



Senate Appropriations Committee

The Monthly Report

November 2011

Jake Corman, Chairman



General Fund Revenues Below Estimate for the Month of October

General Fund revenue collections for the month ended October 2011 totaled \$1.81 billion, which was \$67.1 million, or 3.6%, below estimate for the month. Fiscal year-to-date collections total \$7.7 billion, which is \$282.1 million, or 3.6%, below estimate for the year.

Compared with last year's revenue collections, October 2011 collections were 2.8% above last year. Year-to-date fiscal year 2011-12 total General Fund revenue collections are \$84.2 million, or 1.1% ahead of last year. General Fund tax revenue collections are \$251.3 million, or 3.4%, more than last year as of the end of October.

October's corporation tax collections were below estimate by \$53.4 million. During October, some corporations that have a six-month filing extension from April pay their CNI and CSFT annual payments late.

Even though the filing of returns can be extended, tax payments for calendar year filers were due in April 2011, regardless of extension. The strong annual payments received in April 2011, when corporation tax payments exceeded estimate by 41.7%, did not carry over to this October.

Personal income tax collections were below estimate by \$37.4 million, accounting for more than half of the monthly deficit. Employer's withholding was \$11 million short of estimate for the month, and payments on annual tax returns fell short of estimate by \$28.6 million.

Estimated PIT payments were \$2.5 million over estimate for the month. As with corporation taxes, individuals that have a six-month filing extension sometimes make annual tax payments in October even though the taxes were due in April. Again, the strong annual payments received in April 2011 did

not repeat in October.

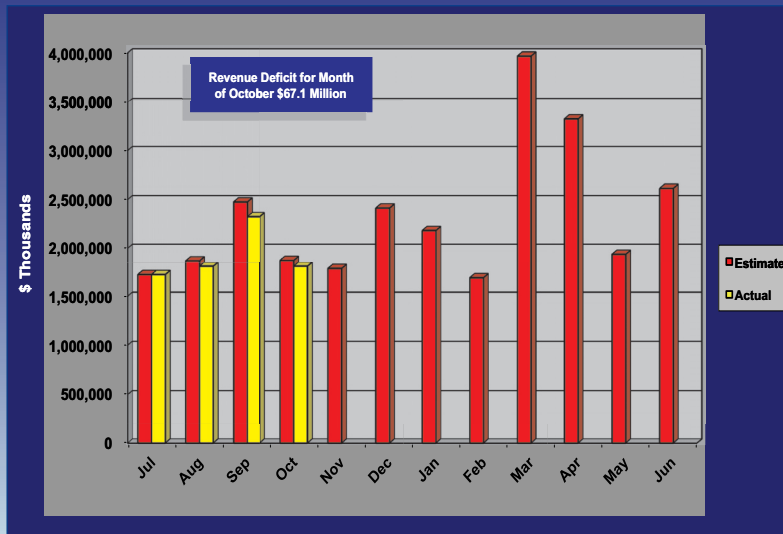
Sales and use tax collections were above estimate for the month by \$22 million. Non-motor SUT was above estimate by \$4 million for the month, and SUT on motor vehicles was over estimate by \$18 million.

Sales and use tax on motor vehicles was off by \$10 million in September, and so it could be that vehicle purchases delayed by September's flooding were made in October.

The Realty Transfer Tax was below estimate by \$3.8 million, or 14.2%, for the month. The

Continued...

General Fund Tax Collections
Fiscal Year 2010-2011
Comparison of Official Estimate with Actual Revenue by Month



Senate Appropriations Committee, Jake Corman, Chairman



RTT collections reflect continuing weakness in the housing market. Inheritance, liquor and table games tax collections were all slightly above estimate, but cigarette tax collections barely

missed the mark.

Motor License Fund collections were \$11.8 million below estimate for the month of October. The Motor License Fund is \$5.8

million below estimate for the year.

Corman Proposes Transportation Funding Legislation

Recently, Senator Jake Corman introduced legislation that encompasses many of the funding recommendations of a state transportation commission appointed by Governor Tom Corbett.

Senator Corman's multi-bill legislative package (Senate Bills 4, 1326 and 1327) is based largely on recommendations included in the report issued by the Transportation Funding Advi-

sory Commission (TFAC), which Governor Corbett created in April to find solutions to the transportation funding crisis facing the state. To view the report, go to <http://www.tfac.pa.gov/>

The TFAC report urged PennDOT to consider a number of measures including adjusting outdated vehicle driver fees for inflation, increasing fines, uncapping the Oil Company Franchise Tax over five years and

modernizing many PennDOT services for cost savings.

The Corman bill package incorporates most of the Commission's recommendations, providing a fair, strategic plan for addressing the transportation funding needs of Pennsylvania. All revenue generated will be dedicated specifically to transportation projects, which means the money will stay in Pennsylvania, creating jobs and boosting the economy.

Higher Unemployment Rate Extends Benefits

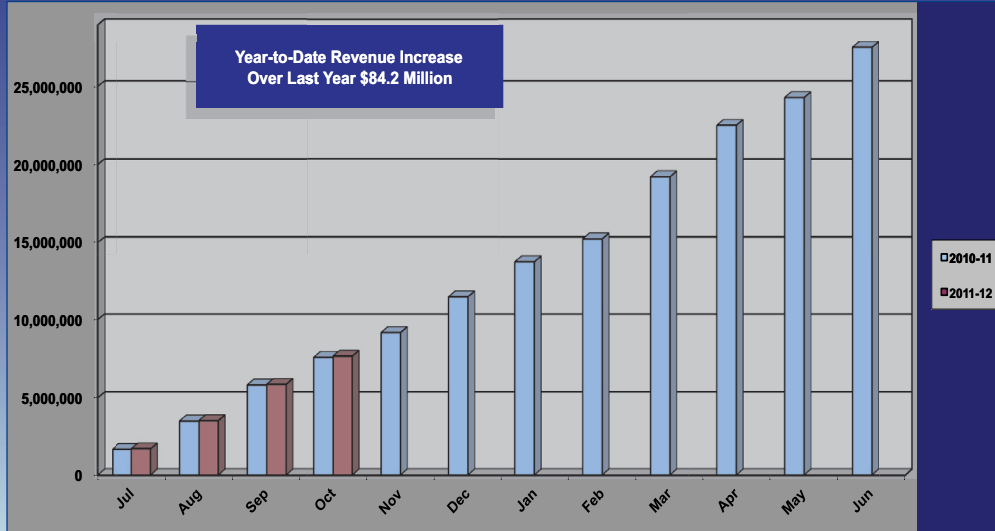
Pennsylvania's seasonally adjusted unemployment rate rose in September to 8.3 percent, while the U.S. unemployment rate has held steady at 9.1% during that time period. The state's September unemployment rate was down 0.2 percentage points from September 2010.

However, Pennsylvania's unemployment rate again reached a level that authorizes the commonwealth to enter into a "High Unemployment Period" (HUP) for Extended Benefits (EB). The U.S. Department of Labor recently notified the state that Pennsylvania's total unemploy-

ment rate had reached 8.1 percent, triggering the availability of these extended benefits. The department will notify individuals who may be eligible for HUP EB. The amount of HUP EB available for each individual will vary.

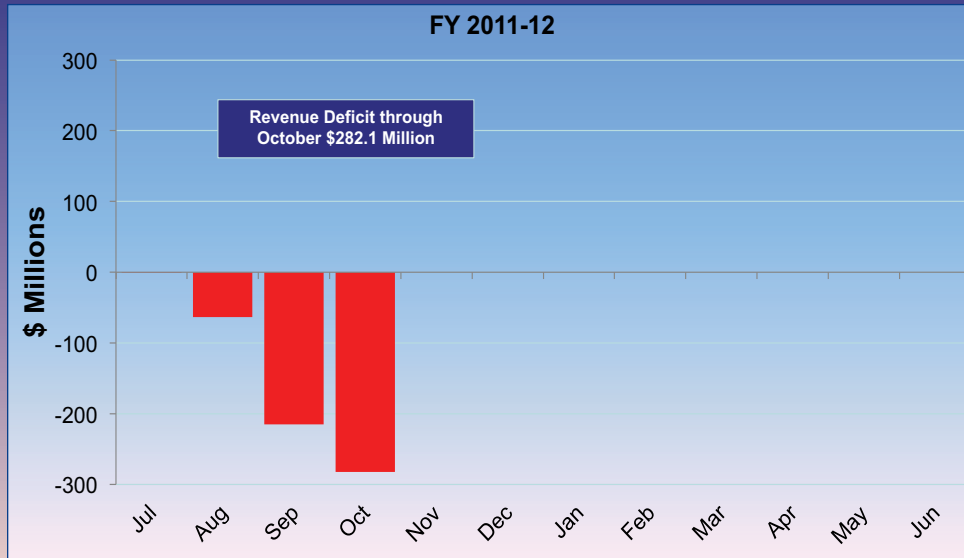


General Fund Tax Collections Fiscal Year 2010-2011 Revenue Comparison with Last Year



Senate Appropriations Committee, Jake Corman, Chairman

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



Senate Appropriations Committee, Jake Corman, Chairman



Appropriations Committee Monthly Revenue Report

REVENUE SOURCES	YTD FY 2010-11	October 2011 Actual	October 2011 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	7,571,099	1,806,200	1,873,300	(67,100)	7,655,268	7,937,336	(282,068)
TOTAL - NON-TAX REVENUE	257,994	15,879	15,500	379	90,822	83,936	6,886
TOTAL - TAX REVENUE	7,313,105	1,790,322	1,857,800	(67,478)	7,564,446	7,853,400	(288,954)
TOTAL - Corporation Taxes	720,764	107,320	160,700	(53,380)	711,247	854,100	(142,853)
Accelerated Deposits	2,655	(4,602)	0	(4,602)	209	0	209
Corp. Net Income	489,980	69,833	115,200	(45,367)	478,651	616,200	(137,549)
Cap. Stock & Franchise	195,449	31,434	41,700	(10,266)	183,419	205,600	(22,181)
Gross Receipts	16,633	9,189	1,600	7,589	33,080	20,600	12,480
PURTA	2,123	382	500	(118)	2,043	1,700	343
Insurance Premiums	3,579	218	200	18	1,501	1,500	1
Financial Institutions	9,141	360	1,000	(640)	10,960	6,400	4,560
Other Selective Bus. Taxes	1,203	507	500	7	1,385	2,100	(715)
TOTAL - Consumption Taxes	3,305,920	849,333	827,500	21,833	3,395,802	3,399,700	(3,898)
Sales and Use	2,831,972	726,699	704,700	21,999	2,920,322	2,928,900	(8,578)
General (net of transfers)	2,470,698	626,503	622,500	4,003	2,531,362	2,552,100	(20,738)
Motor Vehicle Sales	361,274	100,196	82,200	17,996	388,960	376,800	12,160
Cigarette Tax	374,841	95,140	95,400	(260)	371,944	367,200	4,744
Malt Beverage	9,690	2,107	2,200	(93)	9,513	9,700	(187)
Liquor	89,417	25,387	25,200	187	94,024	93,900	124
TOTAL - Other Taxes	3,286,421	833,668	869,600	(35,932)	3,457,397	3,599,600	(142,203)
Personal Income	2,917,228	735,566	773,000	(37,434)	3,051,943	3,186,500	(134,557)
Withholding	2,505,372	651,358	662,400	(11,042)	2,608,918	2,703,300	(94,382)
Non-Withholding	411,855	84,208	110,600	(26,392)	443,025	483,200	(40,175)
Realty Transfer	102,839	23,000	26,800	(3,800)	105,173	114,100	(8,927)
Inheritance & Estate	248,129	67,627	63,300	4,327	268,172	270,300	(2,128)
Minor & Repealed	1,336	657	100	557	970	400	570
Table Games	16,890	6,817	6,400	417	31,138	28,300	2,838
TOTAL - MOTOR LICENSE FUND	838,619	214,982	226,750	(11,768)	832,030	837,860	(5,830)
TOTAL - Liquid Fuels Taxes	427,022	98,593	100,230	(1,637)	427,040	426,640	400
Liquid Fuels	204,535	41,494	47,960	(6,466)	199,070	205,150	(6,080)
Fuels	52,562	14,173	11,670	2,503	53,661	50,850	2,811
Motor Carriers/IFTA	12,280	2,882	3,310	(428)	16,142	14,230	1,912
Alternative Fuels	102	23	20	3	115	100	15
Oil Company Franchise	157,545	40,022	37,270	2,752	158,052	156,310	1,742
TOTAL - Licenses, Fees & Other	411,596	116,388	126,520	(10,132)	404,990	411,220	(6,230)
Licenses and Fees	272,886	59,089	66,560	(7,471)	272,210	277,900	(5,690)
Other Motor Receipts	138,710	57,299	59,960	(2,661)	132,780	133,320	(540)