



Pennsylvania Senate Appropriations Committee

Senator Pat Browne
Chairman



Monthly Report November 2018

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October Revenue Collections Trick or Treat?

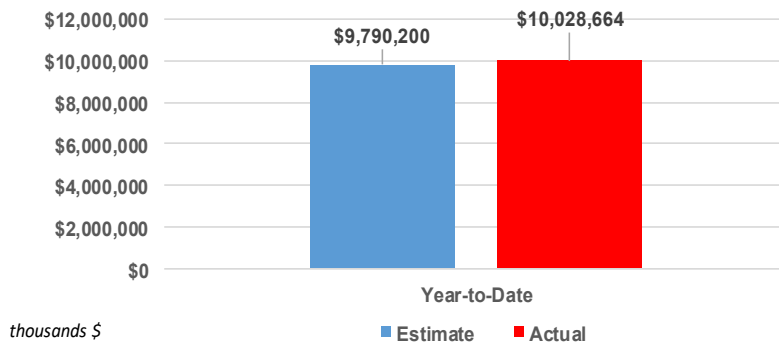
General Fund revenue collections for the month of October exceeded the estimate by \$28.3 million. General Fund tax revenues were \$16.9 million higher than the monthly estimate. Non-tax revenue was \$11.4 million above the estimate. General Fund revenue collections for the first four months of the fiscal year are \$238 million ahead of estimate.

October 2018 General Fund Revenue vs. Monthly Estimate:

- General Fund revenue collections of \$2.47 billion were above the monthly estimate by \$28.3 million, or 1.2%.
- General Fund tax revenues were above estimate by \$16.9 million, or 0.7%.
- Corporation taxes were \$10.5 million, or 10.4%, above the estimate.
- Sales and use tax collections beat the estimate by \$26.8 million, or 2.9%, for the month.
- Personal income tax collections were below estimate by \$5.4 million, or 0.5%.
- Non-tax revenues exceeded the estimate by \$11.4 million, or 62.4%.



General Fund Revenue Collections
Fiscal Year 2018-19
Comparison of Official Estimate with Actual Revenue Year-to-Date



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October Revenue Collections Trick or Treat? Continued....

Fiscal Year 2018-19 vs. the Official Revenue Estimate To-Date:

- Total General Fund revenues are \$238 million, or 2.4%, higher than the Official Revenue Estimate through the month of October.
- General Fund tax revenue is \$218.1 million, or 2.2%, above estimate.
- Corporation taxes are \$179.8 million, or 23.6%, above the estimate.
- Sales and use taxes are \$94.5 million, or 2.6%, above the estimate.
 - ◊ General SUT collections are \$60.8 million, or 1.9%, above estimate.
 - ◊ SUT collections on motor vehicle sales are \$33.7 million, or 6.9%, higher than the estimate.
- Personal income tax collections are short of the estimate by \$40.7 million, or 1%.
 - ◊ Withheld PIT is \$24.5 million, or 0.7%, below the estimate.
 - ◊ Non-withheld PIT (annual & estimated payments) is \$16.2 million, or 2.3%, short of estimate.
- Non-tax revenues are \$19.9 million, or 23.7%, higher than the estimate.

Fiscal Year 2018-19 vs. Fiscal Year 2017-18:

- Total General Fund revenues through October are \$919.8 million, or 10.1%, higher than last year at this time.
- General Fund tax revenue is \$893.2 million, or 9.9%, higher than last year (includes an extra PIT withholding date).
- Corporation taxes are \$231.9 million, or 32.7%, higher.
- Sales and use tax collections are \$309.5 million, or 8.9%, higher than last year through October.
- Personal income tax collections exceed last year's collections by \$333.9 million, or 8.9% (FY 2018-19 includes 18 large collection days through October vs. only 17 such days in FY 2017-18).
- Non-tax revenues are \$26.6 million, or 34.3%, more than last fiscal year through October.

Motor License Fund:

- Motor License Fund revenues are below the estimate by \$35.9 million, or 3.8%, through October.
- Motor License Fund revenues are \$81.5 million, or 8.2%, less than last fiscal year at this time.

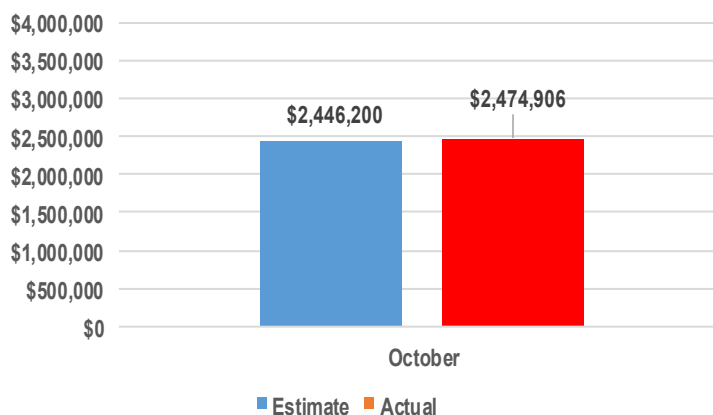
Governor's School for the Sciences

The Pennsylvania Department of Education recently announced that the Pennsylvania Governor's School for the Sciences (PGSS), will begin accepting applications for next summer's program, which is scheduled for June 30 through August 3, 2019. PGSS is a 5-week summer residential program for high school students interested in science and mathematics hosted by Carnegie Mellon University. The main goal of PGSS is to encourage today's students to pursue careers in STEM-related fields. Successful applicants receive a full scholarship to the PGSS program, which includes housing, meals, and all instructional materials.

For further information, please visit <http://sciences.pa-gov-schools.org>.



General Fund Revenue Collections
Fiscal Year 2018-19
Comparison of Official Estimate with Actual Revenue by
Month



Property Tax/Rent Rebate Program Deadline Extended

The deadline for older Pennsylvanians and residents with disabilities to apply for rebates on property taxes and rent paid in 2017 has been extended from June 30 to December 31, 2018. The rebate program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older. The income limit is \$35,000 per year for homeowners and \$15,000 annually for renters. One-half of Social Security income is excluded from these amounts.

For more information or to request an application, please visit the Department of Revenue's website at: [Property Tax Rent Rebate Program Information](#)

Senate Appropriations Committee Activity

	2015 - 2016 Legislative Session	2017 - 2018 Legislative Session
Committee Meetings.....	23	28
Subcommittee Meetings	6	11
Appropriations on the Road Events..	<u>0</u>	<u>8</u>
Total	29	47
Bills Referred to Committee:		
Senate Bills.....	249	290
House Bills.....	148	182
Resolutions.....	<u>2</u>	<u>0</u>
Total Bills	399	472
Bills Reported from Committee:		
Senate Bills.....	146	186
House Bills.....	133	153
Resolutions.....	<u>2</u>	<u>0</u>
Total Bills	281	339

Jackpots Boost Lottery Fund

A historic \$1.5 billion Mega Millions jackpot coupled with a \$750 million Powerball jackpot generated a large infusion of revenue to the Commonwealth's Lottery Fund in recent weeks. The Lottery Fund supports a variety of programs for aging Pennsylvanians, such as property tax and rent relief and pharmaceutical assistance.



Pennsylvania Lottery revenues have averaged \$30 million a week this year but can increase significantly when multi-state jackpots rise, as evidenced by recent weekly revenues of \$87 million and \$63 million. While the additional revenue is good news for the Lottery, it will not necessarily result in a surplus since large jackpots are assumed to occur each year and are factored in to the Lottery's revenue projections.

Pennsylvania Dairy Investment Program Aims to Help Industry

In recent years, Pennsylvania’s dairy industry has been impacted by low milk prices resulting from a stockpile of milk on the global market and a decrease in consumption of fluid milk. To give the industry a boost, in June the General Assembly established the Pennsylvania Dairy Investment Program (PDIP) as part of House Bill 1929 (Act 42 of 2018) to help Pennsylvania dairy producers diversify their businesses and strengthen operations to better compete in an increasingly competitive global marketplace.

The program is administered jointly by the Department of Community and Economic Development and the Department of Agriculture under the direction of the Commonwealth Financing Authority and will make \$5 million in grant funding available beginning this fall. Program grants require a 15% cash match from the recipient. Specifically, projects eligible for grant funding include:

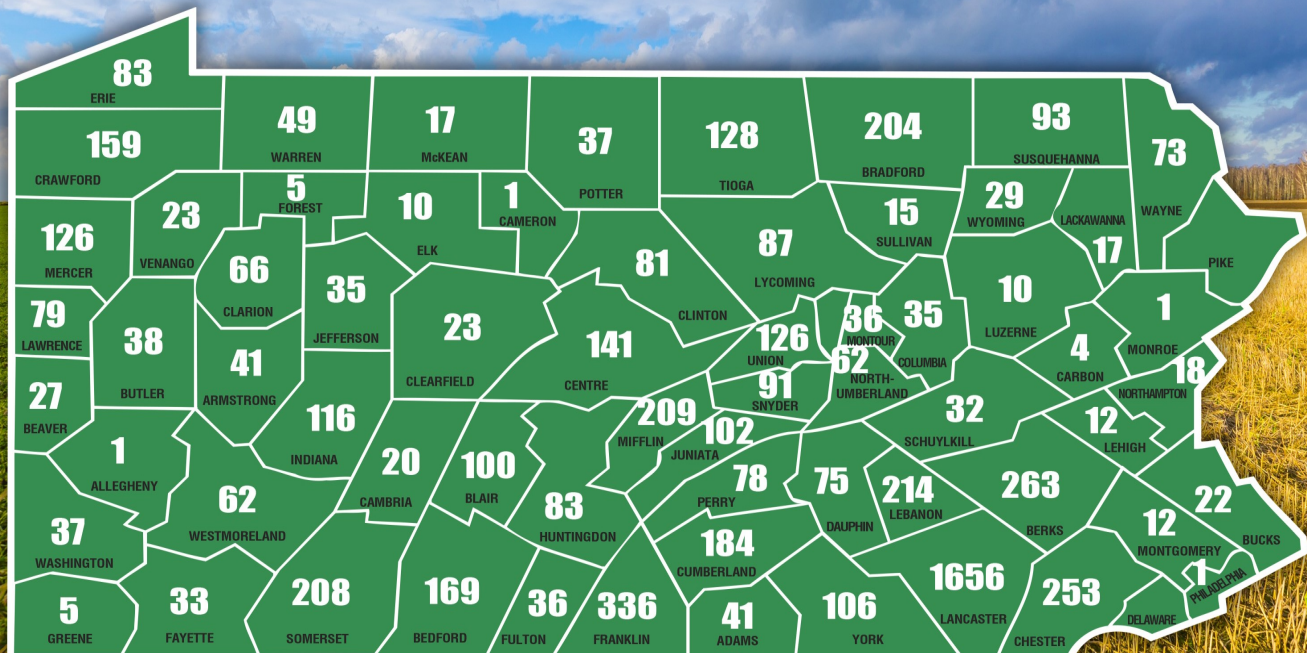
- Researching new technologies, products and best practices;
- Marketing to new domestic and international markets;
- Exploring new business opportunities to diversify operations and revenue streams;
- Transitioning to organic production methods; or
- Incorporating or expanding value-added dairy production, such as cheese, butter, yogurt or ice cream products.

The program is now open for applications after guidelines were recently approved by the Commonwealth Financing Authority (CFA). The grant application and guidelines can be found at the following website :

<https://dced.pa.gov/programs/pennsylvania-dairy-investment-program-pdip/>.

Pennsylvania ranks 7th nationally in total milk production and has the 2nd largest number of dairy farms in the country with approximately 6,500 farms. Additionally, a recent economic impact analysis conducted by the International Dairy Foods Association estimates that the state’s dairy industry directly generates \$8.9 billion in revenue annually and employs 45,029 Pennsylvanians.

Pennsylvania DAIRY FARMS BY COUNTY



Fiscal Year 2018-19
Senate Appropriations Committee
Monthly Revenue Report
(\$ thousands)

REVENUE SOURCES	YTD FY 2017-18	October 2018 Actual	October 2018 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	9,108,469	2,474,906	2,446,200	28,706	10,028,664	9,790,200	238,464
TOTAL - NON-TAX REVENUE	77,472	30,149	18,300	11,849	104,478	84,100	20,378
TOTAL - TAX REVENUE	9,030,996	2,444,756	2,427,900	16,856	9,924,186	9,706,100	218,086
TOTAL - Corporation Taxes	709,572	111,188	100,700	10,488	941,455	761,700	179,755
Accelerated Deposits	(39)	486	0	486	(159)	0	(159)
Corp. Net Income	673,086	98,600	93,100	5,500	871,134	703,000	168,134
Gross Receipts	8,936	9,253	6,300	2,953	33,188	18,500	14,688
PURTA	1,147	64	100	(36)	1,242	1,100	142
Insurance Premiums	10,286	110	200	(90)	21,984	22,800	(816)
Financial Institutions	16,156	2,674	1,000	1,674	14,066	16,300	(2,234)
TOTAL - Consumption Taxes	4,050,701	1,099,698	1,077,800	21,898	4,332,225	4,248,900	83,325
Sales and Use	3,472,673	959,417	932,600	26,817	3,782,218	3,687,700	94,518
General (net of transfers)	2,997,963	824,544	809,800	14,744	3,257,375	3,196,600	60,775
Motor Vehicle Sales	474,710	134,873	122,800	12,073	524,843	491,100	33,743
Cigarette Tax	412,806	98,329	102,500	(4,171)	380,359	392,400	(12,041)
Other Tobacco Products	39,475	9,704	9,800	(96)	41,598	40,200	1,398
Malt Beverage	8,798	1,780	2,000	(220)	8,565	9,000	(435)
Liquor	116,950	30,469	30,900	(431)	119,485	119,600	(115)
TOTAL - Other Taxes	4,270,722	1,233,870	1,249,400	(15,530)	4,650,506	4,695,500	(44,994)
Personal Income	3,743,222	1,088,334	1,093,700	(5,366)	4,077,148	4,117,900	(40,752)
Withholding	3,152,490	927,088	931,700	(4,612)	3,376,461	3,401,000	(24,539)
Non-Withholding	590,732	161,246	162,000	(754)	700,687	716,900	(16,213)
Realty Transfer	176,337	50,975	50,800	175	182,405	186,400	(3,995)
Inheritance & Estate	316,636	90,334	87,200	3,134	348,901	339,800	9,101
Minor & Repealed	(5,445)	(4,941)	7,100	(12,041)	2,928	6,700	(3,772)
Gaming	39,972	9,168	10,600	(1,432)	39,124	44,700	(5,576)
TOTAL - MOTOR LICENSE FUND	997,318	204,982	228,790	(23,808)	915,789	951,650	(35,861)
TOTAL - Liquid Fuels Taxes	628,148	125,950	146,500	(20,550)	607,491	619,400	(11,909)
Liquid Fuels	2	1	0	1	2	0	2
Fuels	0	0	0	0	0	0	0
Motor Carriers/IFTA	32,442	1,671	3,000	(1,329)	33,158	33,100	58
Alternative Fuels	4,681	1,249	1,300	(51)	4,810	4,900	(90)
Oil Company Franchise	591,022	123,030	142,200	(19,170)	569,521	581,400	(11,879)
TOTAL - Licenses, Fees & Other	369,170	79,032	82,290	(3,258)	308,298	332,250	(23,952)
Licenses and Fees	324,850	78,163	80,500	(2,337)	303,448	327,400	(23,952)
Other Motor Receipts	44,320	869	1,790	(921)	4,849	4,850	(1)
Other Motor Receipts	7,538	(3,612)	(1,070)	(2,542)	40,708	43,360	(2,652)