



# Pennsylvania Senate Appropriations Committee

**Senator Pat Browne**  
Chairman



## Monthly Report February 2022

### General Fund Revenues through January

General Fund revenue collections for the month of January exceeded the estimate by \$376.8 million. General Fund tax revenues for January were \$361.4 million higher than the monthly estimate, and non-tax revenues were \$15.4 million above the estimate. General Fund revenue collections thus far this fiscal year are \$1.85 billion ahead of estimate. The Independent Fiscal Office released its Mid-Year Update on January 31<sup>st</sup> and predicted that FY 2021-22 General Fund revenue collections would exceed the Official Revenue Estimate by \$2.79 billion at the end of the current fiscal year.

Sales and use tax (SUT) collections received in the month of January are the highest of the fiscal year because they include payments remitted from the holiday shopping season. January SUT payments exceeded the estimate by \$94.7 million and were above last year's collections by \$177.8 million, or 16.4%. Pennsylvania's ability to collect sales tax on many internet sales appears to be paying off as more retail purchases are made online.

Final individual estimated personal income tax (PIT) payments for the 2021 tax year, which were due January 17<sup>th</sup>, were \$85.4 million above estimate for the month. Corporate net income tax (CNIT) payments were over the estimate by \$40.6 million. Non-tax revenues exceeded the estimate by \$15.4 million, bolstered by an unanticipated \$10 million sports wagering license fee payment.

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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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## General Fund Revenues through January Continued.....

### January 2022 General Fund Revenue vs. Monthly Estimate:

- General Fund revenue collections of \$3.59 billion were above the monthly estimate by \$376.8 million, or 11.7%.
- General Fund tax revenues were higher than the estimate by \$361.4 million, or 11.3%.
- Corporation taxes were \$20.9 million, or 11.3%, over the estimate.
- Sales and use tax collections beat the estimate by \$94.7 million, or 8.1%, for the month.
- Personal income tax collections were ahead of estimate by \$180.1 million, or 11.5%.
- Non-tax revenues exceeded the estimate by \$15.4 million.

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

- Total General Fund revenues are \$1.85 billion, or 7.6%, higher than the Official Revenue Estimate through the month of January.
- General Fund tax revenue is \$1.77 billion, or 8.7%, above estimate.
- Corporation taxes are \$598.1 million, or 28.9%, over the estimate.
- Sales and use taxes are \$503.7 million, or 6.5%, above estimate.
  - General SUT collections are \$474 million, or 7.1%, above estimate.
  - SUT collections on motor vehicle sales are \$29.7 million, or 2.9%, higher than the estimate.
- Personal income tax collections exceeded the estimate by \$488.1 million, or 6%.
  - Withheld PIT is \$204.1 million, or 3.1%, over the estimate.
  - Non-withheld PIT (annual & estimated payments) is \$284 million, or 18.5%, more than the estimate.
- Realty transfer tax revenues are \$73.5 million, or 17.6%, more than the estimate.
- Inheritance tax collections are \$76.4 million, or 9.4%, above estimate for the year.
- General Fund gaming taxes are \$17 million, or 10%, higher than the estimate.
- Non-tax revenues are \$76.9 million, or 1.9%, more than the estimate.

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



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

- Total General Fund revenues through January are \$4.96 billion, or 23.4%, higher than last year at this time.
- Much of the difference between the two fiscal years is the result of a one-time transfer of \$3.84 billion from the federal Coronavirus State Fiscal Recovery Fund to the General Fund for revenue loss replacement.
- However, FY 2020-21 included \$1.8 billion of additional revenue being shifted from FY 2019-20 into the first two months of the 2020-21 fiscal year because of tax filing extensions resulting from the pandemic.
- These irregularities skew the relationship between FY 2020-21 and FY 2021-22 revenue collections and make any direct comparison difficult.

### Motor License Fund:

- Motor License Fund revenues are above the estimate by \$61 million, or 3.9%, through January.
- Motor License Fund revenues are \$42.2 million, or 2.6%, higher than last fiscal year at this time.

## Commonwealth Employee Vaccination Incentive Program

In early November, the Wolf Administration announced a plan to provide five additional days of leave for employees who are or will become vaccinated by December 31, 2021. That leave must be taken by the end of March 2022 and will be paid out as compensation if it is not used.

The Administration indicated this program would not result in increased appropriation need as agencies will have to live within existing budget levels and will need to prioritize this spending just like other purchases of software, equipment, office supplies, etc.

The Senate Republican Appropriations Committee put an initial estimate of the cost of this proposal in the \$20 million to \$50 million range. Based on revised data provided by the Governor's Budget Office, it appears the original estimate was valid. The number of vaccinated individuals is approximately 46,000, or nearly 70% of the workforce that is under the Governor's jurisdiction. That is an increase from 50% in November 2021.

The following table categorizes vaccination data by bargaining unit:

Union/Mgmt Detail	Attested Employees	Total Employees	% Attested
FOSCEP	290	317	91.5%
OPEIU	194	229	84.7%
PDA	120	142	84.5%
Mgmt	10,265	12,316	83.3%
Non-Rep	538	659	81.6%
SEIU Local 668	7,463	9,330	80.0%
ALES	21	27	77.8%
SEIU Healthcare PA	931	1,208	77.1%
UGSOA	154	204	75.5%
PSEA	18	24	75.0%
CIVEA/PSEA/NEA	215	311	69.1%
AFSCME	18,310	27,161	67.4%
FOP Lodge #85	55	85	64.7%
FOP PLEA	75	119	63.0%
FOP Lodge 114	147	243	60.5%
PSTA	2,612	4,491	58.2%
PSRA	66	117	56.4%
PSCOA	4,436	9,973	44.5%
<b>Total</b>	<b>45,910</b>	<b>66,956</b>	<b>68.6%</b>



## Rainy Day Fund Comparison

Pennsylvania's Rainy Day Fund balance has been bolstered as a result of Senate Republicans' insistence on putting the entire ending balance from FY 2020-21 into the fund. Despite this prudent action, Pennsylvania has more work to do in this regard. Many other states have accumulated Rainy Day Fund balances that make up larger percentages of their expenditures than Pennsylvania has. Pennsylvania's Rainy Day Fund balance is still well below the national average and is at the lower end of the 5%-15% range preferred by rating agencies.

State Rainy Day Fund Balances and Percentage of Expenditures				
(in Thousands)				
	2021	%	2022	%
California	\$ 39,452,000	23.9%	\$ 25,166,000	12.8%
Texas	\$ 10,074,000	17.1%	\$ 12,120,000	20.1%
Florida	\$ 1,674,000	5.0%	\$ 2,724,000	6.3%
New York	\$ 2,476,000	3.3%	\$ 3,301,000	3.9%
<b>Pennsylvania</b>	<b>\$ 2,866,000</b>	<b>8.4%</b>	<b>\$ 2,867,000</b>	<b>7.4%</b>
Illinois	\$ 4,000	0.0%	\$ 4,000	0.0%
Ohio	\$ 2,692,000	11.5%	\$ 2,692,000	9.9%
Georgia	\$ 4,290,000	17.0%	N/A	-
North Carolina	\$ 1,982,000	8.3%	\$ 3,116,000	12.0%
Mighigan	\$ 1,385,000	13.3%	\$ 1,406,000	11.9%
New Jersey	\$ 2,444,000	5.4%	\$ -	0.0%
<b>National Total</b>		<b>12.1%</b>		<b>10.4%</b>
<b>National Median</b>		<b>9.4%</b>		<b>11.9%</b>

Rainy Day Fund as a Percentage of Expenditures			
Number of States			
Percentage	FY 2020	FY 2021	FY 2022
< 1%	5	2	5
> 1% but < 5%	11	8	3
> 5% but < 10%	15	16	14
10% or More	19	24	25
<i>Georgia, Oklahoma and Wisconsin were unable to provide data for FY 2022.</i>			

Pennsylvania Rainy Day Fund Balance	
(in Thousands)	
Fiscal Year	\$
2017	\$ -
2018	\$ -
2019	\$ 22,000
2020	\$ 343,000
2021	\$ 2,866,000
2022	\$ 2,867,000

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

REVENUE SOURCES	YTD FY 2020-21	January 2022 Actual	January 2022 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
<b>TOTAL - GENERAL FUND</b>	<b>21,187,485</b>	<b>3,589,401</b>	<b>3,212,600</b>	<b>376,801</b>	<b>26,148,557</b>	<b>24,301,400</b>	<b>1,847,157</b>
<b>TOTAL - NON-TAX REVENUE</b>	<b>691,568</b>	<b>21,881</b>	<b>6,500</b>	<b>15,381</b>	<b>4,135,910</b>	<b>4,059,000</b>	<b>76,910</b>
<b>TOTAL - TAX REVENUE</b>	<b>20,495,917</b>	<b>3,567,521</b>	<b>3,206,100</b>	<b>361,421</b>	<b>22,012,647</b>	<b>20,242,400</b>	<b>1,770,247</b>
<b>TOTAL - Corporation Taxes</b>	<b>2,362,191</b>	<b>205,283</b>	<b>184,400</b>	<b>20,883</b>	<b>2,665,588</b>	<b>2,067,500</b>	<b>598,088</b>
Accelerated Deposits	1,365	(10,483)	0	(10,483)	(2,641)	0	(2,641)
Corp. Net Income	2,284,286	162,440	121,800	40,640	2,530,973	1,941,400	589,573
Gross Receipts	17,942	2,112	2,300	(188)	35,061	23,200	11,861
PURTA	2,469	10	0	10	1,943	1,600	343
Insurance Premiums	35,297	50,322	57,900	(7,578)	70,933	79,100	(8,167)
Financial Institutions	20,832	882	2,400	(1,518)	29,318	22,200	7,118
<b>TOTAL - Consumption Taxes</b>	<b>8,413,317</b>	<b>1,355,154</b>	<b>1,258,200</b>	<b>96,954</b>	<b>9,147,101</b>	<b>8,656,400</b>	<b>490,701</b>
Sales and Use	7,460,684	1,259,153	1,164,500	94,653	8,213,942	7,710,200	503,742
General (net of transfers)	6,414,038	1,123,257	1,032,800	90,457	7,153,941	6,679,900	474,041
Motor Vehicle Sales	1,046,646	135,896	131,700	4,196	1,060,000	1,030,300	29,700
Cigarette Tax	615,154	52,790	51,300	1,490	571,938	586,400	(14,462)
Other Tobacco Products	78,347	12,805	11,200	1,605	88,325	84,600	3,725
Malt Beverage	14,047	1,744	1,700	44	13,224	13,700	(476)
Liquor	245,083	28,661	29,500	(839)	259,672	261,500	(1,828)
<b>TOTAL - Other Taxes</b>	<b>9,720,409</b>	<b>2,007,084</b>	<b>1,763,500</b>	<b>243,584</b>	<b>10,199,958</b>	<b>9,518,500</b>	<b>681,458</b>
Personal Income	8,485,654	1,748,290	1,568,200	180,090	8,618,130	8,130,000	488,130
Withholding	6,032,184	1,041,897	965,500	76,397	6,795,097	6,591,000	204,097
Non-Withholding	2,453,470	706,393	602,700	103,693	1,823,033	1,539,000	284,033
Realty Transfer	371,301	87,873	58,300	29,573	490,939	417,400	73,539
Inheritance & Estate	706,597	133,575	107,400	26,175	888,698	812,300	76,398
Minor & Repealed	29,714	4,540	1,800	2,740	15,202	(11,200)	26,402
Gaming	127,142	32,806	27,800	5,006	186,989	170,000	16,989
<b>TOTAL - MOTOR LICENSE FUND</b>	<b>1,603,009</b>	<b>223,022</b>	<b>223,320</b>	<b>(298)</b>	<b>1,645,199</b>	<b>1,584,180</b>	<b>61,019</b>
<b>TOTAL - Liquid Fuels Taxes</b>	<b>984,326</b>	<b>135,642</b>	<b>144,300</b>	<b>(8,658)</b>	<b>1,038,432</b>	<b>1,037,600</b>	<b>832</b>
Motor Carriers/IFTA	65,166	2,309	2,800	(491)	67,894	68,800	(906)
Alternative Fuels	6,499	1,296	1,100	196	9,059	8,300	759
Oil Company Franchise	912,705	132,037	140,400	(8,363)	961,476	960,500	976
Minor & Repealed	(43)	1	0	1	4	0	4
<b>TOTAL - Licenses, Fees &amp; Other</b>	<b>618,683</b>	<b>87,380</b>	<b>79,020</b>	<b>8,360</b>	<b>606,766</b>	<b>546,580</b>	<b>60,186</b>
Licenses and Fees	617,098	88,053	78,400	9,653	606,537	541,800	64,737
Other Motor Receipts	1,585	(673)	620	(1,293)	229	4,780	(4,551)