



January 4, 2016

City of Philadelphia Tax Revenue Update for November 2015

November collections experienced a year-over-year increase in most taxes, as General Fund revenues performed above the projected growth rate.

General Fund tax collections totaled \$177.7 million in November, according to the City's preliminary revenue report, an increase of \$35.8 million (24.7 percent) from the previous year. Compared to November 2014, revenues for the following taxes increased: wage and earnings (\$25.9 million), real estate transfer (\$6.2 million), business income and receipts (\$5.0 million), sales (\$1.5 million), parking (\$1.2 million), net profits (\$0.09 million), and amusement (\$0.08 million). These increases were offset by a small decline in the real estate tax (\$0.7 million).

As shown in the table below, City General Fund tax revenue increased 10.6 percent through November, compared to the current FY16 projected growth rate of 5.3 percent. The real estate transfer tax has performed particularly well, with receipts through November increasing 34.0 percent. Wage and earnings tax collections have also been strong through the first five months of FY16, increasing 5.2 percent, 1.7 percentage points above the currently projected FY16 growth rate.

Parking tax revenue through November increased 17.9 percent compared to the previous year, partly due to the increase in the tax rate from 20.0 to 22.5 percent in FY16. Sales tax collections increased 0.4 percent.

The current estimate for FY16 City General Fund tax revenue is \$2,925.3 million, an increase of 5.3 percent from the FY15 unaudited actual.

**Table 1: City of Philadelphia General Fund Tax Revenues:
FY16 versus FY15 (\$ in Millions)**

Tax	Monthly Total through November			Fiscal Year Total (Budget Basis)			Change To Date Above/ (Below) Estimated Fiscal Year Change
	FY15	FY16 ¹	Percent Change	FY15 Unaudited Actual	FY16 Current Estimate	Percent Change	
Wage and Earnings²	\$690.9	\$726.6	5.2%	\$1,716.6	\$1,776.4	3.5%	1.7%
<i>Wage</i>	687.4	722.6	5.1%				
<i>Earnings</i>	3.5	3.9	11.5%				
Net Profits²	1.7	4.2	141.4%	38.8	31.7	(18.4%)	159.8%
Real Estate	39.2	41.2	5.0%	536.4	583.6	8.8%	(3.8%)
Business Income and Receipts	31.5	55.3	75.6%	438.2	457.1	4.3%	71.3%
Sales	77.4	77.8	0.4%	149.5	154.4	3.3%	(2.9%)
Real Estate Transfer	79.9	107.0	34.0%	203.4	229.9	13.0%	21.0%
Parking	32.2	38.0	17.9%	79.7	88.6	11.2%	6.7%
Amusement	8.8	9.0	1.9%	19.0	19.2	0.9%	1.0%
Other	1.2	1.4	14.9%	3.8	3.5	(7.7%)	22.6%
Total City General Fund and PICA	962.3	1,060.3	10.1%	3,185.5	3,344.3	5.0%	5.1%
<i>PICA</i>	156.2	168.4	7.8%	408.5	419.0	2.6%	5.2%
<i>City General Fund</i>	806.1	891.9	10.6%	2,777.0	2,925.3	5.3%	5.3%

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City of Philadelphia, Department of Revenue and preliminary revenue report for November. FY15 unaudited actual and FY16 current estimate from the *Quarterly City Managers Report for the Period Ending September 30, 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.