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Albany County ended the first quarter of 2009 with sales tax revenues of \$55,670,225.

- That amount was \$3,954,567 or 6.63 percent *below* the first quarter of 2008 and barely above the first quarter of 2007 (up 0.49 percent). These figures also represented a *decline* of 2.36 percent from the fourth quarter of 2008.
- The first quarter decline followed a significant decline in the fourth quarter of 2008. Sales tax revenues for the fourth quarter of 2008 were *down* 7.48 percent from 2007 and *down* 8.44 percent from the prior quarter.
- In four of most recent five calendar quarters, sales tax revenues declined from the prior quarter. The only exception was in the third quarter of 2008 (seen in Chart 1) that may have been the result of the 2008 Federal tax stimulus. Given the time required for taxpayers to spend their Federal tax refunds and for sales tax revenues to be received by the State and distributed to counties, it is likely that third quarter increase was at least partially the result of that one-time Federal tax stimulus.
- Over the 60 calendar quarters since 1994, year-to-year growth has averaged 3.1 percent. During that 15 year span, the two most recent quarters were the *worst* in terms of year-to-year change. This can be seen in Chart 2.
- Of the 57 New York counties outside New York City, ten had first quarter declines that were worse than that in Albany County.

The County retains 60 percent of sales tax revenue and distributes the remaining 40 percent to cities and towns. Thus, for the first quarter the net amount available for County purposes was \$33,402,135 or \$2,372,740 *below* the amount received in the first quarter of 2008.

The trend in Albany County is consistent with the economic distress the entire country and the rest of New York are suffering.

The County budgeted \$241,856,330 for sales tax revenue in 2009, of which the County would retain \$145,113,798. Were the remaining three quarters of 2009 to produce the same amount of sales tax revenue as the first, the County Budget shortfall in 2009 would be approximately \$11.5 million. However, recent trends suggest the strong possibility that the shortfall will be higher. Even with a slow economic recovery starting immediately, the shortfall could readily exceed \$13 million. Should economic recovery be delayed, the County shortfall in 2009 would more likely be in the \$15 million range.

Chart 1: Trend of Quarterly Sales Tax Revenue, Albany County, After Distribution of 40 Percent Municipal Share, 1993-2009, Q1

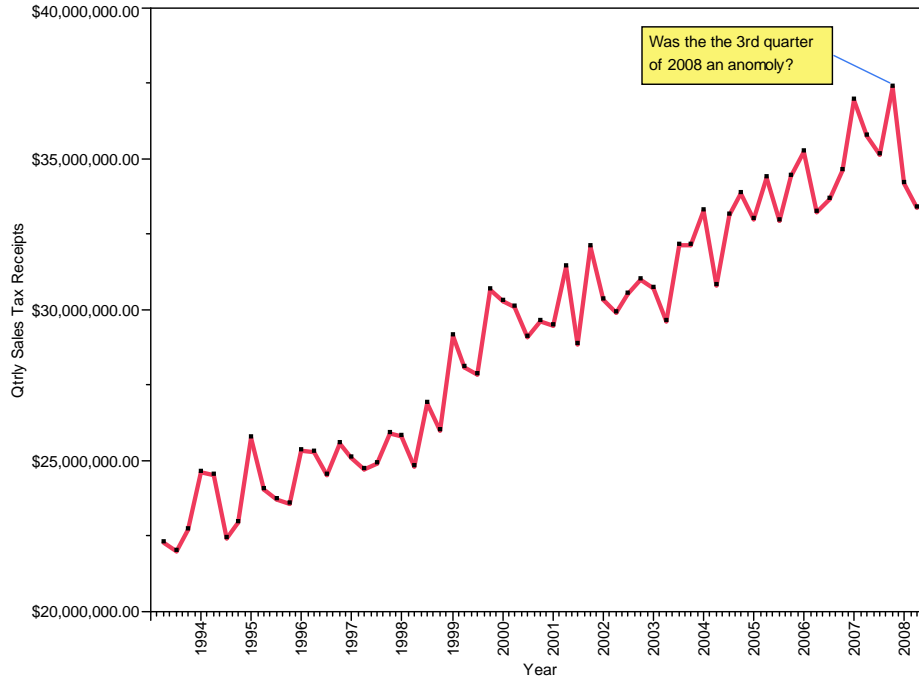
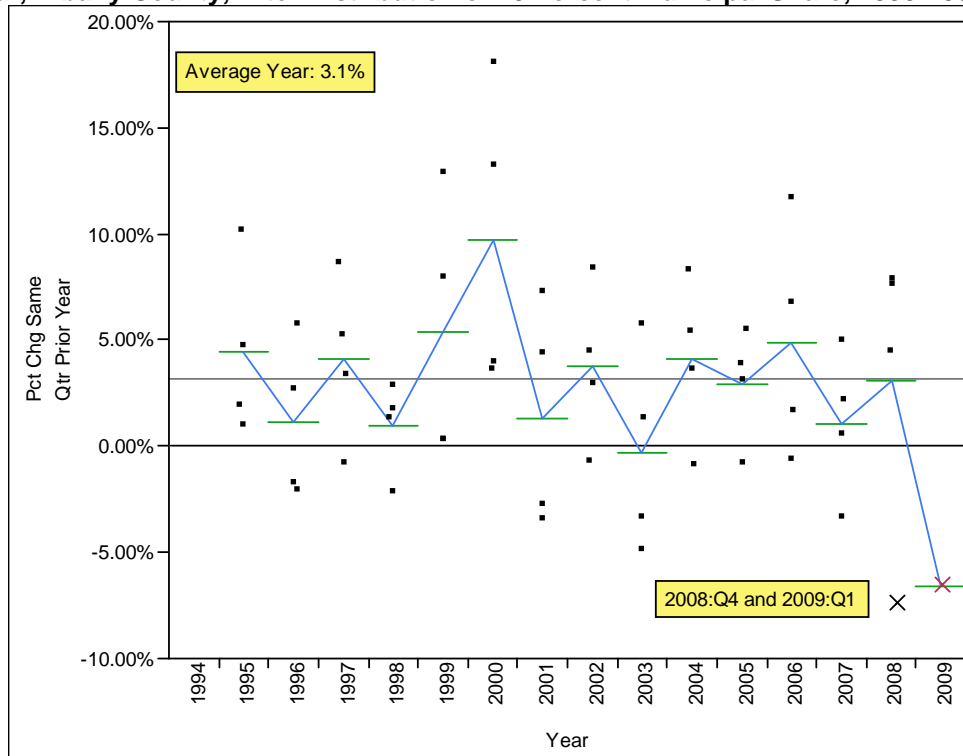


Chart 2: Percent Change Quarterly Sales Tax Revenue Compared to Same Quarter in the Prior Year, Albany County, After Distribution of 40 Percent Municipal Share, 1993-2009, Q1



Each Point Represents the Change from the Same Quarter in the Prior Year. Horizontal lines within the years represent the average of the quarters in those years.