

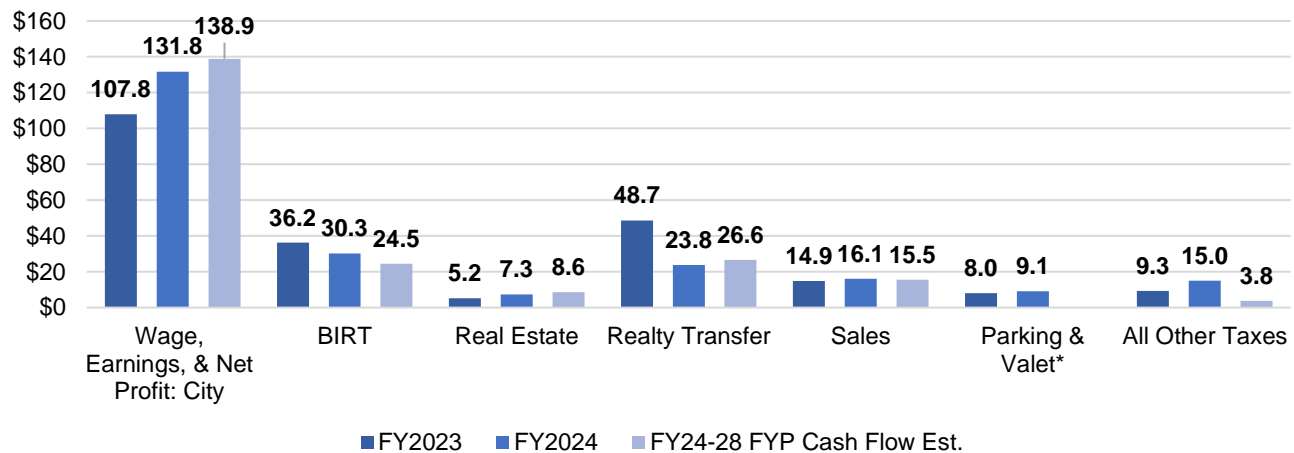
Monthly Tax Revenue Update – September FY2024

Excluding Parking Tax, September Revenues up \$3 Million from FY2023

September Key Takeaways

- Total September collections roughly even with FY2023 without Parking revenue
- Year-to-date growth ahead of full year growth projections for wage, earnings, and net profits taxes, BIRT, sales, amusement, & beverage
- Realty Transfer Tax collections only 75.2% of expected through September (based on the City’s cash flow estimates)

Figure 1: September Collections: FY2024 vs FY2023
(\$ in Millions)



*Parking and Valet Taxes were moved from the General Fund to the Transportation Fund beginning in FY2024

Month of September Collections

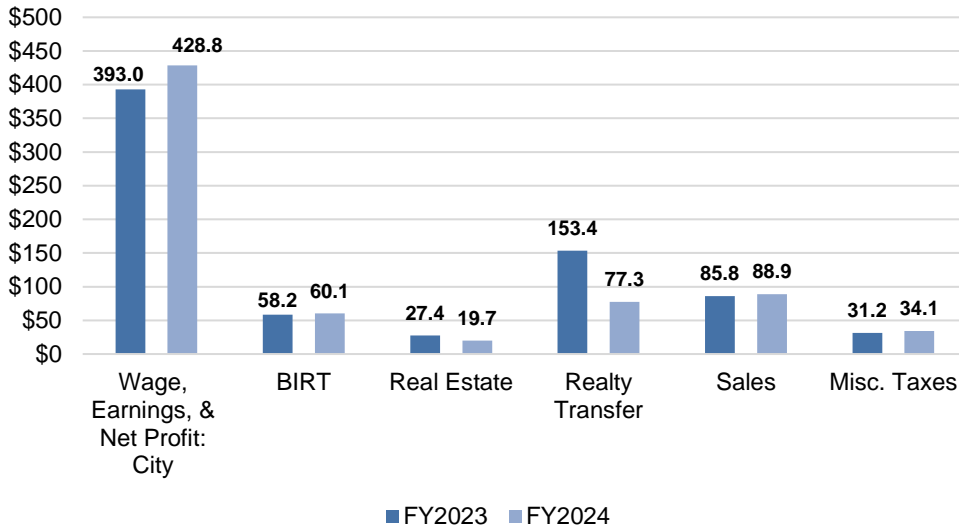
The City collected approximately \$224.3 million in General Fund tax revenue in September FY2024, compared to \$230.3 million in September FY2023. September FY2024 collections were \$3.1 million or 1.3% higher when compared to September FY2023 collections minus Parking and Valet Tax revenue. Realty Transfer Tax (RTT) receipts for September FY2024 were \$24.9 million lower than in September FY2023. Although a decline in RTT revenue was anticipated, September collections fell short of the City’s cash flow estimates by \$2.8 million, or 10.6%. BIRT collections were \$6 million lower than last September, but \$5.8 million above FY2024 cashflow estimates. The majority of BIRT and Real Estate tax revenues are received in the spring.

Six of the eleven General Fund tax categories saw increases in September compared to last year: the City portion of the wage, earnings, and net profits taxes (\$23.9 million; 22.2%); amusement (\$5.3 million; 242.4%); real estate (\$2.1 million; 39.3%); sales (\$1.2 million; 8.2%); other taxes (\$657,548; 1,312.9%); and beverage (\$84,180; 1.3%), as shown in Table 1. The other five categories saw decreases: realty transfer (\$24.9 million; 51.1%); BIRT (\$6 million; 16.5%); construction impact (\$260,635; 47.2%); outdoor advertising (\$58,421; 16.2%); and tobacco (\$2,119; 74.7%). These figures are preliminary and year-to-year comparisons vary (see Figure 4) for several reasons, including timing issues.

Year-to-Date Collections

The City collected \$709 million through September of FY2024 compared to \$773.1 million collected over the same period last year, a decrease of \$64.1 million, or 8.3%, according to preliminary collections. The transfer of parking tax revenue out of the General Fund is responsible for \$24.2 million of the year-to-date decrease. Six categories have seen year-to-date decreases: realty transfer (\$76.1 million; 49.6%), real estate (\$7.7 million; 28.2%), other taxes (\$357,182; 277.3%), construction impact (\$301,417; 42.2%), outdoor advertising (\$48,461; 5.5%), and tobacco (\$43,728; 86.7%). The other five tax categories have seen year-to-date increases: the City portion of the wage, earnings, and net profits taxes (\$35.8 million; 9.1%), sales (\$3.2 million; 3.7%), amusement (\$2.5 million, 21.1%), BIRT (\$1.9 million; 3.3%), and beverage (\$1.2 million; 7.0%).

Figure 2: Year-to-Date Collections: FY2024 vs. FY2023
(\$ in Millions)



Estimates vs. Collections

The City includes month-by-month cash flow estimates for various revenue sources in the Five-Year Plan. Figure 3 shows how selected revenue streams have performed compared to year-to-date cash flow estimates. The City's total collections through September are just 3.8%, or \$27.9 million, short of the cash flow estimates included in the adopted Five-Year Plan. The City portion of Wage, Earnings, and Net Profits revenues are 2.8%, or \$12.6 million, short of estimates, while Sales revenues through September are 1.0%, or \$900,000 higher. Through September, Realty Transfer Tax receipts are 26.8%, or \$25.4 million, below estimates due to the slowing of housing market transactions in conjunction with higher mortgage interest rates.

Figure 3: Percent of Estimated Year-to-Date Revenue by Source - September FY2024

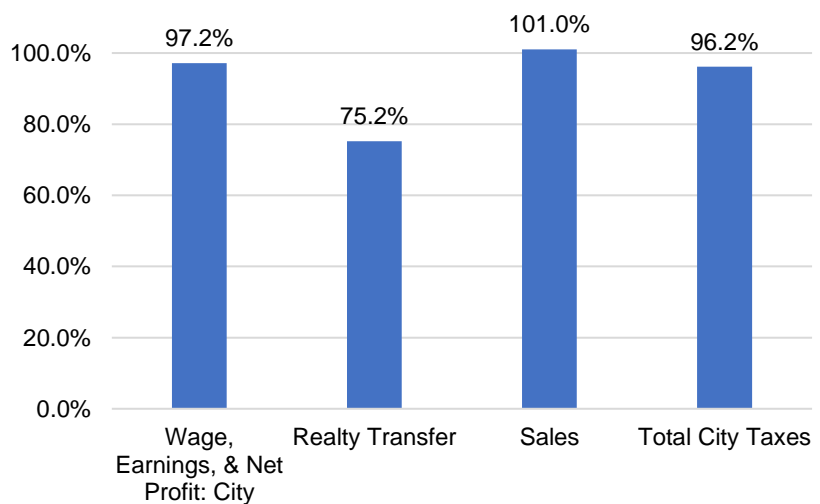
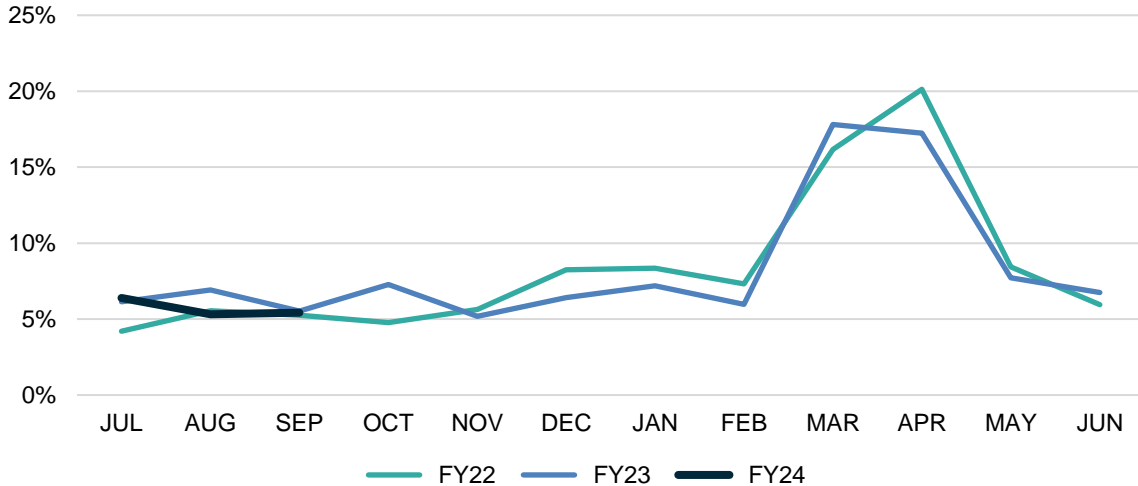


Figure 4: Percent of Revenue Collected FY22-FY24



FY2022-FY2024 Revenue Trends

FY2024 September tax collections increased from September FY2022 by \$10.6 million, or 5%. The City portion of the wage, earnings, and net profits taxes (\$11.1 million; 9.2%), amusement (\$5.2 million; 234.4%), real estate (\$2 million; 38.7%), other taxes (\$591,564; 3,720.5%), realty transfer (\$543,538; 2.3%), construction impact (\$291,199), and tobacco (\$489; 214.5%) increased over FY2022. Four of the eleven categories saw decreases in FY2024 compared to FY2022: BIRT (\$1.7 million; 5.4%), beverage (\$235,902; 3.6%), sales (\$168,655; 1%), and outdoor advertising (\$20,150; 6.3%).

Year-to-date revenue is up from FY2022 by \$97.9 million, or 16 percent. All but two of the tax categories show year-to-date increases from FY2022, with beverage (\$1.9 million; 9.3%) and other taxes (\$244,252) being the exceptions.

In terms of the percent of revenue collected in the month of September, 5.4% of projected revenue was collected this month, as shown in Figure 4. This is slightly more than September FY2022, in which 5.2% of total revenue was collected, but slightly behind September FY2023, in which 5.5% of estimated total revenue was collected.

Appendix

Table 1: City of Philadelphia September Tax Collections FY2022-FY2024			
Tax Type	FY2022	FY2023	FY2024
PICA and City Wage, Earnings, & Net Profit	\$162,335,858	\$148,383,375	\$180,248,546
Less: PICA Wage, Earnings, & Net Profit	41,687,508	40,537,534	48,491,017
City Wage, Earnings, & Net Profit	120,648,350	107,845,841	131,757,529
Business Income and Receipts Tax (BIRT)	31,976,151	36,245,313	30,261,265
Real Estate	5,266,273	5,242,559	7,302,472
Realty Transfer	23,237,147	48,668,705	23,780,685
City Sales	16,317,889	14,923,648	16,149,234
Amusement	2,230,208	2,178,155	7,457,702
Tobacco	228	2,836	717
Outdoor Advertising	321,778	360,049	301,628
Construction Impact	-	551,834	291,199
Beverage	6,583,207	6,263,125	6,347,305
Other	15,900	(50,084)	607,464
Total Taxes: City Portion	\$213,644,430	\$230,267,605	\$224,257,200

Table 2: Estimated vs. Actual Tax Revenue Year-to-Date				
Tax Type	Estimated Revenue	Actual Revenue	Difference: Over / Under	Percent of Estimated Revenue Collected
PICA and City Wage, Earnings, & Net Profit	\$591.3	\$588.2	-\$3.1	99.5%
Less: PICA Wage, Earnings, & Net Profit	149.9	159.4	9.5	106.3%
City Wage, Earnings, & Net Profits	441.4	428.8	-12.6	97.2%
Realty Transfer	102.7	77.3	-25.4	75.2%
Sales	88	88.9	0.9	101.0%
Business Income and Receipts	42.5	60.1	17.6	141.4%
Real Estate	31.4	19.7	-11.7	62.8%
Beverage	19.4	18.6	-0.8	95.7%
All Other Taxes	11.5	15.6	4.1	135.3%
Total Taxes: City Portion	\$736.9	\$709.0	-\$27.9	96.2%

Table 3: City of Philadelphia Year-to Date Tax Collections FY2022-FY2024			
Tax Type	FY2022	FY2023	FY2024
PICA and City Wage, Earnings, & Net Profit	\$471,895,808	\$536,876,431	\$588,240,505
Less: PICA Wage, Earnings, & Net Profit	125,651,477	143,855,423	159,400,977
City Wage, Earnings, & Net Profit	346,244,331	393,021,009	428,839,528
Business Income and Receipts Tax (BIRT)	49,577,722	58,198,096	60,100,493
Real Estate	19,975,199	27,444,395	19,716,165
Realty Transfer	62,633,488	153,353,969	77,272,508
City Sales	82,259,836	85,750,558	88,916,563
Amusement	8,635,538	12,005,741	14,542,861
Tobacco	6,092	50,414	6,686
Outdoor Advertising	804,351	877,667	829,206
Construction Impact	-	713,991	412,574
Beverage	20,462,788	17,352,892	18,560,674
Other	15,900	128,830	(228,352)
Total Taxes: City Portion	\$611,055,275	\$773,105,785	\$708,968,906