



Senate Appropriations Committee

The Monthly Report

December 2014

Pat Browne, Chairman



General Fund Collections Above Estimate for November

General Fund revenue collections for the month ended November 2014 totaled \$1.73 billion, which was \$5.6 million, or 0.3%, above estimate for the month. Fiscal year-to-date collections total \$10.6 billion, which is \$109 million, or 1.0%, above estimate for the year. Compared with 2013 revenue collections, November 2014 collections were \$33.9 million, or 2.0%, above last year.

Fiscal year-to-date 2014-15 total General Fund revenue collections are \$694.6 million, or 7.0% ahead of last year. This amount includes one-time transfers to the General Fund from special funds such as \$95 million from the Small Business First Fund and \$85 million from the Machinery and Equipment Loan Fund. A comparison of General Fund tax revenues, excluding these one-time items, shows that tax revenues have increased by \$458.4 million, or 4.7%, over last year through November.

November's corporation tax collections were above estimate by \$3.0 million, or 5.4%. November is typically one of the lowest months of the fiscal year with regard to corporation tax collection amounts. Corporation tax collections are \$86.1 million, or 11.1%, above estimate for the year.

Sales and use tax (SUT) collections were above estimate for the month by \$5.0 million, or 0.7%. Non-motor SUT was above estimate by \$10.5 million, or 1.6%,

for the month, but SUT on motor vehicles missed the estimate by \$5.4 million, or 6.0%. Sales and use tax collection amounts this November were \$26.3 million, or 3.6%, ahead of last year for the same month. Sales and use tax collections are \$190.1 million, or 5.0%, ahead of last year for the fiscal year-to-date. SUT is \$49.4 million, or 1.3%, more than estimate for the year.

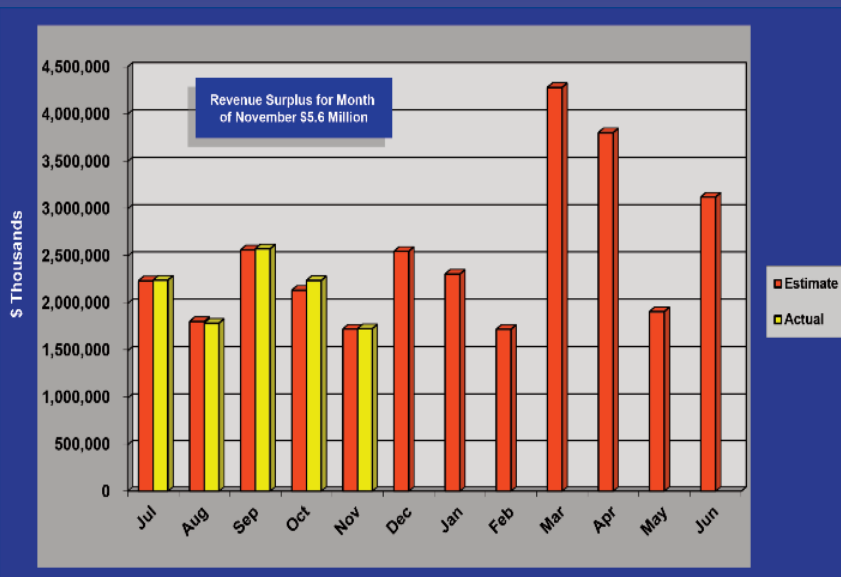
Personal income tax (PIT) collections were ahead of estimate by \$1.3 million, or 0.2%, for the month. Employers' withholding tax was \$866,140 above estimate for the month. Estimated PIT payments were \$247,796 over es-

timate for the month, and annual tax payments were \$152,078 above estimate. PIT collections are \$124.4 million, or 3.1%, ahead of last year's collections through November. However, PIT is \$10.8 million, or 0.3%, below estimate for the year.

Realty transfer tax (RTT) collections failed to meet the estimate by \$9.6 million, or 27.7%, for the month. RTT collections are \$27.2 million, or 13.4% short of estimate for the year, and they are only 1.3% ahead of last year at this time. Inheritance tax collections were above estimate by \$10.1 million, or 18.2%, for the

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General Fund Tax Collections
Fiscal Year 2014-15
Comparison of Official Estimate with Actual Revenue by Month



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month. Cigarette tax collections were \$6.8 million, or 7.6%, below estimate. Liquor tax collections totaling \$30.1 million were \$1.4 million below estimate for the month.

Non-tax revenue was \$6.6 million below estimate for the month of November, and it is \$76.3 million, or 19.6%, below estimate for the year. It bears repeating that the \$80 million Liquor Store Profit transfer set to occur in September was not made, and so non-tax revenue, and the General Fund, remains skewed downward by \$80 million.

Motor License Fund collections

were \$10.5 million above estimate for the month of November. The Motor License Fund is \$13.8 million, or 1.4%, ahead of estimate for the year.

The year-to-date General Fund revenue surplus is welcome news, however, it does not mean that the Commonwealth is not facing serious fiscal challenges in the remainder of the fiscal year and in the budget year. At the mid-year budget briefing, Secretary Zogby indicated that supplemental appropriations of nearly \$52 million will be necessary for the Department of Corrections for the current fis-

cal year. He also noted that certain revenues totaling about \$234 million assumed in the official revenue estimate may not come to fruition. These include cigarette taxes (-\$14 million), casino license fees (-\$125 million) and non-impact drilling revenue (-\$95 million). In addition, the projected General Fund cost-to-carry for mandated programs was estimated at approximately \$1.8 billion.

It is clear that the FY 2015-16 budget will be extremely challenging and the Commonwealth faces the difficult task of closing a significant budget gap.

2015 Budget Hearings

Budget hearings for 2015 are tentatively scheduled for a three-week period beginning on March 16, 2015 and concluding on April 2, 2015. Hearing dates and times for specific agencies have not yet been determined.

Official Revenue Estimate Monthly Distribution

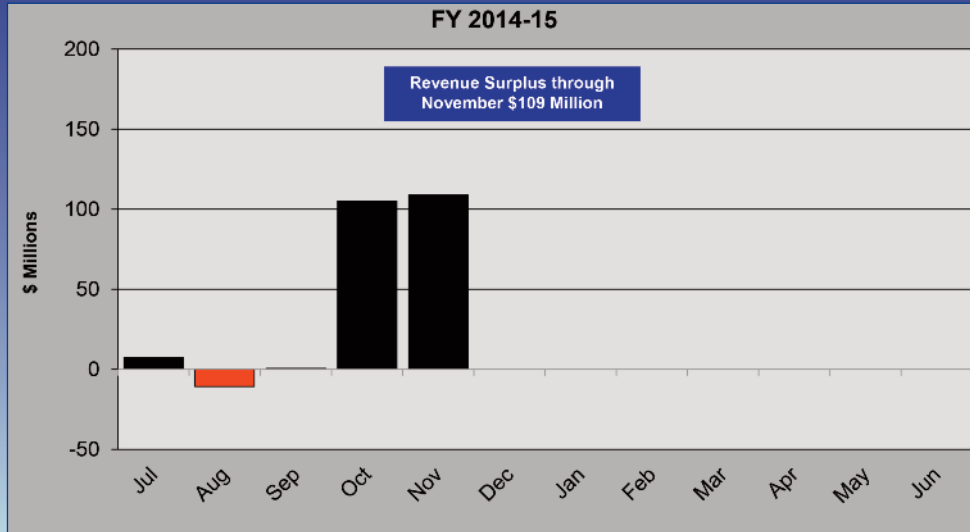
When ranking estimated monthly revenue collections from largest to smallest, November ranks eleventh at \$1.729 billion or 5.73% of total General Fund estimated revenues. December is the fifth largest collection month at \$2.550 billion or 8.45% of estimated annual General Fund revenues.

2014 Mid-year Budget Briefing

Secretary Zogby presented his final mid-year budget briefing to the General Assembly on December 3, 2014. The FY 2014-15 briefing addressed the fiscal issues and challenges facing the Commonwealth for the remainder of the current fiscal year and for FY 2015-16. Briefing materials may be viewed at www.Senatorbrowne.com by selecting the Appropriations Committee tab.

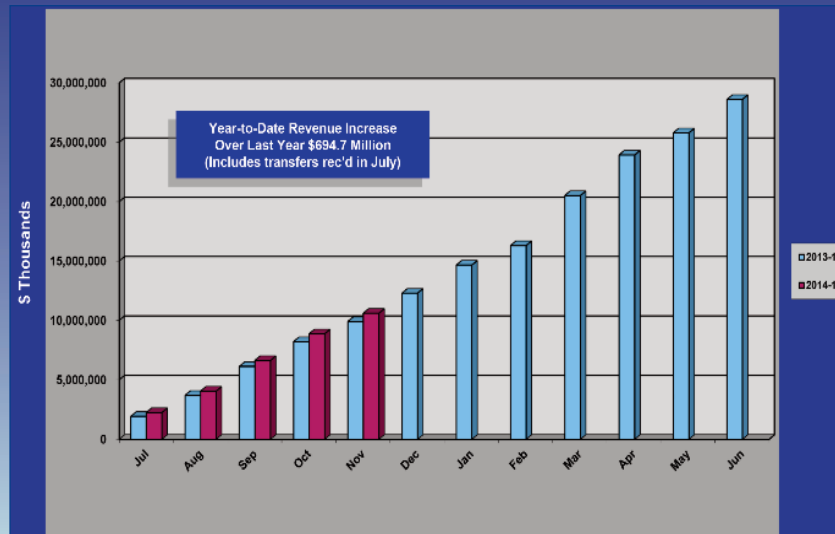


General Fund Tax Collections Year-to-Date Revenue Comparison with Official Estimate



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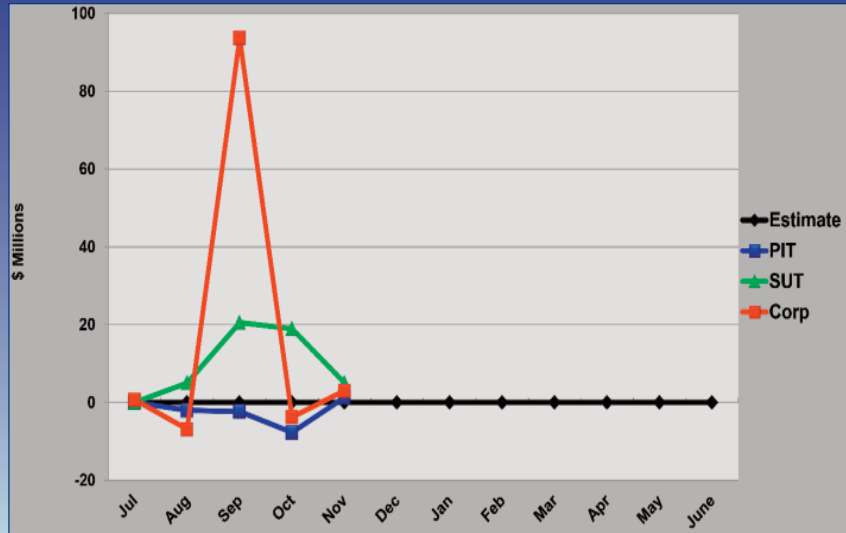
General Fund Revenue Collections Fiscal Year 2014-2015 Revenue Comparison with Last Year



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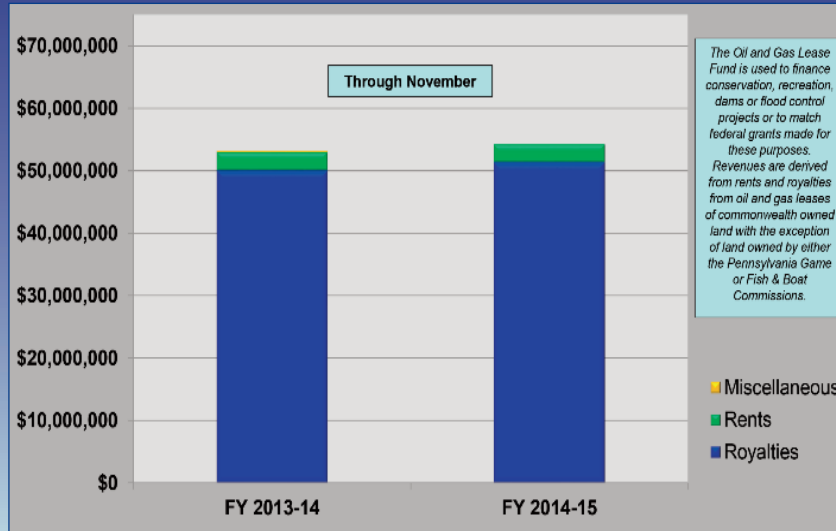


Fiscal Year 2014-2015 Performance of Major Tax Types Above/Below the Monthly Estimate



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



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Appropriations Committee Monthly Revenue Report

REVENUE SOURCES	YTD FY 2013-14	November 2014 Actual	November 2014 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	9,894,211	1,732,887	1,727,300	5,587	10,588,928	10,479,955	108,973
TOTAL - NON-TAX REVENUE	77,421	2,457	9,100	(6,643)	313,662	389,955	(76,293)
TOTAL - TAX REVENUE	9,816,789	1,730,430	1,718,200	12,230	10,275,266	10,090,000	185,266
TOTAL - Corporation Taxes	800,641	58,408	55,400	3,008	863,069	777,000	86,069
Accelerated Deposits	877	(4,442)	0	(4,442)	1,625	0	1,625
Corp. Net Income	653,033	46,140	41,400	4,740	730,106	649,200	80,906
Cap. Stock & Franchise	116,395	8,284	7,600	684	76,168	91,600	(15,432)
Gross Receipts	21,526	7,615	5,300	2,315	29,375	26,700	2,675
PURTA	2,277	6	0	6	1,976	2,300	(324)
Insurance Premiums	(728)	203	100	103	2,410	1,500	910
Financial Institutions	5,058	484	1,000	(516)	19,850	4,900	14,950
Other Selective Bus. Taxes	2,203	119	0	119	1,558	800	758
TOTAL - Consumption Taxes	4,381,083	863,439	867,100	(3,661)	4,543,643	4,508,800	34,843
Sales and Use	3,807,994	749,420	744,400	5,020	3,998,044	3,948,600	49,444
General (net of transfers)	3,287,821	664,953	654,500	10,453	3,435,631	3,398,000	37,631
Motor Vehicle Sales	520,173	84,467	89,900	(5,433)	562,413	550,600	11,813
Cigarette Tax	430,499	82,122	88,900	(6,778)	398,793	411,800	(13,007)
Malt Beverage	11,351	1,817	2,300	(483)	10,820	11,300	(480)
Liquor	131,239	30,079	31,500	(1,421)	135,985	137,100	(1,115)
TOTAL - Other Taxes	4,635,065	808,583	795,700	12,883	4,868,554	4,804,200	64,354
Personal Income	4,069,388	701,666	700,400	1,266	4,193,780	4,204,600	(10,820)
Withholding	3,503,529	677,166	676,300	866	3,624,034	3,630,900	(6,866)
Non-Withholding	565,859	24,500	24,100	400	569,745	573,700	(3,955)
Realty Transfer	173,401	25,024	34,600	(9,576)	175,609	202,800	(27,191)
Inheritance & Estate	354,516	65,356	55,300	10,056	449,564	359,300	90,264
Minor & Repealed	1,698	11,219	0	11,219	12,422	400	12,022
Tavern Games	0	(0)	100	(100)	110	300	(190)
Table Games	36,062	5,318	5,300	18	37,070	36,800	270
TOTAL - MOTOR LICENSE FUND	984,999	204,032	193,540	10,492	996,265	982,460	13,805
TOTAL - Liquid Fuels Taxes	519,572	139,526	128,800	10,726	631,103	610,100	21,003
Liquid Fuels	236,789	2	0	2	442	0	442
Fuels	67,956	0	0	0	3	0	3
Motor Carriers/IFTA	18,035	12,570	4,300	8,270	34,121	19,300	14,821
Alternative Fuels	618	238	200	38	1,077	1,000	77
Oil Company Franchise	196,174	126,717	124,300	2,417	595,461	589,800	5,661
TOTAL - Licenses, Fees & Other	465,428	64,505	64,740	(235)	365,161	372,360	(7,199)
Licenses and Fees	348,902	65,848	58,200	7,648	351,828	339,900	11,928
Other Motor Receipts	116,526	(1,343)	6,540	(7,883)	13,333	32,460	(19,127)
Other Motor Receipts	115,605	6,350	10,250	(3,900)	14,678	25,920	(11,242)