

# The Monthly Report

June 2016

Pat Browne, Chairman



## General Fund Revenue Collections 1.3% Below Monthly Estimate

**G**eneral Fund revenue collections for the month ended May 2016 totaled \$1.94 billion, which was \$25.4 million, or 1.3%, below estimate. Fiscal year-to-date collections total \$27.84 billion, which is \$97 million, or 0.3%, above estimate. Total FY 2015-16 General Fund revenues are \$163.8 million, or 0.6%, more than last year.

Corporation taxes were below estimate for the month by \$20 million, or 19.9%. As of May 31st, the year-to-date corporate net income tax surplus stands at \$7.3 million; the capital stock/franchise tax year-to-date surplus is \$32.8 million; the gross receipts tax surplus is \$70.1 million; the insurance premiums tax deficit is \$27.4 million; and the financial institutions tax (i.e. bank shares tax) surplus is \$401,455. Total corporation taxes are above estimate for the year by \$85.7 million, or 1.9%.

Sales and use tax (SUT) collections were above estimate by \$9.1 million, or 1.2%, for the month. General sales and use tax was ahead of estimate by \$11.3 million, or 1.7%, but sales tax on motor vehicles was short of estimate by \$2.2 million, or 1.8%. Sales and use tax collections for May 2016 were 6.1% higher than May 2015 collections. Year-to-

date SUT collections for FY 2015-16 are 3.6% ahead of last fiscal year and \$15.5 million, or 0.2%, above this year's estimate.

Personal income tax (PIT) collections were \$43.9 million below estimate for the month. Employers' withholding was below estimate for the month by \$26.1 million, or 3.5%. PIT received from estimated and annual payments was short of estimate by \$17.8 million for the month. Personal income tax collections are \$150.4 million, or 1.3% below estimate for the year. PIT collections, which make up approximately 41% of all General Fund revenues, are 2.8% higher than last year through the month of May.

Realty transfer tax (RTT) collections were \$956,639, or 2.5%, below estimate for the month. RTT is now \$574,275, or 0.1%, above estimate for the year. Inheritance tax collections were \$6.8 million, or 8.9%, above estimate for the month, and they are now \$26.8 million, or 3.2%, above estimate for the year.

Cigarette tax collections were \$332,825, or 0.4%, above estimate for the month, but they are \$2.4 million, or 0.3%, below estimate for the year. Liquor tax collections were \$1.76 million, or 5.9%, below estimate for the

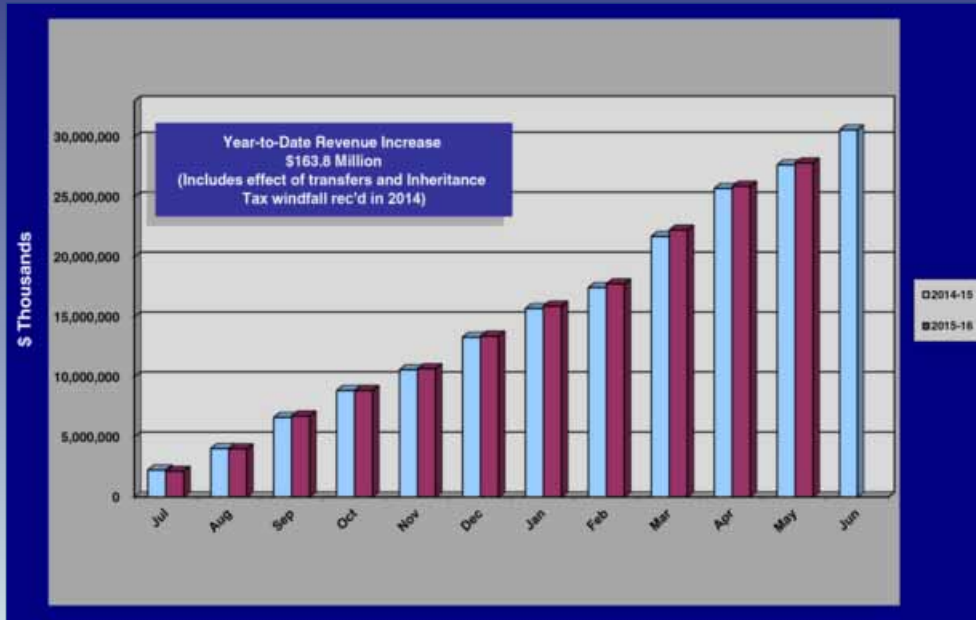
month, and they are now \$527,903, or 0.2%, ahead of estimate for the year. Table games tax collections of \$8 million were \$182,347 short of the monthly estimate. The table games tax is \$777,914, or 0.8%, below estimate for the year. Non-tax revenue was \$4.5 million over estimate for the month.

May's \$25.4 million revenue shortfall reduces the year-to-date revenue surplus from \$122.5 million at the end of April to \$97 million. Continued revenue underperformance is problematic as it directly affects the General Fund balance sheet and the FY 2016-17 revenue estimate. Unfortunately, we anticipate further erosion of the year-to-date revenue surplus during the month of June. It is conceivable that we will see June revenues underperform the estimate by \$25 million to \$50 million. We will monitor revenues on a daily basis throughout the remainder of the fiscal year.

Motor License Fund collections were \$4.2 million, or 1.7%, above estimate for the month of May. The Motor License Fund is \$33.8 million, or 1.4%, below estimate for the year

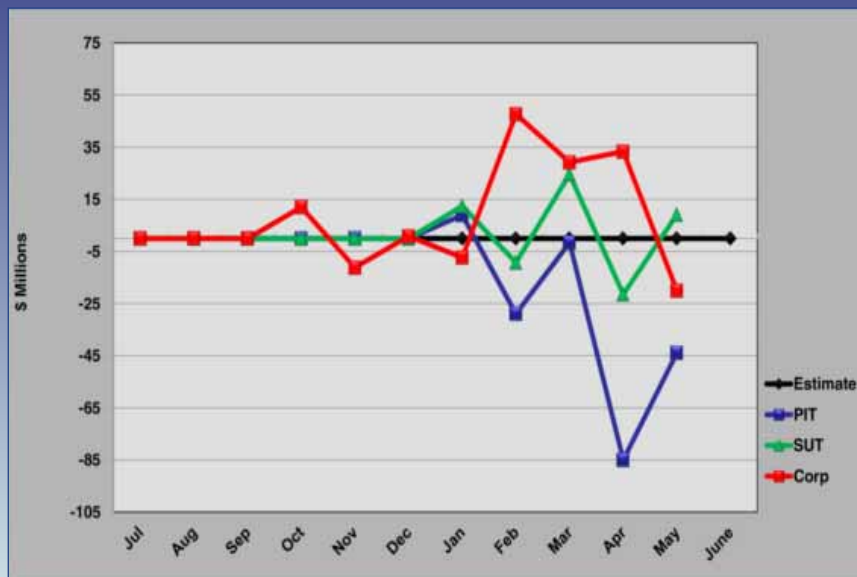


## General Fund Revenue Collections Fiscal Year 2015-2016 Revenue Comparison with Last Year



Senate Appropriations Committee, Pat Browne, Chairman

## Fiscal Year 2015-16 Performance of Major Tax Types Above/Below the Monthly Estimate



Senate Appropriations Committee, Pat Browne, Chairman



## Lottery Fund Update

Year-to-date Lottery Fund collections are \$140 million, or 10%, above last year's levels. That performance has largely been driven by the historic \$1.6 billion Powerball jackpot in January, resulting in nearly \$100 million of Lottery revenue in a single week. Following that jackpot, weekly revenues returned to expected levels.

The strong revenue performance, however, will not translate into a strong ending balance for the Lottery Fund. Estimates for prize payouts and vendor commissions have also in-

creased by \$115 million since the Governor submitted his budget in February, nearly consuming the entire revenue gain. If the Lottery Fund repays a cash flow loan by the end of this fiscal year, the ending balance will only be \$15 million to \$20 million (plus a \$75 million reserve).

Looking to next year, Lottery Fund revenues are actually projected to decline because the historic Powerball jackpot cannot be assumed to recur. And despite using somewhat optimistic revenue assumptions, the Ad-

ministration projects the \$75 million reserve will be depleted by the end of FY 2016-17, and the balance in the fund will be less than \$10 million.

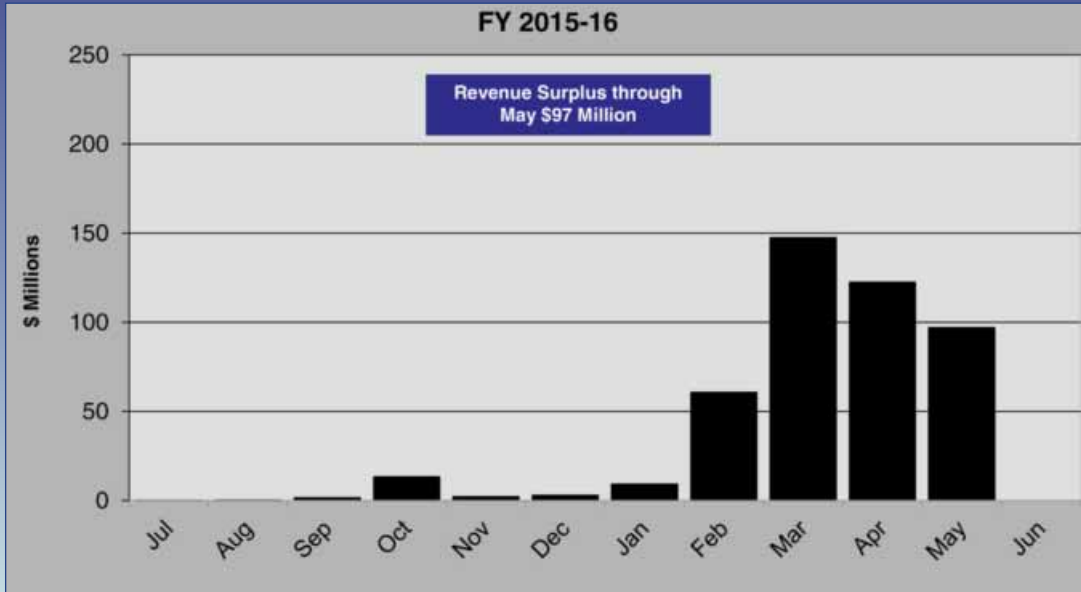
Senate Appropriations staff will continue to monitor the Lottery Fund closely since it appears to be in a situation in which revenue gains are effectively offset by increases in prize payouts, setting the fund up for long-term fiscal issues moving forward.

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

	12/26/2014	5/29/2015	12/31/2015	1/29/2016	2/26/2016	3/25/2016	4/29/2016	5/27/2016	Difference: 5/27/2016 vs. 5/29/2015	Difference: 5/27/2016 vs. 12/31/2015
<b>Corrections</b>	14,573.60	14,743.54	14,990.54	14,976.61	14,971.54	14,899.54	14,879.60	14,917.60	174.06	-72.94
<b>State Police</b>	5,688.00	5,797.00	5,907.00	5,823.00	5,805.00	5,837.00	5,809.00	5,796.00	-1.00	-111.00
<b>Human Services</b>	15,782.70	15,913.20	15,968.70	15,983.80	15,982.30	16,003.80	16,062.30	16,071.30	158.10	102.60
<b>All Other</b>	11,717.82	11,673.69	11,613.06	11,602.14	11,575.38	11,549.47	11,475.97	11,520.97	-152.72	-92.09
<b>Total</b>	<b>47,762.12</b>	<b>48,127.43</b>	<b>48,479.30</b>	<b>48,385.55</b>	<b>48,334.22</b>	<b>48,289.81</b>	<b>48,226.87</b>	<b>48,305.87</b>	<b>178.44</b>	<b>-173.43</b>
<b>Difference from prior month</b>		204.74	-59.23	-93.75	-51.33	-44.41	-62.94	79.00		
<b>2016 Calendar Year to Date</b>				-93.75	-145.08	-189.49	-252.43	-173.43		

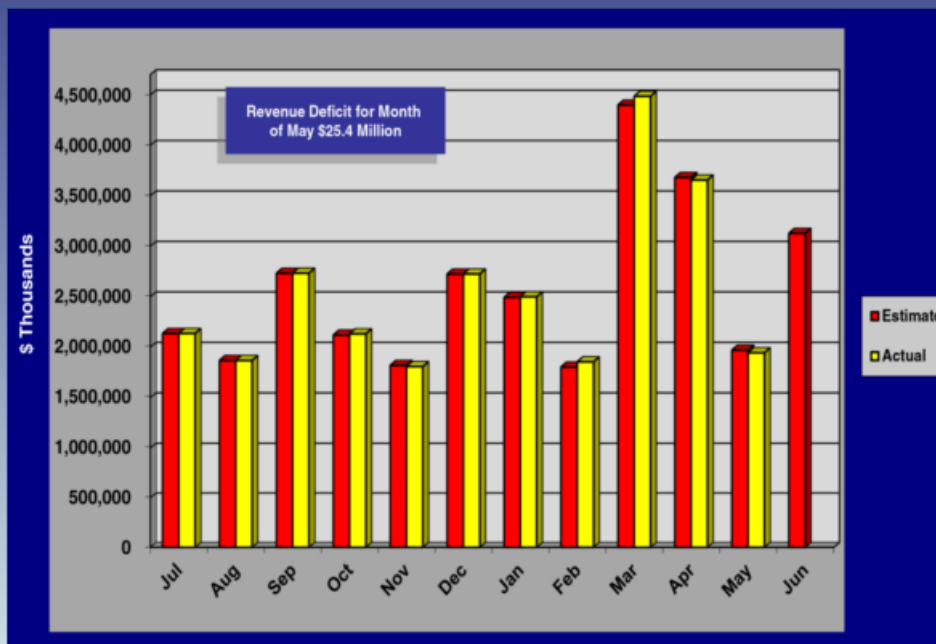


## General Fund Tax Collections Year-to-Date Revenue Comparison with Official Estimate



Senate Appropriations Committee, Pat Browne, Chairman

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

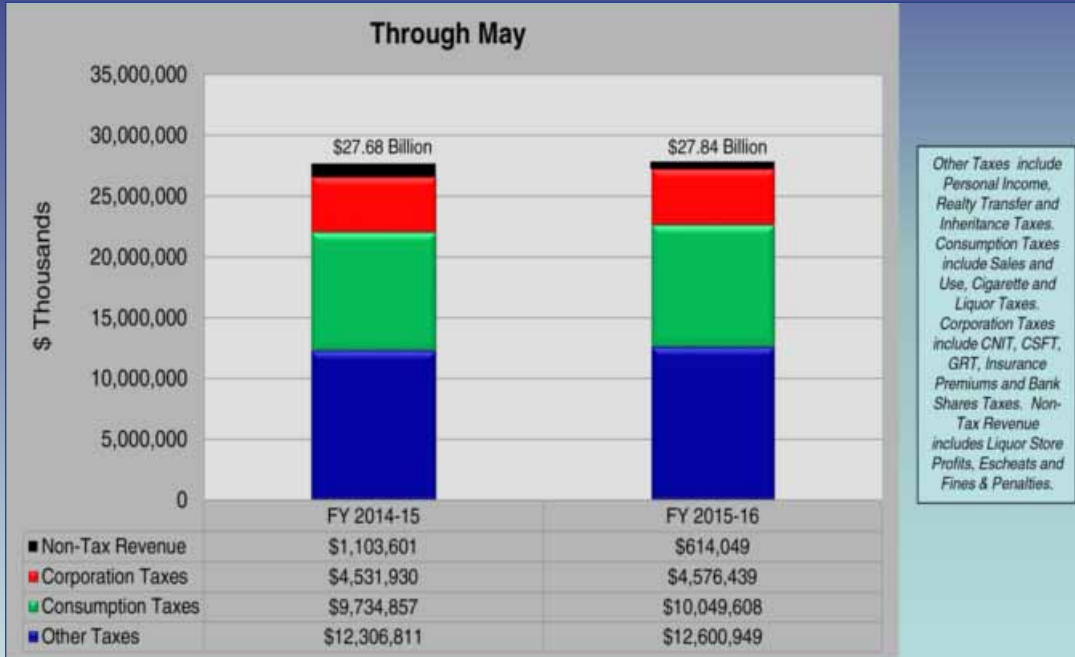


Senate Appropriations Committee, Pat Browne, Chairman



## General Fund

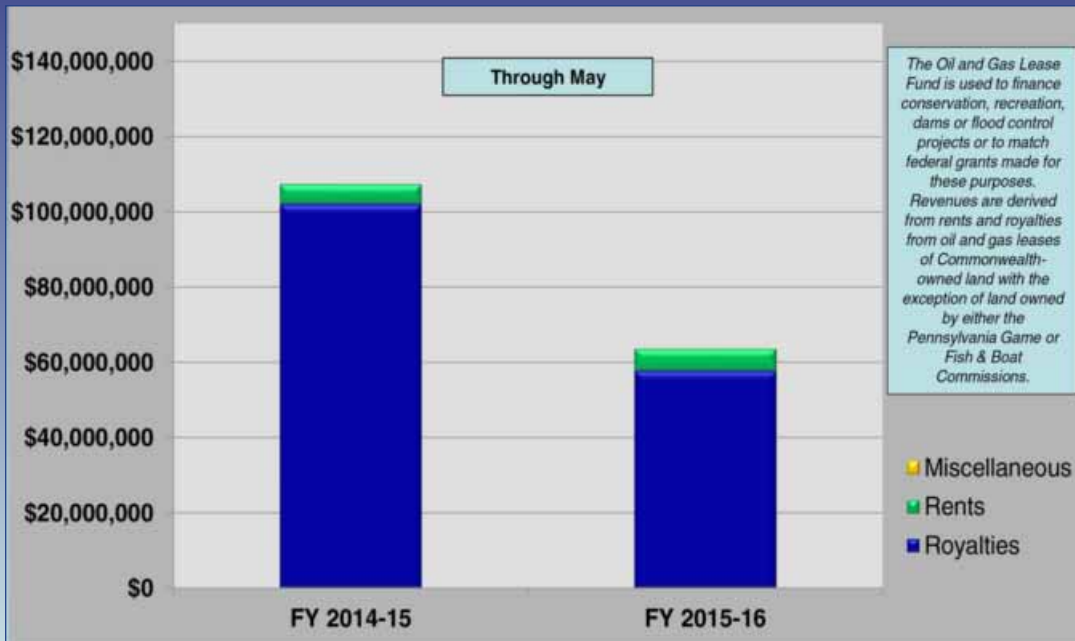
### Year-to-Date Revenue Compared with Prior Year



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	May 2016 Actual	May 2016 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
<b>TOTAL - GENERAL FUND</b>	<b>27,677,198</b>	<b>1,944,456</b>	<b>1,969,900</b>	<b>(25,444)</b>	<b>27,841,045</b>	<b>27,744,000</b>	<b>97,045</b>
<b>TOTAL - NON-TAX REVENUE</b>	<b>1,103,601</b>	<b>39,664</b>	<b>35,200</b>	<b>4,464</b>	<b>614,050</b>	<b>510,900</b>	<b>103,150</b>
<b>TOTAL - TAX REVENUE</b>	<b>26,573,597</b>	<b>1,904,791</b>	<b>1,934,700</b>	<b>(29,909)</b>	<b>27,226,996</b>	<b>27,233,100</b>	<b>(6,104)</b>
<b>TOTAL - Corporation Taxes</b>	<b>4,531,930</b>	<b>80,467</b>	<b>100,500</b>	<b>(20,033)</b>	<b>4,576,439</b>	<b>4,490,700</b>	<b>85,739</b>
Accelerated Deposits	17,454	(5,723)	0	(5,723)	1,487	0	1,487
Corp. Net Income	2,322,227	56,956	59,500	(2,544)	2,311,054	2,303,800	7,254
Cap. Stock & Franchise	194,816	8,751	1,500	7,251	147,911	115,100	32,811
Gross Receipts	1,239,063	246	4,200	(3,954)	1,293,724	1,223,600	70,124
PURTA	38,063	16,562	28,100	(11,538)	39,226	39,200	26
Insurance Premiums	432,498	3,149	4,900	(1,751)	452,464	479,900	(27,436)
Financial Institutions	283,802	123	2,200	(2,077)	327,001	326,600	401
Other Selective Bus. Taxes	4,007	402	100	302	3,572	2,500	1,072
<b>TOTAL - Consumption Taxes</b>	<b>9,734,857</b>	<b>902,644</b>	<b>894,700</b>	<b>7,944</b>	<b>10,049,608</b>	<b>10,035,400</b>	<b>14,208</b>
Sales and Use	8,564,644	791,245	782,100	9,145	8,876,975	8,861,500	15,475
General (net of transfers)	7,363,173	670,236	658,900	11,336	7,653,993	7,612,700	41,293
Motor Vehicle Sales	1,201,471	121,009	123,200	(2,191)	1,222,981	1,248,800	(25,819)
Cigarette Tax	839,769	81,033	80,700	333	829,734	832,100	(2,366)
Malt Beverage	21,810	2,121	1,900	221	22,671	22,100	571
Liquor	308,635	28,245	30,000	(1,755)	320,228	319,700	528
<b>TOTAL - Other Taxes</b>	<b>12,306,811</b>	<b>921,681</b>	<b>939,500</b>	<b>(17,819)</b>	<b>12,600,949</b>	<b>12,707,000</b>	<b>(106,051)</b>
Personal Income	10,944,201	773,070	817,000	(43,930)	11,246,582	11,397,000	(150,418)
Withholding	8,363,706	719,951	746,100	(26,149)	8,566,608	8,652,700	(86,092)
Non-Withholding	2,580,496	53,119	70,900	(17,781)	2,679,973	2,744,300	(64,327)
Realty Transfer	369,196	37,843	38,800	(957)	427,074	426,500	574
Inheritance & Estate	905,652	82,680	75,900	6,780	852,261	825,500	26,761
Minor & Repealed	(478)	20,069	(400)	20,469	(17,890)	(35,700)	17,810
Table Games	88,239	8,018	8,200	(182)	92,922	93,700	(778)
<b>TOTAL - MOTOR LICENSE FUND</b>	<b>2,383,631</b>	<b>253,854</b>	<b>249,680</b>	<b>4,174</b>	<b>2,412,311</b>	<b>2,446,110</b>	<b>(33,799)</b>
<b>TOTAL - Liquid Fuels Taxes</b>	<b>1,439,035</b>	<b>149,967</b>	<b>149,700</b>	<b>267</b>	<b>1,520,552</b>	<b>1,534,700</b>	<b>(14,148)</b>
Liquid Fuels	4,517	1	100	(99)	(851)	(400)	(451)
Fuels	3	0	0	0	38	0	38
Motor Carriers/IFTA	66,826	15,515	11,900	3,615	90,877	84,800	6,077
Alternative Fuels	3,097	818	500	318	8,603	7,200	1,403
Oil Company Franchise	1,364,591	133,633	137,200	(3,567)	1,421,885	1,443,100	(21,215)
<b>TOTAL - Licenses, Fees &amp; Other</b>	<b>944,596</b>	<b>103,886</b>	<b>99,980</b>	<b>3,906</b>	<b>891,759</b>	<b>911,410</b>	<b>(19,651)</b>
Licenses and Fees	856,555	101,505	98,500	3,005	861,367	866,100	(4,733)
Other Motor Receipts	88,041	2,382	1,480	902	30,392	45,310	(14,918)



## Medical Assistance Snapshot

Based on data from the Department of Human Services (DHS), the Medical Assistance caseload increased by 331,691 persons during the period of February 2015 to Febru-

ary 2016. The increase occurred, primarily, due to the implementation of the Affordable Care Act in Pennsylvania. During that same time, nursing home populations saw a modest de-

crease while the number of persons served in the community increased by 5, 893.

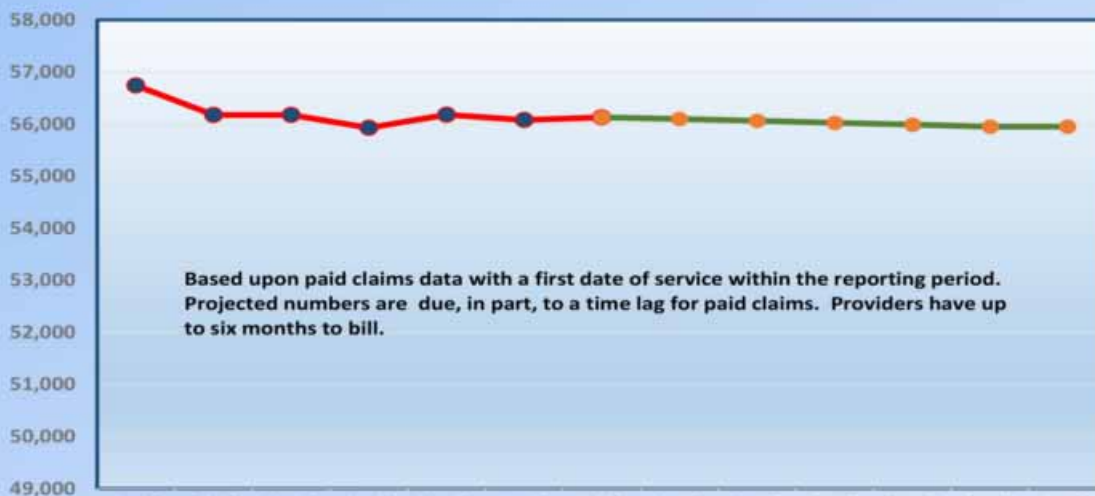




Long Term Supports for Persons with Disabilities and Older Pennsylvanians  
 6.9% Increase in Total MA Enrollment from February 2015 to February 2016  
 Caseload Increase of 5,893 Persons Served in the Community



Nursing Home Population  
 1.39% Decrease in Enrollment from January 2015 to January 2016.



	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Nursing Home Paid	56,739	56,174	56,175	55,928	56,177	56,078	56,129						
Nursing Home Projected							56,129	56,096	56,061	56,025	55,988	55,950	55,950

—●— Nursing Home Paid      —●— Nursing Home Projected