THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Daniel Dromm
Chair, Finance Committee

Report to the Committee on Finance
Economic and Revenue Forecast
Tax Revenue Collections and Cash Plan

March 2, 2021

Finance Division
Latonia R. McKinney, Director

Finance Division

Legal Unit
Rebecca Chasan, Senior Counsel
Noah Brick
Stephanie Ruiz

Budget Unit
Regina Poreda Ryan, Deputy Director
Nathan Toth, Deputy Director
Crilhien Francisco, Unit Head
Chima Obichere, Unit Head
John Russell, Unit Head
Dohini Sompura, Unit Head
Eisha Wright, Unit Head
Aliya Ali
Sebastian Bacchi
John Basile
Chelsea Baytemur
Monika Bujak
John Cheng
Sarah Gastelum
Julia Haramis
Lauren Hunt
Florentine Kabore
Jack Kern
Daniel Kroop
Monica Pepple
Michele Peregrin
Masis Sarkissian
Frank Sarno
Jonathan Seltzer
Nevin Singh
Jack Storey
Luke Zangerle

Revenue and Economics Unit
Raymond Majewski, Deputy Director, Chief Economist
Emre Edev, Assistant Director
Paul Sturm, Supervising Economist
Hector German
William Kyeremateng
Nashia Roman
Andrew Wilber

Discretionary Funding and Data Support Unit
Paul Scimone, Deputy Director
James Reyes
Savanna Chou

Administrative Support Unit
Nicole Anderson
Maria Pagan
Courtneigh Summerrise

Table of Contents

Overview of the Report

Although the COVID-19 recession has been over since July 2020, acute economic hardship persists for New York City. Payroll employment in the City was down by nearly 13 percent between February and December 2020, with over 60 percent of the job loss in industries paying less than $75,000 a year. The strain on families continues and it is disproportionately felt by families of color.

COVID-19 continues to impact the health and wellbeing of both the City's residents and economic performance. In the 7 days prior to February 23, there were more than 17,500 COVID-19 cases, more than 1,400 hospitalizations and more than 300 deaths from COVID-19 in the City.[1] The appearance of new strains of COVID adds to the uncertainty of economic forecasts.

However, there is good news both from public health and economic policy. In terms of public health, the approval of the Pfizer and Moderna vaccines push us closer to finally bringing the pandemic under control. Over the past two months, 1.5 million doses of the vaccines have been administered in the City.[2] As for economic policy, the long stalled fiscal stimulus is finally moving. The passage of the "The Consolidated Appropriations Act of 2021" and the potential passage of "American Rescue Plan of 2021" have changed the economic outlook significantly. In its February baseline forecast, IHS Markit raised its GDP forecast for 2021 from 4 percent to 5.7 percent. Other forecasters consulted by the Finance Division, including Wells Fargo, have also raised its forecast. This extra strength will be one of the key differences between the Finance Division's forecast and that of the City's Office of Management and Budget (OMB).

In order to address the uncertainty caused by COVID-19, this report contains two scenarios based on how the virus behaves over the next two years. The baseline scenario, which the Finance Division believes is more likely, assumes COVID-19 remains much as it is now and fades as vaccination protects the population. In the pessimistic scenario, which cannot be discounted, new and more infectious variants of the virus, coupled with problems with vaccination, lead to subsequent reintroduction of restrictions.

In the baseline scenario, economic expansion begins in the third quarter of 2020 and continues through the forecast period for both the nation as a whole and for the City. However, the U.S. will not get back to the pre-COVID-19 level of GDP until later in 2021, and the City will not get back to pre-COVID-19 levels of employment until late in 2023.

The Finance Division's baseline scenario projects tax revenues in Fiscal 2021 to be $904 million above the Fiscal 2022 Preliminary Plan. In Fiscal 2022, the baseline forecast remains stronger than OMB's forecast by $669 million. The baseline scenario projects that, on average, tax revenues for the outyears will be $1.7 billion higher than OMB's estimates.

In the pessimistic scenario, economic expansion continues through the forecast period, but at a slower pace. Caution and restrictive measures cause consumer spending to fall below baseline. This is the principle source of the weaker growth.

The Finance Division's pessimistic forecast projects tax revenues in Fiscal 2021 to be $310 million less than the Fiscal 2022 Preliminary Plan. The forecast remains under OMB in Fiscal 2022 with revenues $1 billion under Plan. The pessimistic forecast projects that, on average, tax revenues for the outyears will be $1.75 billion lower than OMB's estimates.

[1] COVID-19: Latest Data - NYC Health

[2] COVID-19: Latest Data, ibid.

Current Economic Conditions

National Conditions

The consumer health concerns and shutdowns across the U.S. to contain the pandemic, led to a sharp contraction in economic activity during the second quarter of 2020, with real gross domestic product (GDP) declining by 31.4 percent. However, economic activity rebounded by 33.4 percent in the third quarter and advanced by 4.0 percent in the fourth quarter, as COVID cases declined and the economy began to reopen.

As workplaces shuttered, nonfarm payrolls shed 22.2 million jobs in March and April, contracting by 14.5 percent. As many industries began resuming operations, employment partially rebounded, but in smaller increments each month. When the second wave of COVID-19 hit and some containment measures reinstituted, employment fell again by 227,000 in December. In January 2021 employment eked out a meager 49,000 jobs.

The unemployment rate reached a post-Great Depression peak of 14.8 percent in April 2020, but has been declining each month, reaching 6.3 percent in January 2021. The high unemployment disproportionately impacted people of color. While the jobless rate for Whites was 5.7 percent, the rates for Blacks, Hispanics and Asians were 9.2 percent, 8.6 percent and 6.6 percent respectively.[3]

City Conditions

After being disproportionately hit by the pandemic compared to the rest of the country, the City's labor market is recovering sluggishly, lagging behind the rest of the country. At the peak of the pandemic in March and April, the City lost 887,000, or 19.0 percent, of its positions[4]. Over the same period, U.S. employment levels only dropped by 14.5 percent. While the City recovered 31.9 percent of the lost jobs from May through December, the U.S. restored 55.6 percent of its lost jobs over the same period. As of December, the net loss in payroll jobs in the City since February came to 604,000, a 12.9 percent decline. The net loss for the U.S. over the same period, was only 6.5 percent. There is also a striking difference in the unemployment rate. While the City's jobless rate stood at 11.4 percent as of December, the U.S. rate was 6.7 percent.[5]

New York State and City authorities adopted more stringent containment measures compared to the rest of the country after the City became the epicenter of the pandemic in March and April. Various sectors of the economy were shut down and residents admonished to shelter in place, bringing business and consumer activity to an abrupt halt and leading to massive layoffs. Even after the infection and hospitalization rates subsided briefly in the summer, the City, unlike the rest of the country, remained slow and cautious in reopening. State and City authorities have only recently allowed indoor dining at 25 percent capacity. The rationale is that a crowded metropolis facilitates a rapid rate of contagion. The crowding of the City's daily activities, with its packed residences, mass transit, offices, elevators, sidewalks, and restaurants-bars, requires an extra quantum of precaution, which naturally slows any recovery.

The brunt of the pandemic's impact has been felt by sectors that entail person-to-person contact, including restaurants, hotels, entertainment, non-essential retail, health-social assistance and schools. These sectors tend to pay low wages. Around 60 percent of the lost payroll jobs were in industries that paid an average wage of under $75,000 a year. The percentage increases when including self-employed and gig workers.[6]

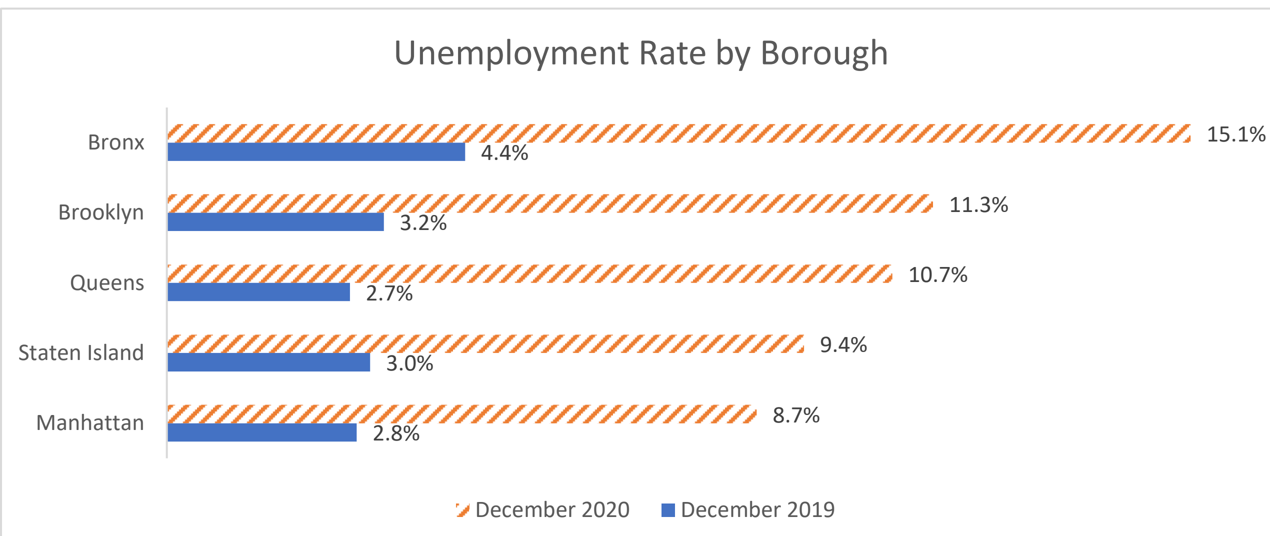
[3] U.S. Bureau of Labor Statistics, 'Employment Situation,' February 2021.
[4] All employment numbers are seasonally-adjusted.
[5] New York State Department of Labor, 'Labor Statistics, January 2021, and U.S. Bureau of Labor Statistics, 'Employment Situation,' January 2021.
[6] New York State Department of Labor, 'Current Employment Statistics,' December 2020.

According to the Center for New York City Affairs at the New School, roughly 68 percent of the lost positions were held by people of color.[7]

New York City Employment (number in thousands)	December 2020	Change from December 2019 to December 2020		Average Wages by Industries 3Q2019-2Q2020
		Number	Percent	
Total nonfarm	4,162	(579)	(12)	$99,446
Construction	138	(19)	(12)	$84,705
Manufacturing	56	(12)	(18)	$65,099
Trade, transportation, and utilities	567	(85)	(13)	$63,581
Information	211	(2)	(1)	$161,699
Financial activities	457	(27)	(6)	$249,247
Professional and business services	719	(88)	(11)	$125,093
Education and health services	1,019	(73)	(7)	$58,061
Leisure and hospitality	246	(223)	(48)	$47,772
Other Services	165	(32)	(16)	$57,092
Government	585	(18)	(3)	$82,442

Source: NYS Department of Labor, December 2020.

Unemployment rates have soared across all five boroughs since the start of the pandemic. All boroughs saw their unemployment rates in December jump more than three times what they were the previous year.[8]



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, December 2020.

Due to the disproportionate loss of low-paying jobs, changes in the private-sector average wage are not clearly reflecting wage pressures within sectors, as they normally do. Instead, they're mostly capturing the dramatic shift in the employment mix, with the fewer low-paying jobs receiving less weight, and the remaining high-wage jobs more weight. Consequently, the Finance Division's estimate of dynamic 7.2

[7] James Parrott, 'New York City's COVID-19 Economy Will Not Snap Back,' pg. 2.
[8] U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, December 2020.

percent wage growth in 2020, represents the decreased representation of low-wage workers in the salary-weighted average wage.

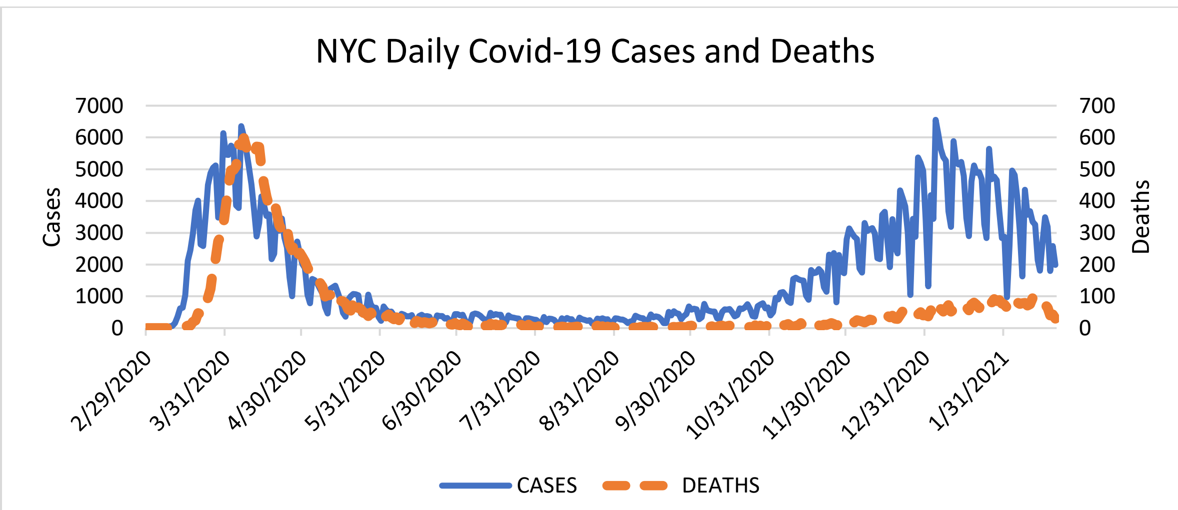
Residential real estate in the City is a mixed picture. Sales of co-ops, condos and 1-3 family houses rebounded by between 31 and 82 percent in the fourth quarter compared to the third quarter in Manhattan, Brooklyn and Queens. However, sales have generally not surpassed their pre-pandemic level, with the exception of Brooklyn. Median home prices were mostly lower quarter-to-quarter, with the exception of Brooklyn, but were above their pre-pandemic level, with the exception of Queens.[9] The rental market was weaker across the board, with rents in Manhattan and Queens down by 14 percent from a year ago, and in Brooklyn down by a little under 10 percent.[10] Vacancy rates are reported to be at "multi-decade highs."[11]

Commercial real estate has significantly weakened. New Manhattan office leasing registered an all-time low of only 12.8 million square feet (MSF) as COVID-19 caused office workers to either be laid-off or working remotely from home. The Manhattan office vacancy rate shot up to a 26-year high of 15.2 percent, a consequence of both the pandemic and additional office space coming out of the pipeline.[12]

The City's hotel industry is one of the hardest hit by the pandemic. Presently, the hotel occupancy rate for those that remain open is at around 43 percent.[13] Business travel, a sizable slice of the hotel business, is "moribund," according to the Federal Reserve. The same can be said for international tourists. A growing component of hotel use is now from domestic weekenders and subsidized housing for the homeless.[14]

COVID-19

During the second quarter of 2020 New York City became the epicenter of the COVID-19 outbreak in the United States. As of February 23, 2021, the United States had 28 million cases in total, with approximately 597,000 in NYC. While the rate of deaths among those infected with the virus reached 1.8 percent in the United States, the rate in NYC reached 4 percent – 2.25 times as high. The highest rates of cases, hospitalizations, and deaths were concentrated in communities of color and within the boroughs of Queens and the Bronx.



[9] Elliman Report: Sales, Manhattan, Brooklyn and Northern Queens, Q4 2020.

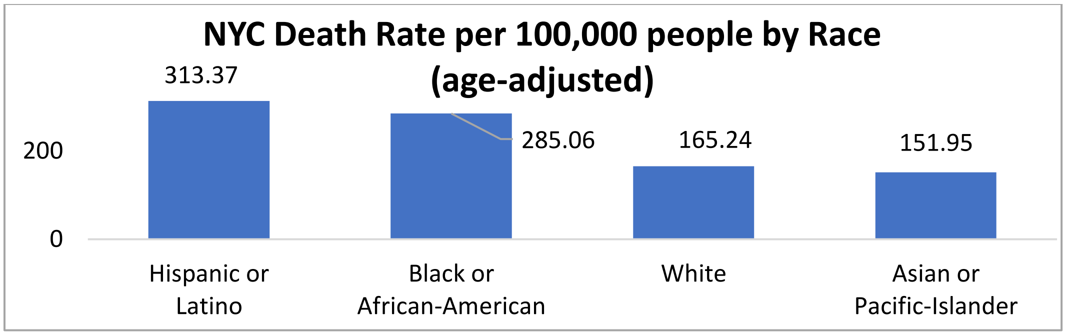
[10] Elliman Report: Manhattan, Brooklyn and Queens Rentals, December 2020.

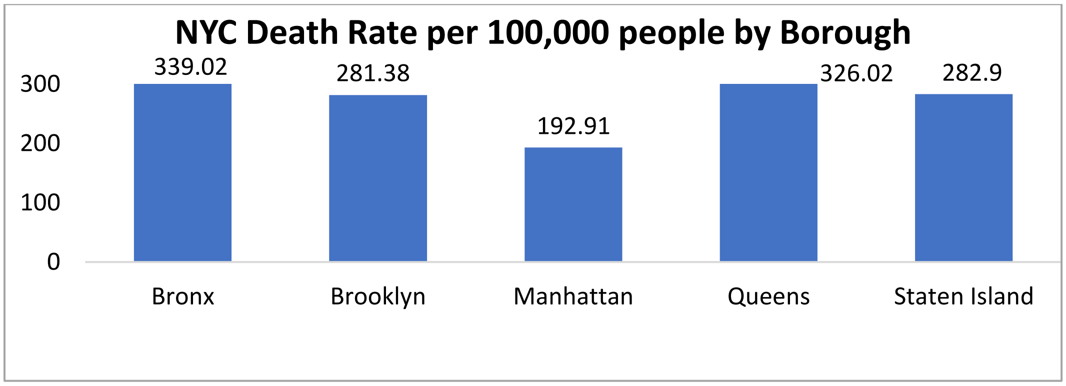
[11] Board of Governors of the Federal Reserve, 'Beige Book,' January 13, 2021.

[12] Cushman & Wakefield, MarketBeat: Manhattan Office, Q4 2020.

[13] NYC & Company, 'Weekly Indicators,' February 13, 2021.

[14] Federal Reserve Bank, Ibid.



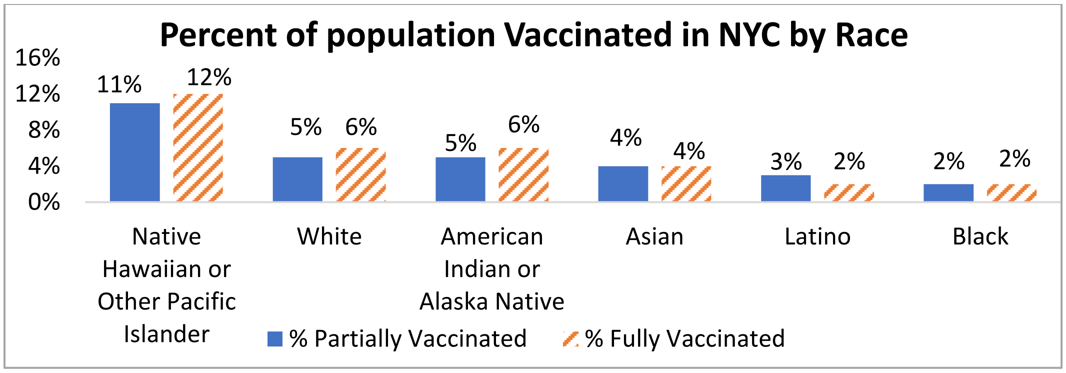


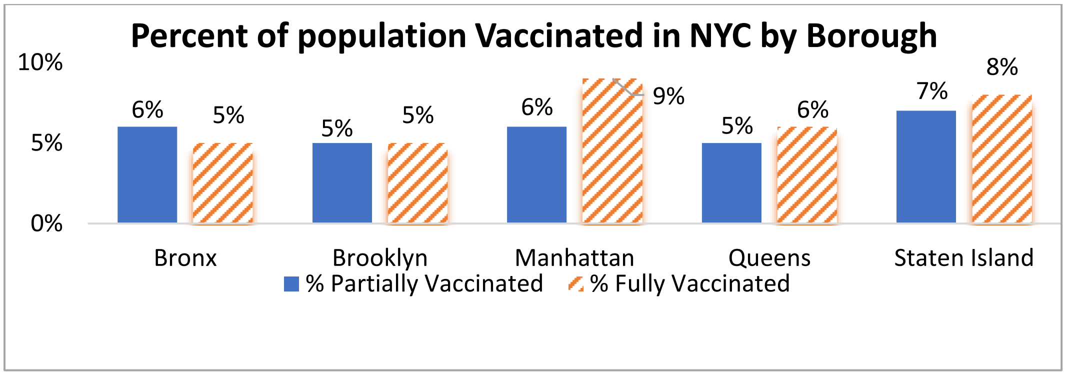
Source: *NYC Department of Health, February 23, 2021*

Vaccination is currently focused on the most vulnerable, which should lower hospitalization and death rates starting in early 2021. The ability to vaccinate is essentially limited by the capacity to produce vaccines. Currently, two vaccines are in use in the United States from Moderna and Pfizer. With these two vaccines, Standard and Poor's estimates there should be sufficient availability of both vaccines to achieve herd immunity by late August or early September. If additional vaccines such as Johnson & Johnson's vaccine are approved, herd immunity could be reached by early summer. Herd immunity is contingent on the willingness of American adults to get vaccinated. Currently no vaccine is approved for those under 16, who are about 20 percent of the population. To achieve the necessary 70 percent for herd immunity it will be necessary to vaccinate 87.5 percent of the over 16 population. Given the mistrust of vaccines and of public institutions, this could be challenging.[15] However, some of those who are not vaccinated may achieve immunity as a result of a prior infection with COVID. This could ease the immunization problem.[16] As of February 23rd, the City of New York has administered 77 percent of the vaccines that were delivered. About 410,523 adults in New York City have been fully vaccinated while 365,942 adults have been partially vaccinated.

[15] Standard and Poors "US Heard Immunity Possible by Midyear with Additional Vaccine Approvals" The Health Care Beat, Issue 14, Feb.11, 2021.

[16] New York Times, [When Could the United States Reach Herd Immunity? It's Complicated. - The New York Times (nytimes.com)] February 21, 2021.





Source: *NYC Department of Health, February 23,, 2021*

Two Economic Forecast Scenarios: Baseline and Pessimistic

COVID-19, as a novel virus, adds an unusual level of uncertainty to the economic and tax revenue forecast. In order to address this, the Finance Division has constructed two scenarios with different assumptions about how the virus behaves over the next two years.[17] The Finance Division believes the baseline scenario is more likely and can be used, with caution, for budgeting purposes.

1. Baseline: "Follow the Rules"

- Rising COVID cases contained by social distancing and shutdowns in hotspots.
- Vaccine brings relief in summer.
- Continued economic expansion.

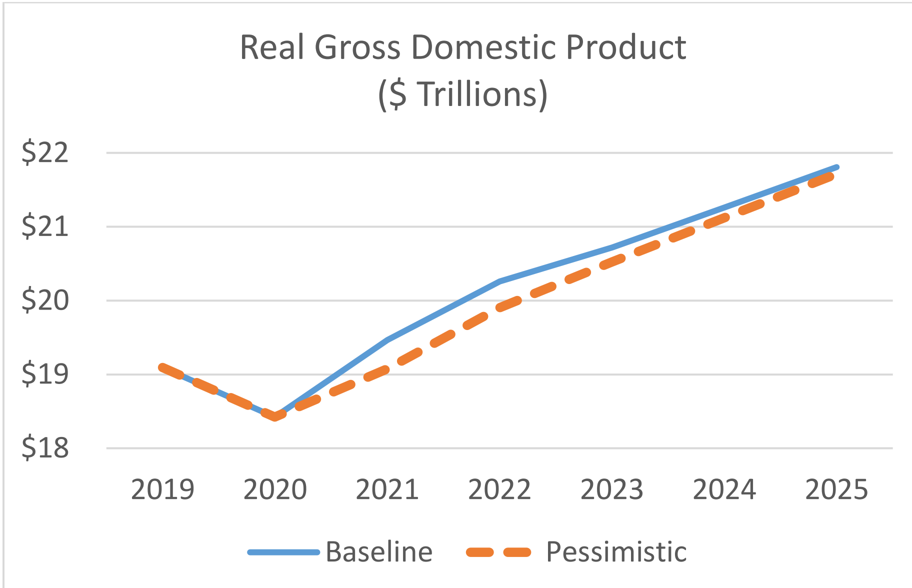
2. Pessimistic: "COVID Upturn Slows Recovery"

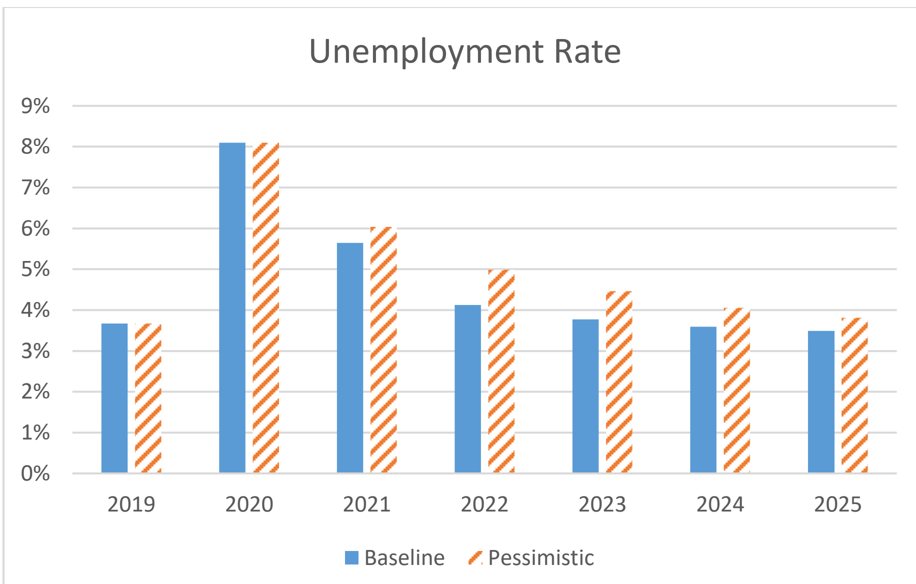
- COVID cases soar, peaking in early 2021.
- Due to a more infecious strain, some containment measures reintroduced.
- Rising cases reduce consumer spending.
- Vaccine brings relief in summer.
- Slow growth first half of 2021.

The common feature of these two scenarios is that both recognize the rise in COVID cases that we are currently experiencing. They differ in the impact of newer strains of COVID. In the pessimistic scenario these more infectious strains require additional containment measures. The combination of the new measures and concern about the disease slows consumption and economic growth in the first half of 2021. This scenario differs from the pessimistic scenarios in the Finance Division's September and November forecasts in that it does not cause a double dip recession.

[17] The two scenarios are based on work by IHS Markit. The baseline scenario follows IHS Markit base scenario and the pessimistic scenario follows the IHS Markit pessimistic scenario. See IHS Markit "US Economic Outlook, February 2021.

National Forecast





Between January and February 2021, IHS Markit significantly increased its baseline forecast for 2021 from 4.0 percent to 5.7 percent. IHS also increased its pessimistic forecast for 2021 from 3.0 percent to 3.5 percent. It's based its more upbeat forecast on several factors. President Joseph Biden's $1.9 trillion stimulus package, even if moderately trimmed by Congress, would enhance consumer activity, provide further relief to small businesses and their employees, help states and localities maintain services and their employees, and provide vitally needed assistance to states and localities with COVID-19 vaccine distribution. IHS also factored in the much stronger than expected 4.0 percent growth in the fourth quarter 2020 reported by the U.S. Bureau of Economic Analysis. Another pleasant surprise was the stronger than anticipated consumer spending in January pointing to a more robust trajectory.

The U.S. baseline scenario forecast is characterized by a "swoosh-shaped" economic recovery, with a steady and stronger recovery in the short-term and outyears. The pessimistic scenario has continued economic growth but at a slower pace. In both scenarios prospects for an imminent recovery are especially uncertain in retail, leisure and hospitality, and travel, which require person-to-person contact.

Underlying the baseline scenario is the assumption that the new cases of COVID-19 remain at a manageable level and the COVID-19 vaccine continues to be distributed across the United States. Guidelines for social distancing are mostly observed, which enables state governments to continue to reopen their economies for a faster economic recovery.

In the baseline scenario, widespread access to an effective COVID-19 vaccine is assumed by late 2021, accelerating the economic recovery. Economic growth of 7.8 percent is attained in the third quarter of 2021.

Underlying the pessimistic scenario is the assumption that vaccine distribution takes longer than expected, allowing the virus to continue mutating. This fosters a formidable enough resurgence of COVID-19 to require more containment measures in the national economy. The pessimistic scenario is distinguished by a 2.5 percent contraction in consumer spending in the second quarter of 2021 (although real GDP growth is flat), and a slower recovery than in the baseline scenario. GDP growth decelerates to 2.5 percent in the first quarter of 2021, and drops to zero percent in the second quarter. Highlighting this condition are two assumptions. The first assumption is that the level of consumer spending will be lower than estimated in the baseline, implying that slower growth will carry over into the second half of the year. The second assumption is that the pace of "opening up" is slower than assumed in the baseline, and unemployment remains stubbornly high, averaging 6 percent in 2021.[18]

Quarterly	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Baseline Scenario (%)						
GDP	33.4	4.0	4.7	6.4	7.8	5.4
Unemployment Rate	8.8	6.7	6.3	5.9	5.5	5.0
Pessimistic Scenario (%)						
GDP	33.4	4.0	2.5	0.0	4.8	6.0
Unemployment Rate	8.8	6.7	6.4	6.3	5.9	5.5

Source: *IHS Markit Forecast, February 2021*

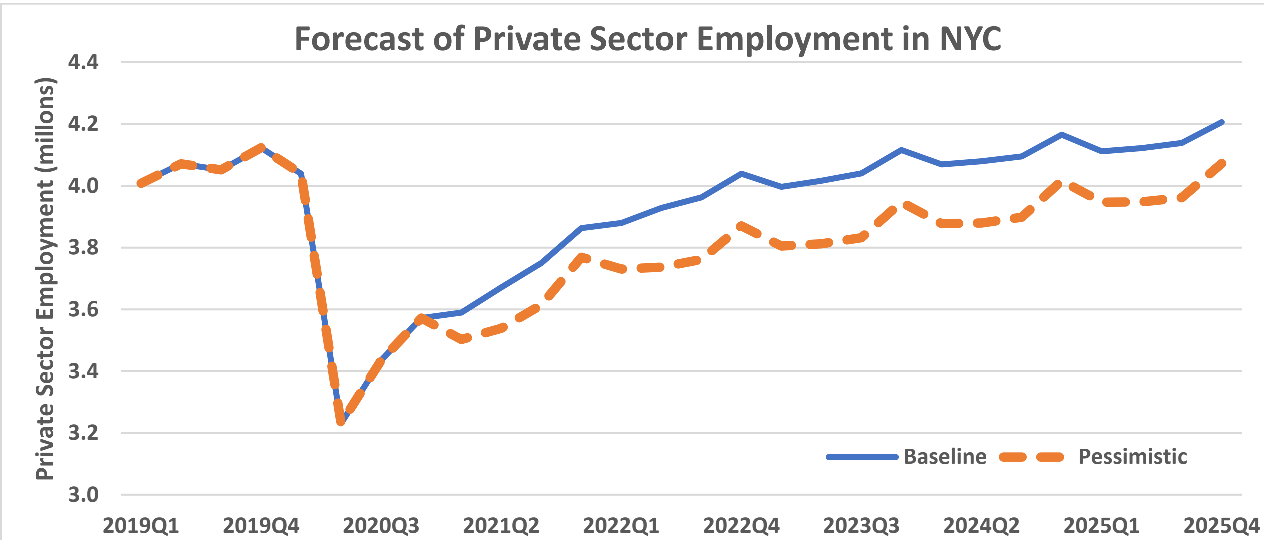
City Forecast

The Finance Division expects total employment in the City to pick up going forward. The baseline forecast projects that the City will add back close to 149,000 jobs this year, as infection rates fall and the ongoing vaccination campaign allows for a relaxation of COVID-19 containment measures. Beyond this year, employment levels are expected to continue to increase steadily throughout the forecast period, but not expected to return to pre-pandemic levels until the last quarter of 2023. Overall, the baseline model expects the City's recovery to outpace that of the rest of the country beginning in the second quarter of 2021. With the availability of vaccines and a declining number of cases, the remaining limitations will be relaxed by 2022, with employees returning to offices and riding the subway again. Any current capacity restrictions should be removed, allowing restaurants, bars, entertainment and sporting events, gyms, hotels and the lucrative tourism industry to thrive again.

The pessimistic scenario, on the other hand, predicts a slower pace of job recovery, with the City projected to add back only 36,000 jobs in 2021. The labor market recovery is expected to lose steam as COVID-19 infection, hospitalization and death rates remain stubbornly high, amidst slower-than-expected vaccine

[18] IHS Markit: Macro Financial Alternative Forecast Data, 2021.

distribution, and emergence of new strains of the virus. The subsequent re-introduction of some restrictions would cause consumer spending to drop below the baseline level and hamper economic recovery over the next few quarters. By 2022, an accelerated vaccine campaign, resulting in reduced COVID-19 cases, is expected to provide the necessary boost for the economy. Job growth would pick up faster as a result, and continue to gain momentum throughout the forecast period. Under this scenario, employment in the City would return to pre-pandemic levels by the fourth quarter of 2025.



Source: New York City Council, Finance Division.

As the City economy gradually reopens and workers in low-paying sectors are rehired, the baseline scenario projects average wage growth dropping to roughly zero in 2021 and 2022, reflecting greater weight from low-wage workers. The pessimistic scenario foresees a slower return to work, maintaining 1.6 percent growth in 2021. From 2023 to 2025 average wage growth is forecasted at 2.8 percent per year in the baseline scenario, and 1.5 percent in the pessimistic scenario.

The City's hotel industry is not expected to return to its former vitality in the near future, until visitors are fully confident that the ravages of the pandemic are behind them. Even at that time, business travel may have permanently shifted to inexpensive virtual meetings.

The Finance Division and OMB produced similar employment forecasts. Following The COVID-driven 12.2 percent drop in private-sector employment in 2020, the Finance Division's baseline scenario forecasts employment growing by 4.2 percent in 2021, accelerating to 6.3 percent in 2022, and subsequently slowing in the outyears- averaging 1.6 percent per year. Employment will not reach pre-pandemic levels until the fourth quarter of 2023. OMB forecasts total employment growing by 4.6 percent in 2021, speeding-up to 5.8 percent in 2022, and also averaging 1.6 percent growth in the outyears. OMB projects mid-2023 as the return to pre-pandemic employment levels.

The Finance Division baseline scenario estimates that the private-sector average wage climbed 7.2 percent in 2020. As low-wage workers return to the workforce, average wage growth slows to 0.2 percent in 2021 and decreases 0.7 percent in 2022. Subsequent years are expected to show a return to normal wage growth, averaging 2.8 percent annually in the outyears. OMB's total average wage forecast, on the other hand, projects relatively steady growth rates without the same volatile swings. After growing 4.4 percent in 2020, it decelerates to 2.9 percent in 2021 and 2.4 percent in 2022. Outyear wage growth averages 2.7 percent, similar to the Finance Division's projection.

BASELINE - Forecast of Selected Economic Indicators: National and New York City, CY2020-2025						
	CY20	**CY21**	**CY22**	**CY23**	**CY24**	**CY25**
NATIONAL ECONOMY*						
Real GDP %	**(3.5)**	**5.7**	**4.1**	**2.3**	**2.6**	**2.6**
Total Employment						
Level Change, '000	(8,641)	2,726	5,414	2,508	1,732	1,380
Percent Change, %	(5.7)	1.9	3.7	1.7	1.1	0.9
Unemployment Rate, %	**8.1**	**5.6**	**4.1**	**3.8**	**3.6**	**3.5**
Total Wages %	**(3.8)**	**5.4**	**7.5**	**5**	**4.5**	**4.9**
Interest rates %						
3-Month Treasury Bill	0.4	0.1	0.1	0.1	0.2	0.5
30-Year Conventional Mortgage Fixed	3.1	3.0	3.5	3.8	4.0	4.2
NEW YORK CITY ECONOMY						
Real GCP %*	**(6.1)**	**4.0**	**5.7**	**3.0**	**2.6**	**2.7**
Private Employment						
Level Change, '000	(494)	149	234	90	60	43
Percent Change, %	(12.2)	4.2	6.3	2.3	1.5	1
Average Private Wages %	**7.2**	**0.2**	**(0.7)**	**2**	**3**	**3.3**
Total Private Wages %	**(4.9)**	**3.2**	**5.7**	**4.4**	**4.6**	**4.4**
NYSE Member Firms %						
Total Revenue	(14.8)	(8.9)	0.8	6.9	8.4	7
Total Compensation	3.4	(1.9)	(0.2)	1.6	2.2	1.8

Source: *IHS Markit, February 2021; New York City Council Finance Division (City)*
** Calculated by IHS Markit*

PESSIMISTIC - Forecast of Selected Economic Indicators: National and New York City, CY2020-2025						
	CY20	**CY21**	**CY22**	**CY23**	**CY24**	**CY25**
NATIONAL ECONOMY*						
Real GDP %	**(3.5)**	**3.6**	**4.3**	**3.1**	**2.9**	**2.8**
Total Employment						
Level Change, '000	(8,641)	935	2,859	2,323	2,506	1,917
Percent Change, %	(5.7)	0.7	2	1.6	1.7	1.3
Unemployment Rate, %	**8.1**	**6**	**5**	**4.5**	**4.1**	**3.8**
Total Wages %	**(3.8)**	**5.4**	**7.5**	**5**	**4.5**	**4.9**
Interest rates %						
3-Month Treasury Bill	0.4	0.1	0.1	0.1	0.1	0.1
30-Year Conventional Mortgage Fixed	3.1	2.9	3.1	3.2	3.5	3.7
NEW YORK CITY ECONOMY						
Real GCP %*	**(6.1)**	**4.0**	**5.7**	**3.0**	**2.6**	**2.7**
Private Employment						
Level Change, '000	(494)	36	169	75	69	64
Percent Change, %	(12.2)	1	4.7	2	1.8	1.6
Average Private Wages %	**7.2**	**1.6**	**(0.6)**	**1.5**	**1.7**	**1.3**
Total Private Wages %	**(4.9)**	**1.6**	**4.2**	**3.5**	**3.5**	**3**
NYSE Member Firms %						
Total Revenue	(14.8)	(11.9)	(2.7)	7.3	9.1	8
Total Compensation	3.4	(2.9)	(1.3)	1.6	2.2	2

Source: *IHS Markit, February 2021; New York City Council Finance Division (City)*
** Calculated by IHS Markit*

Cash Flow

The City's cash balance has been a subject of concern given the nature of the pandemic. In the first quarter of Fiscal 2021, the City recorded the lowest end-of-year cash balance since Fiscal 2013. It measured $7.2 billion, compared to $8.9 billion in the prior year. Although, the first quarter cash balances were below previous year balances. The average cash balance in the first quarter of 2021 measured $9 billion compared to $7 billion in the first quarter of 2020. As of February, however, the City's central treasury balance rose to $10.3 billion, up from $8.9 billion the same month a year ago. The Finance Division believes careful management of cash will be necessary given the level of uncertainty under the current health and economic situations. The current financial plan does not anticipate any short-term borrowing to address low cash balances. However, should it be necessary, borrowing of this kind can be undertaken without State legislation.

Tax Revenue Forecast

New York City Council Finance Division - Tax Revenue Growth Rates - Baseline Scenario

	FY20	FY21	FY22	FY23	FY24	FY25
Real Property	7.0%	4.7%	(5.2%)	3.3%	4.5%	0.8%
Personal Income	1.5%	(4.8%)	5.6%	5.4%	3.6%	3.3%
Business Corporate	7.4%	(9.3%)	1.6%	7.7%	0.5%	5.1%
Unincorporated	(4.4%)	0.6%	4.3%	3.3%	2.8%	2.5%
Sales	(5.6%)	(7.9%)	17.1%	9.0%	5.0%	4.8%
Commercial Rent	(4.7%)	(1.3%)	4.2%	3.5%	3.7%	3.0%
Real Property Transfer	(26.6%)	(15.9%)	30.0%	9.2%	6.9%	6.4%
Mortgage Recording	(11.1%)	(12.9%)	17.3%	6.9%	4.9%	3.7%
Utility	(3.5%)	2.4%	6.6%	1.7%	2.4%	1.7%
Hotels	(25.2%)	(80.9%)	168.0%	68.8%	31.4%	20.4%
All Others	17.9%	(13.1%)	(5.7%)	(0.3%)	(0.3%)	(0.3%)
Audits	22.2%	0.1%	(10.0%)	0.0%	0.0%	0.0%
Total Taxes	**2.5%**	**(1.7%)**	**1.4%**	**5.1%**	**4.1%**	**2.5%**

Source: New York City Council Finance Division, Preliminary Plan Fiscal 2022

New York City Council Finance Division - Tax Revenue Growth Rates - Pessimistic Scenario

	FY20	FY21	FY22	FY23	FY24	FY25
Real Property	7.0%	3.5%	(5.1%)	0.1%	2.9%	1.9%
Personal Income	1.5%	(6.3%)	4.3%	5.1%	3.2%	2.4%
Business Corporate	7.4%	(13.6%)	(1.0%)	6.9%	3.0%	4.2%
Unincorporated	(4.4%)	(1.2%)	3.2%	3.0%	2.5%	3.1%
Sales	(5.6%)	(10.1%)	15.4%	8.1%	4.7%	4.6%
Commercial Rent	(4.7%)	(2.1%)	(1.4%)	(1.9%)	(2.3%)	(2.3%)
Real Property Transfer	(26.6%)	(21.9%)	32.1%	8.0%	2.7%	1.0%
Mortgage Recording	(11.1%)	(19.8%)	11.0%	3.8%	3.0%	2.4%
Utility	(3.5%)	(4.3%)	3.9%	4.1%	6.1%	0.0%
Hotels	(25.2%)	(82.2%)	171.4%	59.0%	28.2%	28.0%
All Others	18.0%	(13.1%)	(5.7%)	(0.3%)	(0.3%)	(0.3%)
Audits	22.2%	(7.8%)	(10.9%)	0.0%	0.0%	0.0%
Total Taxes	**2.5%**	**(3.6%)**	**0.6%**	**3.1%**	**6.4%**	**5.9%**

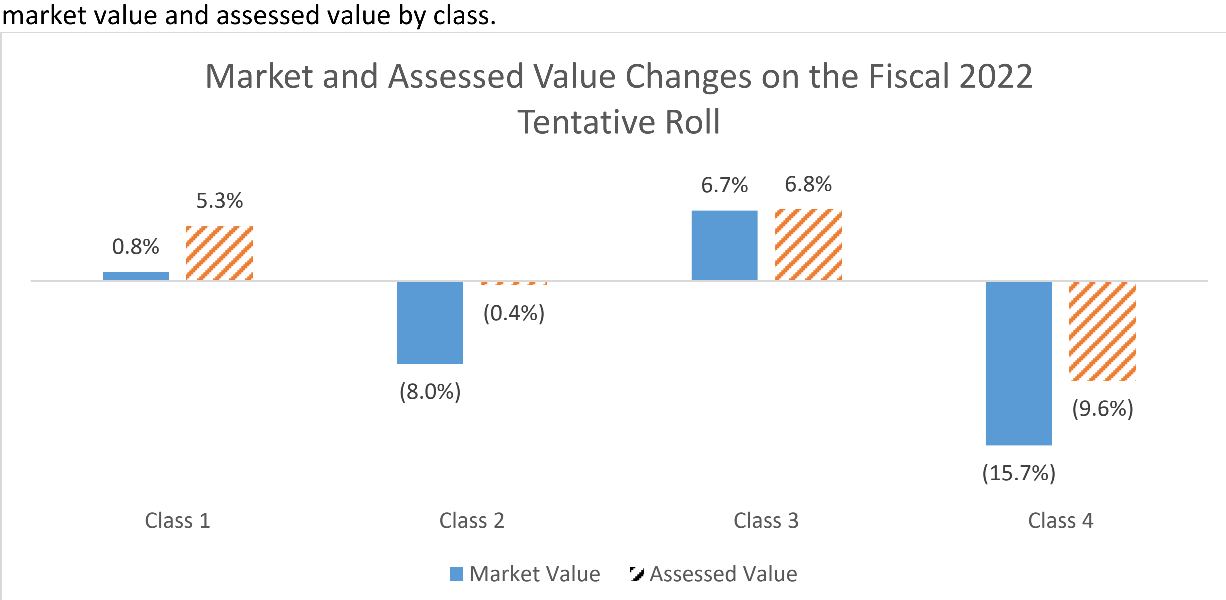
Source: New York City Council Finance Division, Preliminary Plan Fiscal 2022

Up through March 2020, total tax collections for Fiscal 2020 were a healthy 5.8 percent over the previous year. Between April and June, collections plummeted to 7.6 percent below their levels a year ago, as the economy shuttered to contain COVID-19. Altogether, total collections in Fiscal 2020 managed a modest 2.5 percent growth. The Finance Division's baseline scenario forecasts collections declining 1.7 percent in Fiscal 2021, with growth in the stabilizing property tax tempering the losses from all other taxes. Collections are expected to rebound by a modest 1.45 percent in Fiscal 2022, as the economy recovers from the effects of the pandemic, then strengthens in the outyears. The pessimistic scenario projects a sharper 3.65 percent decline in Fiscal 2021 stemming from a more severe wave of COVID, causing more retrenchment in economic activity. Collections would be roughly flat in 2022, then would strengthen in the outyears.

Real Property Tax

Based on the tentative assessment roll published by the Department of Finance on January 15, the Finance Division expects property tax assessments to decline in Fiscal 2022 by 5.4 percent. This would represent the first time assessments have declined since 1997. As a result, Fiscal 2022 property tax revenues are expected to be down 5.2 percent compared to the prior year, representing a loss of $1.6 billion.

DOF's Fiscal 2022 Tentative Roll reports that overall market values for all property classes declined 5.2 percent. Market values for Classes Two and Four were particularly impacted, given their sensitivity to the pandemic. Since DOF determines the market value for Class Two and Four properties based on the amount of income that they generate, the market values for these classes were immediately triggered by the pandemic given the large swaths of tenants unable to pay rent on a consistent basis over the last year. Since there is a one-year lag in the income data used to determine market values for Classes Two and Four, DOF created a statistical model to forecast property income using macroeconomic data from 2020. Using this methodology ensured that the market values for Fiscal 2022 encompass the pandemic's impact, as opposed to basing market values on pre-pandemic income data. The graph below lists the year-over-year changes in market value and assessed value by class.

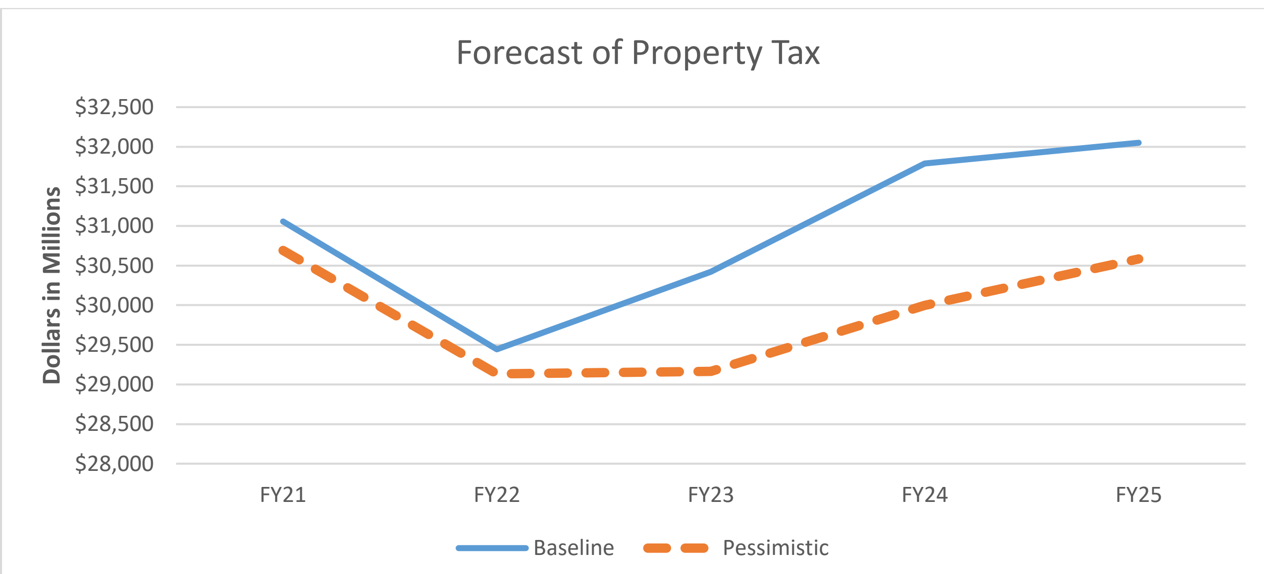


The decline in Class Two and Four assessed value stems from a rare technical shift in assessments for Fiscal 2022. Generally, these properties are taxed on the lesser of the actual or transitional assessed value. Actual assessed values are always set at 45 percent of market values, while transitional assessed values are a 5-year average of the actual assessed values. As a result, actual assessed values are immediately responsive to shifts in market values, while transitional assessed values smooth out big shifts and generally lag changes in market value. Since market values tend to rise year over year, the transitional assessed values are often less than the actual assessed value, meaning properties are often taxed on the smoothed transitional assessed value. Since these two classes represent over 80 percent of all assessments, the smoothness of the transitional assessed value is big driver of the property tax's historic stability.

However, because Class two and four market values dropped so quickly and severely, many properties will be taxed on their actual assessed value for Fiscal 2022. Since actual assessed values immediately feel the impact of any market value shift, the assessments for these properties are now subject to more volatility resulting in the historic decline in assessments for Fiscal 2022. Moreover, this volatility in property taxes will likely remain through Fiscal 2023 as most Class Four and large Class Two properties will remain taxed on their actual assessed value.

In its baseline forecast, the Finance Division expects property tax collections to increase by 4.7 percent in the current year as assessments still reflect pre-pandemic values. It is not until Fiscal 2022 that the impact of the pandemic will show up on property tax assessments, which is expected to result in a 5.2 percent decline in Fiscal 2022 property tax revenues. Revenue growth returns at an average of 2.9 percent from Fiscal 2023-2025.

In contrast, the pessimistic forecast shows a slower 3.5 percent growth in Fiscal 2021 due to higher delinquencies than expected in the baseline forecast. Then, as assessments absorb the impact of the pandemic, property tax revenues are expected to decline by 5.1 percent in Fiscal 2022. Similar to the baseline forecast, growth returns in the outyears, albeit at slower average growth of 1.6 percent from Fiscal 2023-2025.



***Source**: New York City Council Finance Division*

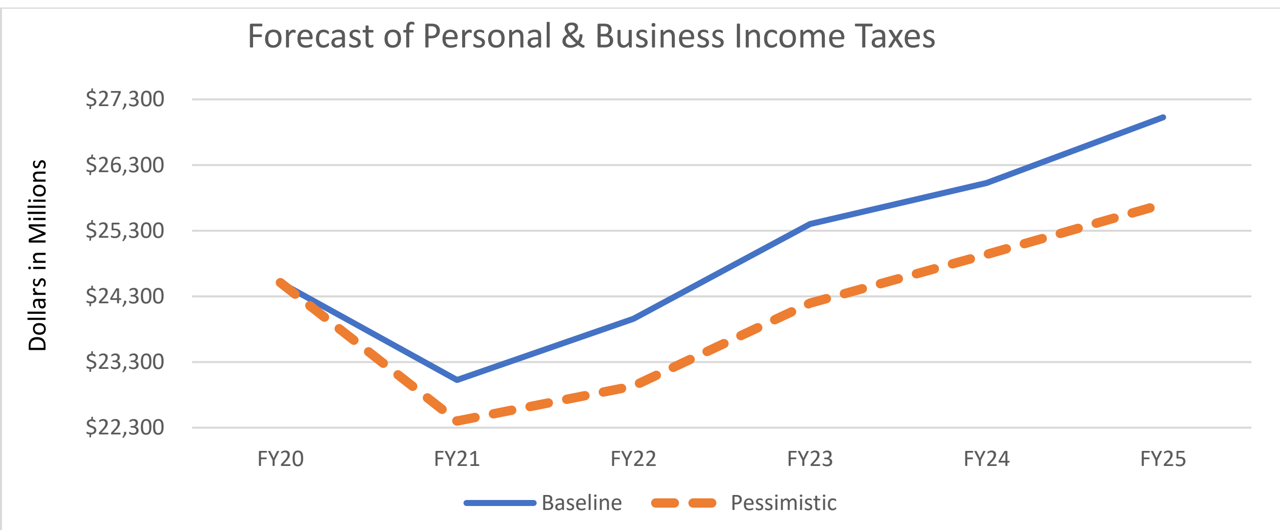
Personal and Business Income Tax

The Finance Division is raising its baseline and pessimistic forecasts of the City's personal and business income taxes. Although collections from these income-sensitive taxes are still expected to decline in Fiscal 2021, the Finance Division now expects the drop to be less severe than it projected in July and November. Collections for Fiscal 2022 and beyond are also expected to experience a stronger rebound than was previously forecasted. The expected boost in personal and business income taxes reflect a strengthened City economy, augmented by a thriving financial sector and an additional COVID-19 relief bill enacted by Washington in

December. The Biden Administration's proposed stimulus package, which includes an extension of emergency unemployment benefits and grants to businesses, is also expected to generate additional income taxes.

Personal income tax collections are expected to decrease in Fiscal 2021 under the two forecast scenarios, as the pandemic continues to impact job levels, business income and real estate related capital gains. The baseline and pessimistic scenarios project that PIT collections will drop by 3.7 percent and 6.2 percent, respectively. The expected decline, however, represent an upward revision from the 9.2 percent (baseline) and 13.9 percent (pessimistic) decline since the Finance Division forecasted in November. Collections are expected to rebound in Fiscal 2022 under both scenarios, as the economy largely recovers and people return to work with the availability of vaccines.

Collections from the business taxes are also expected to decline in Fiscal 2021, with the baseline and pessimistic forecasts predicting drops of 6.3 percent and 10 percent, respectively. The projected decline can be attributed to an overall weakened economy, even though collections are partially boosted by businesses in the finance sector. Like the PIT forecast, the current business tax forecast represents a much slower rate of decline compared to 15.2 percent (baseline) and 19.3 percent (pessimistic) decline forecasted in November. Collections are then expected to rebound in Fiscal 2022, with revenues growing by 2.5 percent and 0.4 percent under the baseline and pessimistic models, respectively.



Source: *New York City Council Finance Division*

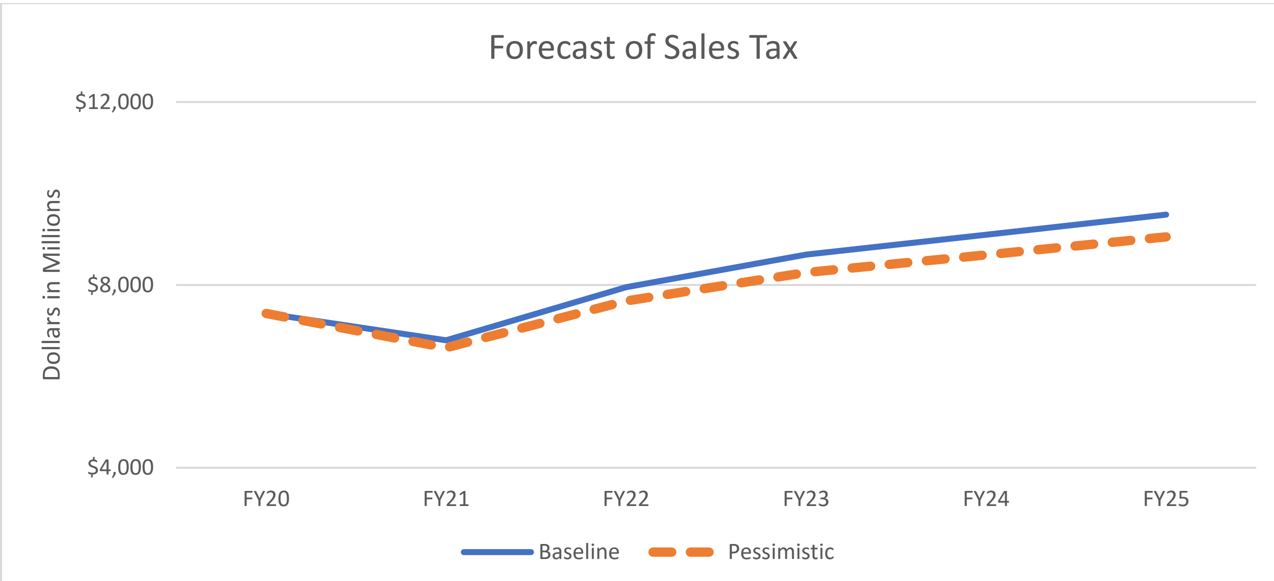
Sales Tax

Continued consumer retrenchment, travel restrictions and other strict social distancing policies are expected to reduce sales tax collections for Fiscal 2021. In the baseline scenario, sales tax collections for Fiscal 2021 are expected to drop by 7.9 percent over the previous year.[19] The Finance Division projects that the virus will

[19] This include the MTA State Intercept and the Distressed Provider Assistance Account intercept. The NYS Education, Labor and Family Assistance (ELFA) Budget (S. 7056-B PART ZZ) legislates that NYS will intercept a portion of NYC sales tax collections and redirect them to the New York State Agency Trust Fund, under a Distressed Provider Assistance Account, for the purpose of relief for financially distressed hospitals and nursing home facilities. This is in addition to the monthly MTA sales tax intercept that is placed into the NYS Agency Trust Fund which is already in effect. The Comptroller will withhold a portion of sales tax collections, penalties and fees, in the amounts of $200M in quarterly

get under control by the second quarter of Fiscal 2022, and together with the stimulus payments will result in collections jumping 17.1 percent. For Fiscal 2023, 2024 and 2025, collections will increase 9 percent, 5 percent and 4.8 percent year-over-year, respectively.

In the pessimistic scenario, sales tax collections for Fiscal 2021 are expected to drop 10.1 percent. This scenario assumes a slower recovery where there is a second significant wave of COVID-19, with businesses shutting down and consumers self-quarantined at home. Collections for Fiscal 2022 are expected to jump 15.45 percent thanks to a vaccine, but growth for the outyears average 5.7 percent.



Source: *New York City Council Finance Division*

Real Estate Transaction Taxes

As the City's real estate market does its best to navigate through the aftermath of the pandemic, a new normal for real estate continues to boost volatility in collections for the transaction taxes. Over the last three quarters, however, humble glimpses of recovery are beginning to surface. After the pandemic sent real estate markets spiraling down throughout the third quarter of Fiscal 2020, pent-up demand helped to increase residential transactions over subsequent quarters. On the other hand, commercial deal flow continues to remain in a holding pattern until the market can adequately price in the pandemic's long-term implications on commercial properties.

Mortgage Recording Tax (MRT)

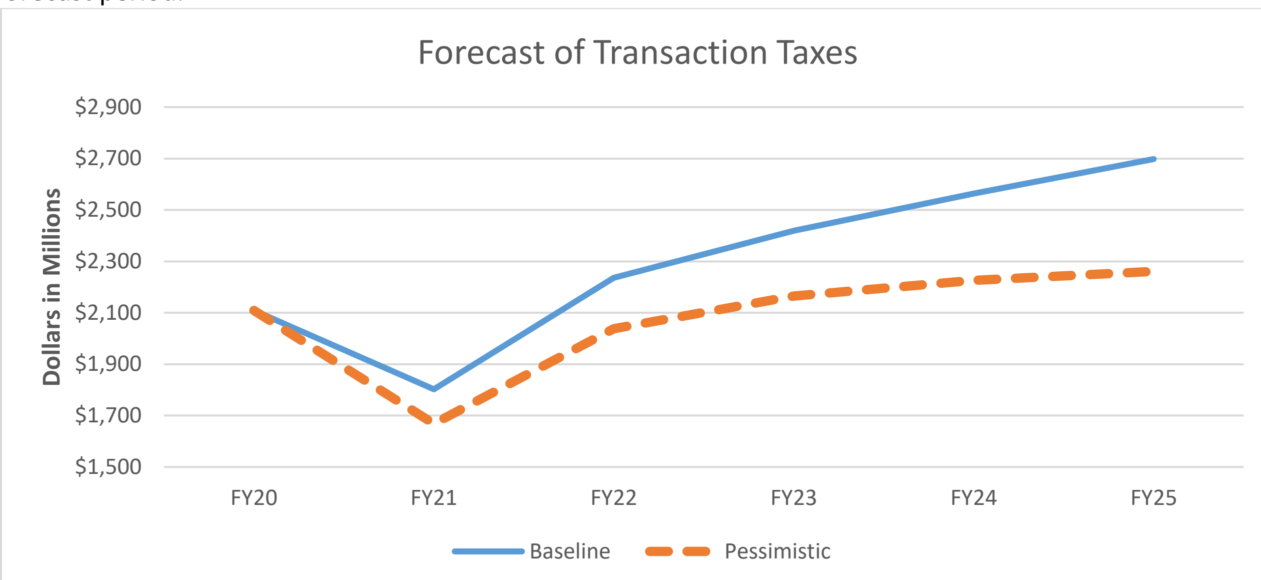
In its baseline forecast, the Finance Division expects the slowdown in real estate sales to flow through the rest of Fiscal 2021, dragging MRT collections down by 12.9 percent. The baseline forecast expects MRT collections to surpass pre-pandemic levels by Fiscal 2024, with average growth of 8.9 percent through the end of the forecast period. The pessimistic forecast expects MRT collections to fall more dramatically than the baseline at 19.7 percent in Fiscal 2021, then grow at an average of 5 percent through the end of the

Installments on January 15, April 15, July 15, and October 15. The comptroller will defer withholding the total value of the withholdings that would have occurred on April 15, 2020, July 15, 2020, October 15, 2020 and January 15, 2021 until January 15, 2021. At which time, the full $200M will be withheld and the normal quarterly installments will occur thereafter. The cost to City revenue will be $250 million in 2021 and $150 million in 2022, for a total cost of $400 million. This act shall end two years after the effective date. Without the MTA and the Distressed Provider Assistance Account intercepts, sales tax collection growth is 4.1 percent.

forecast period. The pessimistic forecast does not expect MRT collections to return to pre-pandemic levels in the forecast period.

Real Property Transfer Tax (RPTT)

In its baseline forecast, the Finance Division expects RPTT collections to continue their current trajectory, falling by 15.9 percent in Fiscal 2021 after a 28.5 percent drop in Fiscal 2020. The baseline forecast then shows growth at an average of 13.1 percent for the remainder of the forecast period, with collections roughly returning to pre-pandemic levels by Fiscal 2025. The Finance Division's pessimistic forecast presents a sharper drop of 21.9 percent for Fiscal 2021, and an average of 11 percent growth for the remainder of the forecast period.

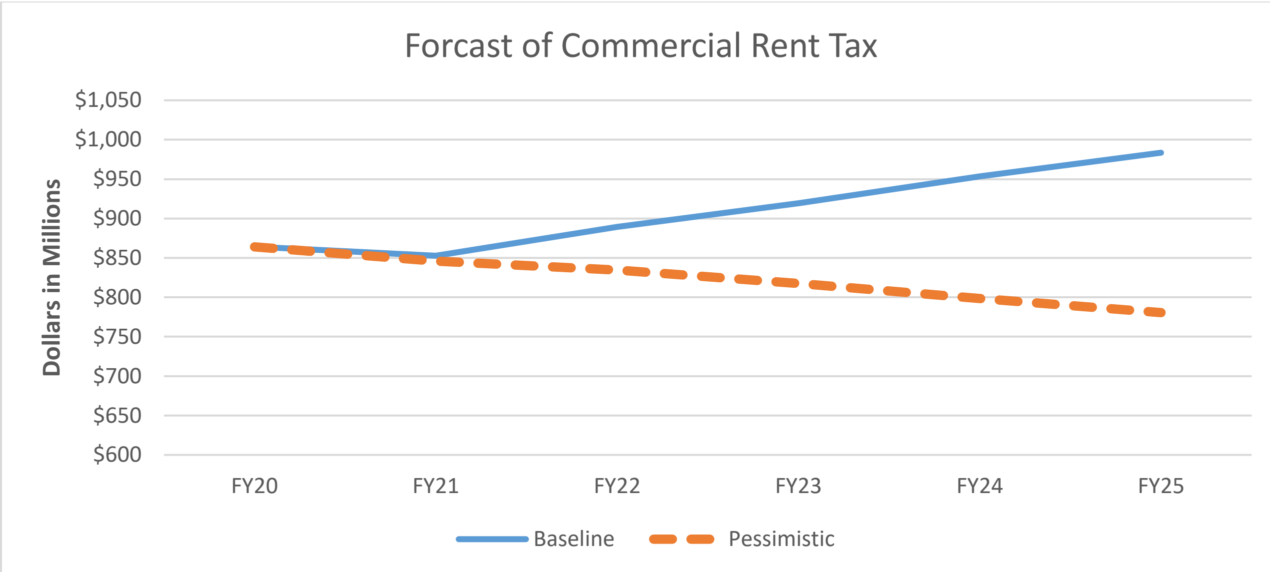


Source: *New York City Council Finance Division*

Commercial Rent Tax

Commercial Rent Tax (CRT) collections continued to decline marginally year-over-year in the first two quarters of Fiscal 2021 during an atypical period for commercial leasing. With large swaths of the City shut down in response to the pandemic over the last year, employers were forced to reinvent the way their employees contribute to everyday operations. Remote working environments introduce a prospect for long-term disruption in CRT collections as many employers and employees recognize the benefits of out-of-office productivity. However, long-term commercial leases provide a safeguard for CRT collections over the forecast period.

The Finance Division's baseline forecast shows a roughly one percent decrease in Fiscal 2021 before growing at an average of 3.9 percent over the forecast period, with collections surpassing pre-pandemic levels by Fiscal 2023. In sharp contrast to the baseline, the Finance Division's pessimistic forecast assumes a sustained reduction in commercial lease activity, with collections declining by an average of 2 percent through the end of the forecast period.



Source: *New York City Council Finance Division*

Compared to OMB Fiscal 2022 Preliminary Plan

The Finance Division's baseline scenario expects tax revenues to exceed those forecasted by OMB in the Preliminary Budget by $904 million in Fiscal 2021, and $669 million in Fiscal 2022. Its pessimistic scenario, projects collections to be below those of OMB in the Preliminary Budget by $310 million in Fiscal 2021, and $1.05 billion in Fiscal 2022.

New York City Council Finance Division - Tax Revenue Difference From OMB - Baseline

Dollars in Millions	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Real Property	$367	$73	$382	$1,318	$1,170
Personal Income	152	108	96	92	27
Business Corporate	159	(81)	77	114	316
Unincorporated	20	31	13	(8)	(38)
Sales	237	304	251	107	86
Commercial Rent	22	15	18	29	37
Real Property Transfer	18	99	22	26	24
Mortgage Recording	79	111	148	138	113
Utility	6	15	19	21	19
Hotels	14	14	54	11	10
All Others	-	-	-	-	-
Audits	(171)	(21)	179	179	179
Total Taxes	**$904**	**$669**	**$1,259**	**$2,027**	**$1,943**

Source: New York City Council Finance Division, NYC Office of Management and Budget, Preliminary Plan Fiscal 2022

New York City Council Finance Division - Tax Revenue Difference From OMB - Pessimistic					
Dollars in Millions	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Real Property	$0	($236)	($876)	($472)	($298)
Personal Income	(52)	(262)	(339)	(415)	(625)
Business Corporate	(34)	(379)	(276)	(140)	11
Unincorporated	(15)	(26)	(52)	(81)	(99)
Sales	74	1	(144)	(336)	(400)
Commercial Rent	15	(40)	(84)	(126)	(165)
Real Property Transfer	(50)	29	(68)	(123)	(205)
Mortgage Recording	12	(17)	(16)	(51)	(95)
Utility	(18)	(20)	(8)	7	(2)
Hotels	8	0	8	(61)	(42)
All Others	0	0	0	0	0
Audits	(250)	(100)	100	100	100
Total Taxes	**($310)**	**($1,050)**	**($1,755)**	**($1,698)**	**($1,820)**

Source: New York City Council Finance Division, NYC Office of Management and Budget, Preliminary Plan Fiscal 2022

Risks to the Forecast

This is a time of uncertainty which makes forecasting the economy and tax revenue extremely difficult. As COVID-19 remains the primary risk to our current forecast, there are other possible scenarios in addition to the ones presented here. Several major risks hang in the balance that are not directly related to the behavior of the virus.

The forecast assumes the passage of a significant part of the American Rescue Plan. If this does not happen or if the stimulus is smaller than expected this would slow economic growth.

The rollout of the vaccine has already hit several snags, including winter storms. Slower than expected distribution of vaccine doses or greater than expected reluctance to get vaccinated would also slow growth.

Bankruptcies pose a significant risk to the recovery. Large corporations are going bankrupt at a record pace while small businesses are disappearing by the thousands. Moreover, non-financial firms have undertaken extensive borrowing, often to buy back stock. Servicing this debt under current conditions will be difficult for some firms. The impact of defaults and bankruptcies could weaken the recovery.

The financial condition of state and local governments may also weaken the economic recovery despite a $1.9 trillion federal package proposed by President Joe Biden. Unlike the federal government, state and local governments are generally required to balance their budgets, making the timing in federal aid critical.

There is deep uncertainty about how much stimulus the economy can absorb without excessively pushing up the inflation rate. Former U.S. Treasury Secretary Lawrence Summers criticized the President’s $1.9 trillion stimulus package over that concern.

Another potential risk may come from a slower global economic recovery. In January 2021 the World Bank projected global growth to expand at four percent in 2021, assuming COVID-19 vaccine rollout becomes widespread throughout the year, or below one percent growth if COVID-19 vaccines are not able to keep pace with global demand.

The accuracy of property tax assessments poses a risk for Fiscal 2022 and 2023. The risk stems from the inherit lag in data that DOF uses to determine market values for Class Two and Class Four properties and serve as the basis of assessments. These properties are valued using an income capitalization method, where the market value is a function of the operating income and a rate of return (known as a capitalization rate).

DOF's source of data for operating income is the annual Real Property Income and Expense (RPIE) statements that most Class Two and Class Four properties are required to file annually. However, the timing of these filings means that the data represents income and expenses from calendar year 2019, prior to the pandemic, while State law requires the assessments be based on the value of the property as of January 5, 2021.

Dealing with this lag is not unusual for DOF; in a typical year the agency uses historic trends to update the income and expense data. However, recognizing that the pandemic represented a break with historical trends, the agency wisely moved towards using economic indicators as a way to estimate current income and expenses. While this represents the most reasonable method to update income and expenses to current conditions, not having any real time data makes unclear the accuracy of this year's adjustment. Moreover, the same issue will likely occur in Fiscal 2023, when assessments will be based on values that reflect conditions on January 5, 2022 when the pandemic is expected to be receding. The RPIE data used for Fiscal 2023 assessments will reflect calendar year 2020, which is the heart of the pandemic. As such, there is a risk of greater than usual tax commission reductions from appeals in Fiscal 2022 and 2023.

Lastly, minor risks include tensions with China and Iran, and the political uncertainty from partisan division in Congress, which could have a negative impact on the economy.

Appendix

New York City Council Finance Division - Tax Revenue Levels - Baseline Scenario
Dollars in Millions

	FY20*	FY21	FY22	FY23	FY24	FY25
Real Property	$29,650	$31,058	$29,443	$30,424	$31,789	$32,051
Personal Income	13,551	12,896	13,614	14,353	14,868	15,360
Business Corporate	4,509	4,089	4,154	4,474	4,497	4,726
Unincorporated	1,939	1,952	2,036	2,103	2,162	2,215
Sales	7,372	6,788	7,952	8,665	9,099	9,537
Commercial Rent	864	853	889	920	954	983
Real Property Transfer	1,135	954	1,240	1,354	1,447	1,540
Mortgage Recording	975	849	996	1,065	1,117	1,158
Utility	356	365	389	396	405	412
Hotels	468	89	239	404	531	640
All Others	1,231	1,069	1,008	1,005	1,002	999
Audits	999	1,000	900	900	900	900
Total Taxes	**$63,049**	**$61,963**	**$62,861**	**$66,063**	**$68,771**	**$70,521**

**Actuals*
Source: New York City Council Finance Division Fiscal 2022 Preliminary Plan

New York City Council Finance Division - Tax Revenue Levels - Pessimistic Scenario
Dollars in Millions

	FY20*	FY21	FY22	FY23	FY24	FY25
Real Property	$29,650	$30,691	$29,134	$29,166	$29,999	$30,583
Personal Income	13,551	12,692	13,244	13,918	14,361	14,708
Business Corporate	4,509	3,896	3,856	4,121	4,243	4,421
Unincorporated	1,939	1,917	1,979	2,038	2,089	2,154
Sales	7,372	6,625	7,649	8,270	8,656	9,051
Commercial Rent	864	846	834	818	799	781
Real Property Transfer	1,135	886	1,170	1,264	1,298	1,311
Mortgage Recording	975	782	868	901	928	950
Utility	356	341	354	369	391	391
Hotels	468	83	225	358	459	588
All Others	1,231	1,069	1,008	1,005	1,002	999
Audits	999	921	821	821	821	821
Total Taxes	**$63,049**	**$60,749**	**$61,142**	**$63,049**	**$65,046**	**$66,758**

**Actuals*
Source: New York City Council Finance Division Fiscal 2022 Preliminary Plan

Fiscal 2022 Preliminary Financial Plan - OMB Revenue Plan
Dollars in Millions

Taxes	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Real Property	$30,691	$29,370	$30,042	$30,471	$30,881
Sales	6,551	7,648	8,414	8,992	9,451
Mortgage Recording	770	885	917	979	1,045
Personal Income	12,744	13,506	14,257	14,776	15,333
General Corporation	3,930	4,235	4,397	4,383	4,410
Banking Corporation	0	0	0	0	0
Unincorporated Business	1,932	2,005	2,090	2,170	2,253
Utility	359	374	377	384	393
Hotel	75	225	350	520	630
Commercial Rent	831	874	902	925	946
Real Property Transfer	936	1,141	1,332	1,421	1,516
Cigarette	24	23	22	21	20
All Other	892	833	833	833	833
Audit	1,171	921	721	721	721
Tax Program	0	0	0	0	0
STAR	153	152	150	148	146
Total Taxes	**$61,059**	**$62,192**	**$64,804**	**$66,744**	**$68,578**
Federal Categorical Grants	**$11,866**	**$7,076**	**$6,946**	**$6,929**	**$6,924**
State Categorical Grants	**$15,111**	**$16,327**	**$16,765**	**$16,814**	**$16,814**
Non-Governmental Grants (Other Cat.)	**$1,828**	**$1,726**	**$1,644**	**$1,642**	**$1,641**
Unrest. / Anticipated State & Federal Aid	**$0**	**$0**	**$0**	**$0**	**$0**
Miscellaneous Revenue					
Charges for Services	$968	$1,033	$1,033	$1,033	$1,033
Water and Sewer Charges	1,720	1,561	1,558	1,557	1,557
Licenses, Permits, Franchises	649	686	685	687	685
Rental Income	245	243	243	243	243
Fines and Forfeitures	953	1,103	1,098	1,098	1,098
Other Miscellaneous	655	343	342	341	340
Interest Income	14	10	11	12	13
Intra City	2,061	1,811	1,807	1,806	1,806
Total Miscellaneous	**$7,265**	**$6,790**	**$6,777**	**$6,777**	**$6,775**
Net Disallowances & Transfers	**($2,076)**	**($1,826)**	**($1,822)**	**($1,821)**	**($1,821)**
Total Revenue	**$95,053**	**$92,285**	**$95,114**	**$97,085**	**$98,911**
City Funds	**$66,248**	**$67,156**	**$69,759**	**$71,700**	**$73,532**
Federal & State Revenue	**$26,977**	**$23,403**	**$23,711**	**$23,743**	**$23,738**
Federal & State as a Percent of Total	**28.38%**	**25.36%**	**24.93%**	**24.46%**	**24.00%**
City Funds as a Percent of Total Revenue	**69.70%**	**72.77%**	**73.34%**	**73.85%**	**74.34%**

***Source**: OMB Fiscal 2022 Preliminary Financial Plan*

Fiscal 2022 Preliminary Financial Plan - Changes from the November Plan
Dollars in Millions

	FY21	FY22	FY23	FY24
Taxes				
Real Property	$0	(2,472)	($2,664)	($2,600)
Sales	(215)	(441)	(253)	76
Mortgage Recording	191	195	126	151
Personal Income	822	531	528	506
General Corporation	486	385	328	423
Banking Corporation	0	0	0	0
Unincorported Business	167	252	201	190
Utility	(6)	(26)	(24)	(32)
Hotel	(180)	(335)	(297)	(139)
Commercial Rent	30	23	23	15
Real Property Transfer	82	141	182	221
Cigarette	(3)	(2)	(2)	(2)
All Other	53	0	0	0
Audit	250	200	0	0
Tax Program	0	0	0	0
STAR	(8)	(7)	(7)	(7)
Total Taxes	**$1,669**	**($1,556)**	**($1,859)**	**($1,198)**
Federal Categorical Grants	**$909**	**$82**	**$15**	**$4**
State Categorical Grants	**$169**	**$42**	**$33**	**$33**
Non-Governmental Grants (Other Cat.)	**$67**	**$74**	**$0**	**$0**
Unrest. / Anticipated State & Federal Aid	**$0**	**$0**	**$0**	**$0**
Miscellaneous Revenue				
Charges for Services	($7)	($16)	($17)	($17)
Water and Sewer Charges	0	0	0	0
Licenses, Permits, Franchises	(31)	(10)	(11)	(11)
Rental Income	0	0	0	0
Fines and Forfeitures	1	0	0	0
Other Miscellaneous	252	0	0	0
Interest Income	2	0	1	0
Intra City	23	(5)	(5)	(5)
Total Miscellaneous	**$240**	**($31)**	**($32)**	**($33)**
Net Disallowances & Transfers	**($23)**	**$5**	**$5**	**$5**
Total Revenue	**$3,031**	**($1,384)**	**($1,838)**	**($1,189)**
City Funds	**$1,886**	**($1,582)**	**($1,886)**	**($1,226)**
Federal & State Revenue	**$1,078**	**$124**	**$48**	**$37**

Source: *OMB Fiscal 2022 Preliminary Financial Plan and Fiscal 2021 November Financial Plan*