



Monthly Tax Revenue Update January 2018

CITY OF PHILADELPHIA



January Tax Collections \$70 Million More Than Last Year *Double-Digit Growth in Year-to-Date Collections Continues in 2018*

The City collected \$329.1 million in General Fund tax revenue in January of FY2018, as compared to \$259.4 million last year—a considerable increase of almost \$70 million, or 26.9 percent—according to preliminary figures. As shown in Table 2, increases in all major tax categories drove the growth in overall City collections for the month of January, as compared to last year. While parking and other miscellaneous minor taxes decreased, large January increases in the business income and receipts (“BIRT”), realty transfer, and real estate taxes ensured the continued double-digit increase in total year-to-date collections, with five months remaining in the fiscal year.

MONTH OF JANUARY COLLECTIONS

January BIRT collections more than doubled in FY2018, totaling \$29.4 million—an increase of 131.6 percent—as compared to last year. The realty transfer tax increased by 89.5 percent, the likely result of large commercial property sales, while real estate tax collections increased by 31.1 percent, an increase which may be attributed to the changing Federal tax landscape. Additionally, the City portion of the wage, earnings, and net profits taxes increased by 8.5 percent, while City sales and amusement taxes increased by 5.0 percent and 25.5 percent, respectively.

Tax Collections Snapshots For January

Wage, Earnings, & Net Profits: City



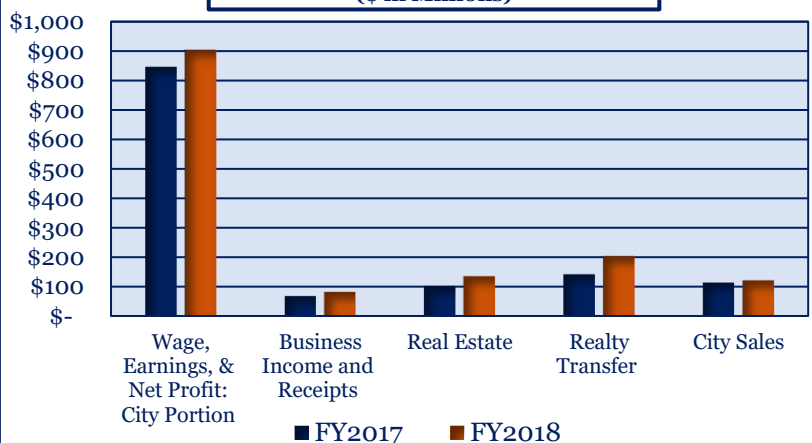
8.5 %

Realty Transfer



89.5 %

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



JANUARY YEAR-TO-DATE COLLECTIONS

The considerable increase in January collections resulted in year-to-date growth in almost all tax categories over last year. Other miscellaneous taxes was the only tax type to have decreased, as shown in Table 2. The BIRT, real estate, and realty transfer taxes all showed double-digit increases, increasing by 22.0 percent, 33.1 percent, and 43.6 percent, respectively, over the same period last year. In terms of projections, only the parking tax failed to meet estimates, as shown in Table 1. It should be noted that, while also not meeting projections, the Philadelphia beverage tax has contributed to the 16.6 percent increase in overall, year-to-date City tax collections, contributing an additional \$46.3 million to the General Fund thus far in FY2018. However, point-in-time tax collections throughout the fiscal year are not necessarily indicative of full year performance.

The City’s current FY2018 revenue estimates are found in the City’s *Quarterly City Managers Report for the Period Ending September 30, 2017*. The projected General Fund tax revenue in FY2018 is \$3.297 billion, an increase of 7.3 percent over FY2017. Combined City and PICA tax revenue is projected at \$3.724 billion, an increase of 7.0 percent over last fiscal year.

Tax Type	Projected Growth	Growth Through January
Wage, Earnings, & Net Profits: PICA & City	3.4%	7.0%
Wage, Earnings, & Net Profits: PICA Portion	3.1	7.5
Wage, Earnings, & Net Profits: City Portion	3.5	6.8
Business Income and Receipts	8.3	22.0
Real Estate	11.0	33.1
Real Estate Transfer	3.4	43.6
City Sales	5.2	6.9
Parking ³	3.5	0.7
Amusement	7.6	4.5
Other Miscellaneous ⁴	-9.9	-3.4

Tax Type	Month of January			January Year-to-Date		
	FY2018	FY2017	Change	FY2018	FY2017	Change
Wage, Earnings, & Net Profit: PICA and City	\$223,380,421	\$205,695,132	8.6%	\$1,183,584,928	\$1,106,523,590	7.0%
Less: Wage, Earnings, & Net Profit: PICA Portion	52,791,481	48,465,713	8.9	280,208,984	260,570,069	7.5
Wage, Earnings, & Net Profit: City Portion	170,588,940	157,229,419	8.5	903,375,944	845,953,521	6.8
Business Income and Receipts	29,380,403	12,683,385	131.6	81,646,648	66,935,245	22.0
Real Estate	64,079,856	48,893,269	31.1	134,364,487	100,975,205	33.1
Realty Transfer	36,860,584	19,452,552	89.5	203,027,709	141,375,562	43.6
City Sales	11,871,455	11,303,441	5.0	120,557,948	112,793,542	6.9
Parking ³	7,846,969	7,983,555	-1.7	56,539,482	56,158,102	0.7
Amusement	1,539,277	1,226,691	25.5	13,277,068	12,710,977	4.5
Other Miscellaneous ⁴	374,337	582,177	-35.7	1,997,968	2,067,415	-3.4
Philadelphia Beverage	6,530,970	-	0.0	46,296,523	-	0.0
Total Taxes⁵	\$329,072,791	\$259,354,489	26.9%	\$1,561,083,777	\$1,338,969,570	16.6%

¹ As projected in the City’s [Quarterly City Managers Report for the Period Ending September 30, 2017](#); for analysis of the City’s FY2018 tax projections, see PICA’s [Staff Report on the City’s First Quarter City Managers Report](#)

² Source: Preliminary and comparative revenue reports provided by Department of Revenue; General Fund only

³ Includes parking lot and valet taxes

⁴ Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes

⁵ Does not include PICA portion