GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Jeffrey S. DeWitt
Chief Financial Officer

April 24, 2020

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 306
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Re: April 2020 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimate for the FY 2021 – 2024 District of Columbia Budget and Financial Plan. Fiscal year 2020 is revised downward by $722 million from the February 2020 estimate, reflecting the unprecedented shutdown of the District and national economies to combat the COVID-19 virus. Reduction from the February estimate is primarily due to sales taxes as hotels, restaurants, and most on-premise retail activity has either ceased or significantly diminished.

April revenue estimate compared to previous estimate

	Actual	**Estimated**			**Projected**	
Local Source, General Fund Revenue Estimate ($ millions)	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
February 2020 Revenue estimate	**8,314.9**	**8,452.0**	**8,690.0**	**8,975.9**	**9,249.2**	**9,547.1**
April revision to estimate		*-721.8*	*-773.6*	*-605.6*	*-568.1*	*-555.1*
April 2020 Revenue Estimate		**7,730.2**	**7,916.4**	**8,370.3**	**8,681.1**	**8,992.0**
Revenue Change from Previous Year						
Amount	556.5	(584.7)	186.2	453.9	310.9	310.8
Year-Over-Year Percent Change	*7.2%*	*-7.0%*	*2.4%*	*5.7%*	*3.7%*	*3.6%*

Like other state and local governments throughout the United States, in mid-March, the District government closed schools, stores, hotels, restaurants and other workplaces, and placed severe restrictions on travel and social gatherings to control the spread of COVID-19. Initial District unemployment claims have surged to over 75,000 in the last month as hotels, restaurants, other retail, and personal service establishments have either closed or sharply reduced operations. This revenue forecast assumes that the restrictions on social gatherings and other activities will continue through Spring, and that District economic activities will then begin to return slowly over subsequent months. It assumes that District jobs, wages, and the stock market will decline sharply in the current quarter and then recover slowly over the next 18 months.

There is a high degree of uncertainty around the forecast because the rapid spread of the virus and the measures to control it are without precedent in recent history. One source of uncertainty is how and when restrictions will be lifted both locally and nationally--and how the public and business entities will respond when the restrictions are lifted. Another source of uncertainty is the severity of the disruption to the national economy, which has already experienced a steep rise in unemployment and a 34 percent decline in stock prices in the first few weeks of the public health emergency. Although stock prices have staged a partial recovery recently, they have been characterized by large daily price swings. Another recent development adversely affecting the national economy is the collapse of oil prices. While the federal government has enacted several measures designed to aid individuals and businesses, it is unclear how successful these measures will be in stabilizing the economy and encouraging meaningful recovery. This estimate will be revisited in August at which time more information will be available.

All revenue sources are affected by the current downturn. The largest revision is to sales tax revenue, reflecting the decline in revenue from hotels, restaurants, and on-premise retail. As residents stay home and commuting is significantly curtailed, people are concerned about their personal health and safety, the duration of the restrictions, and possible job losses. As a result, consumers have reduced their spending significantly, and while there is more spending online and for takeout or delivery, overall spending has declined.

Revenue Highlights

Real property tax

The collections rates for real property tax payments due at the end of March 2020 were as expected and do not reflect any impact from the recession. Hotels were granted a legislative deferral of their real property tax payments due March 31 until June to provide immediate short-term relief to those property owners. There is concern about the collections of the payment due at the end of September if property owners are still experiencing financial pressure. While most residential property payments are included in mortgage payments, commercial owners may struggle due to lease cancellations. We will monitor those payments very closely. For tax year 2021, preliminary assessments have already been prepared and sent to taxpayers. We have assumed appeals will likely be higher, particularly for hotels and properties that include restaurants and/or on-premise retail.

Most of the impact on real property tax revenues from the 2020 economic environment will become apparent in tax year 2022 as assessments made at the end of 2020 will be the basis for bills sent out in February 2022. Revenue in FY 2022 is revised downward by $139 million, mostly due to commercial property assessments, $150 million in FY 2023 and $142 million in FY 2024 compared to the February 2020 estimate.

Sales tax

Sales tax revenue is reduced by approximately $400 million from the February estimate. As noted above, sales tax collections are most affected by the 2020 public health restrictions. Sales tax revenue makes up 18 percent of general fund revenue. Of that total, hotels and restaurants account for half of the sales tax revenue. Public health restrictions have reduced those operations to near zero for hotels and bars, and by 85 percent to 90 percent for restaurants, which can only provide takeout and delivery. After the revision, sales tax revenue in FY 2020 is $342 million (or 21.5 percent) less than in FY 2019.

Importantly, about 30 percent of the sales tax reduction is dedicated to entities like the Convention Center and WMATA. In particular, a significant portion of Convention Center revenue, including Destination DC, comes from hotels and restaurants, and as a result, will experience a 46 percent loss in revenue compared to the February 2020 estimate. The expected cancellation of baseball games until next year at Nationals Park reduces revenue from ticket, merchandise, food and parking sales at the ballpark but is expected to return next year.

Components of Sales Tax Reduction from February 2020 estimate

$millions	FY 2020
Sales Tax:	**(395.7)**
Local	(262.1)
Dedicated/Enterprise	(133.5)
Convention Center	*(86.2)*
Tax increment areas	*(11.9)*
WMATA	*(22.5)*
Commission on Arts	*(4.7)*
Sales tax from Baseball	*(8.3)*

The extent of the restrictions and the uncertainty about how and when the economy reopens and recovers mean that sales tax revenue will recover more slowly in FY 2021, growing by 11 percent from the drastically reduced 2020 level. Sales tax revenue does not fully return to FY 2019 levels until FY 2023.

Income taxes

Individual income tax revenue for FY2020 is revised downward by $100 million compared to the February 2020 estimate, and now grows just 0.5 percent over FY 2019. There is an especially high degree of uncertainty around this estimate as most of the data on which we usually rely —April final payments and refunds — had penalties and interest waived until June 15, essentially delaying those returns by 90 days. Withholding tax revenue through March was strong, and it is expected that final payments received over the next three months will reflect the market gains of last year. Withholding, however, fell in April, reflecting the first month of the restrictions, but less significantly than May and June when the full impacts are recognized. Although the unemployment level is high and 2nd quarter 2020 unemployment is expected to reach 18 percent, employment losses are concentrated in lower-wage industries and will reduce withholding by a smaller percentage than the percentage of the workforce affected. Some of the lost withholding will also be offset by withholding from unemployment compensation.

In FY 2021, the individual income tax revenue estimate is revised downward by $187 million from the February estimate, and revenue is expected to decline by 1.7 percent relative to FY 2020. This reflects continued weakness in withholding tax revenue as well as lower capital gains realizations. Lower capital gains realizations are the main driver of these sharp declines as final payments and estimated payments are 13.4 percent down from 2020. Income tax revenue is expected to rebound in FY 2022.

In FY 2021, franchise tax revenue is expected to be approximately 7 percent below FY 2020, reflecting the impact of the 2020 recession; revenue is expected to rebound almost 8 percent in FY 2022. Like individual income taxes, business franchise taxes are expected to reflect the uncertain investment environment. In the February 2020 estimate, corporate franchise was expected to decline from 2019 levels, which was positively affected by federal tax legislation. There were fewer estimated payments as of the April 15 deadline, the first indication we have of how the restriction period might affect corporations.

Deed taxes

For FY 2020, deed taxes revenue is revised downward by $127 million from the February 2020 estimate, and will decline 17 percent from FY 2019. Deed taxes revenue is expected to recover most of those losses in FY 2021 as the economy improves. Deed taxes are significantly impacted by the restrictions and the recession. We expect lower residential sales as potential buyers find it difficult to access properties, and potential sellers have difficulty relocating and/or showing houses. We also expect lower commercial property sales as the high degree of uncertainty prevents many investment decisions. We do expect some sales activity because deals that are in an advanced stage will likely close, but others will be postponed until there is more certainty. Re-financings are expected to continue given the low interest rates and the ability to complete transactions online while maintaining social distancing protocols. Unlike the great recession of 2007 through 2009, the real property markets were strong in February and the federal government has made liquidity a priority in responding to the situation.

Nontax revenue and lottery

In FY 2020, revenue from licenses and permits will be 37 percent lower than in FY 2019 and revenue from fines is expected to decline by 40 percent. We expect revenue from licenses, permits and fines to recover as restrictions are lifted. FY 2020 revenue estimates were updated based on collections to date and the estimated share of revenue to be collected for the remainder of this fiscal year, and reflect sharply curtailed economic activity (fewer in-person transactions, reduced numbers of commuters and drivers) as a result of the public health restrictions. Reductions in the projected licenses and permits revenue and fines also reflect these restrictions.

Lottery ticket revenue has been revised downward based on revenue generated to date and the projected sales performance for the remainder of the fiscal year. Since the major switch to teleworking among most offices began in mid-March 2020, weekly sales have consistently been below their prior year performance by about 25 percent on average (adjusted for large Powerball games in 2019). We have shifted the projected revenue from Lottery-operated sports wagering to FY 2021 due to the restrictions in place as of Apri1 1, 2020, and the uncertainties as to when major sports league games will return.

National and Regional Economies

The spread of COVID-19 around the globe brought the pattern of steady growth in the national economy to an abrupt halt, ending the longest period of expansion in US history. The economy is now contracting at an unprecedented rate. In April 2020, the Blue Chip Economic Indicators consensus forecast estimated that by June 2020, real GDP would be 6.7 percent below what it was a year earlier. This decline is greater, and occurring faster, than the 4 percent drop that occurred over an eighteen-month period during the Great Recession. Most routinely reported data has not yet caught up with the current developments.

Economic Outlook

The economic outlook for the District's economy is much like that for the national one—sharp contractions in April, May, and June, followed by a recovery process that goes through the end of calendar year 2021. It will take even longer for employment levels to return to where they were prior to the public health emergency. Our outlook is generally consistent with the forecasts for the U.S economy by the Congressional Budget Office and with the national and District forecasts prepared by IHS Markit and Moody's Analytics.

The outlook includes:

- Jobs located in DC are expected to decrease 5.1 percent in FY 2020, followed by increases of 0.5 percent in FY 2021 and 2.9 percent in FY 2022. (Jobs increased 0.7% in FY 2019.)
- Population growth continues with 13,800—2.0 percent—added over the three fiscal years 2020 through 2022. This pace is slower than the 3.0 percent growth from FY 2016 to FY 2019.
- Resident employment declines by 5.1 percent in FY 2020, with increases of 0.6 percent and 3.3 percent in the following years. The unemployment rate, which was 5.5 percent in FY 2019, rises to an average 11.6 percent rate in FY 2020, with a peak of 18 percent in the current

quarter, and 11.8 percent in FY 2021. The rate declines to 7.6 percent in FY 2024, close to the rate (7.1%) that existed in FY 2015.

- DC Personal Income growth is expected to be 0.2 percent in FY 2020 and -0.5 percent in FY 2021, rebounding by 5.2 percent in FY 2022 as the recovery progresses.
- The S&P 500 index is forecasted to decline 15 percent year-over-year in fourth quarter of calendar year 2020, recovering its prior peak by the end of calendar year 2021.

Risks to the forecast

As noted earlier, there is an unusual amount of uncertainty associated with this forecast. There is uncertainty over when COVID-19 health concerns will subside; when and how social distancing and other restrictions will be relaxed; how people and businesses will respond when those requirements are relaxed; how much of a recession will occur in the national economy; how the stock market and other financial markets will be affected by the economy and efforts taken by the United States government and governments around the world to cope with related health and economic difficulties; and the depth and duration of damage to the District's economy and revenue base. The list of uncertainties is long and we cannot assume, given the extensive disruptions to the economy, that things will quickly return to the way they used to be. There could be lingering effects on shopping, work, and travel patterns, along with changes in the interest people have in moving to and working in the District of Columbia or other cities. There could also be changes in demand for office space, as well as people's desire to go out to bars, restaurants or movies.

The forecast assumes it will take most of calendar year 2021 for the economy to recover the ground that has been lost. Recovery in the national economy may, however, occur more quickly, particularly if it becomes clear that the spread of illness is being reliably contained or if progress is being made in developing effective treatments and vaccines. Were this scenario to occur, hotels and restaurants in the District of Columbia will fill more rapidly with customers, and revenue growth will be greater than assumed in the forecast.

There are, however, also many down-side risks to the forecast. Infection rates from the virus may increase as restrictions are relaxed or the weather gets colder in the fall. Problems in the national economy and financial markets may turn out to be more severe than assumed here. Were these possibilities to occur, revenues over the period of the financial plan will be less than estimated here. For example, if progress in relaxing social distancing is delayed by a quarter, or if such measures must be re-imposed because infections begin to rise again, the impact could be about $250 million less revenue annually. Also, if the stock market is 10 percent lower than currently forecasted, the impact on FY 2021 revenues would be an additional $50 million decline.

Focusing on the larger economic and health issues, the federal government's important role in the District's economy should not be overlooked, and changes in federal spending policies constitute a major risk to the revenue forecast. The CARES Act and other special measures to counteract the health emergency and stabilize the economy are resulting in large increases in federal spending, but it remains to be seen what impact, if any, this will have on funding for the operations of the federal government and for the purchase of goods and services that are important elements in the District's economy. The federal government's FY 2021 budget will also be negotiated during a contentious election year, raising the risk of disruption in FY 2021. As always, possible disruptions arising from uncertainties around the world and potential national security events are a continuing source of risk.

Over the coming months, more information will become available about the extent of economic disruption that occurred in the District and the national economy, the pace at which constraints are being relaxed, and what is happening to the various sources of District revenue. Experience has shown that three of the District's most volatile revenue sources—deed taxes, corporate profits and individual capital gains—can be quickly affected by adverse developments in the nation's economy and capital markets. In the current environment, disruption to the hospitality industry will also be evident in sales tax receipts. We will continue to closely watch the key economic indicators for deviations from this forecast that might impact the financial plan.

If you have any questions regarding this matter, please contact me at (202) 727-2476.

Sincerely,

Jeffrey S. DeWitt

Jeffrey S. DeWitt

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TABLE 1: REVENUE SUMMARY TABLE
$ in Thousands

	Actual	Estimate		Out Year Projections		
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
PROPERTY	2,827,757	2,876,018	2,926,221	2,926,248	3,008,108	3,111,473
Real Property	2,710,080	2,782,625	2,821,475	2,810,437	2,890,198	2,990,774
Personal Property	78,997	64,753	70,917	75,375	76,863	78,380
Public Space Rental	38,680	28,640	33,829	40,436	41,048	42,320
Dedicated to other funds	(52,642)	(49,745)	(46,368)	(48,213)	(58,755)	(62,698)
PROPERTY (NET)	2,775,115	2,826,273	2,879,853	2,878,035	2,949,353	3,048,776
SALES & EXCISE	1,707,223	1,340,582	1,489,262	1,611,990	1,727,941	1,805,151
General Sales	1,597,727	1,255,915	1,390,692	1,510,777	1,626,486	1,703,380
Alcohol	7,042	6,941	7,066	7,293	7,410	7,529
Cigarette	28,546	28,060	27,180	26,019	24,908	23,844
Motor Vehicle	45,973	31,156	39,682	40,674	41,691	42,734
Motor Fuel	27,935	18,510	24,642	27,227	27,445	27,664
Dedicated to other funds	(533,623)	(409,274)	(490,887)	(518,841)	(556,232)	(576,752)
SALES & EXCISE (NET)	1,173,600	931,308	998,375	1,093,149	1,171,709	1,228,399
INCOME	2,941,982	2,902,306	2,824,309	3,059,381	3,183,427	3,304,379
Individual Income	2,299,326	2,311,489	2,271,640	2,461,314	2,564,112	2,666,235
Corporate Franchise	507,911	456,195	422,696	464,171	483,100	499,571
Unincorporated Franchise	134,745	134,622	129,973	133,896	136,215	138,573
INCOME (NET)	2,941,982	2,902,306	2,824,309	3,059,381	3,183,427	3,304,379
GROSS RECEIPTS	395,068	343,483	360,319	367,509	373,943	382,438
Public Utilities	156,274	117,961	130,707	134,328	138,058	141,900
Toll Telecommunications	41,899	35,269	35,657	35,301	34,948	34,598
Insurance Premiums	118,802	119,359	122,453	123,938	126,297	128,701
Ballpark Fee	45,096	34,985	37,400	37,400	37,400	37,400
Private Sports Wagering	0	0	942	2,072	2,279	2,507
Health Related	32,999	35,909	33,987	34,469	34,961	37,332
Dedicated to other funds	(136,184)	(127,659)	(134,784)	(136,637)	(138,542)	(136,259)
GROSS RECEIPTS (NET)	258,885	215,824	225,535	230,871	235,401	246,179
OTHER TAX	583,377	489,521	577,658	653,212	672,409	692,606
Estate	22,311	25,056	25,439	26,493	27,554	28,666
Deed Recordation	299,512	260,791	297,582	339,354	349,727	360,101
Deed Transfer	228,249	175,853	225,741	258,469	266,231	273,994
Economic Interest	33,306	27,821	28,896	28,896	28,896	29,845
Dedicated to other funds	(82,399)	(66,415)	(80,646)	(90,629)	(93,260)	(96,124)
OTHER TAX (NET)	500,977	423,107	497,012	562,582	579,149	596,482
TOTAL TAX (GROSS)	8,455,407	7,951,911	8,177,769	8,618,340	8,965,828	9,296,046
TOTAL TAX (NET)	7,650,559	7,298,818	7,425,083	7,824,019	8,119,039	8,424,215
NONTAX	619,241	397,211	439,950	481,689	489,365	492,798
Licenses & Permits	146,956	92,644	121,801	137,608	141,644	145,797
Fines & Forfeits	195,392	118,295	126,398	143,658	137,170	130,975
Charges for Services	77,487	70,893	73,323	76,256	80,718	84,658
Miscellaneous	199,407	115,379	118,428	124,166	129,833	131,367
NONTAX (NET)	619,241	397,211	439,950	481,689	489,365	492,798
LOTTERY	45,050	34,132	51,373	64,554	72,735	74,947
GROSS REVENUE	9,119,699	8,383,255	8,669,093	9,164,583	9,527,928	9,863,791
LOCAL FUND REVENUE	8,314,850	7,730,162	7,916,407	8,370,262	8,681,139	8,991,959
DEDICATED FUNDS (See Table 2 for Details)	804,848	653,093	753,513	794,321	846,789	871,832

TABLE 1: REVENUE SUMMARY TABLE (Continued)
% Change

	Actual	Estimate		Out Year Projections		
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
PROPERTY	6.3%	1.7%	1.7%	0.0%	2.8%	3.4%
Real Property	6.1%	2.7%	1.4%	-0.4%	2.8%	3.5%
Personal Property	17.2%	-18.0%	9.5%	6.3%	2.0%	2.0%
Public Space Rental	2.8%	-26.0%	18.1%	19.5%	1.5%	3.1%
Dedicated to other funds	17.0%	-5.5%	-6.8%	4.0%	21.9%	6.7%
PROPERTY (NET)	6.2%	1.8%	1.9%	-0.1%	2.5%	3.4%
SALES & EXCISE	6.9%	-21.5%	11.1%	8.2%	7.2%	4.5%
General Sales	7.0%	-21.4%	10.7%	8.6%	7.7%	4.7%
Alcohol	7.4%	-1.4%	1.8%	3.2%	1.6%	1.6%
Cigarette	2.1%	-1.7%	-3.1%	-4.3%	-4.3%	-4.3%
Motor Vehicle	4.4%	-32.2%	27.4%	2.5%	2.5%	2.5%
Motor Fuel	6.3%	-33.7%	33.1%	10.5%	0.8%	0.8%
Dedicated to other funds	70.2%	-23.3%	19.9%	5.7%	7.2%	3.7%
SALES & EXCISE (NET)	-8.6%	-20.6%	7.2%	9.5%	7.2%	4.8%
INCOME	11.4%	-1.3%	-2.7%	8.3%	4.1%	3.8%
Individual Income	11.2%	0.5%	-1.7%	8.3%	4.2%	4.0%
Corporate Franchise	16.4%	-10.2%	-7.3%	9.8%	4.1%	3.4%
Unincorporated Franchise	-2.5%	-0.1%	-3.5%	3.0%	1.7%	1.7%
INCOME (NET)	11.4%	-1.3%	-2.7%	8.3%	4.1%	3.8%
GROSS RECEIPTS	8.2%	-13.1%	4.9%	2.0%	1.8%	2.3%
Public Utilities	12.2%	-24.5%	10.8%	2.8%	2.8%	2.8%
Toll Telecommunications	5.4%	-15.8%	1.1%	-1.0%	-1.0%	-1.0%
Insurance Premiums	5.3%	0.5%	2.6%	1.2%	1.9%	1.9%
Ballpark Fee	24.5%	-22.4%	6.9%	0.0%	0.0%	0.0%
Private sports wagering				120.0%	10.0%	10.0%
Health Related	-10.8%	8.8%	-5.4%	1.4%	1.4%	6.8%
Dedicated to other funds	4.2%	-6.3%	6.2%	0.8%	1.4%	-1.6%
GROSS RECEIPTS (NET)	10.5%	-16.6%	4.5%	2.4%	2.0%	4.6%
OTHER TAX	14.8%	-16.1%	18.0%	13.1%	2.9%	3.0%
Estate	-37.5%	12.3%	1.5%	4.1%	4.0%	4.0%
Deed Recordation	16.3%	-12.9%	14.1%	14.0%	3.1%	3.0%
Deed Transfer	13.8%	-23.0%	28.4%	14.5%	3.0%	2.9%
Economic Interest	136.1%	-16.5%	3.9%	0.0%	0.0%	3.3%
Dedicated to other funds	15.8%	-19.4%	21.4%	12.4%	2.9%	3.1%
OTHER TAX (NET)	14.7%	-15.5%	17.5%	13.2%	2.9%	3.0%
TOTAL TAX (GROSS)	8.8%	-6.0%	2.8%	5.4%	4.0%	3.7%
TOTAL TAX (NET)	6.1%	-4.6%	1.7%	5.4%	3.8%	3.8%
NONTAX	24.6%	-35.9%	10.8%	9.5%	1.6%	0.7%
Licenses & Permits	48.9%	-37.0%	31.5%	13.0%	2.9%	2.9%
Fines & Forfeits	18.9%	-39.5%	6.8%	13.7%	-4.5%	-4.5%
Charges for Services	-11.6%	-8.5%	3.4%	4.0%	5.9%	4.9%
Miscellaneous	36.5%	-42.1%	2.6%	4.8%	4.6%	1.2%
NONTAX (NET)	24.6%	-35.9%	10.8%	9.5%	1.6%	0.7%
LOTTERY	-9.0%	-24.2%	50.5%	25.7%	12.7%	3.0%
GROSS REVENUE	9.6%	-8.1%	3.4%	5.7%	4.0%	3.5%
LOCAL FUND REVENUE	7.2%	-7.0%	2.4%	5.7%	3.7%	3.6%
DEDICATED FUNDS (See Table 2 for Details)	43.6%	-18.9%	15.4%	5.4%	6.6%	3.0%

Table 2: Dedicated/Enterprise revenue

$ in Thousands

		Actual	Estimated		Out year projections		
Dedicated to	Tax Type	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
TIF	Real Property	17,944	18,058	18,284	19,280	24,134	27,041
	General Sales	30,732	25,928	35,840	35,595	48,274	50,349
PILOT	Real Property	34,698	31,687	28,085	28,933	34,621	35,657
	General Sales	14,340	11,228	15,512	16,061	16,649	17,303
Convention Center	General Sales	141,276	63,135	89,444	101,133	114,403	120,123
DestinationDC	General Sales	6,358	3,270	3,701	4,256	4,894	5,139
Ballpark	General Sales	16,150	13,250	18,000	18,000	18,000	18,000
	Public Utility	8,180	6,399	7,325	7,691	8,075	8,479
	Toll Telecom	2,336	1,841	2,191	2,122	2,056	1,991
	Ballpark Fee	45,096	34,985	37,400	37,400	37,400	37,400
Healthy DC – Marijuana	General Sales	1,158	1,141	1,358	1,616	1,923	1,988
Healthy DC – MCO	Insurance premium	47,573	48,524	54,508	54,755	55,850	52,729
WMATA - Operations	General Sales	79,782	58,558	77,295	81,101	84,043	87,573
WMATA - Capital	General Sales	178,500	178,500	183,855	189,371	195,052	200,903
Healthy Schools	General Sales	4,266	5,110	5,110	5,110	5,110	5,110
ABRA	General Sales	1,170	1,170	1,170	1,170	1,170	1,170
Commission on Arts and Humanities	General Sales	31,956	29,475	34,960	38,201	39,268	41,428
Highway Trust Fund	Motor Fuel	27,935	18,510	24,642	27,227	27,445	27,664
Nursing Facility Quality of Care	Health Related	14,338	15,345	15,652	15,965	16,285	16,572
Hospital Fund	Health Related	8,452	8,814	8,454	8,623	8,796	9,007
Hospital Provider Fee Fund	Health Related	5,345	6,673	4,804	4,804	4,804	4,804
ICF-IDD Stevie Sellows	Health Related	4,864	5,077	5,077	5,077	5,077	5,077
Dept of Health	Private Sports Wager	-	-	200	200	200	200
Housing Production Trust Fund (HPTF)	Deed Recordation	40,698	36,258	42,561	48,827	50,385	52,043
	Deed Transfer	28,743	21,479	30,305	35,214	36,382	37,581
	Economic Interest	4,880	550	597	597	597	597
HPTF-Debt Service	Deed Recordation	2,856	2,860	2,077	2,077	2,074	2,074
	Deed Transfer	4,892	4,899	3,556	3,556	3,552	3,552
	Economic Interest	80	80	58	58	58	58
West End Maintenance	Deed Recordation	125	144	746	150	106	109
	Deed Transfer	125	144	746	150	106	109
TOTAL		**804,839**	**653,093**	**753,513**	**794,321**	**846,789**	**871,832**

Table 3. Key Economic Variables

Variable	FY15	FY16	FY17	FY18	FY19 (Estimated)	FY20 (Estimated)	FY21 (Forecast)	FY22 (Forecast)	FY23 (Forecast)	FY24 (Forecast)
Gross Domestic Product - DC ($billions)	124.23	128.45	132.98	138.91	144.79	141.37	145.88	153.21	158.80	164.81
% change annual	4.8%	3.4%	3.5%	4.5%	4.2%	-2.4%	3.2%	5.0%	3.6%	3.8%
Real GDP-DC (2005 $billions)	116.91	118.82	120.69	123.17	125.42	120.60	123.35	128.52	131.40	133.39
% change annual	2.3%	1.6%	1.6%	2.1%	1.8%	-3.8%	2.3%	4.2%	2.2%	1.5%
Personal Income ($billions)	50.13	52.54	54.46	56.99	59.18	59.27	58.97	62.06	64.37	66.78
% change annual	8.0%	4.8%	3.6%	4.6%	3.8%	0.2%	-0.5%	5.2%	3.7%	3.7%
Real Personal Income (2005 $billions)	41.56	44.02	44.50	45.27	46.27	45.99	45.37	47.24	48.28	49.08
% change annual	8.2%	5.9%	1.1%	1.7%	2.2%	-0.6%	-1.3%	4.1%	2.2%	1.7%
Per capita personal income	74,412	76,767	78,515	81,347	83,916	83,524	82,566	86,319	88,937	91,647
% change annual	6.0%	3.2%	2.3%	3.6%	3.2%	-0.5%	-1.1%	4.5%	3.0%	3.0%
Real per capita personal income (2005$)	61,698	64,310	64,152	64,618	65,609	64,805	63,523	65,706	66,702	67,360
% change annual	6.2%	4.2%	-0.2%	0.7%	1.5%	-1.2%	-2.0%	3.4%	1.5%	1.0%
Wages in DC ($billions)	67.10	69.32	72.14	75.51	78.47	77.71	78.15	82.46	85.81	88.98
% change annual	5.0%	3.3%	4.1%	4.7%	3.9%	-1.0%	0.6%	5.5%	4.1%	3.7%
Wages of DC residents ($billions)	24.7	25.6	26.9	28.3	29.3	28.8	29.0	30.8	32.1	33.4
% change annual	7.6%	3.8%	5.0%	5.2%	3.5%	-1.6%	0.7%	5.9%	4.4%	4.0%
Population (000s)	673.6	684.4	693.6	700.6	705.2	709.7	714.3	719.0	723.8	728.7
% change annual	1.9%	1.6%	1.3%	1.0%	0.7%	0.6%	0.6%	0.7%	0.7%	0.7%
Households (000s)	298.1	302.0	305.5	309.4	311.5	313.6	315.7	317.9	320.2	322.5
% change annual	1.9%	1.3%	1.2%	1.3%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Civilian labor force (000s)	387.3	394.2	400.2	404.5	407.5	413.1	416.4	419.9	423.4	426.3
% change annual	2.9%	1.8%	1.5%	1.1%	0.7%	1.4%	0.8%	0.8%	0.8%	0.7%
Employment in DC (000s)	759.3	774.9	782.7	791.0	796.5	755.9	759.5	781.2	798.5	805.7
% change annual	1.7%	2.1%	1.0%	1.1%	0.7%	-5.1%	0.5%	2.9%	2.2%	0.9%
Employment of DC residents (000s)	359.6	369.7	375.7	381.4	385.0	365.2	367.4	379.5	389.2	393.8
% change annual	3.8%	2.8%	1.6%	1.5%	0.9%	-5.1%	0.6%	3.3%	2.6%	1.2%
Unemployment rate	7.1	6.2	6.1	5.7	5.5	11.6	11.8	9.6	8.1	7.6
Housing Starts	3,883	4,222	4,184	4,521	6,416	4,057	3,351	2,878	2,613	2,394
Housing Stock (000s)	328.5	332.6	337.9	342.6	346.4	349.4	352.4	355.0	357.4	360.0
% change annual	1.3%	1.2%	1.6%	1.4%	1.1%	0.9%	0.9%	0.7%	0.7%	0.7%
Home Sales	7,929	8,340	8,598	8,957	8,434	8,603	8,689	8,732	8,758	8,776
% change annual	4.1%	5.2%	3.1%	4.2%	-5.8%	2.0%	1.0%	0.5%	0.3%	0.2%
Avg Home Sale Price (000s)	767.9	794.7	824.9	835.1	863.6	880.9	885.3	931.7	966.3	1,002.5
% change annual	4.3%	3.5%	3.8%	1.2%	3.4%	2.0%	0.5%	5.2%	3.7%	3.7%
SP 500 Stock Index	2.0%	6.4%	19.2%	3.3%	14.7%	-15.0%	26.0%	7.2%	1.6%	2.9%
US 10 Year Treasury	2.2	1.9	2.3	2.7	2.5	1.1	0.6	0.9	1.3	1.7
Washington Area CPI: % change prior year	0.3	0.9	1.8	1.9	1.3	1.1	1.4	1.7	2.1	2.2

** Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2018 is the % change from CY 2017.4 to CY 2018.4)*

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Markit Global Insight (March and April 2020) and Moody's Analytics (March 2020); forecasts of the national economy prepared by the Congressional Budget Office (April 2020) and Blue Chip Economic Indicators (March 2020); BLS labor market information from February 2020; the Census Bureau estimates of the D.C. population (2019); Bureau of Economic Analysis estimates of D.C. Personal Income (December 2019); Metropolitan Regional Information System (MRIS) D.C. home sales data (March 2019), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); CoStar information on commercial office buildings and residential property in D.C. (December 2019); and Delta Associates commercial office buildings and apartments in DC (December 2019).