



Pennsylvania Intergovernmental Cooperation Authority

## Monthly Tax Revenue Update

CITY OF PHILADELPHIA

September  
2019

### Most Taxes See Increases in September Collections Year-to-Date Collections Ahead of Last Year by Five Percent

#### September Tax Snapshots:



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

City Sales  
**DOWN 5.7%**

Real Estate Transfer  
**UP 5.6%**

#### MONTH OF SEPTEMBER COLLECTIONS

The City collected approximately \$210.5 million in General Fund tax revenue in September of FY2020, compared to \$195.2 million in September FY2019, an increase of approximately \$15.3 million, or 7.8 percent, according to preliminary figures. Almost every tax category saw increases in collections compared to last September except the City sales, which decreased by almost \$840,000, or 5.7 percent. However, the business income and receipts tax (“BIRT”) increased by \$4.3 million (27.6 percent), and other miscellaneous by \$63,379 (25.6 percent)—both double digit increases, and the beverage tax saw a rare increase of \$250,962, or 3.8 percent. The City portion of the combined wage, earnings, and net profits taxes increased by over \$5 million, or 4.2 percent, and the real estate and realty transfer taxes increased by \$512,264 and \$1.1 million, or 7.9 percent and 5.6 percent, respectively.

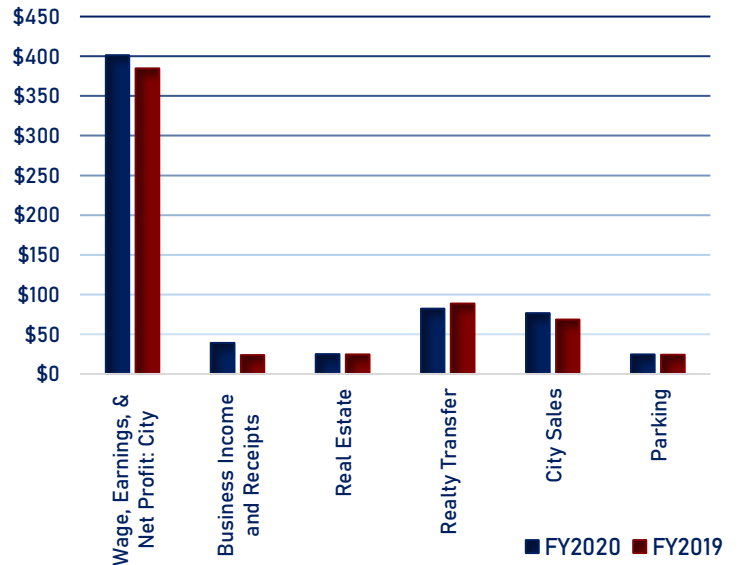
Notably, the amusement tax increased by \$4.3 million, or 432.7 percent, due to the later receipt of Eagles’ season ticket tax revenue, compared to last year. This increase, along with increases in almost every category, ensured month-over-month collections increased in September. Thus, the first three months of this fiscal year have all seen higher collections than the first three months of the previous year.

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

Tax Type	September			Year-to-Date		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Wage, Earnings, & Net Profit: PICA and City	\$168,596,130	\$160,185,086	5.3%	529,333,153	\$503,952,630	5.0%
Less: Wage, Earnings, & Net Profit: PICA Portion	41,163,934	37,913,666	8.6%	128,065,197	119,319,438	7.3%
Wage, Earnings, & Net Profit: City Portion	127,432,196	122,271,420	4.2%	401,267,956	384,633,192	4.3%
Business Income and Receipts Tax	20,096,339	15,751,961	27.6%	39,072,352	23,619,107	65.4%
Real Estate Tax	7,000,837	6,488,573	7.9%	24,907,352	24,653,358	1.0%
Realty Transfer Tax	21,169,644	20,044,245	5.6%	82,388,338	88,668,115	-7.1%
City Sales Tax	13,852,047	14,688,735	-5.7%	76,641,591	68,473,091	11.9%
Parking Tax <sup>3</sup>	8,602,763	8,186,280	5.1%	24,569,016	24,009,266	2.3%
Amusement Tax	5,235,293	982,817	432.7%	8,745,755	10,207,270	-14.3%
Other Miscellaneous Taxes <sup>4</sup>	310,979	247,600	25.6%	948,299	775,857	22.2%
Philadelphia Beverage Tax	6,816,823	6,565,861	3.8%	20,312,126	20,102,904	1.0%
<b>Total Taxes: City Portion<sup>5</sup></b>	<b>\$210,516,921</b>	<b>\$195,227,492</b>	<b>7.8%</b>	<b>\$678,852,785</b>	<b>\$645,142,160</b>	<b>5.2%</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%	7.3%
Wage, Earnings & Net Profit: City Portion	4.3%	4.3%
Business Income and Receipts	-1.2%	65.4%
Real Estate	0.2%	1.0%
Realty Transfer	1.4%	-7.1%
City Sales	5.9%	11.9%
Parking <sup>3</sup>	2.1%	2.3%
Amusement	3.7%	-14.3%
Other Miscellaneous <sup>4</sup>	1.8%	22.2%
Beverage	-1.0%	1.0%

Figure 1: Major Taxes: FY2020 vs. FY2019 (\$ in Millions)



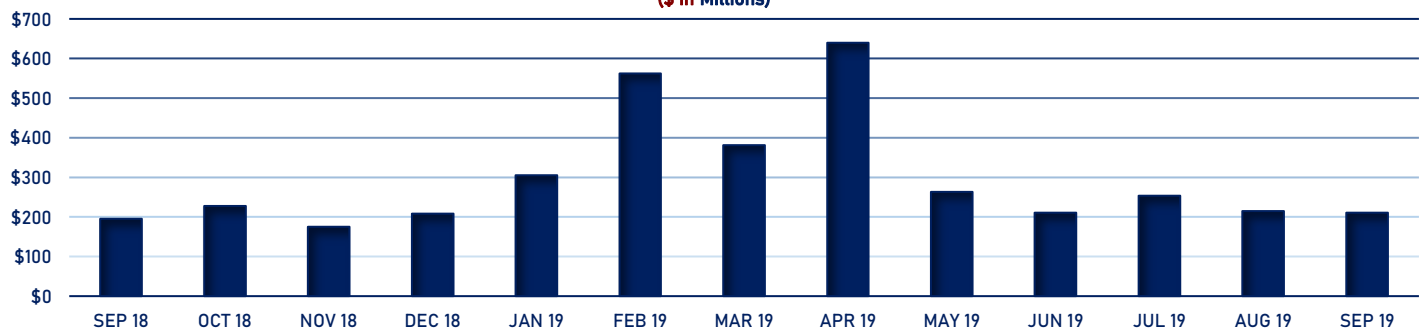
### YEAR-TO-DATE COLLECTIONS

The City has collected \$678.9 million in taxes through the third month of FY2020, compared to \$645.1 million over the same period last year, an increase \$33.7 million, or 5.2 percent. The City saw double digit increases in the BIRT (65.4%), other miscellaneous (22.2 percent), and City sales (11.9 percent) taxes, though collections this early in the fiscal year may not be indicative of full-year totals. The only decreases in collections thus far are in the amusement (-14.3 percent) and realty transfer (-7.1 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 realty transfer and amusement taxes fell short of projections, as shown in Table 2.

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