

Total Tax Revenue Forecast 2001 (Update of page 8 in Report of December 2000.)A. Other City Tax Revenues Forecast 2001

Non-withholding tax revenues come from individuals and businesses. In 2000 those groups accounted for 12.4% of the City's total tax revenue. For 2000 actual tax revenues totaled \$19,024,000. The City's Finance Department forecast revenues of \$21,855,000 for 2001 on November 15, 2000, a 14.9% increase.

The forecast now shows a **1.3% decline in these revenues for 2001**; that is an annual drop of \$241,139. The decline to \$18,782,861 results from the deterioration in business conditions through the end of 2000. Although institutional factors and collection practices do influence these tax revenues, a continuation of the slowdown in the local economy during January and February 2001 indicates that business and individual tax revenues will most likely amount to less this year.

B. Tax Revenue Record. Forecast is **bold**.

	Tax Withholdings	Annual Percent Change	Individual + Business Tax Revenue	Annual Percent Change	Total Tax Revenue(\$)	Annual Percent Change
1986	84,138,728		11,511,795		95,650,523	
1987	89,382,043	6.23	12,884,837	11.93	102,266,880	6.92
1988	92,786,997	3.81	16,754,952	30.04	109,541,949	7.11
1989	95,011,996	2.40	11,689,684	-30.23	106,701,680	-2.59
1990	92,919,354	-2.20	15,060,471	28.84	107,979,825	1.20
1991	92,452,379	-0.50	12,417,651	-17.55	104,870,030	-2.88
1992	97,428,524	5.38	12,994,452	4.65	110,422,976	5.30
1993	100,159,047	2.80	15,595,966	20.02	115,755,013	4.83
1994	107,147,988	6.98	17,827,097	14.31	124,975,085	7.97
1995	112,883,989	5.35	16,904,771	-5.17	129,788,760	3.85
1996	117,494,951	4.08	20,991,756	24.18	138,486,707	6.70
1997	123,559,489	5.16	19,141,239	-8.82	142,700,728	3.04
1998	125,178,347	1.31	19,326,251	0.97	144,504,598	1.26
1999	130,461,607	4.22	19,460,028	0.69	149,921,635	3.75
2000	134,806,000	3.33	19,024,000	-2.24	153,830,000	2.61
2001	134,025,345	-0.58	18,782,861	-1.27	152,808,206	-0.66

C. Tax Revenue Withholdings

Tax withholdings, which accounted for nearly 88% of total revenue in 2000, are forecast to **drop about 0.6% in 2001**. The updated forecast for withholdings of \$134,025,345 is 1.4% below the forecast in December. The lower forecast for withholdings results directly from deteriorating employment conditions here in the second-half of 2000. Initial claims for unemployment insurance jumped 86% in the Toledo metropolitan area (Lucas and Wood Counties). While claims are not at recession levels, they moved up significantly in 2000; and for the first seven weeks of 2001 initial claims in Lucas County were up 181% compared to the same period in early-2000 (6,718 vs. 2,387). These conditions will hold down tax withholdings.

Figure 6 (Updated)

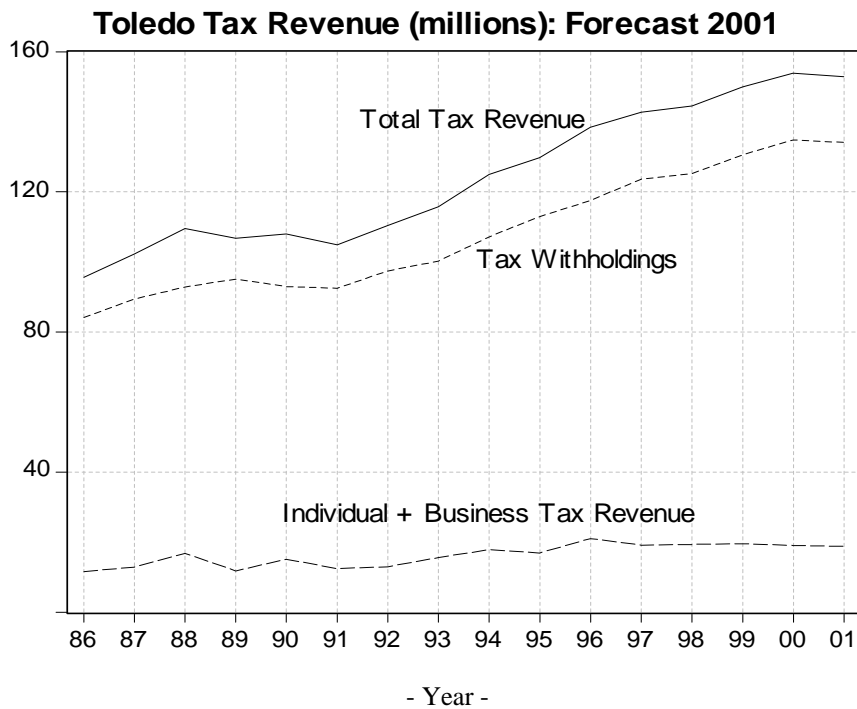
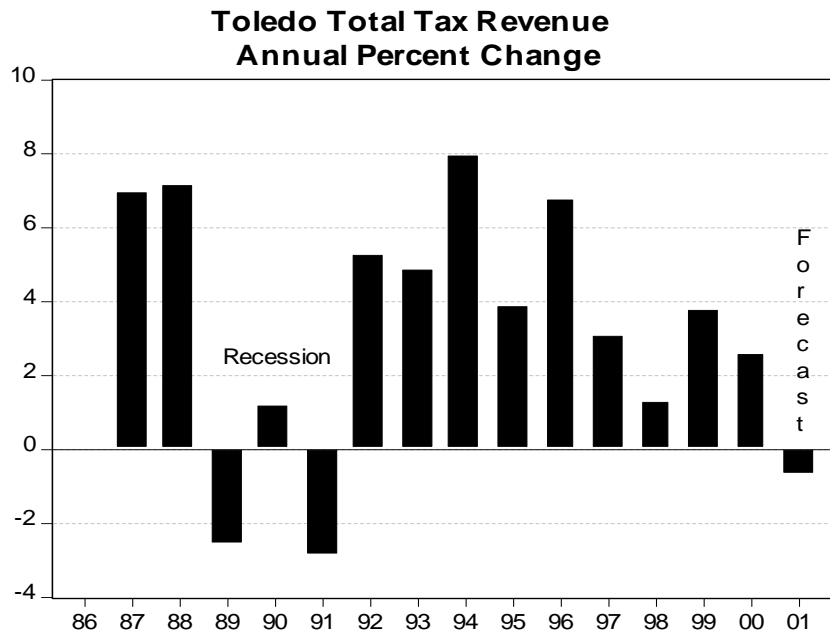


Figure 7 (Updated)



D. Recommendations

Rapidly changing economic conditions require two assessments during 2001: (1) more detailed analysis of individual and business tax revenues; and (2) a mid-year update based on quarterly tax revenue withholding and its trends.