

Inquiry on sales tax revenue estimates for 2010

Information compiled on October 15, 2009

The Question: A member has requested a survey of all members to assess sales tax revenue assumptions and estimates for 2010. These things can change as additional budget time elapses, but I expect everyone has by now formalized their initial estimates. Please answer each of the following questions:

Please see the attached spreadsheet for members' responses.

Questions	1 What is your year to date percentage change of 2008 vs. 2009 sales tax receipts?	2 What is your projection of percentage change of 2008 vs. 2009 sales tax receipts thru year end?	3 What was your 2009 budget estimate for percentage change from 2008?	4 What is your current planned percentage change for 2009 projected to 2010 budget for sales tax receipts? _____ Are you considering changing this plan? _____	5 Please list any issues that help justify your assumed change for 2010 vs. 2009
Asotin County PTBA says	4.20%	6%	1	40%, No	SuperWalmart
Ben Franklin Transit says...	-3.6% as of 9-30-09	-5.0 actual 09 vs 08 sales tax	-10.9% sales tax budget \$24,255,094 – 2008; \$21,595,633 - 2009	-8.4% still working on 2010 budget \$22,217,458 – 2010 and will only change plan if sales tax receipts for Oct, Nov, or Dec increase. +2.9% 09 - 10	Initial plans are to use a -5% sales tax reduction of estimated collected for 2009 compared to 2008 (see attached sales tax excel sheet).
Community Transit says...	As of September 2009 receipt, 2009 year to date is 13.85% below 2008	We are projecting for the year that sales tax receipts to decline by 11.8% overall for 2009 compare to 2008	We budgeted a decline in Sales tax receipts for 2009 compared to 2008 of 11.0%	0.87%, no	We have made no change to our assumptions at this point. We based our current assumptions for 2010 budget on these factors : state estimate of 1% growth for 2010, the high unemployment which is projected take years to recover to pre recession levels, and other factors such as low consumer confidence, high savings rates, and tight credit markets, we feel it will take until some time in 2012 to recover monthly sales tax distributions to 2007 sales tax levels. At this point I see no reason to change these assumptions
Everett Transit says...	Down 15.84%	Expect to be down about 15%	We expected 2009 to be about 2% below 2008	down 15%, not at this time	We estimate that sales tax declines have reached or are near bottom; recovery will be slow through 2010.

Grant Transit says...	Down 15%	Down 15 – 20%	0% change from 2008	0%, no	We are planning on no increase from 2009 actual sales tax receipts for the 2010 budget.
Grays Harbor Transit says...	As of September 30, 2009 Tax Receipts are down (19.4%) or \$855,098.00	Year end projections down (16%)	In November of 2008 we projected a 0% increase for 2009	Based on the local economy we are projecting flat sales tax receipts for 2010	Grays Harbor County has seen a loss of over 400 family wage jobs since December of 2008. Aberdeen was chosen for the site to build the pontoons for the 520 floating bridge but that project will not be up and running until late 2010. We see nothing on the horizon for 2010 that would increase sales tax receipts to the level we need to sustain our current level of service.
Intercity Transit says...	-9.70%	-8.00%	-5.00%	A 3.5% growth over 2009 actual receipts. Using 2008 as 1 we are anticipating the following: 2008 1.0 2009 0.92 2010 0.95.2 Already have modified the plan to what is presented here.	<u>Clairvoyant consultations with Uncle Milty (Milton Friedman) see http://en.wikipedia.org/wiki/Milton_Friedman</u>
Jefferson Transit says....	-3.40%	Decrease 2.7%	-0.50%	We are sticking to our original budget projections	Our specific regional economic condition. Specific regional economic condition is the key phrase here.
Kitsap Transit says...	Decline of approximately 9.5%	Decline of approximately 7.75%	No growth assumption in 2009 relative to 2008.	No growth assumption in 2009 relative to 2008.	Assumption is based on Puget Sound economic indicator reports

Link Transit says...	Sales tax collected thru Sept, which was earned thru July, Link's 2009 ST is down 11% from 2008.	I have projected a 10% reduction in ST for 2009 from actual collections in 2008	Link budgeted a flat or 0% increase over 2008 collections and we are currently 10% under what we budgeted	I am projecting a 0% increase for 2010. We originally assumed that ST collections for 2010 would remain the same as in 2009 which is what we earned in 2008. At the current moment if trends stay the same, we will adjust our ST projects in 2010 based on actual collections, which are 10% down from 2008.	2007 & 2008 were almost dead even, 2009 is 10% under and holding steady...if nothing else changes we'll budget conservatively for 2010. Time will tell.
Mason Transit says...	The actual percentage of change for the months of January through July compared to the same time period in 2008 is an 11% decrease in sales tax revenue.	As Sales Tax revenue appears to follow same pattern in comparison to same months in previous years (see attached graph), the projection at this time based on ytd revenue would be an 11% decrease (as opposed to an approved budget projected of 13%).	A conservative 13% decrease.	In order to be conservative we are projecting a 6.6% decrease in sales tax revenue from 2009 to 2010 budget. Are you considering changing this plan? Our first public hearing on our 2010 budget is next Tuesday, with another public meeting in November and final adoption and approval of our budget by our board at our December meeting. Should the economy take a huge upswing from now to December, it may be possible to revise the projection before the final 2010 budget is approved. We actually are not considering changing our plan at this time.	1) The wish to remain conservative and not overstate our sales tax revenue; 2) The pattern and estimate based on ytd sales tax revenue (current pattern below 2006 levels) – Although the pattern for 2009 would now appear flat at a 11% decrease from 2008, still prefer to remain conservative for 2010. 3) Spoke to Dept of Revenue staff and reviewed economy projections information on Office of Financial Management website.
Pacific Transit says...	-16.40%	-16%	-9%	Flat, no	
Pierce Transit says...	-13.08%	-14.08%	1.13%	0, not at this time	End of recession

Skagit Transit says...	At the end of Sept 2008, we had \$3,515,558 sales tax received. At the end of Sept 2009, we have \$4,409,862 received. This is about 25% increase in 2009. In June 2009, we started receiving sales tax revenues based on new rate (4/10 of 1%) that was approved in Nov 2008 election.	We are expecting 15% decrease in 2009. (Based on 2/10 of 1% tax rate)	20 to 25% decrease from 2008.	25%_decrease (based on 2/10 of 1% tax rate), N.	
Spokane Transit says...	-0.086	-0.09	-3.5%	-1.0% Are you considering changing this plan? _not yet_	We have not yet seen the bottom of the slump. In October we may see a bump from "Cash for Clunkers", but it will only diminish the rest of the year. Unemployment continues to grow. No paycheck = no retail sales.
Twin Transit says...	-22%	-25%	1.75%	-2.1%, None	Overall slow economic recovery within the Lewis Co. region. Projecting a break-even budget with cost reduction measures.
Valley Transit says...	-10.10%	-10.30%	-3%	negative 10.3% for 2009, an additional -5% for 2010.	We don't think we have seen the full impact of the State Budget cuts and layoffs.