



Pennsylvania Intergovernmental Cooperation Authority

Monthly Tax Revenue Update

CITY OF PHILADELPHIA

**November
2019**

City's Strong FY2020 Tax Collections Continue in November Year-to-Date Collections Ahead of Last Year by \$77 Million

November Tax Snapshots:



Wage, Earnings, Net
Profits (City)

UP 8.0%

City Sales

UP 8.3%

Real Estate Tax

Down 4.0%

MONTH OF NOVEMBER COLLECTIONS

The City collected approximately \$192.7 million in General Fund tax revenue in November of FY2020, compared to \$175.5 million in November FY2019, an increase of approximately \$17.2 million, or 9.8 percent, according to preliminary figures. While only about half of the City's tax types saw increases, strong increases in the City portion of the wage, earnings, and net profits (\$8.8 million, or 7.8 percent), business income and receipts ("BIRT;" \$4.8 million, or 371.9 percent), and realty transfer (\$5.1 million, or 22.6 percent) taxes pushed collections to an almost double-digit increase, compared to November of last year. Conversely, the beverage tax fell by \$1.9 million, the amusement tax by \$415,566, and other miscellaneous taxes by \$102,114—all double digit decreases, representing relatively small amounts.

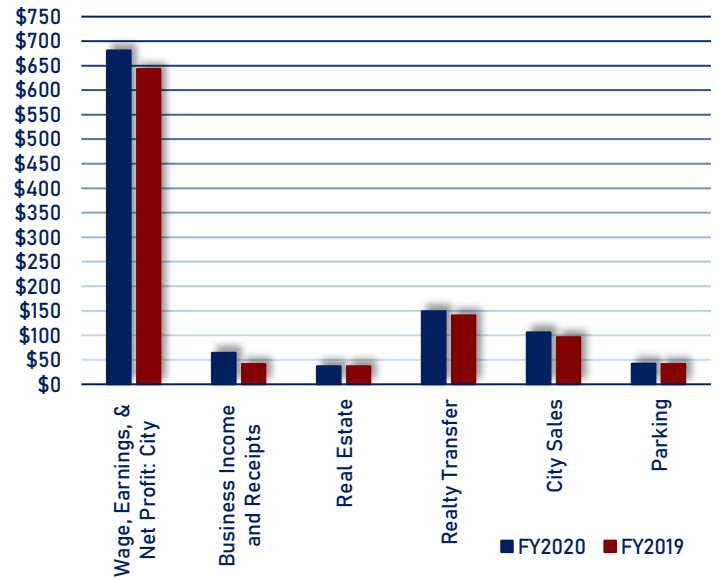
City tax revenue has increased in each month so far this fiscal year, with October and November seeing increases of around ten percent compared to the same months last year. The high increase in realty transfer tax revenue continues to reflect the City's strong real estate market, and the wage, earnings, and net profits growth reflects a recent national jobs report that showed recent increases in both jobs and wages. That report, combined with the City's strong tax revenue growth thus far indicate that the City and Nation continue to enjoy the benefits of the current economic expansion.

Table 1: City of Philadelphia Tax Collections FY2020 vs. FY2019 ¹

Tax Type	November			Year-to-Date		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Wage, Earnings, & Net Profit: PICA and City	\$160,423,581	148,514,624	8.0%	\$896,795,598	843,193,898	6.4%
Less: Wage, Earnings, & Net Profit: PICA Portion	38,197,043	35,113,361	8.8%	215,615,682	200,077,624	7.8%
Wage, Earnings, & Net Profit: City Portion	122,226,538	113,401,263	7.8%	681,179,916	643,116,274	5.9%
Business Income and Receipts Tax	6,151,251	1,303,394	371.9%	64,447,493	41,653,412	54.7%
Real Estate Tax	5,183,772	5,400,389	-4.0%	36,963,484	36,700,243	0.7%
Realty Transfer Tax	27,648,245	22,552,161	22.6%	148,742,689	140,396,082	5.9%
City Sales Tax	15,544,032	14,350,592	8.3%	106,028,489	96,146,793	10.3%
Parking Tax ³	8,876,837	8,946,028	-0.9%	41,932,228	41,100,468	2.0%
Amusement Tax	1,696,658	2,112,224	-19.7%	11,593,713	14,184,215	-18.3%
Other Miscellaneous Taxes ⁴	274,758	376,872	-27.1%	1,580,276	1,450,371	9.0%
Philadelphia Beverage Tax	5,066,614	7,024,762	-27.9%	33,055,567	33,731,975	-2.0%
Total Taxes: City Portion⁵	\$192,668,705	\$175,467,685	9.8%	\$1,125,523,855	\$1,048,470,833	7.3%

Tax Type	Current Projected Growth	Year-to-Date Growth
Wage, Earnings & Net Profit: PICA and City	4.4%	6.4%
Wage, Earnings & Net Profit: PICA Portion	4.1%	7.8%
Wage, Earnings & Net Profit: City Portion	4.5%	5.9%
Business Income and Receipts	-2.1%	54.7%
Real Estate	-0.8%	0.7%
Realty Transfer	2.7%	5.9%
City Sales	5.8%	10.3%
Parking ³	0.9%	2.0%
Amusement	3.7%	-18.3%
Other Miscellaneous ⁴	-27.8%	9.0%
Beverage	-1.3%	-2.0%

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



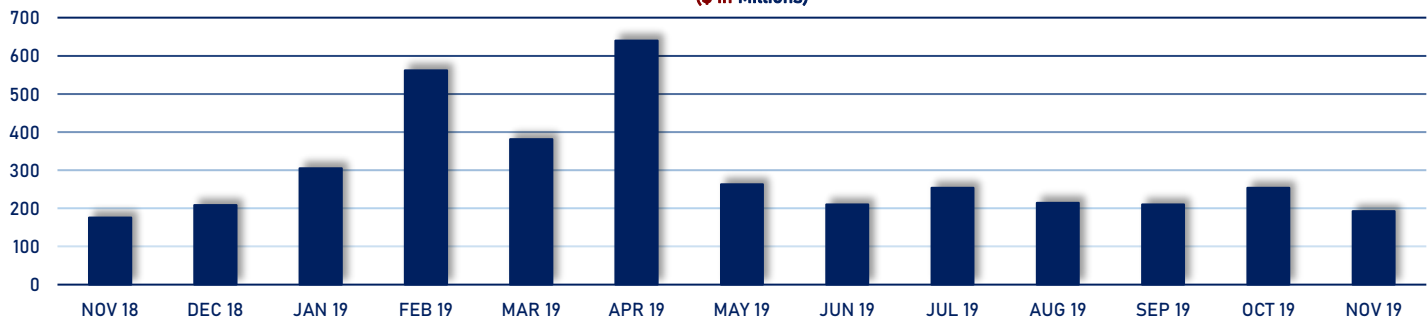
YEAR-TO-DATE COLLECTIONS

The City has collected \$1.126 billion in taxes through the fourth month of FY2020, compared to \$1.048 billion over the same period last year, an increase of \$77.0 million, or 7.3 percent, driven by the strong month-over-month revenue increases in every month so far this fiscal year. The City saw double digit increases in year-to-date BIRT (\$22.8 million, or 54.7%) and City sales (\$9.9 million, or 10.6 percent) tax revenue, though early to mid-year collections may not be indicative of full-year totals. The only year-to-date decreases were in the amusement (\$2.6 million, or -18.3 percent) and beverage taxes (\$676,408, or -2.0 percent).

Similarly, in terms of FY2020 projections, all tax categories except the amusement and beverage taxes met or exceeded the City's most recent assumptions; the beverage tax had shown 5.5 percent growth through October, but a considerable decrease of 27.9 percent in November offset that growth.

The City has projected a total of \$3.691 billion in tax revenue for FY2020, a 2.1 percent increase over the current unaudited actual FY2019 total of \$3.614 billion. The City's has recently updated its tax projections with the release of its Quarterly City Managers Report for the first quarter of FY2020 (period ending September 30, 2019, issued on November 15.

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



¹ Source: Preliminary and comparative revenue reports provided by Department of Revenue; General Fund only
² As projected in the City's *Quarterly City Managers Report for the Period Ending September 30, 2019*
³ Includes parking lot and valet taxes
⁴ Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes
⁵ Does not include PICA portion