



Pennsylvania Intergovernmental Cooperation Authority

Monthly Tax Revenue Update

CITY OF PHILADELPHIA

January
2020

January Tax Collections Increase by 6.3% Over Last Year
City Sees Increases in Every Month of FY2020

January Tax Snapshots:



Wage, Earnings, Net Profits (City)

UP 11.1%

City Sales

Down 4.5%

Real Estate Tax

UP 24.4%

MONTH OF JANUARY COLLECTIONS

The City collected approximately \$324.7 million in General Fund tax revenue in January of FY2020, compared to \$305.4 million in January FY2019, an increase of approximately \$19.3 million, or 6.3 percent, according to preliminary figures. About half of the City's major tax types saw increases in January, as shown in Table 1, with the overall increase driven by increases in the City portion of the wage, earnings, and net profits (\$24.4 million, or 11.1 percent), real estate (\$12.7 million, or 24.4 percent), parking (\$633,741, or 8.0 percent), other miscellaneous (\$355,158, or 40.5 percent) and beverage (\$184,214, or 3.0 percent) taxes, compared to January of last year. However, decreases in the business income and receipts ("BIRT;" \$9.3 million or 34.2 percent), realty transfer (\$3.2 million, or 12.7 percent), City sales (\$583,114, or 4.5 percent) and amusement (\$387,008, or 15.3 percent) taxes tempered these gains.

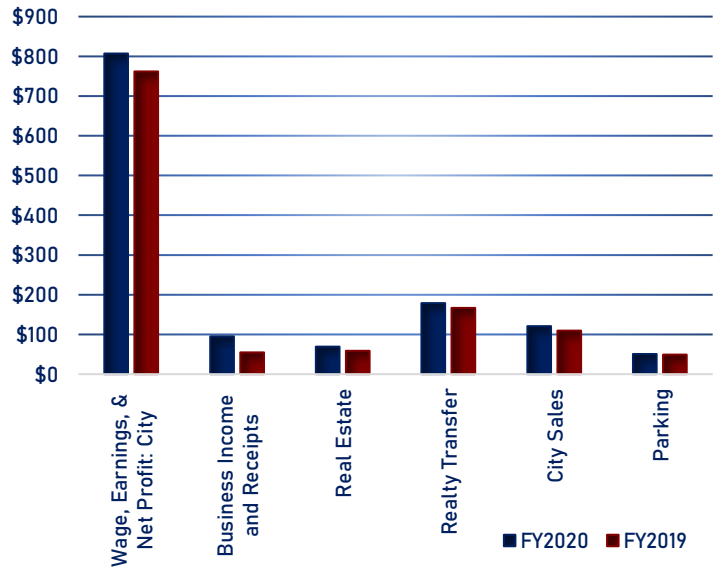
City tax revenue has continued to increase in each month so far this fiscal year. Notably, the City portion of the combined wage, earnings, and net profits taxes has increased in every month so far except August, and January is the first month since September in which the City sales tax has decreased, and the first month since July in which the realty transfer tax has decreased.

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

Tax Type	January			Year-to-Date		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Wage, Earnings, & Net Profit: PICA and City	\$248,411,053	\$224,048,819	10.9%	\$1,311,222,032	\$1,227,904,396	6.8%
Less: Wage, Earnings, & Net Profit: PICA Portion	59,195,096	53,765,004	10.1%	315,166,035	295,355,143	6.7%
Wage, Earnings, & Net Profit: City Portion	189,215,957	170,283,815	11.1%	996,055,997	932,549,253	6.8%
Business Income and Receipts Tax	17,939,927	27,247,272	-34.2%	112,880,258	81,736,561	38.1%
Real Estate Tax	64,930,393	52,203,643	24.4%	133,753,560	111,226,844	20.3%
Realty Transfer Tax	22,066,906	25,274,253	-12.7%	200,902,895	191,957,609	4.7%
City Sales Tax	12,293,554	12,876,668	-4.5%	132,718,907	122,312,822	8.5%
Parking Tax ³	8,563,633	7,929,892	8.0%	58,973,492	56,916,962	3.6%
Amusement Tax	2,134,679	2,521,687	-15.3%	15,895,729	17,714,705	-10.3%
Other Miscellaneous Taxes ⁴	1,231,147	876,019	40.5%	3,233,254	2,629,915	22.9%
Philadelphia Beverage Tax	6,356,337	6,172,123	3.0%	46,437,923	45,529,265	2.0%
Total Taxes: City Portion	\$324,732,533	\$305,385,372	6.3%	\$1,700,852,015	\$1,562,573,936	8.8%

Tax Type	Current Projected Growth	Year-to-Date Growth
Wage, Earnings & Net Profit: PICA and City	4.4%	6.8%
Wage, Earnings & Net Profit: PICA Portion	4.1%	6.7%
Wage, Earnings & Net Profit: City Portion	4.5%	6.8%
Business Income and Receipts	-2.1%	38.1%
Real Estate	-0.8%	20.3%
Realty Transfer	2.7%	4.7%
City Sales	5.8%	8.5%
Parking ³	0.9%	3.6%
Amusement	3.7%	-10.3%
Other Miscellaneous ⁴	-27.8%	22.9%
Beverage	-1.3%	2.0%

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



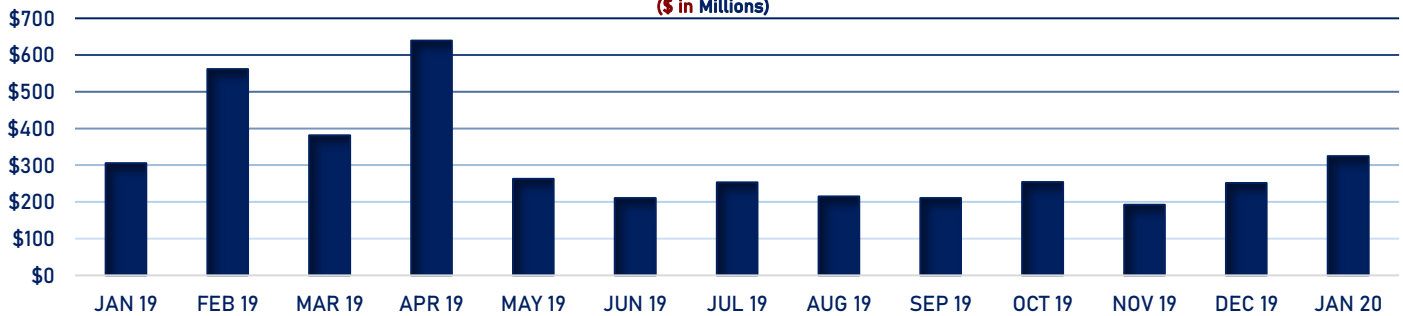
YEAR-TO-DATE COLLECTIONS

The City has collected \$1.701 billion in taxes through the seventh month of FY2020, compared to \$1.563 billion over the same period last year, an increase of \$138.3 million, or 8.8 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 (\$31.1 million, or 38.1 percent), real estate (\$22.5 million, or 20.3 percent), and other miscellaneous (\$603,339, or 22.9 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 (\$1.8 million, or -10.3 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 continue to be well ahead of the City's projections, however the due date for the BIRT is at the end of April so collections before that date may not be a good measure of what annual collections are likely to be.

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 will update its tax projections with the release of its Quarterly City Managers Report for the second quarter of FY2020 (period ending December 31, 2019), due out February 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