



Monthly Tax Revenue Update June 2019

CITY OF PHILADELPHIA



Strong June Collections Drive Growth in FY2019 Collections *Year-to-Date Collections Increase for Almost All Taxes*

The City collected approximately \$210.4 million in General Fund tax revenue in June 2019, compared to \$188.8 million in June 2018, an increase of approximately \$21.6 million, or 11.4 percent, according to preliminary figures. Collections for every tax except the beverage tax increased in June, pushing year-to-date collections to \$3.619 billion for FY2019, a 7.1 percent increase over last year. June was just one in a series of strong months driving the increase in year-to-date collections; only November and January fell short compared to the same months last year. Additionally, almost every tax increased by double digits in June, with just the City sales, parking, and other miscellaneous taxes growing by less than ten percent, and only the beverage tax decreasing. While these are preliminary figures, it appears the City has enjoyed another strong year of tax collections, showing gains the City will hope to build upon in FY2020.

MONTH OF JUNE COLLECTIONS

The month of June saw double digit increases in the amusement (104.2 percent), real estate (86.3 percent), realty transfer (14.9 percent), business income and receipts (“BIRT,” 13.3 percent), and the City portion of the combined wage, earnings, and net profits taxes (10.1 percent), as shown in Table 2. The other miscellaneous, City sales, and parking, taxes also increased, by 8.1 percent, 4.2 percent and 0.9 percent, respectively. The only tax to decrease in collections was the beverage tax, by 6.6 percent. Total collections for the month increased by 11.4 percent, making June the third strongest month for collections in FY2019.

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



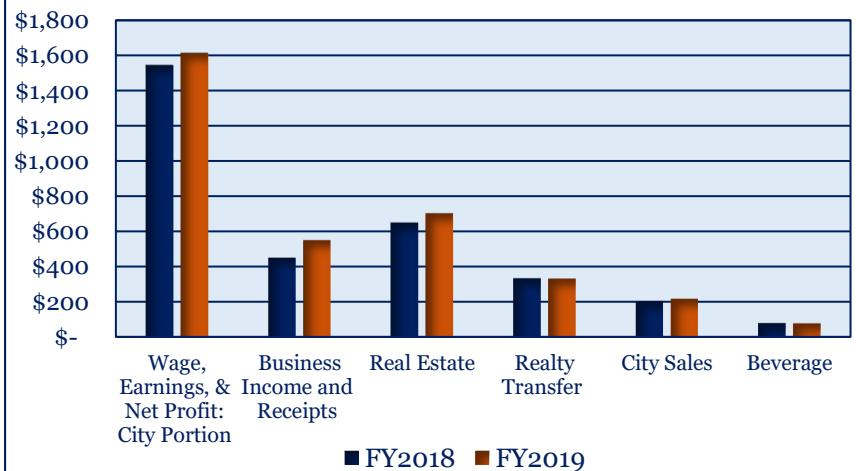
10.1%

Business Income & Receipts



13.3%

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



JUNE YEAR-TO-DATE COLLECTIONS

Tax Type	Current Projected Growth	Growth Through June
Wage, Earnings, & Net Profits: PICA & City	2.9%	5.1%
Wage, Earnings, & Net Profits: PICA Portion	5.4	6.7%
Wage, Earnings, & Net Profits: City Portion	2.1	4.6%
Business Income and Receipts	12.8	21.9%
Real Estate	1.5	7.9%
Realty Transfer	1.0	-0.8%
City Sales	8.4	6.5%
Parking³	1.7	3.6%
Amusement	21.4	24.3%
Other Miscellaneous⁴	4.5	8.6%
Beverage	-1.0	-0.4%

The City has collected \$3.619 billion in tax revenue in FY2019, an increase of \$240.3 million, or 7.1 percent over FY2018. Year-to-date increases were realized in every tax category except the beverage and the realty transfer taxes; the realty transfer tax saw exceptionally strong collections last year. Double-digit increases were seen in the amusement (24.3 percent) and BIRT (21.9 percent) taxes, while smaller, but still considerable increases were realized in other miscellaneous (8.6 percent), real estate (7.9 percent), City sales (6.5 percent), and the City's portion of the total wage, earnings, and net profits taxes (4.6 percent). 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. Current year-to-date totals have increased by 7.1 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 June 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.

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

Tax Type	Month of June			June Year-to-Date		
	FY2019	FY2018	Change	FY2019	FY2018	Change
Wage, Earnings, & Net Profit: PICA and City	\$150,908,377	\$136,819,997	10.3%	\$2,144,626,707	\$2,040,486,466	5.1%
Less: Wage, Earnings, & Net Profit: PICA Portion	38,015,517	34,297,150	10.8	530,287,138	496,975,468	6.7
Wage, Earnings, & Net Profit: City Portion	112,892,860	102,522,847	10.1	1,614,339,569	1,543,510,998	4.6
Business Income and Receipts	12,440,013	10,976,630	13.3	548,704,962	449,949,305	21.9
Real Estate	9,209,384	4,942,411	86.3	701,427,813	649,958,876	7.9
Realty Transfer	30,918,488	26,908,688	14.9	330,484,474	333,192,305	-0.8
City Sales	28,547,766	27,397,162	4.2	215,265,963	202,175,070	6.5
Parking³	8,281,595	8,205,319	0.9	99,711,007	96,265,393	3.6
Amusement	1,279,298	626,373	104.2	27,746,839	22,329,168	24.3
Other Miscellaneous⁴	318,744	294,967	8.1	4,378,342	4,031,492	8.6
Beverage	6,489,369	6,947,983	-6.6	76,968,988	77,290,439	-0.4
Total Taxes⁵	\$210,377,517	\$188,822,380	11.4%	\$3,619,027,957	\$3,378,703,046	7.1%

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