



Economic Brief

State Representative Donna Oberlander

April 2022

April Revenue Collections Over Estimate by \$1.8 Billion

Fiscal Analysis and Forecast

Personal Income Tax (PIT) annual payments of \$2.61 billion for the month exceeded estimate by \$1.14 billion, or 78%. These payments reflect personal income from individual tax returns for the tax year 2021. Likewise, Corporate Net Income Tax (CNIT) annual payments of \$529.5 million for the tax year 2021 exceeded estimate by \$262.4 million, or 98.2%.

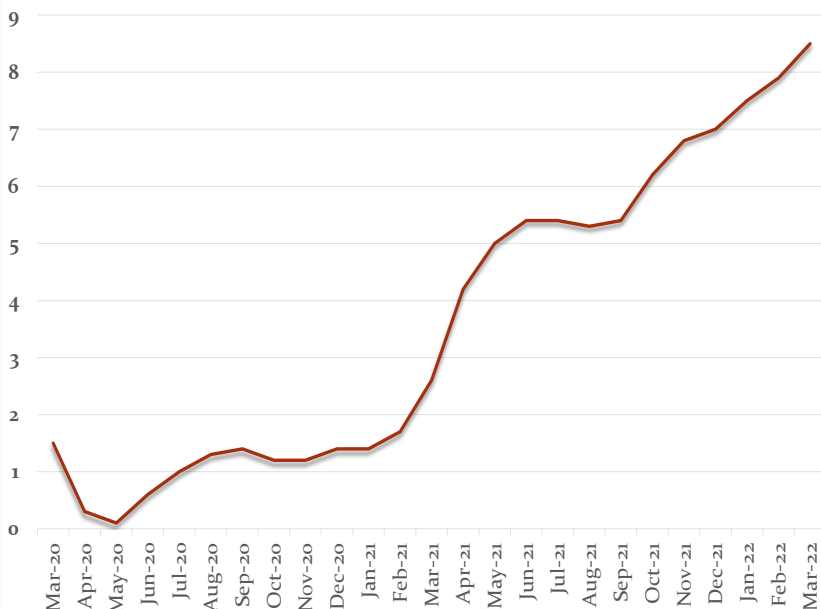
It is clear that 2021 was much better than anticipated. However, recent economic news for calendar year 2022 begin to show signs for concern. As reported by the Bureau of Labor Statistics (BLS), consumer prices were up 8.5 percent for the 12 months ending March 2022, following a rise of 7.9 percent from February 2021 to February 2022. The 8.5 percent increase in March was the largest 12-month advance since December 1981. Additionally, the U.S. Bureau of Economic Analysis reported that the economy (GDP) contracted by 1.4% in the first quarter of 2022.

On May 23rd the Independent Fiscal Office (IFO) is scheduled to release its initial revenue estimate for the 2022-23 budget year, which will also include a revised 2021-22 revenue estimate based on the most recent General Fund collections. As budget negotiations move forward in the upcoming months, there will be many discussions on the future of the economy and the impact it will have on estimated revenue collections.

April Revenue Collections

| Official Estimate | Actual Collections |
|------------------------------|--------------------------------|
| Total General Fund | Total General Fund ↑ |
| \$4.70 Billion | \$6.52 Billion |
| Corporation Taxes | Corporation Taxes ↑ |
| \$369.7 Million | \$676.1 Million |
| Sales Taxes | Sales Taxes ↑ |
| \$1.09 Billion | \$1.21 Billion |
| Personal Income Taxes | Personal Income Taxes ↑ |
| \$2.79 Billion | \$4.15 Billion |
| All Other Taxes | All Other Taxes ↑ |
| \$216.3 Million | \$250.4 Million |
| Non-Tax Revenue | Non-Tax Revenue ↓ |
| \$234.6 Million | \$230.6 Million |

US Annual Inflation Rate



PA EMPLOYMENT STATISTICS

| | Mar. 2022 | Monthly Change |
|---------------------------|---------------|----------------|
| Labor Force | 6.387 Million | +17,000 ↑ |
| Unemployment Rate | 4.9% | -0.2% ↓ |
| Total Nonfarm Jobs | 5.902 Million | +15,800 ↑ |
| 12-Month Change | | |
| Total Nonfarm Jobs | +195,900 | |
| Unemployment Rate | -2.2% | |

Surrounding States Unemployment Rates

| | | | |
|----|------|----|------|
| DE | 4.5% | NY | 4.6% |
| MD | 4.6% | OH | 4.1% |
| NJ | 4.2% | WV | 3.7% |