



Economic Brief

State Representative Marguerite Quinn

January 2018

Pennsylvania Brings in \$3.14 Billion in Revenue Collections

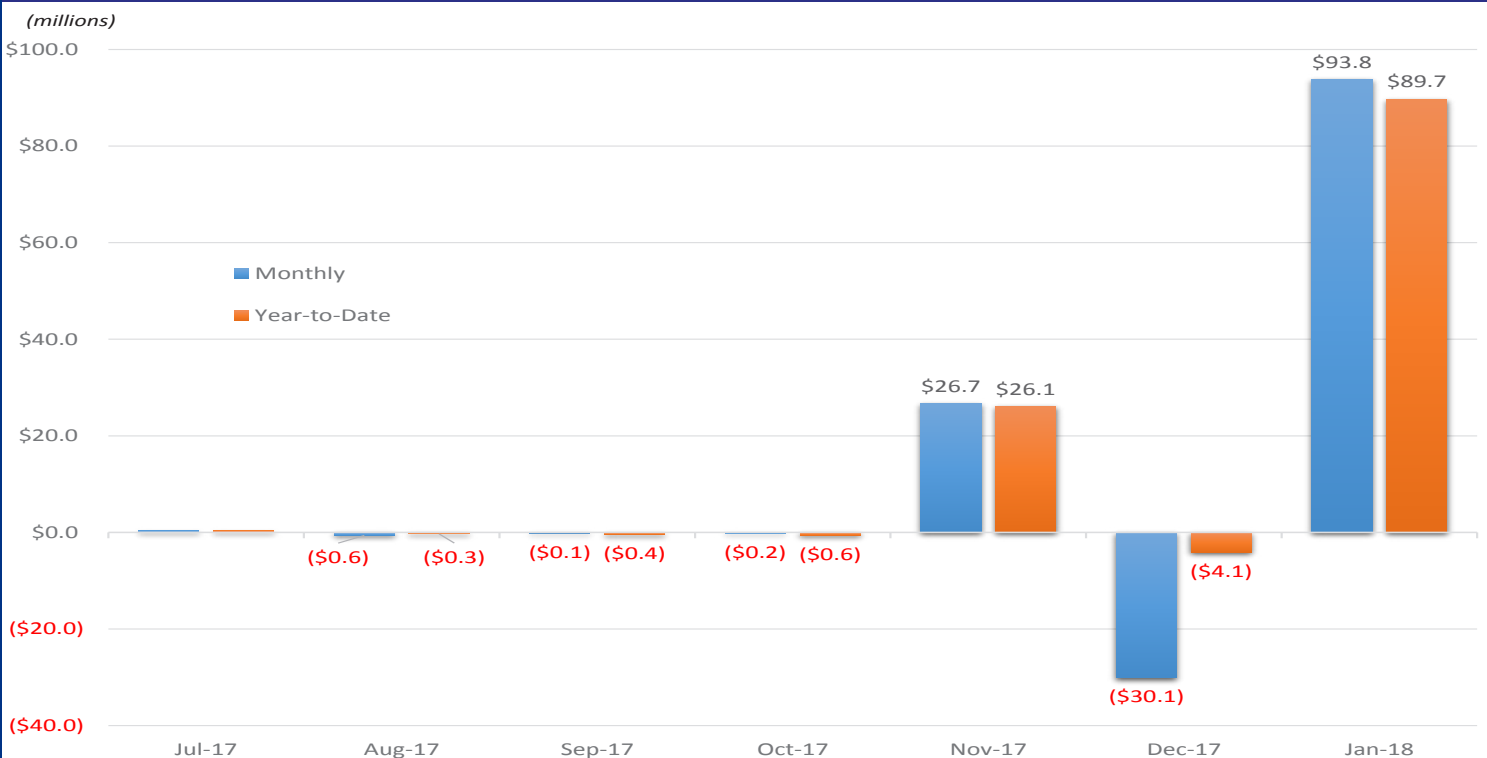
General Fund revenue collections for the month of January were \$3.14 billion, which was \$94 million more than the Department of Revenue’s Official Estimate.

Collections of \$140 million for corporation taxes came in higher than the Official Revenue Estimate projections by \$31.7 million. Sales tax collections of \$920 million were lower than expected, coming in \$45 million below the Official Estimate. The Personal Income Taxes collected were \$1.55 billion, which was above estimate by \$53 million.

For the 2017-18 Fiscal Year, General Fund collections of \$17.37 billion are above the official estimate by \$89.68 million or 0.52%. January revenues grew by 18.7% as compared to the same month of the prior year and year-to-date revenues are up 7.9% as compared to the prior fiscal year.

January Revenue Collections	
Official Estimate	Actual Collections
Total General Fund	Total General Fund ↑
\$3.04 Billion	\$3.14 Billion
Corporation Taxes	Corporation Taxes ↑
\$108 Million	\$140 Million
Sales Taxes	Sales Taxes ↓
\$966 Million	\$920 Million
Personal Income Taxes	Personal Income Taxes ↑
\$1.50 Billion	\$1.55 Billion
All Other Taxes	All Other Taxes ↓
\$248 Million	\$235 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$225 Million	\$293 Million

Difference From Official General Fund Revenue Estimate





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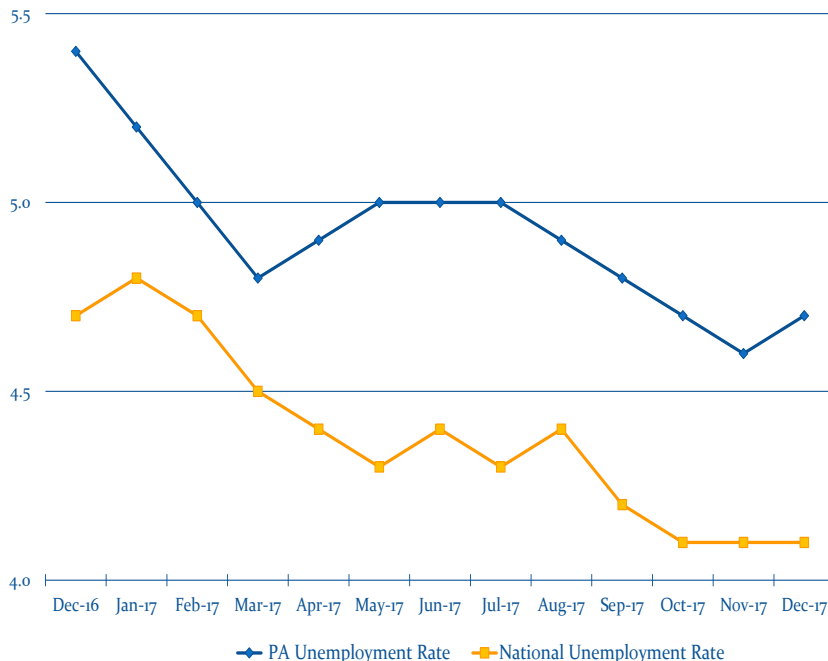
Chairman's Budget News

On January 29th the Independent Fiscal Office (IFO) gave their Mid-Year Revenue Update. The IFO expects that the Commonwealth will meet the Official Revenue Estimate this fiscal year. Below are some of the key highlights from the IFO presentation.

1. The IFO examined the effects of the federal tax cuts on single and married Pennsylvanians across different income levels. Nearly every income level regardless of marital status will receive a tax decrease.
2. In total, Pennsylvania should see between \$6.9 billion and \$7.7 billion in increased disposable income. This should result in increased GDP growth in Pennsylvania.
3. For 2017-18, the IFO is revising its revenue estimate to \$34.78 billion which is an increase of \$35 million compared to its original estimate.
4. The IFO is now expecting General Fund revenues to come in \$76 million ahead of the Department of Revenue's Official Revenue Estimate.
5. For 2018-19, the IFO is estimating total General Fund revenues to be \$33.914 billion. The reduction in revenues between 2017-18 and 2018-19 is a result of the loss of one-time revenues such as the Tobacco Settlement securitization, the auction of gaming licenses, and the \$300 million of special fund transfers.

The IFO also released their 2017 Impact Fee Estimate. For calendar year 2017, the Marcellus Shale Impact Fee (tax) will collect approximately \$219 million which is an increase of \$46 million or 26.6%. This means that the Marcellus Shale Impact Fee would have an effective tax rate of 2.9%. The Marcellus Shale Impact Fee has brought in over \$1 billion for communities throughout Pennsylvania.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	Dec. 2017	Monthly Change	
Labor Force	6.392 Million	-5,000	↓
Unemployment Rate	4.7%	+0.1%	
Total Employment	6.09 Million	-8,000	
12-Month Change			
Total Employment	-10,000		
Unemployment Rate	-0.7%		

Surrounding States Unemployment Rates

DE	4.6%	NY	4.6%
MD	4.0%	OH	4.7%
NJ	5.0%	WV	5.5%