	\$2,933,989	0.4%	(30.8%)
Total	\$836,035,077	100.0%	28.5%



August Monthly Retail Sales

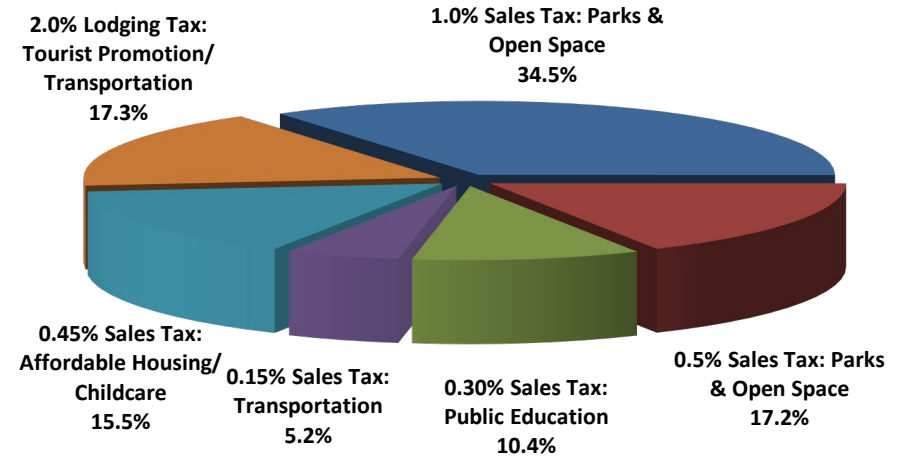
Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$31,592,280	27.4%	10.4%
Restaurants/Bars	\$20,331,338	17.6%	7.8%
Sports Equip/Clothing	\$3,848,268	3.3%	0.6%
Fashion Clothing	\$15,920,343	13.8%	19.6%
Construction	\$6,138,541	5.3%	(21.0%)
Food & Drug	\$7,979,986	6.9%	2.5%
Liquor	\$1,394,829	1.2%	1.0%
Miscellaneous	\$8,346,991	7.2%	2.6%
Jewelry/Gallery	\$11,990,849	10.4%	173.8%
Utilities	\$3,271,748	2.8%	(3.5%)
Automobile	\$2,779,572	2.4%	(16.0%)
Cannabis	\$1,045,605	0.9%	(4.2%)
Bank / Finance	\$428,269	0.4%	52.9%
Health / Beauty	\$168,480	0.1%	(63.1%)
Total	\$115,237,098	100.0%	12.3%



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

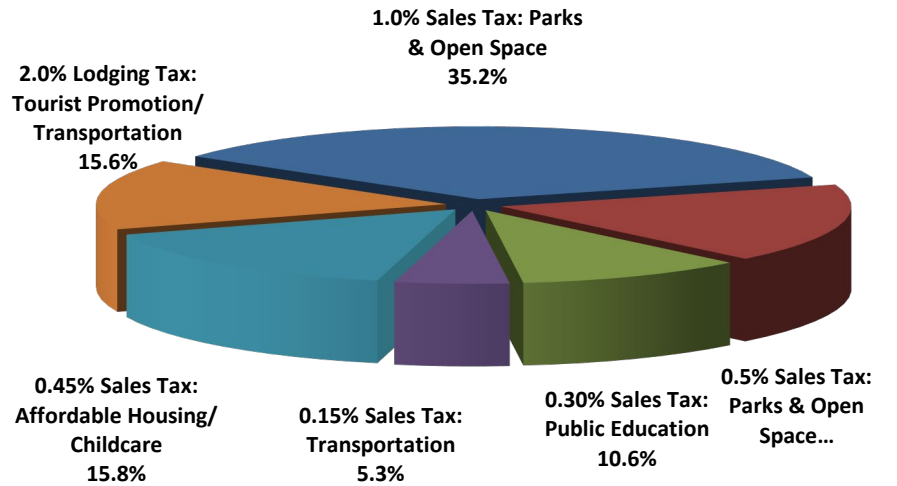
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.0% Sales Tax: Parks & Open Space	\$8,334,724.40	34.5%
0.5% Sales Tax: Parks & Open Space	\$4,167,352.76	17.2%
0.30% Sales Tax: Public Education	\$2,503,299.46	10.4%
0.15% Sales Tax: Transportation	\$1,250,218.43	5.2%
0.45% Sales Tax: Affordable Housing/ Childcare	\$3,750,613.28	15.5%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$4,178,631.34</u>	<u>17.3%</u>
Total	\$24,184,839.67	100%



August Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.0% Sales Tax: Parks & Open Space	\$1,144,434.96	35.2%
0.5% Sales Tax: Parks & Open Space	\$572,216.02	17.6%
0.30% Sales Tax: Public Education	\$343,561.46	10.6%
0.15% Sales Tax: Transportation	\$171,666.51	5.3%
0.45% Sales Tax: Affordable Housing/ Childcare	\$514,993.94	15.8%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$508,234.94</u>	<u>15.6%</u>
Total	\$3,255,107.83	100%



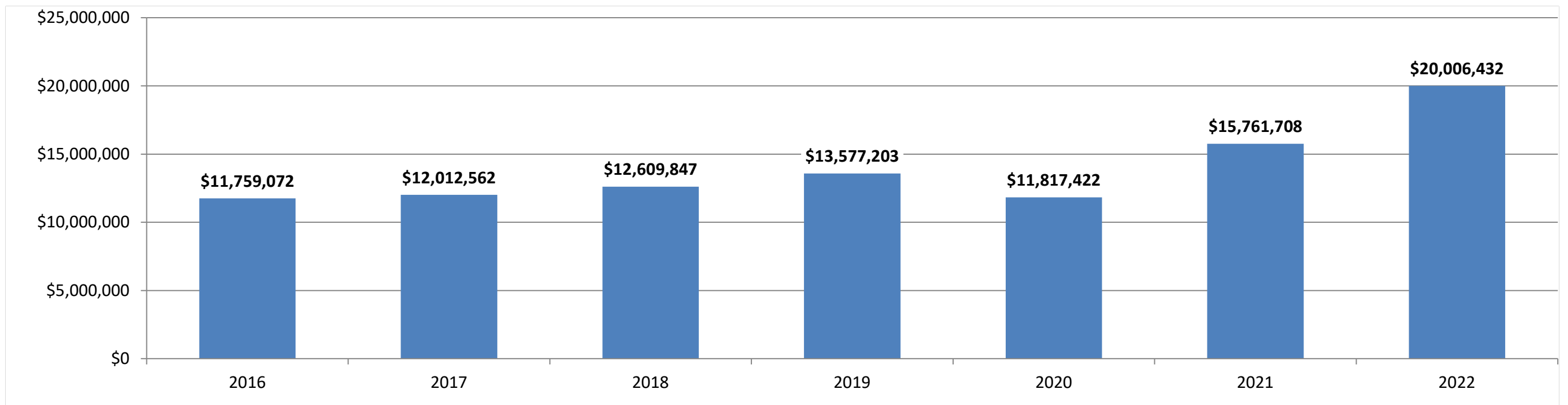
**City of Aspen Sales Tax 2.4%
August 2022**

Current Month Revenues are 10.2% above last year's Monthly Revenues.
Year To Date Revenues are 27.2% above Year To Date Budgeted Revenues.
Year To Date Revenues are 26.9% 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	\$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	\$3,002,254	20.7%	\$13,620,000	\$17,259,559	26.7%	\$3,058,702	(1.8%)	\$13,268,550	30.1%
Aug	\$2,107,000	\$2,746,873	30.4%	\$15,727,000	\$20,006,432	27.2%	\$2,493,158	10.2%	\$15,761,708	26.9%
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 August

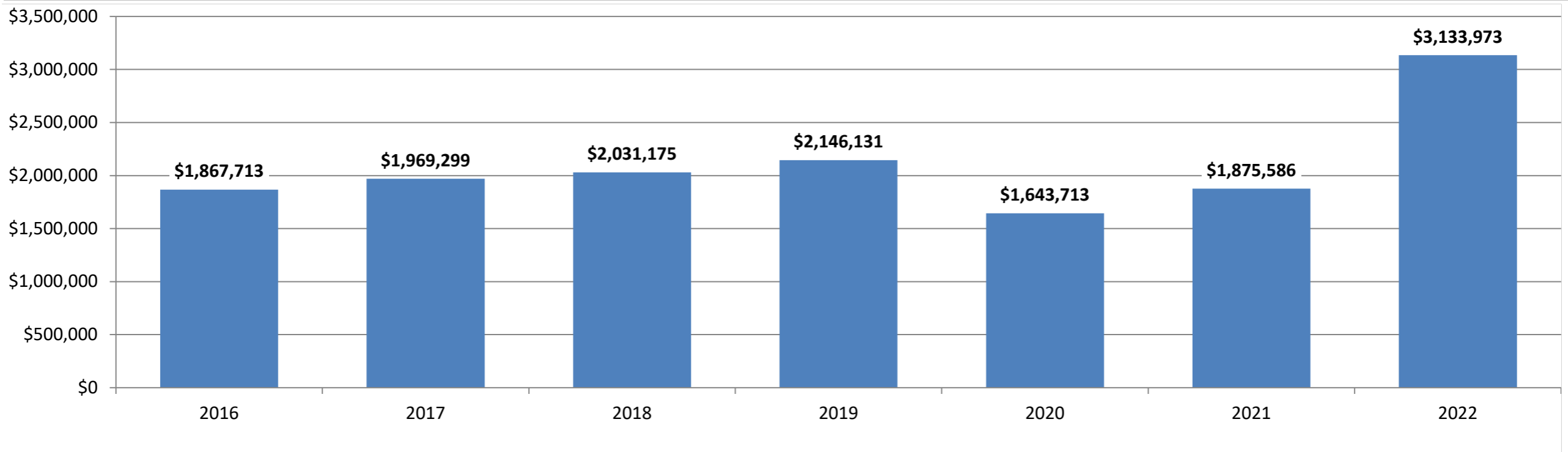


City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
August 2022

Current Month Revenues are 16.2% above last year's Monthly Revenues.
Year To Date Revenues are 40.2% above Year To Date Budgeted Revenues.
Year To Date Revenues are 67.1% 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	\$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	\$443,471	35.3%	\$1,970,300	\$2,752,797	39.7%	\$429,454	3.3%	\$1,547,455	77.9%
Aug	\$265,500	\$381,176	43.6%	\$2,235,800	\$3,133,973	40.2%	\$328,132	16.2%	\$1,875,586	67.1%
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 August

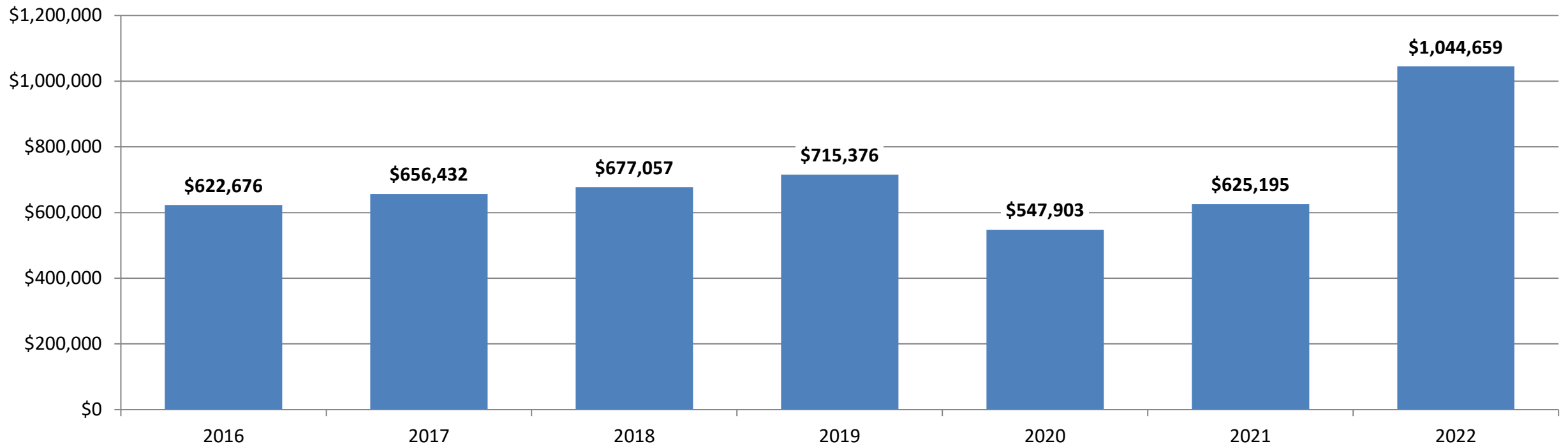


**City of Aspen Transportation 0.5% Lodging Tax
August 2022**

Current Month Revenues are 16.2% above last year's Monthly Revenues.
Year To Date Revenues are 40.2% above Year To Date Budgeted Revenues.
Year To Date Revenues are 67.1% 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	\$147,824	35.2%	\$656,800	\$917,600	39.7%	\$143,151	3.3%	\$515,817	77.9%
Aug	\$88,500	\$127,059	43.6%	\$745,300	\$1,044,659	40.2%	\$109,377	16.2%	\$625,195	67.1%
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 August

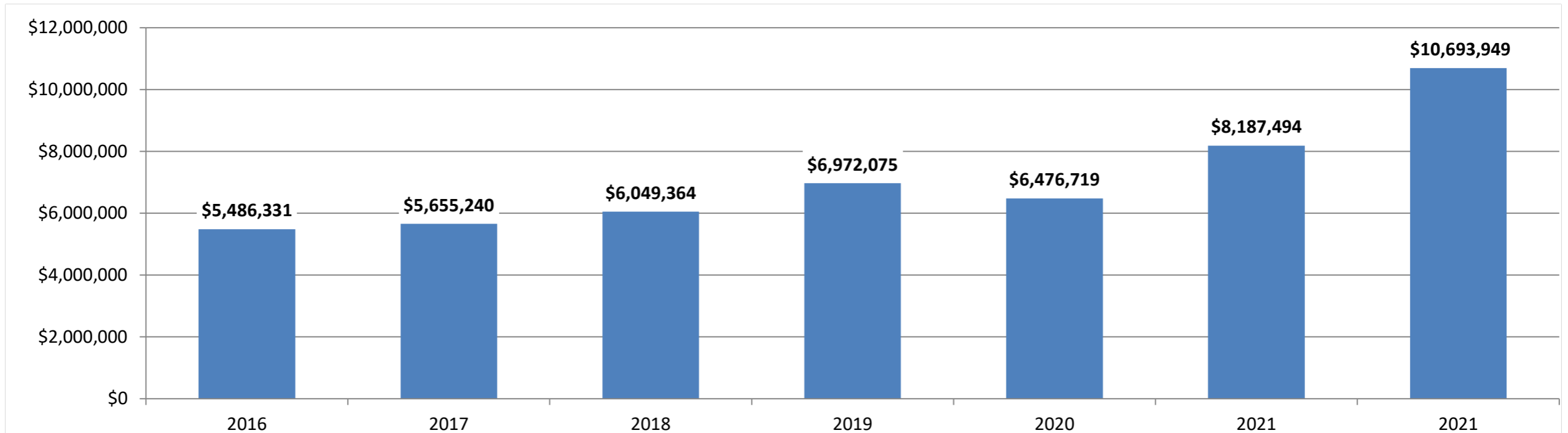


**City of Aspen Portion of Pitkin County 3.6% Sales Tax
July 2022**

Current Month Revenues are (0.1%) below last year's Monthly Revenues.
Year To Date Revenues are 23.6% above Year To Date Budgeted Revenues.
Year To Date Revenues are 30.6% 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	\$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	\$1,345,550	30.0%	\$7,258,000	\$9,001,372	24.0%	\$1,218,669	10.4%	\$ 6,492,727	38.6%
July	\$1,394,000	\$1,692,577	21.4%	\$8,652,000	\$10,693,949	23.6%	\$1,694,768	(0.1%)	\$ 8,187,494	30.6%
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 July

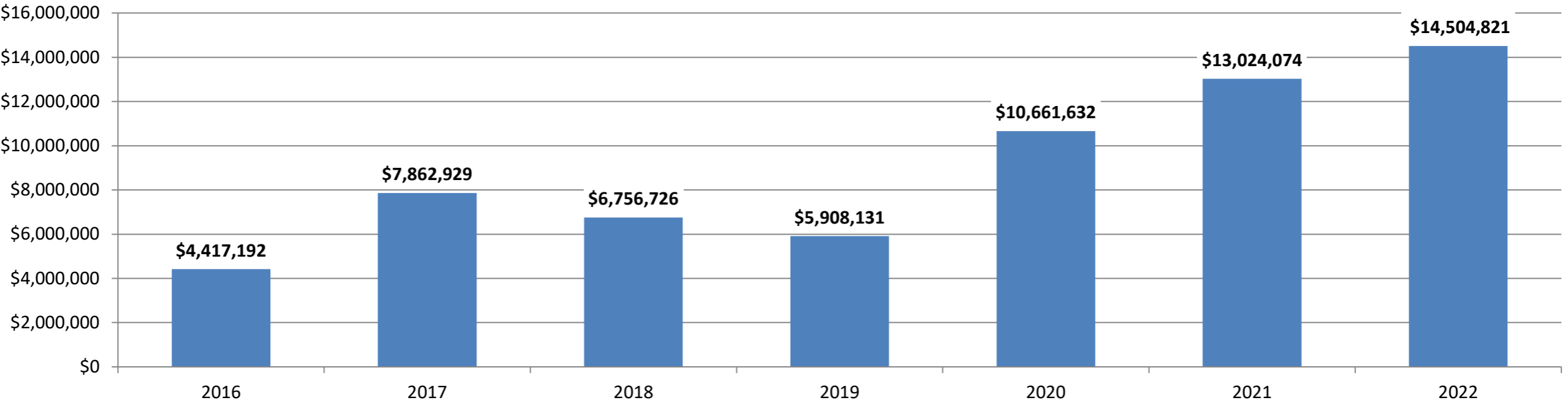


**Housing Real Estate Transfer Tax
September 2022**

Current Month Revenues are **(20.5%)** below last year's Monthly Revenues.
 Year To Date Revenues are **145.0%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **11.4%** 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	\$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	\$1,359,924	101.5%	\$4,960,000	\$13,001,336	162.1%	\$1,904,684	(28.6%)	\$11,132,432	16.8%
Sept	\$960,000	\$1,503,485	56.6%	\$5,920,000	\$14,504,821	145.0%	\$1,891,643	(20.5%)	\$13,024,074	11.4%
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 September



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

Current Month Revenues are (20.9%) below last year's Monthly Revenues.
Year To Date Revenues are 151.3% above Year To Date Budgeted Revenues.
Year To Date Revenues are 11.0% 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	\$704,878	108.5%	\$2,495,000	\$6,700,499	168.6%	\$982,807	(28.3%)	\$5,755,422	16.4%
Sept	\$477,000	\$768,111	61.0%	\$2,972,000	\$7,468,610	151.3%	\$970,454	(20.9%)	\$6,725,875	11.0%
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 September

