



Monthly Tax Revenue Update May 2019

CITY OF PHILADELPHIA



Year-to-Date Collections Increase Seven Percent in FY2019 *City Experiences Increases in Most Months This Fiscal Year*

The City collected approximately \$263.1 million in General Fund tax revenue in May 2019, compared to \$254.5 million in May 2018, an increase of almost \$8.6 million, or 3.4 percent, according to preliminary figures. Thus, the City experienced another month-over-month increase over last year; only November and January have fallen short of FY2018 in terms of monthly collections, with just the month of June remaining in FY2019. The series of strong months has driven an almost seven percent increase in year-to-date collections. Notably, the business income and receipts (“BIRT”) tax is having a strong year, with collections totalling \$536.3 million, a 22.2 percent increase over last year. The only tax category to decrease in year-to-date collections was the realty transfer tax, decreasing by \$6.7 million, or 2.2 percent, after an exceptionally strong FY2018.

MONTH OF MAY COLLECTIONS

The month of May saw double digit increases in the City sales (73.2 percent), parking (23.2 percent), and beverage taxes (12.3 percent), as shown in Table 2. The double-digit increase in the sales tax was primarily due to reaching the \$120 million School District allocation and the ending of the debt service related to the District. The City portion of the combined wage, earnings, and net profits (1.7 percent), BIRT (4.0 percent), other miscellaneous taxes (8.2 percent) also increased over May of last year. The real estate (-13.1 percent), realty transfer (-17.4 percent), and amusement taxes (-23.1 percent) all decreased by double digits, resulting in modest month-over-month growth (3.4 percent) over last year.

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



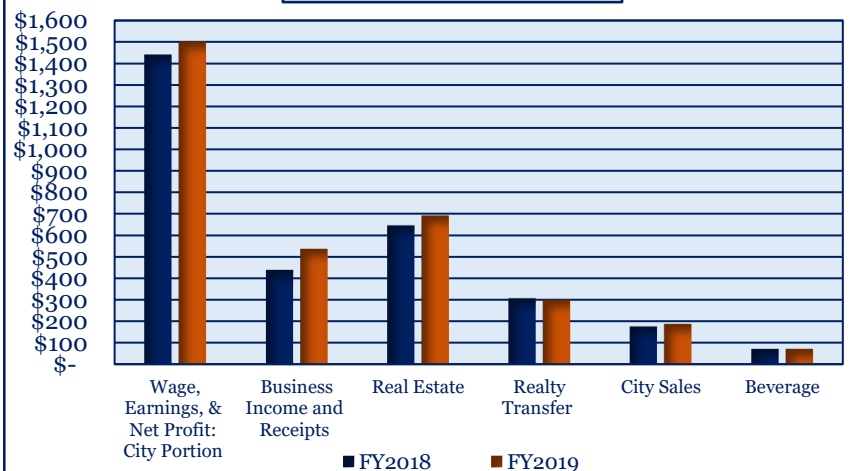
1.7%

Business Income & Receipts



4.0%

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



MAY YEAR-TO-DATE COLLECTIONS

Tax Type	Current Projected Growth	Growth Through May
Wage, Earnings, & Net Profits: PICA & City	2.9%	4.7%
Wage, Earnings, & Net Profits: PICA Portion	5.4	6.4
Wage, Earnings, & Net Profits: City Portion	2.1	4.2
Business Income and Receipts	12.8	22.2
Real Estate	1.5	7.3
Realty Transfer	1.0	-2.2
City Sales	8.4	6.8
Parking ³	1.7	3.8
Amusement	21.4	22.0
Other Miscellaneous ⁴	4.5	8.6
Beverage	-1.0	0.2

The City has collected \$3.408 billion in tax revenue through May of FY2019, an increase of \$218.9 million, or 6.9 percent over the same period last year. Year-to-date increases were realized in every tax category except the real estate transfer tax, as previously mentioned. Increases were seen in the the BIRT (22.2 percent), and amusement (22.0 percent) taxes, while other miscellaneous (8.6 percent), real estate (7.3 percent), City sales (6.8 percent), and total wage, earnings, and net profits taxes (4.2 percent) also increased. In terms of FY2019 projections, only the realty transfer and City sales taxes fell short of the City’s most recent estimates, as shown in Table 1. Again, current year-to-date totals have increased by 6.9 percent, well ahead of the City’s projection of 3.7 percent.

The City’s current FY2019 tax revenue estimates are found in the City’s *Quarterly City Managers Report for the Period Ending March 31, 2019*, which was issued on May 15, 2019. The current projection for FY2019 General Fund tax revenue is \$3.528 billion, an increase of 2.4 percent over the City’s Five Year Plan projection. Combined City and PICA tax revenue is projected at \$4.005 billion, an increase of 2.3 percent over the Plan projection.

Tax Type	Month of May			May Year-to-Date		
	FY2019	FY2018	Change	FY2019	FY2018	Change
Wage, Earnings, & Net Profit: PICA and City	\$178,226,456	\$174,181,875	2.3%	\$1,993,722,442	\$1,903,666,469	4.7%
Less: Wage, Earnings, & Net Profit: PICA Portion	45,868,078	43,988,796	4.3	492,174,334	462,678,318	6.4%
Wage, Earnings, & Net Profit: City Portion	132,358,378	130,193,079	1.7	1,501,548,108	1,440,988,151	4.2
Business Income and Receipts	46,187,957	44,412,653	4.0	536,272,925	438,972,675	22.2
Real Estate	13,256,439	15,254,148	-13.1	692,233,346	645,016,465	7.3
Realty Transfer	28,380,312	34,366,760	-17.4	299,565,986	306,283,617	-2.2
City Sales	24,218,943	13,984,427	73.2	186,718,197	174,777,908	6.8
Parking ³	10,258,601	8,324,604	23.2	91,429,412	88,060,074	3.8
Amusement	1,107,473	1,440,739	-23.1	26,467,541	21,702,795	22.0
Other Miscellaneous ⁴	308,132	284,695	8.2	4,059,598	3,736,525	8.6
Beverage	6,996,774	6,229,168	12.3	70,480,043	70,342,456	0.2
Total Taxes⁵	\$263,073,009	\$254,490,273	3.4%	\$3,408,775,156	\$3,189,880,666	6.9%

¹ As projected in the City’s *Quarterly City Managers Report for the Period Ending March 31, 2019*; 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 Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes

⁵ Does not include PICA portion