

Solid corporation tax collections drive a good March for General Fund revenues

March is the largest month for General Fund revenues because certain large corporate taxes are paid during this time, including gross receipts, insurance premiums, and bank shares taxes. In addition, many corporate net income taxpayers remit a quarterly payment and final payments for the personal income tax start to ramp up.

General Fund collections in March were \$76.1 million higher than the official revenue estimate, or 1.7 percent, as large corporate tax payments led the way. Each of the big taxes exceeded their estimate.

Sales tax collections also were higher than estimate, while the personal income tax lagged slightly behind. Non-tax collections, however, fell short of estimate by \$42.4 million (25.6 percent). Because gaming license applicants paid their fees earlier than expected in the fiscal year, we can expect to see license and fee revenues fall short as this timing shift evens out in the second half of the fiscal year.

Looking ahead, April is a large month as Pennsylvanians file their personal income tax returns and final payments if required. Additionally, revenue generated from the unclaimed property program will be transferred to the General Fund.

For March:

- Total General Fund collections were \$76.1 million higher than expected (1.7 percent)
- General Fund tax revenues were \$118.5 million higher than anticipated (2.7 percent)
- Corporation taxes were \$113.7 million above estimate (5.3 percent)
 - The corporate net income tax was \$29.2 million more than expected
 - The gross receipts tax was \$28.4 million higher than projected
 - The insurance premiums tax finished \$47.8 million more than estimate
 - Taxes on financial institutions were \$17.0 million above estimate
- Sales and use tax collections exceeded the estimate by \$19.1 million (2.4 percent)
 - Non-motor collections were \$9.7 million higher than projected (1.4 percent)
 - Motor vehicle collections were \$9.4 million above estimate (8.6 percent)
- Personal income tax collections were \$3.1 million lower than expected (0.3 percent)
 - Employer withholdings on wages and salaries were \$5.0 million less than anticipated (0.5 percent)
 - Non-withheld collections were \$1.9 million above of projections (1.0 percent)
- Non-tax revenues were \$42.4 million less than anticipated (25.6 percent)

Through 9 months of the fiscal year:

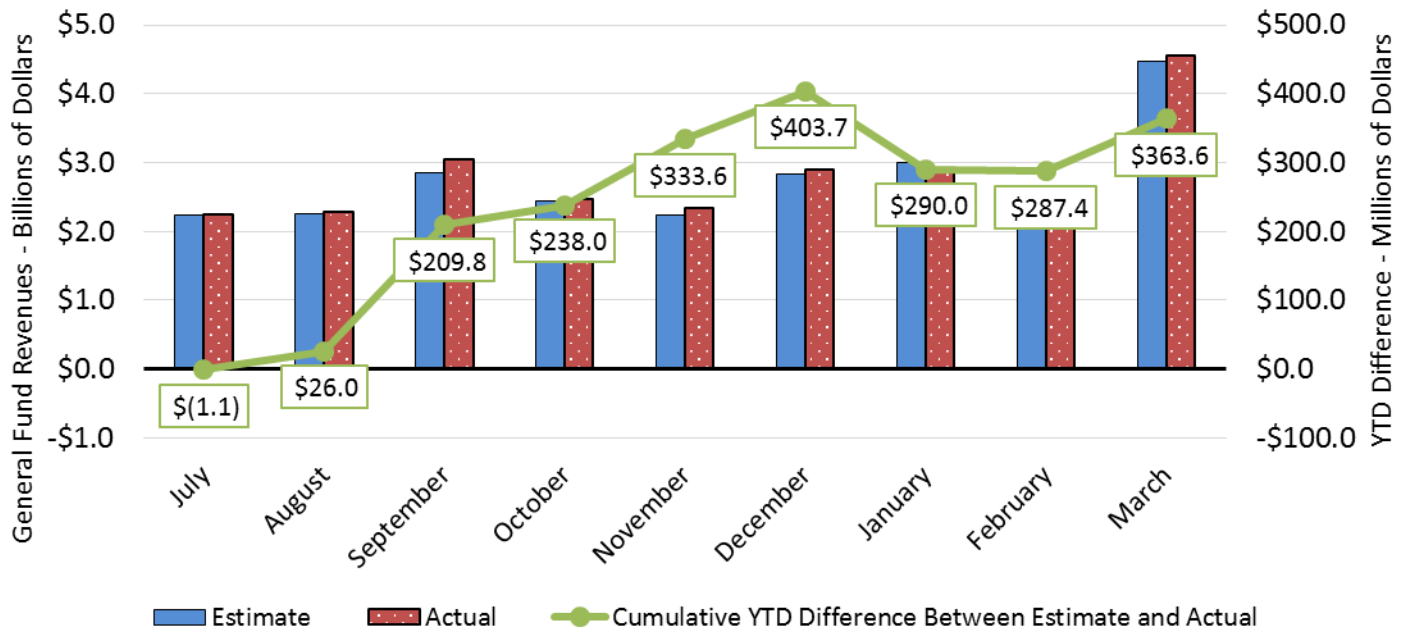
- Cumulative General Fund revenues are \$363.6 million higher than expected (1.5 percent)
- General Fund tax revenue is \$269.2 million higher than projected (1.1 percent)
- Corporation taxes are \$453.6 million above the official estimate (12.1 percent)
- Sales and use taxes are \$230.7 million higher than expected (2.9 percent)
- Personal income tax collections are \$371.1 million less than anticipated (3.8 percent)
- Non-tax revenues are \$94.4 million above the estimate (21.7 percent)

Compared to year-to-date collections during the last fiscal year:

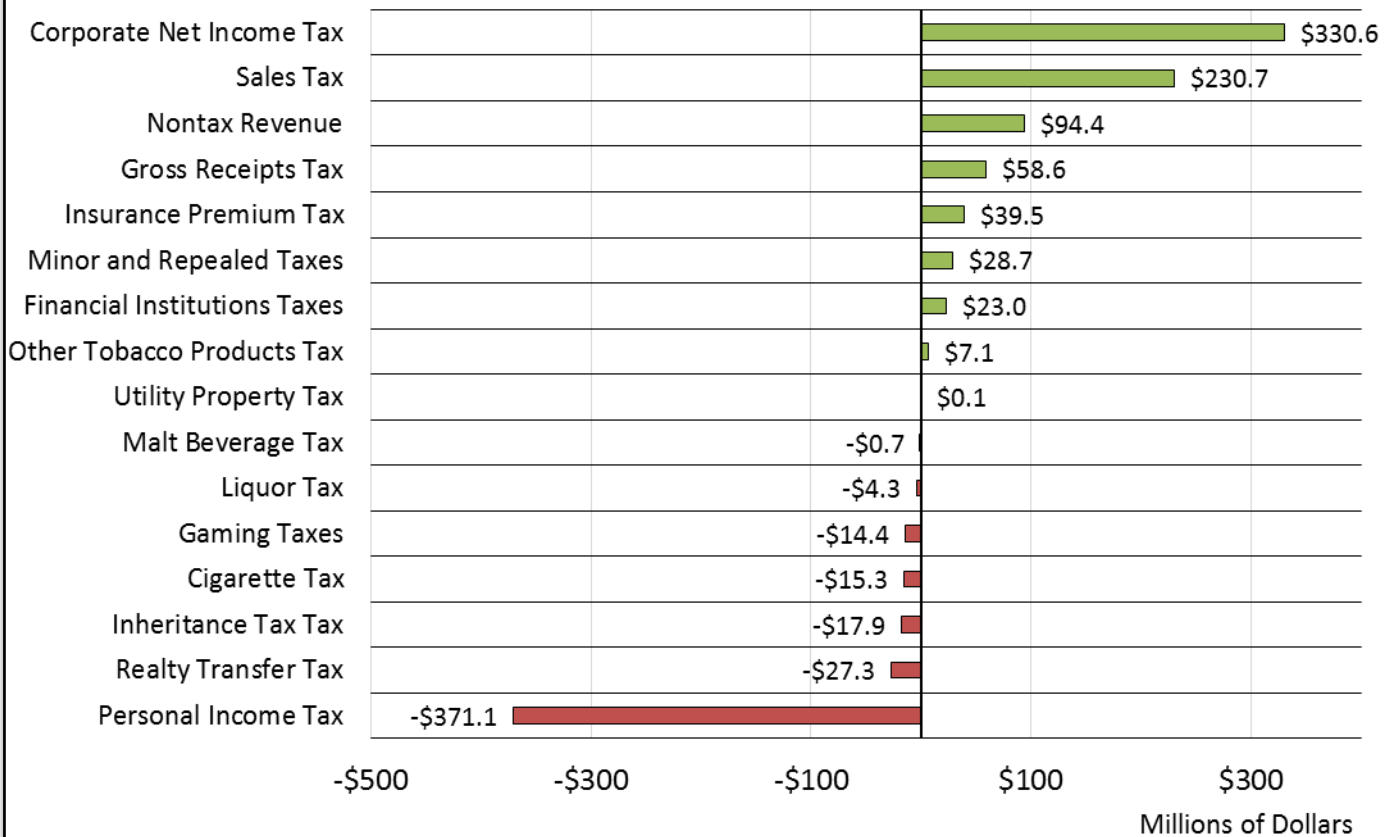
- Total General Fund revenues are 2.1 percent lower (a comparison skewed by the Tobacco Settlement borrowing in February 2018)
- General Fund tax revenue is 5.2 percent higher
- Corporation taxes are 12.3 percent higher
- Sales and use taxes have increased by 7.4 percent
- Personal income tax collections are 1.7 percent higher

| General Fund Revenues - Year-to-Date Performance vs Official Estimate | | | | |
|---|----------------------------|--------------|-----------------|------------|
| | <i>Amounts in Millions</i> | YTD Estimate | YTD Collections | Difference |
| General Fund Total | | 24,386.1 | 24,749.7 | 363.6 |
| Tax Revenue Total | | 23,952.1 | 24,221.3 | 269.2 |
| Corporation Taxes | | 3,736.4 | 4,190.0 | 453.6 |
| Consumption Taxes | | 9,219.6 | 9,437.2 | 217.6 |
| Sales and Use Tax | | 7,980.2 | 8,210.9 | 230.7 |
| Cigarette Tax | | 839.6 | 824.3 | (15.3) |
| Other Tobacco Products | | 88.9 | 96.0 | 7.1 |
| Malt Beverage Tax | | 18.0 | 17.3 | (0.7) |
| Liquor Tax | | 292.9 | 288.6 | (4.3) |
| Other Taxes | | 10,996.1 | 10,594.1 | (402.0) |
| Personal Income Tax | | 9,777.0 | 9,405.9 | (371.1) |
| Realty Transfer Tax | | 410.8 | 383.5 | (27.3) |
| Inheritance Tax | | 780.0 | 762.1 | (17.9) |
| Gaming | | 111.0 | 96.6 | (14.4) |
| Minor and Repealed | | (82.7) | (54.0) | 28.7 |
| Non-Tax Revenue | | 434.0 | 528.4 | 94.4 |

2018/19 General Fund Revenue Performance



Year-to-Date Revenue Performance vs. Official Estimate



House Appropriations Committee (D)

Miriam A. Fox, Executive Director

Eric Dice, Senior Budget Analyst

Mark Shade, Communications Director