



Economic Brief

Rep. Stan Saylor, Republican Chairman

January 2019

Pennsylvania Brings in \$2.88 Billion in Revenue Collections

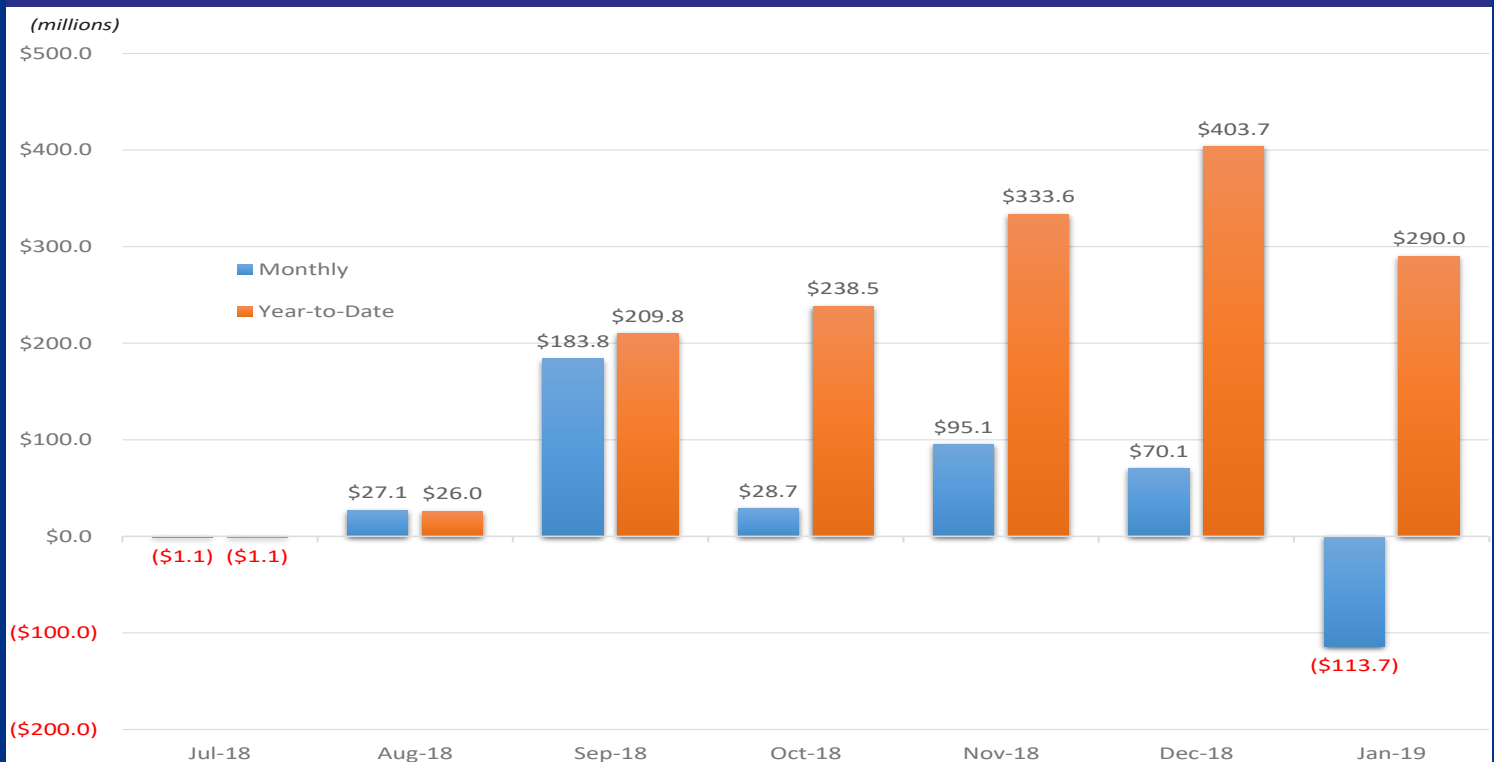
General Fund revenue collections for the month of January were \$2.88 billion, which was \$113.7 million less than the Department of Revenue's Official Estimate.

Collections of \$143 million for corporation taxes came in above the Official Revenue Estimate projection by \$6.8 million. Sales tax collections of \$1 billion were higher than expected, coming in \$37 million above the Official Estimate. The Personal Income Taxes collected were \$1.48 billion, which was below estimate by \$146 million.

For the 2018-19 Fiscal Year, General Fund collections of \$18.16 billion are above the official estimate by \$290 million or 1.6%.

January Revenue Collections	
Official Estimate	Actual Collections
Total General Fund	Total General Fund ↓
\$2.99 Billion	\$2.88 Billion
Corporation Taxes	Corporation Taxes ↑
\$136 Million	\$143 Million
Sales Taxes	Sales Taxes ↑
\$965 Million	\$1.0 Billion
Personal Income Taxes	Personal Income Taxes ↓
\$1.63 Billion	\$1.48 Billion
All Other Taxes	All Other Taxes ↓
\$256 Million	\$238 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$12.3 Million	\$18.8 Million

Difference From Official General Fund Revenue Estimate





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Chairman's Budget News

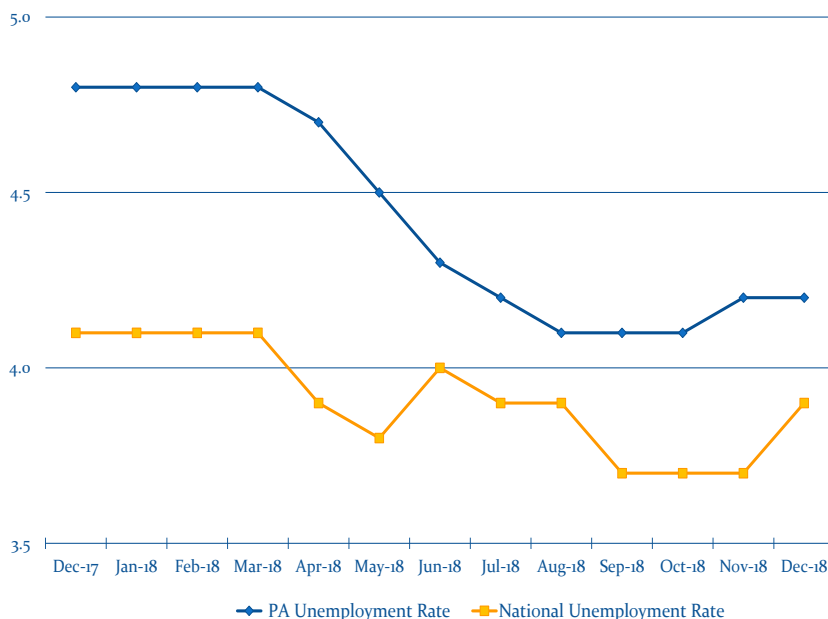
Recently the Independent Fiscal Office (IFO) issued their Mid-Year Budget update. The report focuses on economic trends in the Commonwealth and an update to the IFO's official revenue estimate in June 2018. Pennsylvania, like the United States as a whole, continues to see strong economic growth. Pennsylvania's Real GDP is estimated to grow by 2.2% in 2018 and 2% in 2019. Wages and salaries are projected to grow at 4.1% in 2018 and 4.0% in 2019. In 2018 the IFO is projecting the Commonwealth will add an additional 70,900 jobs and in 2019 the Commonwealth will add an additional 58,700 jobs.

The General Fund revenue growth is stronger than the IFO originally predicted. In June 2018 the IFO believed Pennsylvania would see a revenue growth of 2.7% through January 2019. Currently revenues are 4.5% higher than the prior fiscal year. The IFO's June 2018 Revenue Estimate was \$75 million lower than the Department of Revenue's Official Estimate. In the Mid-Year Budget update, the IFO revised their estimate up and believes Pennsylvania will end the 2018-19 fiscal year with \$373 million more than they originally projected. That translates to the Commonwealth ending the 2018-19 fiscal year with \$298 million more than the Department of Revenue's Official Estimate.

Personal Income Tax withholding is slightly lower than expected and Personal Income Tax estimated payments have seen a lot of volatility. Sales Tax has seen strong growth for the first seven months of the fiscal year and has seen over 8% growth compared to the prior year. Corporate taxes have also seen good growth.

The next couple months are the biggest for revenue collections. The Appropriations Committee will continue to monitor collections closely as we begin to negotiate the 2019-20 General Fund Budget.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	Dec. 2018	Monthly Change	
Labor Force	6.46 Million	+21,000	▲
Unemployment Rate	4.2%	0.0%	
Total Nonfarm Jobs	6.07 Million	+13,200	▲
12-Month Change			
Total Nonfarm Jobs	+74,800		
Unemployment Rate	-0.6%		

Surrounding States Unemployment Rate

DE	3.7%	NY	3.9%
MD	3.9%	OH	4.6%
NJ	4.0%	WV	5.1%