



Monthly Tax Revenue Update March 2019

CITY OF PHILADELPHIA



Strong Real Estate Tax Collections Drive 14% Increase in March Collections *Total Year-to-Date Collections Increase by 4.2 Percent Over Last Year*

The City collected approximately \$382.0 million in General Fund tax revenue in March 2019, compared to \$334.6 million in March 2018, an increase of 14.2 percent, according to preliminary figures. Notably, real estate tax collections totaled \$145.3 million, \$30.6 million more than in March of last year, for an increase of 26.6 percent. This increase, along with increases in most other major tax categories, resulted in a year-to-date increase in total collections of 4.2 percent—more than double the City’s projection of 2.2 percent. Considerable increases for March were also seen in the realty transfer (23.8 percent), business income and receipts (“BIRT,” 11.1 percent), and total wage, earnings, and net profits taxes (5.9 percent). The only tax categories to decrease in March were the City sales and parking taxes.

MONTH OF MARCH COLLECTIONS

As previously mentioned, the real estate, realty transfer, BIRT, and total wage, earnings, and net profits taxes all increased in March, as shown in Table 2. The realty transfer tax increased by \$4.5 million, the BIRT by \$4.5 million, and the wage, earnings and net profits taxes by \$7.8 million. Additionally, the amusement and other miscellaneous taxes increased, by 51.1 percent, or \$554,105, and 18.1 percent, or \$37,330, respectively. Again, the only tax categories to decrease were the City sales tax (-5.0 percent) and the parking tax (-4.3 percent).

Tax Collections Snapshots For March

Real Estate



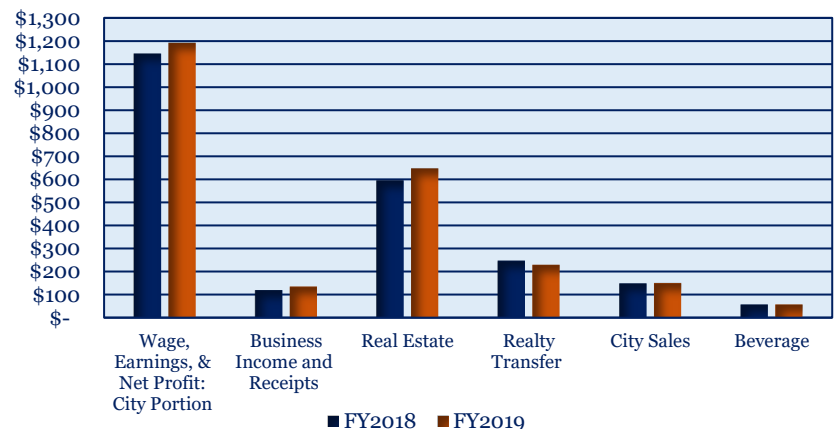
26.6%

Realty Transfer



23.8%

Major Taxes Through March
FY2018 vs. FY2019
(\$ in Millions)



MARCH YEAR-TO-DATE COLLECTIONS

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

Tax Type	Current Projected Growth	Growth Through March
Wage, Earnings, & Net Profits: PICA & City	2.9%	4.5%
Wage, Earnings, & Net Profits: PICA Portion	5.4	5.9
Wage, Earnings, & Net Profits: City Portion	2.1	4.1
Business Income and Receipts	1.8	12.2
Real Estate	1.5	8.7
Realty Transfer	-2.6	-7.1
City Sales	6.0	0.5
Parking ³	1.7	0.4
Amusement	17.3	21.0
Other Miscellaneous ⁴	4.5	7.0
Beverage	-1.0	-0.6

The City collected \$2.507 billion in tax revenue through March of FY2019, an increase of 4.2 percent over the same period last year. Year-to-date increases were realized in the BIRT (12.2 percent); real estate (8.7 percent); total wage, earnings, and net profits taxes (4.1 percent); and City sales taxes (0.5 percent). With the strong real estate tax and BIRT collections (which are mostly collected in the spring), the City finds itself in a strong position to increase total collections in FY2019 compared to last year. The only tax categories to show decreases in year-to-date collections were the realty transfer and beverage taxes, which decreased by 7.1 percent and 0.6 percent, respectively. In terms of individual projections, only the realty transfer, City sales, and parking taxes lag behind, with just three months remaining in the current fiscal year.

The City's current FY2019 revenue estimates are found in the City's *Quarterly City Managers Report for the Period Ending December 31, 2018*, which was issued on February 15, 2019. The current projection for FY2019 General Fund tax revenue is \$3.462 billion, an increase of 0.5 percent over the City's Five Year Plan projection. Combined City and PICA tax revenue is projected at \$3.938 billion, an increase of 0.6 percent over the Plan projection.

Table 2: City of Philadelphia Tax Collections FY2019 vs. FY2018²

Tax Type	Month of March			March Year-to-Date		
	FY2019	FY2018	Change	FY2019	FY2018	Change
Wage, Earnings, & Net Profit: PICA and City	\$186,250,207	\$175,472,982	6.1%	\$1,569,920,282	\$1,502,412,821	4.5%
Less: Wage, Earnings, & Net Profit: PICA Portion	45,560,795	42,621,301	6.9	378,332,641	357,408,928	5.9
Wage, Earnings, & Net Profit: City Portion	140,689,412	132,851,681	5.9	1,191,587,641	1,145,003,893	4.1
Business Income and Receipts	44,794,787	40,304,496	11.1	134,443,036	119,787,060	12.2
Real Estate	145,283,771	114,725,269	26.6	647,392,974	595,617,056	8.7
Realty Transfer	23,574,527	19,049,560	23.8	229,467,116	247,124,661	-7.1
City Sales	12,341,609	12,997,255	-5.0	150,194,111	149,378,002	0.5
Parking ³	7,593,242	7,938,567	-4.3	72,214,158	71,920,862	0.4
Amusement	1,637,715	1,083,610	51.1	20,518,343	16,954,759	21.0
Other Miscellaneous ⁵	243,571	206,241	18.1	3,456,676	3,230,805	7.0
Beverage	5,889,302	5,451,102	8.0%	57,228,554	57,591,696	-0.6
Total Taxes⁶	\$382,047,936	\$334,607,781	14.2%	\$2,506,502,609	\$2,406,608,794	4.2%

¹ As projected in the City's *Quarterly City Managers Report for the Period Ending December 31, 2018*; for analysis of the City's FY2019 tax projections, see PICA's *Staff Report on the City's Five Year Financial Plan for Fiscal Years 2019-2023*

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

³ Includes parking lot and valet taxes

⁴ Updated figure provided by the Office of the Director of Finance

⁵ Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes

⁶ Does not include PICA portion