

Pennsylvania Intergovernmental Cooperation Authority

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Monthly City of Philadelphia Tax Revenue Update

Through August 2008

Summary and Highlights

Though two months into a fiscal year is not necessarily indicative of where City revenues will end the year, it is never too early to begin looking for trends in certain areas, particularly given the state of the national economy.

- Wage, Net Profit and Earnings tax collections are consistent with Five-Year Plan (FYP) projections.
- Realty Transfer Tax collections are down as compared to the first two months of last year, but are consistent on a monthly average basis with collection levels since September, 2007.
- The increase in Parking Tax collections is consistent with the increase in the tax rate. The additional funds resulting from the Parking Tax rate increase are dedicated to street repairs, Fairmount Park, and tree planting.
- City Sales Tax and Amusement Tax collections are consistent with FYP projections.
- Although Business Privilege Taxes are not collected until the late spring, FY08 collections were down \$34 million from original projections; given the state of the national economy it is unlikely that FY09 collections will even reach FY08 levels.
- Although Real Estate Taxes are not collected until the spring, and tax bills have not yet been issued, FY08 collections were \$9.9 million better than original projections.

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Data – Key Taxes

Notes: FY08 total collections and FY09 year-to-date collections are unadjusted, preliminary numbers. FY08 Total Collections numbers do not include end-of-year adjustments and are likely to change. Year-to-date Business Privilege and Real Estate tax results are not listed below as the majority of those revenues are collected in the spring.

	FY08 Through August	FY09 Through August	FY08 Total Collections	FY09 Five-Year Plan Projection
Net Wage, Earnings, and Net Profit Tax	201,771,437	203,300,924	1,206,350,718	1,156,566,000 ¹
Realty Transfer Tax	42,222,636	31,497,189	186,107,218	186,850,000
City Sales Tax	22,697,016	24,081,424	135,844,514	139,283,000
Parking Tax	8,403,636	10,275,134	55,526,000	68,450,000 ²
Amusement Tax	4,150,269	4,515,012	17,994,627	17,287,000

1 Projected FY09 Wage Tax Revenues reflect a reduction in Wage Tax rates from 4.219% to 3.93% for residents and from 3.724% to 3.5% for non-residents. The projection does not include the anticipated \$86.6 million from state gaming revenues which enabled a portion of the rate reductions.

2 Projected FY09 Parking Tax Revenues reflect an increase in the tax rate from 15% to 20%.