



Senate Appropriations Committee

The Monthly Report

December 2012

Jake Corman, Chairman



General Fund Revenue Collections Dip Below The Estimate For November

General Fund revenue collections for the month ended November 2012 totaled \$1.68 billion, which was \$23.1 million, or 1.4%, below estimate for the month. Fiscal year-to-date collections total \$9.8 billion, which is \$59.1 million, or 0.6%, above estimate for the year. Compared with 2011 revenue collections, November 2012 collections were \$40.3 million, or 2.3%, below last year. However, November 2011 (last year) had one additional Wednesday, which is a significant PIT withheld collection day (i.e. five Wednesday payment dates in 2011 versus four payment dates in 2012). If this difference was accounted for, November 2012 collections would have been approximately \$90 million more than they were, and about \$50 million, or 2.9%, above last year.

Fiscal year-to-date 2012-13 total General Fund revenue collections are \$411.8 million, or 4.4% ahead of last year. General Fund tax revenue collections are \$379.6 million, or 4.1%, more than last year as of the end of November. As of the end of November 2012, the revenue surplus stands at \$59.1 million. By the end of November 2011, the FY 2011-12 revenue deficit was \$345.3 million.

November's corporation tax collections were above estimate by \$6 million. November is typi-

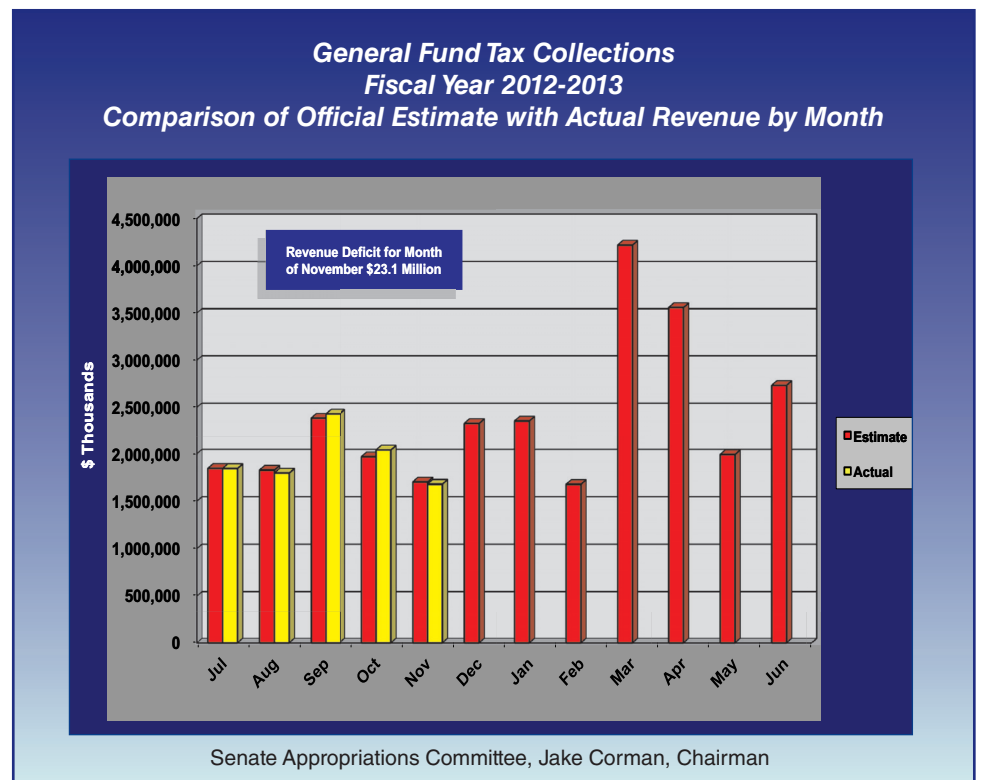
cally one of the lowest months of the fiscal year with regard to corporation tax collection amounts.

Sales and use tax collections were below estimate for the month by \$36.3 million. Non-motor SUT was below estimate by \$28.9 million for the month, and SUT on motor vehicles missed the estimate by \$7.4 million. Sales and use tax collection amounts this November were nearly identical to the SUT collections of last year for the same month. Most of the non-motor SUT money received in November is attributa-

ble to October sales.

Personal income tax collections were below estimate by \$20.7 million. Employers' withholding tax was \$8.6 million short of estimate for the month. Estimated PIT payments were \$3.9 million short of estimate for the month, and annual tax payments were \$8.2 million below estimate. After once again adjusting for the difference in the number of payment dates in the month, November 2012 employers' withholding collections would have grown by about 2%

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over last year.

The realty transfer tax beat the estimate by \$5.3 million, or 27.5%, for the month. RTT collections are 7.5% above estimate for the year, and they are 17.5% ahead of last year at this time. Inheritance

tax collections were above estimate by \$6.5 million for the month. Cigarette tax and liquor tax collections were \$4.1 million and \$3.6 million ahead of estimate, respectively, but table games tax collections were below

estimate by nearly \$1 million.

Motor License Fund collections were \$7.7 million above estimate for the month of November. The Motor License Fund is \$10.5 million above estimate for the year.

Independent Fiscal Office Releases Long-Term Economic and Budget Outlook

The Independent Fiscal Office (IFO) released a long-term economic and budget outlook report for Pennsylvania, titled **The Economic & Budget Outlook: Fiscal Years 2012-13 to 2017-18**. Taking into consideration the demographic, economic, revenue and expenditure trends that may affect the Commonwealth's fiscal position over the next five years, it shows that the Commonwealth will see a

growing imbalance between revenue and expenses.

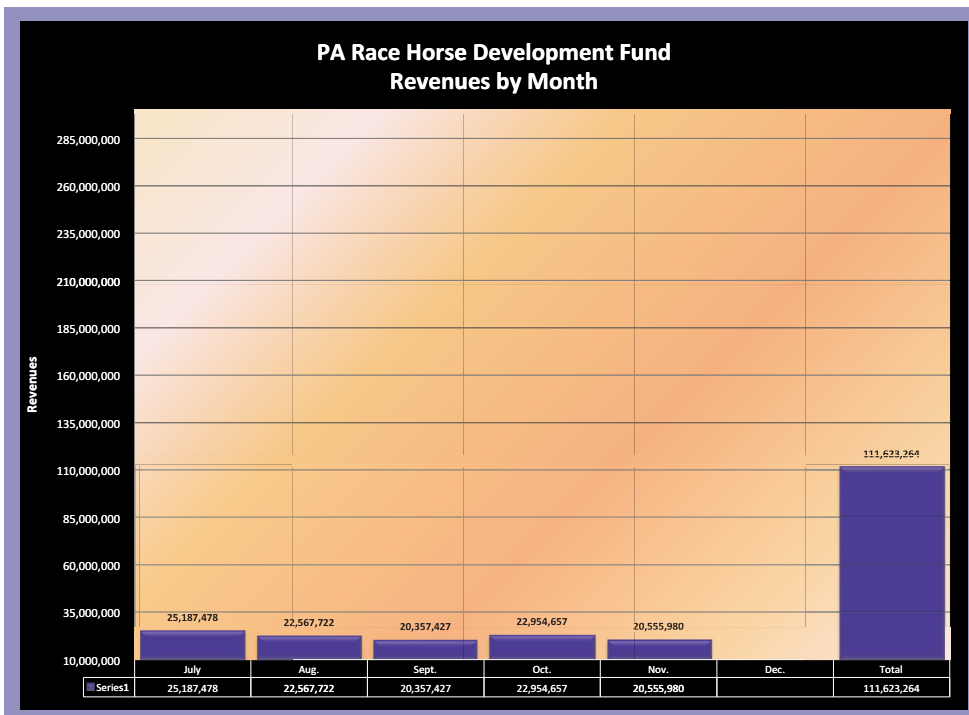
The report theorizes that rising expenditures will be driven by pension and health care costs due to an aging population with revenue in the next fiscal year projected to grow by only 0.8 percent. In the current fiscal year, the certified revenue estimate projected growth of more than three percent.

The IFO cautioned, however,

that its revenue projection is not a point estimate and should be considered as part of a long-range forecast based on reasonable economic assumptions and demographic trends. The forecast projects annual revenue growth of 2.6% for the period ending in FY 2017-18.

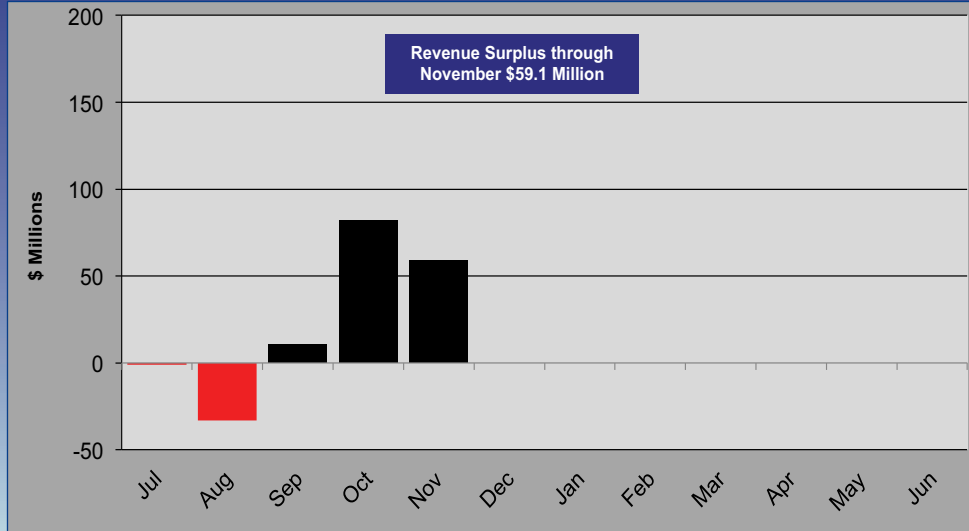
The full report is available on the office website: www.ifo.state.pa.us

The Governor's Mid-Year Budget Briefing was held on December 4, 2012. Please visit www.jakecorman.com for a copy of the full presentation.



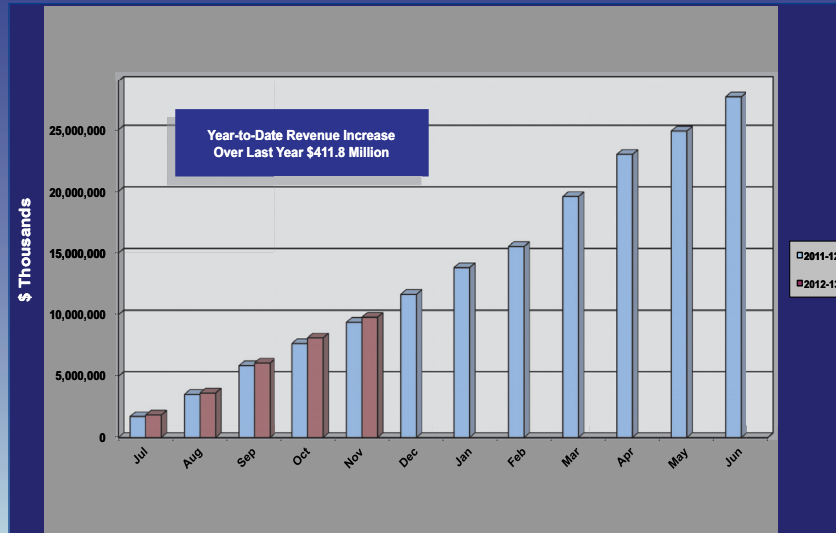


General Fund Tax Collections Year-to-Date Revenue Comparison with Official Estimate



Senate Appropriations Committee, Jake Corman, Chairman

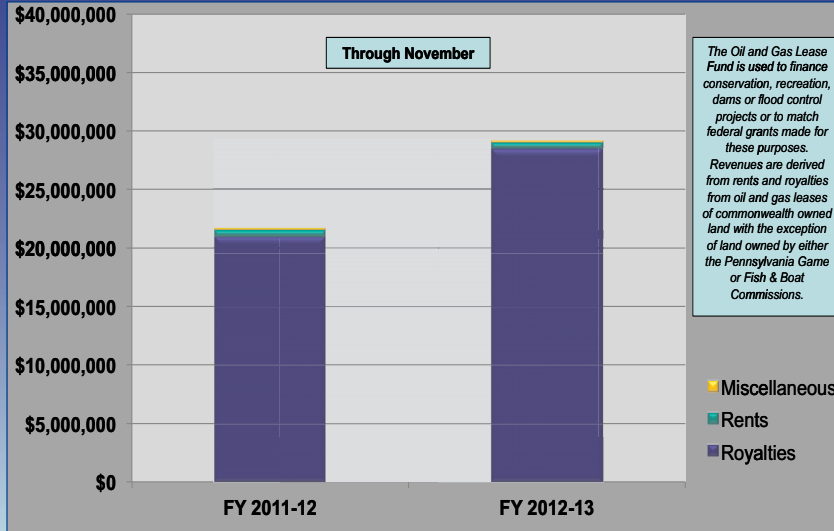
General Fund Revenue Collections Fiscal Year 2012-2013 Revenue Comparison with Last Year



Senate Appropriations Committee, Jake Corman, Chairman

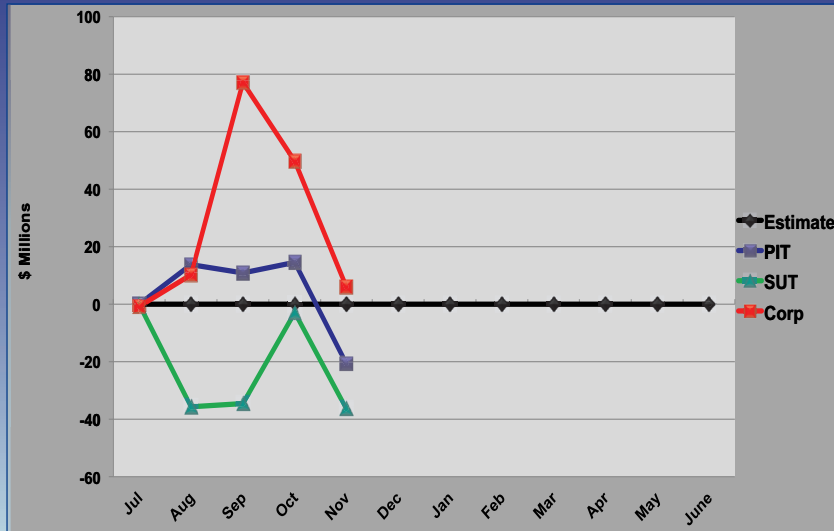


Oil and Gas Lease Fund Year-to-Date Revenue Compared with Prior Year



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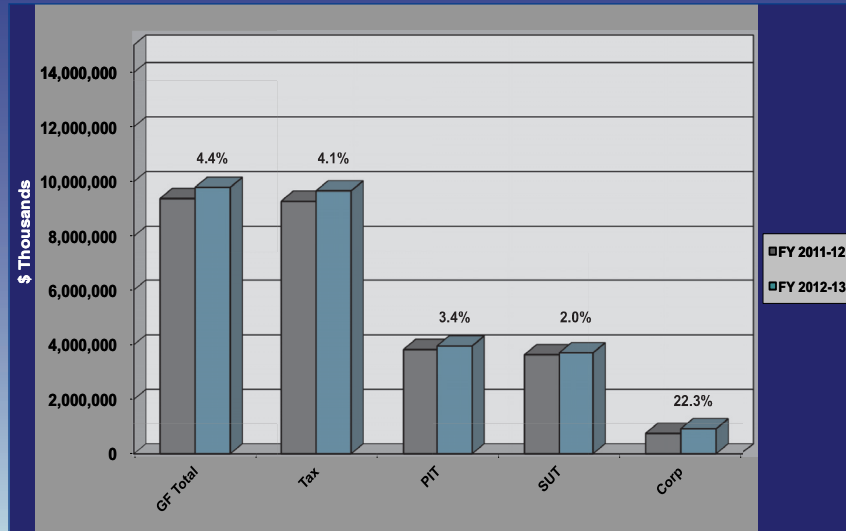
Fiscal Year 2012-13 Performance of Major Tax Types Above/Below the Monthly Estimate



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 | November 2012 Actual | November 2012 Estimated | Surplus/ (Deficit) | YTD Actual | YTD Estimated | Surplus/ (Deficit) |
|---|-------------------|-------------------------|----------------------------|-----------------------|------------------|------------------|-----------------------|
| TOTAL - GENERAL FUND | 9,374,704 | 1,679,150 | 1,702,300 | (23,150) | 9,786,480 | 9,727,400 | 59,080 |
| TOTAL - NON-TAX REVENUE | 97,252 | 20,882 | 9,300 | 11,582 | 129,384 | 100,000 | 29,384 |
| TOTAL - TAX REVENUE | 9,277,452 | 1,658,268 | 1,693,000 | (34,732) | 9,657,096 | 9,627,400 | 29,696 |
| TOTAL - Corporation Taxes | 750,684 | 48,819 | 42,800 | 6,019 | 918,401 | 776,300 | 142,101 |
| Accelerated Deposits | 2,058 | 774 | 0 | 774 | 1,569 | 0 | 1,569 |
| Corp. Net Income | 503,615 | 34,905 | 31,500 | 3,405 | 666,984 | 557,700 | 109,284 |
| Cap. Stock & Franchise | 190,896 | 9,239 | 7,500 | 1,739 | 190,218 | 154,700 | 35,518 |
| Gross Receipts | 36,145 | 2,110 | 2,800 | (690) | 43,645 | 53,700 | (10,055) |
| PURTA | 2,047 | 9 | 0 | 9 | 3,361 | 2,000 | 1,361 |
| Insurance Premiums | 1,605 | 220 | 100 | 120 | 2,469 | 2,200 | 269 |
| Financial Institutions | 12,836 | 1,451 | 800 | 651 | 7,974 | 4,500 | 3,474 |
| Other Selective Bus. Taxes | 1,483 | 110 | 100 | 10 | 2,181 | 1,500 | 681 |
| TOTAL - Consumption Taxes | 4,222,297 | 836,287 | 864,800 | (28,513) | 4,284,945 | 4,403,800 | (118,855) |
| Sales and Use | 3,628,578 | 709,360 | 745,700 | (36,340) | 3,700,682 | 3,810,200 | (109,518) |
| General (net of transfers) | 3,149,116 | 617,315 | 646,200 | (28,885) | 3,210,282 | 3,277,700 | (67,418) |
| Motor Vehicle Sales | 479,461 | 92,045 | 99,500 | (7,455) | 490,401 | 532,500 | (42,099) |
| Cigarette Tax | 463,808 | 96,094 | 92,000 | 4,094 | 447,500 | 459,800 | (12,300) |
| Malt Beverage | 11,427 | 2,181 | 2,000 | 181 | 11,282 | 11,500 | (218) |
| Liquor | 118,484 | 28,652 | 25,100 | 3,552 | 125,480 | 122,300 | 3,180 |
| TOTAL - Other Taxes | 4,304,470 | 773,162 | 785,400 | (12,238) | 4,453,751 | 4,447,300 | 6,451 |
| Personal Income | 3,821,124 | 679,733 | 700,400 | (20,667) | 3,951,561 | 3,933,300 | 18,261 |
| Withholding | 3,337,341 | 652,839 | 661,400 | (8,561) | 3,423,421 | 3,423,200 | 221 |
| Non-Withholding | 483,782 | 26,894 | 39,000 | (12,106) | 528,140 | 510,100 | 18,040 |
| Realty Transfer | 123,415 | 24,605 | 19,300 | 5,305 | 145,012 | 134,900 | 10,112 |
| Inheritance & Estate | 320,954 | 63,394 | 56,900 | 6,494 | 320,357 | 339,100 | (18,743) |
| Minor & Repealed | 1,027 | (2,284) | 100 | (2,384) | 265 | 700 | (435) |
| Table Games | 37,950 | 7,714 | 8,700 | (986) | 36,557 | 39,300 | (2,743) |
| TOTAL - MOTOR LICENSE FUND | 1,007,354 | 178,216 | 170,510 | 7,706 | 1,007,118 | 996,620 | 10,498 |
| TOTAL - Liquid Fuels Taxes | 532,760 | 110,384 | 104,770 | 5,614 | 520,870 | 523,510 | (2,640) |
| Liquid Fuels | 249,672 | 57,678 | 47,620 | 10,058 | 242,953 | 244,040 | (1,087) |
| Fuels | 67,124 | 12,041 | 14,720 | (2,679) | 64,887 | 68,290 | (3,403) |
| Motor Carriers/IFTA | 19,638 | 4,733 | 3,460 | 1,273 | 19,576 | 15,490 | 4,086 |
| Alternative Fuels | 124 | 57 | 10 | 47 | 604 | 360 | 244 |
| Oil Company Franchise | 196,202 | 35,875 | 38,960 | (3,085) | 192,850 | 195,330 | (2,480) |
| TOTAL - Licenses, Fees & Other | 474,593 | 67,833 | 65,740 | 2,093 | 486,248 | 473,110 | 13,138 |
| Licenses and Fees | 334,321 | 61,275 | 57,690 | 3,585 | 343,768 | 333,560 | 10,208 |
| Other Motor Receipts | 140,272 | 6,558 | 8,050 | (1,492) | 142,479 | 139,550 | 2,929 |