



Pennsylvania Senate Appropriations Committee

Senator Pat Browne
Chairman



Monthly Report March 2022

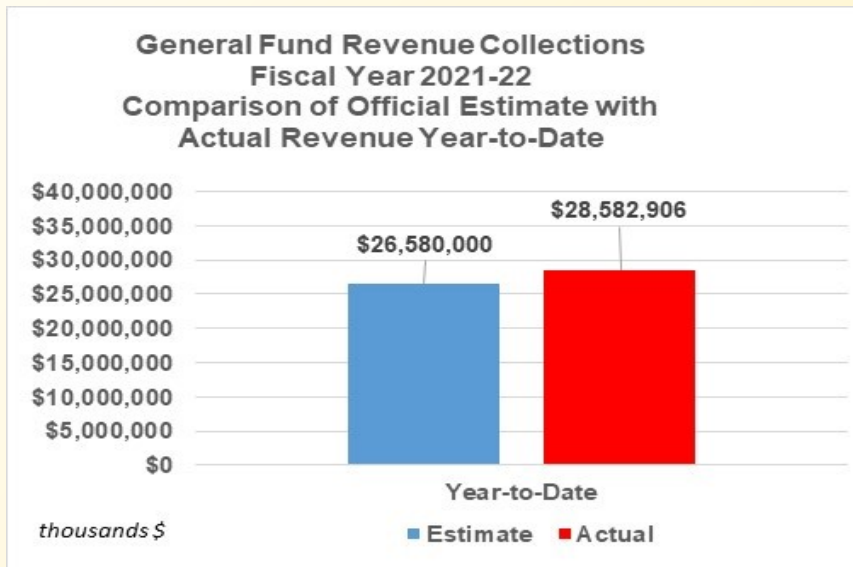
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February Revenue Collections Solid

General Fund revenue collections for February of \$2.43 billion were \$155.7 million above estimate for the month. Gross receipts tax (GRT), which is generally due in March, was over the estimate by \$22.7 million in February. There is a possibility that the monthly GRT surplus is from revenues that are included in the March estimate; therefore, this timing difference may result in lower revenues than would otherwise be received later this month.

General Fund tax revenue was \$148.4 million above estimate, and non-tax revenue was \$7.3 million higher than the estimate. General Fund revenue collections for the fiscal year-to-date are \$2 billion ahead of estimate. The Governor’s FY 2022-23 Executive Budget projects that FY 2021-22 General Fund revenue collections will exceed the Official Revenue Estimate by \$2.42 billion at fiscal year’s end.



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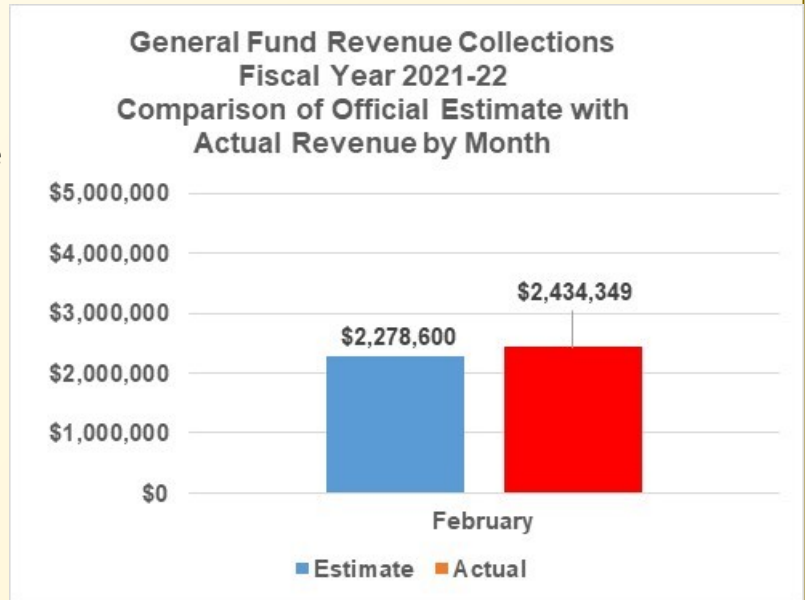
February Revenue Collections Solid Continued.....

February 2022 General Fund Revenue vs. Monthly Estimate:

- General Fund revenue collections of \$2.43 billion were above the monthly estimate by \$155.7 million, or 6.8%.
- General Fund tax revenues were above the estimate by \$148.4 million, or 6.5%.
- Corporation taxes were \$24.6 million, or 22%, above the estimate, mostly resulting from earlier than expected GRT payments.
- Sales and use tax collections (SUT) beat the estimate by \$55.8 million, or 6.3%, for the month.
- Personal income tax (PIT) collections were above the estimate by \$40.8 million, or 4.1%.
- Inheritance tax revenues exceeded the estimate by \$14.5 million, or 14.2%.
- Realty transfer tax collections were \$18.8 million, or 47.5%, above estimate.
- Non-tax revenues exceeded the estimate by \$7.4 million, or 64.2%.

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

- Total General Fund revenues are \$2 billion, or 7.5%, higher than the Official Revenue Estimate through the month of February.
- General Fund tax revenue is \$1.92 billion, or 8.5%, above estimate.
- Corporation taxes are \$622.7 million, or 28.6%, higher than the estimate.
- Sales and use taxes are \$559.6 million, or 6.5%, above estimate.
 - General SUT collections are \$540.6 million, or 7.3%, above estimate.
 - SUT collections on motor vehicle sales are \$19 million, or 1.7%, higher than the estimate.
- Personal income tax collections are ahead of estimate by \$528.9 million, or 5.8%.
 - Withheld PIT is \$226 million, or 3%, above the estimate.
 - Non-withheld PIT (annual & estimated payments) is \$302.9 million, or 18.9%, higher than the estimate.
- Non-tax revenues are \$84.3 million, or 2.1%, higher than the estimate.



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

- Total General Fund revenues through February are \$4.7 billion, or 19.7%, more than last year at this time. \$3.84 billion of the overage is the result of a transfer of federal stimulus funds into the General Fund for revenue replacement.
- General Fund tax revenue is \$1.26 billion, or 5.5%, higher than last year.
- Corporation taxes are \$324.5 million, or 13.1%, higher.
- Sales and use tax collections are \$782.7 million, or 9.4%, higher than last year through February.
- Personal income tax collections trail last year's collections by \$189.1 million, or 1.9%, because the prior fiscal year's PIT revenues included significant one-time amounts shifted into FY 2020-21 from FY 2019-20 due to the pandemic.
- Non-tax revenues are \$3.4 billion more than last fiscal year through February because of the \$3.84 billion deposit of federal stimulus money into the General Fund this fiscal year.

Motor License Fund:

- Motor License Fund revenues exceed the estimate by \$36.2 million, or 2%, through February.
- Motor License Fund revenues are \$39.4 million, or 2.2%, more than last fiscal year at this time.

Russian Business Divestment at the Commonwealth

In light of Russia's unprovoked attack against Ukraine, a sovereign and democratic nation, the Pennsylvania Treasury immediately began divesting its holdings in all Russian-based companies last week. The vast majority of those assets have already been liquidated. A few remain in the process and will be liquidated as soon as possible. While these holdings were very minimal, immediate action was necessary to protect Pennsylvania taxpayers and to show our support for Ukraine.

We did not have much invested there – about \$2.9 million in value compared to \$37 billion in our total portfolio. That's less than one one-hundredth of a percent. But every dollar matters. We must protect Pennsylvania taxpayers and stand with Ukraine.

Almost all of the divestment is already complete.

Summary of PA Treasury holdings:

- 31 Russian companies
Total \$2.9 million value

What has already been sold:

- 28 Russian companies
Total \$2.7 million value

What is in the process of being sold:

- 3 Russian companies

Similarly, the board of the Public School Employees' Retirement System voted unanimously on March 3 to divest up to \$300 million it has invested in Russia and Belarus as a protest against the Russian invasion of Ukraine.

The Pennsylvania Liquor Control Board (PLCB) instructed all Fine Wine & Good Spirits stores and licensee service centers to remove Russian-made products from shelves as a show of solidarity and support for the people of Ukraine at the end of February. Russian-made Special Order products are also no longer available.

According to the PLCB, although some producers give their vodkas Russian-themed names, few products carried by Fine Wine & Good Spirits are actually sourced from Russia. Only two products stocked in stores – Russian Standard and Ustianochka vodkas – and about a half-dozen Special Order brands come from Russia.



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

REVENUE SOURCES	YTD FY 2020-21	February 2022 Actual	February 2022 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	23,871,323	2,434,349	2,278,600	155,749	28,582,906	26,580,000	2,002,906
TOTAL - NON-TAX REVENUE	706,538	18,879	11,500	7,379	4,154,789	4,070,500	84,289
TOTAL - TAX REVENUE	23,164,785	2,415,470	2,267,100	148,370	24,428,117	22,509,500	1,918,617
TOTAL - Corporation Taxes	2,477,121	136,064	111,500	24,564	2,801,652	2,179,000	622,652
Accelerated Deposits	4,783	(221)	0	(221)	(2,862)	0	(2,862)
Corp. Net Income	2,356,133	86,630	90,900	(4,270)	2,617,603	2,032,300	585,303
Gross Receipts	20,636	25,973	3,300	22,673	61,034	26,500	34,534
PURTA	2,485	15	0	15	1,959	1,600	359
Insurance Premiums	62,356	13,969	13,700	269	84,902	92,800	(7,898)
Financial Institutions	30,729	9,698	3,600	6,098	39,016	25,800	13,216
TOTAL - Consumption Taxes	9,452,622	1,051,908	1,001,900	50,008	10,199,009	9,658,300	540,709
Sales and Use	8,366,916	935,648	879,800	55,848	9,149,590	8,590,000	559,590
General (net of transfers)	7,202,999	836,317	769,800	66,517	7,990,258	7,449,700	540,558
Motor Vehicle Sales	1,163,918	99,332	110,000	(10,668)	1,159,332	1,140,300	19,032
Cigarette Tax	705,088	71,119	78,800	(7,681)	643,058	665,200	(22,142)
Other Tobacco Products	88,933	11,759	11,300	459	100,084	95,900	4,184
Malt Beverage	15,160	1,596	1,500	96	14,820	15,200	(380)
Liquor	276,524	31,785	30,500	1,285	291,457	292,000	(543)
TOTAL - Other Taxes	11,235,042	1,227,498	1,153,700	73,798	11,427,456	10,672,200	755,256
Personal Income	9,839,766	1,032,498	991,700	40,798	9,650,629	9,121,700	528,929
Withholding	6,958,451	950,482	928,600	21,882	7,745,579	7,519,600	225,979
Non-Withholding	2,881,315	82,016	63,100	18,916	1,905,050	1,602,100	302,950
Realty Transfer	413,069	58,544	39,700	18,844	549,483	457,100	92,383
Inheritance & Estate	807,444	116,066	101,600	14,466	1,004,764	913,900	90,864
Minor & Repealed	29,422	1,400	200	1,200	16,602	(11,000)	27,602
Gaming	145,341	18,989	20,500	(1,511)	205,978	190,500	15,478
TOTAL - MOTOR LICENSE FUND	1,802,789	197,040	221,830	(24,790)	1,842,238	1,806,010	36,228
TOTAL - Liquid Fuels Taxes	1,104,225	132,862	151,700	(18,838)	1,171,295	1,189,300	(18,005)
Motor Carriers/IFTA	65,271	22,722	23,900	(1,178)	90,615	92,700	(2,085)
Alternative Fuels	7,369	1,145	1,100	45	10,203	9,400	803
Oil Company Franchise	1,031,629	108,995	126,700	(17,705)	1,070,471	1,087,200	(16,729)
Minor & Repealed	(42)	1	0	1	5	0	5
TOTAL - Licenses, Fees & Other	698,565	64,178	70,130	(5,952)	670,944	616,710	54,234
Licenses and Fees	691,103	64,806	69,700	(4,894)	671,342	611,500	59,842
Other Motor Receipts	7,462	(628)	430	(1,058)	(399)	5,210	(5,609)