

**Pennsylvania Intergovernmental Cooperation Authority**

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**Monthly City of Philadelphia Tax Revenue Update**

April 2012

City General Fund tax collections in April were \$326.2 million, bringing the total for the first ten months of FY12 to \$2,094.8 million, a decline of 0.7 percent compared to the same period in FY11. Collections for the real estate transfer tax and sales tax continued to be relatively strong in April, increasing 25.2 percent and 2.0 percent, respectively, over April 2011. Real estate tax revenue is on pace to meet the FY12 estimate. Wage and earnings tax revenue increased \$29.1 million (24.3 percent) over April 2011, a much stronger performance than in recent months, although the increase in part reflects the timing of payments.

- Wage and earnings tax revenue (including both the City and PICA portions of the tax) was \$148.7 million in April, an increase of \$29.1 million (24.3 percent) from April 2011. Collections in April were the highest of any month since January 2011. Although a portion (approximately \$11 million) of the increase from April 2011 reflects timing of payments, the substantial growth in April is a significant improvement over recent trends; wage and earnings tax collections in the third quarter of FY12 declined 3.3 percent compared to the third quarter of FY11. Total collections for the first ten months of FY12 are \$1,280.1 million, an increase of \$25.8 million (2.1 percent) from FY11. The current FY12 estimate is \$1,516.7 million, an increase of 2.4 percent from the FY11 actual.
- Real estate tax collections were \$20.0 million in April, bringing the total for the first ten months of the fiscal year to \$485.1 million, an increase of \$8.6 million (1.8 percent) over the same period in FY11. The current projection for FY12 is \$491.5 million, an increase of 1.8 percent over the FY11 actual.
- Business income and receipts tax (BIRT) collections were \$145.5 million in April, bringing the total for the first ten months of the fiscal year to \$228.7 million, a decline of \$47.1 million (17.1 percent) from the same period in FY11. The current projection for FY12 is \$386.4 million, an increase of 2.5 percent from the FY11 actual. BIRT collections occur primarily in April and May, and the timing of receipts can vary from year to year. For this reason, it is not possible to assess whether actual collections are likely to meet projections until after the end of May.

- Net profits tax collections were \$5.3 million in April, bringing the total for the first ten months of the fiscal year to \$11.4 million, a decrease of \$8.2 million (41.9 percent) compared to the same period in FY11. The current projection for FY12 is \$19.7 million, a decline of 3.0 percent from the FY11 actual. Net profits tax collections, like business income and receipts tax collections, occur primarily in April and May. Because the timing of receipts can vary from year to year, it will not be possible to assess whether collections are on pace with current budget estimates until after May.
- April sales tax collections were \$20.1 million, an increase of \$0.4 million (2.0 percent) from April 2011. Total collections for the first ten months of FY12 are \$206.5 million, an increase of 0.8 percent from the same period in FY11. The April increase is the sixth consecutive monthly increase compared to the prior year, following declines from July through October. The current FY12 estimate is \$250.2 million, an increase of 2.3 percent from the FY11 actual. To meet this estimate, sales tax collections will have to continue at a relatively strong pace during the remainder of the fiscal year.
- Real estate transfer tax (RETT) collections were \$9.4 million in April, an increase of \$1.9 million (25.2 percent) over April 2011. Total collections for the first ten months of FY12 are \$97.7 million, an increase of 1.9 percent compared to the same period in FY11. While collections in July 2011 were \$9.7 million below the FY11 level, collections have been relatively strong since then, with monthly collections compared to last year increasing in seven of the last nine months. The current projection for FY12 is \$115.9 million, a decline of 0.7 percent from the FY11 actual.
- April parking tax collections were \$6.3 million, bringing the total for the first ten months of FY12 to \$59.7 million, a 1.1 percent increase compared to FY11. The current estimate for FY12 is \$74.3 million, an increase of 3.8 percent from the FY11 actual.
- Amusement tax collections in April were \$7.5 million, bringing the total for the first ten months of FY12 to \$19.4 million, a 2.4 percent decline compared to FY11. The current FY12 estimate is \$19.6 million, a decline of 5.5 percent from the FY11 actual.

**City of Philadelphia Tax Revenues through April 2012 (\$ in Millions)**

Tax	Monthly Total through April			Fiscal Year Total (Budget Basis)	
	FY11	FY12 (Preliminary)	Percent Change	FY11 Actual	FY12 Current Estimate
<b>Wage and Earnings<sup>1</sup></b>	\$1,254.4	\$1,280.1	2.1%	\$1,481.6	\$1,516.7
<i>Wage</i>	1,243.2	1,267.2	1.9%	--	--
<i>Earnings</i>	11.2	13.0	16.0%	--	--
<b>Net Profits<sup>1</sup></b>	19.6	11.4	-41.9%	20.3	19.7
<b>Real Estate<sup>2</sup></b>	476.6	485.1	1.8%	482.7	491.5
<b>Business Income and Receipts</b>	275.8	228.7	-17.1%	376.9	386.4
<b>Sales</b>	204.8	206.5	0.8%	244.6	250.2
<b>Real Estate Transfer</b>	95.8	97.7	1.9%	116.6	115.9
<b>Parking</b>	59.0	59.7	1.1%	71.6	74.3
<b>Amusement</b>	19.9	19.4	-2.4%	20.8	19.6
<b>Other</b>	2.3	2.6	12.6%	2.7	3.4
<b>Total</b>	2,408.2	2,391.2	-0.7%	2,817.8	2,877.6
<i>PICA Taxes</i>	298.7	296.5	-0.7%	358.7	355.9
<i>City General Fund Taxes</i>	2,109.5	2,094.8	-0.7%	2,459.1	2,521.6

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City Department of Revenue, available at [http://www.phila.gov/revenue/City\\_Monthly\\_Revenue.html](http://www.phila.gov/revenue/City_Monthly_Revenue.html), and preliminary revenue report for April 2012. FY11 actual and FY12 current estimate from *Mayor's Operating Budget in Brief for Fiscal Year 2013*, City of Philadelphia.

Notes:

<sup>1</sup> Includes portion dedicated to PICA.

<sup>2</sup> The rate of the City portion of the real estate tax increased from 3.305 percent in 2010 to 4.123 percent in 2011. The combined City and School District real estate tax rate increased from 8.264 percent to 9.082 percent.