



Month General Fund Revenue Update

March Revenues Like a Lamb

March is the largest revenue month for the General Fund due to large corporation tax payments. However, revenues moved lower again and fell short of estimate by \$229.6 million. The year-to-date revenue shortfall is now \$679.3 million, or 2.9 percent.

The base revenue shortfall now exceeds the projection underlying the governor's executive budget.

Looking ahead, April is usually the second largest revenue month as many Pennsylvanians file their income tax returns. While April showers bring May flowers, it remains to be seen if the large collections expected this coming month will blossom as expected. However, March's revenue trends certainly made it harder to get the commonwealth's budget out of the muck and on to firmer financial footing.

For March:

- Total General Fund collections were \$229.6 million lower than expected (4.9 percent)
- General Fund tax revenues were \$183.4 million less than anticipated (4.0 percent)
- Corporation taxes were \$178.9 million below estimate (7.4 percent)
 - The corporate net income tax came in \$26.8 million less than estimated (5.5 percent), due to lower than projected final payments

Three corporate taxes are paid almost entirely in March. Each of these tax types underperformed the official revenue estimate:

- The gross receipts tax on utilities was \$72.3 million less than expected (5.9%)
- Insurance premiums tax collections were \$42.7 million under estimate (11.1%)
- Financial institutions tax collections were \$40.9 million lower than anticipated (12.5%)
- Sales and use tax collections were slightly lower than estimate, finishing \$5.2 million less than expected (0.7 percent)

- Non-motor collections were \$6.6 million lower than projected (1.0 percent)
- Motor vehicle collections were \$1.4 million above estimate (1.2 percent)
- Personal income tax collections were \$15.1 million lower than expected (1.3 percent)
 - Employer withholdings on wages and salaries were \$13.9 million less than anticipated (1.4 percent)
 - Non-withheld collections, including final annual payments were below estimate by \$1.2 million (0.8 percent)
- Non-tax revenues were \$46.2 million less than anticipated (50.2 percent), driven mostly by the earlier than anticipated transfer of liquor store profits last month which increased February revenues but reduced March revenues

With three months to go in the fiscal year:

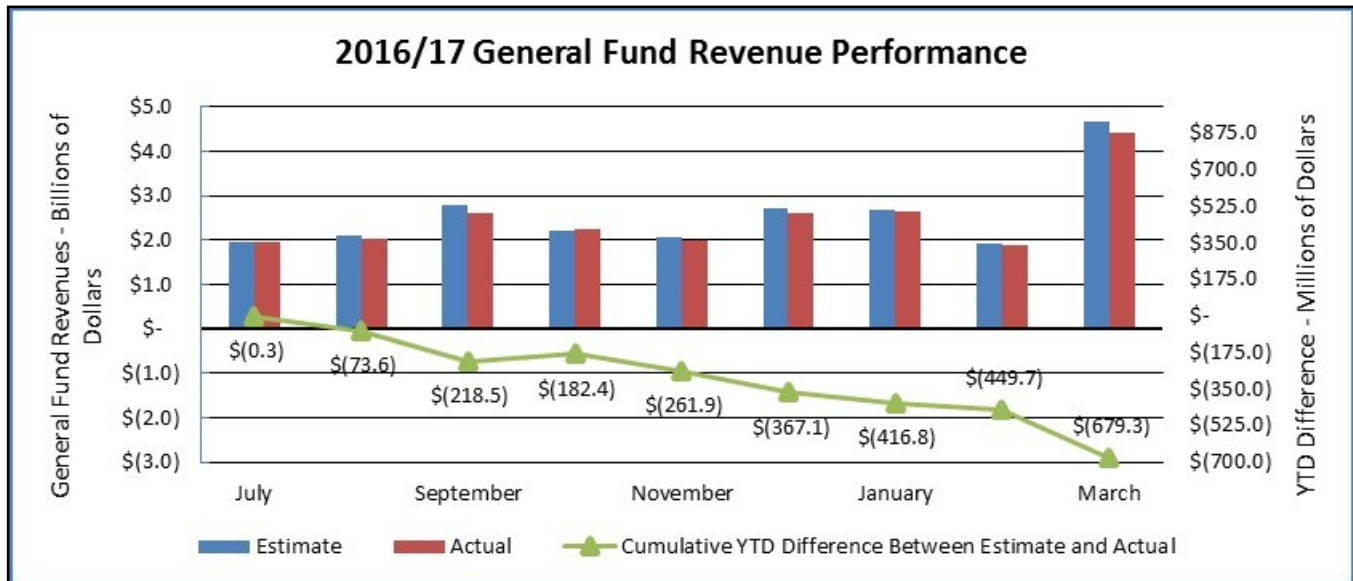
- Cumulative General Fund revenues are \$679.3 million lower than expected (2.9 percent)
- General Fund tax revenue is \$706.6 million lower than projected (3.1 percent)

- Corporation taxes are \$350.0 million below the official estimate (8.7 percent)
- Sales and use taxes are \$131.7 million less than expected (1.8 percent)
- Personal income tax collections are \$143.3 million lower than anticipated (1.6 percent)
- Non-tax revenues are \$27.3 million higher than estimate (8.8 percent)

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

- Total General Fund revenues are 0.7 percent higher
- General Fund tax revenue is 0.7 percent higher
- Corporation taxes are 7.8 percent lower
- Sales and use taxes have increased by 1.6 percent
- Personal income tax collections are 1.0 percent higher

General Fund Revenues - Year-to-Date Performance vs Official Estimate				
	Amounts in Millions	YTD Estimate	YTD Collections	Change
General Fund Total		23,073.4	22,394.1	(679.3)
Tax Revenue Total		22,762.1	22,055.5	(706.6)
Corporation Taxes		4,046.3	3,696.3	(350.0)
Consumption Taxes		8,788.8	8,625.5	(163.3)
Sales and Use Tax		7,488.5	7,356.8	(131.7)
Cigarette Tax		960.9	923.5	(37.4)
Other Tobacco Products		40.7	53.2	12.5
Malt Beverage Tax		17.9	18.0	0.1
Liquor Tax		280.8	274.0	(6.8)
Other Taxes		9,927.0	9,733.7	(193.3)
Personal Income Tax		8,828.1	8,684.8	(143.3)
Realty Transfer Tax		401.3	343.2	(58.1)
Inheritance Tax		706.0	691.4	(14.6)
Table Games		90.4	89.5	(0.9)
Minor and Repealed		(98.8)	(75.2)	23.6
Non-Tax Revenue		311.3	338.6	27.3



House Appropriations Committee (D)

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