

# ***FASTFACTS***

*House Appropriations Committee (D)*

**JOE MARKOSEK**, DEMOCRATIC CHAIRMAN

March 2, 2017



## **February General Fund Revenue Update**

Budget hearings continue in the capitol, and our Democratic members of the House Appropriations Committee heard testimony last week from the Department of Revenue and the Independent Fiscal Office indicating that the General Fund will continue to fall short of estimate for the balance of 2016/17.

It's no surprise that February revenues moved lower, adding another \$32.9 million to the growing General Fund shortfall. Year-to-date, the General Fund is almost \$450 million below the official estimate.

Looking ahead, our committee will continue to scrutinize Gov. Wolf's proposal over the next two weeks to find ways to bring Pennsylvania's budget into balance while responsibly meeting the needs of Pennsylvanians. On the revenue front, March is the largest month for General Fund revenues, with major corporation tax payments on the schedule.

### **For February:**

- Total General Fund collections were \$32.9 million lower than expected (1.7 percent)
- General Fund tax revenues were \$60.5 million less than anticipated (3.2 percent)
- Corporation taxes were \$10.2 million below estimate (12.0 percent)
  - The corporate net income tax came in \$15.0 million less than estimated (28.7 percent)
- Sales and use tax collections exceeded estimates by \$11.8 million (1.7 percent)
  - Non-motor collections were \$16.6 million higher than projected (2.8 percent)
  - Motor vehicle collections were \$4.8 million below estimate (5.0 percent)
- Personal income tax collections were \$29.6 million lower than expected (3.6 percent)
  - Employer withholdings on wages and salaries were \$22.8 million less than anticipated (2.9 percent)

➤ Non-withheld collections were below estimate by \$6.7 million (13.9 percent).

- Non-tax revenues were \$27.5 million more than anticipated (61.4 percent), driven mostly by earlier than anticipated transfer of liquor store profits. The early recognition of these revenues will likely reduce collections in March.

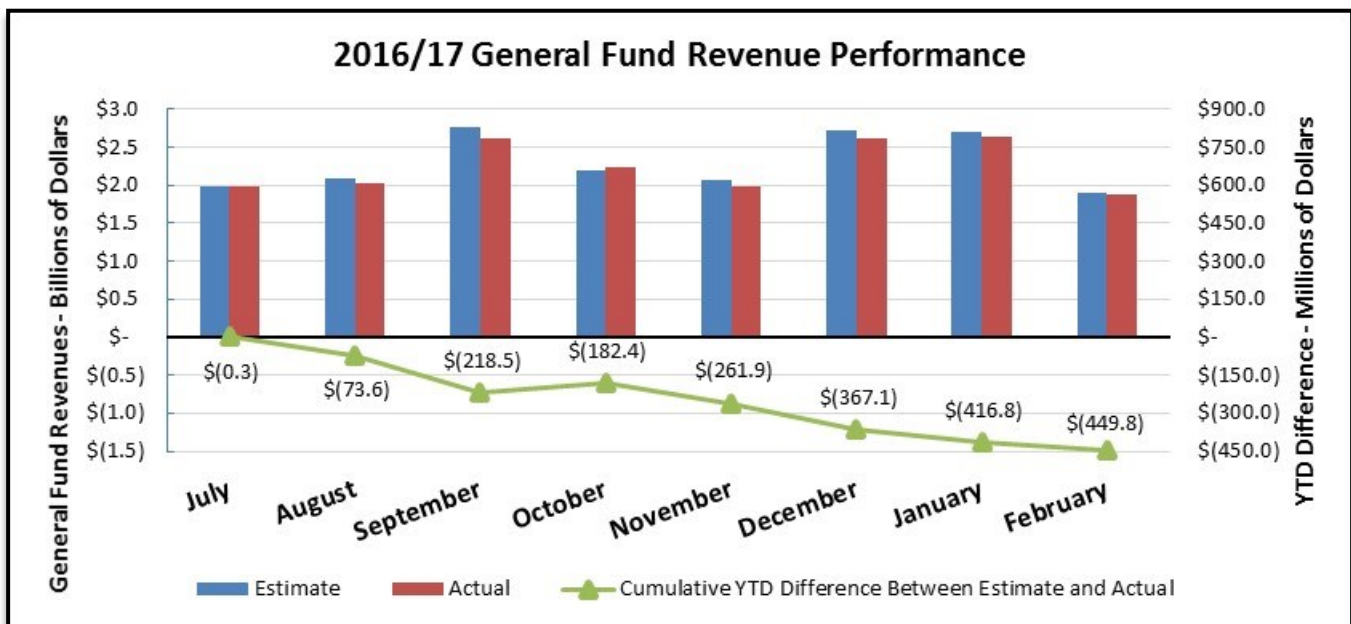
### **For the fiscal year to date:**

- Cumulative General Fund revenues are \$449.7 million lower than expected (2.4 percent)
- General Fund tax revenue is \$523.2 million lower than projected (2.9 percent)
- Corporation taxes are \$171.1 million below the official estimate (10.5 percent)
- Sales and use taxes are \$126.5 million less than expected (1.9 percent)
- Personal income tax collections are \$128.1 million lower than anticipated (1.7 percent)
- Non-tax revenues are \$73.5 million higher than estimate (33.5 percent) – driven by the timing of liquor store profit transfer.

**Compared to year-to-date collections during the past fiscal year:**

- Total General Fund revenues are 1.2 percent higher
- General Fund tax revenue is 1.0 percent higher
- Corporation taxes are 12.2 percent lower
- Sales and use taxes have increased by 1.5 percent
- Personal income tax collections are 0.5 percent higher

General Fund Revenues - Year-to-Date Performance vs Official Estimate				
	Amounts in Millions	YTD Estimate	YTD Collections	Change
General Fund Total		18,422.3	17,972.6	(449.7)
Tax Revenue Total		18,203.0	17,679.8	(523.2)
Corporation Taxes		1,624.0	1,452.9	(171.1)
Consumption Taxes		7,879.8	7,716.4	(163.4)
Sales and Use Tax		6,722.7	6,596.2	(126.5)
Cigarette Tax		856.2	814.9	(41.3)
Other Tobacco Products		34.5	44.6	10.1
Malt Beverage Tax		16.1	16.5	0.4
Liquor Tax		250.3	244.2	(6.1)
Other Taxes		8,699.2	8,510.5	(188.7)
Personal Income Tax		7,650.9	7,522.8	(128.1)
Realty Transfer Tax		360.1	309.7	(50.4)
Inheritance Tax		621.6	598.5	(23.1)
Table Games		78.4	77.3	(1.1)
Minor and Repealed		(11.8)	2.2	14.0
Non-Tax Revenue		219.3	292.8	73.5



**House Appropriations Committee (D)**

Miriam A. Fox, Executive Director

Eric Dice, Budget Analyst

Mark Shade, Communications Director