

General Fund Revenue Update

Busy January Pushes Positive Revenue Collections

January's General Fund revenues contained many moving parts, including proceeds from Category 4 gaming license auctions, fund transfers, quarterly payments for the personal income tax and the last of sales tax collections from the holiday shopping season. On balance, the General Fund finished \$93.8 million above the official estimate, bringing the year-to-date total into positive territory at \$89.7 million above projection.

Looking ahead, Gov. Wolf will present the 2018/19 executive budget to the General Assembly Tuesday, Feb. 6. The House Appropriations Committee will begin its review of the governor's proposal with three weeks of budget hearings Feb. 20 – March 8. Additionally, the House Democratic Appropriations Committee will monitor the largest piece of the 2017/18 revenue package: the issuance of tobacco settlement revenue bonds, which is expected soon.

For January:

- Total General Fund collections were \$93.8 million higher than expected (3.1 percent)
- General Fund tax revenues were \$25.7 million higher than anticipated (0.9 percent)
- Corporation taxes were \$31.7 million above estimate (29.3 percent)
 - The corporate net income tax collections were \$24.1 million above estimate, and the insurance premiums tax collections were \$17 million higher than expected. Gross receipts tax collections finished \$11 million below estimate.
- Sales and use tax collections finished lower than expected by \$45.4 million (4.7 percent)
 - Non-motor collections were \$32.9 million lower than projected (3.9 percent)
 - Motor vehicle collections were \$12.5 million below estimate (10.3 percent)
- Personal income tax collections were \$52.8 million higher than expected (3.5 percent)
 - Employer withholdings on wages and salaries were \$3.7 million less than anticipated (0.4 percent)
 - Non-withheld collections, including quarterly estimated payments, finished above estimate by \$56.5 million (11.1 percent)
- Non-tax revenues were \$68.0 million more than anticipated (30.2 percent)
 - Non-tax revenues in January includes receipts from the auction of Category 4 gaming licenses and some transfers from special funds. The transfers predominantly consisted of proceeds from the lease of the Farm Show complex.

Fiscal year to date:

- Cumulative General Fund revenues are \$89.7 million higher than expected (0.5 percent)
- General Fund tax revenue is \$88.2 million higher than projected (0.5 percent)
- Corporation taxes are \$24.1 million below the official estimate (1.6 percent)
- Sales and use taxes are \$6.0 million lower than expected (0.1 percent)

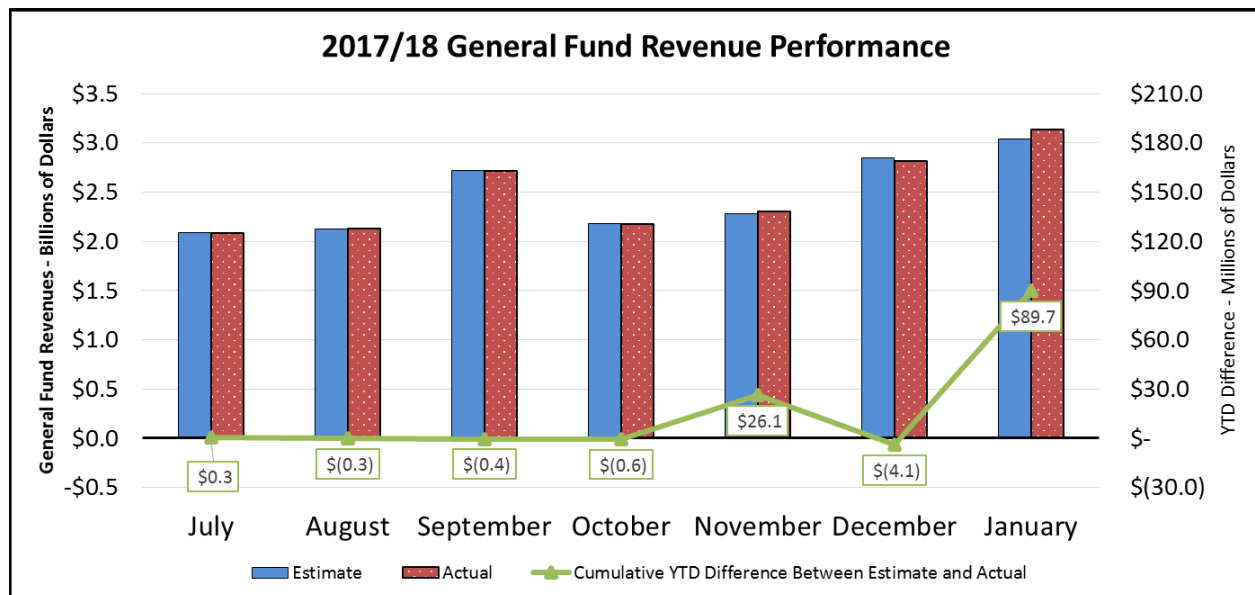
- Personal income tax collections are \$133.1 million more than anticipated (1.9 percent)
- Non-tax revenues are \$1.5 million above the estimate (0.3 percent)

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

- Total General Fund revenues are 7.9 percent higher
- General Fund tax revenue is 6.0 percent higher
- Corporation taxes are 7.1 percent higher
- Sales and use taxes have increased by 3.9 percent
- Personal income tax collections are 8.6 percent higher

Although tax receipts show decent growth, timing changes impact year-over-year trends as well.

General Fund Revenues - Year-to-Date Performance vs Official Estimate				
	Amounts in Millions	YTD Estimate	YTD Collections	Difference
General Fund Total		17,278.1	17,367.8	89.7
Tax Revenue Total		16,735.5	16,823.7	88.2
Corporation Taxes		1,464.8	1,440.7	(24.1)
Consumption Taxes		7,165.0	7,135.2	(29.8)
Sales and Use Tax		6,131.4	6,125.4	(6.0)
Cigarette Tax		720.6	704.0	(16.6)
Other Tobacco Products		69.5	68.8	(0.7)
Malt Beverage Tax		14.4	14.5	0.1
Liquor Tax		229.1	222.5	(6.6)
Other Taxes		8,105.7	8,247.8	142.1
Personal Income Tax		7,170.9	7,304.0	133.1
Realty Transfer Tax		305.5	306.7	1.2
Inheritance Tax		567.7	558.1	(9.6)
Table Games		70.1	69.8	(0.3)
Minor and Repealed		(8.5)	9.2	17.7
Non-Tax Revenue		542.6	544.1	1.5



House Appropriations Committee (D)

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