



# City Council Tax Forecast

## Fiscal 2024 Preliminary Plan Fact Sheet

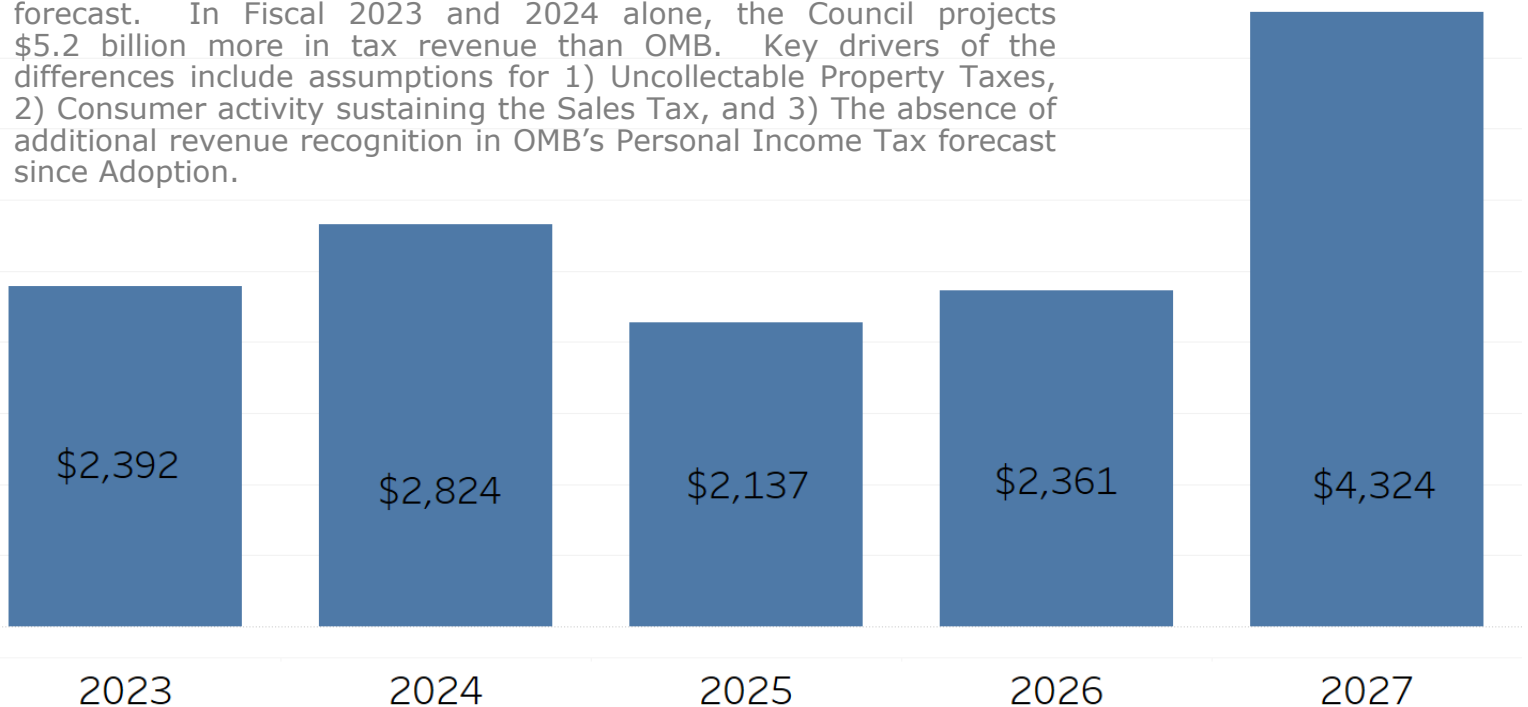
### Council Tax Forecast (\$ Millions)

The Council's tax forecast projects **2.2%** average growth across the Financial Plan period, as several of the City's highest grossing taxes decelerate in response to the lingering pandemic impacts, high inflation, and rising interest rates.

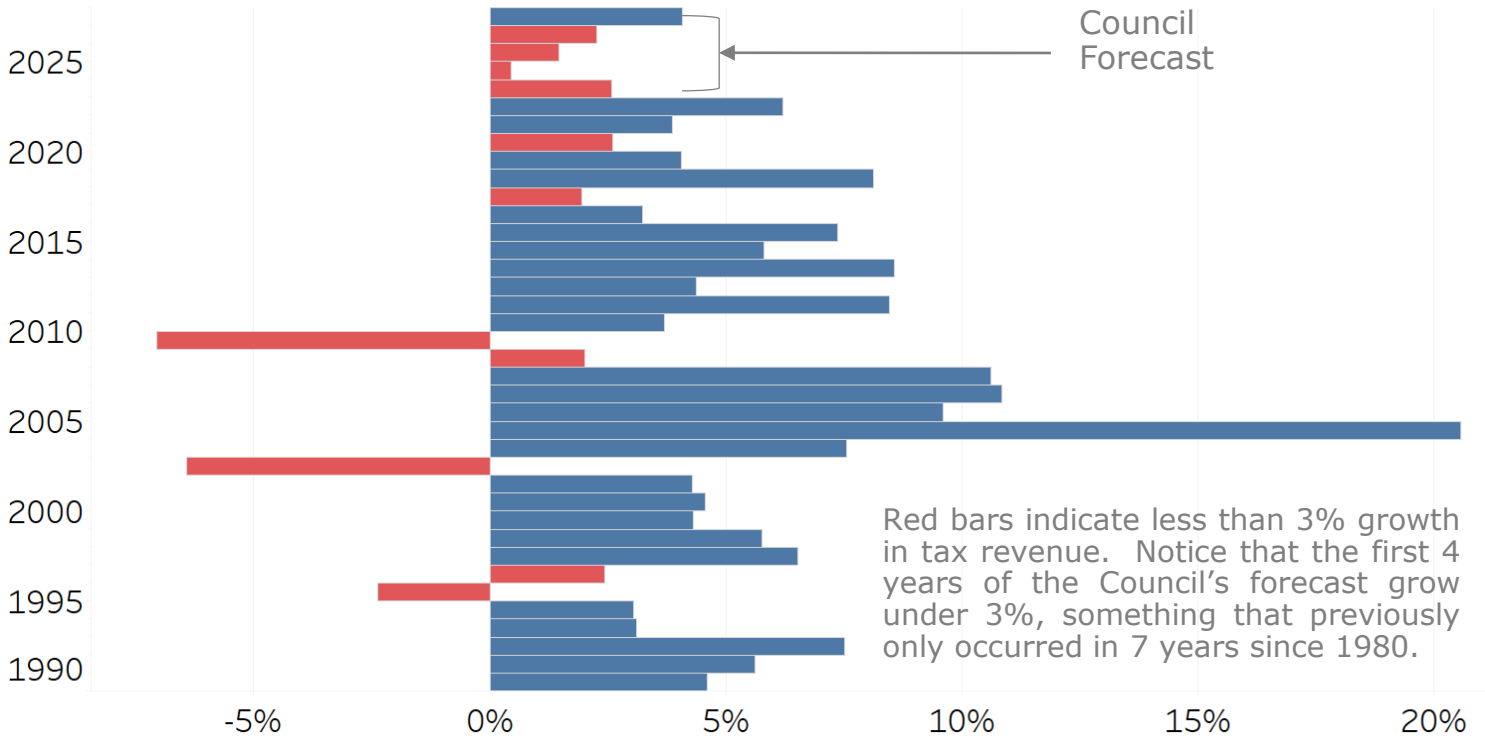
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Real Property Tax	\$31,620	\$32,456	\$32,743	\$33,494	\$35,044
Personal Income Tax	15,927	15,691	16,083	16,348	17,251
Sales Tax	9,626	9,848	9,977	10,336	10,570
Business Taxes	7,597	7,574	7,654	7,771	7,974
Real Estate Taxes	3,265	3,245	3,391	3,482	3,560
Hotel Tax	597	682	693	737	779
Utility Tax	394	433	435	453	474
All Other Taxes	1,085	982	979	977	977
Audits	800	800	800	800	800
<b>Total</b>	<b>\$71,395</b>	<b>\$71,711</b>	<b>\$72,755</b>	<b>\$74,399</b>	<b>\$77,429</b>
	+2.6%	+0.4%	+1.5%	+2.3%	+4.1%

### \$ Difference from OMB Forecast (\$ Millions)

Although the Council's forecast outlines decelerated revenue growth relative to historic growth rates, it still significantly exceeds OMB's forecast. In Fiscal 2023 and 2024 alone, the Council projects \$5.2 billion more in tax revenue than OMB. Key drivers of the differences include assumptions for 1) Uncollectable Property Taxes, 2) Consumer activity sustaining the Sales Tax, and 3) The absence of additional revenue recognition in OMB's Personal Income Tax forecast since Adoption.

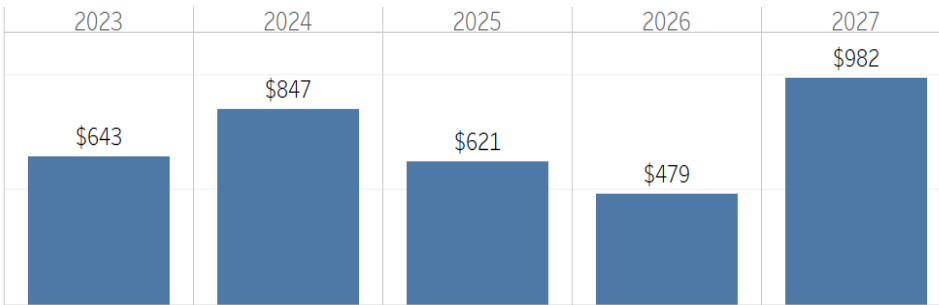


# Historic Tax Revenue Growth for New York City



## Notable Differences from OMB Forecast (\$ Millions)

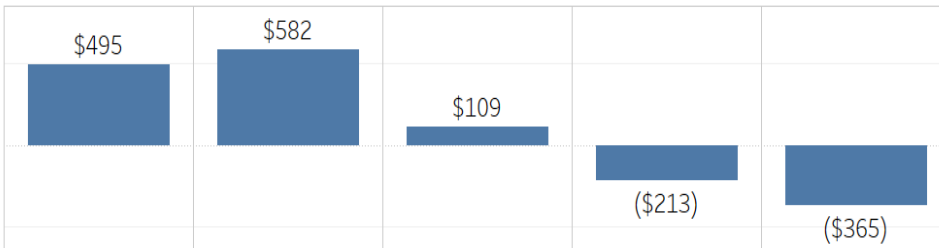
### Personal Income Tax



### Personal Income Tax

OMB's forecast unrealistically assumes no change in total personal income tax revenues since Adoption for Fiscal 2023 through 2026.

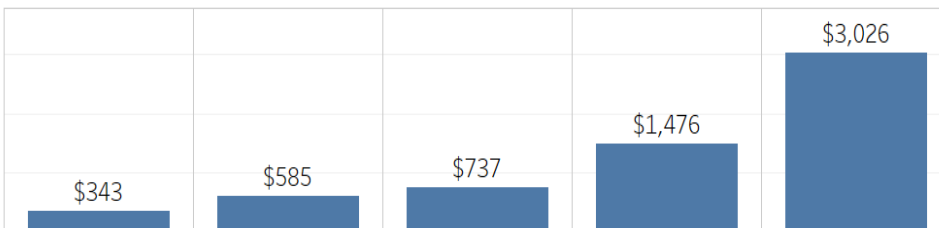
### Sales Tax



### Sales Tax

Strong credit card purchasing activity, coupled with a return of tourists to the City, provide a strong indication in the Council's forecast for continued consumer optimism to drive sales tax revenue relative to OMB's forecast.

### Real Property Tax



### Real Property Tax

OMB's forecast assumes 7.6% of collections will be uncollectable in Fiscal 2023 and 7.3% in 2024, contrasting with the Council's assumptions of 6.6% in 2023 and 6.5% in 2024. While the Council and OMB both anticipate weakening demand for office space to constrain tax revenue growth across the Financial Plan, the Council expects this dynamic to occur more gradually given the long-term nature of commercial leases.