



General Fund Revenue Update – November 2021

Five months into the fiscal year, General Fund revenues are now \$1 billion over the official estimate, with November's revenues finishing \$217.9 million ahead of estimate. The General Fund continues to be in a strong position entering the holiday shopping season.

November revenues this year totaled \$6.6 billion, vastly larger than the typical amount of between \$2 and \$2.5 billion. The large collections were from non-tax revenue, as the commonwealth recognized \$3.84 billion in federal American Rescue Plan Act - State Fiscal Recovery Fund (ARP) dollars as revenue for the General Fund. This transfer from the COVID-19 Response Restricted Account used 52.7 percent of the total ARP funds provided to the commonwealth. Revenue replacement is an allowable use of the ARP funds under federal law. The General Assembly has only appropriated \$759 million of the total \$7.3 billion available to help support Pennsylvanians and recover from the pandemic, leaving \$2.7 billion remaining in the account.

On the tax side, the largest driver last month was the sales tax, accounting for over half of the month's revenue surplus. Non-motor vehicle sales taxes exceeded estimate by \$85.8 million, while motor vehicle collections added another \$27.3 million for a total of \$113.0 million more than expected.

The personal income tax finished \$37.8 million ahead of estimate, with employer withholdings on wages and salaries comprising \$21.8 million of that amount, and non-withheld collections providing the remaining \$16.0 million.

Rounding out the three largest tax types, the corporate net income tax collected \$27.6 million more than anticipated in November.

Looking Ahead:

In December, corporations will make their final CNIT quarterly estimated payment for 2021. Individuals and businesses that pay the personal income tax will make their next quarterly payment in January. The sales tax will start reflecting holiday sales in both December and January.

This past month, the Independent Fiscal Office released its annual Five Year Outlook report, projecting that 2021/22 revenues would finish about \$1.64 billion above the official estimate. The Wolf administration will provide their mid-year update to the Appropriations Committee chairs on December 22, detailing their preliminary view on revenues and expenditures through the end of the fiscal year.

For November:

- Total General Fund collections were \$217.9 million higher than expected (3.4 percent)
- General Fund tax revenues were \$203.2 million higher than anticipated (8.2 percent)
- The corporate net income tax was \$27.6 million higher than expected (18.4 percent)
- Sales and use tax collections exceeded projections by \$113.0 million (11.2 percent)
 - Non-motor collections were \$85.8 million higher than projected (9.8 percent)
 - Motor vehicle collections were \$27.3 million above estimate (20.5 percent)
- Personal income tax collections were \$37.8 million higher than the official estimate (3.9 percent)
 - Employer withholdings on wages and salaries were \$21.8 million higher than anticipated (2.4 percent)
 - Non-withheld PIT payments were \$16.0 million more than expected (33.6 percent)
- Realty transfer tax revenues were \$9.3 million above estimate (15.9 percent)
- Inheritance tax collections were \$8.2 million higher than estimated (7.2 percent)
- Non-tax revenues were \$14.6 million above the official estimate (0.4 percent)

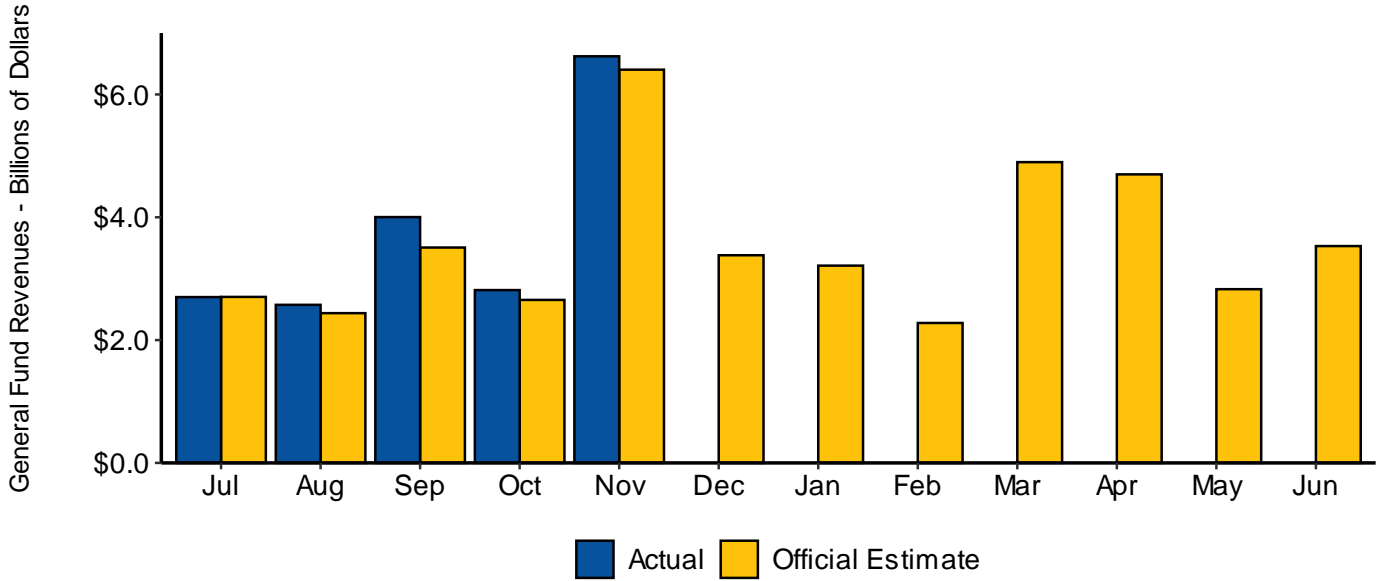
For the 2021/22 fiscal year to date:

- Cumulative General Fund revenues are \$1.006 billion higher than expected (5.7 percent)
- General Fund tax revenues were \$955.1 million higher than projected (7.0 percent)
- Corporate net income tax revenues are \$302.3 million more than expected (25.7 percent)
- Sales and use taxes are \$307.2 million more than expected (5.6 percent)
- Personal income tax collections are \$248.5 million higher than anticipated (4.7 percent)
- Non-tax revenues are \$51.0 above the estimate (1.3 percent)

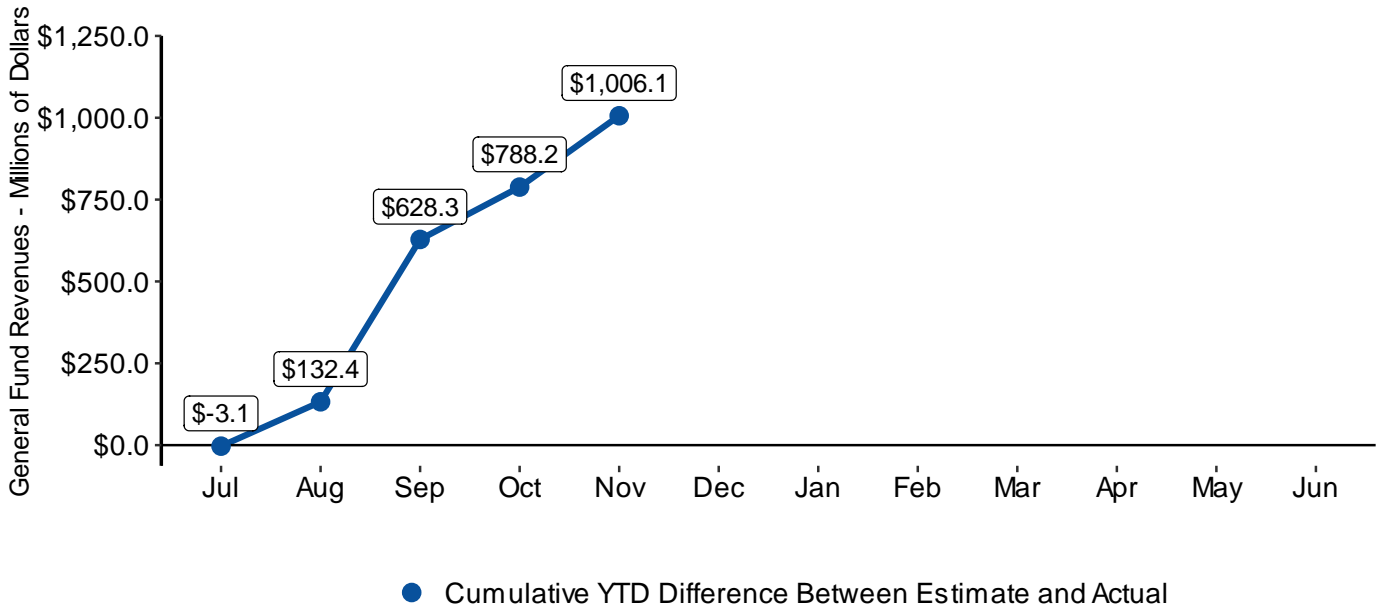
General Fund Revenues - Year-to-Date Performance vs Official Estimate			
<i>Amounts in Millions</i>	YTD Estimate	YTD Collections	Difference
General Fund Total	17,707.1	18,713.2	1,006.1
Tax Revenue Total	13,683.1	14,638.2	955.1
Corporation Taxes	1,229.1	1,546.9	317.8
Corporate Net Income Tax	1,176.6	1,478.9	302.3
Gross Receipts Tax	15.5	28.7	13.2
Utility Property Tax	1.4	1.9	0.5
Insurance Premiums Taxes	20.6	20.4	(0.2)
Financial Institutions Taxes	15.0	19.9	4.9
Consumption Taxes	6,146.5	6,454.9	308.4
Sales and Use Tax	5,464.0	5,771.2	307.2
Cigarette Tax	432.8	432.6	(0.2)
Other Tobacco Products	61.2	62.9	1.7
Malt Beverage Tax	10.2	9.6	(0.6)
Liquor Tax	178.3	178.7	0.4
Other Taxes	6,307.5	6,636.4	328.9
Personal Income Tax	5,310.8	5,559.3	248.5
Realty Transfer Tax	292.0	311.5	19.5
Inheritance Tax	586.6	611.9	25.3
Gaming	115.1	128.9	13.8
Minor and Repealed	3.0	24.7	21.7
Non-Tax Revenue	4,024.0	4,075.0	51.0



2021/22 General Fund Revenue Performance Compared to Official Estimate



2021/22 General Fund Revenue Performance Year to Date Difference



2021/22 YTD Revenue Performance vs. Official Estimate

