



August 19, 2015

City of Philadelphia Tax Revenue Update for July 2015

Collections for July, the first month of Fiscal Year 2016, overall show strong growth rates at or above current projections

General Fund tax collections totaled \$190.8 million in July, according to the City's preliminary revenue report, an increase of \$15.5 million (8.9 percent) from the previous year. Revenues for most taxes were strong and showed year-over-year growth at or above the FY16 projected growth rate. The Real Estate Transfer Tax (RETT) in particular performed well, with July revenue exceeding the previous year by 58.7 percent, compared to a FY16 projected growth rate of 10.0 percent.

Compared to July 2014, revenues for the following taxes increased: real estate transfer (RETT, \$9.3 million), wage and earnings (\$8.9 million), net profits (NPT, \$2.3 million), real estate (\$1.9 million), parking (\$1.7 million), business income and receipts (BIRT, \$1.2 million), and amusement (\$0.2 million). These increases were offset by a decline in the sales tax (\$7.3 million). This decline primarily reflects the allocation of a portion of the local sales tax to the School District of Philadelphia (SDP). Under state Act 52 of 2013, SDP receives an annual allocation of up to \$120 million in local sales tax revenue. This allocation became effective beginning July 2014, but did not impact City revenue until September 2014, due to a two month lag between collections at the point of sale and transfer of funds from the state to the City.

The current estimate for FY16 General Fund tax revenue is \$2,912.3 million, an increase of 4.7 percent from the current FY15 estimate.

Table 1: City of Philadelphia Tax Revenues: FY16 versus FY15 (\$ in Millions)							
Tax	Monthly Total through July			Fiscal Year Total (Budget Basis)			Change To Date Above/ (Below) Estimated Fiscal Year Change
	FY15	FY16 ¹	Percent Change	FY15 Current Estimate	FY16 Current Estimate	Percent Change	
Wage and Earnings²	\$152.4	\$161.4	5.8%	\$1,713.2	\$1,776.4	3.7%	2.2%
<i>Wage</i>	151.6	160.4	5.8%				
<i>Earnings</i>	0.8	0.9	16.5%				
Net Profits²	(1.6)	0.7	-144.8%	32.5	31.7	-2.4%	-142.4%
Real Estate	8.3	10.2	23.1%	527.9	581.1	10.1%	13.0%
Business Income and Receipts	4.1	5.3	30.1%	466.3	453.9	-2.7%	32.7%
Sales	22.3	15.0	-32.7%	143.8	149.4	3.9%	-36.6%
Real Estate Transfer	15.8	25.0	58.7%	201.7	221.9	10.0%	48.7%
Parking	6.2	7.9	27.2%	76.9	88.6	15.3%	11.9%
Amusement	1.3	1.5	15.4%	18.9	19.2	1.6%	13.8%
Data Warehouse Collections	0	0	--	0	5.7	--	--
Other	0.3	0.3	3.6%	3.5	3.5	0.9%	2.7%
Total	209.2	227.4	8.7%	3,184.7	3,331.3	4.6%	4.1%
<i>PICA</i>	33.9	36.6	8.0%	402.8	419.0	4.0%	4.0%
<i>City</i>	175.3	190.8	8.9%	2,781.9	2,912.3	4.7%	4.2%

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City of Philadelphia, Department of Revenue and preliminary revenue report for July. FY15 and FY16 current estimate from the *Mayor's Operating Budget in Brief for Fiscal Year 2016 as Approved by the Council, June 2015*. Notes:

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

² Includes portion dedicated to PICA.