

## Pricing Differences Between IBO and the Administration

Items that Affect the Gap

*Dollars in millions*

	2002	2003	2004	2005
<b>Gaps as Estimated by the Mayor</b>	<b>\$0</b>	<b>(\$3,579)</b>	<b>(\$3,964)</b>	<b>(\$3,899)</b>
<b>IBO Pricing Differences</b>				
Revenues				
Taxes				
Property	(64)	(131)	(306)	(369)
Personal Income	213	361	362	364
General Sales	157	241	271	251
General Corporation	(6)	(228)	(95)	(55)
Unincorporated Business	10	27	43	11
Banking Corporation	132	35	14	(28)
Real Property Transfer	18	45	99	77
Mortgage Recording	12	20	90	117
Hotel Occupancy	6	(16)	(21)	(20)
Commercial Rent	(13)	(24)	(26)	(33)
PILOTS	(20)	(20)	(20)	(20)
	445	310	411	295
Tax Reduction Program	(173)	(347)	(375)	(402)
STaR Reimbursement	20	(5)	0	(4)
Airport Rent	0	(175)	(320)	(285)
<b>Total Revenues</b>	<b>292</b>	<b>(217)</b>	<b>(284)</b>	<b>(396)</b>
Expenditures				
Public Assistance	0	(40)	12	31
Medicaid	(7)	(29)	(9)	(90)
Board of Education (excl. Labor Increases)	(178)	(160)	(185)	(99)
BOE Reserve (transfer to BOE)	80	98	98	98
Labor Cost Increases	(22)	(146)	(537)	(967)
Campaign Finance	0	0	(15)	0
Prepayment Adjustment	(165)	165	0	0
<b>Total Expenditures</b>	<b>(292)</b>	<b>(112)</b>	<b>(636)</b>	<b>(1,027)</b>
<b>Total Pricing Differences</b>	<b>0</b>	<b>(329)</b>	<b>(920)</b>	<b>(1,423)</b>
<b>IBO Surplus/(Gap) Estimate</b>	<b>\$0</b>	<b>(\$3,908)</b>	<b>(\$4,884)</b>	<b>(\$5,322)</b>

SOURCE: IBO.

NOTES: Year 2002 includes the \$375 million surplus estimated by the Mayor and an additional \$165 million estimated by IBO, for a total 2002 surplus of \$540 million.

The \$540 million is used to prepay 2003 expenditures, leaving 2002 with a balanced budget.

Negative pricing differences (in parentheses) widen the gaps, while positive pricing differences narrow the gaps.

Pricing differences exclude intra-city revenues and expenditures.