



Senate Appropriations Committee

# The Monthly Report

June 2010

Jake Corman, Chairman

## General Fund Revenues

**G**eneral Fund revenue collections for the month ended May 2010 totaled \$1.8 billion, which was \$124.9 million, or 6.5%, less than anticipated. Fiscal year-to-date collections total \$24.6 billion, which is \$1.2 billion, or 4.8%, below estimate. The monthly revenue shortfall is mainly attributable to weak tax collections. The estimated \$99 million for table games authorization fees contained in the May estimate were collected, and so the table games fees had no effect on the deficit this month.

Cumulative revenue collections through May 2010 are \$1.37 billion above cumulative collections for the same time last year; however, this amount includes one-time transfers such as those from the Rainy Day Fund, HCPRA, etc. Total tax revenues are actually \$905.4 million below tax collections this time last year.

Corporation tax collections were below estimate by \$53.6 million, or 38.5%. The majority of the corporation tax deficit resulted from poor CSFT collections, which were below estimate by \$47.7 million

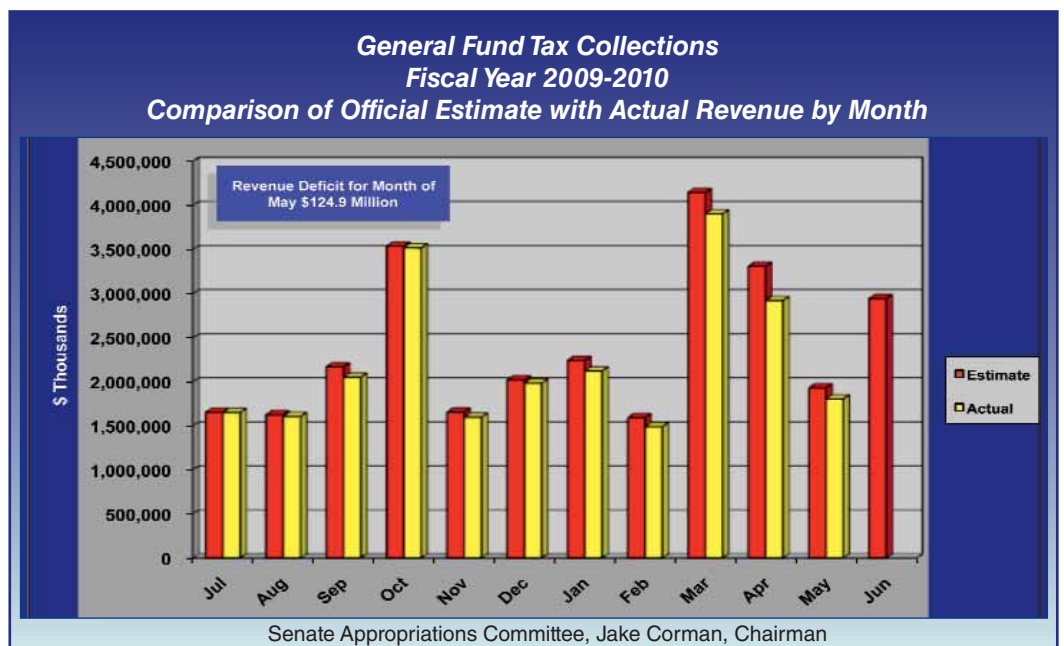
for the month. Last year, the CSFT rate was retroactively frozen at 2.89 mills instead of 1.89 mills for tax year 2009 and 0.89 mills for tax year 2010. The CSFT estimate for the month was \$61.2 million, but only \$13.5 million was collected. In May 2009, \$25 million was collected. One theory suggests that corporate taxpayers have accumulated significant overpayments (i.e. credits) on their ledgers, and they have been able to meet their liabilities by using credits instead of making cash payments.

Personal income tax collections were below estimate by \$46.6 million, or 6.3%, for the

month. PIT from employer withholding was \$28.3 million below estimate for the month, giving back almost the entire \$29.1 million surplus from the month of April in this tax category.

Sales and use tax collections were below estimate for the month by \$27 million, or 4%. Despite the shortfall, it is encouraging that May 2010 SUT collections were 7.4% higher than May 2009 SUT collections. In addition, April 2010 sales and use tax collections were \$20 million more than SUT collections in April 2009. For much of this year, FY 2009-10 SUT collections have actu-

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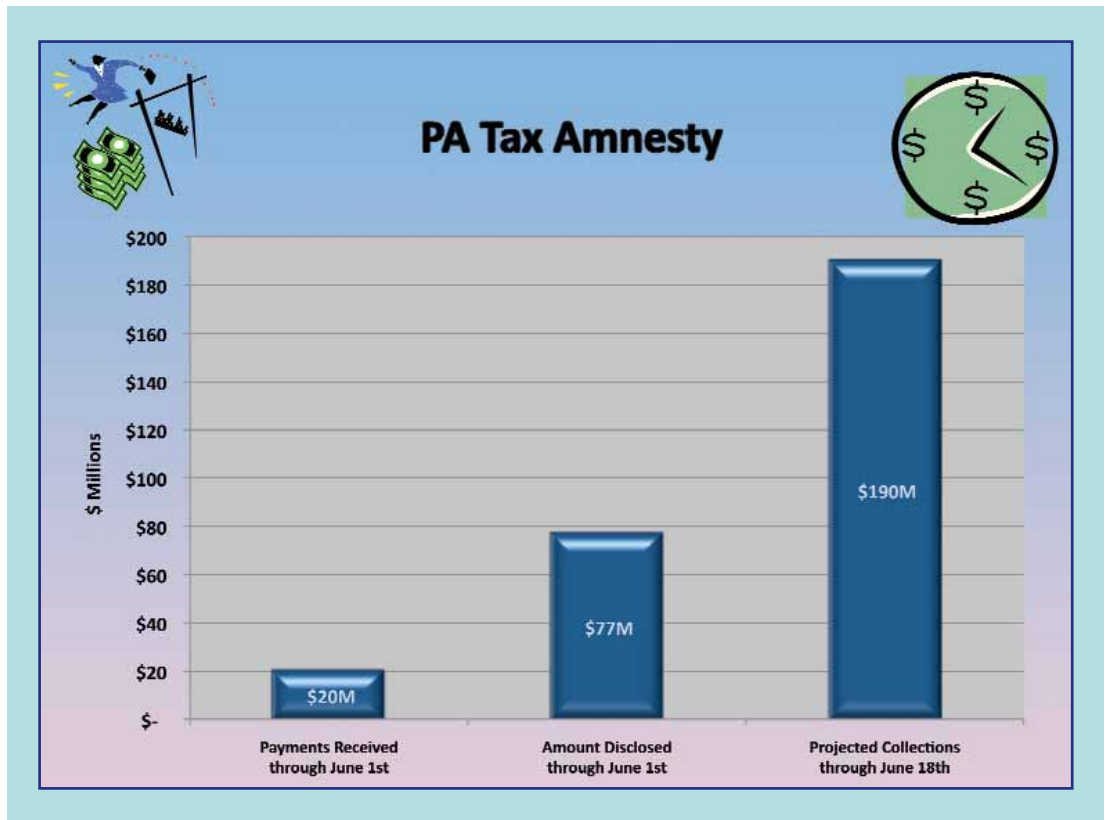
## Tax Amnesty

**P**ennsylvania's tax amnesty program runs through June 18th. Individuals, businesses and other entities with Pennsylvania tax delinquencies as of June 30, 2009, are generally eligible to participate in the tax amnesty program. During this limited timeframe, the Pennsylvania Department of Revenue will waive 100% of the penalties and half of the interest for anyone who pays his/her delinquent state taxes. If you are eligible for the tax amnesty program, but choose not to participate, the Department will add a 5% non-participation penalty to your

balance due, and you may be subject to other enforcement actions.

Any taxpayer who owes state

back taxes may call 1-877-34 PAYUP (1-877-347-2987) or visit the PA tax amnesty website at [www.pataxpayup.com](http://www.pataxpayup.com).



## Table Games

**T**he Commonwealth's ten casinos have paid their licensing fees to begin operating table games. According to the Pennsylvania Gaming Control Board, the state has received \$165 million as the casinos prepare to begin operating table games in July.

Each license was valued at \$16.5 million.

Table games were legalized at existing slot-machine casinos

in January as part of the budget agreement to raise additional revenue.

The state will take 14% of the casinos' revenue from table games, while 2% will go to local counties and municipalities. At the end of the second year, the gross tax rate will drop to 14%.



## General Funds Revenue

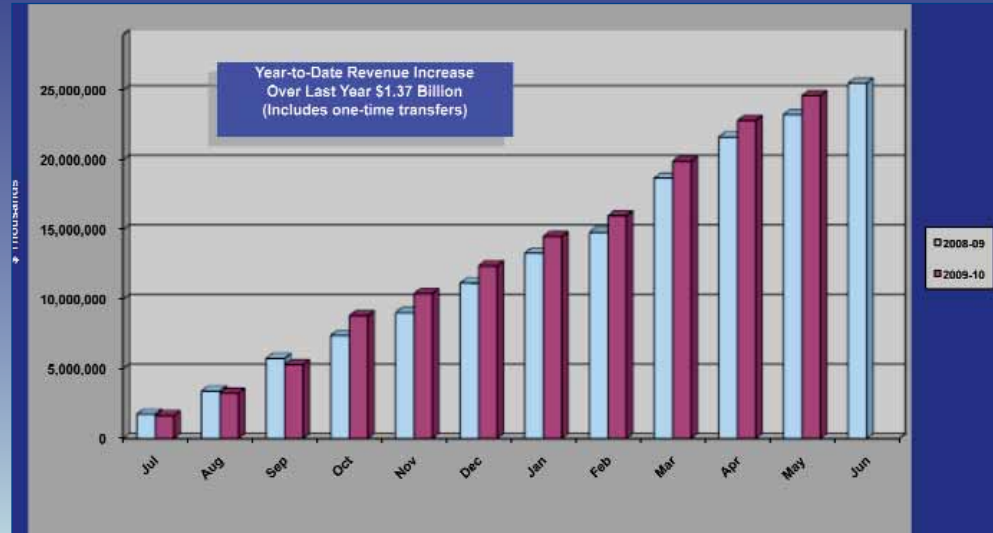
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ally been less than SUT collections during the same month of the prior year. Thus, we have seen two consecutive months where SUT collections are showing marked improvement despite being below estimate.

Motor License Fund collections were \$7.8 million below estimate for the month of May. The Motor License Fund is \$23.4 million, or 0.9%, below estimate for the year.



## General Fund Tax Collections Fiscal Year 2009-2010 Revenue Comparison with Last Year



Senate Appropriations Committee, Jake Corman, Chairman

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



Senate Appropriations Committee, Jake Corman, Chairman

## Appropriations Committee Monthly Revenue Report

Fiscal Year 2009-10							
Senate Appropriations Committee Monthly Revenue Report							
(\$ thousands)							
REVENUE SOURCES	YTD FY 2008-09	May 2010 Actual	May 2010 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
<b>TOTAL - GENERAL FUND</b>	23,272,235	1,804,640	1,929,500	(124,860)	24,646,503	25,881,200	(1,234,697)
<b>TOTAL - NON-TAX REVENUE</b>	79,329	169,486	173,900	(4,414)	2,359,037	2,466,900	(107,863)
<b>TOTAL - TAX REVENUE</b>	23,192,906	1,635,154	1,755,600	(120,446)	22,287,466	23,414,300	(1,126,834)
<b>TOTAL - Corporation Taxes</b>	4,422,745	85,796	139,400	(53,604)	4,037,512	4,522,100	(484,588)
Accelerated Deposits	1,871	(5,365)	0	(5,365)	1,576	0	1,576
Corp. Net Income	1,670,830	68,613	39,400	29,213	1,432,060	1,481,400	(49,340)
Cap. Stock & Franchise	695,655	13,529	61,200	(47,671)	604,257	800,900	(196,643)
Gross Receipts	1,374,728	(2,227)	(6,700)	4,473	1,276,988	1,474,100	(197,112)
PURTA	41,825	13,938	39,700	(25,762)	39,418	47,900	(8,482)
Insurance Premiums	428,137	(3,878)	4,800	(8,678)	453,023	508,300	(55,277)
Financial Institutions	196,404	884	500	384	214,781	196,000	18,781
Other Selective Bus. Taxes	13,296	302	500	(198)	15,409	13,500	1,909
<b>TOTAL - Consumption Taxes</b>	8,414,508	772,309	796,000	(23,691)	8,402,954	8,728,700	(325,746)
Sales and Use	7,459,917	652,347	679,300	(26,953)	7,252,285	7,622,100	(369,815)
General (net of transfers)	6,602,600	565,402	597,800	(32,398)	6,361,102	6,771,900	(410,798)
Motor Vehicle Sales	857,317	86,944	81,500	5,444	891,182	850,200	40,982
Cigarette Tax	688,976	95,163	91,500	3,663	876,946	828,100	48,846
Malt Beverage	23,633	2,306	2,200	106	24,107	23,800	307
Liquor	241,981	22,493	23,000	(507)	249,616	254,700	(5,084)
<b>TOTAL - Other Taxes</b>	10,355,653	777,049	820,200	(43,151)	9,847,000	10,163,500	(316,500)
Personal Income	9,380,251	691,640	738,200	(46,560)	8,909,113	9,220,200	(311,087)
Withholding	7,217,164	655,015	683,300	(28,285)	7,070,680	7,180,800	(110,120)
Non-Withholding	2,163,088	36,625	54,900	(18,275)	1,838,433	2,039,400	(200,967)
Realty Transfer	267,349	23,590	20,700	2,890	259,380	247,900	11,480
Inheritance & Estate	704,467	61,845	68,300	(6,455)	676,640	694,300	(17,660)
Minor & Repealed	3,586	(26)	(7,000)	6,974	1,867	1,100	767
<b>TOTAL - MOTOR LICENSE FUND</b>	2,195,049	215,191	222,990	(7,799)	2,446,251	2,469,700	(23,449)
<b>TOTAL - Liquid Fuels Taxes</b>	1,056,186	104,987	124,430	(19,443)	1,073,875	1,100,110	(26,235)
Liquid Fuels	469,318	53,704	63,190	(9,486)	497,430	521,020	(23,590)
Fuels	138,189	12,179	11,880	299	132,215	137,720	(5,505)
Motor Carriers/IFTA	33,053	2,740	2,410	330	33,589	33,340	249
Alternative Fuels	202	22	30	(8)	203	200	3
Oil Company Franchise	415,424	36,341	46,920	(10,579)	410,438	407,830	2,608
<b>TOTAL - Licenses, Fees &amp; Other</b>	1,338,863	110,205	98,560	11,645	1,372,376	1,369,590	2,786
Licenses and Fees	809,750	106,068	90,230	15,838	773,816	777,080	(3,264)
Other Motor Receipts	529,113	4,136	8,330	(4,194)	598,560	592,510	6,050