

**To:** Aspen City Council  
**From:** Pete Strecker, Finance Director  
**Date:** September 13, 2022  
**Re:** July 2022 Consumption Tax Report

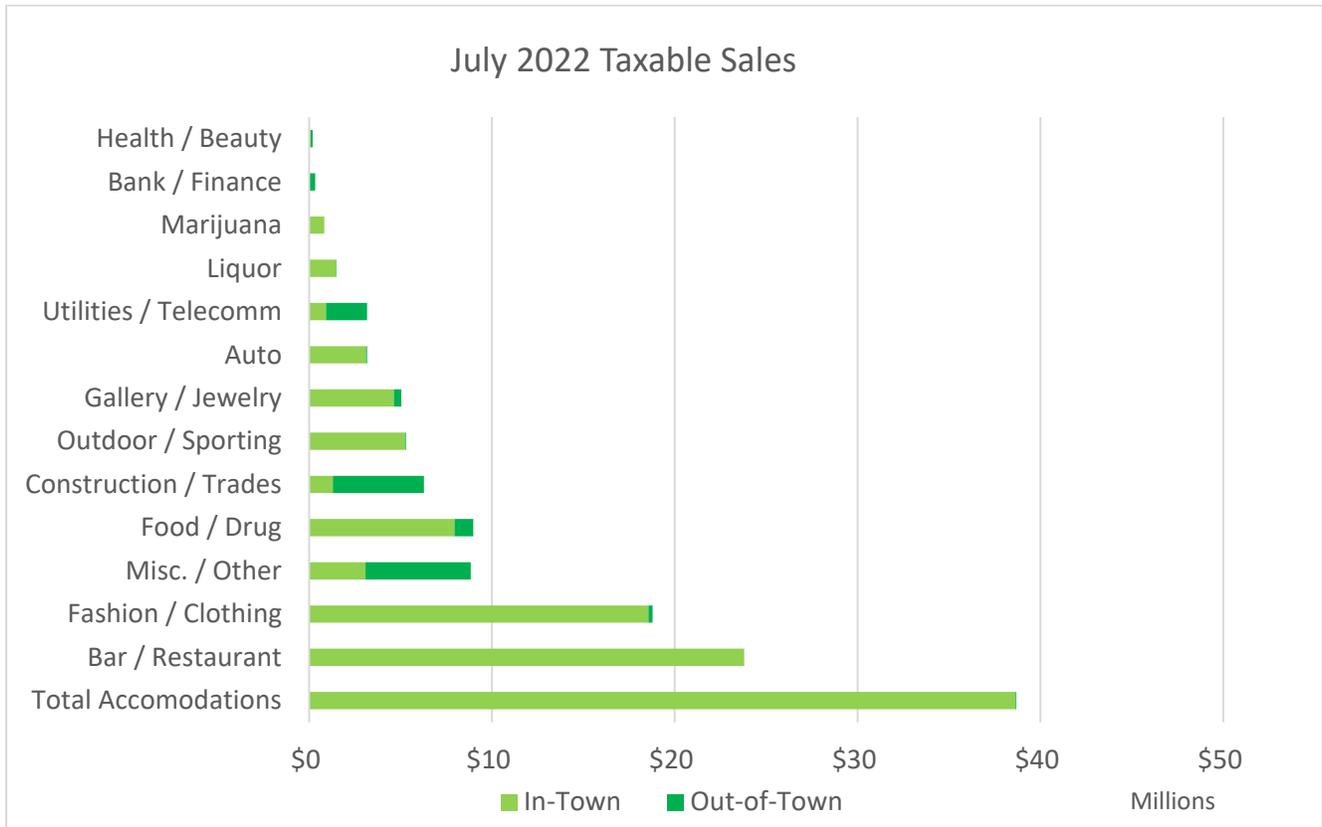


**Aggregate Taxable Sales & Industry Highlights:**

July historically represents about 11% of annual collections and is typically the anchor month for the summer tourism season. While taxable sales for the month were just 0.1% over that of the same period a year ago, it is important to note that July 2021 had unprecedented economic activity, skewing this month-to-month comparison. That said, given that price escalation remains well above Federal Reserve targets and has influenced the cost of goods and services not just nationally but also within our own community, it is reasonable to conclude that there is softness in the aggregate volume of taxable sales.

Diving into some of the industry detail, July 2022 accommodations experienced nearly 11% growth in taxable sales and is the most notable appreciation for the month given the overall dollar value captured within this sector of the economy. Other major industries, including restaurants/bars and fashion clothing, also experienced growth, but in the 2% - 3% range. Miscellaneous retailer groups (including the online retailers) also saw about 17% growth relative to the same period one year ago.

July’s economic activity reflects a ratio of 87% local brick and mortar sales vs. 12% from online/external businesses. This ratio swayed heavily towards local sales as summer tourism dollars funnel into Aspen establishments.



**Sales and Lodging Tax:**

Actual revenue collections are down about 2% from July 2021, bringing year-to-date collections roughly 30% above that of the same seven-month period one year ago. As noted last month, our pacing over last year continues to erode (down from 77% at the start of the year) but was expected as we started the year comparing to a soft lodging sector due to health restrictions at that time.

The City’s dedicated 2.0% lodging tax receipts for July increased slightly at 3% relative to one year prior. On a year-to-date basis, collections are pacing 78% over 2021 receipts after seven months. This new year-to-date comparison is declining quickly, reflective of dramatic price escalation but also softening monthly occupancy.

*Short-Term Rentals*

With the adoption of Resolution 106 by the City Council at the August 29<sup>th</sup> special meeting, Aspen voters will be asked this November whether there is support for a new excise tax on short-term rental lodging. 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 2<sup>nd</sup> homeowner or investment property units.

If adopted by voters, the tax would expand the current 2.0% lodging tax already in effect, but its uses would be different as current 2.0% lodging tax resources support tourism and transportation needs; the 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.

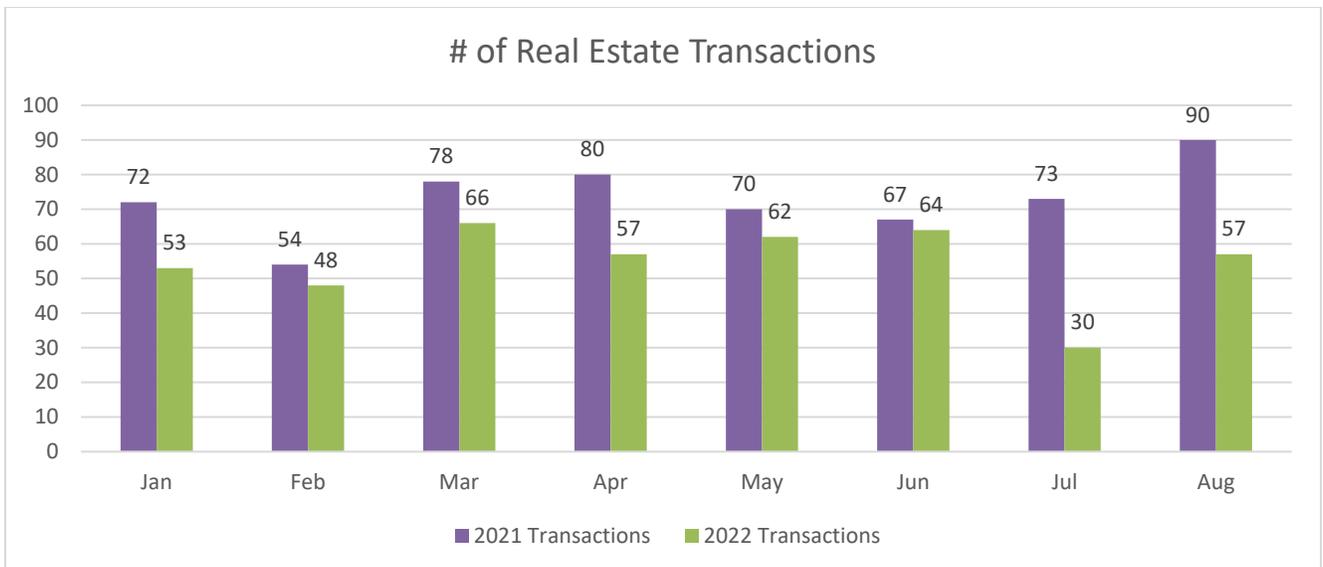
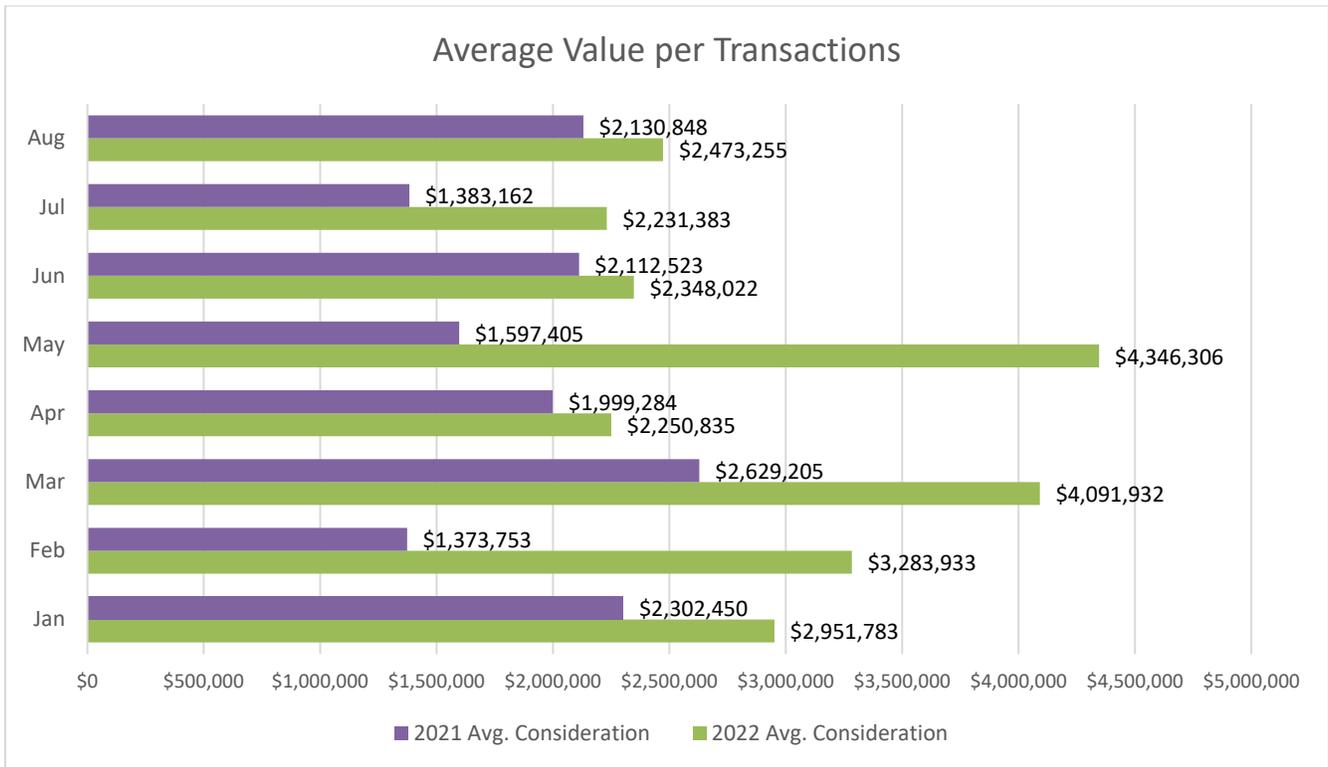


**City Share of County Sales Tax:**

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax for the month of June was up 10% relative to the same month in 2021, with year-to-date collections 39% ahead of last year after six months

**Real Estate Transfer Taxes:**

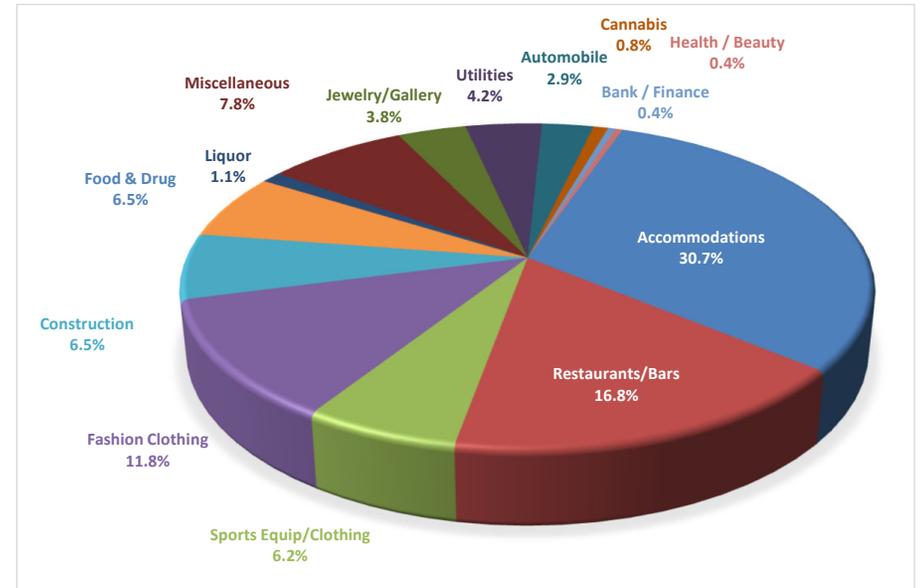
August 2022 real estate transfer tax collections were 29% below collections received August 2021. When aggregated with the first seven months of the year, 2022 collections are pacing 17% over 2021. The number of transactions in 2022 remains roughly 25% below the volume of sales in 2021, yet the cash consideration per transaction is averaging roughly 56% above that of the previous year.



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

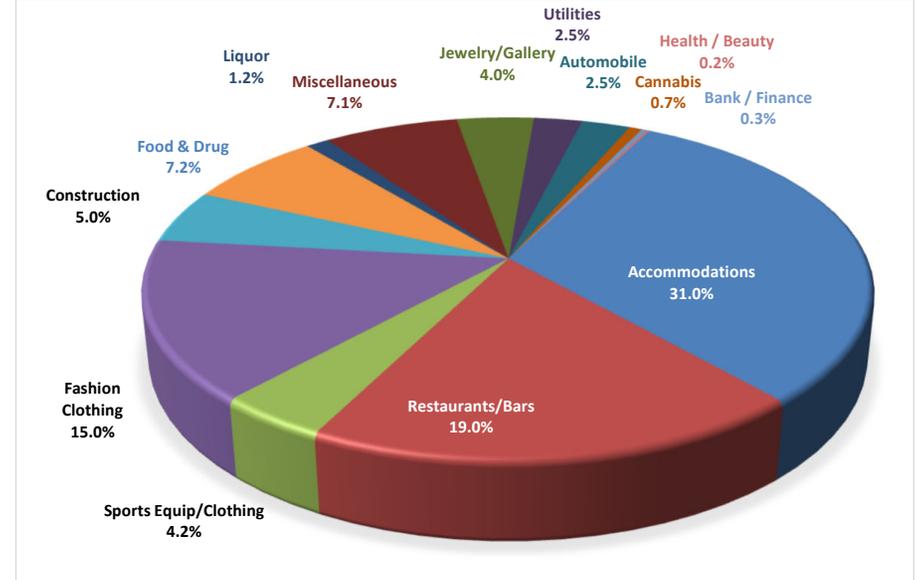
**Year To Date Retail Sales**

<b>Category</b>	<b>Retail Sales</b>	<b>% of Total Retail Sales</b>	<b>% Change to 2021</b>
Accommodations	\$221,630,309	30.7%	73.4%
Restaurants/Bars	\$121,226,848	16.8%	42.2%
Sports Equip/Clothing	\$44,949,615	6.2%	18.9%
Fashion Clothing	\$85,361,654	11.8%	33.7%
Construction	\$46,882,063	6.5%	(9.0%)
Food & Drug	\$46,806,990	6.5%	14.7%
Liquor	\$7,873,899	1.1%	(1.2%)
Miscellaneous	\$55,873,773	7.8%	19.3%
Jewelry/Gallery	\$27,370,273	3.8%	20.1%
Utilities	\$30,510,384	4.2%	(2.2%)
Automobile	\$20,603,864	2.9%	10.0%
Cannabis	\$5,885,937	0.8%	(15.8%)
Bank / Finance	\$3,056,859	0.4%	19.5%
Health / Beauty	\$2,765,509	0.4%	(26.9%)
<b>Total</b>	<b>\$720,797,979</b>	<b>100.0%</b>	<b>31.6%</b>



**July Monthly Retail Sales**

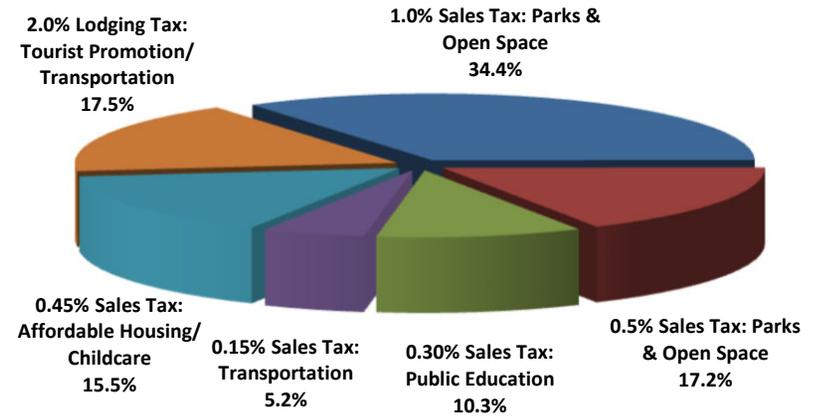
<b>Category</b>	<b>Retail Sales</b>	<b>% of Total Retail Sales</b>	<b>% Change to 2021</b>
Accommodations	\$38,679,206	31.0%	10.8%
Restaurants/Bars	\$23,794,013	19.0%	2.3%
Sports Equip/Clothing	\$5,298,122	4.2%	5.6%
Fashion Clothing	\$18,789,683	15.0%	3.2%
Construction	\$6,283,213	5.0%	(20.3%)
Food & Drug	\$8,982,560	7.2%	(17.6%)
Liquor	\$1,490,537	1.2%	(11.5%)
Miscellaneous	\$8,845,971	7.1%	16.9%
Jewelry/Gallery	\$5,048,342	4.0%	(23.1%)
Utilities	\$3,177,651	2.5%	(4.4%)
Automobile	\$3,178,159	2.5%	(2.3%)
Cannabis	\$832,540	0.7%	(41.1%)
Bank / Finance	\$336,907	0.3%	26.0%
Health / Beauty	\$193,488	0.2%	(74.7%)
<b>Total</b>	<b>\$124,930,392</b>	<b>100.0%</b>	<b>(0.1%)</b>



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

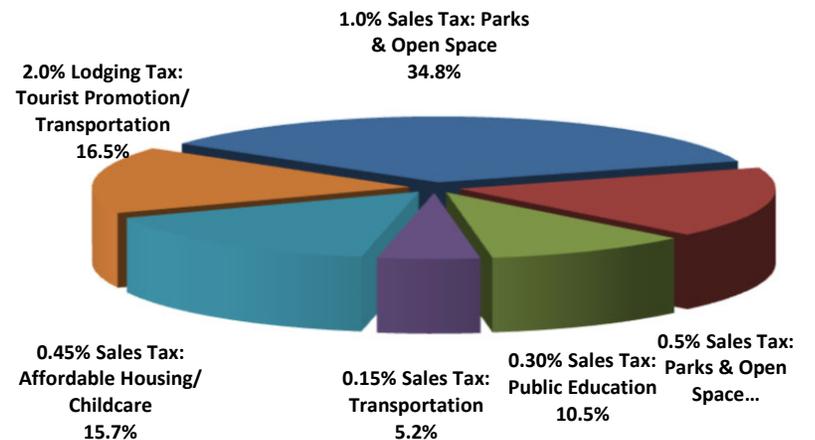
**Year To Date Tax Collections**

<b>Tax Type</b>	<b>YTD Taxes Collected</b>	<b>% YTD Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$7,190,289.44	34.4%
0.5% Sales Tax: Parks & Open Space	\$3,595,136.74	17.2%
0.30% Sales Tax: Public Education	\$2,159,738.00	10.3%
0.15% Sales Tax: Transportation	\$1,078,551.92	5.2%
0.45% Sales Tax: Affordable Housing/ Childcare	\$3,235,619.34	15.5%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$3,670,396.37</u>	<u>17.5%</u>
<b>Total</b>	<b>\$20,929,731.81</b>	<b>100%</b>



**July Monthly Tax Collections**

<b>Tax Type</b>	<b>Monthly Taxes Collected</b>	<b>% Monthly Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$1,250,553.12	34.8%
0.5% Sales Tax: Parks & Open Space	\$625,275.31	17.4%
0.30% Sales Tax: Public Education	\$376,094.62	10.5%
0.15% Sales Tax: Transportation	\$187,584.11	5.2%
0.45% Sales Tax: Affordable Housing/ Childcare	\$562,747.13	15.7%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$591,294.70</u>	<u>16.5%</u>
<b>Total</b>	<b>\$3,593,548.99</b>	<b>100%</b>



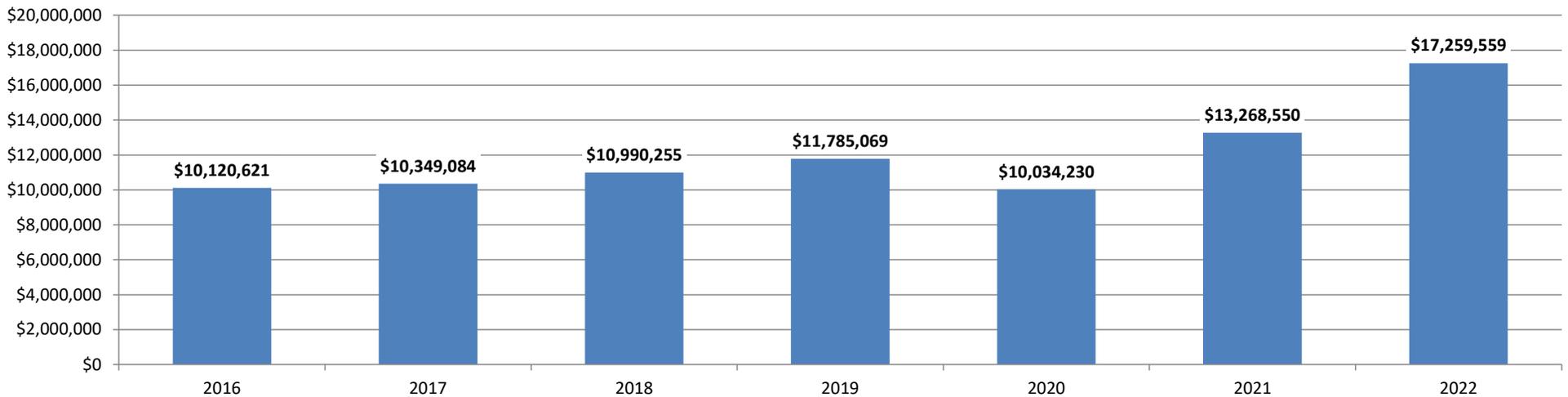
**City of Aspen Sales Tax 2.4%  
July 2022**

**Current Month Revenues are (1.8%) below last year's Monthly Revenues.**  
**Year To Date Revenues are 26.7% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 30.1% 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	\$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			\$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 July**

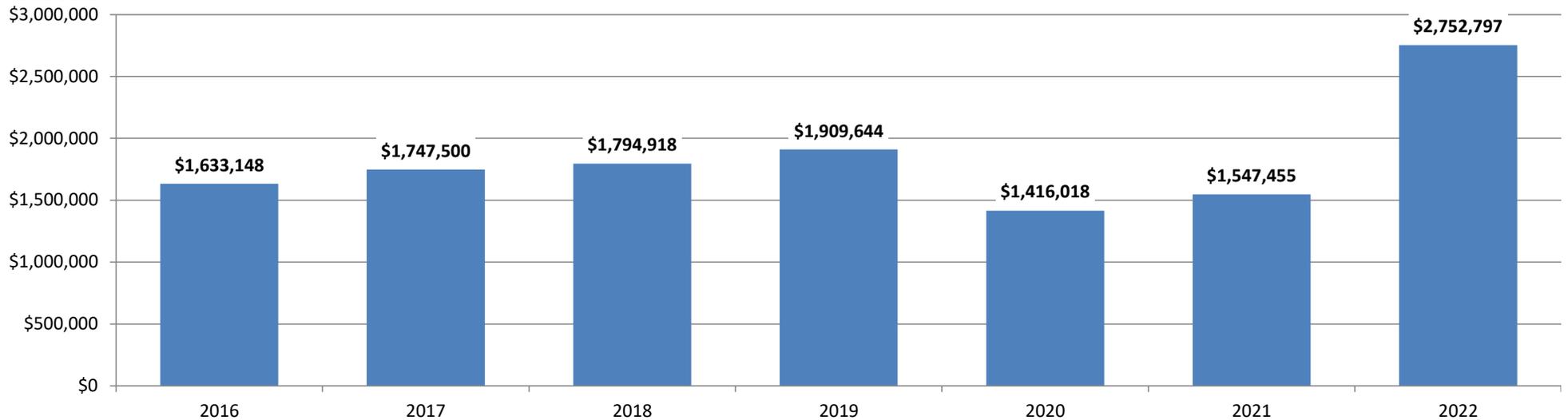


**City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)  
July 2022**

**Current Month Revenues are 3.3% above last year's Monthly Revenues.**  
**Year To Date Revenues are 39.7% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 77.9% 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	\$443,471	35.3%	\$1,970,300	\$2,752,797	39.7%	\$429,454	3.3%	\$1,547,455	77.9%
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 July**

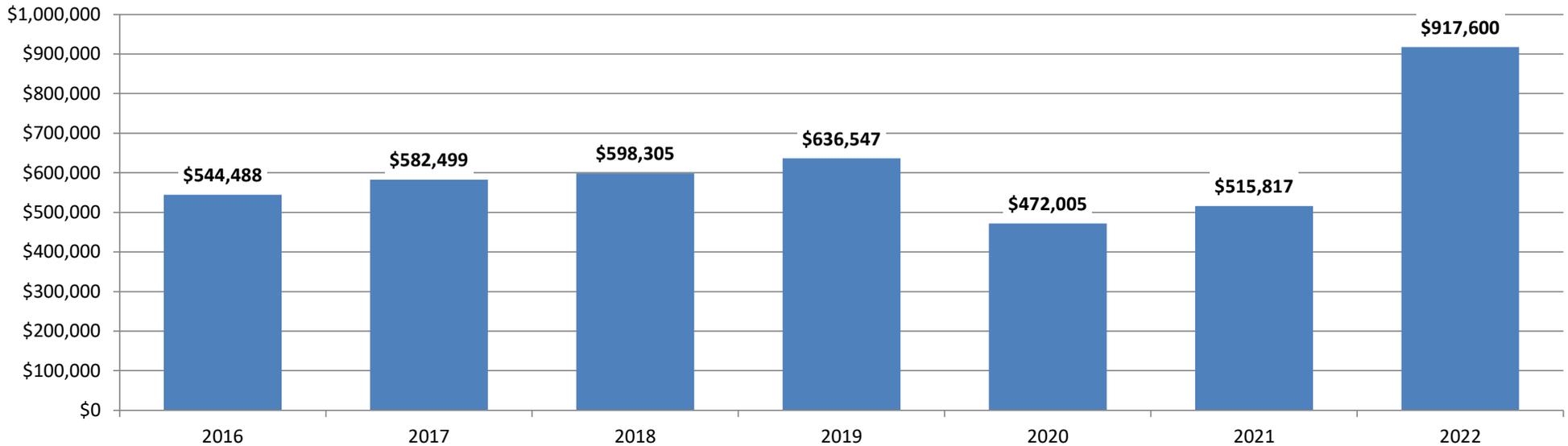


**City of Aspen Transportation 0.5% Lodging Tax  
July 2022**

**Current Month Revenues are 3.3% above last year's Monthly Revenues.**  
**Year To Date Revenues are 39.7% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 77.9% 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			\$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 July**

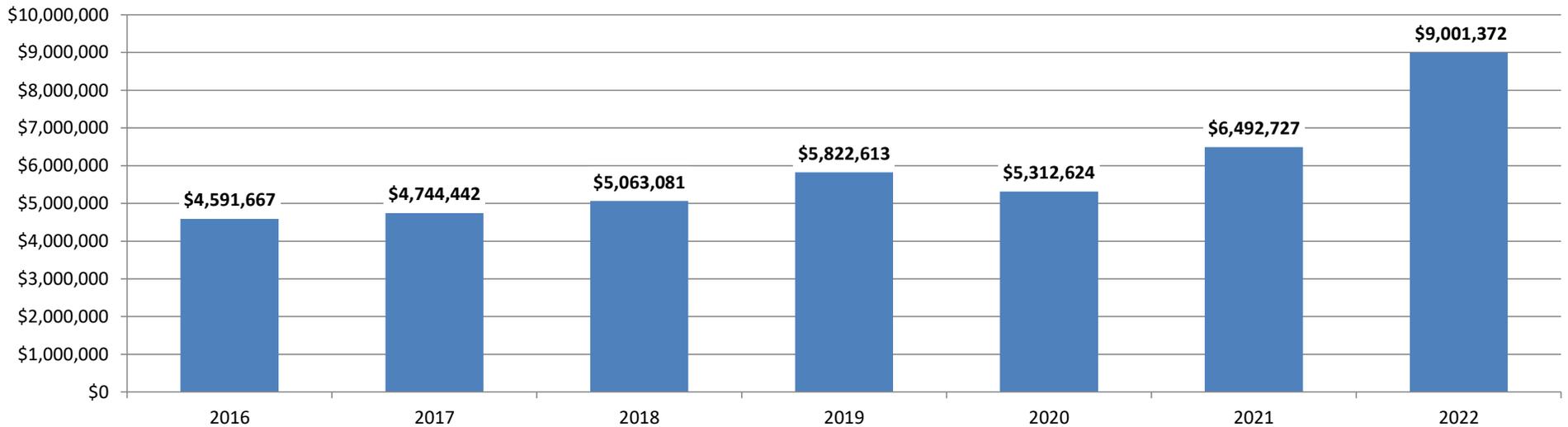


**City of Aspen Portion of Pitkin County 3.6% Sales Tax  
June 2022**

**Current Month Revenues are 10.4% above last year's Monthly Revenues.**  
**Year To Date Revenues are 24.0% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 38.6% 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	\$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			\$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 June**

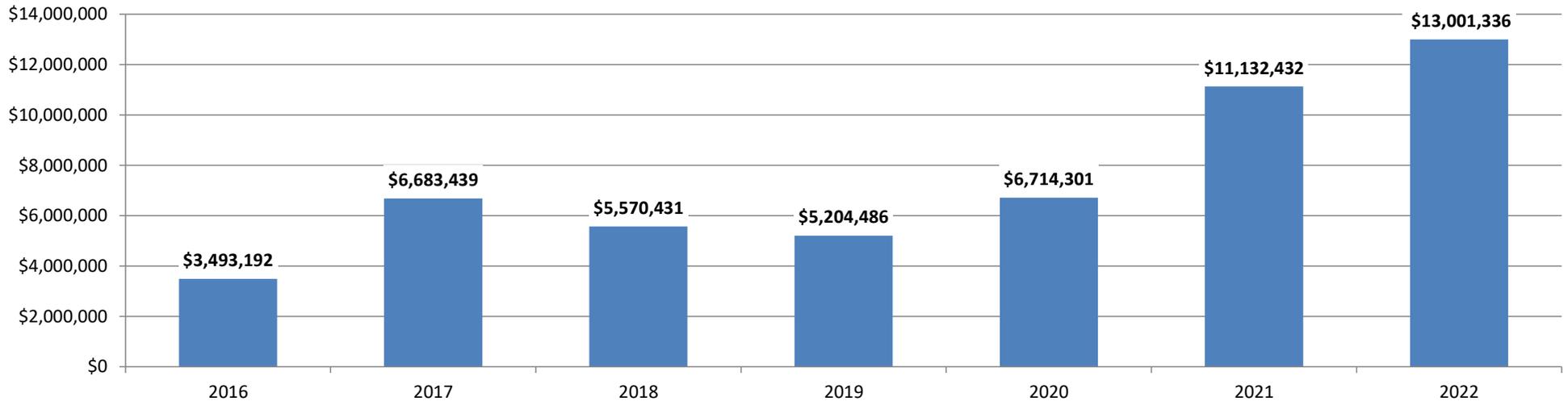


**Housing Real Estate Transfer Tax  
August 2022**

**Current Month Revenues are (28.6%) below last year's Monthly Revenues.**  
**Year To Date Revenues are 162.1% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 16.8% 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	\$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			\$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 August**



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

Current Month Revenues are **(28.3%)** below last year's Monthly Revenues.  
 Year To Date Revenues are **168.6%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **16.4%** 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			\$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 August**

