

**To:** Aspen City Council  
**From:** Pete Strecker, Finance Director  
**Date:** February 15, 2022  
**Re:** December 2021 Consumption Tax Report

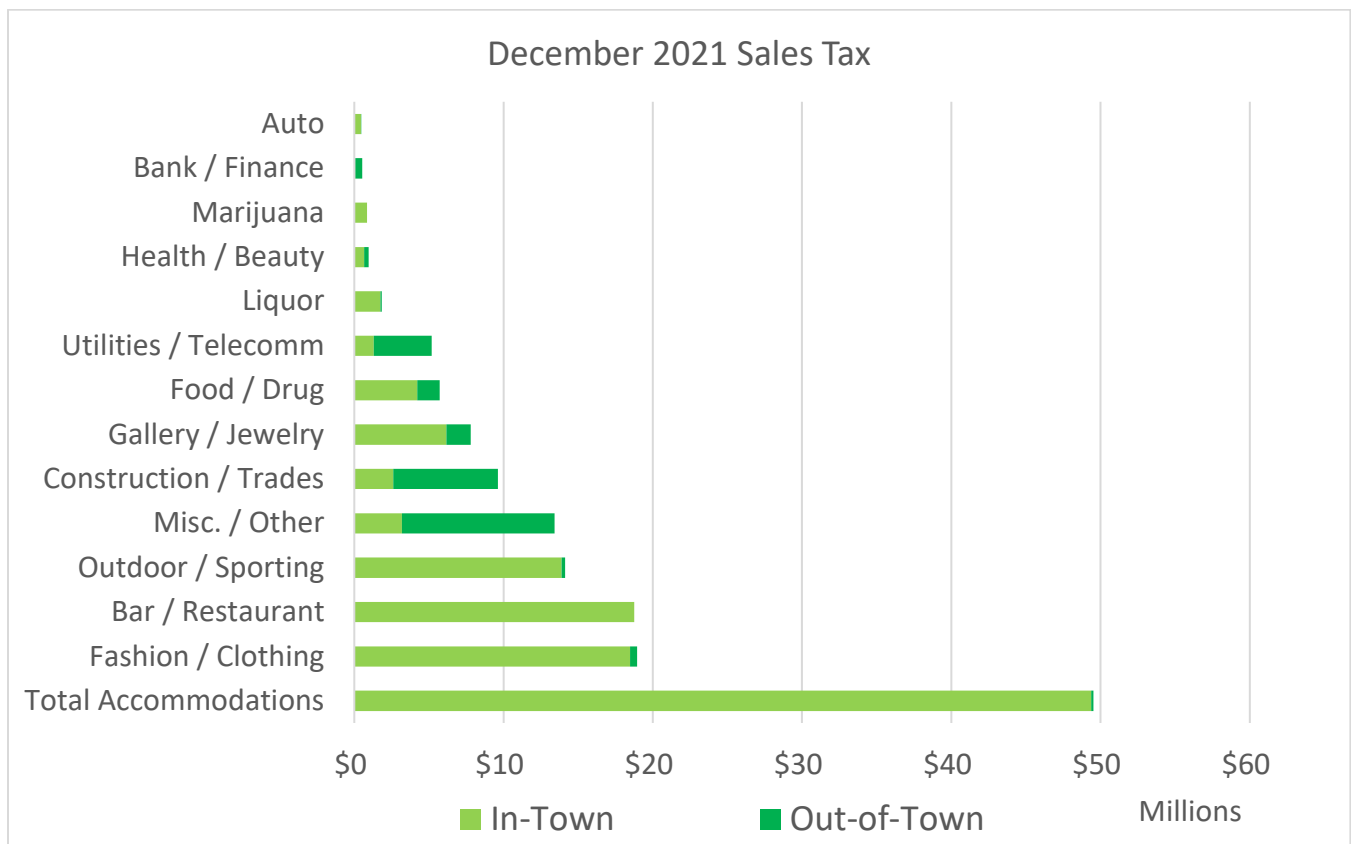


**Aggregate Taxable Sales & Industry Highlights:**

Taxable sales for the month of December were up 56% relative to 2020 and 22% relative to 2019. This final month rounds out aggregate collections for the year, and results in 2021 consumers outspending past cohorts by more than 33% and 24% in 2020 and 2019, respectively.

December collections, but more precisely the last couple weeks in the month, have always been an anchor to the start of the winter season. The collective month typically equates to roughly 14.5% of the total annual retail sales and this year’s activity was perfectly in line with that trend. While aggregate figures are robust, there continues to be a few industries (marijuana and automobiles) that experience uphill challenges, either around reduced customer base or in supply chain limitations. However, despite this monthly suppression, all industries aside from marijuana, experienced positive growth and by a substantial margin. While this is indeed positive, the demand for service has also begun to elevate the challenges local businesses are experiencing around a reduced labor market that is being experienced nationally.

Lastly, 82% of December sales were generated within the City’s brick and mortar establishments vs. 19% from online/external businesses. A higher percentage of monthly sales occurring locally is as expected given the influx of tourism during the holiday season and the heavy weighting of accommodations, restaurants, and fashion industries as a percentage of overall economic activity in Aspen’s economy.



**Sales and Lodging Tax:**

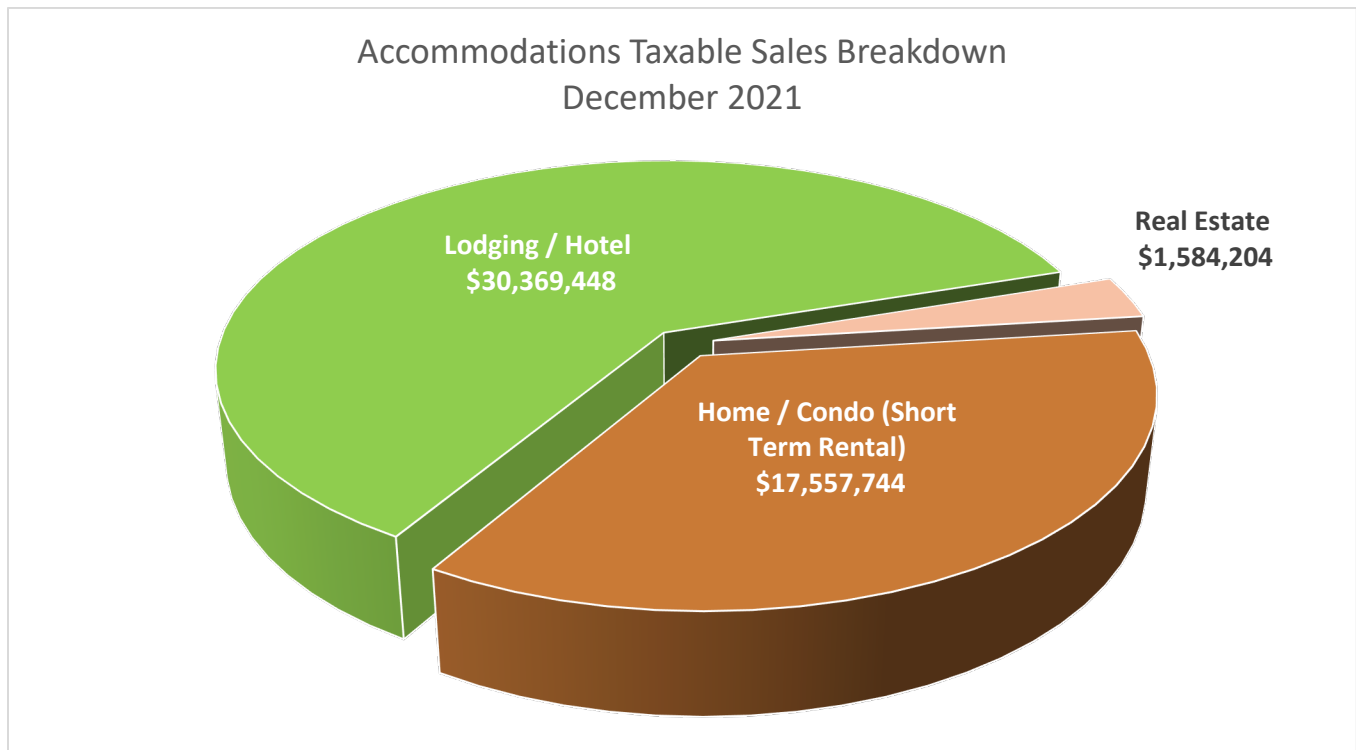
Actual tax collections for the month of December were up 54% relative to 2020 and 25% relative to 2019. This monthly total represents a significant rebound in tourism activity, even when comparing to a “normal” pre-COVID year such as 2019. It also closes the book on a calendar year that looked a bit like a rollercoaster, as red-level restrictions were in place early but once lifted, allowed pent up economic activity to release and lift local businesses out of a challenging position and into one of success. For the year, 2021 ended up 34% and 25% relative to 2020 and 2019 collections, respectively, putting this general statement into quantifiable terms.

Similar to sales tax, the City’s dedicated 2.0% lodging tax collections mirror a hearty month of visitation. December collections were up 149% and 48% relative to 2020 and 2019 remittances – the December 2020 figure was of course significantly muted last year due to COVID restrictions. For the aggregate year, collections ended up 38% relative to 2020 and 7% relative to 2019.

*Short-Term Rentals*

Keeping the current environment qualifier ever front of mind, as stated in prior reports, the short-term rental (STR) market in Aspen will not see expansion beyond the current number of license and permit holders allowed to operate, following the City Council’s adoption of Ordinance #27 on December 8<sup>th</sup>. This action included a moratorium on land use applications for new STRs in the community, effective immediately. With this pause, the Council and the Community plan to take the next number of months to discuss the impact these businesses have on the neighborhoods where they are located; the transit, utility and other infrastructure needs to accommodate these operations and guests; and the environmental impacts they bring around waste, noise, etc.

This aside, taxable sales from short-term rentals for December made up 35% of the overall lodging industry total. This slice of the accommodations industry remains very robust, seemingly moving in perfect lockstep with the rest of the traditional lodging industry as it transitions into a high skier/tourist visitation period.



**City Share of County Sales Tax:**

The City of Aspen is allocated a portion of Pitkin County's 2.0% sales tax, with its share established based on a formulaic allocation for all municipalities generating economic activity within the County boundaries. Because the County tax collection process is performed at the State level, the County's collections lag by an additional month relative to the City's own collection process.

Pitkin County's year-to-date collections have continued to pace roughly 25% ahead of both 2020 and 2019 levels, consistent with the previous monthly update. While the industry mix within the larger County tax base varies from that of the highly tourism dependent economy that centers within the City of Aspen, the growth in collections is largely in sync with that of the City's experience.

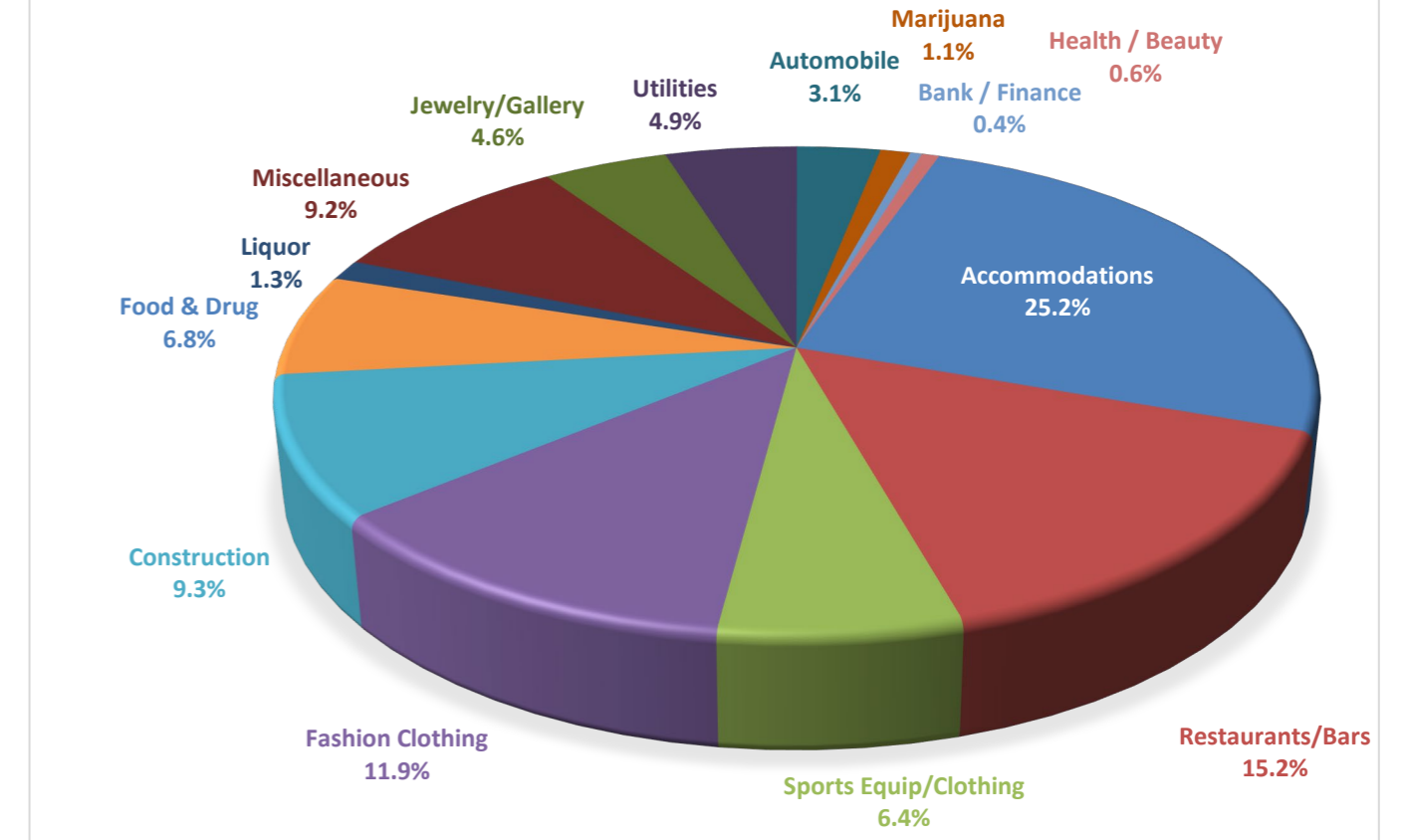
**Real Estate Transfer Taxes:**

Real Estate Transfer Taxes (RETT) collections, generally speaking, have remained robust into the new calendar year, deviating from the expected shift to a slower pace of in real estate activity that should eventually accompany the impacts from reduced inventory levels and record setting per square foot pricing. While down roughly 6% to 8% relative to January 2021 collections (depending on which tax considered), both arts and affordable housing real estate transfer tax collections in January 2022 far exceeded budgeted estimates.

**City of Aspen Retail Sales by Industry  
December 2021**

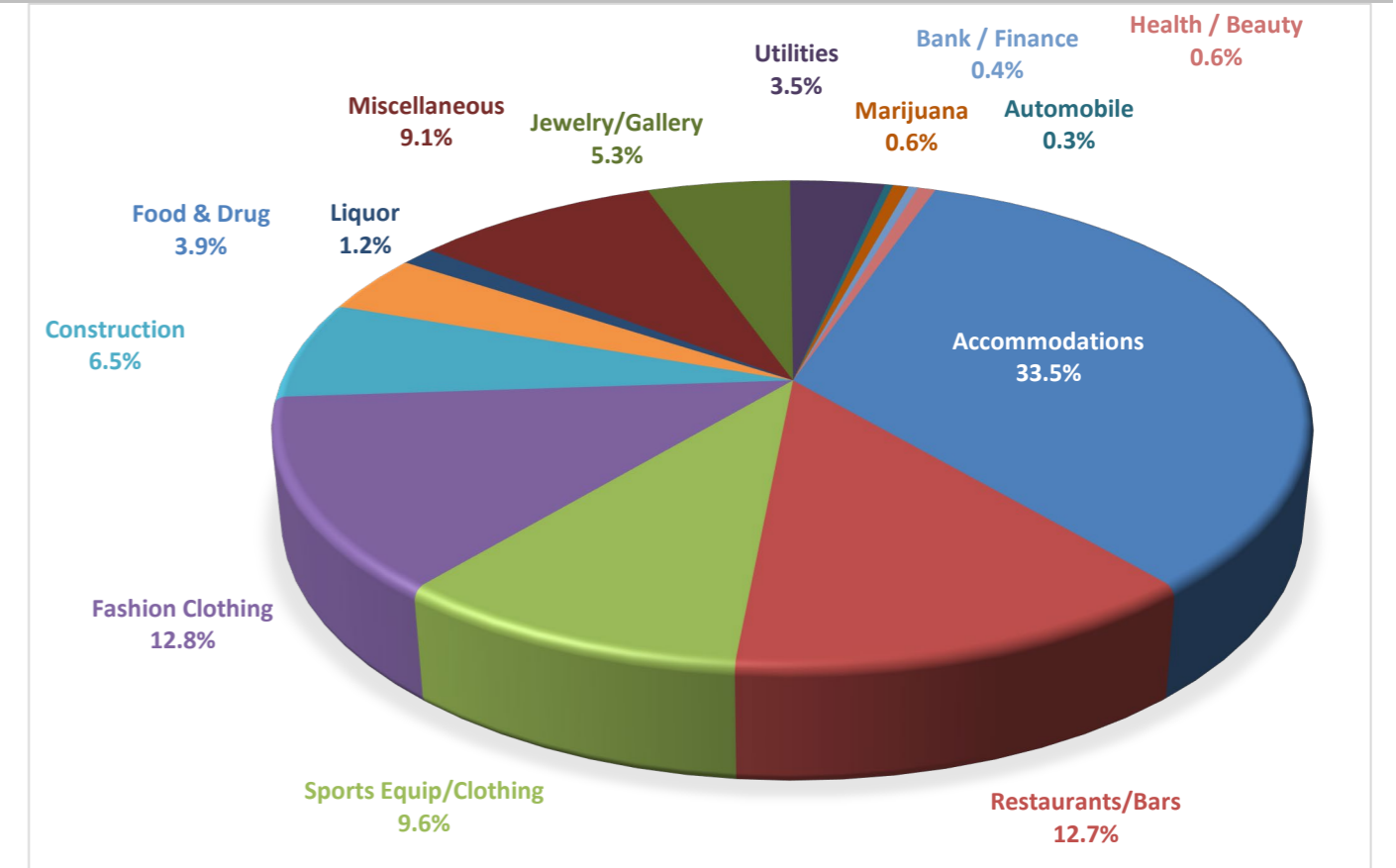
**Year To Date Retail Sales**

<u>Category</u>	<u>Retail Sales</u>	<u>% of Total Retail Sales</u>	<u>% Change to 2020</u>	<u>% Change to 2019</u>
Accommodations	\$256,865,311	25.2%	45.1%	8.4%
Restaurants/Bars	\$154,955,362	15.2%	26.1%	11.5%
Sports Equip/Clothing	\$65,735,189	6.4%	22.7%	24.0%
Fashion Clothing	\$121,272,550	11.9%	93.0%	89.6%
Construction	\$94,834,967	9.3%	32.2%	35.1%
Food & Drug	\$68,967,198	6.8%	19.4%	15.8%
Liquor	\$13,759,851	1.3%	3.6%	25.8%
Miscellaneous	\$94,221,354	9.2%	10.1%	28.8%
Jewelry/Gallery	\$46,883,805	4.6%	21.4%	21.3%
Utilities	\$49,592,868	4.9%	10.4%	8.7%
Automobile	\$31,400,315	3.1%	30.1%	61.6%
Marijuana	\$11,207,258	1.1%	(1.0%)	(6.2%)
Bank / Finance	\$4,463,553	0.4%	270.5%	N/A
Health / Beauty	\$6,593,635	0.6%	372.7%	N/A
<b>Total</b>	<b>\$1,020,753,218</b>	<b>100.0%</b>	<b>33.2%</b>	<b>24.1%</b>



**December Monthly Retail Sales**

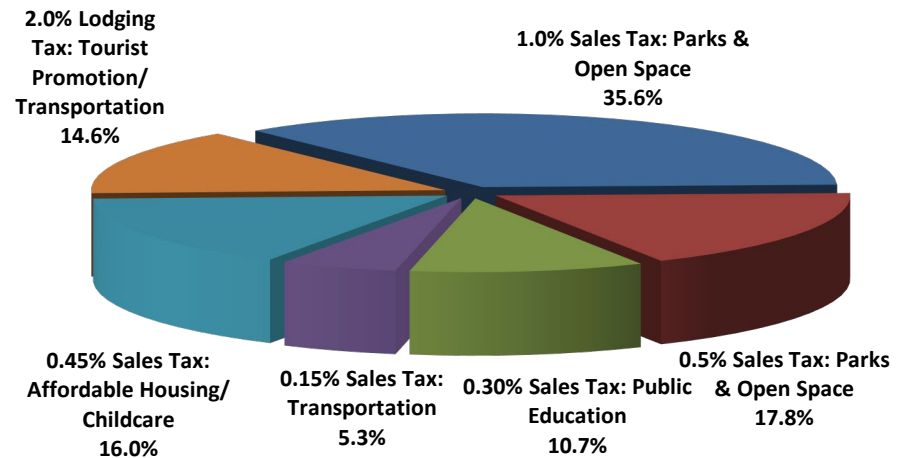
<u>Category</u>	<u>Retail Sales</u>	<u>% of Total Retail Sales</u>	<u>% Change to 2020</u>	<u>% Change to 2019</u>
Accommodations	\$49,511,395	33.5%	140.7%	35.4%
Restaurants/Bars	\$18,764,403	12.7%	75.0%	17.3%
Sports Equip/Clothing	\$14,129,813	9.6%	49.4%	22.7%
Fashion Clothing	\$18,944,420	12.8%	73.9%	99.7%
Construction	\$9,620,282	6.5%	2.1%	(5.1%)
Food & Drug	\$5,724,788	3.9%	(5.6%)	(30.8%)
Liquor	\$1,840,453	1.2%	5.6%	15.6%
Miscellaneous	\$13,414,586	9.1%	33.3%	9.9%
Jewelry/Gallery	\$7,796,829	5.3%	57.3%	(1.4%)
Utilities	\$5,174,783	3.5%	(3.2%)	2.8%
Automobile	\$441,865	0.3%	(84.3%)	(61.4%)
Marijuana	\$843,703	0.6%	(19.0%)	(23.1%)
Bank / Finance	\$540,035	0.4%	(20.2%)	N/A
Health / Beauty	\$958,427	0.6%	3.4%	N/A
<b>Total</b>	<b>\$147,705,780</b>	<b>100.0%</b>	<b>55.9%</b>	<b>22.1%</b>



**City of Aspen Sales and Lodging Tax  
December 2021**

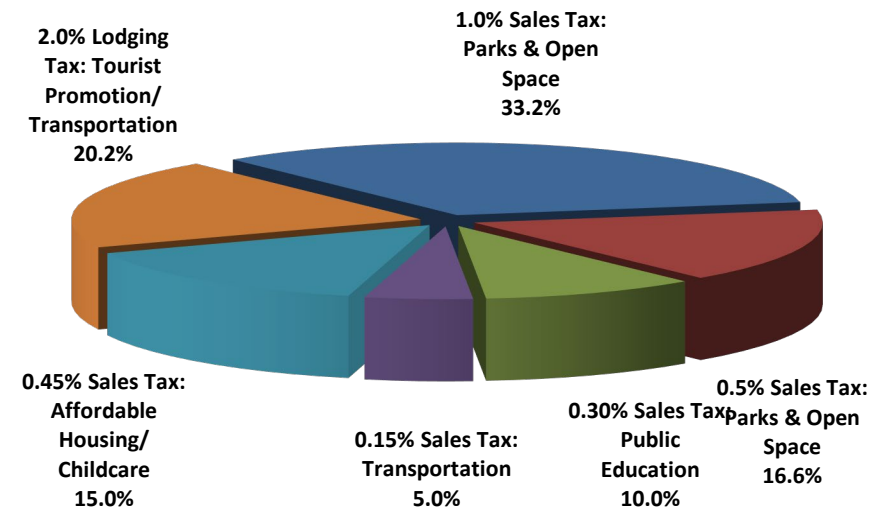
**Year To Date Tax Collections**

<b>Tax Type</b>	<b>YTD Taxes Collected</b>	<b>% YTD Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$10,207,461.44	35.6%
0.5% Sales Tax: Parks & Open Space	\$5,106,740.18	17.8%
0.30% Sales Tax: Public Education	\$3,066,868.11	10.7%
0.15% Sales Tax: Transportation	\$1,532,036.50	5.3%
0.45% Sales Tax: Affordable Housing/ Childcare	\$4,596,069.18	16.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$4,174,844.65</u>	<u>14.6%</u>
<b>Total</b>	<b>\$28,684,020.06</b>	<b>100%</b>



**December Monthly Tax Collections**

<b>Tax Type</b>	<b>Monthly Taxes Collected</b>	<b>% Monthly Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$1,462,996.16	33.2%
0.5% Sales Tax: Parks & Open Space	\$731,496.12	16.6%
0.30% Sales Tax: Public Education	\$439,110.46	10.0%
0.15% Sales Tax: Transportation	\$219,450.88	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$658,350.89	15.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$889,109.33</u>	<u>20.2%</u>
<b>Total</b>	<b>\$4,400,513.84</b>	<b>100%</b>

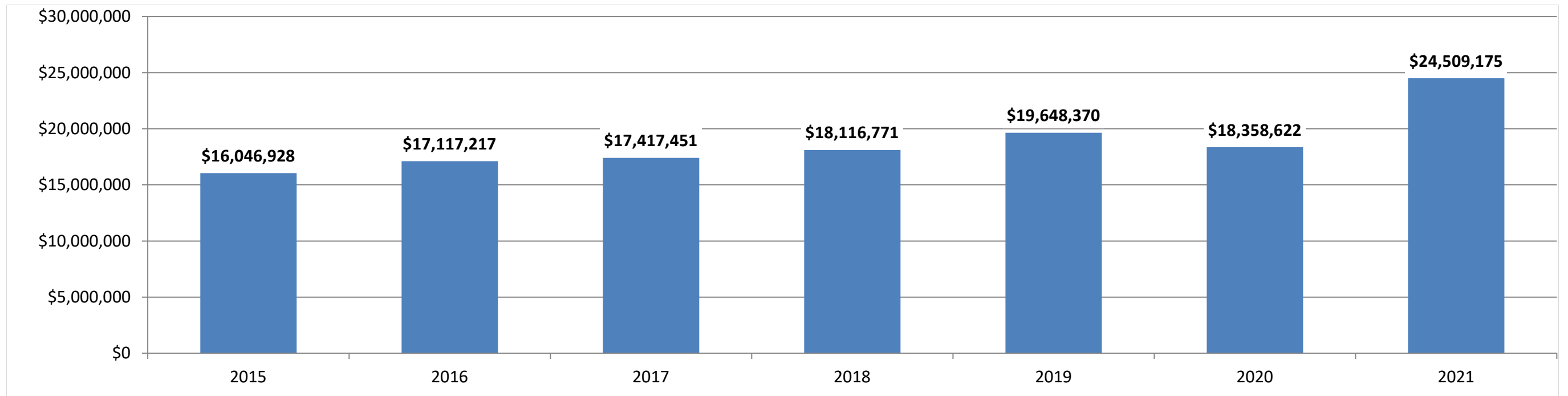


**City of Aspen Sales Tax 2.4%**  
**December 2021**

**Current Month Revenues are 53.5% above last year's Monthly Revenues.**  
**Year To Date Revenues are 44.3% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 33.5% above last year's Actual Year To Date Revenues.**

<u>Month</u>	<u>2021 Monthly Budget vs. 2021 Actual</u>			<u>2021 YTD Budget vs. 2021 Actual</u>			<u>2021 vs. 2020</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020 Monthly</u>	<u>Variance</u>	<u>2020 YTD</u>	<u>Variance</u>
Jan	\$1,595,006	\$1,594,720	(0.0%)	\$1,595,006	\$1,594,720	(0.0%)	\$2,276,217	(29.9%)	\$2,276,217	(29.9%)
Feb	\$1,486,326	\$1,673,483	12.6%	\$3,081,332	\$3,268,203	6.1%	\$2,122,818	(21.2%)	\$4,399,035	(25.7%)
Mar	\$1,888,591	\$2,645,788	40.1%	\$4,969,923	\$5,913,991	19.0%	\$1,243,377	112.8%	\$5,642,412	4.8%
Apr	\$777,333	\$1,117,415	43.7%	\$5,747,255	\$7,031,407	22.3%	\$524,409	113.1%	\$6,166,820	14.0%
May	\$609,455	\$964,724	58.3%	\$6,356,711	\$7,996,131	25.8%	\$567,114	70.1%	\$6,733,934	18.7%
June	\$1,451,356	\$2,213,718	52.5%	\$7,808,067	\$10,209,848	30.8%	\$1,315,505	68.3%	\$8,049,440	26.8%
July	\$1,922,418	\$3,058,702	59.1%	\$9,730,485	\$13,268,550	36.4%	\$1,984,791	54.1%	\$10,034,230	32.2%
Aug	\$1,631,118	\$2,493,158	52.8%	\$11,361,603	\$15,761,708	38.7%	\$1,783,192	39.8%	\$11,817,422	33.4%
Sept	\$1,413,986	\$2,536,858	79.4%	\$12,775,590	\$18,298,565	43.2%	\$2,214,205	14.6%	\$14,031,628	30.4%
Oct	\$855,843	\$1,549,662	81.1%	\$13,631,433	\$19,848,228	45.6%	\$1,067,153	45.2%	\$15,098,781	31.5%
Nov	\$719,393	\$1,149,543	59.8%	\$14,350,825	\$20,997,771	46.3%	\$972,967	18.1%	\$16,071,748	30.7%
Dec	\$2,635,754	\$3,511,405	33.2%	\$16,986,579	\$24,509,175	44.3%	\$2,286,874	53.5%	\$18,358,622	33.5%

**Actual Collections Year To Date Through December**

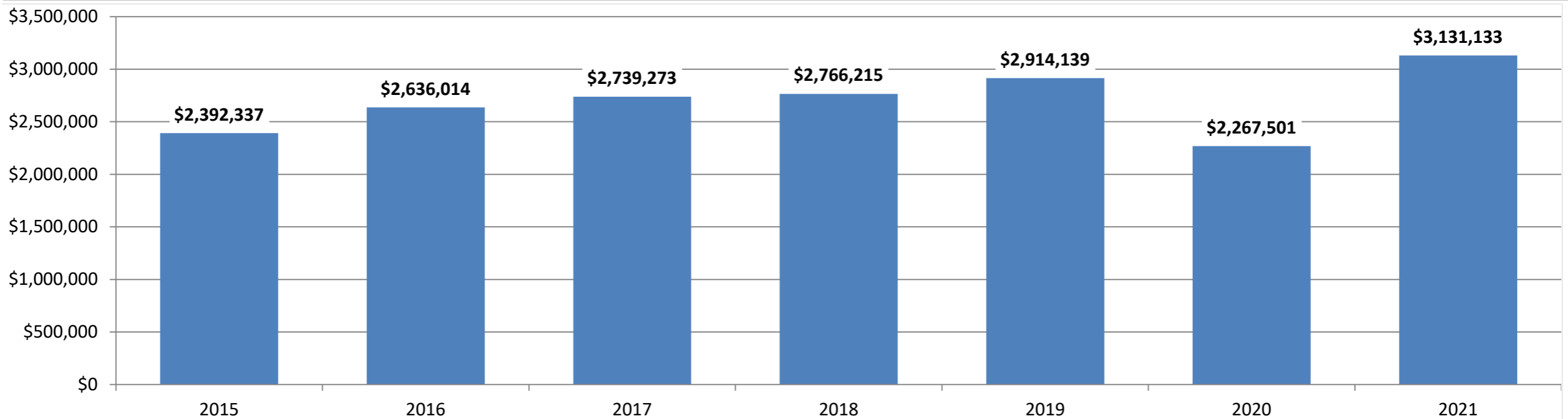


**City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)  
December 2021**

**Current Month Revenues are 148.7% above last year's Monthly Revenues.**  
**Year To Date Revenues are 29.8% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 38.1% above last year's Actual Year To Date Revenues.**

<b>2021 Monthly Budget vs. 2021 Actual</b>				<b>2021 YTD Budget vs. 2021 Actual</b>			<b>2021 vs. 2020</b>			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020 Monthly</u>	<u>Variance</u>	<u>2020 YTD</u>	<u>Variance</u>
Jan	\$304,500	\$168,712	(44.6%)	\$304,500	\$168,712	(44.6%)	\$423,412	(60.2%)	\$423,412	(60.2%)
Feb	\$270,000	\$208,731	(22.7%)	\$574,500	\$377,443	(34.3%)	\$417,502	(50.0%)	\$840,914	(55.1%)
Mar	\$353,250	\$369,554	4.6%	\$927,750	\$746,997	(19.5%)	\$197,251	87.4%	\$1,038,165	(28.0%)
Apr	\$64,500	\$88,271	36.9%	\$992,250	\$835,268	(15.8%)	\$5,581	1,481.7%	\$1,043,746	(20.0%)
May	\$49,500	\$50,893	2.8%	\$1,041,750	\$886,160	(14.9%)	\$8,770	480.3%	\$1,052,516	(15.8%)
June	\$186,750	\$231,840	24.1%	\$1,228,500	\$1,118,001	(9.0%)	\$99,543	132.9%	\$1,152,059	(3.0%)
July	\$280,500	\$429,454	53.1%	\$1,509,000	\$1,547,455	2.5%	\$263,959	62.7%	\$1,416,018	9.3%
Aug	\$213,000	\$328,132	54.1%	\$1,722,000	\$1,875,586	8.9%	\$227,695	44.1%	\$1,643,713	14.1%
Sept	\$151,500	\$324,107	113.9%	\$1,873,500	\$2,199,693	17.4%	\$206,067	57.3%	\$1,849,780	18.9%
Oct	\$78,750	\$166,860	111.9%	\$1,952,250	\$2,366,553	21.2%	\$71,598	133.0%	\$1,921,378	23.2%
Nov	\$54,000	\$97,749	81.0%	\$2,006,250	\$2,464,302	22.8%	\$78,030	25.3%	\$1,999,408	23.3%
Dec	\$406,500	\$666,832	64.0%	\$2,412,750	\$3,131,133	29.8%	\$268,092	148.7%	\$2,267,501	38.1%

**Actual Collections Year To Date Through December**

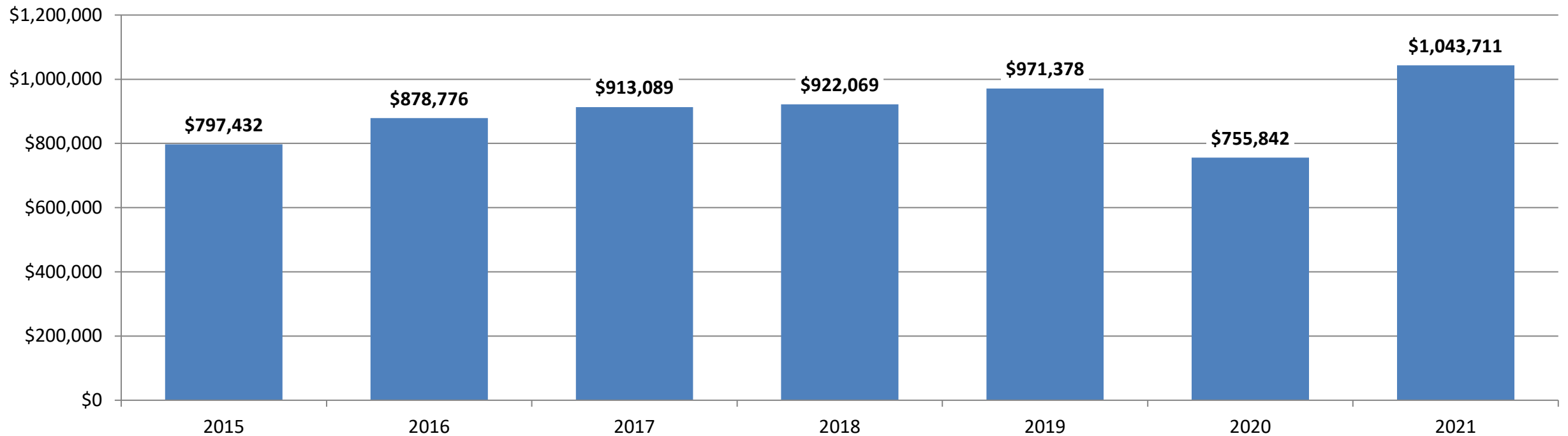


**City of Aspen Transportation 0.5% Lodging Tax  
December 2021**

**Current Month Revenues are 148.7% above last year's Monthly Revenues.**  
**Year To Date Revenues are 29.8% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 38.1% above last year's Actual Year To Date Revenues.**

<b>2021 Monthly Budget vs. 2021 Actual</b>				<b>2021 YTD Budget vs. 2021 Actual</b>			<b>2021 vs. 2020</b>			
<b>Month</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>2020 Monthly</b>	<b>Variance</b>	<b>2020 YTD</b>	<b>Variance</b>
Jan	\$101,500	\$56,237	(44.6%)	\$101,500	\$56,237	(44.6%)	\$141,137	(60.2%)	\$141,137	(60.2%)
Feb	\$90,000	\$69,577	(22.7%)	\$191,500	\$125,813	(34.3%)	\$139,167	(50.0%)	\$280,304	(55.1%)
Mar	\$117,750	\$123,184	4.6%	\$309,250	\$248,998	(19.5%)	\$65,750	87.4%	\$346,054	(28.0%)
Apr	\$21,500	\$29,424	36.9%	\$330,750	\$278,421	(15.8%)	\$1,860	1,481.7%	\$347,915	(20.0%)
May	\$16,500	\$16,964	2.8%	\$347,250	\$295,386	(14.9%)	\$2,923	480.3%	\$350,838	(15.8%)
June	\$62,250	\$77,280	24.1%	\$409,500	\$372,666	(9.0%)	\$33,181	132.9%	\$384,019	(3.0%)
July	\$93,500	\$143,151	53.1%	\$503,000	\$515,817	2.5%	\$87,986	62.7%	\$472,005	9.3%
Aug	\$71,000	\$109,377	54.1%	\$574,000	\$625,195	8.9%	\$75,898	44.1%	\$547,903	14.1%
Sept	\$50,500	\$108,036	113.9%	\$624,500	\$733,231	17.4%	\$68,700	57.3%	\$616,603	18.9%
Oct	\$26,250	\$55,620	111.9%	\$650,750	\$788,851	21.2%	\$23,866	133.1%	\$640,469	23.2%
Nov	\$18,000	\$32,583	81.0%	\$668,750	\$821,434	22.8%	\$26,010	25.3%	\$666,479	23.2%
Dec	\$135,500	\$222,278	64.0%	\$804,250	\$1,043,711	29.8%	\$89,364	148.7%	\$755,842	38.1%

**Actual Collections Year To Date Through December**



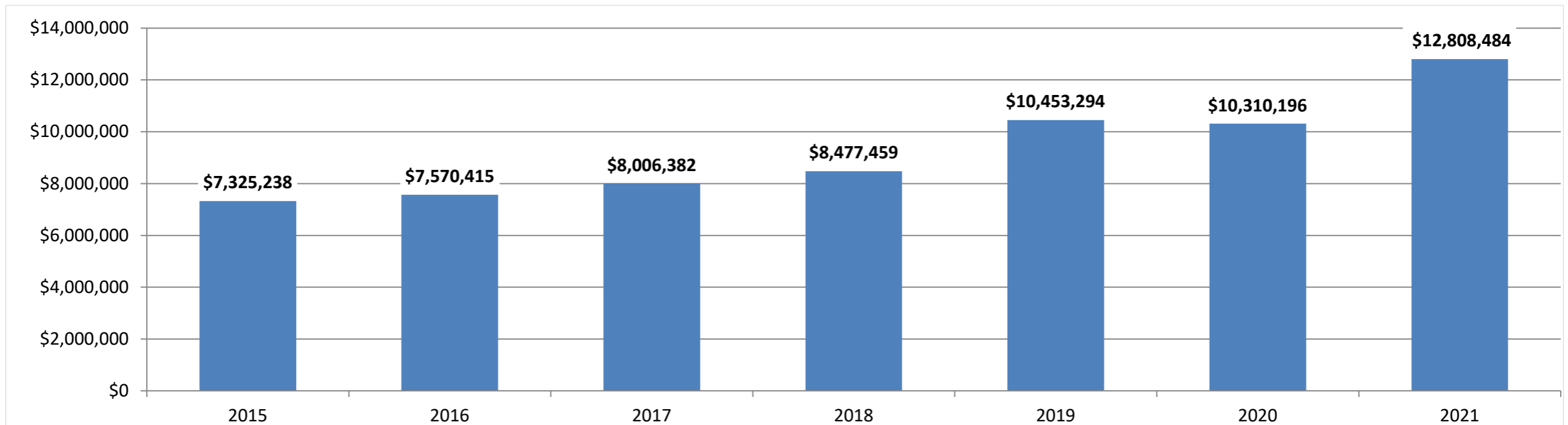


**City of Aspen Portion of Pitkin County 3.6% Sales Tax  
November 2021**

**Current Month Revenues are 25.9% above last year's Monthly Revenues.**  
**Year To Date Revenues are 35.9% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 24.2% above last year's Actual Year To Date Revenues.**

<b>2021 Monthly Budget vs. 2021 Actual</b>				<b>2021 YTD Budget vs. 2021 Actual</b>			<b>2021 vs. 2020</b>			
<b>Month</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>2020 Monthly</b>	<b>Variance</b>	<b>2020 YTD</b>	<b>Variance</b>
Jan	\$1,357,000	\$1,092,020	(19.5%)	\$1,357,000	\$1,092,020	(19.5%)	\$1,512,709	(27.8%)	\$ 1,512,709	(27.8%)
Feb	\$1,277,000	\$1,183,150	(7.3%)	\$2,634,000	\$2,275,171	(13.6%)	\$1,449,548	(18.4%)	\$ 2,962,257	(23.2%)
Mar	\$1,293,000	\$1,515,832	17.2%	\$3,927,000	\$3,791,002	(3.5%)	\$708,210	114.0%	\$ 3,670,467	3.3%
Apr	\$484,000	\$817,669	68.9%	\$4,411,000	\$4,608,671	4.5%	\$498,211	64.1%	\$ 4,168,678	10.6%
May	\$398,000	\$665,386	67.2%	\$4,809,000	\$5,274,058	9.7%	\$430,729	54.5%	\$ 4,599,408	14.7%
June	\$822,000	\$1,218,669	48.3%	\$5,631,000	\$6,492,727	15.3%	\$713,217	70.9%	\$ 5,312,624	22.2%
July	\$1,097,000	\$1,694,768	54.5%	\$6,728,000	\$8,187,494	21.7%	\$1,164,095	45.6%	\$ 6,476,719	26.4%
Aug	\$917,000	\$1,427,495	55.7%	\$7,645,000	\$9,614,989	25.8%	\$1,117,891	27.7%	\$ 7,594,610	26.6%
Sept	\$801,000	\$1,321,660	65.0%	\$8,446,000	\$10,936,649	29.5%	\$1,181,742	11.8%	\$ 8,776,352	24.6%
Oct	\$498,000	\$1,004,489	101.7%	\$8,944,000	\$11,941,138	33.5%	\$845,122	18.9%	\$ 9,621,474	24.1%
Nov	\$484,000	\$867,346	79.2%	\$9,428,000	\$12,808,484	35.9%	\$688,722	25.9%	\$ 10,310,196	24.2%
Dec	\$1,461,000			\$10,889,000			\$1,533,844		\$ 11,844,040	

**Actual Collections Year To Date Through November**

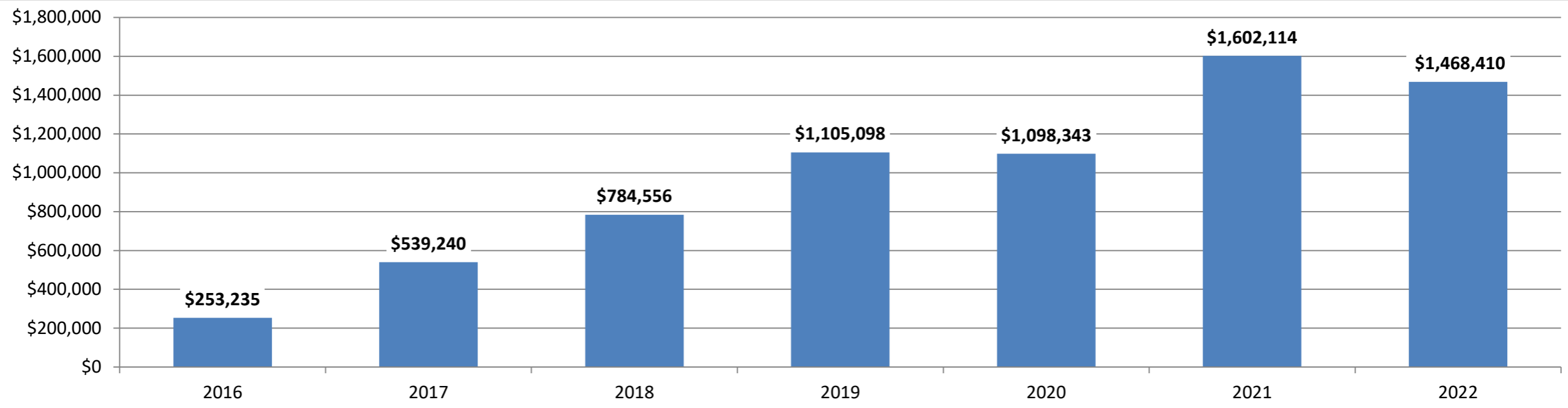


**Housing Real Estate Transfer Tax  
January 2022**

Current Month Revenues are **(8.3%)** below last year's Monthly Revenues.  
 Year To Date Revenues are **159.4%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **(8.3%)** below last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$566,000	\$1,468,410	159.4%	\$566,000	\$1,468,410	159.4%	\$1,602,114	(8.3%)	\$1,602,114	(8.3%)
Feb	\$530,000			\$1,096,000			\$711,920		\$2,314,034	
Mar	\$556,000			\$1,652,000			\$1,294,339		\$3,608,373	
Apr	\$720,000			\$2,372,000			\$2,251,850		\$5,860,223	
May	\$728,000			\$3,100,000			\$1,070,000		\$6,930,223	
June	\$691,000			\$3,791,000			\$1,377,685		\$8,307,908	
July	\$494,000			\$4,285,000			\$919,840		\$9,227,748	
Aug	\$675,000			\$4,960,000			\$1,904,684		\$11,132,432	
Sept	\$960,000			\$5,920,000			\$1,891,643		\$13,024,074	
Oct	\$829,000			\$6,749,000			\$2,571,511		\$15,595,585	
Nov	\$565,000			\$7,314,000			\$2,041,431		\$17,637,016	
Dec	\$686,000			\$8,000,000			\$3,454,185		\$21,091,202	

**Actual Collections Year To Date Through January**



**Wheeler Opera House Real Estate Transfer Tax  
January 2022**

**Current Month Revenues are (5.9%) below last year's Monthly Revenues.**  
**Year To Date Revenues are 173.7% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are (5.9%) below last year's Actual Year To Date Revenues.**

<u>Month</u>	<u>2022 Monthly Budget vs. 2022 Actual</u>			<u>2022 YTD Budget vs. 2022 Actual</u>			<u>2022 vs. 2021</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021 Monthly</u>	<u>Variance</u>	<u>2021 YTD</u>	<u>Variance</u>
Jan	\$285,000	\$780,023	173.7%	\$285,000	\$780,023	173.7%	\$828,882	(5.9%)	\$828,882	(5.9%)
Feb	\$273,000			\$558,000			\$370,913		\$1,199,795	
Mar	\$280,000			\$838,000			\$672,890		\$1,872,685	
Apr	\$358,000			\$1,196,000			\$1,152,214		\$3,024,899	
May	\$373,000			\$1,569,000			\$559,092		\$3,583,990	
June	\$343,000			\$1,912,000			\$707,695		\$4,291,686	
July	\$245,000			\$2,157,000			\$480,929		\$4,772,615	
Aug	\$338,000			\$2,495,000			\$982,807		\$5,755,422	
Sept	\$477,000			\$2,972,000			\$970,454		\$6,725,875	
Oct	\$409,000			\$3,381,000			\$1,321,834		\$8,047,709	
Nov	\$288,000			\$3,669,000			\$1,050,147		\$9,097,856	
Dec	\$331,000			\$4,000,000			\$1,751,029		\$10,848,886	

**Actual Collections Year To Date Through January**

