

Monthly Revenue Update

January 2021



For January, General Fund revenue collections were \$2.66 billion, which were \$245.8 million (-8.5 percent) below the monthly projections associated with the revised Independent Fiscal Office (IFO) Official Estimate published in January 2021. The monthly shortfall was the largely the result of a temporary shift in personal income tax (PIT) collections. Fiscal-year-to-date (FYTD) collections are \$21.2 billion, \$242.1 million (-1.1 percent) lower than expected.

Total corporate net income tax (CNIT) collections reached \$146.0 million, largely meeting the January projection (0.1 percent). The monthly performance was due to higher than anticipated estimated payments (\$4.6 million, 6.8 percent) and lower than expected final payments (-\$4.5 million, -5.7 percent). CNIT collections total \$2.28 billion for the fiscal year.

Monthly sales and use tax (SUT) collections of \$1.08 billion were \$14.2 million (-1.3 percent) below estimate. Motor vehicle sales collections were \$121.3 million for January, exceeding the estimate by \$1.7 million (1.4 percent). Non-motor SUT collections recorded a \$15.9 million (-1.6 percent) shortfall for the month, offsetting the motor vehicle overage. FYTD SUT collections are \$7.46 billion.

PIT collections came in \$255.0 million (-18.9 percent) below estimate for January, mainly due to quarterly payments, which were \$245.7 million below estimate (-55.6 percent). Withholding payments were \$2.7 million (0.3 percent) above and annual payments fell \$12.0 million (-48.0 percent) below estimate. The temporary closure of a payment processing center in late January related to COVID-19 caused most of the PIT shortfall for non-withholding revenues. As a result, payments that would typically be recorded in January will be shifted into February. The IFO expects to recoup some portion of the shortfall next month.

January inheritance tax collections of \$101.6 million exceeded estimate by \$22.4 million (28.3 percent). Non-tax revenues reached \$26.3 million, \$2.4 million below estimate. This result was due to a shortfall in licenses and fees (-\$3.4 million, -41.4 percent) and fines, penalties and interest (-\$1.9 million, -28.5 percent), but was offset by strength in other miscellaneous (\$2.1 million, 11.1 percent) collections. Other miscellaneous revenues are higher than usual due to a \$15.0 million posting this month that offsets a negative posting that occurred in November 2020 related to repayment of loan principal under the PA First program.

FY 2020-21 Revenue Performance Through January

	January Collections			Fiscal Year Collections		
	<u>Actual</u>	<u>Estimate</u>	<u>\$ Diff</u>	<u>Actual</u>	<u>Estimate</u>	<u>\$ Diff</u>
General Fund	\$2,658.3	\$2,904.1	-\$245.8	\$21,187.5	\$21,429.6	-\$242.1
Corporate Net Income	146.0	145.9	0.1	2,284.3	2,284.2	0.1
SUT - Non-Motor	960.1	976.0	-15.9	6,414.0	6,429.9	-15.9
SUT - Motor Vehicle	121.3	119.6	1.7	1,046.6	1,044.9	1.7
PIT - Withholding	886.7	884.0	2.7	6,032.2	6,029.5	2.7
PIT - Non-Withholding	209.3	467.0	-257.7	2,453.5	2,711.3	-257.8
Cigarette	43.1	57.5	-14.4	615.2	629.7	-14.5
Inheritance	101.6	79.2	22.4	706.6	684.3	22.3
Other Taxes	164.1	146.2	17.9	943.5	921.9	21.6
Non-Tax	26.3	28.7	-2.4	691.6	693.9	-2.3

Dollar amounts in millions. Estimate refers to the revised IFO Official Estimate published in January 2021.

GENERAL FUND REVENUES SUMMARY

Revenue Source	Jan 2021	Jan 2020	FYTD 2020-21	FYTD 2019-20	Monthly Growth	FYTD Growth
Total General Fund	\$2,658.3	\$3,071.0	\$21,187.5	\$18,712.0	-13.4%	13.2%
Total Tax Revenue	2,632.1	3,053.1	20,495.9	18,432.6	-13.8	11.2
Total Corporation Taxes	186.3	134.0	2,362.2	1,785.2	39.0	32.3
Accelerated Deposits	(2.4)	(2.3)	1.4	1.9	n.a.	n.a.
Corporate Net Income	146.0	92.0	2,284.3	1,664.3	58.6	37.3
Gross Receipts	2.6	3.3	17.9	37.0	-21.6	-51.5
Utility Property	0.0	0.0	2.5	1.9	1.8	27.8
Insurance Premium	33.7	38.8	35.3	58.6	-13.2	-39.8
Financial Institution	6.4	2.1	20.8	21.5	208.7	-3.3
Total Consumption Taxes	1,167.9	1,184.4	8,413.3	7,804.0	-1.4	7.8
Sales and Use - Total	1,081.4	1,079.3	7,460.7	6,856.7	0.2	8.8
Non-Motor	960.1	955.5	6,414.0	5,939.1	0.5	8.0
Motor Vehicle	121.3	123.8	1,046.6	917.6	-2.0	14.1
Cigarette	43.1	64.6	615.2	618.7	-33.3	-0.6
Other Tobacco Products	11.4	10.5	78.3	76.8	8.8	2.0
Malt Beverage	1.8	1.9	14.0	13.8	-6.4	2.0
Liquor	30.3	28.1	245.1	238.0	7.7	3.0
Total Other Taxes	1,277.9	1,734.7	9,720.4	8,843.4	-26.3	9.9
Personal Income - Total	1,096.0	1,567.8	8,485.7	7,751.5	-30.1	9.5
Withholding	886.7	1,058.7	6,032.2	6,271.0	-16.2	-3.8
Quarterly	196.3	482.7	1,276.1	1,189.1	-59.3	7.3
Annual	13.0	26.4	1,177.4	291.4	-50.9	304.0
Realty Transfer	54.4	49.5	371.3	330.4	9.9	12.4
Inheritance	101.6	92.8	706.6	648.5	9.5	9.0
Gaming	19.9	20.8	127.1	106.1	-4.7	19.9
Minor and Repealed	6.1	3.8	29.7	6.9	61.3	328.1
Total Non-Tax Revenue	26.3	17.9	691.6	279.4	46.8	147.5
State Store Fund Transfers	0.0	0.0	100.0	100.0	0.0	0.0
Lic., Fees & Misc.	21.6	12.0	548.8	129.4	78.9	324.1
Licenses and Fees	4.8	14.3	100.7	84.1	-66.4	19.7
Miscellaneous	16.7	(2.2)	448.0	45.3	n.a.	889.8
Treasury	0.2	0.9	5.7	22.2	-76.4	-74.5
Escheats	(4.8)	(4.6)	(24.1)	2.0	-3.4	n.a.
Other Miscellaneous	21.3	1.5	466.4	21.0	n.a.	n.a.
Fines, Penalties & Interest	4.7	5.9	42.8	50.0	-19.3	-14.4

Note: Dollar amounts in millions. Growth rates computed from same time period in previous year and use unrounded amounts.