

November Tax Revenues \$200 million, down \$6M (3%) from FY23¹

November Key Takeaways

- Due to refund issuances, BIRT saw a loss of \$9M, a \$20M decrease from last year.
- At \$35M, Sales Tax was especially high this month, as expected, due to timing of receipts.
- Total City tax collections were 99% of cash flow estimates.

Figure 1: November Collections: FY23 vs FY24
(USD, Millions)

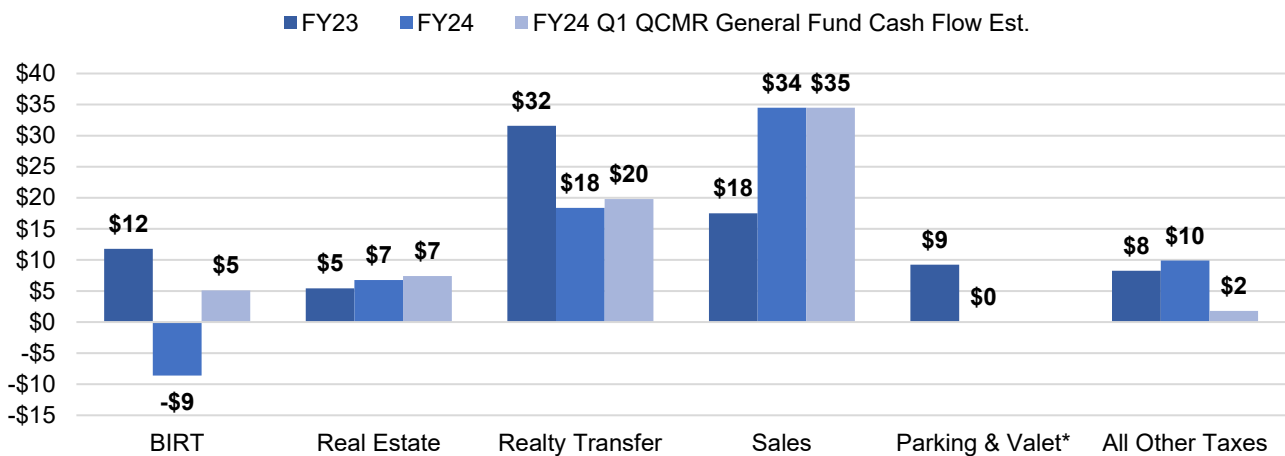
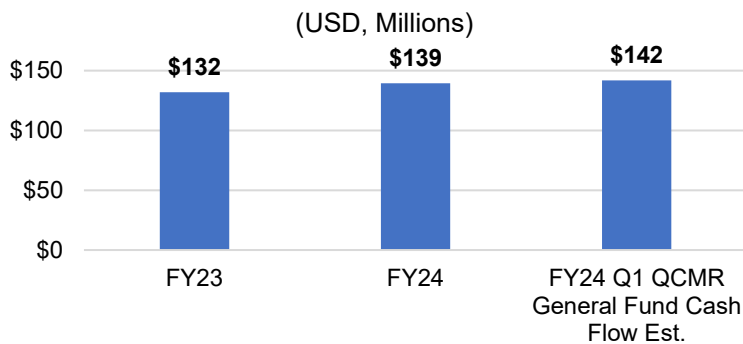


Figure 2: City Wage, Earnings, & Net Profits November Collections: FY23 vs. FY24
(USD, Millions)



PICA Tax collections were \$51M in November, bringing the year-to-date total to \$277M. This is more than November 2023, when the PICA Tax generated \$47M. The FY24 estimate for total PICA Tax collections is \$675M.

¹ Excludes Parking Tax comparison, as Parking Taxes moved to the Transportation Fund in FY24

Month of November Collections

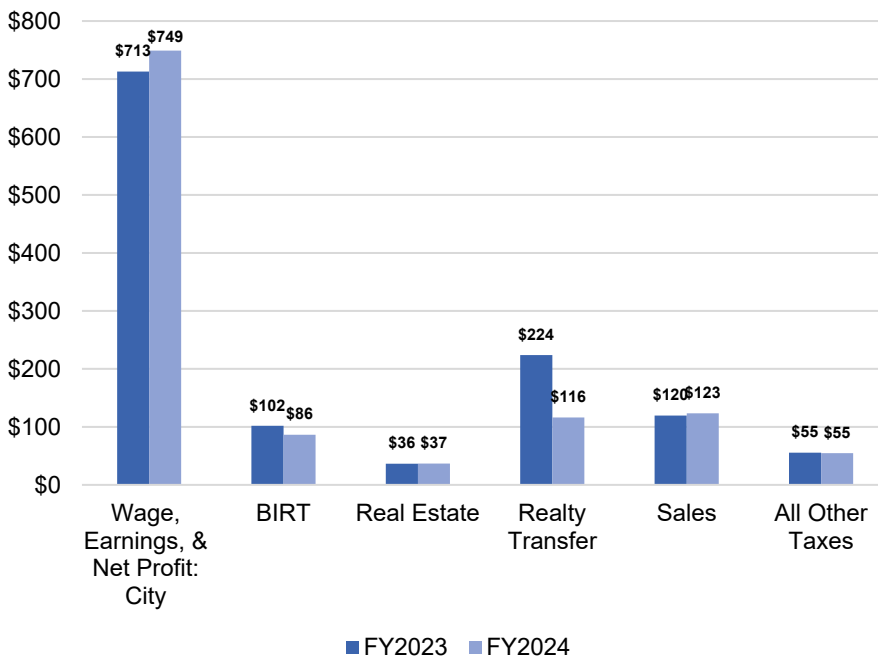
The City collected approximately \$200M in General Fund tax revenue in November FY24, compared to \$216M in November FY23. While some reduction is expected as Parking Taxes shifted to the new Transportation Fund in FY24, November FY24 collections were \$6M or 3% lower when compared to November FY23 collections when excluding those from the comparison. Most of the decrease is due to Business Income & Receipts (BIRT) refunds that were issued this month, resulting in a \$20M decrease from November FY23. Realty Transfer (RTT) receipts for November FY24 were also \$13M lower than in November FY23 but are consistent with the cash flow estimate, which was updated contemporaneously with lowered expectation for lower RTT collections in FY24.

Five of the eleven General Fund tax categories saw increases in November compared to last year, including: Sales (\$17M; 97%), Wage, Earnings, and Net Profits (\$8M; 6%), Amusement (\$2M; 123%), and Real Estate (\$1M; 25%). These figures are preliminary and year-to-year comparisons vary (see Figure 5) for several reasons, including timing issues.

Year-to-Date Collections

The City collected \$1.2B through November of FY24, compared to \$1.3B collected over the same period last year, a decrease of \$125M, or 10%, according to preliminary collections. The transfer of parking tax revenue out of the General Fund is responsible for \$41M of the year-to-date decrease. Seven categories have seen year-to-date decreases, the most significant of which have been RTT (\$108M; 48%) and BIRT (\$15M; 15%), although until annual payments, due in April, it is too early to assess the full-year implications for BIRT. Four tax categories have seen year-to-date increases: the City portion of the Wage, Earnings, and Net Profits Taxes (\$36M; 5%), Amusement (\$6M; 36%), Sales (\$4M; 3%), and Real Estate (\$0.4M; 1%).

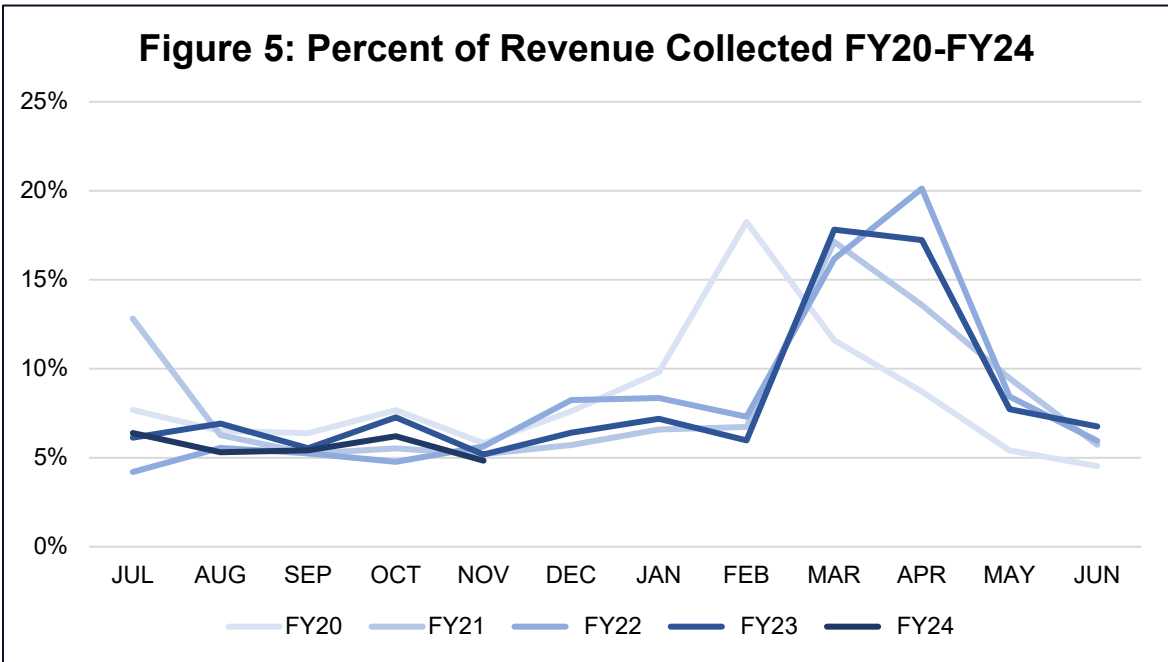
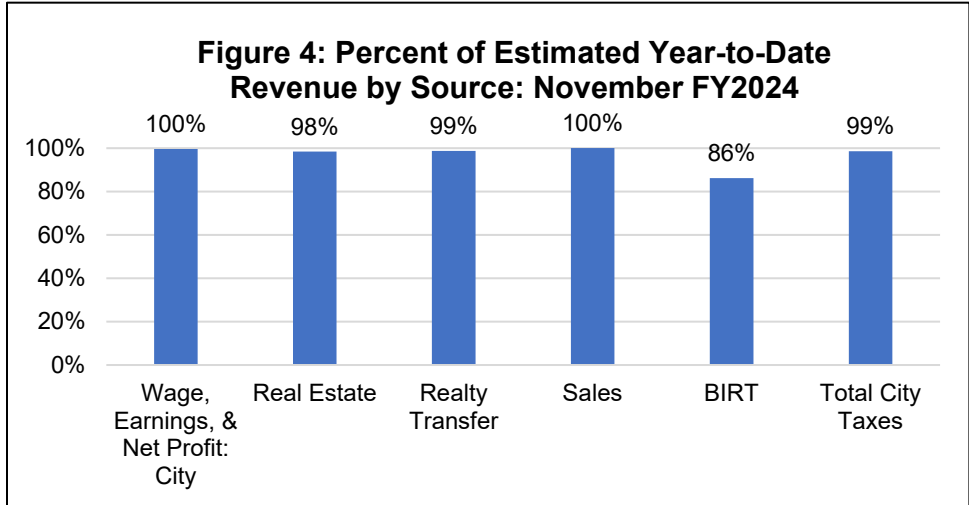
Figure 3: Year-to-Date Collections: FY24 vs. FY23
(USD, Millions)



Estimates vs. Collections

The City includes month-by-month cash flow estimates for various revenue sources in the Five-Year Plan. Although not budget estimates, they are useful in assessing if the year is unfolding as expected.

These figures were updated in the Q1 QCMR based on first quarter collections. Except for BIRT, the City's collections through November are on track with the cash flow estimates.



FY20 — FY24 Revenue Trends

Although November of FY21 and FY22 were affected by the COVID-19 pandemic, November FY24 remains slightly ahead of pre-pandemic tax collections, even with the Parking Tax moved out of the General Fund. In November FY20, \$192M was collected.

In terms of the percentage of revenue collected in the month of November, 4.8% of FY24 projected revenue was collected this month, as shown in Figure 5. This is less than November FY20-23, which all had collections above 5.2% of projected revenue.

Note on Timing

Monthly revenue receipts in isolation can reflect significant timing anomalies in comparison to prior periods. Reported monthly increases and decreases, while helpful in suggesting areas for ongoing monitoring, should be understood as less meaningful than revenue trends over a quarter or fiscal year.

Appendix

Tax Type	FY22	FY23	FY24
PICA and City Wage, Earnings, & Net Profit	191,491,897	178,678,063	190,456,655
Less: PICA Wage, Earnings, & Net Profit	46,865,781	46,826,884	51,072,445
City Wage, Earnings, & Net Profit	144,626,116	131,851,179	139,384,210
Business Income and Receipts Tax (BIRT)	17,250,924	11,776,439	(8,610,174)
Real Estate	4,370,214	5,426,394	6,770,035
Realty Transfer	25,682,932	31,577,356	18,373,455
City Sales	17,203,237	17,505,583	34,486,503
Amusement	1,465,514	1,730,938	3,853,200
Tobacco	212	15,919	1,331
Outdoor Advertising	271,977	381,559	375,221
Construction Impact	-	312,752	390,690
Beverage	4,753,218	5,770,490	5,374,771
Other	6,699,593	55,358	(98,943)
Total Taxes: City Portion	229,514,999*	215,642,722*	200,300,299

*Total includes Parking & Valet taxes

Tax Type	Estimated Revenue	Actual Revenue	Difference: Over/(Under)	Percent of Estimated Revenue Collected
PICA and City Wage, Earnings, & Net Profit	1,020.6	1,026.2	5.6	100.6%
Less: PICA Wage, Earnings, & Net Profit	269	277.2	8.2	103.0%
City Wage, Earnings, & Net Profits	751.6	749.0	(2.6)	99.7%
Realty Transfer	117.8	116.3	(1.5)	98.8%
Sales	123.3	123.4	0.1	100.1%
Business Income and Receipts	100.2	86.4	(13.8)	86.2%
Real Estate	37.4	36.8	(0.6)	98.5%
Beverage	30.7	29.8	(0.9)	97.2%
All Other Taxes	21.8	24.8	3.0	113.6%
Total Taxes: City Portion	1,182.8	1,166.6	(16.2)	98.6%

Table 3: City of Philadelphia Year-to Date Tax Collections FY22-FY24			
(USD)			
Tax Type	FY22	FY23	FY24
PICA and City Wage, Earnings, & Net Profit	822,546,479	969,800,449	1,026,229,265
Less: PICA Wage, Earnings, & Net Profit	211,602,424	256,815,855	277,198,885
City Wage, Earnings, & Net Profit	610,944,055	712,984,594	749,030,380
Business Income and Receipts Tax (BIRT)	87,933,854	101,780,977	86,363,023
Real Estate	28,267,973	36,469,032	36,820,595
Realty Transfer	105,491,896	223,976,705	116,346,550
City Sales	114,716,825	119,616,153	123,403,066
Amusement	12,025,799	15,908,860	21,685,539
Tobacco	7,691	67,953	12,822
Outdoor Advertising	1,348,551	1,529,306	1,457,859
Construction Impact	-	1,228,737	1,079,653
Beverage	33,367,483	30,318,494	29,840,131
Other	5,832,386	6,400,317	522,926
Total Taxes: City Portion	1,034,231,744*	1,291,416,967*	1,166,562,544

*Total includes Parking & Valet taxes