



Senate Appropriations Committee

The Monthly Report

September 2012

Jake Corman, Chairman



August Revenues Fall Short of the Estimate

General Fund revenue collections for the month ended August 2012 totaled \$1.795 billion, which was \$32.3 million, or 1.8% below estimate.

Fiscal year-to-date collections totaled \$3.64 billion, which is \$33.2 million, or 1.0%, below estimate for the year. Total tax revenues collected in August 2012 were nearly identical to August 2011 at \$1.772 billion in each year; therefore, there was essentially no year-over-year tax revenue growth in August. The official revenue estimate for FY 2012-13 calls for annual tax revenue growth of 3.4% over last year.

A few weeks ago, the Department of Revenue published its monthly distribution of the official revenue estimate.

A review of the monthly distribution appears to indicate that the estimated revenue receipts are much more in line with historical norms than they were last year. Nothing in this year's distribution points to revenues being well below estimate in the first half of the year and exceeding the estimate in the second half of the year as they did last fiscal year.

Sales and use tax collections accounted for the majority of the monthly deficit. General (i.e. non-motor) SUT was below estimate by \$19.4 million, or 3%, and SUT on motor vehicles underperformed by \$16.3 million, or 13.8%.

Personal income tax collections were above estimate by \$13.7 million, or 1.8%, for the month. PIT collections were 1.8% ahead of last year at this time as well.

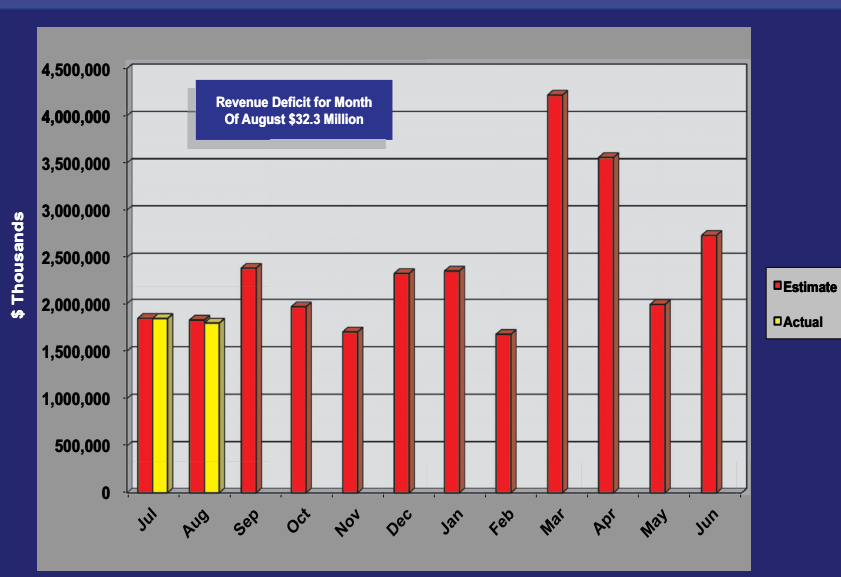
Corporation tax collections were above estimate for the month by \$10.2 million, or

20.8%; however, August is not a particularly important or large month for corporation tax revenues.

The realty transfer tax was above estimate by \$2.2 million, but inheritance tax collections were off by \$10.1 million, and the cigarette tax was below estimate by \$5.9 million and below August 2011's collections by \$6.6 million.

Motor License Fund collections were \$10.6 million above estimate for the month of August and for the year-to-date.

General Fund Tax Collections
Fiscal Year 2012-2013
Comparison of Official Estimate with Actual Revenue by Month



Senate Appropriations Committee, Jake Corman, Chairman



Pennsylvania's Unemployment Rate Up Slightly in July

The Pennsylvania Department of Labor and Industry (L&I) recently reported the Commonwealth's seasonally adjusted unemployment was 7.9% in July, up three-tenths of a percentage point from the 7.6% June rate.

Pennsylvania's unemployment rate was below the U.S. rate of 8.3%, and has been below the U.S. rate for 51 consecutive months, and at or below the U.S. rate for 69 consecutive months.

According to L&I, June was the second increase in Pennsylvania's unemployment rate since July 2011. The state's unemployment rate was down 0.2 percentage points from July 2011.

“Pennsylvania’s labor force is 110,000 above its July level.”

Pennsylvania's seasonally adjusted civilian labor force - the number of people working or looking for work - was up 10,000 in July to 6,478,000.

Resident employment was down 10,000 to 5,969,000, and the number of unemployed residents was up 21,000 to 509,000. However, the good news is that Pennsylvania's labor force is 110,000 above its July 2011 level.

Current Labor Force Statistics Seasonally Adjusted (in thousands)

	July 2012	June 2012	July 2011	Change from Jun-12	
				volume	percent
PA					
Civilian Labor Force	6,478	6,468	6,368	10	0.20%
Employment	5,969	5,979	5,853	-10	-0.20%
Unemployment	509	488	515	21	4.30%
Rate	7.9	7.6	8.1	0.3	---
U.S.					
Civilian Labor Force	155,013	155,163	153,358	-150	-0.10%
Employment	142,220	142,415	139,450	-195	-0.10%
Unemployment	12,794	12,749	13,908	45	0.40%
Rate	8.3	8.2	9.1	0.1	---

FY 2012-13 General Fund Official Revenue Estimate by Month

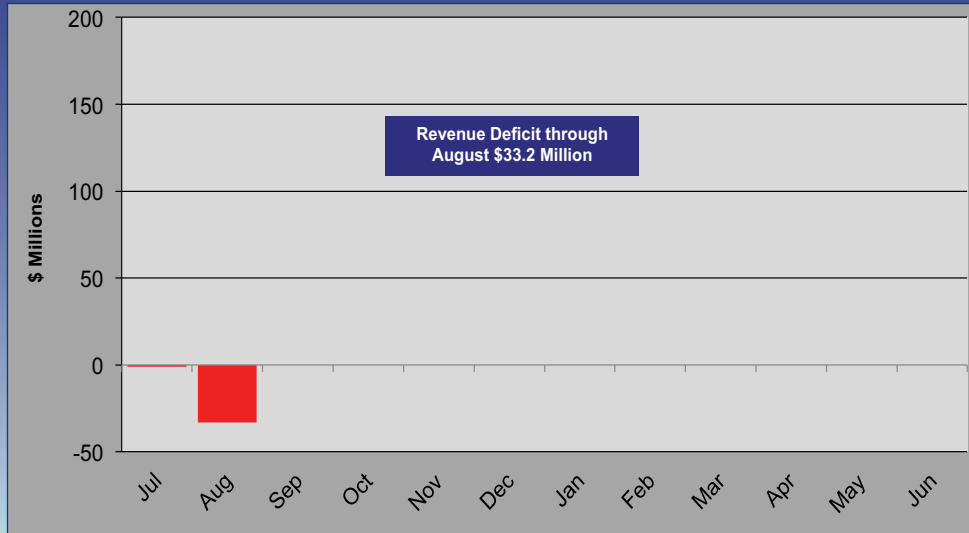
Recently, the Department of Revenue released the official General Fund revenue estimate for the fiscal year 2012-13. August collections included comparisons of collections to the official estimate. The chart below shows the estimate broken down by month and ranks each month in terms of the amount of anticipated revenue.

(Dollars in Thousands)

Month	Revenue	Percentage	Rank
July	\$1,845,200	6.45%	9
August	\$1,827,500	6.39%	10
September	\$2,385,400	8.34%	4
October	\$1,967,000	6.88%	8
November	\$1,702,300	5.95%	11
December	\$2,329,200	8.15%	6
January	\$2,355,100	8.24%	5
February	\$1,677,200	5.87%	12
March	\$4,219,800	14.76%	1
April	\$3,557,900	12.44%	2
May	\$1,991,100	6.96%	7
June	\$2,732,300	9.56%	3
Total	\$28,590,000	100.00%	

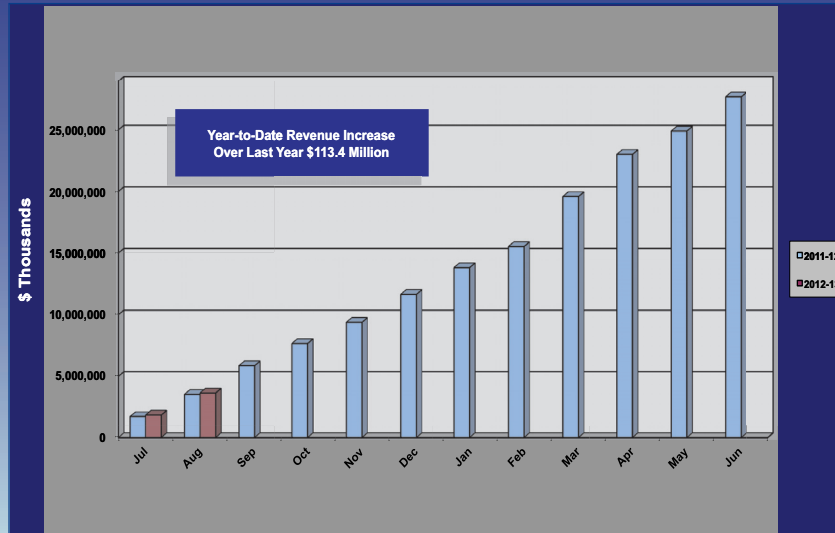


General Fund Tax Collections Year-to-Date Revenue Comparison with Official Estimate



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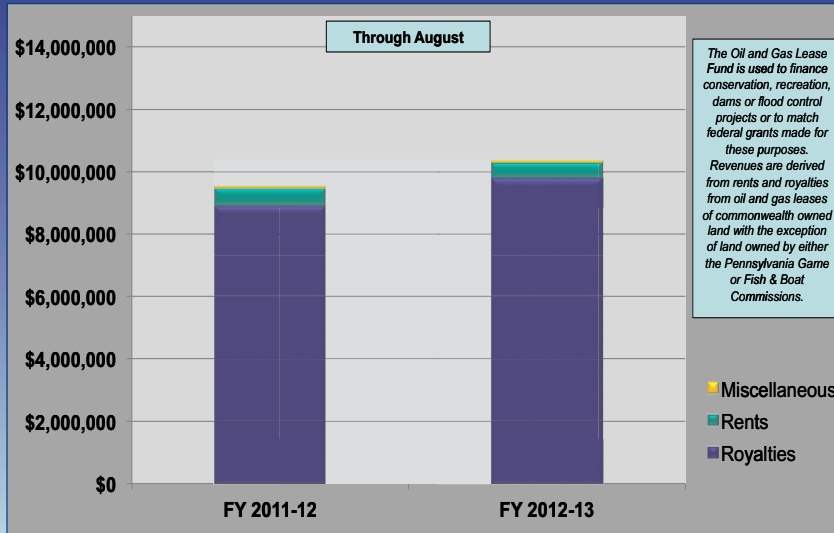
General Fund Revenue Collections Fiscal Year 2012-2013 Revenue Comparison with Last Year



Senate Appropriations Committee, Jake Corman, Chairman



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



Senate Appropriations Committee, Jake Corman, Chairman



Appropriations Committee Monthly Revenue Report

REVENUE SOURCES	YTD FY 2011-12	August 2012 Actual	August 2012 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	3,526,109	1,795,229	1,827,500	(32,271)	3,639,534	3,672,700	(33,166)
TOTAL - NON-TAX REVENUE	60,905	22,969	30,000	(7,031)	55,233	62,200	(6,967)
TOTAL - TAX REVENUE	3,465,204	1,772,259	1,797,500	(25,241)	3,584,301	3,610,500	(26,199)
TOTAL - Corporation Taxes	137,922	59,043	48,900	10,143	169,030	159,700	9,330
Accelerated Deposits	315	561	0	561	(384)	0	(384)
Corp. Net Income	97,073	32,007	33,700	(1,693)	97,251	98,900	(1,649)
Cap. Stock & Franchise	31,453	16,643	11,000	5,643	35,211	29,500	5,711
Gross Receipts	6,169	6,019	2,200	3,819	31,849	28,000	3,849
PURTA	367	1,324	300	1,024	1,328	300	1,028
Insurance Premiums	965	555	600	(45)	1,576	1,600	(24)
Financial Institutions	1,219	1,735	900	835	1,812	1,000	812
Other Selective Bus. Taxes	361	199	200	(1)	387	400	(13)
TOTAL - Consumption Taxes	1,705,981	843,487	883,400	(39,913)	1,743,874	1,783,900	(40,026)
Sales and Use	1,478,683	722,780	758,400	(35,620)	1,523,304	1,559,000	(35,696)
General (net of transfers)	1,278,649	620,846	640,200	(19,354)	1,313,414	1,332,800	(19,386)
Motor Vehicle Sales	200,034	101,934	118,200	(16,266)	209,890	226,200	(16,310)
Cigarette Tax	176,800	93,052	99,000	(5,948)	167,274	173,200	(5,926)
Malt Beverage	4,902	2,467	2,400	67	4,818	4,800	18
Liquor	45,597	25,188	23,600	1,588	48,478	46,900	1,578
TOTAL - Other Taxes	1,621,301	869,729	865,200	4,529	1,671,397	1,666,900	4,497
Personal Income	1,413,878	763,707	750,000	13,707	1,456,339	1,442,700	13,639
Withholding	1,340,148	727,816	711,300	16,516	1,375,575	1,359,100	16,475
Non-Withholding	73,731	35,891	38,700	(2,809)	80,764	83,600	(2,836)
Realty Transfer	55,697	31,762	29,600	2,162	65,026	62,900	2,126
Inheritance & Estate	135,828	66,342	76,400	(10,058)	134,485	144,500	(10,015)
Minor & Repealed	125	(416)	100	(516)	(77)	400	(477)
Table Games	15,772	8,334	9,100	(766)	15,624	16,400	(776)
TOTAL - MOTOR LICENSE FUND	428,683	193,145	182,580	10,565	422,800	412,230	10,570
TOTAL - Liquid Fuels Taxes	216,764	105,377	102,480	2,897	209,400	206,500	2,900
Liquid Fuels	105,030	46,584	47,500	(916)	98,307	99,220	(913)
Fuels	26,611	13,452	14,330	(878)	26,217	27,100	(883)
Motor Carriers/IFTA	6,852	5,789	2,000	3,789	6,583	2,790	3,793
Alternative Fuels	92	26	10	16	335	320	15
Oil Company Franchise	78,179	39,527	38,640	887	77,958	77,070	888
TOTAL - Licenses, Fees & Other	211,919	87,767	80,100	7,667	213,400	205,730	7,670
Licenses and Fees	144,357	78,273	71,850	6,423	147,355	140,930	6,425
Other Motor Receipts	67,562	9,494	8,250	1,244	66,046	64,800	1,246