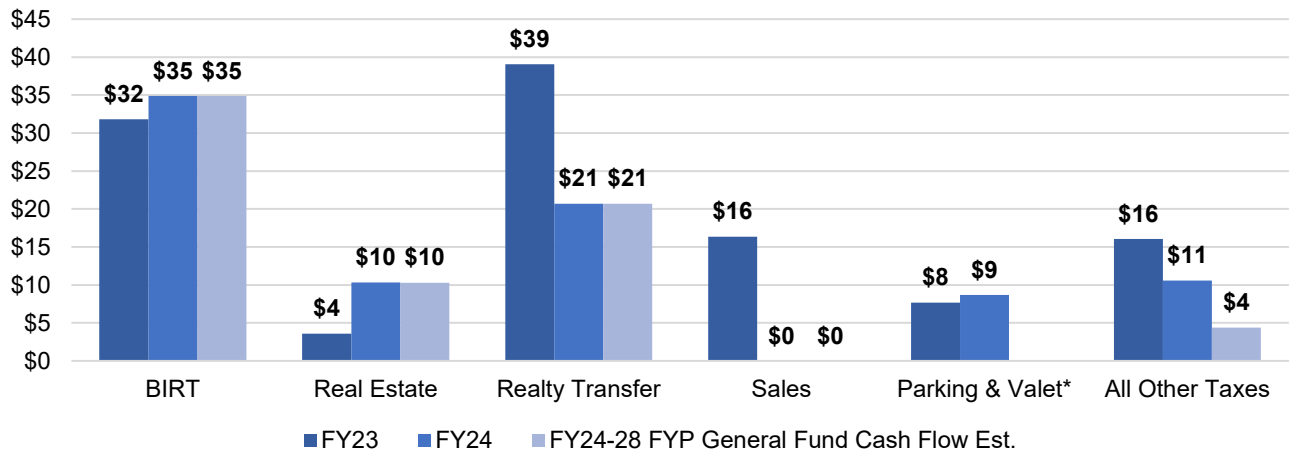


## Excluding Parking Tax, October Tax Revenues Down \$38M from FY23

### October Key Takeaways

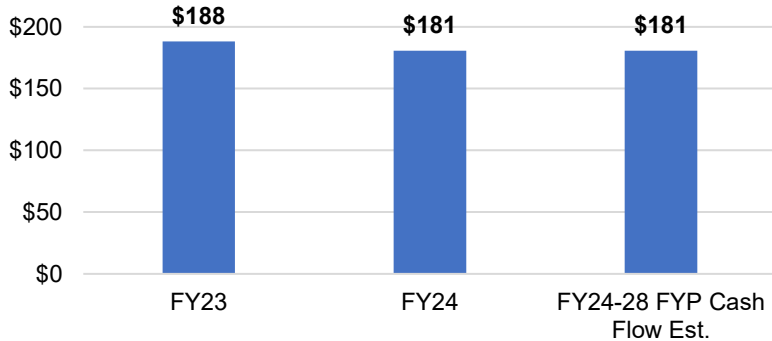
- October tax revenue totaled \$257M, a 13% reduction (\$38M) from last year.
- No Sales Tax was received in October due to timing issues, accounting for \$16M of the \$38M difference.
- The City updated its FY24 cash flow projections due to low RTT collections in the first quarter. October collections are consistent with the updated cash flow.

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



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

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



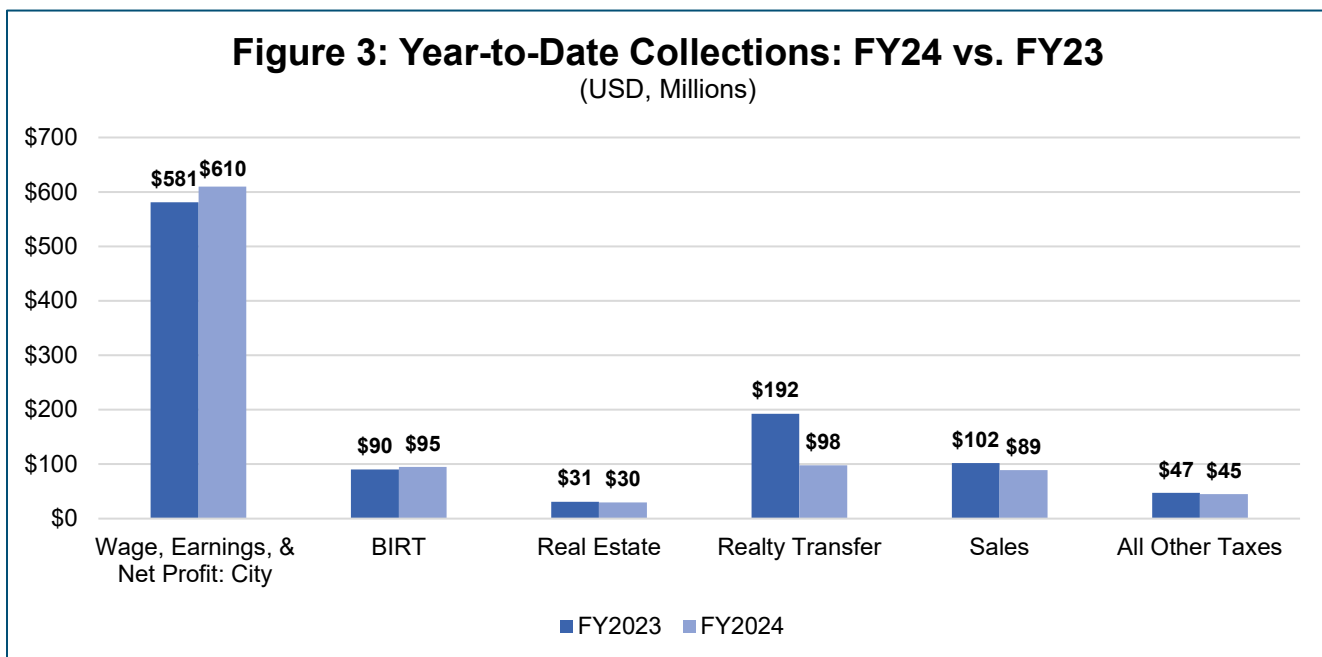
### **PICA Tax Update**

The PICA Tax totaled \$66.7M in October, bringing the year-to-date total up to \$226.1M. This is slightly more than October FY23, when the PICA Tax generated \$66.1M. The FY24 Adopted Budget estimates PICA collections for the fiscal year to be \$675.1M.

### Month of October Collections

The City collected approximately \$257M in General Fund tax revenue in October FY24, compared to \$303M in October FY23. While some reduction is expected as Parking Taxes shifted to the new Transportation Fund in FY24, October FY24 collections were \$38M or 13% lower when compared to October FY23 collections when excluding those from the comparison. Nearly half the decrease came from lower Realty Transfer Tax (RTT). RTT receipts for October FY24 were \$18M lower than in October FY23 but are consistent with the City’s Q1 cash flow estimate. Due to a timing issue no City Sales Tax was received in October, accounting for \$16M, much of the remainder of the decline. The timing issue was resolved in early November. The City portion of the Wage, Earnings, and Net Profits Taxes was \$7M less than October FY24. These figures are consistent with the City’s updated cash flow estimates in the latest QCMR.

Five of the eleven General Fund tax categories saw increases in October compared to last year, including: BIRT (\$3M; 10%), Real Estate (\$7M; 187%), and Amusement (\$1M; 51%). These figures are preliminary and year-to-year comparisons vary (see Figure 4) for several reasons, including timing issues.



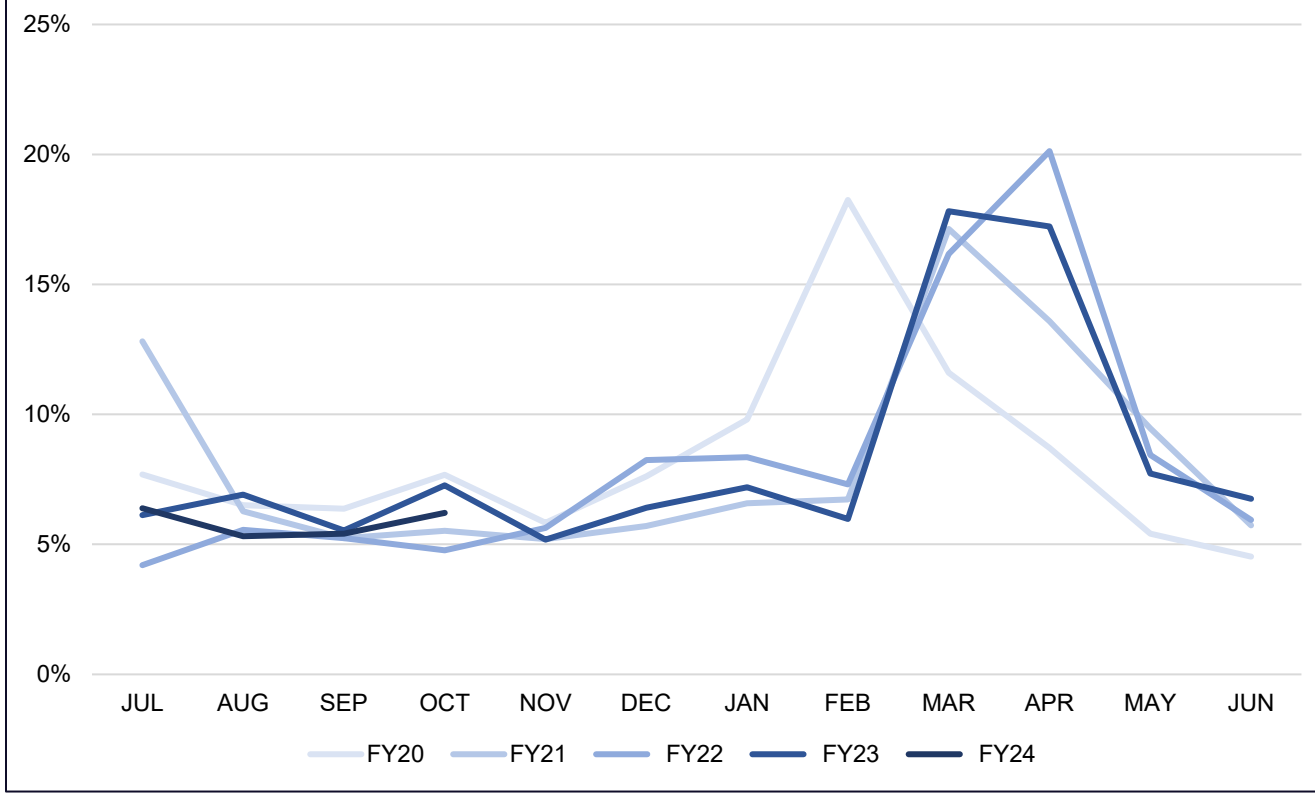
### Estimates vs. Collections

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. The City’s total collections through October are on track with the recently adjusted cash flow estimates.

### Year-to-Date Collections

The City collected \$966M through October of FY24 compared to \$1.1B collected over the same period last year, a decrease of \$110M, or 10%, according to preliminary collections. The transfer of parking tax revenue out of the General Fund is responsible for \$32M of the year-to-date decrease. Eight categories have seen year-to-date decreases, the most significant of which have been RTT (\$94M; 49%), and Other taxes (\$6M; 90%). Sales Tax receipts are also down (\$13M; 13%), but this is due to a timing issue which was resolved in early November. Three tax categories have seen year-to-date increases: the City portion of the Wage, Earnings, and Net Profits Taxes (\$29M; 5%), BIRT (\$5M; 6%), and Amusement (\$4M; 26%).

**Figure 4: Percent of Revenue Collected FY20-FY24**



**FY20-FY24 Revenue Trends**

Although October of FY21 and FY22 were affected by the COVID-19 pandemic, October FY24 remains slightly ahead of pre-pandemic tax collections, even with the Parking Tax having been moved out of the General Fund. In October FY20, \$253M was collected.

In terms of the percentage of revenue collected in the month of October, 6.2% of projected revenue was collected this month, as shown in Figure 4. This is slightly more than October FY 21 and FY22, in which 5.5% and 4.8% of total revenue was collected, respectively, but slightly behind October FY20 and FY23, in which over seven percent of total revenue was collected.

**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

<b>Table 1: City of Philadelphia October Tax Collections FY22-FY24</b>			
(USD)			
Tax Type	FY22	FY23	FY24
PICA and City Wage, Earnings, & Net Profit	159,158,774	254,245,954	247,532,105
Less: PICA Wage, Earnings, & Net Profit	39,085,166	66,133,548	66,725,463
City Wage, Earnings, & Net Profit	120,073,608	188,112,406	180,806,642
Business Income and Receipts Tax (BIRT)	21,105,208	31,806,442	34,872,704
Real Estate	3,922,560	3,598,243	10,334,395
Realty Transfer	17,175,476	39,045,380	20,700,587
City Sales	15,253,752	16,360,012	-
Amusement	1,924,747	2,172,181	3,289,478
Tobacco	1,387	1,620	4,805
Outdoor Advertising	272,223	270,080	253,432
Construction Impact	-	201,994	276,389
Beverage	8,151,477	7,195,112	5,904,686
Other	2,365	6,216,129	850,221
<b>Total Taxes: City Portion</b>	<b>194,546,942</b>	<b>302,668,460</b>	<b>257,293,339</b>

<b>Table 2: Estimated vs. Actual Tax Revenue Year-to-Date</b>				
(USD, Millions)				
Tax Type	Estimated Revenue	Actual Revenue	Difference: Over/(Under)	Percent of Estimated Revenue Collected
PICA and City Wage, Earnings, & Net Profit	823.8	835.8	12	101.5%
Less: PICA Wage, Earnings, & Net Profit	214.1	226.1	12	105.6%
City Wage, Earnings, & Net Profits	609.7	609.6	(0.1)	100.0%
Realty Transfer	98	98	-	100.0%
Sales	88.8	88.9	0.1	100.1%
Business Income and Receipts	95.1	95	(0.19)	99.9%
Real Estate	30	30.1	0.1	100.2%
Beverage	24.4	24.5	0.1	100.3%
All Other Taxes	20	20.2	0.2	101.2%
<b>Total Taxes: City Portion</b>	<b>966</b>	<b>966.3</b>	<b>0.3</b>	<b>100.0%</b>

<b>Table 3: City of Philadelphia Year-to Date Tax Collections FY22-FY24</b>			
<b>(USD)</b>			
<b>Tax Type</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
PICA and City Wage, Earnings, & Net Profit	631,054,582	791,122,386	835,772,610
Less: PICA Wage, Earnings, & Net Profit	164,736,643	209,988,971	226,126,440
City Wage, Earnings, & Net Profit	466,317,939	581,133,415	609,646,170
Business Income and Receipts Tax (BIRT)	70,682,930	90,004,538	94,973,197
Real Estate	23,897,759	31,042,638	30,050,560
Realty Transfer	79,808,964	192,399,349	97,973,095
City Sales	97,513,588	102,110,570	88,916,563
Amusement	10,560,285	14,177,922	17,832,339
Tobacco	7,479	52,034	11,491
Outdoor Advertising	1,076,574	1,147,747	1,082,638
Construction Impact	-	915,985	688,963
Beverage	28,614,265	24,548,004	24,465,360
Other	(867,207)	6,344,959	621,869
<b>Total Taxes: City Portion</b>	<b>804,716,745</b>	<b>1,075,774,245</b>	<b>966,262,245</b>