

FASTFACTS

From the House Appropriations Committee

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General Fund Revenue Update: April 2011

Due to strong revenue collections, we anticipate roughly \$1 billion is available to offset the \$2.6 billion in cuts proposed by Governor Corbett. This is based on additional revenues exceeding half a billion dollars for this year (2010/11) that will also be carried forward into the base for next year's (2011/12) estimate. April is the second largest month for General Fund revenues, with over \$3.3 billion taken into the state treasury. Total General Fund collections year-to-date are almost \$506 million (2.3 percent) over the official estimate for 2010/11. When compared with year-to-date collections over the same period last year, total General Fund tax revenues through April 2011 are higher by 6.1 percent.

- **Collections have exceeded the official estimate by \$505.9 million (2.3 percent of estimate) for fiscal year 2010/11 through April.**
 - ❖ Corporation tax collections are \$188.1 million (4.6 percent) more than expected.
 - ❖ Sales taxes have exceeded projections by \$144.0 million (2.1 percent).
 - ❖ Total personal income tax collections are \$210.4 million higher than estimated (2.5 percent).
- **Strong collections for the month drive this year through April overage.**
 - ❖ April collections exceed the estimate by \$273.2 million (nine percent).
 - ❖ Corporation taxes exceed estimate by \$196.5 million (41.8 percent).
 - ❖ Sales taxes have outperformed expectations by \$17.5 million (2.5 percent).
 - ❖ Personal income taxes are \$92.0 million higher than anticipated, or 6.2 percent.
 - Final annual payments made by taxpayers in April were \$71.1 million more than expected (10.7 percent).
 - Employer withholdings on wages and salaries were lower than estimate by \$9.8 million (1.6 percent).
 - ❖ Non-tax revenues were \$28.6 million lower than estimate (18.2 percent).
- **While Pennsylvania's economy must still be carefully watched, growth in tax revenue is an encouraging economic indicator for the fiscal year through April compared with the same period last year.**
 - ❖ Total General Fund tax revenue through April is higher by 6.1 percent.
 - ❖ Corporation tax collections have increased by 8.2 percent.
 - ❖ Sales tax collections have increased by 4.5 percent.
 - ❖ Personal income tax collections have increased by 6.1 percent.
 - Notably, annual final payments are 12.2 percent higher than last year.
 - ❖ While tax collections are stronger than anticipated, **because of one-time non-recurring revenues and transfers, overall 2010/11 General Fund revenues are still 1.7 percent lower than 2009/10.**
- **Looking ahead,** May collections (estimated at \$1.7 billion for 2010/11) are significantly smaller than April, as there are no major quarterly or final payments due. In June, quarterly estimated payments for the personal income tax, as well as corporation taxes are due. Additionally, some one time revenues and transfers will occur, making June another large month for revenues.