



Pennsylvania Intergovernmental Cooperation Authority

Monthly Tax Revenue Update

CITY OF PHILADELPHIA

**December
2019**

December Tax Collections Increase by 21% Over Last Year
Year-to-Date Collections Ahead of Last Year by 10%

December Tax Snapshots:



**Wage, Earnings, Net
Profits (City)**

UP 6.2%

City Sales

UP 8.3%

Real Estate Tax

UP 43.5%

MONTH OF DECEMBER COLLECTIONS

The City collected approximately \$252.0 million in General Fund tax revenue in December of FY2020, compared to \$208.7 million in December FY2019, an increase of approximately \$43.3 million, or 20.8 percent, according to preliminary figures. Every major City tax type saw increases in December, as shown in Table 1, with the double-digit increase driven by strong increases in the City portion of the wage, earnings, and net profits (\$7.4 million, or 6.2 percent), business income and receipts ("BIRT;" \$18.0 million, or 140.3 percent), and realty transfer (\$3.8 million, or 14.5 percent) taxes, compared to December of last year. Additionally, the City sales tax increased by \$1.1 million, the amusement tax by \$1.2 million, and the beverage tax by \$1.4 million—or 8.3 percent, 114.8 percent, and 25.3 percent, respectively.

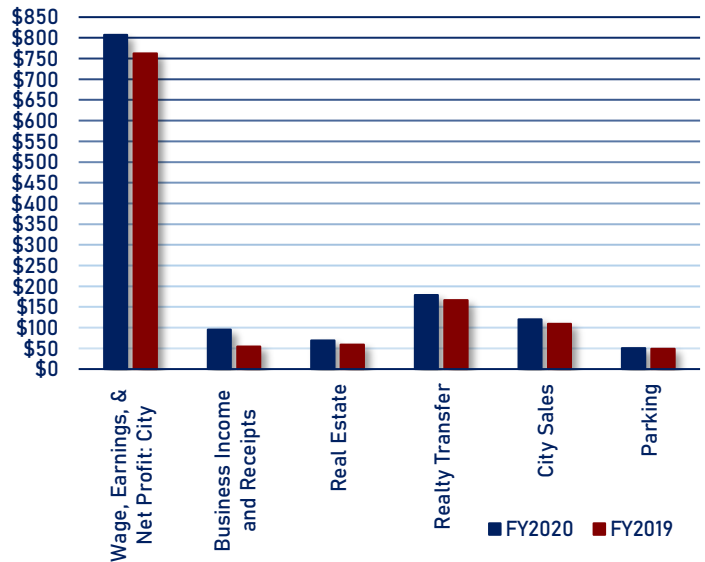
City tax revenue has increased in each month so far this fiscal year, with October, November, and December seeing increases of around ten percent or more compared to the same months last year. The high increases in real estate and realty transfer tax revenue continued in December, reflecting the City's strong real estate market, and business-related tax categories have also consistently come in higher than last year on a month-over-month basis. Overall, the December increase in total collections of over \$43 million is the highest increase of any month so far this fiscal year.

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

Tax Type	December			Year-to-Date		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Wage, Earnings, & Net Profit: PICA and City	\$166,179,321	\$160,661,679	3.4%	\$1,062,914,006	\$1,003,855,577	5.9%
Less: Wage, Earnings, & Net Profit: PICA Portion	39,625,479	41,512,514	-4.5%	255,560,609	241,590,140	5.8%
Wage, Earnings, & Net Profit: City Portion	126,553,842	119,149,165	6.2%	807,353,397	762,265,437	5.9%
Business Income and Receipts Tax	30,844,896	12,835,878	140.3%	95,237,375	54,489,289	74.8%
Real Estate Tax	32,035,526	22,322,958	43.5%	68,975,439	59,023,201	16.9%
Realty Transfer Tax	30,093,300	26,287,274	14.5%	178,835,989	166,683,356	7.3%
City Sales Tax	14,396,864	13,289,361	8.3%	120,425,353	109,436,154	10.0%
Parking Tax ³	8,480,136	7,895,602	7.4%	50,412,364	48,987,070	2.9%
Amusement Tax	2,167,337	1,008,803	114.8%	13,761,050	15,193,018	-9.4%
Other Miscellaneous Taxes ⁴	421,831	303,525	39.0%	2,002,107	1,753,896	14.2%
Philadelphia Beverage Tax	7,048,743	5,625,167	25.3%	40,104,310	39,357,142	1.9%
Total Taxes: City Portion	252,042,475	208,717,733	20.8%	1,377,107,384	1,257,188,563	9.5%

Tax Type	Current Projected Growth	Year-to-Date Growth
Wage, Earnings & Net Profit: PICA and City	4.4%	5.9%
Wage, Earnings & Net Profit: PICA Portion	4.1%	5.8%
Wage, Earnings & Net Profit: City Portion	4.5%	5.9%
Business Income and Receipts	-2.1%	74.8%
Real Estate	-0.8%	16.9%
Realty Transfer	2.7%	7.3%
City Sales	5.8%	10.0%
Parking ³	0.9%	2.9%
Amusement	3.7%	-9.4%
Other Miscellaneous ⁴	-27.8%	14.2%
Beverage	-1.3%	1.9%

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



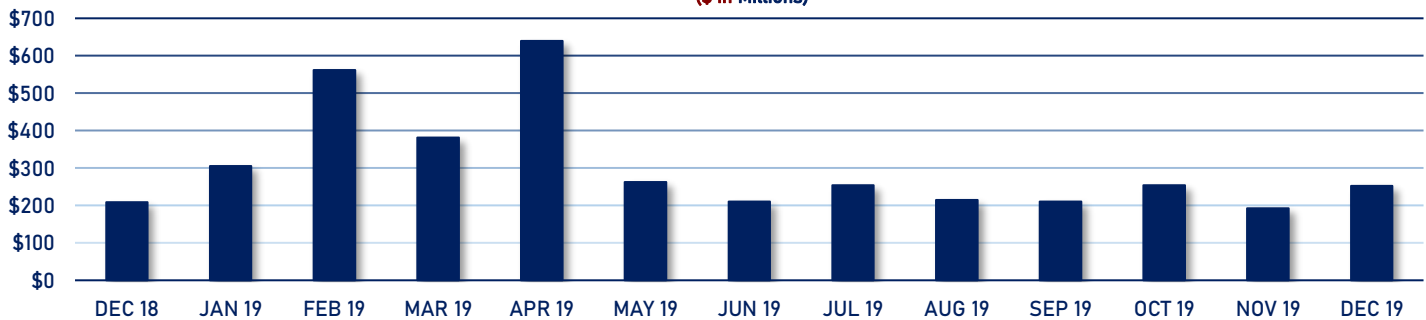
YEAR-TO-DATE COLLECTIONS

The City has collected \$1.377 billion in taxes through the fifth month of FY2020, compared to \$1.257 billion over the same period last year, an increase of \$120.0 million, or 9.5 percent, driven by the strong month-over-month revenue increases in every month this fiscal year. The City saw double digit increases in year-to-date BIRT (\$40.7 million, or 74.8 percent), real estate (\$10.0 million, or 16.9 percent), City sales (\$11.0 million, or 10.0 percent), and miscellaneous (\$248,211, or 14.2 percent) tax revenue, though mid-year collections may not be indicative of full-year totals. The only year-to-date decrease was in the amusement (\$1.4 million, or -9.4 percent) tax.

Similarly, in terms of FY2020 projections, all tax categories except the amusement tax met or exceeded the City’s most recent assumptions; notably, BIRT and the real estate tax collections are well ahead of the City’s projections, however BIRT collections tend to fluctuate throughout the year.

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 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).

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