



# Monthly Tax Revenue Update April 2019

CITY OF PHILADELPHIA



## City Sees Double-Digit Increase in April Tax Collections *Strong April Also Drives Increase in Year-to-Date Collections*

The City collected approximately \$642.2 million in General Fund tax revenue in April 2019, compared to \$528.8 million in April 2018, an increase of \$113.4 million, or 21.5 percent according to preliminary figures. Notably, business income and receipts (“BIRT”) tax collection totaled \$356.8 million, \$82.0 million more than in April of last year, for an increase of 29.9 percent. This increase, along with increases in almost all other tax categories resulted in a year-to-date increase in total collections of 7.3 percent—surpassing the City’s projection of 2.2 percent by a substantial margin. Double-digit increases for April collections were also seen in the realty transfer, amusement, other miscellaneous, and parking taxes. The only tax categories to decrease in April were the real estate and beverage taxes.

### MONTH OF APRIL COLLECTIONS

Aside from the previously mentioned increase in the BIRT tax, the City saw considerable increases in almost all tax categories in April compared to the same month last year, as shown in Table 2. The City experienced double-digit increases in the real estate transfer tax (68.3 percent), the amusement tax (46.4 percent), other miscellaneous taxes (33.4 percent), and the parking tax (14.6 percent). Additionally, the City portion of the total wage, earnings, and net profits taxes increased by 8.1 percent, the second-highest month-over-month increase in this fiscal year, just behind February (8.2 percent).

### Tax Collections Snapshots For April Wage, Earnings & Net Profit: City



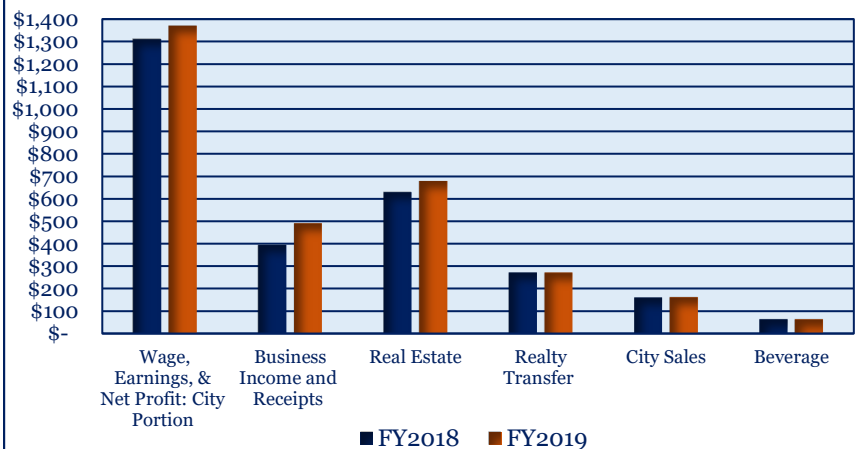
8.1%

### Realty Transfer



68.3%

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



**APRIL YEAR-TO-DATE COLLECTIONS**

Tax Type	Current Projected Growth	Growth Through April
Wage, Earnings, & Net Profits: PICA & City	2.9%	5.0%
Wage, Earnings, & Net Profits: PICA Portion	5.4	6.3
Wage, Earnings, & Net Profits: City Portion	2.1	4.6
Business Income and Receipts	1.8	24.5
Real Estate	1.5	7.8
Realty Transfer	-2.6	-0.3
City Sales	6.0	1.1
Parking <sup>3</sup>	1.7	1.8
Amusement	17.3	25.2
Other Miscellaneous <sup>4</sup>	4.5	8.7
Beverage	-1.0	-1.0

The City collected \$3.148 billion in tax revenue through April of FY2019, an increase of \$212.9 million, or 7.3 percent over the same period last year. Year-to-date increases were realized in every tax category except the real estate transfer and beverage taxes. Considerable increases were seen in the the BIRT (24.5 percent), and amusement (25.2 percent) taxes, while other miscellaneous (8.7 percent), real estate (7.8 percent), total wage, earnings, and net profits taxes (4.6 percent); and City sales taxes (1.1 percent) also increased. In terms of FY2019 projections, only the City sales tax failed to meet or exceed the City’s expected figure, with some taxes exceeding projections. It is expected that the City will adjust some or all of its projections in its forthcoming Quarterly City Managers Report, due later this month.

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.

Tax Type	Month of April			April Year-to-Date		
	FY2019	FY2018	Change	FY2019	FY2018	Change
Wage, Earnings, & Net Profit: PICA and City	\$245,742,701	\$227,071,773	8.2%	\$1,815,662,617	\$1,729,484,594	5.0%
Less: Wage, Earnings, & Net Profit: PICA Portion	66,515,773	61,280,594	8.5	445,075,627	418,689,522	6.3
Wage, Earnings, & Net Profit: City Portion	179,226,928	165,791,179	8.1	1,370,586,990	1,310,795,072	4.6
Business Income and Receipts	356,796,741	274,772,962	29.9	491,239,777	394,560,022	24.5
Real Estate	31,817,178	34,145,261	-6.8	678,991,551	629,762,317	7.8
Realty Transfer	41,718,558	24,792,196	68.3	271,185,674	271,916,857	-0.3
City Sales	12,305,143	11,415,479	7.8	162,499,254	160,793,481	1.1
Parking <sup>3</sup>	8,956,653	7,814,608	14.6	81,170,811	79,735,470	1.8
Amusement	4,841,725	3,307,297	46.4	25,360,068	20,262,056	25.2
Other Miscellaneous <sup>5</sup>	294,790	221,025	33.4	3,751,466	3,451,830	8.7
Beverage	6,254,889	6,521,592	-4.1	63,483,443	64,113,288	-1.0
<b>Total Taxes<sup>6</sup></b>	<b>\$642,212,605</b>	<b>\$528,781,599</b>	<b>21.5%</b>	<b>\$3,148,269,034</b>	<b>\$2,935,390,393</b>	<b>7.3%</b>

<sup>1</sup> 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*

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

<sup>3</sup> Includes parking lot and valet taxes

<sup>4</sup> Updated figure provided by the Office of the Director of Finance

<sup>5</sup> Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes

<sup>6</sup> Does not include PICA portion