

PICA / MTR

Monthly Tax Revenue Update

City of Philadelphia

November 2016



City Tax Revenues Above Projections

General Fund Tax Collections Slightly Higher Through November

Tax Collections Snapshots through November



**Sales (City
Share)**
UP
15.2 %
**through
November**



**Wage and
Earnings**
UP
5.7 %
**through
November**

General Fund tax collections through November totaled \$913.3 million, an increase of 2.4 percent from the same period in FY16. The current estimate for FY17 General Fund tax revenue is \$3.089 billion, 4.7 percent above the FY16 estimate, which is slightly below the projected growth rate.

Year-over-year growth for November of FY17 showed many major General Fund taxes above projections. Wage and earnings revenues increased 5.7 percent through November, compared to a projected growth of 3.5 percent; while net profits collections increased 32.3 percent, compared to projected growth of 7.5 percent. The City share of sales tax revenue increased 15.2 percent through November, compared to a projected 8.7 percent growth. Parking and amusement taxes also increased through November, at 5.8 percent and 13.1 percent, respectively.

Real estate, business income and receipts (BIRT), and real estate transfer taxes were below projections through November. The real estate tax declined 8.5 percent through November, compared to an anticipated growth rate of 3.8 percent for the fiscal year. BIRT revenue declined 28.1 percent, compared to an anticipated decline of 2 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. Real estate transfer tax collections declined 4.8 percent, an increase over last month's 2.1 percent decline, and moving further away from the 5.1 percent growth projection for the year.

Collections through November are not 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.

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

Tax	Total through November			Fiscal Year Total (Budget Basis)			Current Growth Rate vs. Projected Growth Rate
	FY16	FY17 ¹	Current Growth Rate	FY16 Current Estimate	FY17 Current Estimate	Projected Growth Rate	
City and PICA Total	\$1,060.3	\$1,094.2	3.2%	\$3,387.3	\$3,542.2	4.6%	(1.4%)
City (General Fund)	891.9	913.3	2.4%	2,951.4	3,089.6	4.7%	(2.3%)
PICA	168.4	180.9	7.4%	435.9	452.6	3.8%	3.6%
Wage and Earnings ²	726.5	768.2	5.7%	1,796.8	1,859.2	3.5%	2.3%
<i>Wage</i>	722.6	762.6	5.5%				
<i>Earnings</i>	3.9	5.6	42.1 %				
Net Profits ²	4.2	5.5	32.3%	41.4	44.5	7.5%	24.8%
Real Estate ³	41.2	37.7	(8.5%)	573.4	594.9	3.8%	(12.3%)
Business Income and Receipts	55.3	39.7	(28.1%)	455.2	446.0	(2.0%)	(26.1%)
Sales ³	77.8	89.6	15.2%	167.6	182.2	8.7%	6.5 %
Real Estate Transfer	107.0	101.9	(4.8%)	237.5	249.6	5.1%	(9.9 %)
Parking ⁴	38.0	40.2	5.8%	91.9	95.1	3.5%	2.3%
Amusement	9.0	10.2	13.1%	19.6	20.5	4.7%	8.4%
Sweetened Beverage ⁵	--	--	--	--	46.2	--	--
Other	1.4	1.2	(7.5%)	3.8	3.9	0.9%	(8.4%)

Source: Monthly collections from Department of Revenue preliminary revenue report for November 2016. FY16 and FY17 current estimates from the Quarterly City Managers Report for the period ending September 30, 2016.

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.