



Pennsylvania Intergovernmental
Cooperation Authority

**April Tax Collections Exceed
Last Year's**

**April Tax
Snapshots:**



Wage, Earnings, &
Net Profit: City Portion

DOWN 9.8%

Realty Transfer

UP 74.0%

City Sales

DOWN 5.2%

MONTH OF APRIL COLLECTIONS

The City collected approximately \$513.3 million in General Fund tax revenue in April of FY2021, compared to \$287.5 million in April FY2020, an increase of approximately \$225.7 million, or 78.5%. The considerable total monthly increase was driven by increases of \$102.6 million increase in the real estate and \$127.9 million in the business income and receipts ("BIRT") taxes. The primary driver for the significant increases is that the deadlines for remitting both taxes were extended to July last year due to the pandemic. Therefore, affecting comparability in month-over-month collections to prior years. For fiscal year 2021, the City followed the IRS lead and has delayed the remitting of the BIRT, and Net Profit taxes till May 17, 2021.

The realty transfer tax also increased considerably in April of FY 2021, as shown in Table 1, while real estate transactions ground to a halt last April as the COVID-19 Pandemic took hold. Finally, the parking and amusement taxes also increased by wide margins (\$1.0 million; 22.7% and \$486,464; 124.4%, respectively) in FY2021 as sports and other events resume; Philadelphia was under a stay-at-home order during the same period last year—driving these taxes down.

Table 1: City of Philadelphia Tax Collections FY2021 vs. FY2020

Tax Type	April			Year-to-Date		
	FY2021	FY2020	Change	FY2021	FY2020	Change
Wage, Earnings, & Net Profit: PICA and City	\$203,982,893	\$217,493,264	-6.2%	\$1,734,792,614	\$1,892,063,174	-8.3%
Less: Wage, Earnings, & Net Profit: PICA Portion	56,926,226	54,369,130	4.7%	441,215,449	464,318,320	-5.0%
Wage, Earnings, & Net Profit: City Portion ¹	147,056,667	163,124,134	-9.8%	1,293,577,165	1,427,744,854	-9.4%
Business Income and Receipts Tax (BIRT) ¹	197,279,241	69,419,279	184.2%	374,743,525	233,678,886	60.4%
Real Estate Tax ²	118,360,998	15,728,784	652.5%	713,654,504	682,374,132	4.6%
Realty Transfer Tax	25,143,293	14,446,766	74.0%	262,539,501	283,317,485	-7.3%
City Sales Tax	12,732,142	13,423,786	-5.2%	162,997,063	177,127,494	-8.0%
Parking Tax ³	5,498,160	4,482,276	22.7%	37,972,090	79,366,320	-52.2%
Amusement Tax	877,659	391,195	124.4%	1,417,331	19,870,659	-92.9%
Other Miscellaneous Taxes ⁴	226,917	226,151	0.3%	2,664,694	4,048,957	-34.2%
Philadelphia Beverage Tax	6,098,370	6,290,857	-3.1%	55,776,110	63,703,315	-12.4%
Total Taxes: City Portion	\$513,273,447	\$287,533,228	78.5%	\$2,905,341,983	\$2,971,232,102	-2.2%

¹ For comparability purposes, FY2021 YTD BIRT was adjusted to remove \$269.2 million that was collected in FY2021 due to the tax deadline extension but is attributable to FY2020

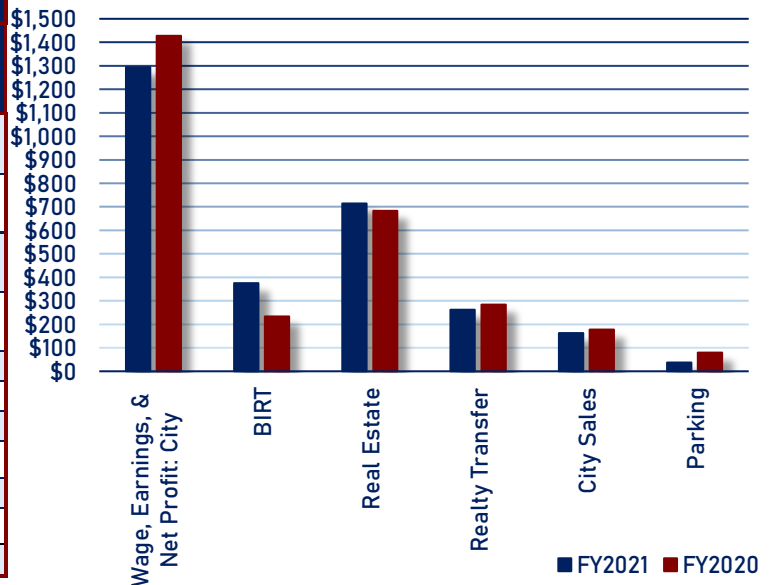
² The increase in the real estate tax is likely due to the elimination of the 1% early payment discount; as a result, the bulk of the collections occurred in April

³ Includes parking lot and valet parking taxes

⁴ Includes outdoor advertising, smokeless tobacco, and other miscellaneous taxes

Table 2: Tax Growth Projected vs. Year-to-Date ¹		
Tax Type	Current Projected Growth	Year-to-Date Growth
Wage, Earnings & Net Profit: PICA and City	-6.3%	-8.3%
Wage, Earnings & Net Profit: PICA Portion	-6.7%	-5.0%
Wage, Earnings & Net Profit: City Portion	-6.2%	-9.4%
Business Income and Receipts	-9.8%	60.4%
Real Estate	-3.5%	4.6%
Realty Transfer	-9.9%	-7.3%
City Sales	-0.1%	-8.0%
Parking ²	-40.9%	-52.2%
Amusement	-95.7%	-92.9%
Other Miscellaneous ³	-22.3%	-34.2%
Beverage	-9.9%	-12.4%

Figure 1: Major Taxes: FY2021 vs. FY2020 (\$ in Millions)



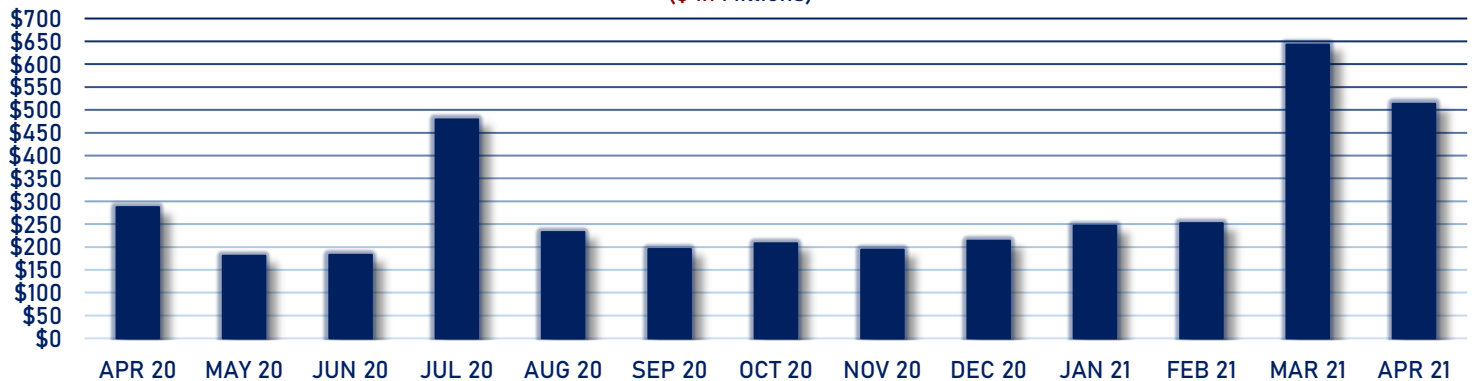
YEAR-TO-DATE COLLECTIONS

Total year-to-date adjusted tax collections (to reflect the FY2020 BIRT accrual; see Table 1 footnote) through April totaled \$2.905 billion compared to \$2.971 billion through the same month last year—a difference of \$65.9 million, or -2.2%. The only taxes to have increased thus far are the BIRT (again, the tax is being remitted earlier than last year) and real estate, most likely due to the elimination of the 1 percent early payment discount. Combined wage, earnings, and net profits taxes are still down by \$134.2 million, or 9.4%, and realty transfer, parking, and amusement taxes, while rebounding in April compared to last year, have still decreased by 7.3%, 52.2%, and 92.9%, respectively.

In terms of projections, most tax categories continue to underperform the City's estimates, with two months remaining in the fiscal year. City officials will adjust these projections in the next Quarterly City Managers Report, to be issued May 17, 2021.

The City has projected a total of \$3.289 billion in tax revenue for FY2021, 7.5% lower than the FY2020 total and almost \$40.8 million lower than its Five Year Plan projection. The current tax projections can be found in the City's [Quarterly City Managers Report for the Period Ending December 31, 2020](#), published on February 16, 2021.

Figure 2: Total Tax Collections (City) (\$ in Millions)



Sources: Preliminary and comparative revenue reports provided by Department of Revenue; General Fund only

¹ As projected by PICA using the City's five year plan estimate or most recent target budget estimate from the QCMR, and city's most recent prior year actual/estimated collections

² Includes parking lot and valet taxes

³ Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes