

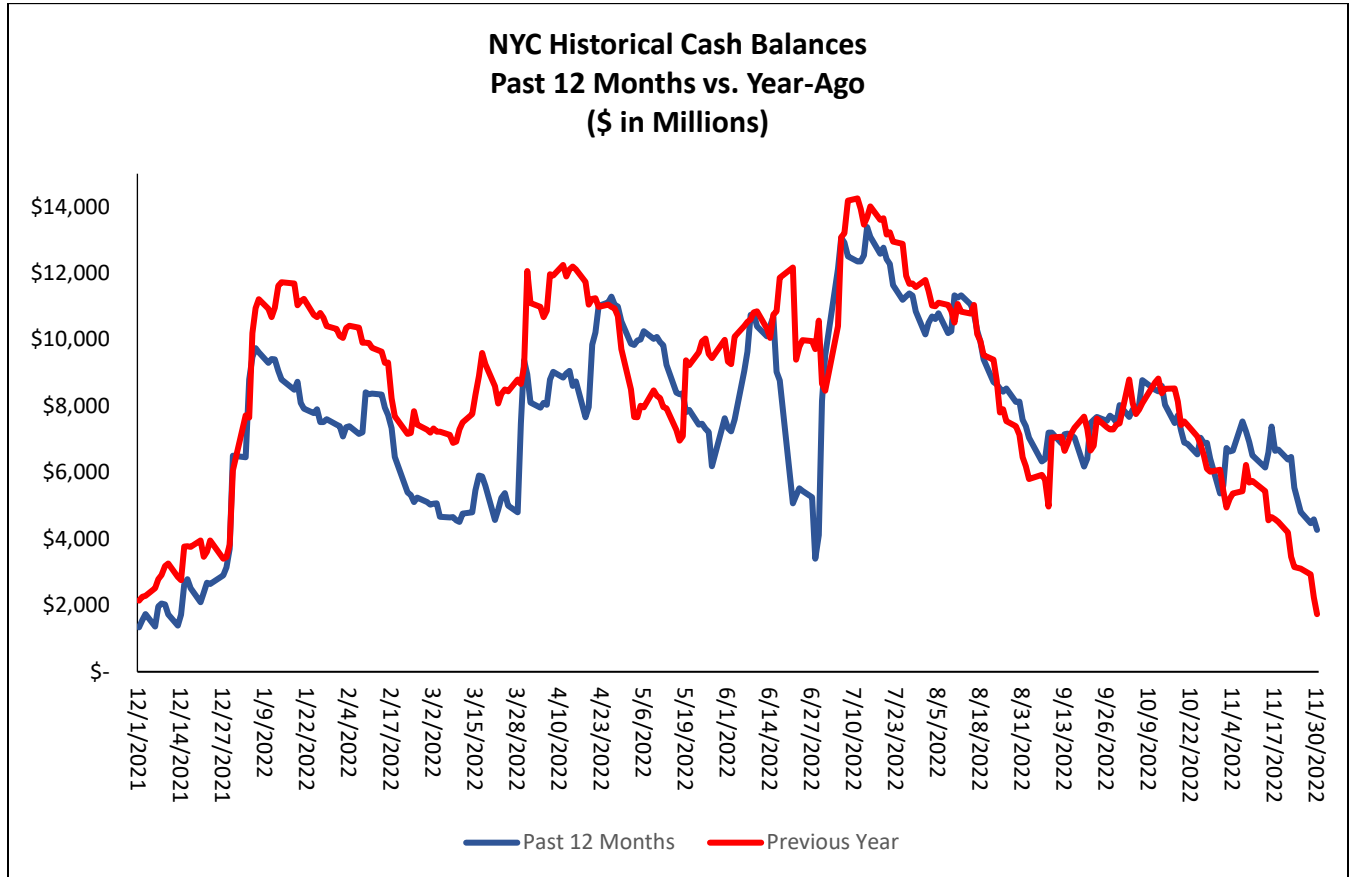


# New York City Cash Balance Projection

New York City Comptroller Brad Lander

Bureau of Budget

December 2022



New York City is starting December 1, 2022 with \$4.275 billion in cash, above last year’s figure by \$2.628 billion. The cash balance includes \$1.954 billion in the Revenue Stabilization Fund (RSF), the City’s rainy-day fund. The majority of funds, \$1.455 billion, were allocated to the RSF in fiscal year 2022. See a further discussion of the City’s long-term reserves in the [November economic newsletter](#).

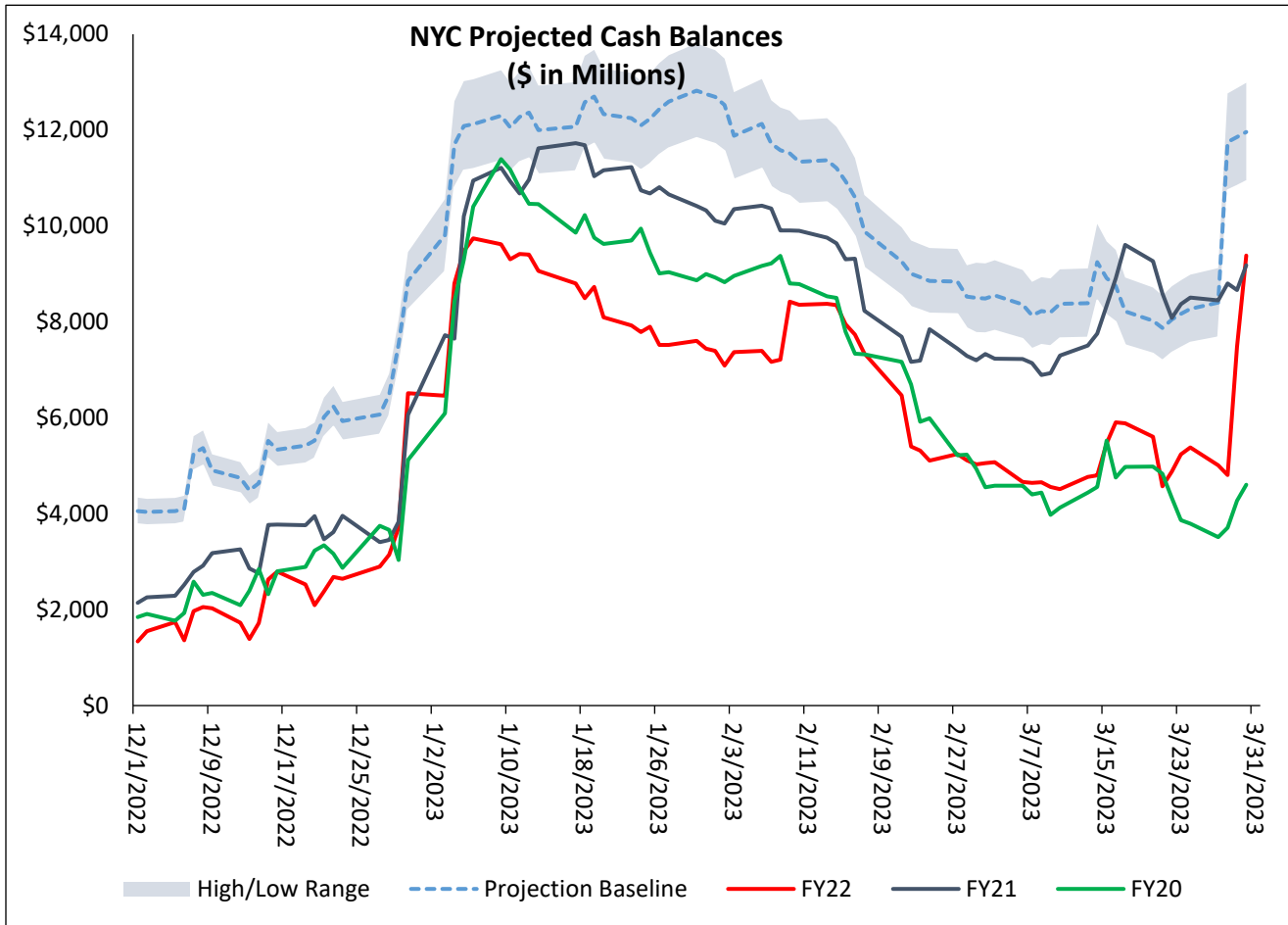
The City’s cash balances continue to benefit from growth in employment and strong consumption. Tax revenues for the first quarter of FY 2023 grew 9% from the same quarter last year. The City collected almost \$9 billion in property tax in 1Q23, an increase of \$705 million from last year, with rising property values and new construction driving the growth. Personal income tax and business taxes grew 1.9% and 4.8%, respectively. The sales tax grew 17.8%, helped by higher prices and from rebounding activity in the tourism and hospitality sectors. The real property transfer tax and the mortgage recording tax together grew 11.2%. Real property transaction taxes most likely peaked in 1Q23, as higher interest rates are likely to affect both sales and refinancing activity in the future.

During the last 12 months, cash balances have averaged \$7.655 billion, compared to \$8.541 billion at the same time last year.

For a full description of the last quarter, please see the accompanying report.

**Projected Cash Balances (December 1<sup>st</sup> – March 31<sup>st</sup>)**

The updated projection below outlines expected cash balances in the NYC central treasury from December 1, 2022 to March 31, 2023, incorporating guidance provided in the FY23 November Plan.



The City’s cash position remains strong. December 2022-March 2023 average cash balances are expected to be higher than average balances in the same time periods in FYs 2020-2022.

We expect there will be sufficient cash-on-hand during the leanest part of the year. Our projection shows that, as in previous years, the annual cash balance low will occur in early December and will measure between \$3.8 billion and \$4.3 billion. The seasonal low measured \$1.338 billion in FY 2022, \$2.143 billion in FY 2021, and \$1.769 billion in FY 2020.

The forecast also includes the recently enacted Pass-through Entity Tax (PTET) that is expected to temporarily increase the cash balance. This optional tax allows taxpayers with pass-through income from New York City partnerships and New York S corporations to pay the PTET and receive a

commensurate credit on their New York City personal income tax. The PTET was implemented to counteract the loss of federal personal income tax deductions for state and local taxes and is expected to be revenue neutral for the City. The City expects to collect \$1.5 billion in PTET in January 2022 and will see the offsetting reduction in personal income tax receipts later in the fiscal year.

The CARES ACT allowed employers and self-employed people to put off paying the employer's share of their eligible Social Security tax liability, normally 6.2% of wages. The City deferred payment of payroll taxes from April 2020 to December 2020, saving about \$1.35 billion. The City repaid half of the deferred amount on January 3, 2022, and the other half is due on January 3, 2023.

Spending on NYC Health + Hospitals (H+H) for its COVID response effort is expected to slow, as the public hospital's provision of testing, tracing and isolation rooms on behalf of the City ramp down. NYC ended its hotel isolation program in March 2022 and its contract tracing program in April 2022.

The City is also expected to spend more on vendor payments, public assistance and other social services. Rising inflation and the end of pandemic unemployment insurance partly underlie the higher outlays in these categories. In addition, the City is allocating funds to provide shelter, food, legal aid, and other social services to recently arrived asylum-seekers. H+H will receive funds for its operation of the City's Humanitarian Emergency Response and Relief Centers (HERRCs).

Overall, cash flow balances are estimated to average \$9.248 billion during the next four months compared to \$5.774 billion during the same time last year.

Projection details are in the following pages of this document.

## NYC Projected Cash Balances

(\$ in Millions)

	<b>High</b>	<b>Low</b>	<b>Baseline</b>
1-Dec-22	4,334	3,782	4,058
2-Dec-22	4,312	3,763	4,038
5-Dec-22	4,332	3,781	4,056
6-Dec-22	4,377	3,820	4,099
7-Dec-22	5,619	4,903	5,261
8-Dec-22	5,735	5,005	5,370
9-Dec-22	5,238	4,571	4,905
12-Dec-22	5,075	4,429	4,752
13-Dec-22	4,794	4,184	4,489
14-Dec-22	4,952	4,322	4,637
15-Dec-22	5,896	5,145	5,521
16-Dec-22	5,700	4,974	5,337
19-Dec-22	5,788	5,051	5,419
20-Dec-22	5,903	5,151	5,527
21-Dec-22	6,425	5,606	6,015
22-Dec-22	6,665	5,816	6,241
23-Dec-22	6,334	5,527	5,930
27-Dec-22	6,479	5,654	6,066
28-Dec-22	6,928	6,046	6,487
29-Dec-22	8,044	7,020	7,532
30-Dec-22	9,455	8,251	8,853
3-Jan-23	10,562	9,052	9,807
4-Jan-23	12,598	10,797	11,698
5-Jan-23	13,019	11,157	12,088
6-Jan-23	13,058	11,191	12,125
9-Jan-23	13,251	11,356	12,303
10-Jan-23	12,988	11,131	12,060
11-Jan-23	13,223	11,332	12,278
12-Jan-23	13,316	11,412	12,364
13-Jan-23	12,926	11,077	12,002
17-Jan-23	13,001	11,142	12,072
18-Jan-23	13,552	11,614	12,583
19-Jan-23	13,674	11,719	12,697
20-Jan-23	13,282	11,383	12,333
23-Jan-23	13,190	11,304	12,247
24-Jan-23	13,027	11,165	12,096
25-Jan-23	13,180	11,295	12,238
26-Jan-23	13,399	11,483	12,441
27-Jan-23	13,562	11,623	12,592
30-Jan-23	13,810	11,835	12,823
31-Jan-23	13,734	11,770	12,752

## NYC Projected Cash Balances

(\$ in Millions)

	<b>High</b>	<b>Low</b>	<b>Baseline</b>
1-Feb-23	13,669	11,715	12,692
2-Feb-23	13,489	11,560	12,525
3-Feb-23	12,794	10,965	11,879
6-Feb-23	13,065	11,197	12,131
7-Feb-23	12,621	10,817	11,719
8-Feb-23	12,472	10,689	11,581
9-Feb-23	12,402	10,629	11,516
10-Feb-23	12,211	10,465	11,338
13-Feb-23	12,246	10,495	11,370
14-Feb-23	12,069	10,343	11,206
15-Feb-23	11,776	10,092	10,934
16-Feb-23	11,419	9,786	10,603
17-Feb-23	10,649	9,126	9,887
21-Feb-23	9,976	8,550	9,263
22-Feb-23	9,696	8,310	9,003
23-Feb-23	9,619	8,244	8,932
24-Feb-23	9,539	8,175	8,857
27-Feb-23	9,521	8,160	8,841
28-Feb-23	9,184	7,871	8,527
1-Mar-23	9,233	7,771	8,502
2-Mar-23	9,221	7,761	8,491
3-Mar-23	9,287	7,816	8,552
6-Mar-23	9,085	7,646	8,366
7-Mar-23	8,835	7,436	8,136
8-Mar-23	8,935	7,520	8,228
9-Mar-23	8,904	7,494	8,199
10-Mar-23	9,098	7,657	8,378
13-Mar-23	9,114	7,670	8,392
14-Mar-23	10,042	8,451	9,247
15-Mar-23	9,677	8,145	8,911
16-Mar-23	9,505	7,999	8,752
17-Mar-23	8,929	7,514	8,222
20-Mar-23	8,717	7,336	8,026
21-Mar-23	8,550	7,196	7,873
22-Mar-23	8,741	7,356	8,048
23-Mar-23	8,868	7,463	8,166
24-Mar-23	8,988	7,564	8,276
27-Mar-23	9,126	7,680	8,403
28-Mar-23	12,764	10,743	11,753
29-Mar-23	12,878	10,838	11,858
30-Mar-23	12,990	10,933	11,961
31-Mar-23	12,894	10,852	11,873

## Inflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Inflows	Dec-22	Jan-23	Feb-23	Mar-23	Dec-22-Mar-23
Opening Balance	4,274.77	8,853.37	12,752.39	8,527.20	4,274.77
Sales Tax	1,137.38	599.54	817.80	723.43	3,278.15
Utility Tax	35.87	35.87	35.87	35.87	143.47
Commercial Rent Tax	192.14	13.15	8.01	204.49	417.79
Personal Income Tax/PTET	1,184.91	3,761.91	1,260.74	1,255.32	7,462.87
General Corporation Tax	1,306.33	202.74	130.05	1,455.12	3,094.24
Banking Tax	1.00	1.00	1.00	1.00	4.00
Unincorporated Business Tax	338.77	557.66	141.73	448.19	1,486.36
Real Property Tax	6,104.22	5,932.90	206.60	1,172.86	13,416.58
Other Taxes	366.14	509.47	287.21	321.67	1,484.49
Less Refunds All Taxes	-87.04	-84.61	-87.89	-124.44	-383.98
<b>Total Taxes</b>	<b>10,579.73</b>	<b>11,529.63</b>	<b>2,801.11</b>	<b>5,493.51</b>	<b>30,403.98</b>
Federal Welfare	61.79	87.05	114.62	389.13	652.59
Federal Education	68.45	60.55	86.90	123.60	339.50
Federal Community Development	17.63	9.13	15.00	13.05	54.81
Federal Other	151.02	278.40	232.88	164.80	827.11
<b>Total Federal Aid</b>	<b>298.90</b>	<b>435.14</b>	<b>449.40</b>	<b>690.58</b>	<b>1,874.02</b>
NYS Welfare	87.96	25.51	102.05	393.29	608.81
NYS Health	40.40	28.99	1.31	126.14	196.84
NYS Education	1,112.61	56.10	54.63	4,008.02	5,231.35
NYS Higher Education	0.89	77.43	0.74	514.56	593.62
NYS Other	69.24	28.08	49.65	158.00	304.97
<b>Total New York State Aid</b>	<b>1,311.09</b>	<b>216.11</b>	<b>208.38</b>	<b>5,200.01</b>	<b>6,935.59</b>
NYS Revenue Sharing	0.00	0.00	0.00	0.00	0.00
Other Intergovernmental Aid	0.00	0.00	0.00	0.00	0.00
<b>Total Intergovernmental</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Water Board	212.54	0.04	0.00	0.00	212.58
Interest Income	18.05	18.05	18.05	18.05	72.21
Fines and Forfeitures	140.35	140.35	140.35	140.35	561.40
Miscellaneous Revenue	232.31	300.39	275.93	289.07	1,097.70
Senior College Tuition and Fees	0.00	167.25	0.00	267.00	434.25
Capital Interest	0.00	0.00	0.00	0.00	0.00
Housing Revenue	1.86	1.86	1.86	1.86	7.45
<b>Total Miscellaneous</b>	<b>605.12</b>	<b>627.95</b>	<b>436.20</b>	<b>716.33</b>	<b>2,385.59</b>
Prior Federal Aid	252.55	137.28	133.66	220.64	744.14
Prior NYS Aid	179.33	111.93	248.28	288.39	827.92
<b>Total Federal And NYS Prior Aid</b>	<b>431.88</b>	<b>249.20</b>	<b>381.94</b>	<b>509.03</b>	<b>1,572.06</b>
Balance Sheet Inflows	15.23	15.23	15.23	15.23	60.91
Federal/State Capital	49.92	31.22	64.62	99.93	245.70
Transfers from Capital Proceeds	790.00	840.00	460.00	200.00	2,290.00
Payroll Taxes Inflows	175.41	175.31	175.21	227.30	753.22
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	536.69	498.90	333.41	407.94	1,776.94
<b>Total Other Inflows</b>	<b>1,567.25</b>	<b>1,560.66</b>	<b>1,048.47</b>	<b>950.39</b>	<b>5,126.77</b>
<b>Total Inflows</b>	<b>14,793.97</b>	<b>14,618.68</b>	<b>5,325.51</b>	<b>13,559.86</b>	<b>48,298.02</b>

## Outflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Outflows	Dec-22	Jan-23	Feb-23	Mar-23	Dec-22-Mar-23
Payroll	1,756.55	1,755.56	1,754.56	2,276.16	7,542.83
Pensions	753.05	753.05	753.05	753.05	3,012.20
Social Security	846.59	179.24	176.38	179.55	1,381.77
Health Plan	564.00	524.00	524.00	524.00	2,136.00
Other PS	73.39	73.39	73.39	73.39	293.54
Total PS	3,993.58	3,285.23	3,281.38	3,806.14	14,366.33
PA	446.00	368.00	336.00	369.00	1,519.00
MA	398.49	398.49	398.49	398.49	1,593.96
Other DOSS	300.79	298.55	291.39	234.46	1,125.18
HHC	78.43	437.26	297.87	73.72	887.28
TA	15.00	0.00	0.00	0.00	15.00
HA	1.22	19.05	24.53	3.60	48.40
Lump Sum	271.37	271.37	271.37	271.37	1,085.47
Vendor Payments	2,788.28	2,532.60	2,632.50	2,289.66	10,243.04
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	4,299.57	4,325.31	4,252.14	3,640.30	16,517.32
City Capital	623.00	1,260.00	447.00	1,111.00	3,441.00
Other Outflow Capital	108.00	91.71	58.00	140.37	398.08
GO Debt Service Funding	0.00	599.19	0.00	0.00	599.19
NYCTFA Debt Service Funding	45.35	0.00	360.83	360.83	767.00
Other Debt Service Funding	0.00	0.00	0.00	0.00	0.00
Repay Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Payroll Taxes Outflow	819.92	832.27	825.39	829.85	3,307.43
Other Outflows	325.95	325.95	325.95	325.95	1,303.81
Total Other Outflows	1,922.22	3,109.12	2,017.17	2,768.01	9,816.51
Total Outflows	10,215.36	10,719.66	9,550.70	10,214.45	40,700.17
Net Flow	4,578.60	3,899.02	-4,225.19	3,345.41	7,597.85
Ending Balance	8,853.37	12,752.39	8,527.20	11,872.62	11,872.62

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