



Economic Brief

State Representative Paul Schemel

April 2018

Pennsylvania Brings in \$3.75 Billion in Revenue Collections

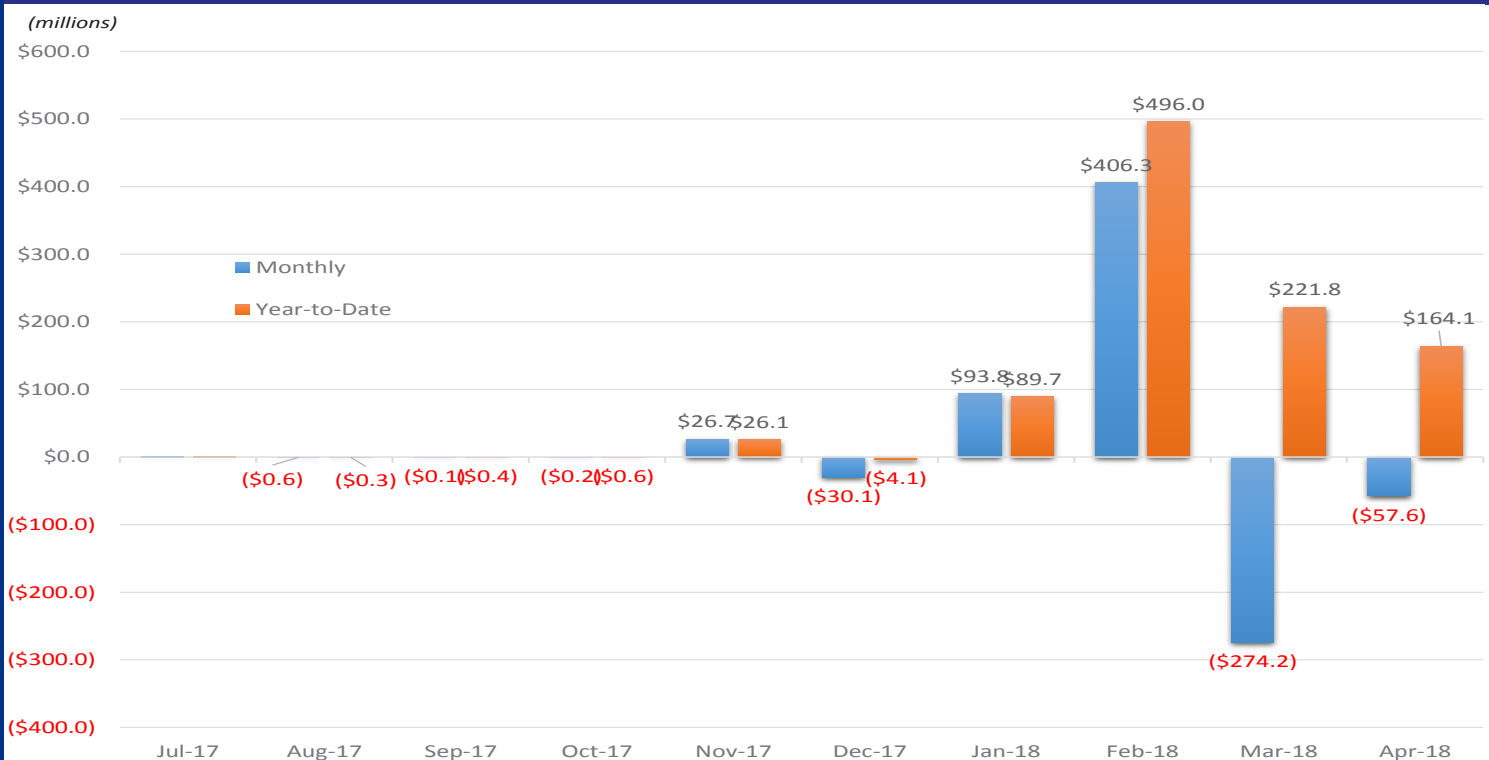
General Fund revenue collections for the month of April were \$3.75 billion, which was \$58 million less than the Department of Revenue’s Official Estimate. Tax Revenues were over estimate by \$33 million or 0.95% for the month of April.

Collections of \$313 million for corporation taxes came in above the Official Revenue Estimate projections by \$8 million. Sales tax collections of \$894 million were higher than expected, coming in \$35 million above the Official Estimate. The Personal Income Taxes collected were \$2.06 billion, which was above estimate by \$9 million.

For the 2017-18 Fiscal Year, General Fund collections of \$29.03 billion are above the official estimate by \$164 million or 0.57%. Year-to-date tax revenues are up 5.2% as compared to the prior fiscal year.

April Revenue Collections	
Official Estimate	Actual Collections
Total General Fund	Total General Fund ↓
\$3.81 Billion	\$3.75 Billion
Corporation Taxes	Corporation Taxes ↑
\$305 Million	\$313 Million
Sales Taxes	Sales Taxes ↑
\$859 Million	\$894 Million
Personal Income Taxes	Personal Income Taxes ↑
\$2.05 Billion	\$2.06 Billion
All Other Taxes	All Other Taxes ↓
\$309 Million	\$291 Million
Non-Tax Revenue	Non-Tax Revenue ↓
\$290 Million	\$200 Million

Difference From Official General Fund Revenue Estimate





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Chairman's Budget News

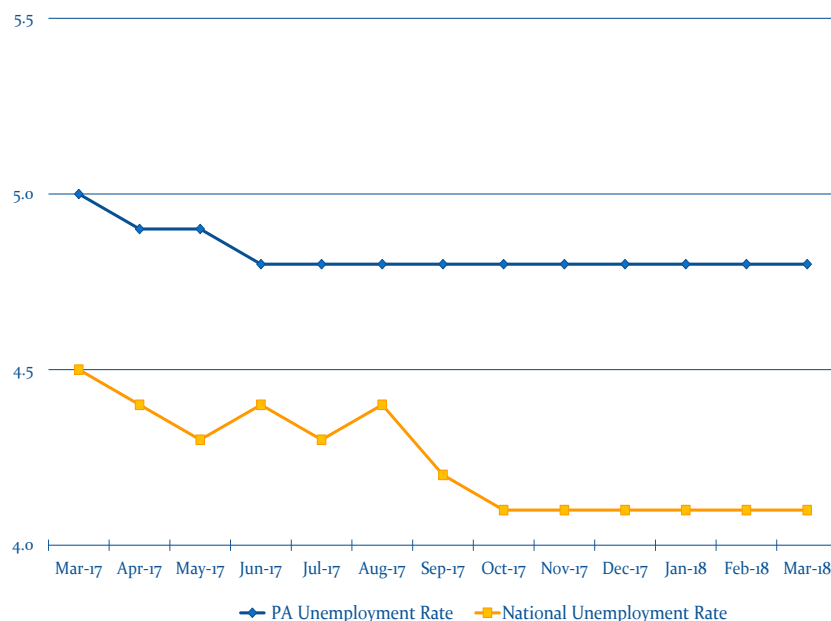
On May 1st, the Independent Fiscal Office (IFO) released their initial revenue estimate for the 2018-19 fiscal year. This is the first projection that the IFO releases on the upcoming fiscal year's revenue. The IFO will issue a final 2018-19 revenue projection on June 15th. For the current 2017-18 fiscal year, the IFO projects that the Commonwealth will end the fiscal year \$203 million below the Department of Revenue's Official Revenue Estimate. The largest reason for this shortfall is the failure to receive the \$200 million from the Joint Underwriters Association that is supposed to be received in June, but is currently in litigation. The IFO also believes that Corporate Taxes will fall short of estimate in the last two months of the fiscal year while Personal Income Tax and Sales Tax collections will meet or exceed estimate.

In the 2018-19 fiscal year the IFO is projecting total revenue to be \$33.94 billion. This means the IFO is projecting that total tax revenues will grow by 4.2%. In his Executive Budget proposal in February, Governor Tom Wolf expected the 2017-18 fiscal year to have a final collection of \$34.75 billion and the 2018-19 fiscal to collect \$33.97 billion. Comparing this to the IFO projections the IFO has a two-year total of \$780 million below the Governor's revenue projections.

The Director of the IFO stated that Pennsylvania is seeing good job and wage growth which will point revenue projections in a positive direction. One of the key dates to watch is May 15th. On that date, Corporate Tax annual payments are due. These payments will give a clearer picture about where corporate taxes will end the fiscal year and if the Tax Bulletin from December 2017 in regard to bonus depreciation and the court decision changing Net Operating Losses (NOLs) will have any positive impact on collections.

You can find the IFO's complete report at www.ifo.state.pa.us.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	March 2018	Monthly Change	
Labor Force	6.393 Million	-18,000	↓
Unemployment Rate	4.8%	0.0%	
Total Nonfarm Jobs	6.004 Million	+2,700	↑
12-Month Change			
Total Nonfarm Jobs	+84,000		
Unemployment Rate	-0.2%		

Surrounding States Nonfarm Job Monthly Growth

DE	+1,700	NY	+500
MD	+3,200	OH	+10,800
NJ	+5,100	WV	-800