



# Economic Brief

Rep. Stan Saylor, Republican Chairman

April 2021

## Chairman's Report

Original expectations were that April collections could be short due to the delay in the deadline for filing individual income tax returns to May 15. However, earlier than expected Corporate Net Income Tax (CNIT) and Personal Income Tax (PIT) annual payments as well as higher than anticipated Sales and Use Tax (SUT) collections contributed to revenues being above estimate for the month. General Fund revenues of \$3.96 billion exceeded estimate by \$28.2 million. Year-to-date collections of \$32.68 billion exceed the estimate by \$1.31 billion.

CNIT annual payments of \$403.8 million exceeded estimate by \$200 million. A total of \$495.6 million was received in PIT annual payments in April. It is not known how these early CNIT and PIT annual payments will impact collections due in May.

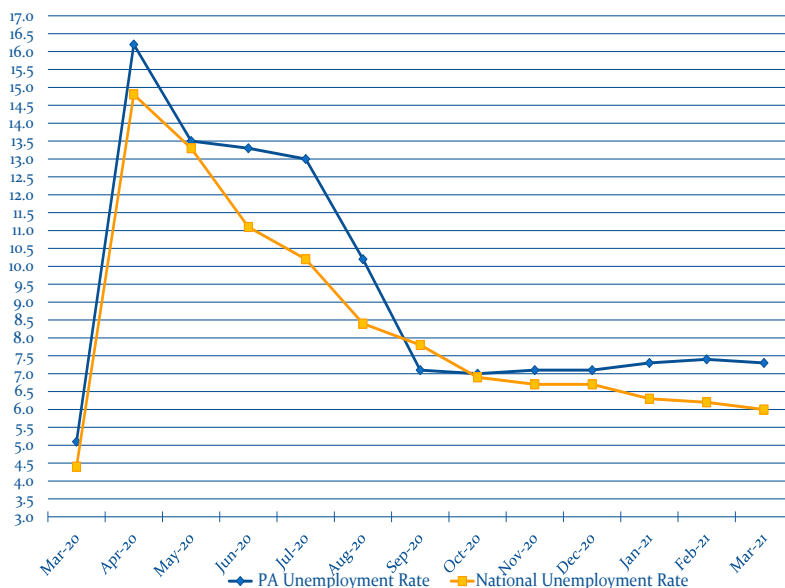
SUT motor vehicle collections of \$183.5 million exceeded estimate by \$53.9 million. SUT non-motor vehicle collections of \$1.012 billion exceeded the monthly estimate by \$219 million.

Personal Income Tax withholding collections of \$884.4 million for the month of April were below estimate by \$15.3 million. PIT withholding collections of \$8.997 billion continue to be below collections of the prior fiscal year through April (down 0.4%).

Realty Transfer Tax (up 20%), Inheritance Tax (up 18.9%), and Gaming Tax (up 46%) collections continue to be strong and exceed collections of the prior fiscal year.

Actual revenue collections year-to-date indicate that consumers are spending the monies they received from the federal tax cuts, stimulus payments and additional unemployment payments. Future economic recovery and growth in tax revenues are highly dependent on getting people back to work.

12-Month Unemployment Rates



### PA EMPLOYMENT STATISTICS

|                        | March 2021    | Monthly Change |   |
|------------------------|---------------|----------------|---|
| Labor Force            | 6.337 Million | +1,000         | ↑ |
| Unemployment Rate      | 7.3%          | -0.1%          | ↓ |
| Total Nonfarm Jobs     | 5.679 Million | +24,000        | ↑ |
| <b>12-Month Change</b> |               |                |   |
| Total Nonfarm Jobs     | -369,200      |                |   |
| Unemployment Rate      | +2.2%         |                |   |

### Surrounding States Unemployment Rate<sup>5</sup>

|    |      |    |      |
|----|------|----|------|
| DE | 6.3% | NY | 8.5% |
| MD | 6.2% | OH | 4.7% |
| NJ | 7.7% | WV | 5.9% |



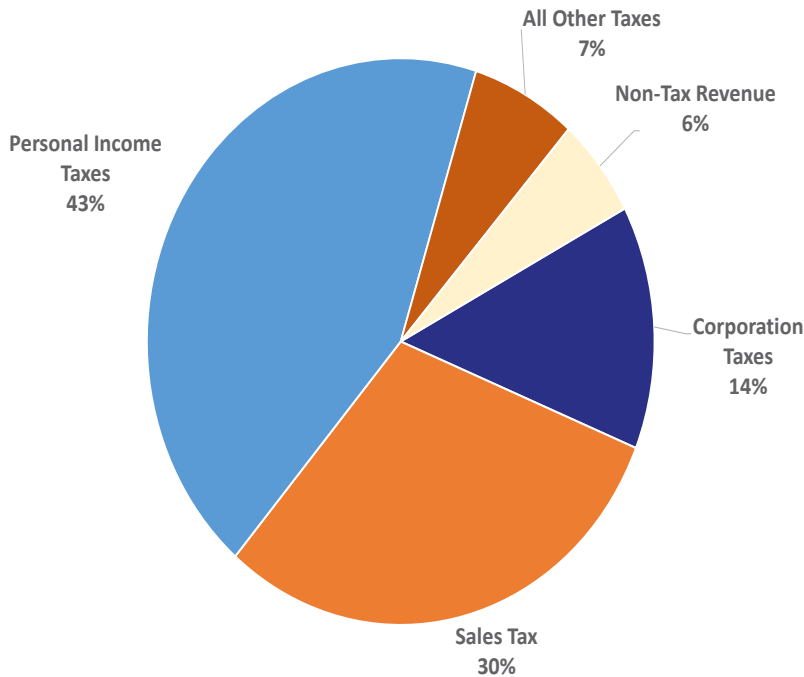
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## April Revenue Collections Over Estimate by \$28.2 Million

April Revenue



April Revenue Collections

| Official Estimate            | Actual Collections             |
|------------------------------|--------------------------------|
| <b>Total General Fund</b>    | <b>Total General Fund</b> ↑    |
| \$3.93 Billion               | \$3.96 Billion                 |
| <b>Corporation Taxes</b>     | <b>Corporation Taxes</b> ↑     |
| \$299.4 Million              | \$551.2 Million                |
| <b>Sales Taxes</b>           | <b>Sales Taxes</b> ↑           |
| \$922.5 Million              | \$1.20 Billion                 |
| <b>Personal Income Taxes</b> | <b>Personal Income Taxes</b> ↓ |
| \$2.30 Billion               | \$1.72 Billion                 |
| <b>All Other Taxes</b>       | <b>All Other Taxes</b> ↑       |
| \$150.7 Million              | \$265.7 Million                |
| <b>Non-Tax Revenue</b>       | <b>Non-Tax Revenue</b> ↓       |
| \$266.2 Million              | \$226.3 Million                |

## Difference From Official General Fund Revenue Estimate

