

FY 2024-25

# Budget Hearing

SENATE APPROPRIATIONS COMMITTEE

February 2024

Independent Fiscal Office



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# **Independent Fiscal Office – Overview**

The office was created by Act 120 of 2010 and enters its 13<sup>th</sup> year of operation. The office currently employs 9 staff: 1 director, 1 manager and 7 analysts. The FY 2024-25 Executive Budget proposes an appropriation of \$2.34 million for the office. That amount includes \$200,000 of dedicated funding for work related to pension analysis.

## **Mission Statement**

The Independent Fiscal Office (IFO) provides revenue projections along with impartial and objective analysis of fiscal, economic and budgetary issues to assist Commonwealth residents and the General Assembly in their evaluation of policy decisions. In that capacity, the IFO does not support or oppose any policy it analyzes, does not make policy recommendations and will disclose the methodologies, data sources and assumptions used in published reports and estimates. The IFO hires staff based solely on professional qualifications, without regard to political affiliation.

## **Role in the Budget Process**

The statute that created the IFO specifies four dates that the office is required to provide revenue and other forecasts to policymakers. They are as follows:

- November 15** Prepare an assessment of the state’s fiscal condition for the current fiscal year and subsequent five fiscal years by taking account of the state economy, demographics, revenues and expenditures.
- January 31** Convene a revenue conference with the chairs of the Appropriations Committees, the Secretary of the Budget and the Secretary of Revenue to discuss economic trends and revenue performance.
- May 20** Provide an initial revenue estimate for the upcoming fiscal year.
- June 20** Provide a final revenue estimate for the upcoming fiscal year.

## **Other Responsibilities**

Office resources are also used for the following purposes: (1) coordinate and facilitate actuarial analysis of proposed changes to the pension systems, (2) provide a cost analysis of approved collective bargaining agreements, (3) provide an economic analysis of any revenue proposals included in the Executive Budget, (4) publish performance-based budgeting reports for executive agencies, (5) publish tax credit review reports, (6) dynamic modeling and (7) at the request of members of the General Assembly, provide economic, revenue or fiscal analysis to the extent that staff resources are available for that purpose.

# Independent Fiscal Office – Expenditures

Independent Fiscal Office Expenditures			
	Actual	Projected	Proposed
	22-23	23-24	24-25
<u>Personnel</u>			
Salaries	\$1,143,000	\$1,082,000	\$1,219,000
Benefits	520,000	512,000	560,000
Retirement	463,000	355,000	400,000
Employer Taxes	<u>93,000</u>	<u>91,000</u>	<u>104,500</u>
<b>Subtotal</b>	<b>2,219,000</b>	<b>2,040,000</b>	<b>2,283,500</b>
<u>Operating</u>			
Office Operations and Supplies	\$13,000	\$15,000	\$13,000
Computers, Networks and Software	23,000	24,500	58,000
Data Acquisition and Analysis	12,000	4,000	5,000
REMI Model	32,500	32,500	32,500
Publications and Research Materials	44,000	45,300	49,000
Parking	35,000	32,500	33,000
Other	<u>12,000</u>	<u>26,000</u>	<u>28,000</u>
<b>Subtotal</b>	<b>171,500</b>	<b>179,800</b>	<b>218,500</b>
Contracted Actuarial Analysis	<u>45,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Total Expenditures</b>	<b>\$2,435,500</b>	<b>\$2,319,800</b>	<b>\$2,602,000</b>
Appropriated / Proposed	2,343,000	2,343,000	2,343,000
Available	-92,500	23,200	-259,000

# Executive Budget Financial Statement

General Fund Financial Statement								
	Executive Budget						Growth Rates	
	23-24	24-25	25-26	26-27	27-28	28-29	24-25	25-29
<b>Beginning Balance</b>	<b>\$8,160</b>	<b>\$7,070</b>	<b>\$3,447</b>	<b>\$45</b>	<b>\$0</b>	<b>\$0</b>	--	--
Baseline Revenues	45,267	46,367	47,542	48,883	49,765	50,989	2.4%	2.4%
Plus: Revenue Policy	<u>0</u>	<u>-91</u>	<u>184</u>	<u>247</u>	<u>303</u>	<u>323</u>		
Revenues with Policy	45,267	46,276	47,725	49,130	50,069	51,311	2.2%	2.6%
Less: Refunds plus Lapses	<u>-961</u>	<u>-1,178</u>	<u>-1,189</u>	<u>-1,188</u>	<u>-1,186</u>	<u>-1,183</u>		
Net Revenues	44,307	45,098	46,536	47,942	48,883	50,128	1.8%	2.7%
Expenditures (w/ policy)	<u>44,610</u>	<u>48,338</u>	<u>49,932</u>	<u>50,942</u>	<u>51,611</u>	<u>52,300</u>	8.4%	2.0%
<b>Current Year Surplus/Deficit</b>	<b>-304</b>	<b>-3,241</b>	<b>-3,396</b>	<b>-3,000</b>	<b>-2,728</b>	<b>-2,172</b>	--	--
Budget Stab. Fund (year start)	6,027	6,993	7,586	7,819	5,032	2,394	n.a.	n.a.
With IFO Revenues and Future Spending Growth								
	With IFO Revenues and Future Spending Growth						Growth Rates	
	23-24	24-25	25-26	26-27	27-28	28-29	24-25	25-29
<b>Beginning Balance</b>	<b>\$8,160</b>	<b>\$6,855</b>	<b>\$2,355</b>	<b>\$0</b>	--	--	--	--
Baseline Revenues (no policy)	45,028	45,278	46,012	47,277	48,393	49,690	0.6%	2.4%
Less: Refunds plus Lapses	<u>-961</u>	<u>-1,178</u>	<u>-1,189</u>	<u>-1,188</u>	<u>-1,186</u>	<u>-1,183</u>		
Net Revenues	44,067	44,101	44,823	46,089	47,207	48,507	0.1%	2.4%
Expenditures (w/ FY 24-25 policy)	<u>44,610</u>	<u>48,338</u>	<u>50,262</u>	<u>51,941</u>	<u>53,609</u>	<u>55,217</u>	8.4%	3.4%
<b>Current Year Surplus/Deficit</b>	<b>-543</b>	<b>-4,238</b>	<b>-5,440</b>	<b>-5,852</b>	<b>-6,401</b>	<b>-6,710</b>	--	--
Budget Stab. Fund (year start)	6,027	6,969	7,440	4,509	0	0	n.a.	n.a.
IFO less Executive Budget								
	IFO less Executive Budget						Growth Rates	
	23-24	24-25	25-26	26-27	27-28	28-29	24-25	25-29
Net Revenues	-\$240	-\$997	-\$1,713	-\$1,853	-\$1,676	-\$1,622	--	--
Expenditures	<u>0</u>	<u>0</u>	<u>330</u>	<u>999</u>	<u>1,998</u>	<u>2,916</u>	--	--
<b>Current Year Surplus/Deficit</b>	<b>-240</b>	<b>-997</b>	<b>-2,043</b>	<b>-2,852</b>	<b>-3,674</b>	<b>-4,538</b>	--	--

Note: Millions of dollars. Baseline Revenues for the Executive Budget and IFO assume an annual transfer of \$115 million from cigarette taxes. The Executive Budget balance sheet is otherwise taken directly from the FY 2024-25 Governor's Executive Budget. The IFO balance sheet utilizes revenue estimates from the IFO's Mid-Year Update and growth rates from the Five-Year Outlook (Nov 2023). Expenditures for current year and budget year are from the FY 2024-25 Governor's Executive Budget. Out-year expenditure estimates use growth rates from the IFO's Five-Year Outlook. Column 25-29 is the compound average growth rate from FY 24-25 to FY 28-29. Assumes the Budget Stabilization Fund accrues 3% interest per annum.

Source: FY 2024-25 Governor's Executive Budget.

# Executive Budget – Expenditure Detail

General Fund Expenditure Detail						
	Dollar Amounts			Avg. Annual Growth Rate		
	Prelim 23-24	Exec Bud 24-25	Exec Bud 28-29	Exec Bud 24-25	Exec Bud FYE 25-29	IFO FYE 25-29
<b>Expenditures</b>	<b>\$44,610</b>	<b>\$48,338</b>	<b>\$52,300</b>	<b>8.4%</b>	<b>2.0%</b>	<b>3.4%</b>
Less: New Programs		-656	-916			
Less: MLF Spending Shift		<u>-125</u>	<u>-375</u>			
<b>Adjusted Expenditures</b>	<b>44,610</b>	<b>47,558</b>	<b>51,010</b>	<b>6.6%</b>	<b>1.8%</b>	<b>3.4%</b>
<u>Program Detail</u>						
Basic Education	7,992	8,944	8,944	11.9%	0.0%	2.3%
Special Education	1,387	1,437	1,437	3.6%	0.0%	3.3%
County Child Welfare	1,493	1,495	1,495	0.1%	0.0%	2.8%
MA & Long-Term Living	11,307	11,799	13,355	4.4%	3.1%	5.0%
Intellectual Disability	2,765	3,157	3,741	14.2%	4.3%	4.1%
GO Debt Service	1,175	1,237	1,625	5.3%	7.1%	2.8%
All Other Programs	<u>18,491</u>	<u>19,488</u>	<u>20,412</u>	<u>5.4%</u>	<u>1.2%</u>	<u>2.7%</u>
<b>Total Expenditures</b>	<b>44,610</b>	<b>47,558</b>	<b>51,010</b>	<b>6.6%</b>	<b>1.8%</b>	<b>3.4%</b>

Note: FYE is fiscal year ending. New Programs include programs that were not included in the prior budget year (e.g., Student and Family Affordability (\$279 million), School Environmental Repairs Program (\$300 million) and the School Safety and Security Fund - Mental Health (\$100 million)). MA is medical assistance, GO is general obligation.

- For FY 2024-25, the Executive Budget proposes to increase spending by \$3.7 billion (8.4%). (See table.)
- If most newly created programs and the proposal to fully absorb State Police spending financed by the Motor License Fund are excluded, the proposed spending increase falls to \$3.0 billion (6.6%). The increase is driven by Basic Education (+11.9%) and Intellectual Disability (+14.2%).
- For all future years after FY 2024-25, the Executive Budget proposes to flat-line Basic Education, Special Education and County Child Welfare. This yields a modest long-term spending growth rate of 1.8% per annum. The IFO five-year outlook assumed 3.4% per annum.
- Due to a significant increase in General Obligation debt issuance, debt service increases by 7.1% per annum through FY 2028-29.



# Revenues – Fiscal Year-To-Date

Fiscal Year-to-Date Revenues (YOY Adjusted)			
	Jan 2024	YOY	YOY
	FYTD	\$ Diff	Growth
<b>Total General Fund</b>	<b>\$23,753</b>	<b>\$213</b>	<b>0.9%</b>
<b>Total Tax Revenue</b>	<b>23,014</b>	<b>-109</b>	<b>-0.5</b>
<u>Corporate Net Income</u>	2,852	21	0.7
Estimated	1,693	-348	-17.1
Final	1,159	369	46.7
Other Corporate	130	-24	-15.4
<u>Sales and Use</u>	<u>8,495</u>	<u>106</u>	<u>1.3</u>
Nonmotor	7,717	129	1.7
Motor Vehicle	778	-23	-2.8
Cigarette	439	-59	-11.8
Other Tobacco Products	86	-4	-4.1
Malt Beverage	12	-1	-5.8
Liquor	270	1	0.3
<u>Personal Income</u>	<u>9,377</u>	<u>-48</u>	<u>-0.5</u>
Withholding	7,612	308	4.2
Quarterly	1,369	-302	-18.1
Annuals	396	-53	-11.9
Realty Transfer	301	-106	-26.1
Inheritance	875	23	2.7
Gaming	210	-3	-1.2
Minor and Repealed	-33	-16	91.8
<b>Total Nontax Revenue</b>	<b>739</b>	<b>323</b>	<b>77.5</b>
Treasury	489	289	145
All Other	251	33	15

Note: Millions of dollars. Dollar difference and growth rates control for processing delays last year and one-time transfers.

## Executive Budget Adds \$656m to Estimate, Now Closer to IFO

Adjustments to FY 2023-24 Revenue Estimate						
	Official			Revisions		Revised
	IFO	Certified	\$ Diff	IFO	Exec. Bud	\$ Diff
<b>Total General Fund</b>	<b>\$45,201</b>	<b>\$44,611</b>	<b>\$590</b>	<b>-\$173</b>	<b>\$656</b>	<b>-\$240</b>
<b>Total Tax Revenue</b>	<b><u>43,999</u></b>	<b><u>43,493</u></b>	<b><u>506</u></b>	<b><u>-513</u></b>	<b><u>441</u></b>	<b><u>-448</u></b>
Corporate Net Income	5,699	5,634	66	-31	182	-147
<u>Sales and Use</u>	<u>14,065</u>	<u>14,013</u>	<u>52</u>	<u>30</u>	<u>132</u>	<u>-50</u>
Nonmotor	12,651	12,708	-57	87	98	-68
Motor Vehicle	1,414	1,305	110	-56	35	19
<u>Personal Income</u>	<u>18,273</u>	<u>17,992</u>	<u>282</u>	<u>-375</u>	<u>-14</u>	<u>-80</u>
Withholding	13,226	13,134	92	-70	88	-66
Non-Withholding	5,048	4,858	190	-305	-101	-13
Realty Transfer	649	511	138	-106	1	32
Inheritance	1,526	1,480	46	22	91	-23
All Other Tax	3,787	3,864	-77	-54	49	-180
<b>Total Nontax Revenue</b>	<b><u>1,202</u></b>	<b><u>1,118</u></b>	<b><u>84</u></b>	<b><u>339</u></b>	<b><u>215</u></b>	<b><u>208</u></b>
Treasury Collections	488	385	104	303	216	190
All Other	714	733	-19	36	-1	18

Note: Official estimates reflect the impact of tax law changes enacted in December 2023.  
Source: FY 2024-25 Governor's Executive Budget

- For the June 2023 Official Estimate, the IFO was \$590 million higher than the Executive Budget.
- IFO revised down \$173 million due to weakness in Personal Income Tax, Non-Withholding.
- The Executive Budget revised up \$656 million, due to Sales Tax and Corporate Net Income Tax.

# General Fund Revenue Projections

General Fund Revenue Projections (Excludes Policy)						
	FY 2023-24			FY 2024-25		
	IFO	Exec Budget	Diff	IFO	Exec Budget	Diff
<b>Total General Fund</b>	<b>\$45,028</b>	<b>\$45,267</b>	<b>-\$240</b>	<b>\$45,278</b>	<b>\$46,367</b>	<b>-\$1,089</b>
<b>Total Tax Revenue</b>	<b>43,486</b>	<b>43,934</b>	<b>-448</b>	<b>44,027</b>	<b>45,229</b>	<b>-1,202</b>
Corporate Net Income	5,668	5,815	-147	5,067	5,657	-590
Gross Receipts	1,194	1,308	-114	1,215	1,323	-108
Other Corporate	940	961	-21	955	1,046	-92
<b>Sales and Use</b>	<b>14,095</b>	<b>14,145</b>	<b>-50</b>	<b>14,439</b>	<b>14,566</b>	<b>-127</b>
Nonmotor	12,737	12,806	-68	13,052	13,227	-175
Motor Vehicle	1,358	1,339	19	1,387	1,339	48
Cigarette	690	707	-17	625	668	-43
Other Tobacco	148	155	-7	151	161	-10
Malt Beverage	22	22	0	22	22	0
Liquor	462	466	-4	478	472	6
<b>Personal Income</b>	<b>17,899</b>	<b>17,978</b>	<b>-80</b>	<b>18,633</b>	<b>18,774</b>	<b>-141</b>
Withholding	13,156	13,222	-66	13,684	13,800	-115
Non-Withholding	4,743	4,757	-13	4,949	4,974	-26
Realty Transfer	543	512	32	604	646	-42
Inheritance	1,548	1,571	-23	1,548	1,587	-39
Gaming	362	371	-9	378	385	-6
Minor and Repealed	-84	-75	-9	-88	-78	-10
<b>Total Nontax Revenue</b>	<b>1,541</b>	<b>1,333</b>	<b>208</b>	<b>1,251</b>	<b>1,138</b>	<b>114</b>
Treasury	791	601	190	525	467	58
All Other Nontax	751	733	18	726	671	55

Note: "Exec. Budget" excludes the impact of revenue proposals contained in the FY 2024-25 Executive Budget.

- Current year revenues now differ by \$240 million, with IFO projecting lower Corporate Net Income (CNIT) and Gross Receipts, but higher Treasury Collections.
- For FY 24-25, IFO is lower due to CNIT, Gross Receipts, Sales and Use and Withholding.

# Minimum Wage Rates by State

Minimum Wage Rates by State (As of January 1st)				
State/Territory	2024 Rank	2024	2025	2026
Washington D.C.	1	\$17.00	\$17.40	\$17.80
Washington	2	16.28	16.67	17.05
California	3	16.00	16.38	16.76
Connecticut	4	15.69	16.07	16.44
New Jersey	5	15.13	15.49	15.85
New York	6	15.00	15.50	16.00
Massachusetts	6	15.00	15.00	15.00
Maryland	6	15.00	15.00	15.00
Colorado	9	14.42	14.77	15.11
Arizona	10	14.35	14.70	15.05
Oregon	11	14.20	14.55	14.90
Maine	12	14.15	14.50	14.85
Rhode Island	13	14.00	15.00	15.00
Illinois	13	14.00	15.00	15.00
Hawaii	13	14.00	14.00	16.00
Vermont	16	13.67	14.00	14.32
Delaware	17	13.25	15.00	15.00
Missouri	18	12.30	12.60	12.90
Virginia	19	12.00	13.50	15.00
Nebraska	19	12.00	13.50	15.00
Florida	19	12.00	13.00	14.00
New Mexico	19	12.00	12.00	12.00
Alaska	23	11.73	12.01	12.29
Nevada	24	11.25	11.52	11.78
South Dakota	25	11.20	11.45	11.70
Arkansas	26	11.00	11.00	11.00
Minnesota	27	10.85	11.11	11.37
Ohio	28	10.45	10.70	10.95
Michigan	29	10.33	10.56	10.80
Montana	30	10.30	10.55	10.80
West Virginia	31	8.75	8.75	8.75
<b>Pennsylvania</b>	<b>32</b>	<b>7.25</b>	<b>7.25</b>	<b>7.25</b>
Other	32	7.25	7.25	7.25

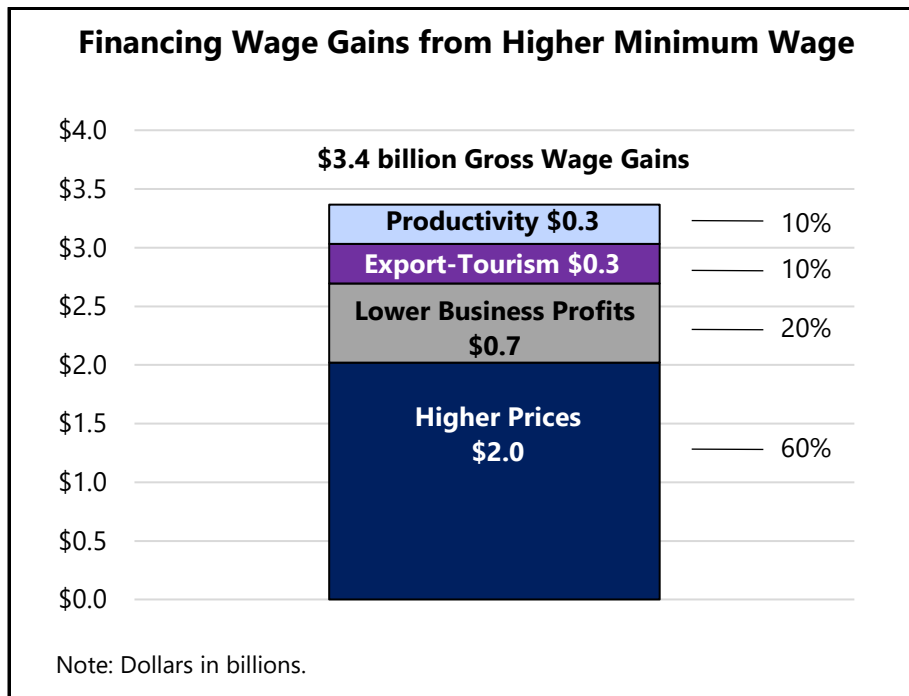
Note: Over 50 localities have adopted a minimum wage above their state's minimum wage. Inflation adjustments use an estimated 2.8% for 2024 for 2.5% for 2025.

Source: The Economic Policy Institute. Minimum Wage Tracker (as of January 1, 2024).

# Increasing Minimum Wage to \$15

Increasing Minimum Wage to \$15 per hour				
	Directly Affected	Indirectly Affected	Total	Notes and Definitions
<b>Total Number of Jobs (000s)</b>	<b>938</b>	<b>805</b>		Analysis counts jobs, not people
Receive Wage Increase (000s)	918	805	1,723	Directly Affected workers earn
Gross Income Gain (\$ billions)	\$2.83	\$0.88	\$3.71	<\$15 per hour
Average Annual Income Gain	\$3,084	\$1,097		Indirectly Affected earn \$15-\$18
				per hour; assumed to receive
Positions Eliminated (000s)	-20	--	-20	a +5% per annum pay bump
Gross Income Loss (\$ billions)	-\$0.35	--	-\$0.35	Most positions eliminated are
				part-time and/or entry level
<b>Net Income Gain (\$ billions)</b>			<b>\$3.37</b>	After-Tax Net Income reflects
<b>After Tax Net Income Gain (\$ billions)</b>			<b>\$2.96</b>	payroll and state-local income tax

Note: Data exclude tipped workers.  
 Source: 2022 Occupational Employment and Wage Statistics, U.S. Bureau of Labor Statistics. Projections by IFO.



# Marijuana Taxes

Marijuana Excise Tax Collections							
States	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Alaska	\$2	\$11	\$19	\$25	\$29	\$30	\$29
California <sup>1,2</sup>	--	229	399	719	847	633	607
Colorado <sup>1</sup>	203	243	279	362	396	284	278
Illinois	--	--	--	53	317	467	452
Maine <sup>1,2</sup>	--	--	--	1	5	10	15
Massachusetts	--	--	14	52	112	157	162
Michigan <sup>1</sup>	--	--	--	51	131	204	298
Nevada	--	70	99	105	158	152	133
Oregon	70	82	102	133	178	171	142
Washington	315	362	390	469	555	511	464

Note: Millions of dollars. California repealed the state cultivation tax effective July 2022.

1 Represent calendar year data.

2 Actual data through 2023 Q3. Includes projection for 2023 Q4.

Source: Various state websites.

### State Taxes on Recreational Marijuana

State	Year	Unit or Wholesale Tax	Excise Tax	Sales Tax
Alaska	2014	\$50/oz mature bud and flower; \$25/oz immature or abnormal bud; \$15/oz remainder of plant; \$1/clone		
Arizona	2020		16%	5.60%
California	2016		15%	7.25%
Colorado <sup>1</sup>	2012		15%	15.00%
Connecticut	2021	\$0.00625/mg of THC in plant material \$0.0275/mg of THC in edibles \$0.009/mg of THC in non-edible products		6.35%
Delaware	2023		15%	
Illinois	2019	7% of wholesale value	10%-25% depending on THC level	6.25%
Maine	2016	\$335/lb of flower or mature plant \$94/lb of trim \$1.50 per immature plant or seedling \$0.30 per seed	10%	
Maryland	2023		9%	
Massachusetts	2016		10.75%	6.25%
Michigan	2018		10%	6.00%
Minnesota	2023		10%	6.88%
Missouri	2022		6%	4.23%
Montana	2020		20%	
Nevada	2016	15% of wholesale value	10%	6.85%
New Jersey	2020	\$1.24/ounce sold by Class 1 Cultivators		6.63%
New Mexico	2021		12%	4.88%
New York	2021	\$0.005/mg of THC in flower \$0.008/mg of THC in concentrates \$0.03/mg in THC in edibles	9%	
Ohio	2023		10%	5.75%
Oregon	2014		17%	
Rhode Island	2022		10%	7.00%
Vermont	2020		14%	6.00%
Virginia	2021		21%	5.30%
Washington	2012		37%	6.50%

Notes: Local sales taxes may also apply.

1 Colorado imposes a 15% retail marijuana sales tax.

Source: Various state websites.

# Lottery and Gaming Trends

Pennsylvania Gaming Revenues								
Type	Tax Rate	Tax or Other Revenue						FYTD Growth
		18-19	19-20	20-21	21-22	22-23	23-24	
Lottery Net Revenue	various	\$1,283	\$1,198	\$1,356	\$1,233	\$1,287	\$1,288	-0.5%
Slots	54%	1,237	875	973	1,231	1,246	1,258	1.0
Table Games	16%	142	104	116	164	158	157	-0.5
Fantasy Contests	15%	4	3	4	4	3	3	-4.9
Sports Wagering	36%	8	41	111	114	177	154	-12.9
Interactive Gaming		--	97	373	519	653	859	31.6
Slots	54%	--	83	326	458	579	769	32.8
Table Gaming	16%	--	10	42	56	69	86	24.7
Poker	16%	--	4	5	5	5	5	-8.5
VGT	52%	--	<u>4</u>	<u>16</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>-4.1</u>
<b>Total</b>		<b>2,674</b>	<b>2,322</b>	<b>2,949</b>	<b>3,285</b>	<b>3,546</b>	<b>3,740</b>	--
Executive Budget Proposal								
Games of Skill	42%	\$313 million in FY 2025-26 (first full year)						

Notes: Revenues in millions of dollars. Tax rates include state tax, CFA county grants and local share assessments. FY 23-24 is an estimate and FYTD Growth is actual through December. Lottery Net Revenue FYTD growth rate represents gross sales (includes iLottery). VGT is video gaming terminals.

Sources: Pennsylvania Gaming Control Board, Lottery Balance Sheet and Lottery Financial Statement.



# Revenues – PA Revenue Trends

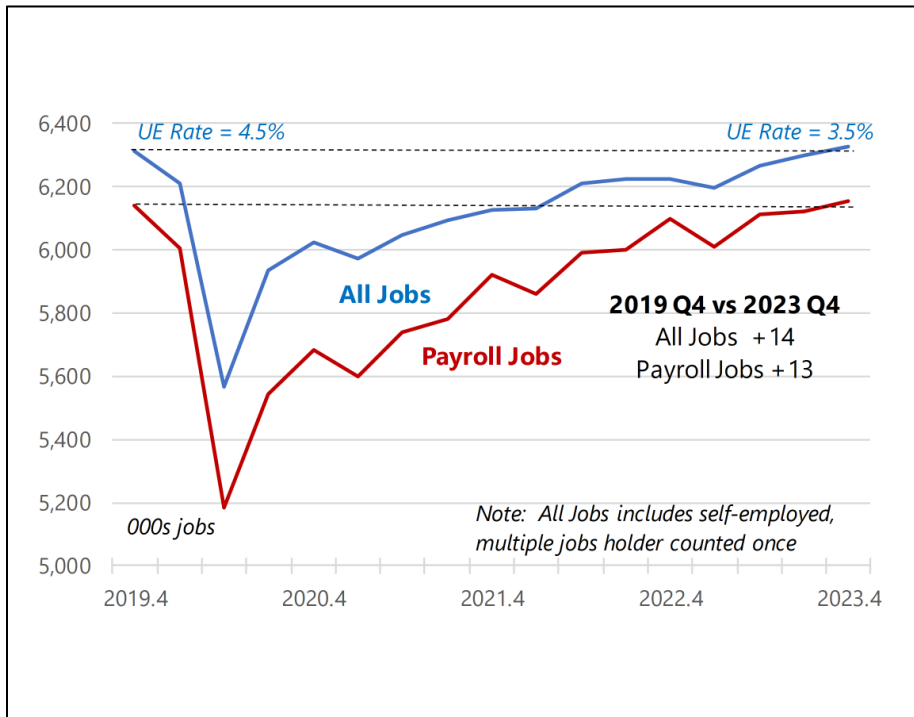
Pennsylvania Revenue Trends							
	Latest Years (YOY)			Latest Quarters (YOY)			
	21-22	22-23	23-24	2023.1	2023.2	2023.3	2023.4
<b>General Fund (see notes)</b>	<b>15.6%</b>	<b>2.6%</b>	<b>0.2%</b>	<b>8.7%</b>	<b>-9.7%</b>	<b>0.6%</b>	<b>0.9%</b>
<b>Big 3 Tax Revenues</b>							
Corporate Net Income	30.7%	15.4%	-7.7%	32.4%	11.7%	-1.6%	0.2%
SUT - Non-Motor	11.5%	4.7%	0.8%	3.5%	1.7%	1.8%	0.3%
SUT - Motor	-0.5%	2.9%	-1.9%	7.5%	-0.1%	-3.0%	-1.0%
PIT - Withholding	8.7%	5.1%	4.0%	5.0%	4.6%	5.0%	4.2%
PIT - Non-Withheld	48.4%	-18.3%	-4.8%	0.2%	-35.9%	-15.4%	-17.1%
<b>Other Tax Revenues</b>							
Inheritance	21.3%	-1.7%	1.5%	2.8%	-2.1%	3.3%	8.7%
Gross Receipts	3.3%	15.5%	1.1%	<i>large deposit in March</i>			
Insurance Premiums	6.8%	8.2%	1.5%	<i>large deposit in March</i>			
Financial Institutions	6.1%	-18.5%	-0.4%	<i>large deposit in March</i>			
Cigarette	-7.4%	-9.2%	-8.2%	-7.2%	-6.6%	-10.0%	-6.3%
Liquor	3.7%	4.5%	2.5%	7.3%	6.5%	0.3%	2.1%
Realty Transfer	31.9%	-22.5%	-12.0%	-39.1%	-30.6%	-25.1%	-13.0%
Gaming	27.3%	18.6%	-0.9%	30.3%	12.9%	-12.3%	6.0%
<b>Lottery Sales</b>							
Instant Tickets	-6.1%	-4.6%	-5.0%	-4.1%	-6.3%	-5.6%	-6.6%
Multistate Lotto	-0.5%	53.2%	-3.6%	67.2%	-3.6%	63.6%	-29.2%
Numbers	-6.3%	-8.1%	-5.0%	-4.7%	-5.7%	-5.3%	-3.2%
<b>Other Collections (\$ millions)</b>							
Treasury (interest)	\$23	\$452	\$791	\$119	\$172	\$201	\$173
Impact Fee	\$234	\$279	\$174	<i>remit in April</i>			

Notes: All growth rates or changes are year-over-year (YOY). FY 20-21 growth rates adjusted for revenues shifted into the fiscal year due to extensions and one-time transfers. Motor Vehicle SUT growth rate controls for new transfer starting in FY 22-23. FY 23-24 is a forecast. Cigarettes and Realty Transfer Tax are pre-transfers.

# Economics – PA Economic Trends

Pennsylvania Economic Trends							
	Latest Years (YOY)			Latest Quarters (YOY)			
	2021	2022	2023	2023.1	2023.2	2023.3	2023.4
<b>Economy and Income</b>							
Real GDP	3.8%	1.0%	2.1%	0.8%	2.3%	5.6%	--
Nominal GDP	8.6%	8.0%	5.8%	4.8%	4.0%	9.0%	--
Disposable Cash Income	12.9%	-5.4%	4.6%	--	--	--	--
Wages and Salaries	7.3%	7.7%	4.9%	6.4%	5.2%	4.3%	4.2%
Social Security Retirement	2.8%	8.2%	11.4%	11.3%	11.3%	11.1%	12.0%
<b>Consumer Price Index</b>							
CPI-U - All Items (100%)	4.0%	7.9%	4.4%	6.9%	3.9%	3.9%	3.7%
Shelter (37.8%)	1.6%	6.4%	7.4%	7.8%	7.4%	7.3%	6.9%
Food-Beverage (13.0%)	2.2%	10.1%	6.0%	10.6%	7.3%	3.8%	3.0%
Energy (6.9%)	17.1%	28.3%	-4.8%	6.6%	-9.9%	-3.4%	-5.4%
Durable Goods (9.1%)	17.2%	9.0%	0.9%	0.7%	1.2%	1.1%	-0.3%
<b>Housing Market</b>							
FHFA Home Value Index	13.9%	11.1%	6.6%	5.2%	5.3%	8.1%	7.8%
RedFin Home Sales	11.0%	-11.8%	-15.5%	-20.1%	-17.6%	-17.5%	-5.7%
30-Yr Mortgage Rate	2.95	5.30	6.80	6.37	6.51	7.04	7.27
<b>Labor Market (SA)</b>							
Unemployment Rate	6.0%	4.4%	3.8%	4.3%	4.0%	3.5%	3.4%
Number Unemployed (000s)	389	281	247	280	258	226	225
Change Payroll Jobs (000s)	156	231	120	142	115	108	85
Change All Jobs (000s)	128	136	63	44	41	74	92
<b>Consumers</b>							
Auto Loan Debt	6.2%	2.8%	3.8%	4.8%	3.3%	3.5%	3.8%
Credit Card Debt	2.4%	12.5%	12.0%	13.0%	13.2%	14.2%	12.0%
% All Debt 90+ days late	2.1%	2.2%	1.9%	1.9%	1.9%	1.9%	1.9%
U.S. Effective Credit Card Rate	16.4%	17.9%	22.1%	20.9%	22.2%	22.8%	22.8%
U.S. Checking Savings Balance	11.4%	-1.2%	-2.0%	-3.2%	-3.3%	-2.4%	-2.0%
<p>Note: All growth rates or changes are year-over-year (YOY) except Real GDP, which is quarterly annualized. All Jobs include self-employed. Change Payroll Jobs for 2023 assumes a -30k revision. Mortgage Rate is average for quarter.</p> <p>Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, FHFA, RedFin, NYFRB and Freddie Mac.</p>							

# Jobs and Real Earnings



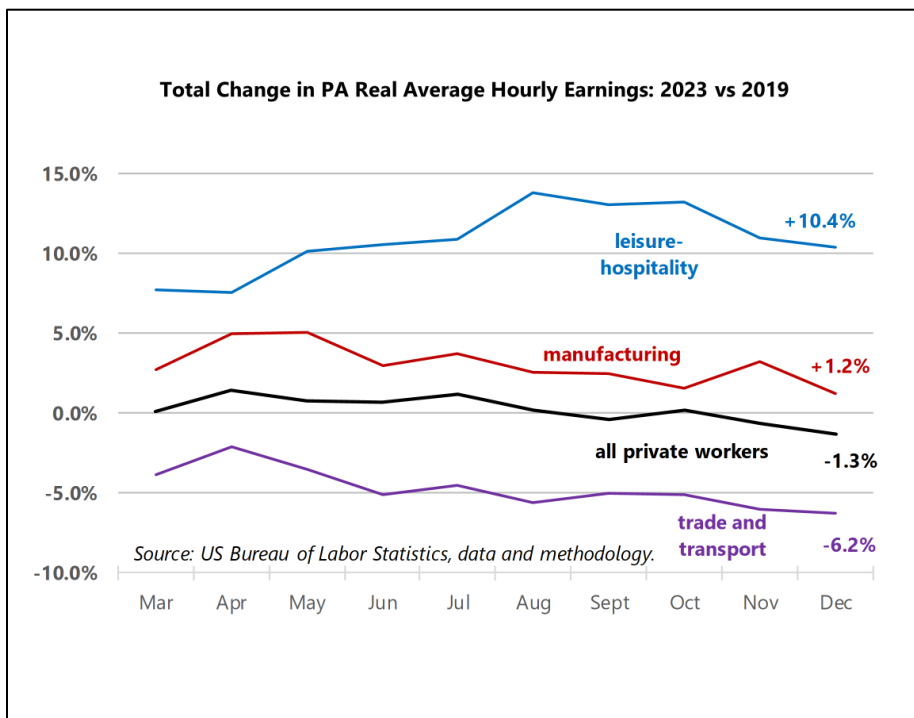
## Payroll Jobs Revert to Pre-Covid Levels

### Expansion (000s)

- Social Assistance +32 (most is elderly-disabled services)
- Warehouse-Storage +23
- Comp System Design +10
- Home Health Care +9

### Contraction (000s)

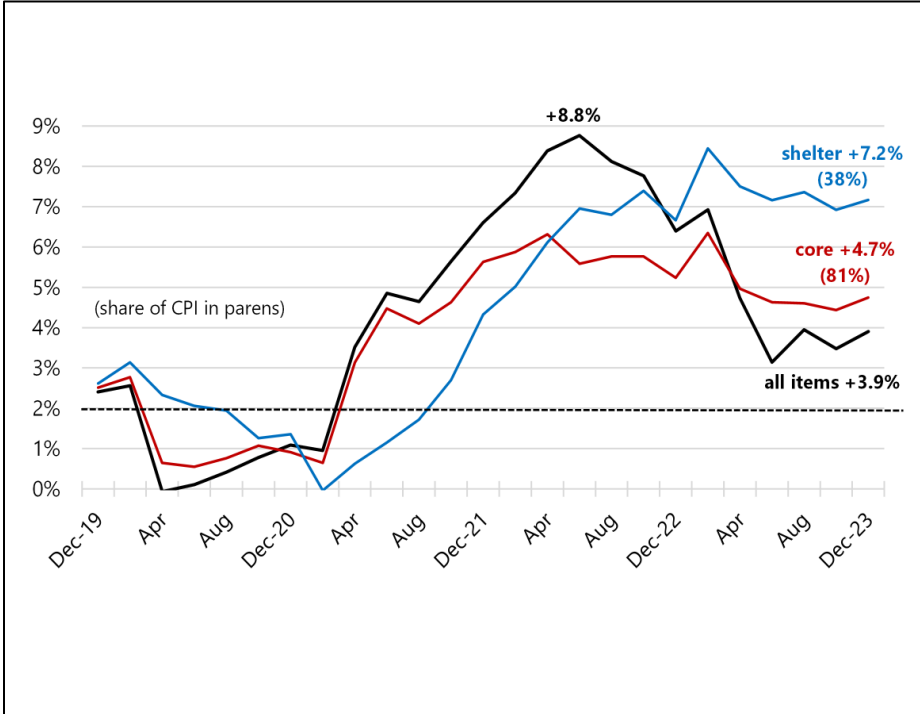
- Nursing Home -17
- Full Serve Restaurant -13
- Retail Sales -12



## Since 2019, Real Avg Hourly Earnings Down for Most PA Workers

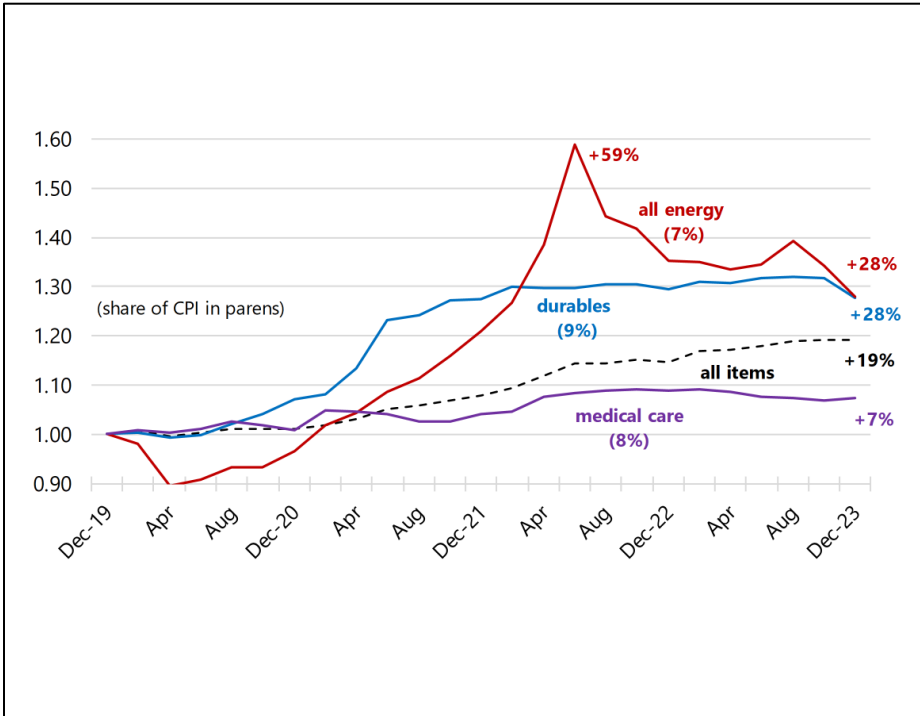
- Real Earnings for all workers trends down for 2023 due to elevated inflation and composition of jobs
- Leisure and Hospitality makes significant gains
- Not shown: Professional and Business Services (+1.0% 2023 Q4) and Healthcare-Social Assistance (-5.7%)

# Philadelphia CPI-U



### Year-Over-Year Growth Philly CPI-U

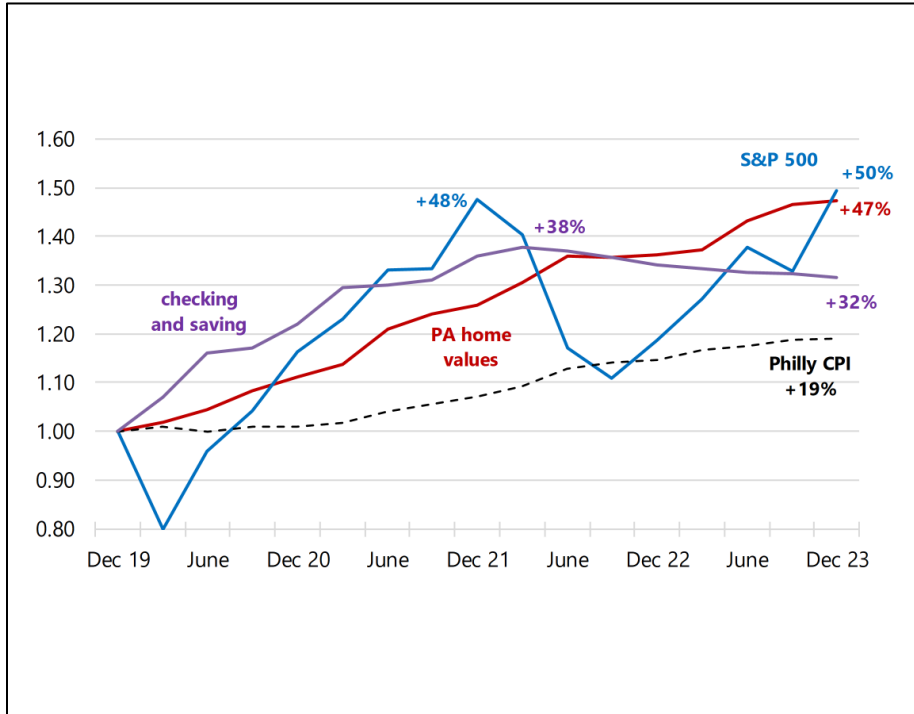
- Peaks June 2022 at 8.8%
- Core excludes food and energy
- Shelter remains high
- Inflation to remain elevated in 2024 due to (1) lagging shelter component (2) less energy and durable goods deflation



### Cumulative Growth Philly CPI-U

- Three series record recent deflation
- Gasoline, utility bills down (natural gas)
- Durable goods deflation in December
- Used cars down -12% since June 2022
- Medical care down -2% since Feb 2023

# Consumer Wealth and Debt

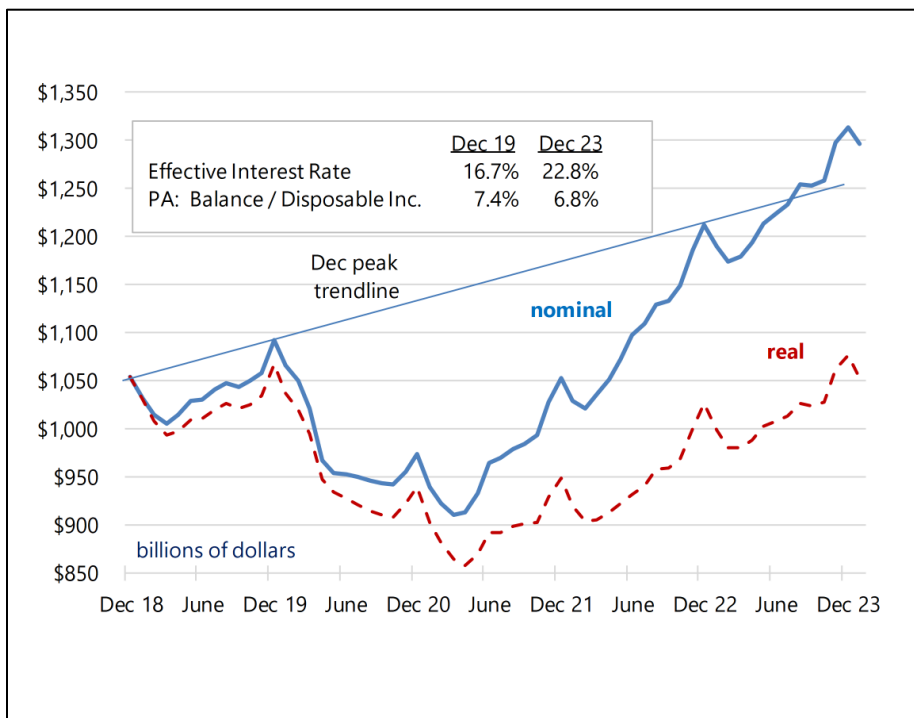


## Wealth Effects and Savings Support Consumers

- S&P 500 +48% Dec 2021; +50% Dec 2023
- PA Home Values +47%
- US Checking-Savings peaks in Mar 2022 +38%; falls to +32% Dec 2023

### Change by Income Quintile

- Top 20%: up +40%
- Middle 20%: up +22%
- Bottom 20%: down -12%



## US Credit Card Debt above trend, but manageable

- Typically grows by \$40 billion per annum
- 2023 grows ~\$100 billion
- Real balances largely unchanged from 2018
- January credit card paydown weaker than normal
- PA credit delinquencies rising but remain below pre-pandemic rates

# Demographic Projections

Pennsylvania Long-Term Demographics: 2020 - 2025 - 2030							
Age Cohort	Population (000s)			Population Change		Percent Change	
	2020	2025	2030	'20 to '25	'25 to '30	'20 to '25	'25 to '30
0-19	3,035	2,933	2,829	-103	-103	-3.4%	-3.5%
20-64	7,522	7,315	7,192	-207	-123	-2.8	-1.7
65-79	1,831	2,073	2,143	242	70	13.2	3.4
80+	<u>606</u>	<u>655</u>	<u>791</u>	<u>49</u>	<u>136</u>	<u>8.0</u>	<u>20.8</u>
<b>Total</b>	<b>12,994</b>	<b>12,975</b>	<b>12,955</b>	<b>-19</b>	<b>-21</b>	<b>-0.1</b>	<b>-0.2</b>

Note: Detail may not sum to total due to rounding.  
Source: U.S. Census Bureau. Estimates and projections by the IFO and updated with December 2023 data.

Older Adult Population Projections for Pennsylvania: 2020 - 2025 - 2030							
Age Cohort	Population (000s)			Population Change		Percent Change	
	2020	2025	2030	'20 to '25	'25 to '30	'20 to '25	'25 to '30
55 to 64	1,826	1,665	1,478	-161	-187	-8.8%	-11.2%
65 to 74	1,411	1,540	1,549	129	9	9.1	0.6
75 to 84	705	864	1,018	159	154	22.5	17.8
85+	<u>322</u>	<u>324</u>	<u>367</u>	<u>3</u>	<u>43</u>	<u>0.9</u>	<u>13.2</u>
<b>Total</b>	<b>4,263</b>	<b>4,393</b>	<b>4,412</b>	<b>129</b>	<b>19</b>	<b>3.0</b>	<b>0.4</b>

Source: U.S. Census Bureau. Estimates and projections by the IFO and updated with December 2023 data.

# Demographics – Components of Population Change

Population Change from April 1, 2020 to July 1, 2023							
	Net Migration			Organic Growth	Total Change	Percent of Pop.	
	Foreign	Domestic	Total				
<b>Top 10 (Relative Population Change)</b>							
1	Idaho	7	104	112	16	126	6.8%
2	South Carolina	24	248	272	-18	255	5.0
3	Florida	349	819	1,168	-94	1,073	5.0
4	Texas	291	656	947	408	1,358	4.7
5	Montana	3	48	52	-3	49	4.5
6	Utah	18	49	67	78	146	4.5
7	Delaware	6	38	44	-2	42	4.2
8	Arizona	52	218	270	3	273	3.8
9	North Carolina	66	310	376	20	396	3.8
10	South Dakota	6	20	25	7	33	3.7
<b>Selected States</b>							
23	Virginia	81	-37	43	40	84	1.0
34	Maryland	66	-100	-34	34	3	0.0
35	New Jersey	104	-153	-50	50	2	0.0
38	Ohio	62	-35	27	-43	-13	-0.1
<b>41</b>	<b>Pennsylvania</b>	<b>62</b>	<b>-40</b>	<b>22</b>	<b>-67</b>	<b>-41</b>	<b>-0.3</b>
<b>Bottom 10 (Relative Population Change)</b>							
42	Michigan	49	-58	-9	-34	-40	-0.4
43	Massachusetts	111	-149	-39	12	-32	-0.4
44	Mississippi	7	-14	-7	-15	-22	-0.7
45	West Virginia	4	6	10	-34	-24	-1.3
46	Hawaii	13	-42	-29	9	-20	-1.4
47	California	323	-1,198	-875	313	-573	-1.4
48	District of Columbia	13	-28	-15	8	-11	-1.5
49	Louisiana	21	-111	-90	5	-84	-1.8
50	Illinois	84	-364	-281	15	-264	-2.1
51	New York	181	-883	-701	84	-631	-3.1
<b>U. S. Total</b>		<b>2,534</b>	<b>--</b>	<b>2,534</b>	<b>916</b>	<b>3,450</b>	<b>1.0</b>

Note: Population in thousands. Share of population is the total change divided by the population as of April 1, 2020. Total change includes a residual, which represents the change that cannot be attributed to any specific demographic component.

Source: U.S. Census Bureau. Annual and Cumulative Estimates of the Components of Resident Population Change for the United States, Regions, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2023.

## Natural Gas Trends

Impact Fee and Natural Gas Trends						
	2018	2019	2020	2021	2022	2023
Impact Fee Revenues <sup>1</sup>	\$251.8	\$200.4	\$146.3	\$233.8	\$278.9	\$174.0
Growth Rate	20.1%	-20.4%	-27.0%	59.8%	19.3%	-37.6%
New Horizontal Wells Drilled	777	614	476	518	575	423
Impact Fee for New Wells <sup>2</sup>	\$50,700	\$45,700	\$40,500	\$54,000	\$69,100	\$51,800
Revenues from New Wells <sup>3</sup>	\$38.7	\$28.3	\$19.2	\$27.8	\$40.0	\$21.5
PA Production (bcf) <sup>4</sup>	6,123	6,815	7,092	7,579	7,451	7,400
Growth Rate	14.1%	11.3%	4.1%	6.9%	-1.7%	-0.7%
NYMEX Natural Gas Price <sup>5</sup>	\$3.09	\$2.63	\$2.08	\$3.84	\$6.64	\$2.74
PA Natural Gas Price <sup>6</sup>	\$2.59	\$2.13	\$1.38	\$3.07	\$5.56	\$1.68
Growth Rate	23.5%	-17.7%	-35.2%	122.5%	81.1%	-69.8%

1 Impact fee revenues as reported by the PUC (millions). Revenues shown according to drilling year, not the year revenues were received. 2023 is estimated by the IFO.

2 Horizontal wells only. Vertical wells pay a fee equal to 20% of the horizontal well fee.

3 Millions of dollars. 2023 is estimated by the IFO.

4 Unconventional gas only. December 2023 production estimated by the IFO.

5 Annual average price of natural gas near-month settlements on the New York Mercantile Exchange, upon which the impact fee schedule is based.

6 Weighted average spot price of major Pennsylvania hubs. Data from Natural Gas Intelligence.



# State and Local Taxes Per Capita

Corporate Income			Personal Income			Sales and Use		
	Rank	Per Cap		Rank	Per Cap		Rank	Per Cap
DE	1	\$2,703	NY	1	\$4,322	NY	14	\$1,843
NJ	3	1,012	MD	4	3,121	NJ	20	1,638
NY	8	755	DE	9	2,394	OH	21	1,632
<b>PA</b>	<b>15</b>	<b>430</b>	VA	10	2,279	NC	32	1,417
MD	18	370	NJ	11	2,226	<b>PA</b>	<b>36</b>	<b>1,286</b>
NC	33	250	<b>PA</b>	<b>18</b>	<b>1,797</b>	MD	42	1,168
VA	35	238	NC	23	1,673	VA	43	1,125
WV	39	206	OH	29	1,462	WV	44	1,047
OH	46	43	WV	30	1,402	DE	48	47
USw		\$456	USw		\$1,791	USw		\$1,687
USuw		\$422	USuw		\$1,545	USuw		\$1,525

Property			Gaming-Liquor-Tobacco			Total Taxes		
	Rank	Per Cap		Rank	Per Cap		Rank	Per Cap
NJ	1	\$3,538	MD	2	\$442	NY	1	\$11,716
NY	2	3,343	WV	4	418	NJ	4	9,406
VA	17	1,915	<b>PA</b>	<b>5</b>	<b>390</b>	MD	8	8,077
MD	21	1,821	NC	12	291	DE	11	7,761
<b>PA</b>	<b>25</b>	<b>1,678</b>	DE	14	282	VA	17	6,810
OH	31	1,552	NJ	20	248	<b>PA</b>	<b>18</b>	<b>6,689</b>
NC	40	1,123	NY	24	221	OH	26	5,644
DE	42	1,105	OH	25	219	NC	28	5,440
WV	43	1,076	VA	28	193	WV	39	5,118
USw		\$1,897	USw		\$214	USw		\$6,905
USuw		\$1,787	USuw		\$228	USuw		\$6,346

Note: Per Capita is the ratio of the state-local tax revenue to state population. USw is weighted average. USuw is unweighted average (each state has same weight). Total Taxes excludes any severance tax or impact fee.

Source: State and Local Tax Revenues: A 50 State Comparison, IFO (February 2024).

# Corporate Net Income Tax Comparison

States With Corporate Net Income Tax					
Rank	State <sup>1</sup>	2024 Tax Rate <sup>2</sup>	Rank <sup>3</sup>	State <sup>1</sup>	CNIT Reliance <sup>4</sup>
1	Minnesota	9.80%	1	Delaware	34.8%
2	Illinois	9.50	2	New Hampshire	16.1
3	Alaska	9.40	3	Tennessee	13.8
4	New Jersey	9.00	4	California	11.6
5	Maine	8.93	5	New Jersey	10.8
6	California	8.84	6	Idaho	10.4
7	Delaware	8.70	7	Minnesota	10.3
8	Vermont	8.50	8	Connecticut	10.1
<b>9</b>	<b>Pennsylvania</b>	<b>8.49</b>	9	Illinois	9.9
10	Maryland	8.25	10	Oregon	9.8
11	Massachusetts	8.00	11	Alaska	9.3
12	Wisconsin	7.90	12	Wisconsin	8.5
13	Oregon	7.60	13	Alabama	7.1
14	Connecticut	7.50	14	Massachusetts	7.1
14	Louisiana	7.50	15	Mississippi	6.6
14	New Hampshire	7.50	16	Kentucky	6.5
17	New York	7.25	17	New York	6.4
18	Iowa	7.10	<b>18</b>	<b>Pennsylvania</b>	<b>6.4</b>
19	Rhode Island	7.00	19	Louisiana	5.8
20	Montana	6.75	20	Nebraska	5.6
21	Alabama	6.50	21	Arkansas	5.5
21	Kansas	6.50	22	South Carolina	5.2
21	Tennessee	6.50	23	Kansas	4.8
21	West Virginia	6.50	24	Montana	4.7
25	Hawaii	6.40	25	Vermont	4.6
26	Michigan	6.00	26	Utah	4.6
26	Virginia	6.00	27	Iowa	4.6
28	New Mexico	5.90	28	North Carolina	4.6
29	Nebraska	5.84	29	Maryland	4.6
30	Idaho	5.80	30	Georgia	4.5
31	Georgia	5.75	31	Oklahoma	4.4
32	Florida	5.50	32	Maine	4.1
33	Kentucky	5.00	33	Indiana	3.9
33	Mississippi	5.00	34	Rhode Island	3.8
33	South Carolina	5.00	35	Colorado	3.8
36	Arizona	4.90	36	Florida	3.8
36	Indiana	4.90	37	West Virginia	3.7
38	Arkansas	4.80	38	Virginia	3.5
39	Utah	4.65	39	Michigan	3.4
40	Colorado	4.40	40	North Dakota	3.3
41	North Dakota	4.31	41	Arizona	3.2
42	Missouri	4.00	42	New Mexico	3.0
42	Oklahoma	4.00	43	Missouri	2.7
44	North Carolina	2.50	44	Hawaii	2.5

1 Nevada, Ohio, South Dakota, Texas, Washington and Wyoming do not levy a corporate net income tax.  
2 Tax rate reflects the highest tax bracket for states with a graduated corporate income tax for tax year 2024.  
3 States are ranked by ratio of state and local CNIT revenue to total state and local revenue.  
4 CNIT Reliance is the ratio of the state-local CNIT tax revenue to total state and local revenue for FY 21-22.  
Source: *State and Local Tax Revenues: A 50 State Comparison*, IFO (February 2024).

# State Pension Outlook

<b>State Pension System Funding Outlook</b>							
<b>FYE</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>State Employees' Retirement System (SERS)<sup>1</sup></b>							
Employer Rate (%)	33.59	33.48	33.81	34.16	35.32	33.73	33.09
State Contributions	\$3,186 <sup>2</sup>	\$2,871 <sup>3</sup>	\$2,075	\$2,164	\$2,228	\$2,224	\$2,245
Share of GF (%)	2.72	1.49	2.03	2.26	2.66	2.66	2.71
System Return (%)	11.11	17.24	-12.15	12.22	6.875	6.875	6.875
Unfunded Liability	\$22,395	\$16,080	\$17,489	\$16,617	\$16,296	\$16,294	\$16,946
<b>Public School Employees' Retirement System (PSERS)</b>							
Employer Rate (%)	34.29	34.51	34.94	35.26	34.00	33.90	34.72
State Contributions	\$2,628	\$2,702	\$2,747	\$2,986	\$2,995	\$3,060	\$3,178
Share of GF (%)	8.14	6.69	5.71	6.65	6.65	6.76	6.90
System Return (%)	1.11	24.58	2.23	3.54	7.00	7.00	7.00
Unfunded Liability	\$44,035	\$45,534	\$43,965	\$42,340	\$41,772	\$40,816	\$39,240
<p>Note: Dollars in millions. Data sourced from system projections and reports. Share of GF represents the ratio of state contributions (General Fund portion only) to General Fund collections.</p> <p>1 SERS reported on calendar year basis except for Employer Contribution Rate. Includes all funds.</p> <p>2 Includes \$1.1 billion prepayment of unfunded liability from The Pennsylvania State University.</p> <p>3 Includes \$825 million prepayment of unfunded liability from the Pennsylvania State System of Higher Education.</p>							

# Economic Development Incentives

Tax Credits and Other Incentives						
Tax Credits	Utilized or Awarded (\$ millions)				Exec. Budget	
	19-20	20-21	21-22	22-23	23-24	24-25
Educational Improvement	\$174.8	\$179.5	\$209.7	\$299.2	\$470.0	\$470.0
Keystone Opportunity Zone (KOZ)	84.3	85.8	110.0	113.3	121.7	78.6
Film Production	63.0	65.1	66.9	70.6	100.0	100.0
Educational Opportunity Scholarship	33.6	53.6	54.0	61.1	85.0	85.0
Neighborhood Improvement Zone (NIZ)	61.1	46.6	69.3	58.5	68.3	70.1
Research and Development	46.9	54.9	46.3	38.4	60.0	60.0
Neighborhood Assistance Programs	18.0	33.6	35.9	36.0	36.0	36.0
Child and Dependent Care Enhancement	--	--	--	26.2	95.2	124.9
Military Infrastructure Revitalization Program	--	15.5	15.8	16.1	21.2	21.6
Coal Refuse Energy and Reclamation	17.1	10.8	15.2	16.0	20.0	20.0
Keystone Innovation Zone (KIZ)	15.1	15.0	15.0	15.0	15.0	15.0
Resource Enhancement and Protection	5.6	11.2	11.9	12.6	13.0	13.0
City Revitalization and Improve. Zone (CRIZ)	7.8	9.5	8.7	12.2	17.0	19.0
Entertainment and Economic Enhancement	4.0	4.0	3.6	9.8	24.0	24.0
Pennsylvania Resource Manufacturing	0.0	0.0	0.0	5.0	60.9	65.0
Historic Preservation Incentive	5.0	5.0	5.0	5.0	5.0	5.0
Waterfront Development	0.2	1.4	1.5	5.0	5.0	5.0
Mixed-Use Development	3.0	3.0	4.5	4.5	4.5	4.5
Brewers' Tax Credit	2.6	2.1	2.7	3.6	5.0	5.0
New Jobs	3.0	3.3	13.8	1.7	4.1	7.4
Manufacturing Tax Credit	0.0	0.0	0.1	1.1	4.0	4.0
Video Game Production	1.0	1.0	1.0	1.0	1.0	1.0
Beginning Farmers'	--	--	--	0.2	6.0	6.0
Airport Land Development Zones	--	--	--	0.0	1.8	4.5
Pennsylvania Housing	--	--	0.0	0.0	10.0	10.0
Rural Jobs and Investment	0.0	0.0	0.0	0.0	0.0	6.0
Computer Data Center Equipment	7.0	5.4	2.8	--	--	--
Mobile Telecomm. Broadband Investment	3.0	--	--	--	--	--
Local Resource Manufacturing	--	--	--	--	56.7	56.7
Pennsylvania Milk Processing	--	--	--	--	15.0	15.0
Regional Clean Hydrogen Hubs	--	--	--	--	50.0	50.0
Semicond. & Biomed Man. & Research	--	--	--	--	<u>20.0</u>	<u>20.0</u>
<b>Subtotal</b>	<b>556.1</b>	<b>606.3</b>	<b>693.7</b>	<b>812.1</b>	<b>1,395.4</b>	<b>1,402.3</b>

Note: Act 132 of 2020 eliminated the Mobile Telecommunications Broadband Investment Tax Credit and established the Underserved Broadband Funding Program, a grant program administered by the CFA.

In July 2015, \$100 million in Innovate in PA Tax Credits were purchased by qualified insurance companies. The credits may be utilized to offset tax year liabilities for 2016 and thereafter, in an amount not to exceed \$20 million annually. The net amount transferred to DCED was \$85.4 million. The net benefit to purchasers is the differential between tax credits sold and monies received (\$14.6 million). The annual impact is the difference between the tax credit claimed in that year and the amount paid for the credit. Due to the technical nature of accounting for the differential, the Innovate in PA Tax Credits are omitted from this table.

Various tax credits were omitted (e.g., Organ and Bone Marrow Donation) due to a small number of filers or zero filers.

**Tax Credits and Other Incentives (Continued)**

	Spending (\$ millions)				Exec Budget	
	19-20	20-21	21-22	22-23	23-24	24-25
<b>State Spending or Grants</b>						
PA Race Horse Development Fund	\$164.3	\$177.3	\$205.8	\$197.7	\$221.7	\$218.2
Redevelop. Assistance Capital Program	139.6	101.0	99.9	166.8	100.0	100.0
Gaming, Economic Devel. & Tourism Fund	25.5	25.5	34.8	51.4	55.5	55.5
Business in Our Sites (CFA)	10.0	16.5	0.0	48.7	35.0	40.0
BFTDA - Challenge Grants	14.5	14.5	14.5	16.5	16.5	16.5
PA First	12.3	11.8	13.1	14.5	23.0	34.0
Infrastructure and Facilities Improvement	10.7	7.7	7.6	9.7	10.0	10.0
Marketing to Attract Tourists (advertising)	5.5	2.6	9.2	7.6	22.8	27.8
Office of International Business Development	5.6	5.1	5.3	6.3	7.2	7.2
BFTDA - Venture Investment	3.0	8.5	6.5	2.5	9.5	4.0
Life Sciences Greenhouses	3.0	3.0	3.0	2.3	3.0	3.0
PIDA Industrial Parks	4.5	4.7	0.0	2.3	5.0	5.0
Infrastructure Technology Assistance	1.5	1.2	2.9	1.9	2.5	2.5
Marketing to Attract Business	4.9	2.7	1.7	1.5	4.3	4.5
Sports Tourism and Marketing Grants	--	--	--	0.0	10.0	5.0
Building PA (CFA)	6.3	0.0	0.0	0.0	7.4	0.0
PA Dairy Investment Program (CFA)	5.5	0.0	0.0	0.0	0.0	0.0
<b>Subtotal</b>	<b>416.7</b>	<b>382.1</b>	<b>404.4</b>	<b>529.7</b>	<b>533.3</b>	<b>533.2</b>
<b>Job Training Programs</b>						
Manufacturing PA	12.0	12.0	12.0	12.0	13.0	13.0
Labor and Industry	12.6	10.6	10.6	11.3	14.3	16.0
Partnerships for Regional Economic Perf.	13.0	6.7	10.2	10.7	10.9	10.9
WedNet	6.5	8.2	11.0	10.0	10.0	8.0
Foundations in Industry	--	--	--	--	3.0	5.0
<b>Subtotal</b>	<b>44.1</b>	<b>37.5</b>	<b>43.8</b>	<b>44.0</b>	<b>51.2</b>	<b>52.9</b>
<b>State Loan Programs</b>						
PIDA Loan Program	24.4	26.1	21.0	36.0	45.0	45.0
Small Business First Loans	68.1	5.7	6.5	9.4	25.0	25.0
Machinery and Equipment Loans	4.7	12.8	3.0	0.7	11.8	11.8
Minority Business	1.4	1.0	0.7	0.7	1.4	1.4
<b>Subtotal</b>	<b>98.6</b>	<b>45.6</b>	<b>31.2</b>	<b>46.8</b>	<b>83.2</b>	<b>83.2</b>

Note: PA Race Horse Development Trust Fund disbursements exclude transfers to Agriculture and Farm Products Show Fund.  
 Source: PA Department of Revenue, PA Department of Community and Economic Development, FY 2024-25 Executive Budget, Comprehensive Annual Financial Reports and state accounting system.

