



February 8, 2013

## City of Philadelphia Tax Revenue Update for January 2013

City General Fund tax collections were \$227.5 million in January, an increase of \$26.7 million (13.3 percent) from January 2012, according to the City's preliminary revenue report.<sup>1</sup> Through the first seven months of fiscal year 2013 (FY13), the City received \$1,149.2 million in tax revenue, an increase of 6.5 percent compared to same period in FY12. General Fund tax revenue is currently estimated at \$2,626.6 million for the full fiscal year, an increase of 2.2 percent from FY12. For three major taxes that are collected continuously through the year – wage and earnings, sales, and real estate transfer taxes – growth through January is at or above rates currently projected for the full fiscal year.<sup>2</sup> However, to meet current FY13 projections for these taxes will require that growth is maintained through the end of the fiscal year in June.

- Wage and earnings tax collections (including the City and PICA portion) totaled \$165.1 million in January, an increase of \$19.5 million (13.4 percent) from January 2012. Total collections through January were \$932.5 million, an increase of 5.3 percent compared to the same period in FY12. The current FY13 estimate is \$1,584.3 million, a 2.3 percent increase from the FY12 actual.
- Sales tax collections through January were \$147.7 million, an increase of 3.1 percent compared to the same period last fiscal year. The current FY13 estimate is \$259.3 million, an increase of 2.3 percent from the FY12 actual.
- Real estate transfer tax collections were \$12.9 million in January, an increase of \$3.5 million (37.8 percent) from January 2012. This is the fourth consecutive month of increased collections compared to the previous year. Total FY13 collections through

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<sup>1</sup> To promote comparability, this amount excludes \$12.1 million reported as January revenue by the City. This amount is primarily payments from mortgage companies that are currently classified as other revenue and will later be classified as real estate tax revenue.

<sup>2</sup> Growth through January of the parking and amusement taxes, which are also collected continuously through the year, is below the currently projected rate for the full year. For real estate, business income and receipts, and net profits taxes, which are collected primarily in the spring, collections data prior to March and April are not generally informative about likely collections for the full year. These taxes will be discussed in future reports.

January are \$82.7 million, a 16.7 percent increase from the same period in FY12. The current FY13 projection is \$124.5 million, a 4.3 percent increase from FY12.

- Parking tax collections through January were \$42.7 million, a 2.2 percent increase from last year. The current FY13 estimate is \$73.2 million, an increase of 3.1 percent over FY12.
- Amusement tax collections through January were \$8.7 million, a 2.9 percent decrease from FY12. The current FY13 estimate is \$22.1 million, a 0.7 percent increase from the FY12 actual.

Table 1: City of Philadelphia General Fund Tax Revenues: FY13 versus FY12 (\$ in Millions)							
Tax	Monthly Total through January			Fiscal Year Total (Budget Basis)			Percent Change through January Above/(Below) Fiscal Year Percent Change
	FY12	FY13 <sup>1</sup>	Percent Change	FY12 Unaudited Actual	FY13 Current Estimate	Percent Change	
<b>Wage and Earnings<sup>2</sup></b>	\$885.3	\$932.5	5.3%	\$1,548.6	\$1,584.3	2.3%	3.0%
<i>Wage</i>	878.7	927.2	5.5%				
<i>Earnings</i>	6.6	5.3	-18.7%				
<b>Net Profits<sup>2</sup></b>	4.5	4.2	-7.3%	20.4	20.8	1.7%	(9.0%)
<b>Real Estate</b>	85.5	92.9	8.6%	500.7	514.9	2.8%	5.8%
<b>Business Income and Receipts</b>	38.4	50.2	30.9%	389.4	398.0	2.2%	28.7%
<b>Sales</b>	143.2	147.7	3.1%	253.5	259.3	2.3%	0.8%
<b>Real Estate Transfer</b>	70.9	82.7	16.7%	119.4	124.5	4.3%	12.4%
<b>Parking</b>	41.7	42.7	2.2%	70.9	73.2	3.1%	(0.9%)
<b>Amusement</b>	9.0	8.7	-2.9%	21.9	22.1	0.7%	(3.6%)
<b>Other<sup>3</sup></b>	2.0	1.9	-3.0%	3.2	3.4	7.7%	(10.7%)
<b>Total</b>	1,280.5	1,363.5	6.5%	2,928.0	3,000.5	2.5%	4.0%
<i>PICA</i>	201.6	214.3	6.3%	357.5	373.8	4.6%	1.7%
<i>City</i>	1,078.9	1,149.2	6.5%	2,570.4	2,626.6	2.2%	4.3%

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City Department of Revenue, available at <http://www.phila.gov/revenue/citymonthlyrevcollections.html>, and preliminary revenue report for January 2013. FY12 unaudited actual from *Annual Financial Report* for FY12. FY13 current estimate from *Quarterly City Managers Report* for the period ending September 30, 2012.

Notes:

<sup>1</sup> Amounts are preliminary.

<sup>2</sup> Includes portion dedicated to PICA.

<sup>3</sup> To promote comparability, the FY13 monthly total through January excludes \$12.1 million in real estate tax revenues shown in the City's preliminary January revenue report as other revenue. This amount is primarily payments from mortgage companies that will later be classified as City and School District real estate tax revenues.

<b>Table 2: City of Philadelphia FY13 General Fund Tax Revenues Adopted Budget Versus Current Estimate (\$ in Millions)</b>				
<b>Tax</b>	<b>Adopted Budget</b>	<b>Current Estimate</b>	<b>Current Estimate Above/(Below) Adopted Budget</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Wage and Earnings<sup>1</sup></b>	\$1,567.8	\$1,584.3	\$16.5	1.1%
<b>Net Profits<sup>1</sup></b>	20.1	20.8	0.7	3.2%
<b>Real Estate</b>	514.9	514.9	--	--
<b>Business Income and Receipts</b>	394.9	398.0	3.1	0.8%
<b>Sales</b>	259.3	259.3	--	--
<b>Real Estate Transfer</b>	124.5	124.5	--	--
<b>Parking</b>	75.1	73.2	(2.0)	-2.6%
<b>Amusement</b>	22.1	22.1	--	--
<b>Other</b>	3.4	3.4	--	--
<b>Total</b>	2,982.2	3,000.5	18.2	0.6%
<i>PICA</i>	367.8	373.8	6.0	1.6%
<i>City</i>	2,614.4	2,626.6	12.2	0.5%

Source: Adopted budget amounts from *Mayor's Operating Budget in Brief for Fiscal Year 2013*.  
Current estimates from *Quarterly City Managers Report* for the period ending September 30, 2012.

Note:

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