



Pennsylvania Intergovernmental Cooperation Authority

Year-to-Date Collections Higher Than Last Year's

May Tax Snapshots:



Wage, Earnings, & Net Profit: City Portion

UP 11.1%

Parking

UP 182.2%

Amusement

UP 128.3%

MONTH OF MAY COLLECTIONS

The City collected approximately \$344.5 million in General Fund tax revenue in May of FY2021, compared to \$178.6 million in May FY2020, an increase of approximately \$165.9 million, or 92.9%. The total monthly increase was driven by an \$120.8 million increase in the business income and receipts (“BIRT”) taxes. The deadline for remitting this tax was extended to July last year due to the pandemic, but was due May 17 this year. Thus, much of the tax was remitted in May this year, while a significant portion of the tax was remitted in later months last year. However, every other tax category showed increases in May as well, as the local economy begins to slowly come back from the Pandemic-induced recession.

Two examples of this are the parking and amusement taxes, which increased by wide margins (\$3.6 million; 182.2% and \$62,108; 128.3%, respectively) in May of FY2021, as sports venues resume full capacity, and events such as Philly Tech Week, Blue Cross River Rink Summer fest, and Dilworth Park programming return. The combined wage, earnings, and net profits taxes also increased, by \$11.6 million, or 11.1%, reflecting the high unemployment rate last May, and the improvement in that metric in the same month this year.

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

Tax Type	May			Year-to-Date		
	FY2021	FY2020	Change	FY2021	FY2020	Change
Wage, Earnings, & Net Profit: PICA and City	\$166,165,294	\$139,521,020	19.1%	\$1,894,606,496	\$2,031,584,196	-6.7%
Less: Wage, Earnings, & Net Profit: PICA Portion	50,218,349	35,132,248	42.9%	491,433,798	499,450,568	-1.6%
Wage, Earnings, & Net Profit: City Portion ¹	115,946,945	104,388,772	11.1%	1,403,172,698	1,532,133,628	-8.4%
Business Income and Receipts Tax (BIRT) ¹	147,668,186	26,883,492	449.3%	524,580,069	260,562,378	101.3%
Real Estate Tax ²	16,926,443	7,926,278	113.5%	729,266,064	690,300,410	5.6%
Realty Transfer Tax	26,841,641	14,964,177	79.4%	289,348,142	298,281,662	-3.0%
City Sales Tax	25,131,897	17,728,868	41.8%	188,128,960	194,856,362	-3.5%
Parking Tax ³	5,508,866	1,951,857	182.2%	43,477,590	81,318,177	-46.5%
Amusement Tax	110,513	48,405	128.3%	1,527,844	19,919,064	-92.3%
Other Miscellaneous Taxes ⁴	193,795	123,393	57.1%	2,858,489	4,172,350	-31.5%
Philadelphia Beverage Tax	6,214,604	4,592,305	35.3%	61,728,113	68,295,620	-9.6%
Total Taxes: City Portion	\$344,542,890	\$178,607,547	92.9%	\$3,244,087,969	\$3,149,839,651	3.0%

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

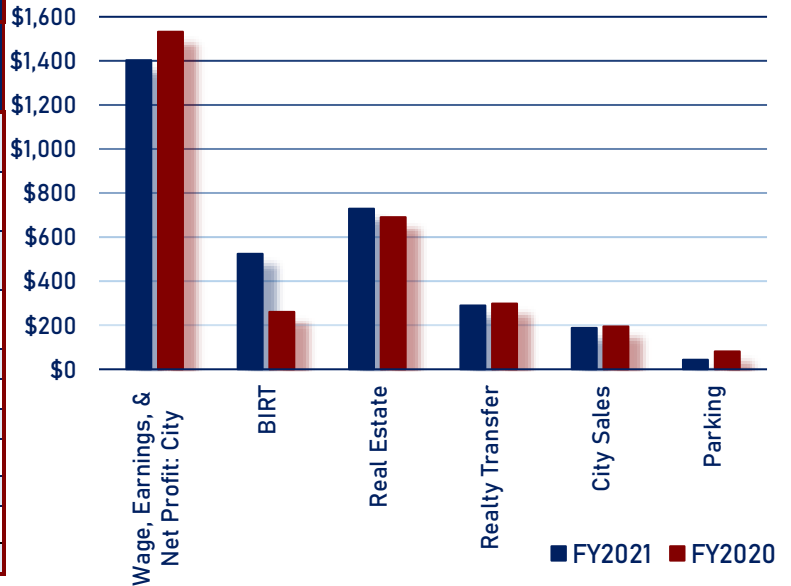
² The increase in the real estate tax is likely due to the elimination of the 1% early payment discount; as a result, the bulk of the collections occurred in May

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	-11.9%	-6.7%
Wage, Earnings & Net Profit: PICA Portion	-6.4%	-1.6%
Wage, Earnings & Net Profit: City Portion	-13.7%	-8.4%
Business Income and Receipts	-3.3%	101.3%
Real Estate	1.9%	5.6%
Realty Transfer	-6.4%	-3.0%
City Sales	2.5%	-3.5%
Parking ²	-33.4%	-46.5%
Amusement	-87.7%	-92.3%
Other Miscellaneous ³	-22.3%	-31.5%
Beverage	-9.9%	-9.6%

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



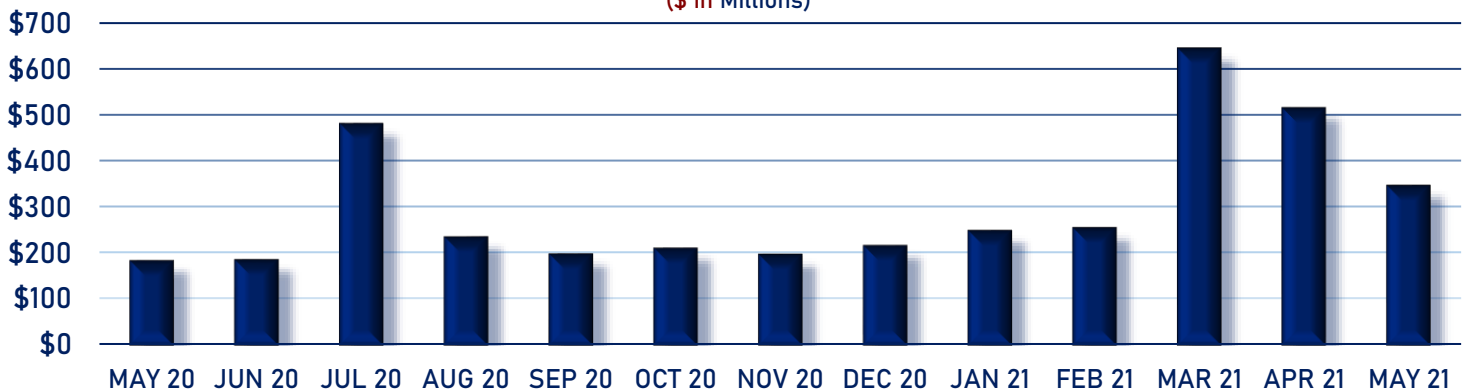
YEAR-TO-DATE COLLECTIONS

Total year-to-date adjusted tax collections (see Table 1 footnote¹) through May totaled \$3.244 billion compared to \$3.150 billion through the same month last year, an increase of \$94.2 million, or 3.0%—representing the first time year-to-date collections in FY2021 have eclipsed last year’s collections. The only taxes to have increased overall are still the BIRT (again, the tax is being remitted earlier than last year) and real estate, in part due to the elimination of the 1 percent early payment discount. Combined wage, earnings, and net profits taxes are still down by \$129.0 million, or -8.4%. However, while all other taxes are still down compared to last year, the previously wide margins between this and last year’s collections are finally slowly improving.

In terms of projections, only sales, parking, amusement, and other miscellaneous taxes continue to underperform the City’s estimates—with one month remaining in the fiscal year—after the most recent adjustment in tax projections published in the third quarter Quarterly City Managers Report (see below paragraph).

The City has projected a total of \$3.727 billion in tax revenue for FY2021, 8.0% lower than the FY2020 total and almost \$74.0 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 March 31, 2021](#), published on May 17, 2021.

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



Sources: Preliminary and comparative revenue reports provided by Department of Revenue; General Fund only
¹As 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
²Includes parking lot and valet taxes
³Includes outdoor advertising, smokeless tobacco, and miscellaneous taxes