



Pennsylvania Senate Appropriations Committee

Senator Pat Browne
Chairman



Monthly Report September 2021

General Fund Revenues Remain Resilient

General Fund revenue collections for the month of August exceeded the estimate by \$135.5 million, or 5.6%. General Fund tax revenues were \$134.8 million, or 5.6%, higher than the monthly estimate, and non-tax revenue was \$695,000, or 3.9%, above estimate. General Fund revenue collections for the first two months of the fiscal year are \$132.4 million, or 2.6%, ahead of estimate.

Total corporation tax revenues were above the monthly estimate by \$27 million, or 31.7%, although August typically is not a large corporation tax collection month. Sales and use tax (SUT) collections were above estimate by \$49.3 million, or 4.6%, for the month and were 7.7% higher than August 2020. Sales and use tax collections have remained strong through the pandemic due to federal stimulus payments, enhanced unemployment benefits and, most recently, expanded and refundable federal child tax credit payments. Personal income tax (PIT) collections beat the estimate by \$67.1 million, or 7.4%, and PIT collections were 11.7% higher than last year for the month of August.

Even though the largest, most important tax types (SUT and PIT) overperformed last year's collections, total General Fund revenues for August were only 1% more than last year. During 2020, significant corporation tax payments were delayed from being received in April and May of 2020 to August of 2020 because of federal and state tax filing extensions resulting from the pandemic. Therefore, any year-over-year comparison needs to take into account this one-time anomaly that occurred in August 2020, which brought in nearly \$200 million of additional corporation tax collections last year.

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**General Fund Revenue Collections
Fiscal Year 2021-22
Comparison of Official Estimate with
Actual Revenue Year-to-Date**



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We Remember



20TH ANNIVERSARY

9-11-01

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General Fund Revenues Remain Resilient Continued....

August 2021 General Fund Revenue vs. Monthly Estimate:

- General Fund revenue collections of \$2.57 billion were above the monthly estimate by \$135.5 million, or 5.6%.
- General Fund tax revenues were above estimate by \$134.8 million, or 5.6%.
- Corporation taxes were \$27 million, or 31.7%, more than the estimate.
- Sales and use tax collections beat the estimate by \$49.3 million, or 4.6%, for the month.
- Personal income tax collections exceeded estimate by \$67.1 million, or 7.4%.
- Non-tax revenues were above estimate by \$695,000.

Fiscal Year 2021-22 vs. the Official Revenue Estimate To-Date:

- Total General Fund revenues are \$132.4 million, or 2.6%, higher than the Official Revenue Estimate through the month of August.
- General Fund tax revenue is \$131.6 million, or 2.6%, above estimate.
- Corporation taxes are \$23.7 million, or 8.5%, higher than the estimate.
- Sales and use tax collections are \$49.3 million, or 2.1%, above estimate.
 - General SUT collections are \$54.6 million, or 2.8%, above estimate.
 - SUT collections on motor vehicle sales are \$5.3 million, or 1.7%, lower than the estimate.
- Personal income tax collections are ahead of estimate by \$67.2 million, or 3.6%.
 - Withheld PIT is \$55.1 million, or 3.2%, above estimate.
 - Non-withheld PIT (annual & estimated payments) is \$12 million, or 7.8%, ahead of estimate.
- Realty transfer tax revenues are \$1.5 million, or 1.5%, above estimate.
- Inheritance tax collections are \$12.6 million, or 5.3%, below estimate thus far for the fiscal year.
- Non-tax revenues are \$800,000, or 1.7%, above estimate.

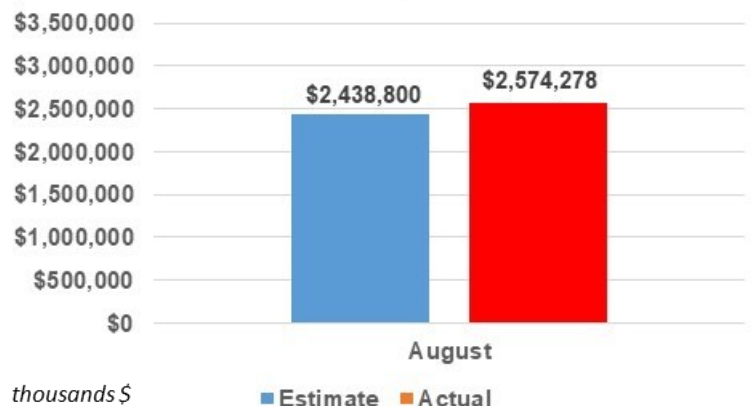
Fiscal Year 2021-22 vs. Fiscal Year 2020-21:

- Total General Fund revenues through August are \$1.38 billion lower than last year at this time because of personal income and corporation tax filing extensions into July and August of 2020.
- Last year's tax filing extensions resulted in approximately \$1.8 billion being shifted from FY 2019-20 into the first two months of the 2020-21 fiscal year.
- This one-time anomaly skews any comparison between FY 2020-21 and FY 2021-22 tax collections, especially corporation taxes, sales and use taxes and personal income taxes.

Motor License Fund:

- Motor License Fund revenues are above estimate by \$2.4 million, or 0.5%, through August.
- Motor License Fund revenues are \$60.3 million, or 10.9%, less than last fiscal year at this time.
- Motor License Fund collections during the spring of 2020 were disrupted, which resulted in higher than normal revenues being received later in the year.

**General Fund Revenue Collections
Fiscal Year 2021-22
Comparison of Official Estimate with
Actual Revenue by Month**



Opioid Settlement

Last month, Attorney General Josh Shapiro announced that he and several other attorneys general agreed to a \$26 billion settlement with four drug manufacturers and distributors who played a role in the devastating opioid epidemic. As part of the agreement, states and local governments will receive a share of the \$26 billion to spend on opioid remediation and abatement. Pennsylvania is estimated to receive a maximum amount of \$1 billion from the nationwide settlement. The funding will be spread across 18 years with the first anticipated payment of \$232 million coming to Pennsylvania in July 2022. The maximum payment of \$1 billion to Pennsylvania is contingent upon all 67 counties and large municipalities (population of 10,000 or more) signing onto the settlement brokered by the Attorney General. Local government entities have 120 days, until January 2022, to determine if they want to join the settlement. Not having unanimous participation/sign-on to the settlement will reduce the \$1 billion anticipated for Pennsylvania.



Pennsylvania Fish and Boat Commission Extended Trout Season

Extended Season (stocked trout waters and all waters downstream of stocked trout waters) is January 1st through February 15th and September 7th through December 31st. Minimum size is 7 inches and the daily limit is 3 (combined species).

Stocked Trout water listing: <https://pfbc.pa.gov/fishpub/summaryad/troutwaters.html>

Extended Season (Class A wild trout stream sections) is January 1st through February 15th and September 7th through December 31st. It is no harvest catch and immediate release only. Class A stream listing:

<https://www.fishandboat.com/.../Trout/Documents/classa.pdf>



Fiscal Year 2021-22
Senate Appropriations Committee
Monthly Revenue Report
(\$ thousands)

REVENUE SOURCES	YTD FY 2020-21	August 2021 Actual	August 2021 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	6,652,371	2,574,278	2,438,800	135,478	5,274,496	5,142,100	132,396
TOTAL - NON-TAX REVENUE	34,790	18,295	17,600	695	46,700	45,900	800
TOTAL - TAX REVENUE	6,617,581	2,555,983	2,421,200	134,783	5,227,796	5,096,200	131,596
TOTAL - Corporation Taxes	543,803	112,065	85,100	26,965	302,547	278,800	23,747
Accelerated Deposits	12,740	31	0	31	(3,206)	0	(3,206)
Corp. Net Income	523,984	105,982	79,700	26,282	277,385	251,100	26,285
Gross Receipts	4,115	1,789	3,300	(1,511)	4,363	5,900	(1,537)
PURTA	497	865	400	465	870	400	470
Insurance Premiums	700	430	700	(270)	19,531	19,800	(269)
Financial Institutions	1,766	2,966	1,000	1,966	3,605	1,600	2,005
TOTAL - Consumption Taxes	2,562,217	1,258,875	1,212,600	46,275	2,590,308	2,544,000	46,308
Sales and Use	2,286,087	1,109,899	1,060,600	49,299	2,347,169	2,297,900	49,269
General (net of transfers)	1,932,489	960,007	905,400	54,607	2,034,480	1,979,900	54,580
Motor Vehicle Sales	353,597	149,893	155,200	(5,307)	312,689	318,000	(5,311)
Cigarette Tax	185,703	101,046	102,200	(1,154)	144,341	145,500	(1,159)
Other Tobacco Products	21,879	12,460	12,200	260	25,009	24,700	309
Malt Beverage	4,172	1,972	2,200	(228)	4,100	4,300	(200)
Liquor	64,376	33,499	35,400	(1,901)	69,690	71,600	(1,910)
TOTAL - Other Taxes	3,511,561	1,185,043	1,123,500	61,543	2,334,941	2,273,400	61,541
Personal Income	3,188,587	978,811	911,700	67,111	1,937,957	1,870,800	67,157
Withholding	1,718,994	903,396	848,300	55,096	1,771,023	1,715,900	55,123
Non-Withholding	1,469,593	75,415	63,400	12,015	166,934	154,900	12,034
Realty Transfer	74,393	72,269	70,700	1,569	106,339	104,800	1,539
Inheritance & Estate	210,447	109,953	122,500	(12,547)	227,208	239,800	(12,592)
Minor & Repealed	11,770	4,663	(2,900)	7,563	17,443	9,900	7,543
Gaming	26,365	19,346	21,500	(2,154)	45,994	48,100	(2,106)
TOTAL - MOTOR LICENSE FUND	553,249	258,549	258,440	109	492,983	490,540	2,443
TOTAL - Liquid Fuels Taxes	326,510	171,862	170,700	1,162	319,369	318,300	1,069
Motor Carriers/IFTA	23,988	23,662	23,700	(38)	25,647	25,700	(53)
Alternative Fuels	1,555	1,233	1,200	33	2,800	2,800	(0)
Oil Company Franchise	300,987	146,967	145,800	1,167	290,921	289,800	1,121
Minor & Repealed	(20)	1	0	1	1	0	1
TOTAL - Licenses, Fees & Other	226,740	86,687	87,740	(1,053)	173,614	172,240	1,374
Licenses and Fees	214,082	94,369	87,000	7,369	177,942	170,600	7,342
Other Motor Receipts	12,658	(7,682)	740	(8,422)	(4,328)	1,640	(5,968)