

MONTHLY TRENDS REPORT

Independent Fiscal Office | April 2019

On July 30th, the Independent Fiscal Office (IFO) released monthly revenue projections for fiscal year (FY) 2018-19.¹ General Fund collections exceeded estimate for April (\$508.6 million) and are \$890.5 million (3.1%) above estimate for the fiscal year-to-date (FYTD). The monthly overage was driven by unusually strong personal income tax (PIT), sales and use tax (SUT) and corporate net income tax (CNIT) collections.

PIT collections were above estimate by \$313.7 million for the month, with overages in annual (\$279.4 million), estimated (\$29.7 million) and withholding (\$4.6 million) collections. FYTD collections are above estimate by \$123.7 million, due to an overage in annual payments (\$293.2 million) that is partially offset by shortfalls in withholding (-\$16.6 million) and estimated (-\$152.8 million) collections.

SUT collections were above estimate (\$52.6 million) for the month, with both non-motor vehicle (\$28.5 million) and motor vehicle (\$24.1 million) collections exceeding estimate. Total SUT collections are above estimate (\$272.9 million) for the FYTD and are growing at a rate of 7.6 percent.

CNIT collections for the month were higher than anticipated (\$63.7 million), due to overages in both final (\$50.9 million) and estimated (\$12.8 million) payments. FYTD CNIT collections are higher than expected (\$323.3 million), as a result of strong final (\$184.6 million) and estimated (\$138.8 million) payments. Overall FYTD CNIT collections are growing at a rate of 22.4 percent.

GENERAL FUND SNAPSHOT			
	General Fund	Tax Revenue	Non-Tax Revenue
Apr-19	\$4,413	\$4,173	\$240
Growth	17.6%	17.4%	20.5%
FYTD	\$29,163	\$28,394	\$769
Growth	0.5%	6.9%	-68.7%
Dollar amounts in millions. See final page for detail.			

April non-tax revenues were \$58.0 million above estimate. Licenses and fees (\$32.3 million) and escheats collections (\$34.9 million) both exceeded estimate for the month. The overage in licenses and fees was driven by more license applicants than anticipated for sports wagering and an expected transfer to the Insurance Regulation and Oversight Fund (IROF) that did not occur. FYTD non-tax collections are \$94.3 million above estimate due primarily to greater than anticipated licenses and fees payments (\$100.8 million) and treasury collections (\$14.0 million).

FY 2018-19 Revenue Performance Through April

	April Collections			FYTD Collections		
	Actual	Estimate	\$ Diff	Actual	Estimate	\$ Diff
General Fund	\$4,414	\$3,905	\$509	\$29,163	\$28,273	\$891
Corp. Net Income	321	257	64	2,513	2,190	323
Sales and Use	975	922	53	9,186	8,913	273
Personal Income	2,520	2,206	314	11,926	11,802	124
Other Taxes	357	337	21	4,769	4,693	76
Non-Tax	240	182	58	769	674	95

Dollar amounts in millions. Estimate refers to IFO official estimate published on July 30, 2018.

¹ See *Official Monthly & Quarterly Revenue Estimates* for more information: <http://www.ifo.state.pa.us/download.cfm?file=/Resources/Documents/MQRE-FY18-19-July.pdf>.

MONTHLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	Jan-19	Feb-19	Mar-19	Apr-19	Jan-19	Feb-19	Mar-19	Apr-19
Unemployment Rate ¹	4.0%	3.8%	3.8%	3.6%	4.1%	4.0%	3.9%	n.a.
Net Job Gains (000s) ²	312.0	56.0	189.0	263.0	55.2	52.3	50.1	n.a.
Average Gasoline Price ³	\$2.25	\$2.31	\$2.52	\$2.80	\$2.39	\$2.41	\$2.58	\$2.81
CPI-U All Items ⁴	1.6%	1.5%	1.9%	n.a.	1.2%	1.5%	n.a.	n.a.
CPI-U Excludes Energy ⁴	2.1%	2.1%	2.0%	n.a.	1.6%	1.9%	n.a.	n.a.
Retail Sales ⁵	2.8%	2.2%	2.9%	n.a.	7.5%	6.0%	5.9%	6.0%
Consumer Sentiment Index ⁶	91.2	93.8	98.4	97.2	n.a.	n.a.	n.a.	n.a.

QUARTERLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	2018.2	2018.3	2018.4	2019.1	2018.2	2018.3	2018.4	2019.1
Gross Domestic Product ⁷	4.2%	3.4%	2.2%	3.2%	3.6%	2.8%	n.a.	n.a.
Personal Income ⁸	4.5%	4.5%	4.6%	4.1%	3.6%	3.7%	4.4%	n.a.
Wages and Salaries ⁹	4.5%	4.4%	4.6%	4.2%	4.0%	3.5%	4.2%	n.a.
CPI-U All Items ⁴	2.7%	2.6%	2.2%	1.1%	1.6%	1.7%	1.3%	1.2%
CPI-U Excludes Energy ⁴	2.1%	2.1%	2.1%	1.4%	0.9%	1.0%	1.1%	1.3%
FHFA House Price Index ¹⁰	6.8%	6.5%	5.7%	n.a.	5.4%	4.6%	5.0%	n.a.

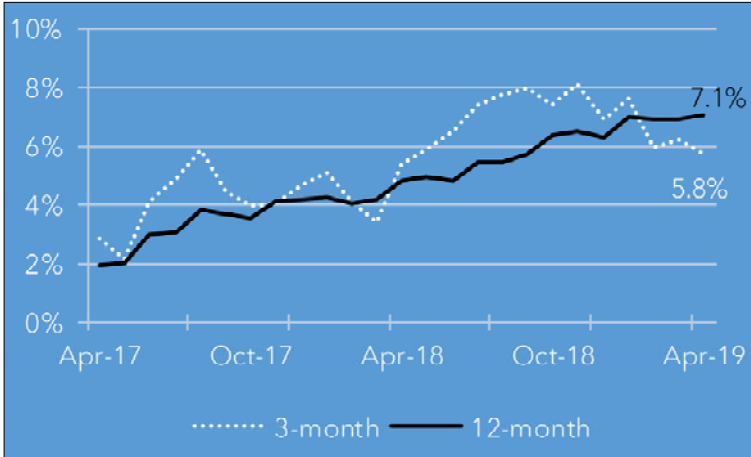
Notes:

1. Source: U.S. Bureau of Labor Statistics—Survey of Households.
2. U.S.: Increase in payroll employment compared to the previous month. PA: Average year-over-year increase in payroll employment based on latest three months of data. Source: U.S. Bureau of Labor Statistics—Survey of Establishments.
3. Average price for one gallon of regular gasoline. Source: U.S. Energy Information Administration.
4. Annual change in average price level for U.S. and PA-NJ-DE-MD. Data for PA-NJ-DE-MD only published on a bi-monthly basis. For non-release months, values are an interpolation. Source: U.S. Bureau of Labor Statistics.
5. U.S.: Annual growth rate of advance retail sales based on latest three months of data. Includes purchases of gas and motor vehicles. Excludes services. Source: U.S. Department of Commerce. PA: Annual growth rate of sales tax revenues based on latest three months of data. Excludes transfers to or from the Enhanced Revenue Collection Account. Source: PA Department of Revenue.
6. A diffusion index that reflects consumer optimism. Source: UM—Survey of Consumers.
7. The quarterly, annualized real growth rate of the economy. Excludes inflation. Source: U.S. Bureau of Economic Analysis.
8. The annual growth rate of personal income. Includes any inflationary gains. Source: U.S. Bureau of Economic Analysis.
9. Year-over-year growth rate of wages and salaries paid to all payroll employees. Source: U.S. Bureau of Economic Analysis.
10. The House Price Index is a broad measure of the movement of single-family house prices. The HPI is a weighted, repeat-sales index; it measures average price changes in repeat sales or refinancing on the same properties. These data are obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. Source: Federal Housing Finance Agency.

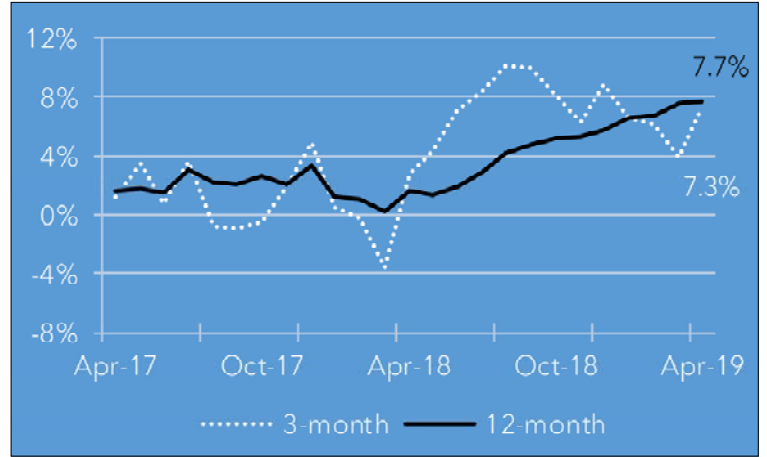
SELECT GENERAL FUND TAX REVENUES

ANNUAL GROWTH RATES

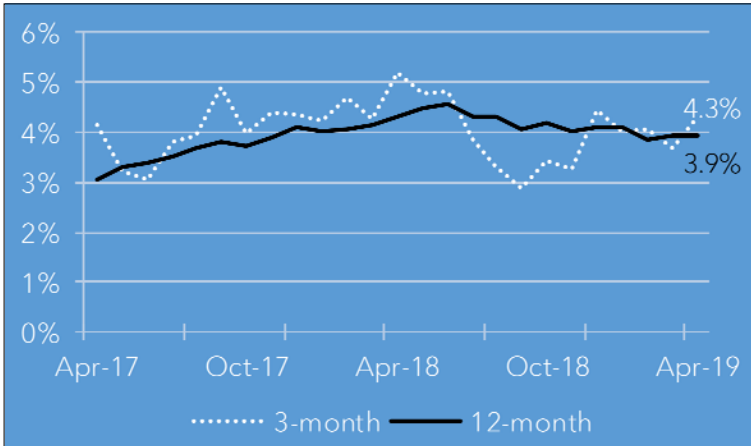
Sales and Use Tax – Non-Motor



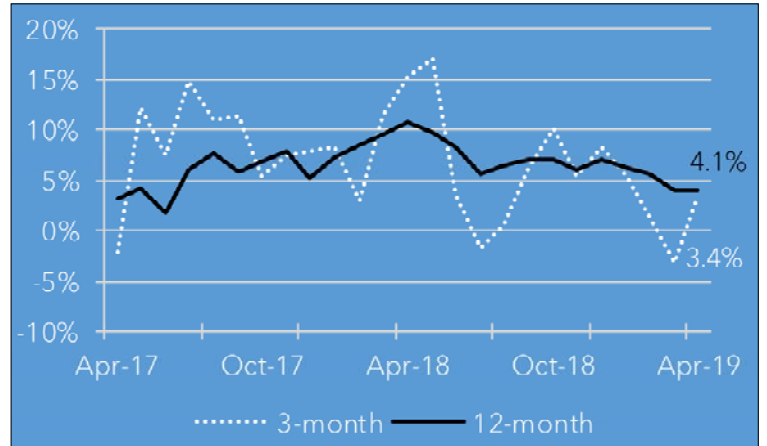
Sales and Use Tax – Motor



Personal Income Tax – Withholding



Realty Transfer Tax



Technical Notes

- The three-and twelve-month growth rates displayed in the graphs are rolling averages relative to the previous fiscal year.
- The graphs above correct for (1) transfers to the Commonwealth Financing Authority, Enhanced Revenue Collection Account and Housing Affordability and Rehabilitation Enhancement Fund and (2) issues related to fluctuating payment due dates.
- Treasury collections (next page) for the fiscal year include \$30.4 million for a settlement under the Air Pollution Control Act that was deposited into the General Fund in July 2018.

GENERAL FUND REVENUES SUMMARY

Revenue Source	Apr 2019	Apr 2018	FYTD 2018-19	FYTD 2017-18	Monthly Growth	FYTD Growth
Total General Fund	\$4,413.4	\$3,753.9	\$29,163.0	\$29,027.1	17.6%	0.5%
Total Tax Revenue	4,173.0	3,554.4	28,394.3	26,571.6	17.4	6.9
Total Corporation Taxes	386.0	313.2	4,576.0	4,043.4	23.2	13.2
Accelerated Deposits	1.4	8.9	3.2	12.1	-84.2	-73.3
Corporate Net Income	320.5	243.3	2,513.1	2,052.9	31.7	22.4
Gross Receipts	13.4	4.2	1,208.5	1,140.7	221.4	5.9
Utility Property	16.2	16.6	17.6	18.1	-2.5	-2.6
Insurance Premiums	31.0	38.2	458.1	463.2	-18.9	-1.1
Financial Institution	3.6	2.1	375.3	356.5	72.3	5.3
Total Consumption Taxes	1,111.2	1,026.2	10,548.4	9,945.9	8.3	6.1
Sales and Use - Total	974.9	893.8	9,185.8	8,540.4	9.1	7.6
Non-Motor	828.8	766.7	7,957.1	7,407.8	8.1	7.4
Motor Vehicle	146.1	127.1	1,228.7	1,132.6	14.9	8.5
Cigarette	94.4	92.7	918.8	978.9	1.9	-6.1
Other Tobacco Products	10.5	10.2	106.5	97.8	2.6	8.9
Malt Beverage	1.9	1.9	19.2	19.9	1.5	-3.6
Liquor	29.5	27.7	318.2	308.9	6.7	3.0
Total Other Taxes	2,675.8	2,215.0	13,269.9	12,582.3	20.8	5.5
Personal Income - Total	2,520.1	2,056.9	11,926.0	11,307.5	22.5	5.5
Withholding	851.2	811.8	8,707.3	8,387.1	4.8	3.8
Quarterly	375.5	329.7	1,535.2	1,673.9	13.9	-8.3
Annual	1,293.4	915.4	1,683.6	1,246.4	41.3	35.1
Realty Transfer	49.9	41.8	433.4	416.6	19.3	4.0
Inheritance	93.3	100.1	855.3	818.9	-6.8	4.5
Gaming	12.1	9.9	108.6	101.8	21.9	6.7
Minor and Repealed	0.5	6.3	(53.5)	(62.5)	-92.6	14.3
Total Non-Tax Revenue	240.4	199.5	768.7	2,455.5	20.5	-68.7
State Store Fund Transfers	0.0	0.0	185.1	185.1	0	0
Lic., Fees & Miscellaneous	232.5	192.2	511.2	2,196.9	21.0	-76.7
Licenses and Fees	47.9	27.1	314.0	295.2	77.0	6.3
Miscellaneous	184.6	165.1	197.2	1,901.7	11.8	-89.6
Treasury	0.7	2.3	61.1	14.7	-70.4	315.8
Escheats	182.3	152.0	77.8	71.3	19.9	9.1
Other Miscellaneous	1.7	10.9	58.3	1,815.7	-84.6	-96.8
Fines, Pen. & Int. - Total	7.9	7.3	72.5	73.5	8.3	-1.3

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