



# Economic Brief

State Representative Donna Oberlander

December 2017

## Pennsylvania Brings in \$2.8 Billion in Revenue Collections

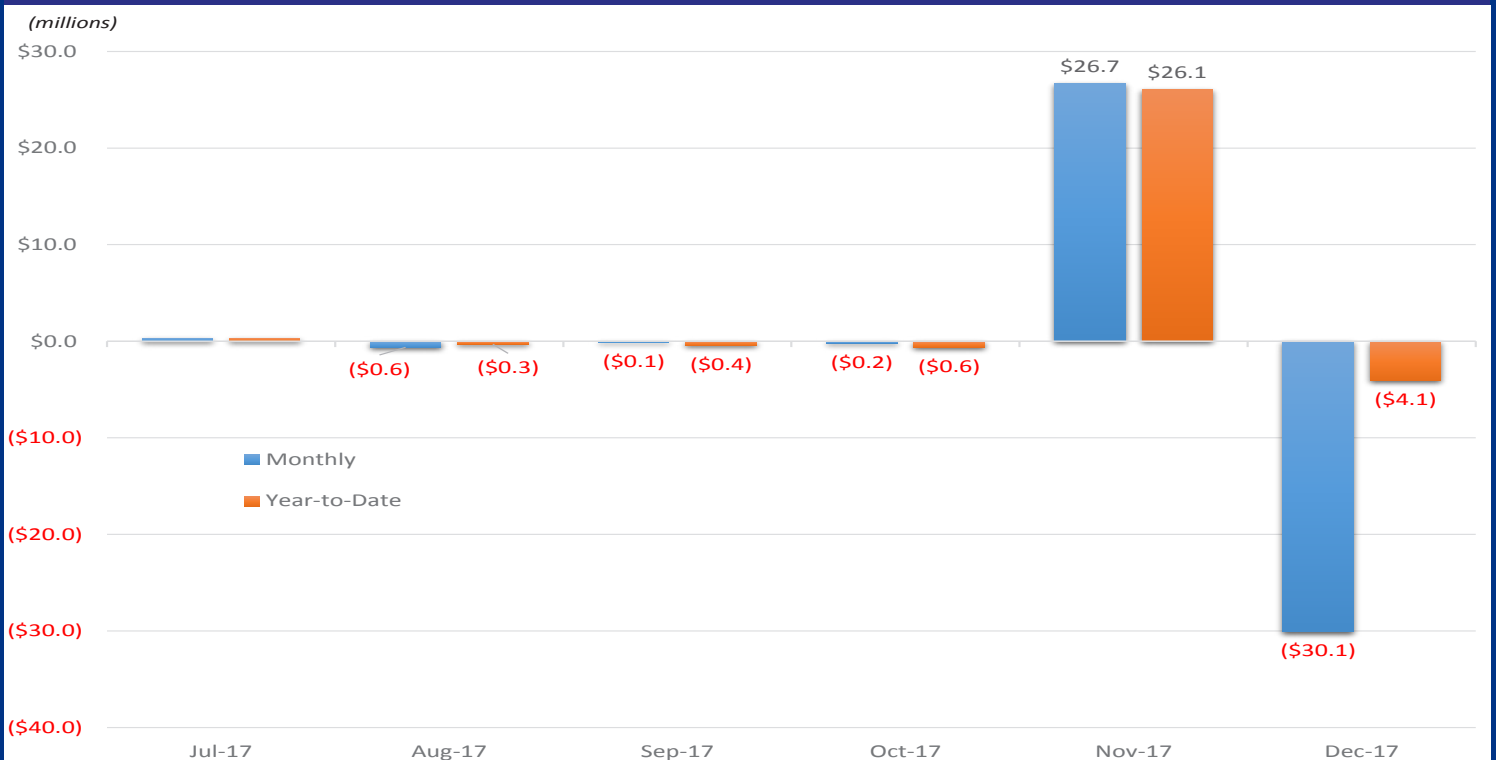
General Fund revenue collections for the month of December were \$2.8 billion, which was \$30 million less than the Department of Revenue’s Official Estimate.

Collections of \$488 million for corporation taxes came in lower than the Official Revenue Estimate projections by \$65 million. Sales tax collections of \$895 million were higher than expected, coming in \$15.8 million above the Official Estimate. The Personal Income Taxes collected were \$1.09 billion, which were above estimate by \$70 million.

For the 2017-18 Fiscal Year, General Fund collections of \$14.23 billion are below the official estimate by \$4 million or 0.03%. December revenues grew by 7.6% as compared to the same month of the prior year and year-to-date revenues are up 5.8% as compared to the prior fiscal year.

| December Revenue Collections |                                |
|------------------------------|--------------------------------|
| Official Estimate            | Actual Collections             |
| <b>Total General Fund</b>    | <b>Total General Fund</b> ↓    |
| \$2.847 Billion              | \$2.817 Billion                |
| <b>Corporation Taxes</b>     | <b>Corporation Taxes</b> ↓     |
| \$553 Million                | \$488 Million                  |
| <b>Sales Taxes</b>           | <b>Sales Taxes</b> ↑           |
| \$879 Million                | \$895 Million                  |
| <b>Personal Income Taxes</b> | <b>Personal Income Taxes</b> ↑ |
| \$1.02 Billion               | \$1.09 Billion                 |
| <b>All Other Taxes</b>       | <b>All Other Taxes</b> ↓       |
| \$319 Million                | \$313 Million                  |
| <b>Non-Tax Revenue</b>       | <b>Non-Tax Revenue</b> ↓       |
| \$72 Million                 | \$26 Million                   |

## Difference From Official General Fund Revenue Estimate





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## Chairman's Budget News

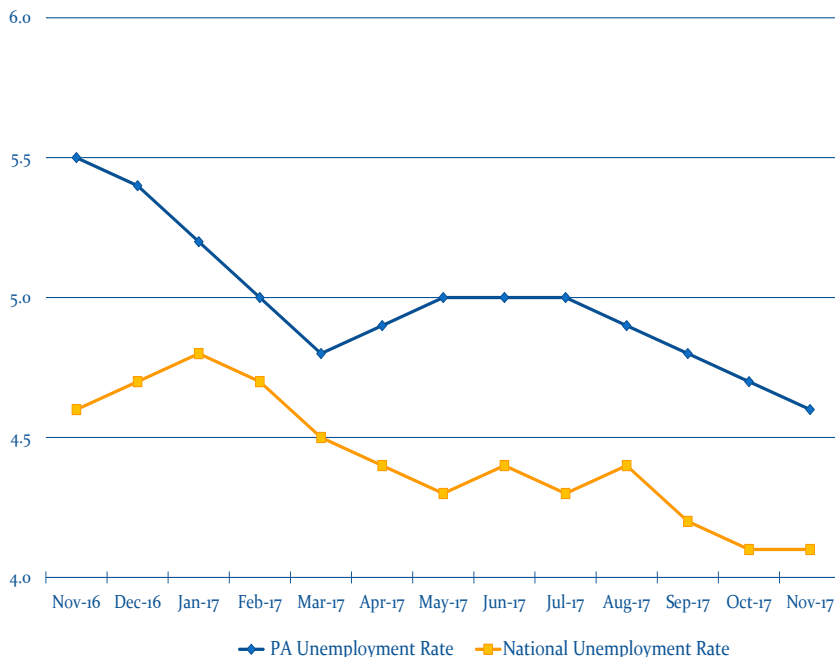
On December 14th the Secretary of the Budget provided the annual mid-year budget briefing. This briefing is used by the administration to update legislators and the public on the status of the budget. One of the traditional aims of the briefing is to provide an update on revenue collections and to update the legislature if the administration feels current appropriations will not be enough to cover mandated needs. If current appropriations aren't enough to cover mandated expenses the administration can either request supplemental appropriations from the General Assembly or cut spending in other areas of the budget. So far the administration does not anticipate the need for any supplemental appropriations.

Here are the big takeaways from the Mid-Year Budget Briefing:

1. The Office of the Budget anticipates a \$42 million surplus at the end of the 2017-18 fiscal year and anticipates putting \$10 million in the Rainy Day Fund.
2. There were no specifics offered about how the governor plans to meet his obligation in the Fiscal Code of transferring \$300 million to the General Fund.
3. With the CFA approving the Tobacco Securitization, the Administration is no longer pursuing the securitization of future liquor profits of the PLCB.
4. The Administration is still pursuing the lease-leaseback of the Pennsylvania Farm Show.

After six months of revenue collections, the General Fund is essentially meeting the official revenue estimate. The Appropriations Committee will continue to monitor revenue collections to see if any different trend lines develop. The enactment of federal tax changes could impact Pennsylvania tax collections, but that effect is unknown at this point.

12-Month Unemployment Rates



### PA EMPLOYMENT STATISTICS

|                        | Nov. 2017    | Monthly Change |   |
|------------------------|--------------|----------------|---|
| Labor Force            | 6.39 Million | -2,000         | ↓ |
| Unemployment Rate      | 4.6%         | -0.1%          |   |
| Total Employment       | 6.1 Million  | 0              |   |
| <b>12-Month Change</b> |              |                |   |
| Total Employment       | -1,000       |                |   |
| Unemployment Rate      | -0.9%        |                |   |

### Surrounding States Unemployment Rates

|    |      |    |      |
|----|------|----|------|
| DE | 4.7% | NY | 4.7% |
| MD | 3.9% | OH | 4.8% |
| NJ | 5.1% | WV | 5.3% |