



Economic Brief

Rep. Stan Saylor, Republican Chairman

January 2017

Pennsylvania Brings in \$2.64 Billion in Revenue Collections

General Fund revenue collections for the month of January were \$2.64 billion, which was \$50 million less than expected.

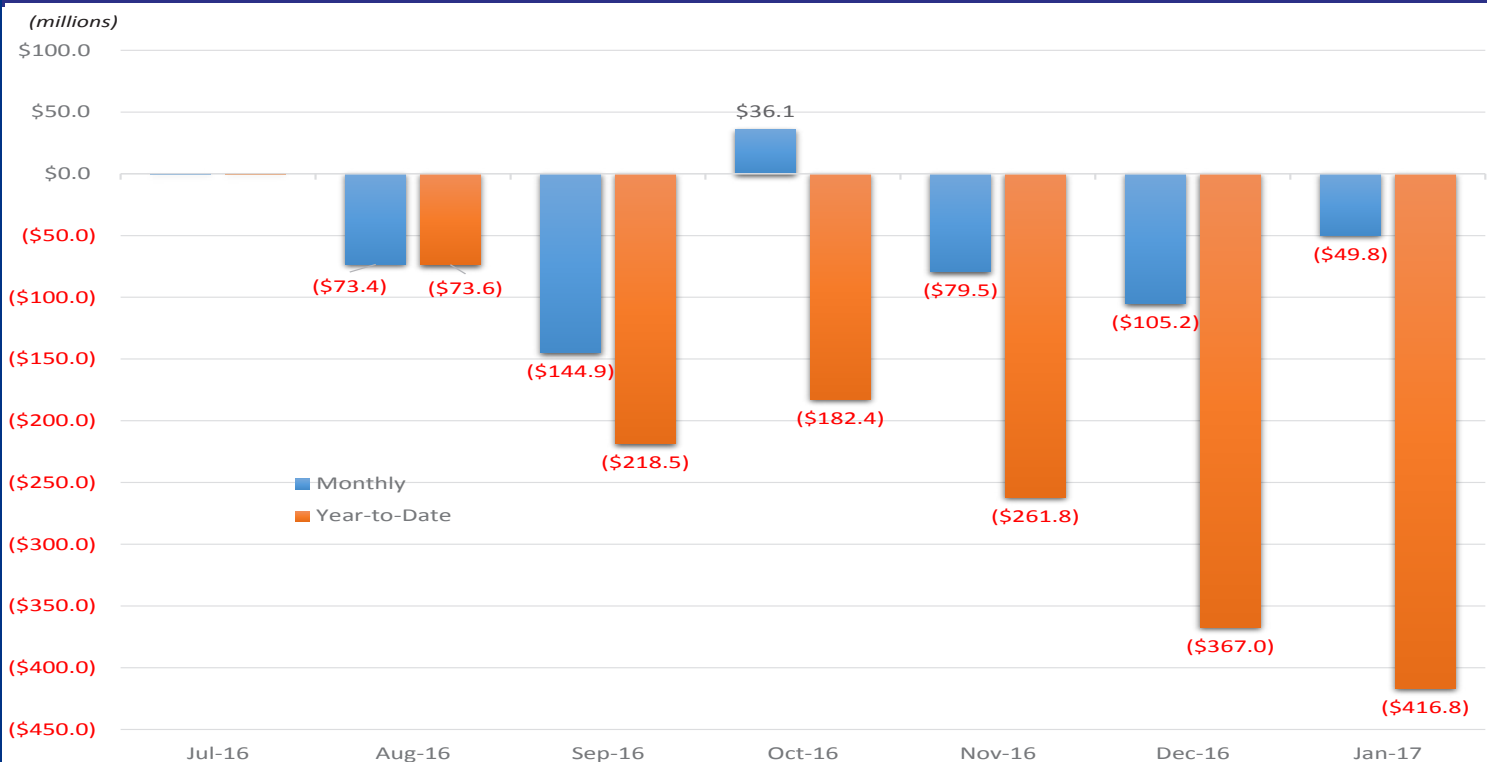
Collections of \$105 million for corporation taxes came in below Department of Revenue projections by \$60.4 million. Sales tax collections of \$914 million were lower than expected, coming in \$5 million below the official estimate. The Personal Income Taxes collected were \$1.29 billion, which was above estimate by \$27 million.

For the 2016-17 Fiscal Year, General Fund collections of \$16.1 billion are below the official estimate by \$417 million.

January Revenue Collections

Estimate	Actual
Total General Fund	Total General Fund ↓
\$2.69 Billion	\$2.64 Billion
Corporation Taxes	Corporation Taxes ↓
\$165 Million	\$105 Million
Sales Taxes	Sales Taxes ↓
\$919 Million	\$914 Million
Personal Income Taxes	Personal Income Taxes ↑
\$1.26 Billion	\$1.29 Billion
All Other Taxes	All Other Taxes ↓
\$265 Million	\$262 Million
Non-Tax Revenue	Non-Tax Revenue ↓
\$82 Million	\$73 Million

Difference From the Official General Fund Revenue Estimate





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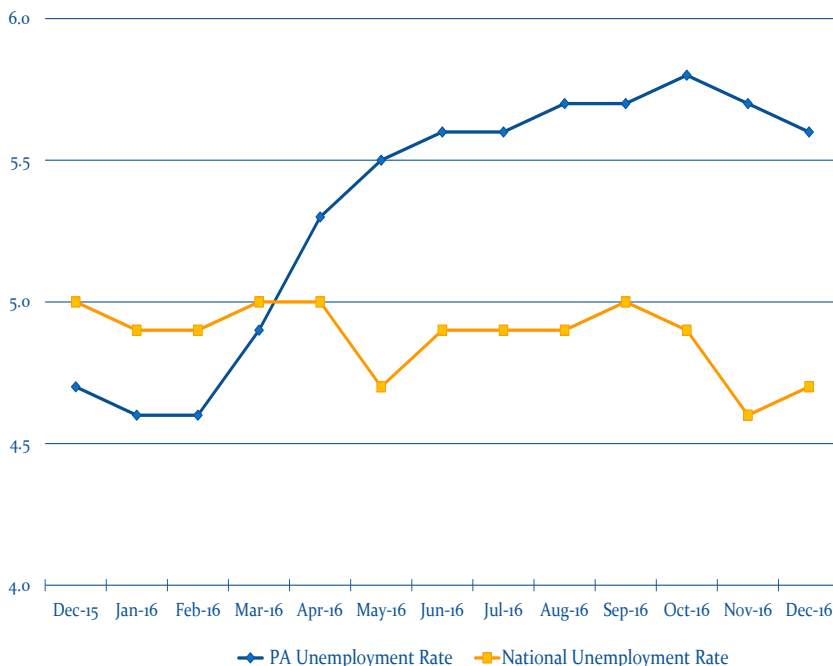
Chairman's Budget News

Recently, Governor Wolf has announced a series of cost containment measures aimed at addressing the large structural deficit that the Commonwealth faces. The governor announced that he is seeking to combine the Department of Human Services, Department of Health, Department of Drug & Alcohol Programs, and the Department of Aging into one department to be known as the Department of Health and Human Services. The governor did not provide a dollar amount for the savings that would result from this merger. This month the governor also announced the closing of SCI-Pittsburgh, a state correctional facility located in Allegheny County. According to the Administration, the closure of this prison will result in a projected \$81 million annual savings for Pennsylvania.

Additionally the governor announced that he will be working with the Treasury Department to consolidate some funds to save \$5.6 million. The governor has indicated he will be eliminating thousands of unfilled jobs and he will be working to consolidate information technology and human resources across state agencies.

These announcements are a step in the right direction as we seek to restructure state government to ensure we are operating in the most fiscally responsible manner. It is important that the governor's plans for these initiatives are thoroughly vetted to make sure that the current plans will result in actual savings. Simply combining departments without eliminating duplicative positions and not getting rid of unneeded real-estate is not in the best interest of Pennsylvania taxpayers.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	December 2016	Monthly Change	
Labor Force	6.51 Million	-19,000	↓
Unemployment Rate	5.6%	-0.1%	
Total Employment	6.14 Million	-12,000	↓
12-Month Change			
Total Employment	+7,000		
Unemployment Rate	+0.9%		

Surrounding States Unemployment Rates

DE	4.3%	NY	4.9%
MD	4.2%	OH	4.9%
NJ	4.7%	WV	5.9%