



Pennsylvania Intergovernmental Cooperation Authority

## Monthly Tax Revenue Update

CITY OF PHILADELPHIA

**August  
2019**

### City Sees Slight Increase in August Tax Collections Wage, Earnings, and Net Profits Decrease Month-Over-Month

#### August Tax Snapshots:



**Wage, Earnings, Net  
Profits (City)**  
**DOWN 4.2%**

**City Sales**  
**UP 25.1%**

**Real Estate Transfer**  
**DOWN 2.1%**

#### MONTH OF AUGUST COLLECTIONS

The City collected approximately \$215.0 million in General Fund tax revenue in August of FY2020, compared to \$211.0 million in August FY2019, an increase of approximately \$4.0 million, or 1.9 percent, according to preliminary figures. Several tax categories saw increases in collections compared to last August, such as the City sales, other miscellaneous, parking, and business income and receipts tax ("BIRT") taxes. The BIRT increased by \$6.9 million, and the City sales (25.1 percent) and other miscellaneous (15.2 percent) taxes increased by double digit percentages. However, several tax categories experienced decreases in collections, such as the amusement, realty transfer, and real estate taxes, as well as a rare decrease in the City portion of the combined wage, earnings, and net profits taxes.

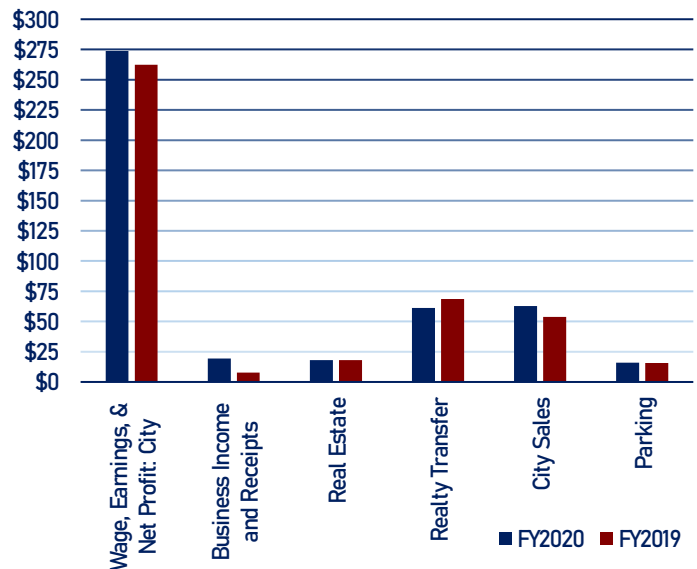
Notably, the amusement tax decreased by 70 percent, and the City its portion of the wage, earnings, and net profits taxes decrease by 4.2 percent. However, as most of these decreases were slight, the total collections for tax categories that saw increases outpaced the categories that decreased, ensuring month-over-month collections increased in August. Thus, the City experienced a second month of overall tax collections increases to begin the fiscal year.

Table 1: City of Philadelphia Tax Collections FY2020 vs. FY2019 <sup>1</sup>

Tax Type	August			Year-to-Date		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Wage, Earnings, & Net Profit: PICA and City	\$151,075,235	\$156,726,063	-3.6%	\$360,799,637	\$343,767,544	5.0%
Less: Wage, Earnings, & Net Profit: PICA Portion	36,498,397	37,121,071	-1.7%	87,072,288	81,405,772	7.0%
Wage, Earnings, & Net Profit: City Portion	114,576,838	119,604,992	-4.2%	273,727,349	262,361,772	4.3%
Business Income and Receipts Tax	9,132,832	2,267,450	302.8%	19,385,687	7,867,146	146.4%
Real Estate Tax	9,331,614	9,492,828	-1.7%	17,975,340	18,164,785	-1.0%
Realty Transfer Tax	30,029,610	30,659,446	-2.1%	61,218,694	68,623,870	-10.8%
City Sales Tax	34,822,318	27,846,715	25.1%	62,789,544	53,784,356	16.7%
Parking Tax <sup>3</sup>	8,133,388	7,615,927	6.8%	15,966,253	15,822,986	0.9%
Amusement Tax	2,009,429	6,743,124	-70.2%	3,510,579	9,224,453	-61.9%
Other Miscellaneous Taxes <sup>4</sup>	318,741	276,642	15.2%	637,320	528,257	20.6%
Philadelphia Beverage Tax	6,684,800	6,450,119	3.6%	13,495,368	13,537,043	-0.3%
<b>Total Taxes: City Portion<sup>5</sup></b>	<b>\$215,039,570</b>	<b>\$210,957,243</b>	<b>1.9%</b>	<b>\$468,706,134</b>	<b>\$449,914,668</b>	<b>4.2%</b>

Tax Type	Current Projected Growth	Year-to-Date Growth
Wage, Earnings & Net Profit: PICA and City	4.5%	5.0%
Wage, Earnings & Net Profit: PICA Portion	5.2%	7.0%
Wage, Earnings & Net Profit: City Portion	4.3%	4.3%
Business Income and Receipts	-1.2%	146.4%
Real Estate	0.2%	-1.0%
Realty Transfer	1.4%	-10.8%
City Sales	5.9%	16.7%
Parking <sup>3</sup>	2.1%	0.9%
Amusement	3.7%	-61.9%
Other Miscellaneous <sup>4</sup>	1.8%	20.6%
Beverage	-1.0%	-0.3%

Figure 1: Major Taxes: FY2020 vs. FY2019



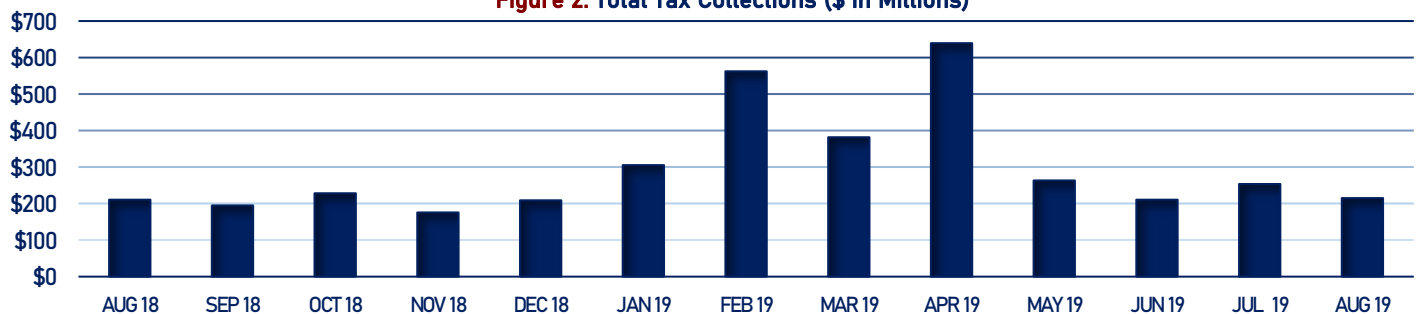
### YEAR TO DATE COLLECTIONS

The City collected \$468.7 million in taxes through the second month of FY2020, compared to \$449.9 over the same period last year, an increase \$18.8 million, or 4.2 percent. The City saw double digit increases in the BIRT (146.4%), other miscellaneous (20.6 percent), and City sales (16.7 percent) taxes, though collections this early in the fiscal year may not be indicative of full-year totals. Notable decreases were seen in the amusement (-61.9 percent) and realty transfer (-10.8 percent) taxes.

In terms of FY2020 projections, most tax categories met or exceeded the City's most recent assumptions, with the City portion of the wage, earnings, and net profits taxes thus far equaling the City's projection. Only the real estate, realty transfer, parking, and amusement taxes fell short of projections.

The City has projected a total of \$3.636 billion in tax revenue for FY2020, a 2.4 percent increase over the current unaudited actual total of \$3.552 billion. The City's most recent tax projections can be found in its Five Year Financial Plan for Fiscal Years 2020-2024. The City updates its tax projections on a quarterly basis with the release of its Quarterly City Managers Reports.

Figure 2: Total Tax Collections (\$ in Millions)



<sup>1</sup> Source: Preliminary and comparative revenue reports provided by Department of Revenue; General Fund only

<sup>2</sup> As projected in the City's *Five Year Financial Plan for Fiscal Years 2020-2024*

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

<sup>4</sup> Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes

<sup>5</sup> Does not include PICA portion