



Economic Brief

Rep. Stan Saylor, Chairman

February 2022

February Revenue Collections Over Estimate by \$155.7 Million

Revenue Analysis

While FY2021-22 revenues are considerably outperforming estimates, there is disagreement on revenue projections moving forward. The IFO revenue estimates are \$5 billion lower than the governor's over the next 5 years. The IFO highlighted in the hearings that they anticipate State tax and non-tax revenues to decline 0.8% in FY2022-23 and referred to the governor's revenue estimates as being "optimistic". The IFO raised concerns that the economy and tax revenue collections would not continue at the current levels into the future.

Both the governor and the IFO expect revenue collections to exceed estimate over the remaining four months of the fiscal year. March and April are the two biggest collection months of the fiscal year with the specialty corporation taxes due in March and the annual payments from the 2021 tax year for CNIT and PIT due in April. The committee will continue to monitor the risks to the economic trends identified by the IFO.

February Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↑
\$2.28 Billion	\$2.43 Billion
Corporation Taxes	Corporation Taxes ↑
\$111.5 Million	\$136.1 Million
Sales Taxes	Sales Taxes ↑
\$879.8 Million	\$935.6 Million
Personal Income Taxes	Personal Income Taxes ↑
\$991.7 Million	\$1.03 Billion
All Other Taxes	All Other Taxes ↑
\$284.1 Million	\$311.3 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$11.5 Million	\$18.9 Million

Standing Up to Gov. Wolf's Irresponsible Spending

On Feb. 8, Gov. Tom Wolf presented his eighth and final budget proposal to the General Assembly. Unfortunately, as we have grown to expect, his budget proposal is heavy on spending and light on fiscal responsibility.

The governor presented a \$43.7 billion spending plan that would increase state spending by a historic 16.6%. That equates to \$17 million per day and \$1,055 annually per working Pennsylvanian in new state spending. It is simply indefensible.

The Commonwealth finally has money in reserve, thanks to prudent and responsible budgeting under House Republican leadership. Had we accepted the governor's previous budget proposals, Pennsylvanians would be paying billions in higher taxes and state spending would be at unsustainable levels.

The governor's massive spending spree would squander the entirety of our reserves and leave the next governor with massive budget deficits, with no reserves to combat it, and would guarantee the need to raise taxes or cut services.

Even worse, the governor uses arbitrary revenue and expenditure estimates to paper over this truth. When his spending plan is run through the Independent Fiscal Office's numbers, it shows an \$800 million deficit in the very next year.

We already started crafting a more responsible budget that makes targeted investments in our schools and our most vulnerable, while respecting taxpayers and planning for our fiscal future.