



**MATT BRADFORD**, DEMOCRATIC CHAIRMAN

January 2, 2019

## General Fund Revenue Update - December

As in prior months, December revenue continued to exceed forecasts as collections brought in \$70.1 million, or 2.5 percent, more than the official estimate. Year-to-date, the commonwealth has brought in \$403.7 million, or 2.7 percent, more than expected.

While it's positive that the General Fund is now ahead of projections, March, April and June are the largest revenue months and will be the key determinants of Pennsylvania's overall revenue performance for the fiscal year.

December's gain was due to non-tax revenues which were above estimate by \$82.3 million, mainly due to sports wagering and internet gaming fees. The tax side was below estimate by \$12.2 million.

The "big three" tax types continued their same pattern with the corporate net income tax and the sales tax exceeding official estimates while the personal income tax lagged behind.

A good portion of the non-tax revenue collected this month can be attributed to gaming-related license fees. The official estimate assumed that most of these fees would be collected later in the second half of the fiscal year, so collections in future months might fall short in this area due to the timing differences.

December's report reflects the holiday shopping season, which continued to bring higher sales tax receipts. Additionally, many corporations made quarterly estimated payments, which came in significantly above estimate.

### For December:

- Total General Fund collections were \$70.1 million higher than expected (2.5 percent)
- General Fund tax revenues were \$12.2 million lower than anticipated (0.4 percent)
- Corporation taxes were \$87.5 million above estimate (17.8 percent)
- Sales and use tax collections finished higher than expected by \$23.2 million (2.5 percent)
  - ◊ Non-motor collections were \$14.4 million higher than projected (1.8 percent)
  - ◊ Motor vehicle collections were \$8.8 million above estimate (8.2 percent)
- Personal income tax collections were \$132.4 million lower than expected (12.0 percent)
  - ◊ Employer withholdings on wages and salaries were \$7.2 million more than anticipated (0.8 percent)
  - ◊ Non-withheld collections finished below estimate by \$139.7 million (59.4 percent)
- Non-tax revenues were \$82.3 million more than anticipated (728.5 percent)

### For the fiscal year so far:

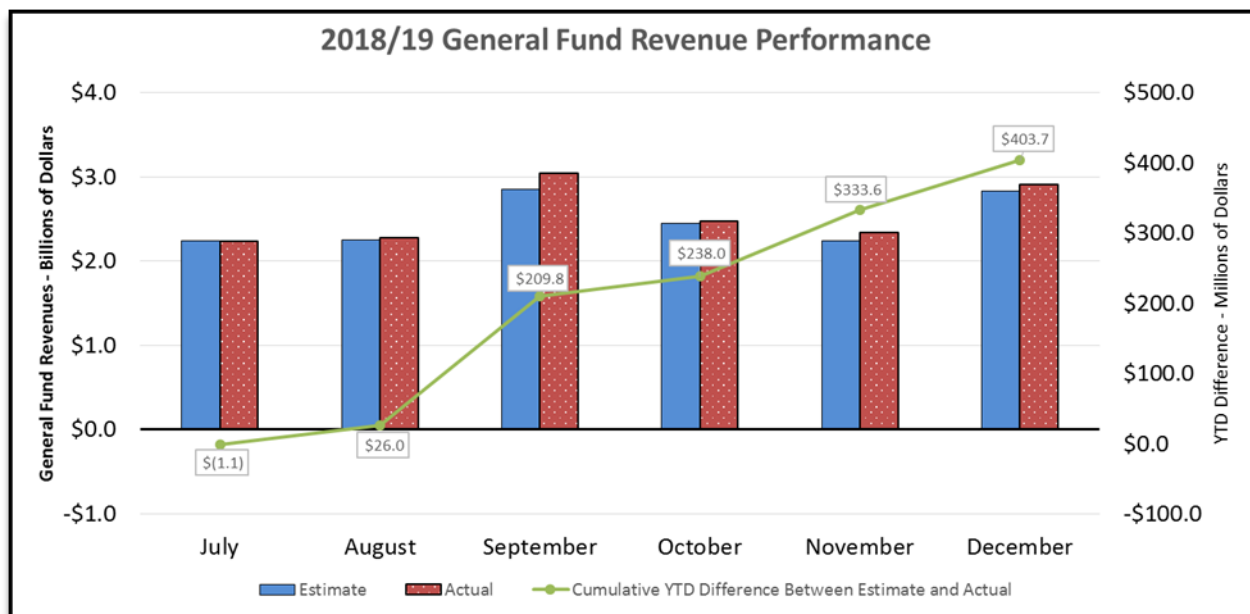
- Cumulative General Fund revenues are \$403.7 million higher than expected (2.7 percent)
- General Fund tax revenue is \$252.7 million higher than projected (1.7 percent)
- Corporation taxes are \$294.6 million above the official estimate (21.6 percent)
- Sales and use taxes are \$163.2 million higher than expected (3.0 percent)
- Personal income tax collections are \$203.4 million less than anticipated (3.3 percent)

- Non-tax revenues are \$151.0 million above the estimate (73.8 percent)

**Compared to year-to-date collections during 2017/18:**

- Total General Fund revenues are 7.3 percent higher
- General Fund tax revenue is 6.7 percent higher
- Corporation taxes are 27.4 percent higher
- Sales and use taxes have increased by 8.1 percent
- Personal income tax collections are 2.2 percent higher

General Fund Revenues - Year-to-Date Performance vs Official Estimate			
<i>Amount in Millions</i>	YTD Estimate	YTD Collections	Difference
General Fund Total	14,866.4	15,270.1	403.7
Tax Revenue Total	14,661.9	14,914.6	252.7
Corporation Taxes	1,362.8	1,657.4	294.6
Consumption Taxes	6,347.6	6,507.3	159.7
Sales and Use Tax	5,464.5	5,627.7	163.2
Cigarette Tax	605.1	598.8	(6.3)
Other Tobacco Products	60.8	65.7	4.9
Malt Beverage Tax	12.8	12.2	(0.6)
Liquor Tax	204.4	202.9	(1.5)
Other Taxes	6,951.5	6,749.9	(201.6)
Personal Income Tax	6,087.7	5,884.3	(203.4)
Realty Transfer Tax	282.6	276.9	(5.7)
Inheritance Tax	517.5	517.8	0.3
Gaming	69.0	60.0	(9.0)
Minor and Repealed	(5.3)	10.9	16.2
Non-Tax Revenue	204.5	355.5	151.0



**House Appropriations Committee (D)**

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