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City of Philadelphia Tax Revenue Update
September 2012

City General Fund tax collections in September were \$148.0 million. Collections through the first three months of fiscal year 2013 (FY13) were \$450.5 million, an increase of 1.0 percent compared to the same period in FY12. The current estimate for total General Fund tax revenue is \$2,614.4 million in FY13, an increase of 3.0 percent from FY12. Wage and earnings tax collections through September increased 3.0 percent, slightly below the currently projected 3.4 percent growth rate for FY13. Sales tax collections for the first quarter were somewhat higher than the rate projected for FY13, while real estate transfer and parking tax collections in the first quarter increased at a rate below that projected for the full year.¹

As shown in Table 1, the wage and earnings tax base increased an estimated 3.0 percent in the first quarter of FY13. The real estate transfer tax base declined 11.9 percent in the first quarter, following two consecutive quarters of increases. The sales tax base increased 5.9 percent, the strongest result since the third quarter of FY08.

**Table 1: Major General Fund Tax Revenue Sources:
Estimated Year-over-Year Percentage Growth in Tax Base by Quarter¹**

Tax	FY11				FY12				FY13
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Wage and Earnings ²	2.8	3.7	4.1	2.0	0.7	2.1	(3.3)	8.6	3.0
Real Estate Transfer	31.5	(12.3)	(7.2)	(15.5)	(10.2)	(4.4)	24.3	5.9	(11.9)
Sales	3.2	2.9	5.5	5.1	(6.0)	3.3	5.4	1.5	5.9
Parking	(0.4)	1.6	3.0	(0.4)	3.2	(2.6)	4.1	3.8	(2.1)

Notes:

¹ The figures shown are PICA staff estimates based on monthly cash collections and past tax rates. The estimated tax “base” is equal to tax revenues divided by the tax rate in effect in each period. Negative amounts are shown in parentheses.

² Includes City and PICA portion.

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.

- Wage and earnings tax revenue (including the City and PICA portion) was \$119.6 million in September, an increase of \$9.3 million (8.4 percent) from September 2011. Total FY13 collections through September are \$375.9 million, an increase of 3.0 percent compared to the same period in FY12. The current FY13 estimate is \$1,567.8 million, an increase of 3.4 percent from the current FY12 estimate.
- Sales tax collections through September were \$65.2 million, an increase of 5.9 percent compared to the same period last fiscal year. The current FY13 estimate is \$259.3 million, an increase of 3.7 percent from the FY12 estimate.
- Real estate transfer tax (RETT) collections through September were \$31.7 million, an 11.9 percent decline from FY12. The current FY13 projection is \$124.5 million, an increase of 5.2 percent from the FY12 estimate.
- Parking tax collections through September were \$18.3 million, a 2.1 percent decline from last year. The current FY13 estimate is \$75.1 million, an increase of 2.5 percent from the FY12 estimate.
- Amusement tax collections through September were \$5.4 million, a 3.5 percent increase from FY12. The current FY13 estimate is \$22.1 million, a 2.0 percent increase from FY12.

Table 2: City of Philadelphia Tax Revenues: FY13 versus FY12 (\$ in Millions)							
Tax	Monthly Total through September			Fiscal Year Total (Budget Basis)			Percent Change through September Above/(Below) Estimated Fiscal Year Percent Change
	FY12	FY13 ¹	Percent Change	FY12 Current Estimate	FY13 Current Estimate	Percent Change Current Estimate	
Wage and Earnings²	\$365.1	\$375.9	3.0%	\$1,516.7	\$1,567.8	3.4%	(0.4%)
<i>Wage</i>	362.6	373.8	3.1%				
<i>Earnings</i>	2.5	2.1	-18.0%				
Net Profits²	1.8	1.4	-19.3%	19.7	20.1	2.1%	(21.4%)
Real Estate	20.5	20.8	1.3%	498.5	514.9	3.3%	(2.0%)
Business Income and Receipts	17.0	17.6	3.7%	391.4	394.9	0.9%	2.8%
Sales	61.6	65.2	5.9%	250.2	259.3	3.7%	2.2%
Real Estate Transfer	36.0	31.7	-11.9%	118.4	124.5	5.2%	(17.1%)
Parking	18.7	18.3	-2.1%	73.3	75.1	2.5%	(4.6%)
Amusement	5.2	5.4	3.5%	21.6	22.1	2.0%	1.5%
Other	1.0	0.7	-34.5%	3.4	3.4	0.9%	(35.4%)
Total	526.9	537.1	1.9%	2,893.1	2,982.2	3.1%	(1.2%)
<i>PICA</i>	81.0	86.5	6.8%	355.9	367.8	3.3%	3.4%
<i>City General Fund</i>	445.9	450.5	1.0%	2,537.1	2,614.4	3.0%	(2.0%)

Source: Monthly collections from *Comparative Statement of Net Revenue Collections*, City Department of Revenue, available at <http://www.phila.gov/revenue/citymonthllyrevcollections.html>, and preliminary revenue report for September 2012. FY12 and 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.