

Pennsylvania Intergovernmental Cooperation Authority

1500 Walnut Street, Suite 1600
Philadelphia, PA 19102
215-561-9160

Monthly City of Philadelphia Tax Revenue Update
August 2012

City General Fund tax collections in August were \$149.4 million. Collections through the first two months of fiscal year 2013 (FY13) were \$302.5 million, a decline of 1.2 percent compared to the same period in FY12. Among the four major General Fund taxes that are collected consistently throughout the fiscal year – wage and earnings, sales, real estate transfer, and parking – sales tax collections through August were relatively strong, with collections 8.0 percent higher in the first two months of FY13 compared to the same period in FY12.¹ By contrast, real estate transfer tax and parking tax collections in the first two months of FY13 declined 4.5 percent and 9.3 percent, respectively, from last year. Wage and earnings tax collections through August increased 0.6 percent compared to FY12.

The current estimate for total General Fund tax revenue in FY13 is \$2,614.4 million, an increase of 3.0 percent over the current FY12 estimate. Including the PICA portion of the wage, earnings and net profits taxes, the current FY13 estimate is \$2,982.2 million, a 3.1 percent increase compared to FY12.

- Wage and earnings tax revenue (including the City and PICA portion) was \$123.1 million in August, a decline of 11.7 percent from August 2011. Total FY13 collections through August are \$256.3 million, an increase of 0.6 percent compared to the same period in FY12. The current FY13 estimate is \$1,567.8 million, an increase of 3.4 percent from the current FY12 estimate.
- Sales tax collections through August were \$44.6 million, an increase of 8.0 percent compared to the same period last fiscal year. The current FY13 estimate is \$259.3 million, an increase of 3.7 percent from the FY12 estimate.

¹ The other major General Fund taxes – real estate, business income and receipts, and net profits – are collected primarily in the spring. For these taxes, collections data for the early months of the fiscal year are not generally informative about the likely level of the collections for the full year. Collections for these taxes will be discussed in monthly reports later in the fiscal year.

- Real estate transfer tax (RETT) collections through August are \$23.0 million, a 4.5 percent decline from FY12. The current FY13 projection is \$124.5 million, an increase of 5.2 percent from the FY12 estimate.
- Parking tax collections through August were \$11.8 million, a 9.3 percent decline from last year. The current FY13 estimate is \$75.1 million, an increase of 2.5 percent from the FY12 estimate.
- Amusement tax collections through August were \$4.6 million, a 2.0 percent increase from FY12. The current FY13 estimate is \$22.1 million, a 2.0 percent increase from FY12.

| City of Philadelphia Tax Revenues: FY13 versus FY12 (\$ in Millions) | | | | | | | |
|---|------------------------------|-------------------|----------------|----------------------------------|-----------------------|---------------------------------|--|
| Tax | Monthly Total through August | | | Fiscal Year Total (Budget Basis) | | | Percent Change through August Above/(Below) Estimated Fiscal Year Percent Change |
| | FY12 | FY13 ¹ | Percent Change | FY12 Current Estimate | FY13 Current Estimate | Percent Change Current Estimate | |
| Wage and Earnings² | \$254.8 | \$256.3 | 0.6% | \$1,516.7 | \$1,567.8 | 3.4% | (2.8%) |
| <i>Wage</i> | 253.0 | 254.5 | 0.6% | | | | |
| <i>Earnings</i> | 1.8 | 1.8 | -2.0% | | | | |
| Net Profits² | 1.3 | 0.8 | -40.0% | 19.7 | 20.1 | 2.1% | (42.1%) |
| Real Estate | 14.6 | 14.7 | 0.6% | 498.5 | 514.9 | 3.3% | (2.7%) |
| Business Income and Receipts | 7.2 | 5.0 | -30.4% | 391.4 | 394.9 | 0.9% | (31.3%) |
| Sales | 41.3 | 44.6 | 8.0% | 250.2 | 259.3 | 3.7% | 4.4% |
| Real Estate Transfer | 24.1 | 23.0 | -4.5% | 118.4 | 124.5 | 5.2% | (9.7%) |
| Parking | 13.1 | 11.8 | -9.3% | 73.3 | 75.1 | 2.5% | (11.8%) |
| Amusement | 4.5 | 4.6 | 2.0% | 21.6 | 22.1 | 2.0% | 0.0% |
| Other | 0.8 | 0.5 | -41.3% | 3.4 | 3.4 | 0.9% | (42.2%) |
| Total | 361.6 | 361.3 | -0.1% | 2,893.1 | 2,982.2 | 3.1% | (3.2%) |
| <i>PICA</i> | 55.4 | 58.8 | 6.1% | 355.9 | 367.8 | 3.3% | 2.8% |
| <i>City General Fund</i> | 306.2 | 302.5 | -1.2% | 2,537.1 | 2,614.4 | 3.0% | (4.3%) |

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City Department of Revenue, available at <http://www.phila.gov/revenue/citymonthlrevcollections.html>, and preliminary revenue report for August 2012. FY12 and FY13 current estimate from *FY13-FY17 Five-Year Financial Plan* approved by PICA on September 5, 2012 and *Mayor's Operating Budget in Brief for Fiscal Year 2013*.

Notes:

¹ Amounts are preliminary.

² Includes portion dedicated to PICA.