



November 9, 2012

City of Philadelphia Tax Revenue Update for October 2012

City General Fund tax collections in October were \$148.4 million, a decline of \$4.4 million (2.9 percent) from October 2011. Collections through the first four months of fiscal year 2013 (FY13) were \$598.9 million, an increase of 0.05 percent compared to FY12. FY13 General Fund tax revenue is currently estimated at \$2,614.4 million, an increase of 1.7 percent from FY12. Wage and earnings taxes through October increased 0.4 percent compared to the same period in FY12; growth for the full fiscal year is currently projected at 1.2 percent. Sales tax revenue increased 5.0 percent through October, a pace above the currently projected 2.3 percent growth for FY13. Real estate transfer tax collections through October declined 2.1 percent, while the City currently projects growth of 4.3 percent for the full fiscal year for this revenue source.¹

The City notes in its preliminary revenue report for October that some receipts near the end of the month were delayed due to Hurricane Sandy. This delay could impact comparisons. In addition, the City's current official estimates of FY13 tax revenue are from the FY13-17 *Five-Year Financial Plan* and were prepared in August. These estimates may change later this month when the *Quarterly City Managers Report* for the first quarter of FY13 is published.

- Wage and earnings tax revenue (including the City and PICA portion) was \$123.7 million in October, a decline of \$8.6 million (6.5 percent) from October 2011. Total collections through October are \$499.6 million, an increase of 0.4 percent compared to the same period in FY12. The current FY13 estimate is \$1,567.8 million, a 1.2 percent increase from the FY12 actual.

¹ The other major General Fund taxes – real estate, business income and receipts, and net profits – are collected primarily in the spring. For these taxes, collections data for the early months of the fiscal year are not generally informative about the likely level of the collections for the full year. Collections for these taxes will be discussed in monthly reports later in the fiscal year.

- Sales tax collections through October were \$85.0 million, an increase of 5.0 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 (RETT) collections through October were \$44.3 million, a 2.1 percent decline from FY12. The current FY13 projection is \$124.5 million, an increase of 4.3 percent from FY12 actual revenue.
- Parking tax collections through October were \$24.6 million, a 0.1 percent decline from last year. The current FY13 estimate is \$75.1 million, an increase of 5.9 percent from the FY12 actual.
- Amusement tax collections through October were \$6.4 million, a 9.3 percent increase from FY12. The current FY13 estimate is \$22.1 million, a 0.7 percent increase from the FY12 actual.

City of Philadelphia General Fund Tax Revenues: FY13 versus FY12 (\$ in Millions)							
Tax	Monthly Total through October			Fiscal Year Total (Budget Basis)			Percent Change through October Above/(Below) Fiscal Year Percent Change
	FY12	FY13 ¹	Percent Change	FY12 Unaudited Actual	FY13 Current Estimate	Percent Change	
Wage and Earnings²	\$497.4	\$499.6	0.4%	\$1,548.6	\$1,567.8	1.2%	(0.8%)
<i>Wage</i>	493.7	496.5	0.6%				
<i>Earnings</i>	3.8	3.2	-16.5%				
Net Profits²	2.6	2.5	-4.0%	20.4	20.1	-1.5%	(2.5%)
Real Estate	26.0	26.2	0.8%	500.7	514.9	2.8%	(2.0%)
Business Income and Receipts	26.5	24.8	-6.3%	389.4	394.9	1.4%	(7.7%)
Sales	81.0	85.0	5.0%	253.5	259.3	2.3%	2.7%
Real Estate Transfer	45.3	44.3	-2.1%	119.4	124.5	4.3%	(6.4%)
Parking	24.6	24.6	-0.1%	70.9	75.1	5.9%	(6.0%)
Amusement	5.8	6.4	9.3%	21.9	22.1	0.7%	8.6%
Other	1.2	0.8	-30.2%	3.2	3.4	7.7%	(37.9%)
Total	710.5	714.3	0.5%	2,928.0	2,982.2	1.9%	(1.4%)
<i>PICA</i>	111.9	115.4	3.2%	357.5	367.8	2.9%	0.3%
<i>City</i>	598.6	598.9	0.0%	2,570.4	2,614.4	1.7%	(1.7%)

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City Department of Revenue, available at <http://www.phila.gov/revenue/citymonthlrevcollections.html>, and preliminary revenue report for October 2012. FY12 unaudited actual from *Annual Financial Report* for FY12. FY13 current estimate from *FY13-FY17 Five-Year Financial Plan* approved by PICA on September 5, 2012 and *Mayor's Operating Budget in Brief for Fiscal Year 2013*.

Notes:

¹ Amounts are preliminary.

² Includes portion dedicated to PICA.