



Pennsylvania Senate
**Appropriations
 Committee**

Senator Pat Browne
 Chairman



Monthly Report October 2021

First Quarter 2021-22 Fiscal Year Revenues

General Fund revenue collections for the month of September exceeded the estimate by \$495.9 million, or 14.1%. General Fund tax revenues were \$478.4 million, or 13.7%, higher than the monthly estimate, and non-tax revenue exceeded the estimate by \$17.5 million. General Fund revenue collections for the first quarter of the fiscal year are \$628.3 million, or 7.3%, ahead of estimate.

Total corporation tax revenues outperformed the monthly estimate by \$233.7 million, or 35.2%. September is an important quarterly estimated payment month, and quarterly estimated corporate net income tax (CNIT) payments were above the estimate by \$183.8 million, or 35.4%. Annual CNIT payments also were ahead of estimate by \$34.5 million, or 26.8%. Quarterly estimated CNIT payments are due again in December, and hopefully September’s overperformance will be repeated three months from now.

Sales and use tax (SUT) collections beat the estimate by \$93 million, or 9%. September 2021 SUT collections were 13.2% higher than September 2020, and SUT collections are 5.9% above last year through the first quarter of the fiscal year. General sales and use tax collections (i.e., non-motor vehicle SUT) is 8.5% higher than last year, but SUT collected on sales of motor vehicles is 8.7% below last year’s revenues.

Quarterly estimated personal income tax (PIT) collections due in September exceeded the estimate by \$104 million, or 25.5%; however, PIT withholding was below estimate by \$10.6 million, or 1.1%. Total PIT collections were 15.2% higher than last year for the month of September, but they are 23.2% lower than last year through the first quarter of the fiscal year because of tax filing extensions enacted for FY 2019-20 that shifted significant PIT payments into FY 2020-21. PIT withheld from paychecks was not affected by last year’s tax deadline changes or revenue shift, so this category of PIT revenue can be compared to last year in a consistent manner. FY 2021-22 PIT withholding revenues are 5.1% higher than PIT withholding collections in FY 2020-21 through the first quarter of the fiscal year.

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**“There is no season
 when such pleasant and
 sunny spots may be
 lighted on, and produce
 so pleasant an effect
 on the feelings, as now
 in October.”**

~Nathaniel Hawthorne

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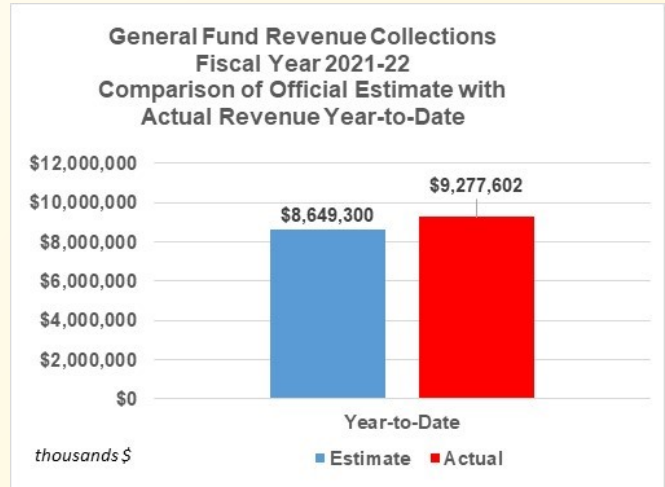
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First Quarter 2021-22 Fiscal Year Revenues Continued.....

September 2021 General Fund Revenue vs. Monthly Estimate:

- General Fund revenue collections of \$4 billion were above the monthly estimate by \$495.9 million, or 14.1%.
- General Fund tax revenues were overestimate by \$478.4 million, or 13.7%.
- Corporation taxes were \$233.7 million, or 35.2%, above estimate.
- Sales and use tax collections beat the estimate by \$93 million, or 9%, for the month.
- Personal income tax collections were above estimate by \$97.8 million, or 6.8%.
- Non-tax revenues exceeded the estimate by \$17.5 million. It appears that a \$10 million sports wagering license fee paid in September caused much of the overage.

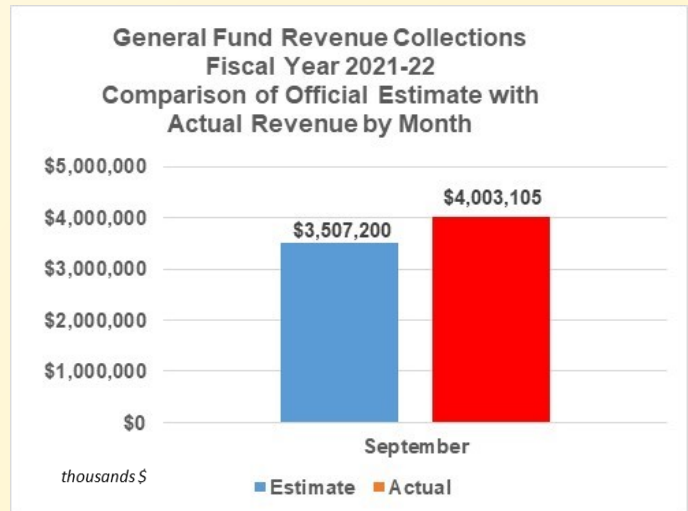


Fiscal Year 2021-22 vs. the Official Revenue Estimate Year-To-Date:

- Total General Fund revenues are \$628.3 million, or 7.3%, higher than the Official Revenue Estimate through the month of September.
- General Fund tax revenue is \$610 million, or 7.1%, above estimate.
- Corporation taxes are \$257.4 million, or 27.3%, higher than the estimate.
- Sales and use taxes are \$142.3 million, or 4.3%, above estimate.
 - General SUT collections are \$141.7 million, or 4.9%, above estimate.
 - SUT collections on motor vehicle sales are \$554,000, or 0.1%, higher than the estimate.
- Personal income tax collections are ahead of estimate by \$164.9 million, or 5%.
 - Withheld PIT is \$44.6 million, or 1.6%, above estimate.
 - Non-withheld PIT (annual & estimated payments) is \$120.4 million, or 20.2%, overestimate.
- Realty transfer tax revenues are \$16.3 million, or 9.8%, above estimate.
- Inheritance tax collections are \$12.8 million, or 3.6%, above estimate thus far for the fiscal year.
- Non-tax revenues are \$18.3 million, or 27.2%, above estimate.

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

- Total General Fund revenues through September are \$636.6 million lower than last year at this time because of personal income and corporation tax filing extensions that shifted payments into July and August of 2020.
- Last year's tax filing extensions resulted in \$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 \$22.5 million, or 3.2%, through September.
- Motor License Fund revenues are \$40.2 million, or 5.2%, 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.

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

REVENUE SOURCES	YTD FY 2020-21	September 2021 Actual	September 2021 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	9,914,178	4,003,105	3,507,200	495,905	9,277,602	8,649,300	628,302
TOTAL - NON-TAX REVENUE	54,387	39,137	21,600	17,537	85,838	67,500	18,338
TOTAL - TAX REVENUE	9,859,791	3,963,968	3,485,600	478,368	9,191,764	8,581,800	609,964
TOTAL - Corporation Taxes	1,141,083	898,163	664,500	233,663	1,200,710	943,300	257,410
Accelerated Deposits	3,149	640	0	640	(2,566)	0	(2,566)
Corp. Net Income	1,118,076	866,255	647,900	218,355	1,143,640	899,000	244,640
Gross Receipts	7,740	17,148	4,300	12,848	21,510	10,200	11,310
PURTA	1,912	605	900	(295)	1,476	1,300	176
Insurance Premiums	1,162	90	400	(310)	19,621	20,200	(579)
Financial Institutions	9,044	13,424	11,000	2,424	17,029	12,600	4,429
TOTAL - Consumption Taxes	3,702,697	1,284,098	1,184,200	99,898	3,874,406	3,728,200	146,206
Sales and Use	3,282,552	1,127,598	1,034,600	92,998	3,474,767	3,332,500	142,267
General (net of transfers)	2,769,721	971,933	884,800	87,133	3,006,413	2,864,700	141,713
Motor Vehicle Sales	512,831	155,665	149,800	5,865	468,354	467,800	554
Cigarette Tax	283,877	107,741	100,700	7,041	252,082	246,200	5,882
Other Tobacco Products	33,452	12,363	12,700	(337)	37,372	37,400	(28)
Malt Beverage	6,385	2,047	2,200	(153)	6,147	6,500	(353)
Liquor	96,430	34,349	34,000	349	104,039	105,600	(1,561)
TOTAL - Other Taxes	5,016,011	1,781,707	1,636,900	144,807	4,116,648	3,910,300	206,348
Personal Income	4,521,793	1,535,776	1,438,000	97,776	3,473,732	3,308,800	164,932
Withholding	2,622,410	986,050	996,600	(10,550)	2,757,073	2,712,500	44,573
Non-Withholding	1,899,383	549,725	441,400	108,325	716,659	596,300	120,359
Realty Transfer	127,754	75,556	60,800	14,756	181,895	165,600	16,295
Inheritance & Estate	308,514	143,384	118,000	25,384	370,592	357,800	12,792
Minor & Repealed	13,960	4,455	(1,200)	5,655	21,898	8,700	13,198
Gaming	43,990	22,536	21,300	1,236	68,530	69,400	(870)
TOTAL - MOTOR LICENSE FUND	769,973	236,785	216,750	20,035	729,768	707,290	22,478
TOTAL - Liquid Fuels Taxes	459,975	142,275	143,600	(1,325)	461,644	461,900	(256)
Motor Carriers/IFTA	29,692	5,209	5,700	(491)	30,855	31,400	(545)
Alternative Fuels	2,370	1,232	1,100	132	4,032	3,900	132
Oil Company Franchise	427,940	135,834	136,800	(966)	426,755	426,600	155
Minor & Repealed	(28)	1	0	1	2	0	2
TOTAL - Licenses, Fees & Other	309,998	94,510	73,150	21,360	268,124	245,390	22,734
Licenses and Fees	297,485	87,443	72,400	15,043	265,385	243,000	22,385
Other Motor Receipts	12,513	7,066	750	6,316	2,739	2,390	349