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Independent Fiscal Office Releases Revenue Estimate

(Harrisburg) - - The Independent Fiscal Office (IFO) today released its official revenue estimate, according to director Matthew Knittel. The IFO's initial revenue estimate was released on May 1, and the official estimate provides updates for fiscal year (FY) 2013-14 and FY 2014-15.

FY 2013-14 unrestricted General Fund revenues are estimated to be \$28.544 billion, \$572 million below the estimate certified with the enactment of the FY 2013-14 budget and \$103 million (-0.4 percent) below receipts in the prior fiscal year.

The statutory deadline for the IFO's official estimate occurs before June sales tax remittances and the quarterly estimated payments for personal income and corporate income taxes are recorded. Accordingly, the estimate for the current fiscal year is based on collections through May and the IFO's expectations for June revenues.

FY 2014-15 unrestricted General Fund revenues are projected to be \$29.445 billion, an increase of 3.2 percent over the prior year. The projection is made on a current law basis, and it does not include the impact of proposed changes to statute.

Relative to the revenue estimates contained in February's Executive Budget, these projections are \$572 million lower for FY 2013-14 and \$870 million lower for FY 2014-15, a two-year difference of \$1,442 million.

"Revenues for FY 2013-14 unexpectedly fell below prior-year levels, an anomaly largely driven by temporary economic and technical factors," Knittel said. "Projections for FY 2014-15 anticipate a return to growth due to improvements in the labor market and consumer spending."

A copy of the official revenue estimate, including a brief discussion of the economic outlook, is posted on the IFO's website at www.ifo.state.pa.us. A separate document describes the methods and data used to make the projections.

Act 120 of 2010 created the Independent Fiscal Office to provide revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues.

Follow the Independent Fiscal Office on Twitter at www.twitter.com/ind_fisc_office. Sign up at www.ifo.state.pa.us/EmailSubscr.cfm to be alerted by email when new documents are posted to the IFO website.

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