



Senate Appropriations Committee

The Monthly Report

January 2013

Jake Corman, Chairman



Strong Corporate Tax Collections Propel General Fund Revenues Above Estimate for December

General Fund revenue collections for the month ended December 2012 totaled \$2.44 billion, which was \$112.4 million, or 4.8%, above estimate for the month. Fiscal year-to-date collections total \$12.2 billion, which is \$171.5 million, or 1.4%, above estimate for the year. Fiscal year-to-date 2012-13 total General Fund revenue collections are \$583 million, or 5%, ahead of last year. General Fund tax revenue collections are \$537 million, or 4.7%, more than last year as of the end of December. The FY 2012-13 Official General Fund Revenue Estimate calls for annual growth of 3.3%, and so with one-half of the fiscal year behind us, revenue collections are on pace to at least meet the estimate.

December's corporation tax collections were above estimate by \$101.4 million, accounting for the majority of the monthly surplus. The final quarterly estimated payment for the 2012 tax year is due in December. The corporate net income tax was over estimate by \$88 million for the month and the capital stock and franchise tax was \$4.2 million ahead of estimate for the month. For the fiscal year-to-date, corporation taxes are running \$243.6 million ahead of estimate. The rebound effects from bonus depreciation were still being played out in 2012 CNI tax payments, and so it will be interesting to see whether the monthly distributions of the CNI estimates might have been understated in the second half of 2012, thereby

making it easier to beat the estimates. Potentially, this could mean that the strong performance in corporation tax collections will be pared back somewhat in the second half of the 2012-13 fiscal year when estimated payments received in March and June will be for the 2013 tax year instead of 2012.

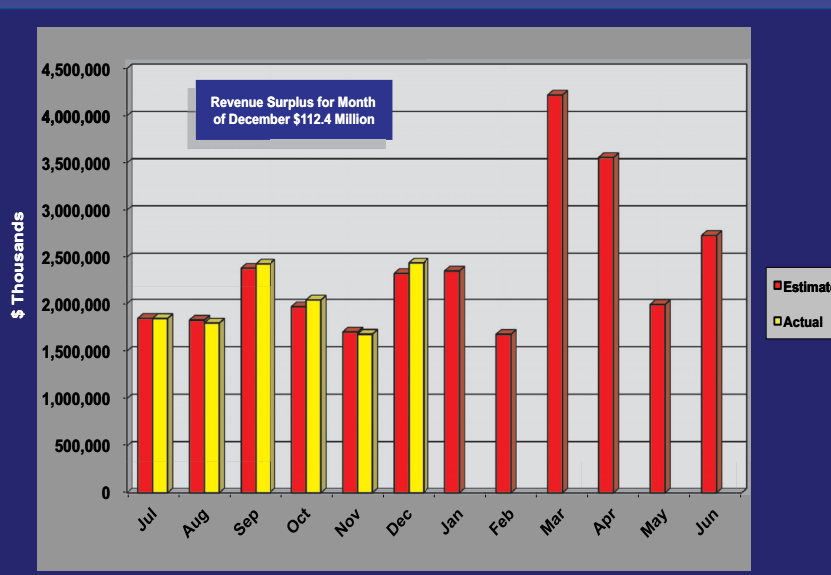
Personal income tax collections were above estimate by \$26.6 million. Employers' withholding was \$12.5 million ahead of estimate for the month. Estimated PIT payments were \$13.1 million above estimate for the month, and annual tax payments were nearly \$1 million above estimate. December 2012

employers' withholding collections were 5.2% above last year. Impending tax increases on certain investment income at the federal level for 2013 could have influenced some taxpayers to "cash in" at the end of 2012, thereby boosting income tax payments in December. This may help explain the \$13.1 million overage in estimated PIT payments, but it is difficult to say for sure at this point.

Sales and use tax collections were below estimate for the month by \$15.9 million. Non-motor SUT was below estimate by \$4.4 million

Continued...

General Fund Tax Collections
Fiscal Year 2012-2013
Comparison of Official Estimate with Actual Revenue by Month



Senate Appropriations Committee, Jake Corman, Chairman



for the month, and SUT on motor vehicles was under estimate by \$11.5 million. General SUT collections (i.e. non-motor) were 3.2% over last year, which is not indicative of a very strong holiday shopping season. The full impact of the holiday shopping season will be seen in January when sales tax col-

lections will be remitted for the month of December.

The realty transfer tax was above estimate by \$2.8 million, but inheritance tax collections were below estimate by \$4.6 million for the month. Cigarette taxes were below estimate by \$4.5 million, and liquor tax collections were short of esti-

mate by \$2.7 million. Table games tax collections were \$385,806 below estimate for the month.

Motor License Fund collections were \$2.3 million above estimate for the month of December. The Motor License Fund is now \$12.8 million above estimate for the year.

Corbett Administration Presents Mid-Year Briefing

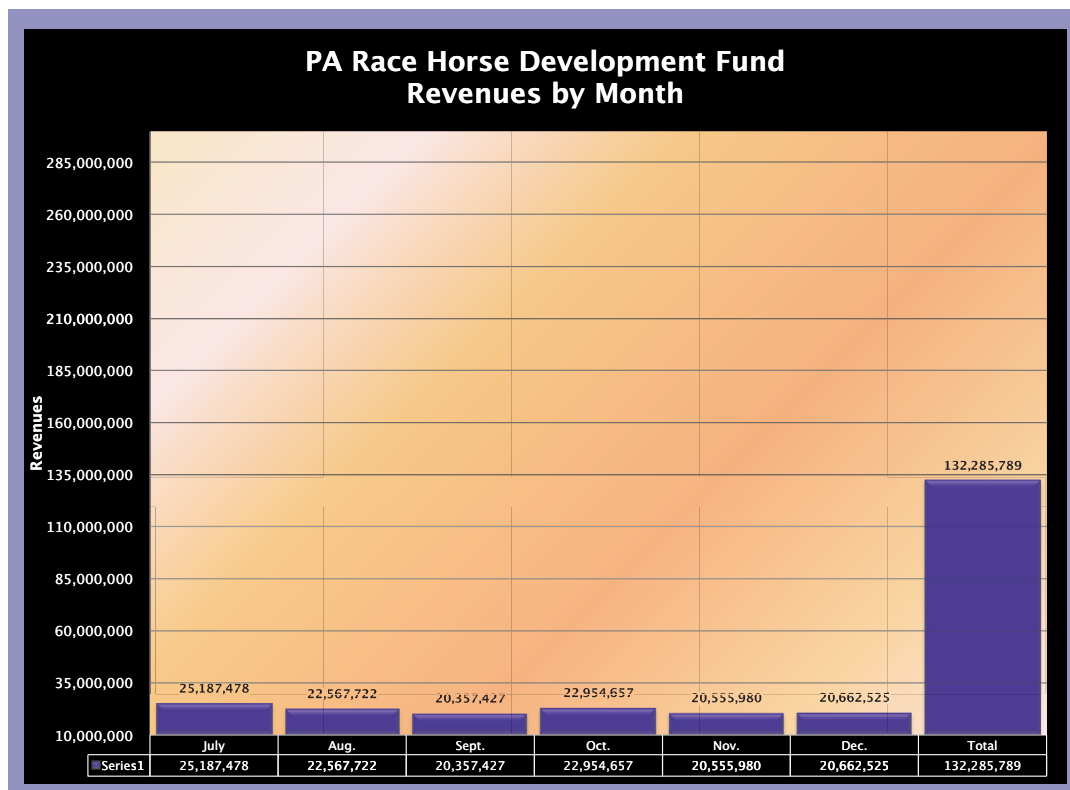
The Corbett Administration presented its mid-year budget briefing to the General Assembly on December 4, 2012. During his annual mid-year budget briefing, the Governor reported that the Commonwealth's economic condition, while improving, continues to be challenging. To date, revenue collections have been

performing slightly above this year's certified estimate. Fiscal year-to-date collections total \$12.2 billion, which is \$171.5 million, or 1.4%, above estimate.

At the briefing, Secretary Zogby stated that the Department of Revenue projects that General Fund revenues for FY 2012-13 will exceed the official estimate by \$85 million

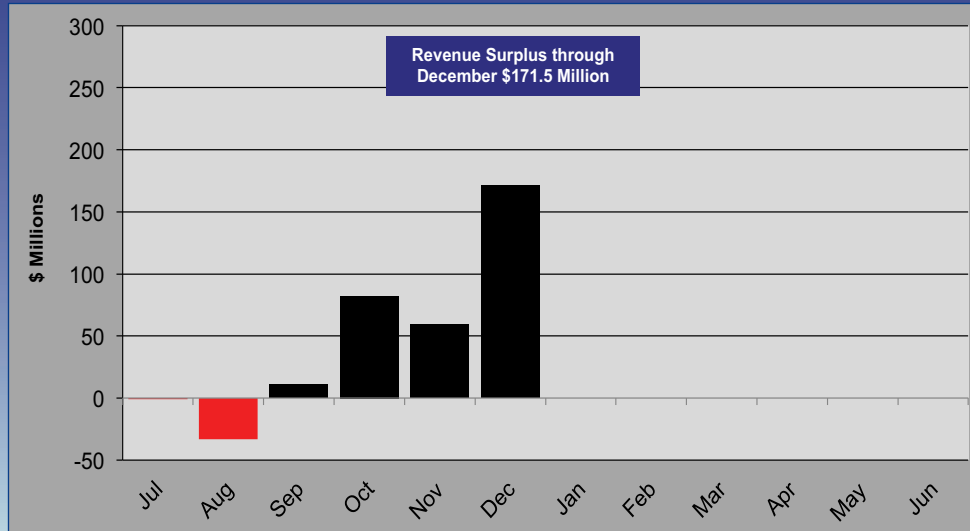
at the close of the fiscal year. Secretary Zogby also projected \$100 million in prior-year lapses. That said, agencies were instructed to maintain level funding when developing a budget for FY 2013-14 and were put on notice that no general fund dollars will be used to backfill reductions in federal funds.

For a copy of the mid-year budget briefing, please visit my website at jakecorman.com and click on the link for the 2012-13 Mid-Year Budget Briefing, to review the presentation.



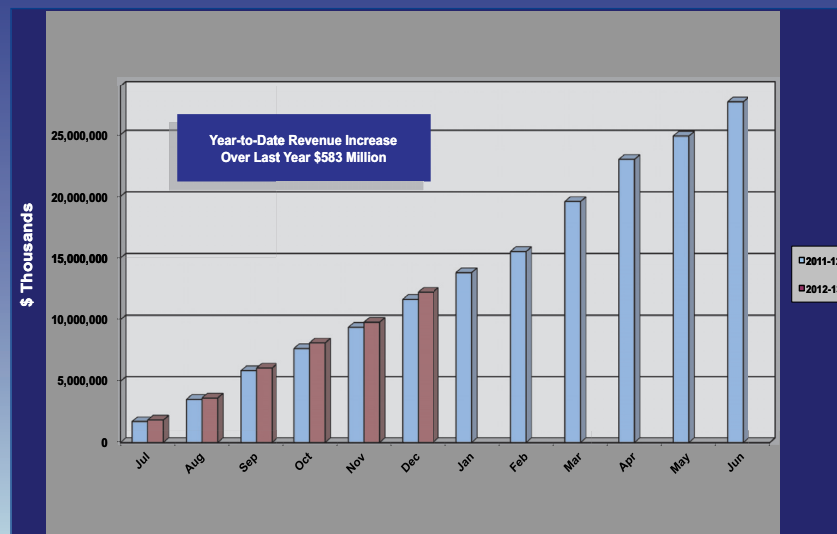


General Fund Tax Collections Year-to-Date Revenue Comparison with Official Estimate



Senate Appropriations Committee, Jake Corman, Chairman

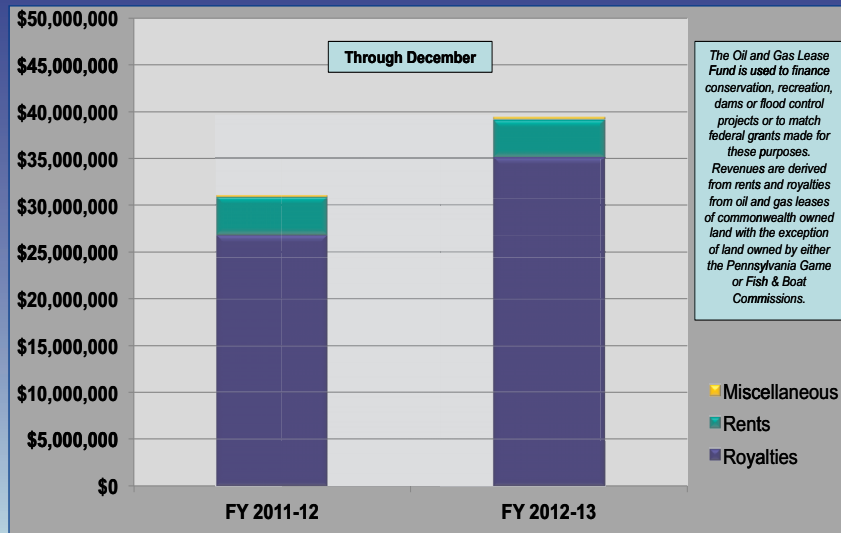
General Fund Revenue Collections Fiscal Year 2012-2013 Revenue Comparison with Last Year



Senate Appropriations Committee, Jake Corman, Chairman

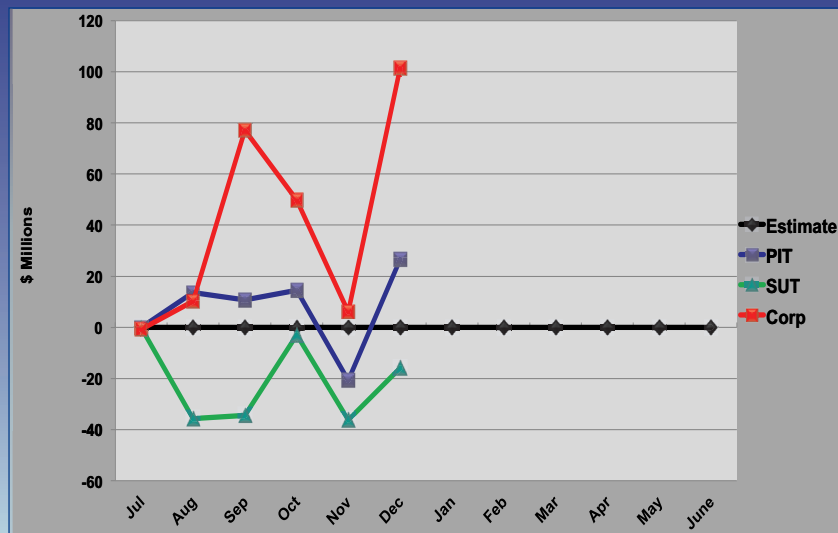


Oil and Gas Lease Fund Year-to-Date Revenue Compared with Prior Year



Senate Appropriations Committee, Jake Corman, Chairman

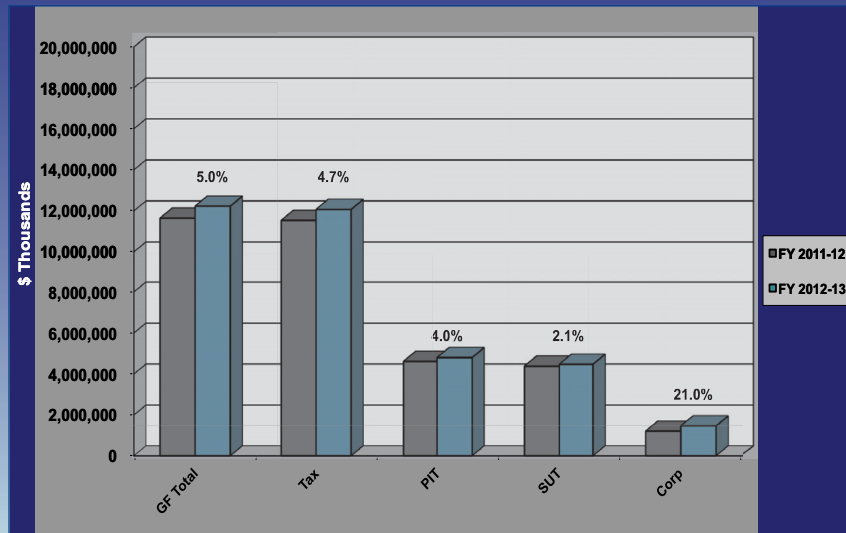
Fiscal Year 2012-13 Performance of Major Tax Types Above/Below the Monthly Estimate



Senate Appropriations Committee, Jake Corman, Chairman



General Fund Revenue Collections Fiscal Year 2012-2013 Comparison of Actual Collections with Prior Year



Senate Appropriations Committee, Jake Corman, Chairman



Appropriations Committee Monthly Revenue Report

REVENUE SOURCES	YTD FY 2011-12	December 2012 Actual	December 2012 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	11,645,093	2,441,586	2,329,200	112,386	12,228,066	12,056,600	171,466
TOTAL - NON-TAX REVENUE	112,269	28,838	19,000	9,838	158,221	119,000	39,221
TOTAL - TAX REVENUE	11,532,823	2,412,748	2,310,200	102,548	12,069,844	11,937,600	132,244
TOTAL - Corporation Taxes	1,210,547	546,271	444,800	101,471	1,464,672	1,221,100	243,572
Accelerated Deposits	3,753	4,195	0	4,195	5,764	0	5,764
Corp. Net Income	793,129	424,451	336,500	87,951	1,091,435	894,200	197,235
Cap. Stock & Franchise	343,944	97,653	93,500	4,153	287,871	248,200	39,671
Gross Receipts	48,660	9,288	11,400	(2,112)	52,933	65,100	(12,167)
PURTA	2,085	56	0	56	3,417	2,000	1,417
Insurance Premiums	1,739	195	300	(105)	2,664	2,500	164
Financial Institutions	15,152	9,567	2,500	7,067	17,542	7,000	10,542
Other Selective Bus. Taxes	2,086	866	600	266	3,047	2,100	947
TOTAL - Consumption Taxes	5,115,436	905,951	929,400	(23,449)	5,190,896	5,333,200	(142,304)
Sales and Use	4,384,998	774,373	790,300	(15,927)	4,475,056	4,600,500	(125,444)
General (net of transfers)	3,815,335	687,669	692,100	(4,431)	3,897,951	3,969,800	(71,849)
Motor Vehicle Sales	569,663	86,705	98,200	(11,495)	577,105	630,700	(53,595)
Cigarette Tax	559,144	90,381	94,900	(4,519)	537,882	554,700	(16,818)
Malt Beverage	13,372	1,726	2,000	(274)	13,008	13,500	(492)
Liquor	157,922	39,470	42,200	(2,730)	164,949	164,500	449
TOTAL - Other Taxes	5,206,840	960,526	936,000	24,526	5,414,277	5,383,300	30,977
Personal Income	4,615,144	849,750	823,200	26,550	4,801,311	4,756,500	44,811
Withholding	4,037,145	736,423	723,900	12,523	4,159,844	4,147,100	12,744
Non-Withholding	577,999	113,328	99,300	14,028	641,468	609,400	32,068
Realty Transfer	152,630	33,866	31,100	2,766	178,878	166,000	12,878
Inheritance & Estate	391,264	70,150	74,700	(4,550)	390,507	413,800	(23,293)
Minor & Repealed	1,220	246	100	146	510	800	(290)
Table Games	46,581	6,514	6,900	(386)	43,071	46,200	(3,129)
TOTAL - MOTOR LICENSE FUND	1,166,926	163,099	160,810	2,289	1,170,217	1,157,430	12,787
TOTAL - Liquid Fuels Taxes	634,486	100,479	96,420	4,059	621,349	619,930	1,419
Liquid Fuels	291,178	42,115	41,260	855	285,068	285,300	(232)
Fuels	81,060	13,292	13,480	(188)	78,179	81,770	(3,591)
Motor Carriers/IFTA	26,593	6,503	7,450	(947)	26,079	22,940	3,139
Alternative Fuels	144	70	20	50	674	380	294
Oil Company Franchise	235,512	38,499	34,210	4,289	231,349	229,540	1,809
TOTAL - Licenses, Fees & Other	532,439	62,620	64,390	(1,770)	548,868	537,500	11,368
Licenses and Fees	382,367	57,161	56,440	721	400,929	390,000	10,929
Other Motor Receipts	150,072	5,459	7,950	(2,491)	147,938	147,500	438