



Monthly Tax Revenue Update September 2017

CITY OF PHILADELPHIA



September Tax Collections Outpace Last Year *City Sees Growth in Every Tax Category*

The City collected \$190.1 million in General Fund tax revenue in the third month of FY2018, as compared to \$166.5 million in September of last year—an increase of 14.2 percent, according to preliminary figures. As shown in Table 2, increases in every tax category drove the growth in overall City collections for the month of September, with the business income and receipts tax (BIRT), real estate transfer, and amusement taxes experiencing double-digit increases. The strong September ensured year-to-date increases in all tax categories as well, compared to collections through September of last year, except for the parking tax, which decreased by less than one percent.

MONTH OF SEPTEMBER COLLECTIONS

The largest year-over-year growth increases occurred in amusement, BIRT, and realty transfer tax collections, which increased by 248.7 percent, 41.2 percent, and 17.2 percent, respectively. Amusement tax collections increased by almost three million dollars as compared to last September, and the real estate transfer tax showed an increase for the third straight month over last year, reflecting Philadelphia’s still-strong real estate market. The City wage, earnings, and net profits tax recovered from a slow August to achieve a 4.9 percent increase in September, as compared to last year.

Tax Collections Snapshots Through September

Wage, Earnings, & Net Profits: City



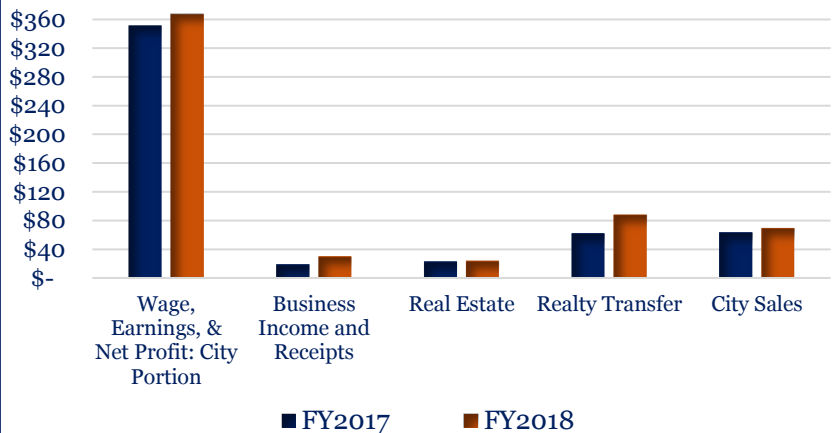
4.4 %

Real Estate Transfer



41.4 %

Major Taxes Through September
FY2017 vs. FY2018
(\$ in Millions)



SEPTEMBER YEAR-TO-DATE COLLECTIONS

Strong collections in September resulted in year-to-date growth in all major tax categories thus far in the fiscal year. Through September, the City portion of the wage, earnings, and net profits tax increased by 4.5 percent; the BIRT increased by 55.6 percent, the real estate tax increased by 3.5 percent; the realty transfer tax increased by 41.4 percent; and the City sales tax increased by 8.7 percent, as shown in Table 1. In terms of projections, only two minor taxes, the parking and amusement taxes, failed to meet or exceed estimates, as shown in Table 1. As a whole, City tax collections have increased by 14.3 percent, as compared to the same point last year. However, early tax collections are not necessarily indicative of full fiscal year performance.

The City’s current FY2018 revenue estimates are contained in the City’s *Revised FY2018–FY2022 Five Year Financial Plan*, as approved by the PICA Board on September 19, 2017. The projected General Fund tax revenue in FY2018 is \$3.298 billion, an increase of 8.2 percent over FY2017. Combined City and PICA tax revenue is projected at \$3.773 billion, an increase of 7.5 percent over last fiscal year.

Table 1: Tax Growth Projected versus Year-to-Date¹

Tax	Projected Growth	Growth Through September
Wage, Earnings, & Net Profits: PICA & City	3.1%	4.5%
Less Wage, Earnings, & Net Profits: PICA Portion	3.3	4.9%
Wage, Earnings, & Net Profits: City Portion	3.1	4.4%
Business Income and Receipts	12.6	55.6%
Real Estate	11.7	3.5%
Real Estate Transfer	4.3	41.4%
City Sales	5.6	8.7%
Parking ³	7.2	-0.3%
Amusement	4.6	1.0%
Other Miscellaneous ⁴	0.9	16.1%

Table 2: City of Philadelphia Tax Revenue FY2018 vs. FY2017 (\$ in Millions)²

Tax Type	Month of September			September Year-to-Date		
	FY2018	FY2017	Change	FY2018	FY2017	Change
Wage, Earnings, & Net Profit: PICA and City	\$151,075,904	\$143,805,332	5.1%	\$480,253,345	\$459,452,834	4.5%
Less: Wage, Earnings, & Net Profit: PICA Portion	35,539,253	33,689,084	5.5	112,926,213	107,685,107	4.9
Wage, Earnings, & Net Profit: City Portion	115,536,651	110,116,248	4.9	367,327,132	351,767,727	4.4
Business Income and Receipts Tax	16,449,357	11,646,915	41.2	30,267,864	19,450,805	55.6
Real Estate Tax	6,477,163	6,091,256	6.3	24,170,789	23,348,412	3.5
Realty Transfer Tax	20,811,248	17,754,495	17.2	88,178,042	62,355,933	41.4
City Sales Tax	11,975,118	11,682,239	2.5	69,552,299	64,011,827	8.7
Parking Tax ³	7,857,531	7,767,873	1.2	23,520,127	23,592,426	-0.3
Amusement Tax	4,046,016	1,160,222	248.7	7,513,446	7,436,443	1.0
Other Miscellaneous Taxes ⁴	248,433	242,370	2.5	817,017	703,593	16.1
Philadelphia Beverage Tax	6,733,241	--	--	20,158,107	--	--
Total Taxes⁵	\$190,134,758	\$166,461,618	14.2%	\$631,504,778	\$552,667,166	14.3%

¹ As projected in the City’s Revised *FY2018–FY2022 Five Year Financial Plan*

² Source: Preliminary revenue report provided by Department of Revenue; General Fund only; all figures rounded for readability

³ Includes parking lot and valet taxes

⁴ Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes

⁵ Does not include PICA portion