



Senate Appropriations Committee

The Monthly Report

February 2016

Pat Browne, Chairman



General Fund Revenue Collections for January 2016 \$6.2 Million, or 0.3%, Above Estimate

General Fund revenue collections for the month ended January 2016 totaled \$2.5 billion, which was \$6.2 million, or 0.3%, above estimate. Fiscal year-to-date collections total \$15.9 billion, which is \$9.2 million, or 0.1%, above estimate.

The 2015-16 Official General Fund Revenue Estimate was signed in December, and the monthly distribution of the estimate was released at the end of January. Because seven months of revenue collections are already in the books, it is no surprise that the year-to-date actual revenue collections are on par with the estimated revenue collections through January.

Total General Fund revenue for January 2016 was \$100.8 million, including a \$50 million liquor store profit transfer, or 4.2%, more than General Fund revenue collected in January 2015. However, January 2015 revenues did not include a transfer of liquor store profits. If the \$50 million liquor store profit transfer made in January 2016 is excluded, January 2016 revenues would have been \$50.8 million, or 2.1%, more than January 2015.

For the fiscal year-to-date, total General Fund revenue is \$201.8 million, or 1.3%, higher than FY 2014-15. Fiscal Year 2014-15 included a \$100 million inheritance tax windfall and over \$200 million of one-time special fund transfers that did not occur in this fiscal year, and this has the effect of boosting 2014-15 revenues when compared to 2015. Total tax revenue for FY 2015-16 is 3.1% higher than it was through January 2015. Exclud-

ing the inheritance tax windfall from FY 2014-15, tax revenue collections in FY 2015-16 would be 3.8% more than last year on an equivalent basis.

Corporation Taxes

January corporation tax collections were below estimate by \$7.3 million, or 4.7%. January is not a particularly important month for corporation taxes because no large quarterly or annual payments are due for calendar year tax filers. For the year, corporation tax collections are \$4.5 million, or 0.3%, ahead of estimate; however, they are \$3.5 million, or 0.2%, lower than FY 2014-15 through January, due to the reduction and phase-out of the capital stock and franchise tax.

Sales and Use Tax (SUT)

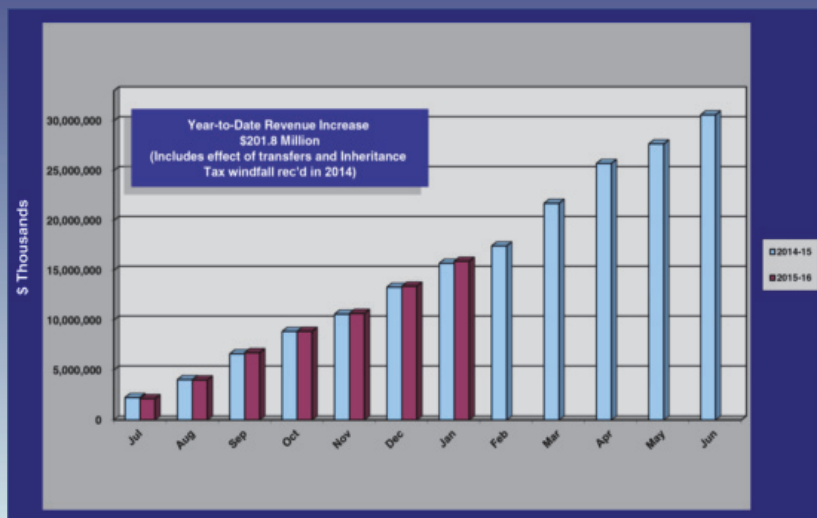
Sales and use tax collections were

ahead of estimate by \$12.4 million, or 1.4%, for the month. January's general sales and use tax collections are the highest of the fiscal year because the taxes collected in December, during the peak of the holiday shopping season, are remitted in January.

General SUT was \$22.5 million, or 2.9%, above estimate. Sales and use tax on motor vehicles was \$10.1 million, or 10.1%, below estimate for the month. Sales and use tax collections are \$12.4 million, or 0.2%, above estimate for the fiscal year-to-date.

Overall, sales and use tax revenues are 3.2% ahead of last year at this time. The Official Revenue Estimate anticipates year-over-year sales and use tax growth of 3.3%.

General Fund Revenue Collections Fiscal Year 2015-2016 Revenue Comparison with Last Year



Senate Appropriations Committee, Pat Browne, Chairman



Personal Income Tax (PIT)

Personal income tax collections were above estimate by \$9 million, or 0.8%, for the month. PIT from employers' withholding underperformed the estimate by \$15 million for the month. Quarterly estimated PIT collections, however, were \$21.9 million, or 5.3%, above estimate for January, thus offsetting the underperformance in withholding. The quarterly payments due in January 2016 represent the final installments for the 2015 tax year. Payments on annual tax returns were \$2 million over the estimate for the month. PIT collections are \$9 million, or 0.1%, above estimate for the year, and they are running 5.4% ahead of last year at this time. The Official Revenue Estimate projects 5.0% annual growth over last year.

Miscellaneous Taxes

Realty transfer tax (RTT) collections exceeded the estimate by \$1.6 million, or 3.8%, for the month. RTT is now \$1.8 million, or 0.6%, above estimate for the year and a strong 18.1% ahead of last year. Inheritance tax collections were \$3.7 million, or 5.3%, below estimate for the month, and they are 0.7% below estimate for the year.

Cigarette tax collections were \$4.3 million below estimate for the month and are \$4.2 million short of estimate for the year. Liquor tax collections beat the estimate at \$667,718 over for January. Table games tax revenue was \$380,480 below estimate for the month.

Non-Tax Revenues

Non-tax revenue collections totaled \$66.2 million, which was \$2.8 million below estimate. Nontax revenue collections are 1.3% below estimate for the year.

Motor License Fund

Motor License Fund collections were \$22.1 million, or 10.1%, below estimate for the month of January. The Motor License Fund is \$21.9 million, or 1.5%, below estimate for the year. Motor License Fund revenues are 7.9% more than last year through January.

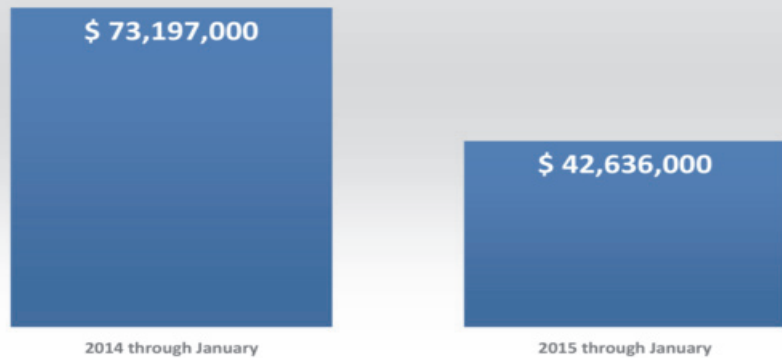
Y-T-D Revenue Performance Summary

	FY 14/15 (Thru Jan.)	FY 15/16 YTD Collections	FY 15/16 YTD Estimate	FY 15/16 Surplus/Deficit	Year/Year Jan./Jan.	
General Fund Total	15,697,822	15,899,608	15,890,400	9,208	201,786	1.3%
Corporation Taxes	1,554,402	1,550,866	1,555,400	(4,534)	(3,536)	-0.2%
Sales & Use Tax	5,646,663	5,829,822	5,817,400	12,422	183,159	3.2%
Personal Income Tax	6,322,242	6,666,226	6,657,200	9,026	343,984	5.4%
Realty Transfer Tax	247,113	291,764	290,000	1,764	44,651	18.1%
Cigarette Tax	538,746	529,179	533,400	(4,221)	(9,567)	-1.8%
Inheritance Tax	594,608	515,295	519,000	(3,705)	(79,313)	-13.3%

Special Fund Updates

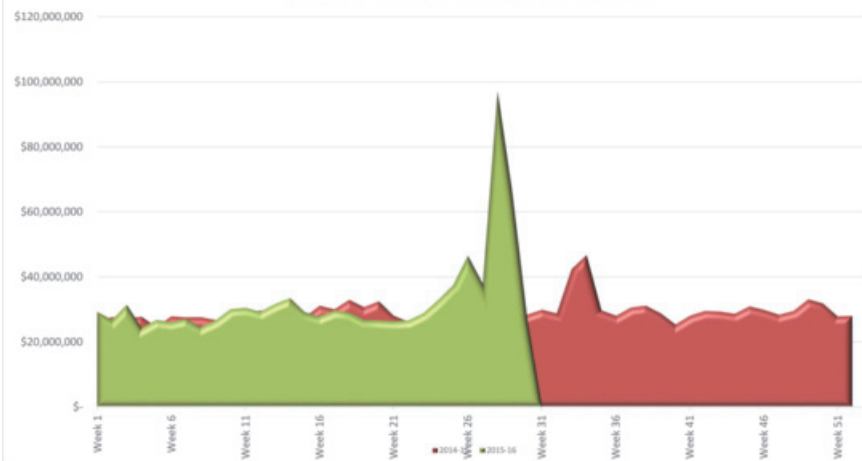
Continued Weakness in Oil and Gas Lease Fund Revenues - more than 40% lower than last year -

Commonwealth revenues in the Oil and Gas Lease Fund continue to lag last year's collections due to historic lows in natural gas prices, foreshadowing additional Department of Conservation and Natural Resource spending the General Fund will be forced to absorb in 2016-17.



Weekly Lottery Revenues Peak with Historic Powerball Jackpot

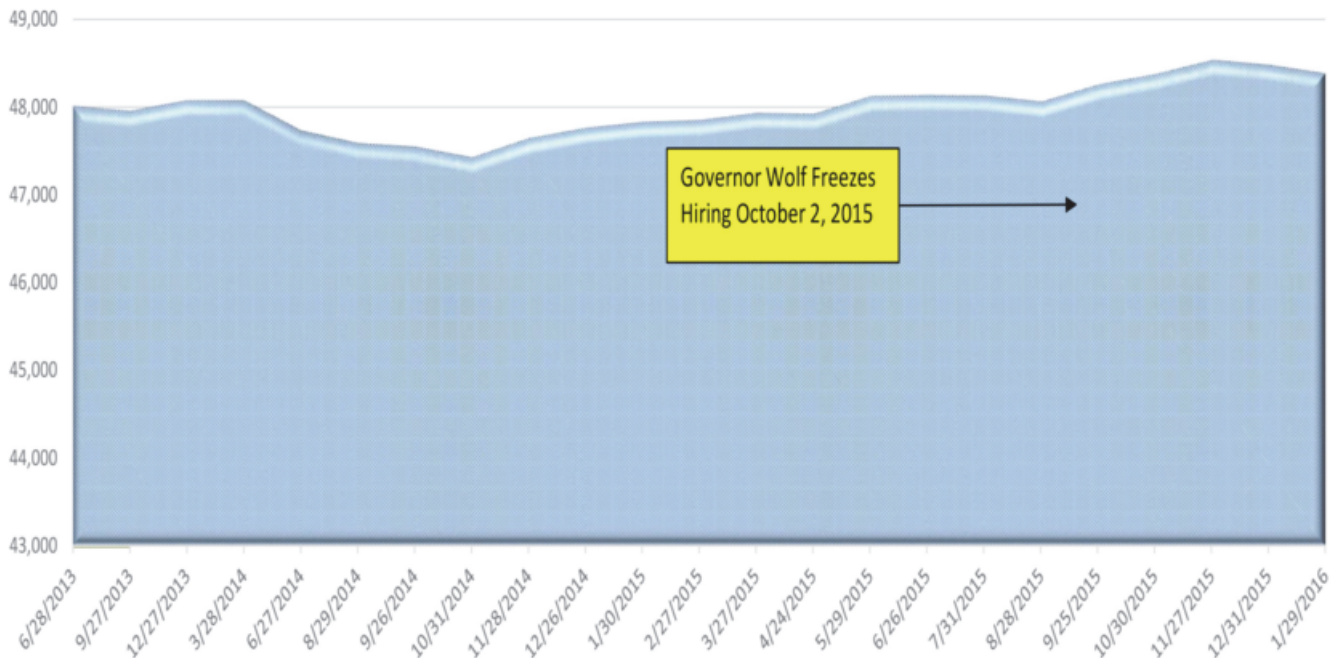
Due to historic jackpot levels in the Powerball, weekly collections reached nearly \$100 million. Based on year-to-date collections, it appears relatively certain that Lottery revenues will exceed estimate by a fair margin this year, potentially by \$50 million to \$75 million. However, since this year's performance was driven by historic jackpot levels that cannot be counted on to recur, concerns remain about the Lottery's long-term ability to keep up with demand in programs that support Pennsylvania's seniors.





General Fund Complement Levels

Filled, Salaried Staffing
June 2013 - January 2016

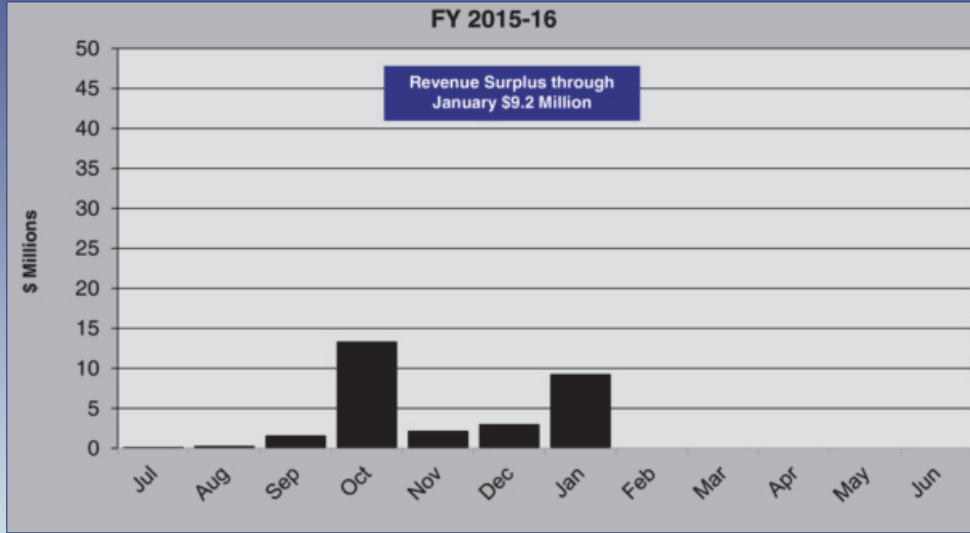


General Fund Filled Staff Levels (Under Governor's Jurisdiction)

	12/26/2014	9/25/2015	12/31/2015	1/29/2016	Difference: 1/29/2016 vs. 9/25/2015	Difference: 1/29/2016 vs. 12/26/2014
Corrections	14,573.60	15,005.54	14,990.54	14,976.61	-28.93	403.01
State Police	5,688.00	5,830.00	5,907.00	5,823.00	-7.00	135.00
Human Services	15,782.70	15,785.70	15,968.70	15,983.80	198.10	201.10
All Other	11,717.82	11,638.97	11,613.06	11,602.14	-36.83	-115.68
Total	47,762.12	48,260.21	48,479.30	48,385.55	125.34	623.43
Difference from prior month				-93.75		

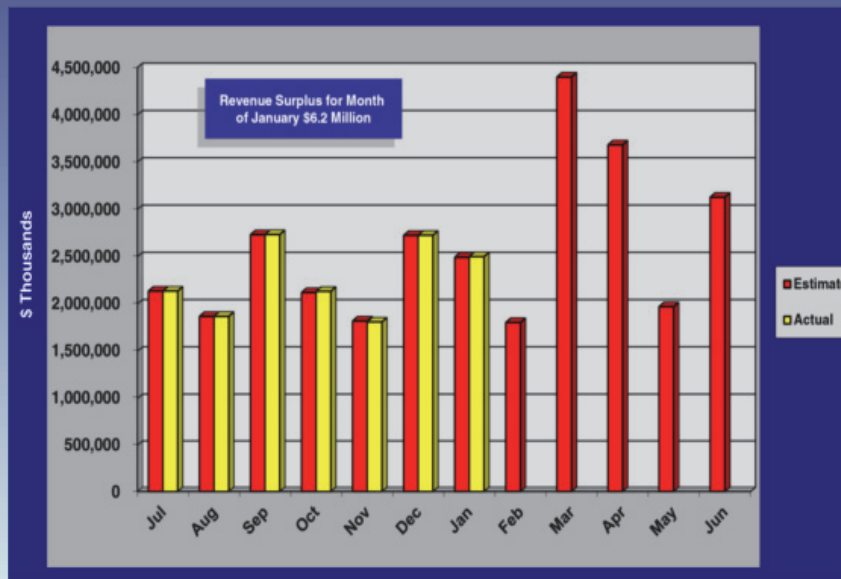


General Fund Tax Collections Year-to-Date Revenue Comparison with Official Estimate



Senate Appropriations Committee, Pat Browne, Chairman

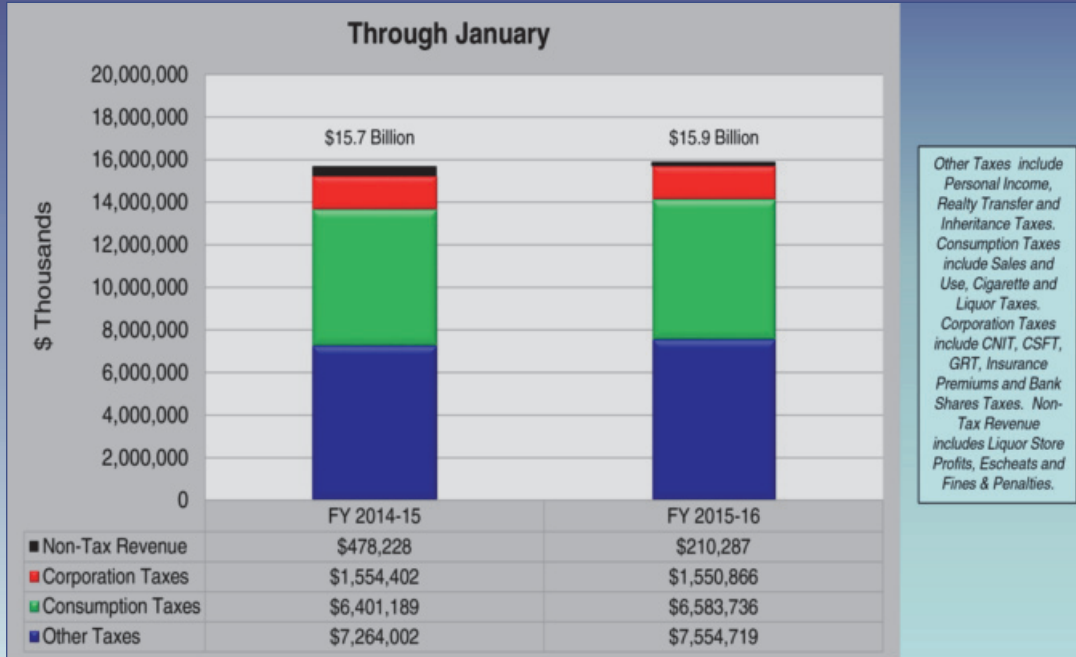
General Fund Tax Collections Fiscal Year 2015-16 Comparison of Official Estimate with Actual Revenue by Month



Senate Appropriations Committee, Pat Browne, Chairman

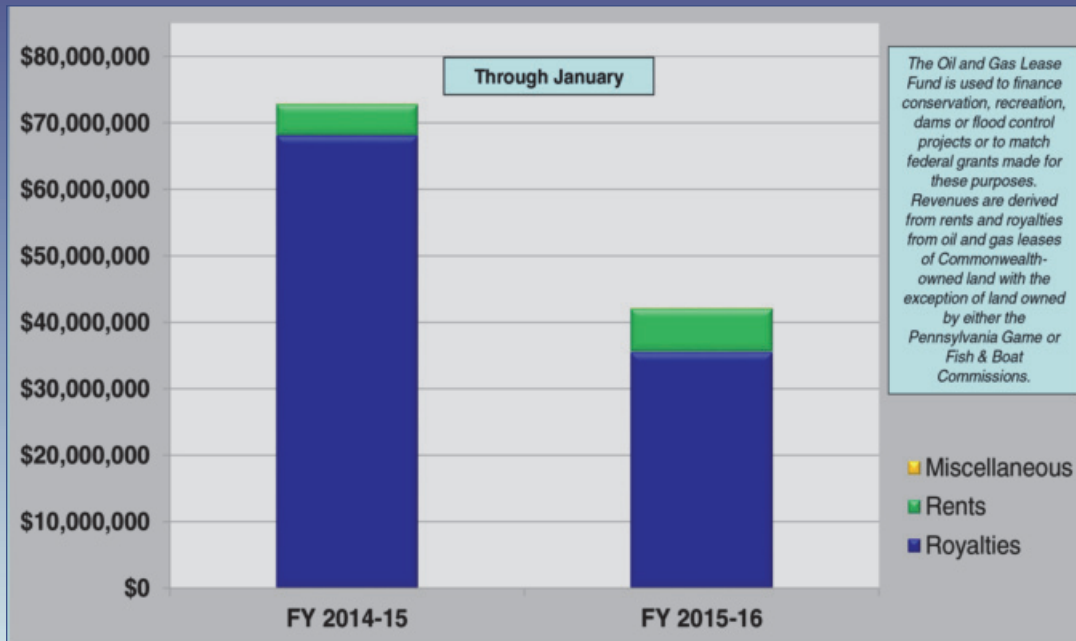


General Fund Year-to-Date Revenue Compared with Prior Year



Senate Appropriations Committee, Pat Browne, Chairman

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



Senate Appropriations Committee, Pat Browne, Chairman



Appropriations Committee Monthly Revenue Report

REVENUE SOURCES	YTD FY 2014-15	January 2016 Actual	January 2016 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	15,697,822	2,499,043	2,492,800	6,243	15,899,608	15,890,400	9,208
TOTAL - NON-TAX REVENUE	478,228	66,231	69,000	(2,769)	210,287	213,100	(2,813)
TOTAL - TAX REVENUE	15,219,593	2,432,812	2,423,800	9,012	15,689,321	15,677,300	12,021
TOTAL - Corporation Taxes	1,554,402	149,076	156,400	(7,324)	1,550,866	1,555,400	(4,534)
Accelerated Deposits	4,194	(2,319)	0	(2,319)	254	0	254
Corp. Net Income	1,348,466	132,464	132,100	364	1,367,321	1,367,000	321
Cap. Stock & Franchise	111,883	11,170	11,200	(30)	98,356	98,400	(44)
Gross Receipts	40,045	4,935	3,100	1,835	35,774	33,900	1,874
PURTA	2,061	57	0	57	2,766	2,700	66
Insurance Premiums	18,256	15,149	21,900	(6,751)	20,969	27,600	(6,631)
Financial Institutions	27,621	(11,290)	(10,800)	(490)	23,454	23,900	(446)
Other Selective Bus. Taxes	1,876	(1,090)	(1,100)	10	1,973	1,900	73
TOTAL - Consumption Taxes	6,401,189	963,372	954,300	9,072	6,583,736	6,574,700	9,036
Sales and Use	5,646,663	890,191	877,800	12,391	5,829,822	5,817,400	12,422
General (net of transfers)	4,874,262	799,808	777,300	22,508	5,047,989	5,025,500	22,489
Motor Vehicle Sales	772,401	90,382	100,500	(10,118)	781,833	791,900	(10,067)
Cigarette Tax	538,746	46,237	50,500	(4,263)	529,179	533,400	(4,221)
Malt Beverage	14,125	1,777	1,500	277	14,833	14,700	133
Liquor	201,655	25,168	24,500	668	209,901	209,200	701
TOTAL - Other Taxes	7,264,002	1,320,365	1,313,100	7,265	7,554,719	7,547,200	7,519
Personal Income	6,322,242	1,201,158	1,192,200	8,958	6,666,226	6,657,200	9,026
Withholding	5,229,403	758,026	773,000	(14,974)	5,387,774	5,402,800	(15,026)
Non-Withholding	1,092,839	443,132	419,200	23,932	1,278,452	1,254,400	24,052
Realty Transfer	247,113	43,371	41,800	1,571	291,764	290,000	1,764
Inheritance & Estate	594,608	65,618	69,300	(3,682)	515,295	519,000	(3,705)
Minor & Repealed	44,068	398	(400)	798	22,964	22,200	764
Table Games	55,862	9,820	10,200	(380)	58,471	58,800	(329)
TOTAL - MOTOR LICENSE FUND	1,362,319	196,378	218,520	(22,142)	1,470,384	1,492,250	(21,866)
TOTAL - Liquid Fuels Taxes	866,739	136,884	142,500	(5,616)	974,512	980,200	(5,688)
Liquid Fuels	4,077	16	100	(84)	(855)	(800)	(55)
Fuels	3	0	0	0	38	0	38
Motor Carriers/IFTA	40,939	2,748	1,900	848	49,203	48,500	703
Alternative Fuels	1,647	461	400	61	5,417	5,400	17
Oil Company Franchise	398,392	133,658	140,100	(6,442)	920,709	927,100	(6,391)
TOTAL - Licenses, Fees & Other	496,580	59,494	76,020	(16,526)	495,872	512,050	(16,178)
Licenses and Fees	474,283	55,072	73,700	(18,628)	479,485	497,900	(18,415)
Other Motor Receipts	21,297	4,421	2,320	2,101	16,387	14,150	2,237
Other Motor Receipts	258,447	10,233	2,040	8,193	98,274	88,400	9,874