



Monthly Tax Revenue Update January 2017 City of Philadelphia



General Fund Tax Collections Through January Higher Than Last Year

Wage and Earnings Taxes Currently Above Projections

Tax Collections Snapshots Through January

General Fund Tax Collections



Up 5.6 %

Wage and Earnings Tax



Up 6.9 %

Year-over-year collections for January 2017 showed increases in most major General Fund taxes. Wage and earnings tax revenues increased 6.9 percent through January, compared to a projected growth of 3.5 percent. The City share of sales tax revenue increased 12.5 percent through January, compared to a projected 10.2 percent growth. Real estate transfer, parking, and amusement taxes also increased through January, at 0.8 percent, 6.3 percent and 14.6 percent, respectively. Net profits tax increased by 19.1 percent through January, exceeding last fiscal year's collections for the first time.

As shown in the table below, real estate and business income and receipts (BIRT) taxes were below collections through January, compared to last fiscal year. The real estate tax declined 0.2 percent through January, compared to an anticipated growth rate of 3.3 percent for the fiscal year. BIRT revenue declined 4.2 percent, compared to an anticipated decline of 1.9 percent (this projection reflects a change in the BIRT tax rate, as well as the impact of exemptions). However, the bulk of real estate and BIRT collections are typically seen in the spring, and real estate tax collections may near the City's projection for the fiscal year as a greater quantity of the tax is collected. Total collections for these taxes fell by just over \$3 million compared to the same period last year.



In sum, General Fund tax collections through January totaled \$1.341 billion, an increase of 5.6 percent from the same period in FY2016, at 1.5 percent above the estimated growth rate of 4.2 percent. The current estimate for FY2017 General Fund tax revenue is \$3.091 billion.

Collections through January may not be representative or predictive of what year-end figures will be, rather they are intended for a point in time, year-over-year comparison. Timing of accruals also affects the appearance of monthly collections. FY2017 current projections have been updated with the release of the City’s most recent [Quarterly City Manager’s Report](#).

**Table 1: City of Philadelphia Tax Revenues
FY17 versus FY16 (\$ in Millions)**

Tax	Total through January			Fiscal Year Total (Budget Basis)			Current Growth Rate vs. Projected Growth Rate
	FY16	FY17 ¹	Current Growth Rate	FY16 Unaudited Actual	FY17 Current Projection	Projected Growth Rate	
City and PICA Total	\$1,511.8	\$1,599.7	5.8%	\$3,411.1	\$3,549.2	4.0%	1.8%
City (General Fund)	1,269.5	1,341.2	5.6%	2,966.6	3,090.8	4.2%	1.5%
PICA	242.3	258.5	6.7%	444.5	458.4	3.1%	3.6%
Wage and Earnings ²	1,028.8	1,099.6	6.9%	1,793.6	1,856.4	3.5%	3.4%
<i>Wage</i>	1,023.6	1,090.8	6.6%				
<i>Earnings</i>	5.2	8.8	69.6 %				
Net Profits ²	5.8	7.0	19.1%	49.3	50.3	2.1%	17.0%
Real Estate ³	100.9	101.1	(0.2%)	571.6	590.5	3.3%	(3.1%)
Business Income and Receipts	69.9	66.9	(4.2%)	474.2	465.1	(1.9%)	(2.3%)
Sales ³	100.2	112.8	12.5%	169.4	186.6	10.2%	2.4 %
Real Estate Transfer	140.3	141.4	0.8%	237.3	232.9	(1.9%)	2.7%
Parking ⁴	52.8	56.2	6.3%	92.7	96.7	4.4%	1.9%
Amusement	11.1	12.7	14.6%	19.4	21.2	9.2%	5.4%
Sweetened Beverage ⁵	--	--	--	--	46.2	--	--
Other	2.0	2.1	5.0%	3.6	3.4	(7.8%)	12.8%

Source: Monthly collections from Department of Revenue preliminary revenue report for January 2017. FY16 unaudited actuals and FY17 current projections are from the [Quarterly City Managers Report for the period ending December 31, 2016](#). All figures rounded for readability.

Notes:

¹ Amounts are preliminary. Collections to date are not necessarily indicative of likely trends for the entire fiscal year.

² Includes portion allocated to PICA.

³ Excludes portion allocated to the School District of Philadelphia.

⁴ Includes valet tax.

⁵ Collections to begin January, 2017.