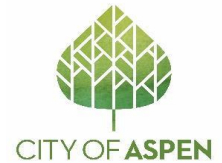


**To:** Aspen City Council  
**From:** Pete Strecker, Finance Director  
**Date:** March 14, 2022  
**Re:** January 2022 Consumption Tax Report



**Aggregate Taxable Sales & Industry Highlights:**

Taxable sales for the month of January were up nearly 90% relative to the same period a year ago. This figure of course compares a robust economic environment to one that was hampered twelve months prior, when COVID constraints were in place due to red level restrictions. However, even when comparing to January 2020, current taxable sales in January reflect an approximate growth of 20%.

In an average year, January taxable sales equate to roughly 12% of annual retail spend, placing it in the top three months for economic activity during a calendar year. This month’s data reflects strength returning to the accommodations sector most significantly, with a synchronized increase in restaurants and bars, all largely due to the above noted constraints on visitation and tourism that persisted one year ago. But not every sector experienced these levels of positive growth during this monthly period. The cannabis industry continues to be slightly down, and while only a sliver of the overall economy, health and beauty sales were down sharply.

Looking at retail spend from the standpoint of where sales are occurring, January sales reflect roughly 88% being generated within the City’s brick and mortar establishments vs. 12% from online/external businesses. These percentages show a higher shift to local sales than reported for the previous month (December 2021) and can largely be attributed to reduced online holiday shopping as well as robust room sales and average daily rates driving up the accommodation industry’s taxable sales.



## Sales and Lodging Tax:

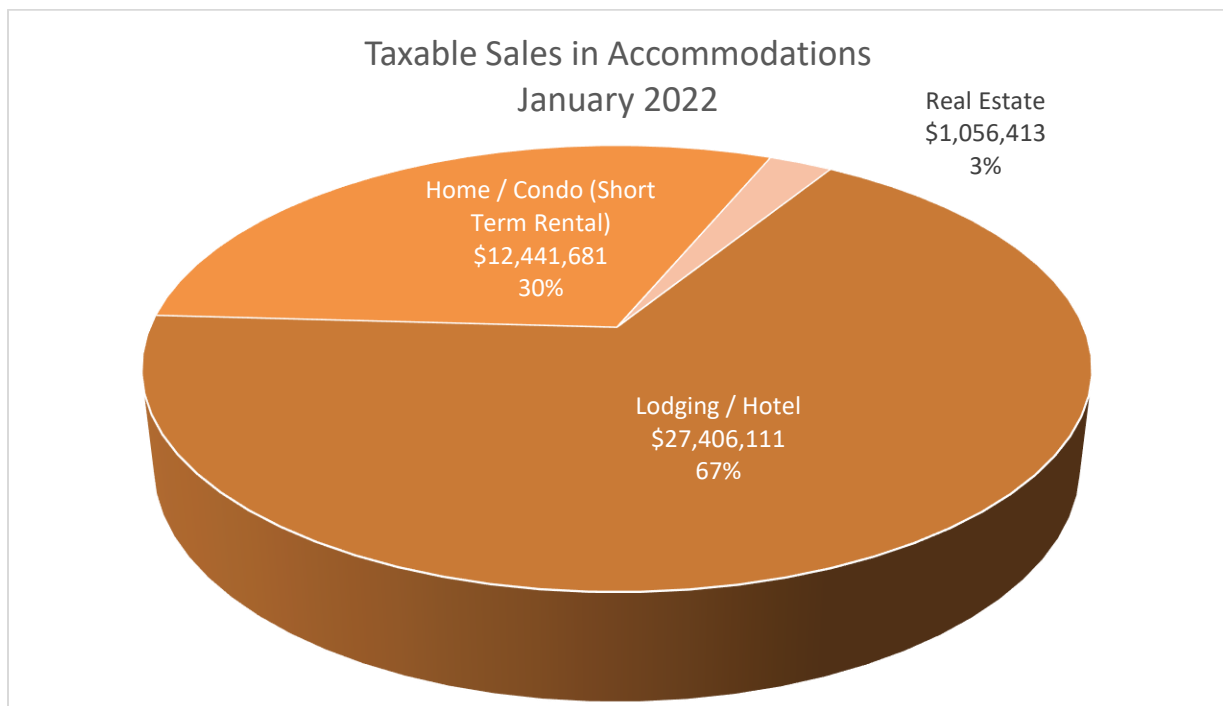
Actual tax collections for January were up 77% relative to 2021 and 24% relative to 2020. Similar to the context provided last month, these changes represent significant resurgence in tourism activity. But these growth figures also include a reflection of price escalation due to demand outpacing supply. While inflationary pressures were previously believed to be largely transient by the economic community, they have shown no sign of retreating and may only persist further due to the new military engagement in Ukraine.

Similar to sales tax for the accommodations industry, the City's dedicated 2.0% lodging tax collections experienced a 212% increase over collections one year prior (and 24% increase over the same benchmark two years earlier). Variances between this growth and that of the taxable sales for accommodations is a reflection of the inclusion of non-room sales on these properties, that is not incorporated into the taxable base for the lodging tax that is levied.

### *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>. With this pause, the staff has been engaging with industry stakeholders around the various areas of concern expressed by the Council on this segment of lodging, including: the impact these businesses have on the neighborhoods where they are located; transit, utility and other infrastructure needs to accommodate these operations and guests; and the environmental impacts they bring around waste, noise, etc.

For the tourist heavy month of January 2022, taxable sales from short-term rentals equated to 30% of the overall lodging industry total, as shown by the graphic below.



**City Share of County Sales Tax:**

While the City's economy is more heavily weighted towards tourism spend around lodging and in restaurants/bars, the larger Pitkin County economy has a bit more diversity built into it as it benefits from higher online retail sales. That aside, the City of Aspen's allocated portion of Pitkin County's 2.0% sales tax for the month of December 2021 was up nearly 34% relative to the same month in 2020, with the yearly growth over 2020 largely in sync with that of the City's own local sales tax at 25%.

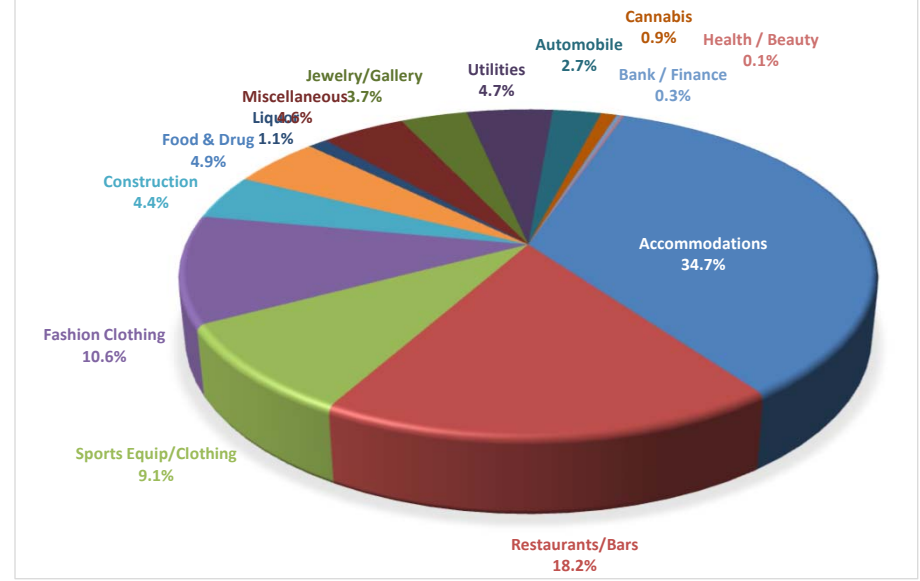
**Real Estate Transfer Taxes:**

On the heels of two back-to-back record setting years, Real Estate Transfer Taxes (RETT) collections continue to hold strong. Despite the one-month softness experienced back in January, February collections rebounded to more than double the collections earned in February 2021. And while the month of March is still in process, it is already known that next month's report will include a large one-time commercial sale that will continue this heightened trend at least an additional month and deviate from expectations for an eventual slowdown.

**City of Aspen Retail Sales by Industry  
January 2022**

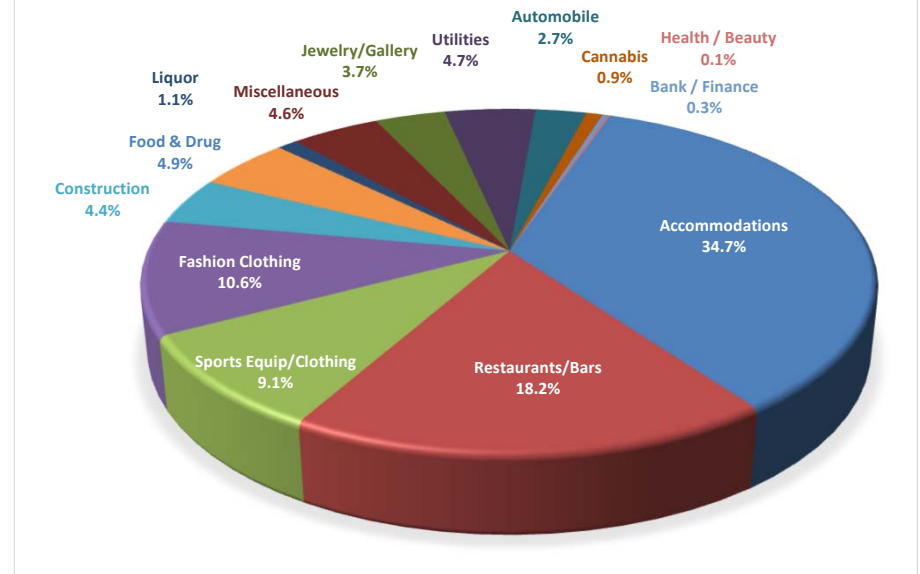
**Year To Date Retail Sales**

<b>Category</b>	<b>Retail Sales</b>	<b>% of Total Retail Sales</b>	<b>% Change to 2021</b>
Accommodations	\$40,904,205	34.7%	197.0%
Restaurants/Bars	\$21,422,586	18.2%	138.1%
Sports Equip/Clothing	\$10,656,142	9.1%	121.3%
Fashion Clothing	\$12,537,825	10.6%	72.2%
Construction	\$5,216,312	4.4%	16.6%
Food & Drug	\$5,778,682	4.9%	13.5%
Liquor	\$1,244,947	1.1%	0.3%
Miscellaneous	\$5,451,890	4.6%	5.5%
Jewelry/Gallery	\$4,325,454	3.7%	57.0%
Utilities	\$5,578,319	4.7%	7.2%
Automobile	\$3,144,002	2.7%	55.9%
Cannabis	\$1,018,696	0.9%	(4.2%)
Bank / Finance	\$305,764	0.3%	34.6%
Health / Beauty	\$157,319	0.1%	(28.8%)
<b>Total</b>	<b>\$117,742,141</b>	<b>100.0%</b>	<b>88.9%</b>



**January Monthly Retail Sales**

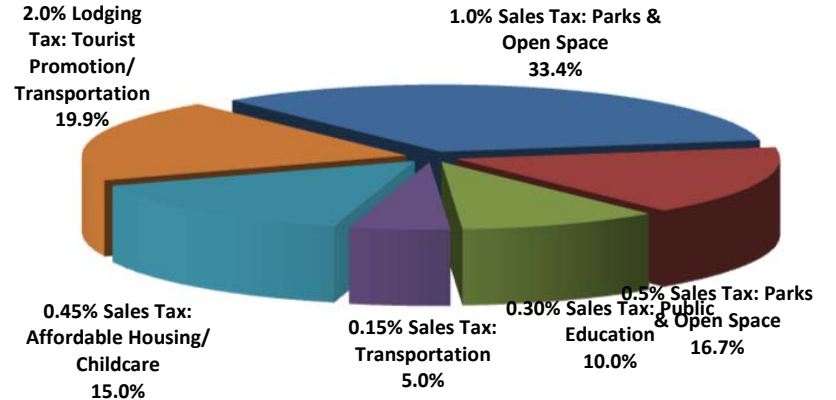
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<b>Total</b>	<b>\$117,742,141</b>	<b>100.0%</b>	<b>88.9%</b>



**City of Aspen Sales and Lodging Tax  
January 2022**

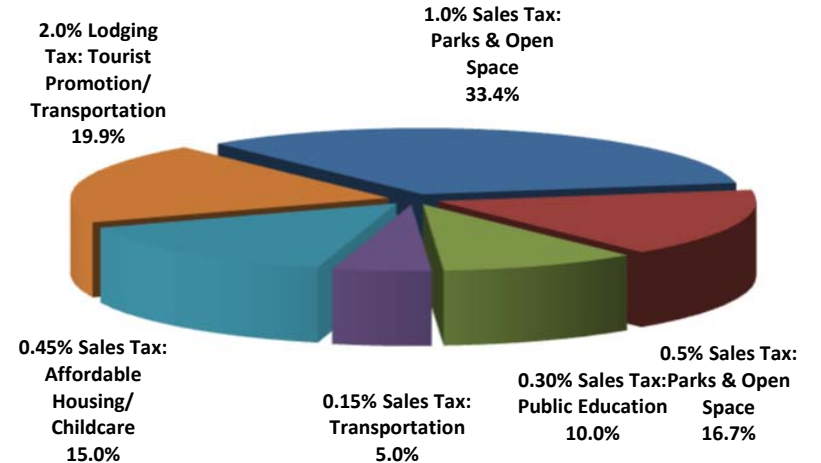
**Year To Date Tax Collections**

<b>Tax Type</b>	<b>YTD Taxes Collected</b>	<b>% YTD Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$1,178,901.41	33.4%
0.5% Sales Tax: Parks & Open Space	\$589,449.64	16.7%
0.30% Sales Tax: Public Education	\$353,865.58	10.0%
0.15% Sales Tax: Transportation	\$176,836.46	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$530,503.86	15.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$702,623.31</u>	<u>19.9%</u>
<b>Total</b>	<b>\$3,532,180.26</b>	<b>100%</b>



**January Monthly Tax Collections**

<b>Tax Type</b>	<b>Monthly Taxes Collected</b>	<b>% Monthly Taxes</b>
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<b>Total</b>	<b>\$3,532,180.26</b>	<b>100%</b>

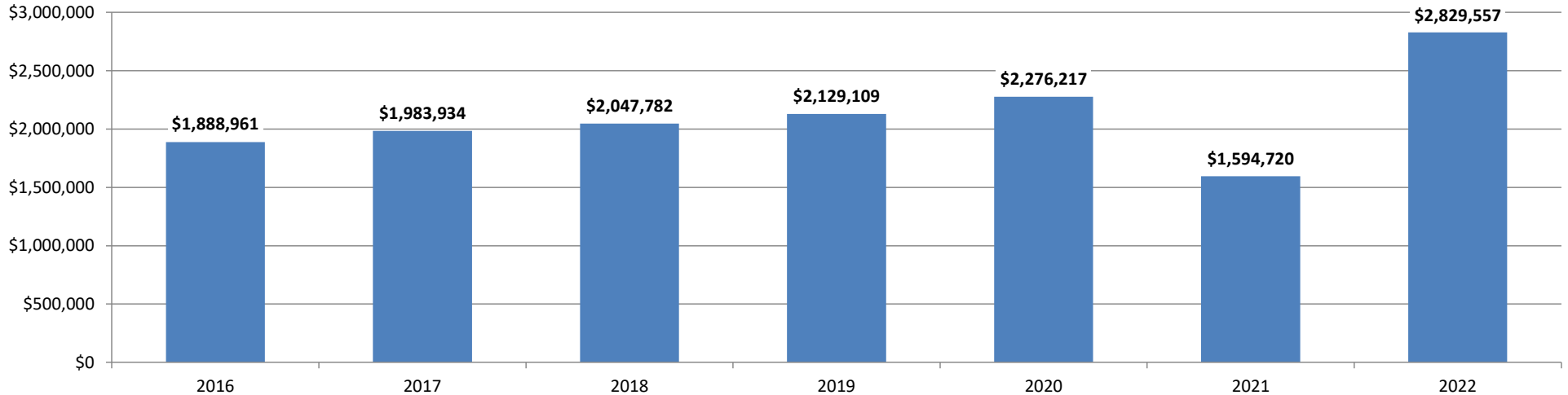


**City of Aspen Sales Tax 2.4%  
January 2022**

Current Month Revenues are **77.4%** above last year's Monthly Revenues.  
 Year To Date Revenues are **28.5%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **77.4%** above 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	\$2,201,800	\$2,829,557	28.5%	\$2,201,800	\$2,829,557	28.5%	\$1,594,720	77.4%	\$1,594,720	77.4%
Feb	\$2,008,000			\$4,209,800			\$1,673,483		\$3,268,203	
Mar	\$2,295,400			\$6,505,200			\$2,645,788		\$5,913,991	
Apr	\$836,900			\$7,342,100			\$1,117,415		\$7,031,407	
May	\$701,600			\$8,043,700			\$964,724		\$7,996,131	
June	\$1,698,200			\$9,741,900			\$2,213,718		\$10,209,848	
July	\$2,176,500			\$11,918,400			\$3,058,702		\$13,268,550	
Aug	\$1,843,600			\$13,762,000			\$2,493,158		\$15,761,708	
Sept	\$1,590,300			\$15,352,300			\$2,536,858		\$18,298,565	
Oct	\$941,300			\$16,293,600			\$1,549,662		\$19,848,228	
Nov	\$809,700			\$17,103,300			\$1,149,543		\$20,997,771	
Dec	\$2,960,000			\$20,063,300			\$3,511,405		\$24,509,175	

**Actual Collections Year To Date Through January**

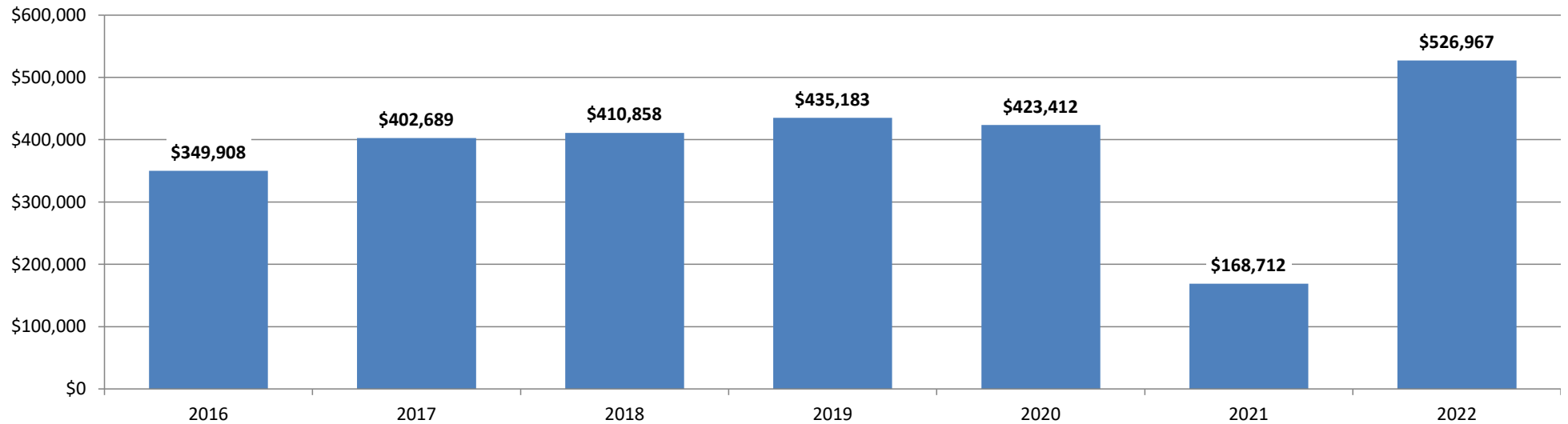


**City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)  
January 2022**

Current Month Revenues are **212.3%** above last year's Monthly Revenues.  
 Year To Date Revenues are **18.1%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **212.3%** above 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	\$446,300	\$526,967	18.1%	\$446,300	\$526,967	18.1%	\$168,712	212.3%	\$168,712	212.3%
Feb	\$410,500			\$856,800			\$208,731		\$377,443	
Mar	\$442,000			\$1,298,800			\$369,554		\$746,997	
Apr	\$66,200			\$1,365,000			\$88,271		\$835,268	
May	\$51,800			\$1,416,800			\$50,893		\$886,160	
June	\$225,700			\$1,642,500			\$231,840		\$1,118,001	
July	\$327,800			\$1,970,300			\$429,454		\$1,547,455	
Aug	\$265,500			\$2,235,800			\$328,132		\$1,875,586	
Sept	\$176,800			\$2,412,600			\$324,107		\$2,199,693	
Oct	\$87,200			\$2,499,800			\$166,860		\$2,366,553	
Nov	\$68,700			\$2,568,500			\$97,749		\$2,464,302	
Dec	\$514,000			\$3,082,500			\$666,832		\$3,131,133	

**Actual Collections Year To Date Through January**

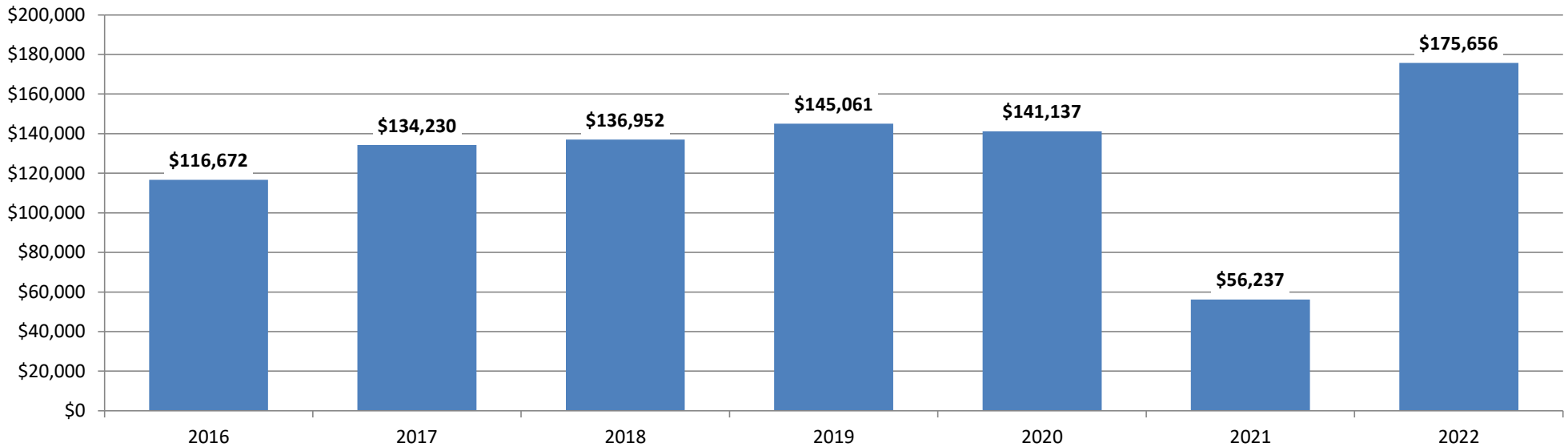


**City of Aspen Transportation 0.5% Lodging Tax  
January 2022**

**Current Month Revenues are 212.3% above last year's Monthly Revenues.**  
**Year To Date Revenues are 18.0% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 212.3% above 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	\$148,800	\$175,656	18.0%	\$148,800	\$175,656	18.0%	\$56,237	212.3%	\$56,237	212.3%
Feb	\$136,800			\$285,600			\$69,577		\$125,813	
Mar	\$147,300			\$432,900			\$123,184		\$248,998	
Apr	\$22,100			\$455,000			\$29,424		\$278,421	
May	\$17,300			\$472,300			\$16,964		\$295,386	
June	\$75,200			\$547,500			\$77,280		\$372,666	
July	\$109,300			\$656,800			\$143,151		\$515,817	
Aug	\$88,500			\$745,300			\$109,377		\$625,195	
Sept	\$58,900			\$804,200			\$108,036		\$733,231	
Oct	\$29,100			\$833,300			\$55,620		\$788,851	
Nov	\$22,900			\$856,200			\$32,583		\$821,434	
Dec	\$171,300			\$1,027,500			\$222,278		\$1,043,711	

**Actual Collections Year To Date Through January**



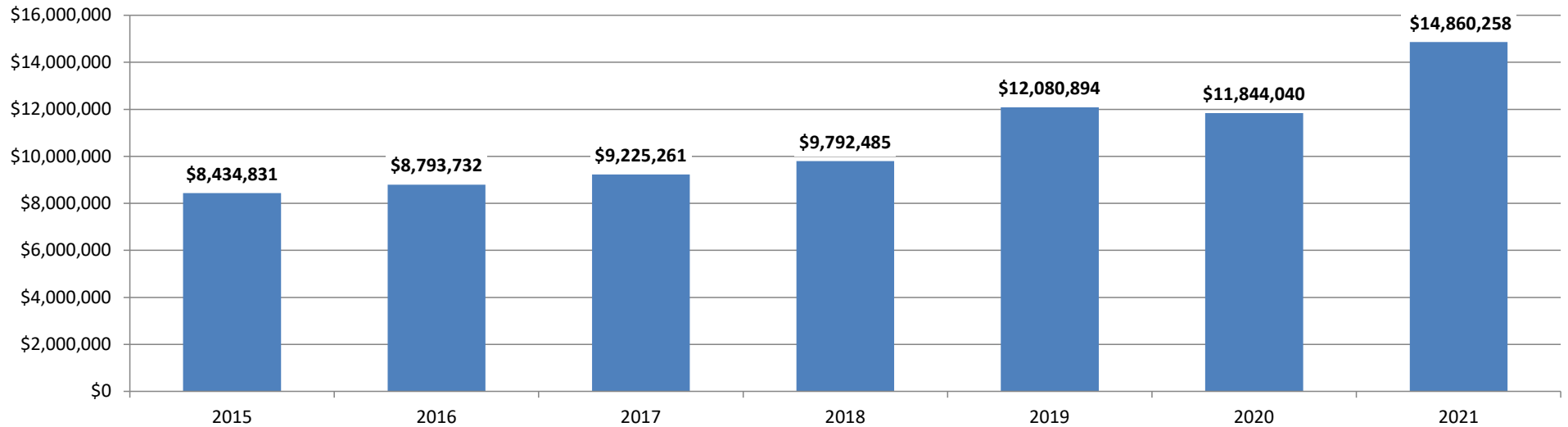


**City of Aspen Portion of Pitkin County 3.6% Sales Tax  
December 2021**

**Current Month Revenues are 33.8% above last year's Monthly Revenues.**  
**Year To Date Revenues are 36.5% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 25.5% above last year's Actual Year To Date Revenues.**

Month	2021 Monthly Budget vs. 2021 Actual			2021 YTD Budget vs. 2021 Actual			2021 vs. 2020			
	Budget	Actual	Variance	Budget	Actual	Variance	2020 Monthly	Variance	2020 YTD	Variance
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	\$2,051,774	40.4%	\$10,889,000	\$14,860,258	36.5%	\$1,533,844	33.8%	\$ 11,844,040	25.5%

**Actual Collections Year To Date Through December**

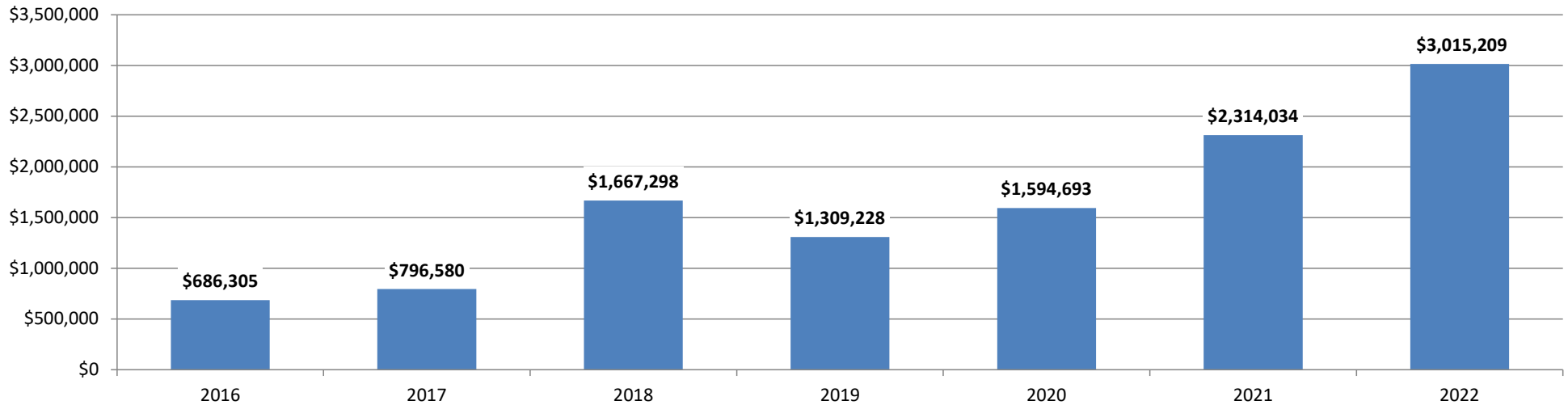


**Housing Real Estate Transfer Tax  
February 2022**

**Current Month Revenues are 117.3% above last year's Monthly Revenues.**  
**Year To Date Revenues are 175.1% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 30.3% above 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	\$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	\$1,546,799	191.8%	\$1,096,000	\$3,015,209	175.1%	\$711,920	117.3%	\$2,314,034	30.3%
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 February**



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

Current Month Revenues are **112.5%** above last year's Monthly Revenues.  
 Year To Date Revenues are **181.0%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **30.7%** above 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	\$285,000	\$780,023	173.7%	\$285,000	\$780,023	173.7%	\$828,882	(5.9%)	\$828,882	(5.9%)
Feb	\$273,000	\$788,144	188.7%	\$558,000	\$1,568,167	181.0%	\$370,913	112.5%	\$1,199,795	30.7%
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 February**

