

Pennsylvania Intergovernmental Cooperation Authority

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Monthly City of Philadelphia Tax Revenue Update

May 2012

City General Fund tax collections in May were \$312.6 million, bringing the total for the first eleven months of FY12 to \$2,407.4 million, an increase of 2.1 percent compared to the same period in FY11. Collections for all major taxes were at or above the level of May 2011, with the exception of the wage and net profits taxes, which declined slightly (2.2 percent and 1.9 percent, respectively). For all taxes except the wage and earnings and sales tax, collections through May suggest that the City is on pace to meet its current revenue projections for FY12. Wage and earnings tax collections through May are 1.7 percent higher than in the same period in FY11, while the City currently projects an increase of 2.4 percent for FY12. Similarly, sales tax collections through May are 0.8 percent higher than in the same period last year, while the City is currently projecting growth of 2.3 percent for the full fiscal year. Actual performance for all taxes will depend on collections through June, as well as end of year accounting adjustments.

- Wage and earnings tax revenue (including both the City and PICA portions of the tax) was \$126.9 million in May, a decline of \$2.8 million (2.2 percent) from May 2011. Total collections for the first eleven months of FY12 are \$1,407.1 million, an increase of \$23.0 million (1.7 percent) from FY11. The current FY12 estimate is \$1,516.7 million, an increase of 2.4 percent from the FY11 actual.
- Real estate tax collections were \$8.2 million in May, bringing the total for the first eleven months of the fiscal year to \$493.3 million, an increase of 2.3 percent over the same period in FY11. The current projection for FY12 is \$491.5 million, an increase of 1.8 percent over the FY11 actual.
- Business income and receipts tax (BIRT) collections were \$161.2 million in May, bringing the total for the first eleven months of the fiscal year to \$389.9 million, an increase of 2.2 percent from the same period in FY11. The current projection for FY12 is \$386.4 million, an increase of 2.5 percent from the FY11 actual.
- Net profits tax collections were \$7.3 million in May, bringing the total for the first eleven months of the fiscal year to \$18.7 million, a decrease of \$0.4 million (1.9 percent) compared

to the same period in FY11.¹ The current projection for FY12 is \$19.7 million, a decline of 3.0 percent from the FY11 actual.

- May sales tax collections were \$22.7 million, essentially unchanged from May 2011. Total collections for the first eleven months of FY12 are \$229.2 million, an increase of 0.8 percent from the same period in FY11. The current FY12 estimate is \$250.2 million, an increase of 2.3 percent from the FY11 actual.
- Real estate transfer tax (RETT) collections were \$10.8 million in May, an increase of \$1.9 million (21.8 percent) over May 2011. Total collections for the first eleven months of FY12 are \$108.5 million, an increase of 3.6 percent compared to the same period in FY11. While collections in July 2011 were \$9.7 million below the FY11 level, collections have been relatively strong since then, with monthly collections compared to last year increasing in eight of the last ten months. The current projection for FY12 is \$115.9 million, a decline of 0.7 percent from the FY11 actual.
- May parking tax collections were \$6.6 million, bringing the total for the first eleven months of FY12 to \$66.3 million, a 1.8 percent increase compared to FY11. The current estimate for FY12 is \$74.3 million, an increase of 3.8 percent from the FY11 actual.
- Amusement tax collections in May were \$1.3 million, bringing the total for the first eleven months of FY12 to \$20.7 million, a 2.2 percent decline compared to FY11. The current FY12 estimate is \$19.6 million, a decline of 5.5 percent from the FY11 actual.

¹ For purposes of this comparison, FY11 net profits tax collections through May were adjusted downward to reflect \$8 million in revenue that was initially reported as net profits tax revenue, but later reclassified as business income and receipts tax revenue.

City of Philadelphia Tax Revenues through May 2012 (\$ in Millions)

Tax	Monthly Total through May			Fiscal Year Total (Budget Basis)	
	FY11	FY12 (Preliminary)	Percent Change	FY11 Actual	FY12 Current Estimate
Wage and Earnings¹	\$1,384.1	\$1,407.1	1.7%	\$1,481.6	\$1,516.7
<i>Wage</i>	1,369.0	1,389.3	1.5%	--	--
<i>Earnings</i>	15.1	17.8	18.2%	--	--
Net Profits¹	19.1	18.7	-1.9%	20.3	19.7
Real Estate²	482.4	493.3	2.3%	482.7	491.5
Business Income and Receipts	381.6	389.9	2.2%	376.9	386.4
Sales	227.5	229.2	0.8%	244.6	250.2
Real Estate Transfer	104.7	108.5	3.6%	116.6	115.9
Parking	65.2	66.3	1.8%	71.6	74.3
Amusement	21.2	20.7	-2.2%	20.8	19.6
Other	2.5	2.9	18.4%	2.7	3.4
Total	2,688.1	2,736.6	1.8%	2,817.8	2,877.6
<i>PICA Taxes</i>	331.1	329.2	-0.6%	358.7	355.9
<i>City General Fund Taxes</i>	2,357.0	2,407.4	2.1%	2,459.1	2,521.6

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City Department of Revenue, available at http://www.phila.gov/revenue/City_Monthly_Revenue.html, and preliminary revenue report for May 2012. FY11 actual and FY12 current estimate from *Mayor's Operating Budget in Brief for Fiscal Year 2013*, City of Philadelphia.

Notes:

¹ Includes portion dedicated to PICA.

² The rate of the City portion of the real estate tax increased from 3.305 percent in 2010 to 4.123 percent in 2011. The combined City and School District real estate tax rate increased from 8.264 percent to 9.082 percent.