



THE HEART OF CUYAHOGA COUNTY

**6800 Brecksville Road
Independence, Ohio 44131
216.524.4131**

MEMORANDUM

To: Mayor Gregory P. Kurtz
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, September 15, 2023

Re: Finance Office and Related Topic Updates

Municipal Income Tax Receipts

“Steady as she goes” would be the operative statement for September’s Income Tax Receipts. Except for the Covid years of 2020 and 2021 with the later tax filing deadlines, September’s Income Tax Receipts the past few years have been quite stable as follows:

<u>September</u>	<u>Income Tax Receipts</u>
2023	\$2,319,142
2022	\$2,302,985
2021	\$2,560,339
2020	\$3,003,612
2019	\$2,375,483
2018	\$2,323,321

As above with September and the late tax filing deadlines in 2021, Income Tax Revenue for the Third Quarter (Q3) of 2023 is up from 2022 and within the range of 2018’s and 2022’s Third Quarters as follows:

Municipal Income Tax Receipts - Continued

<u>Third Quarter</u>	<u>Income Tax Receipts</u>
2023	\$7,587,563
2022	\$7,184,727
2021	\$7,860,625
2020	\$8,588,127
2019	\$7,590,104
2018	\$7,712,204

Through the first nine months or $\frac{3}{4}$ of the year, Income Tax receipts have also been steady the last six (6) years as follows:

<u>1st Nine Months</u>	<u>Income Tax Receipts</u>
2023	\$25,678,496
2022	\$25,537,130
2021	\$26,368,679
2020	\$25,106,464
2019	\$24,598,438
2018	\$25,127,828

Some of the worst-case scenarios forecasted about the bottom dropping out of local income taxes due to the remote/hybrid work models have yet to materialize – at least here in Independence. So that’s a positive.

Thankfully Independence has locked in its debt service costs – most of it at just under 1.6% - in this increasing interest rate environment.

Those increasing interest rates have served to offset some of the effects of the stable Income Tax Receipt trends noted above, as Independence is earning more in Interest Income here in 2023 than it has in quite a few years.

