



General Fund Revenue Update – February 2022

The General Fund continued to run ahead of the official estimate in February, finishing \$155.7 million above projections. With eight months of the fiscal year complete, revenues are now over \$2 billion higher than estimate.

Sales tax and the personal income tax were the main story in February. Sales tax collections were \$55.8 million above estimate, while the personal income tax exceeded estimate by \$40.8 million. The corporate net income tax was \$4.3 million below estimate for the month. Other notable tax types include continued overperformance by the realty transfer tax and inheritance tax, while the gross receipts tax showed some revenue a little ahead of the main payments due in March.

Looking Ahead & Other Budget News

March is a key month for corporation taxes. Corporate net income taxpayers will make their first quarterly payment for 2022. Several special business taxes are paid almost entirely in March, including the gross receipts tax, the insurance premiums tax, and taxes on financial institutions.

On the expenditure side, policymakers will continue to watch for announcements concerning the federal public health emergency, which impacts the enhanced FMAP received by the commonwealth to pay for Medical Assistance costs. The current expiration is April 16, which allows for enhanced FMAP to be claimed through June 30.

The House Appropriations Committee will continue to hold budget hearings on Governor Wolf's proposal this month, wrapping up on March 10.

For February:

- Total General Fund collections were \$155.7 million higher than expected (6.8 percent)
- General Fund tax revenues were \$148.4 million higher than anticipated (6.5 percent)
- The corporate net income tax was \$4.3 million lower than expected (-4.7 percent)
- Sales and use tax collections exceeded projections by \$55.8 million (6.3 percent)
 - Non-motor collections were \$66.5 million higher than projected (8.6 percent)
 - Motor vehicle collections were \$10.7 million below estimate (-9.7 percent)
- Personal income tax collections were \$40.8 million higher than the official estimate (4.1 percent)
 - Employer withholdings on wages and salaries were \$21.9 million higher than anticipated (2.4 percent)
 - Non-withheld collections on other income were \$18.9 million above estimate (30.0 percent)
- Realty transfer tax revenues were \$18.8 million above estimate (47.5 percent)
- Inheritance tax collections were \$14.5 million higher than estimated (14.2 percent)
- Non-tax revenues were \$7.4 million above the official estimate (64.2 percent)

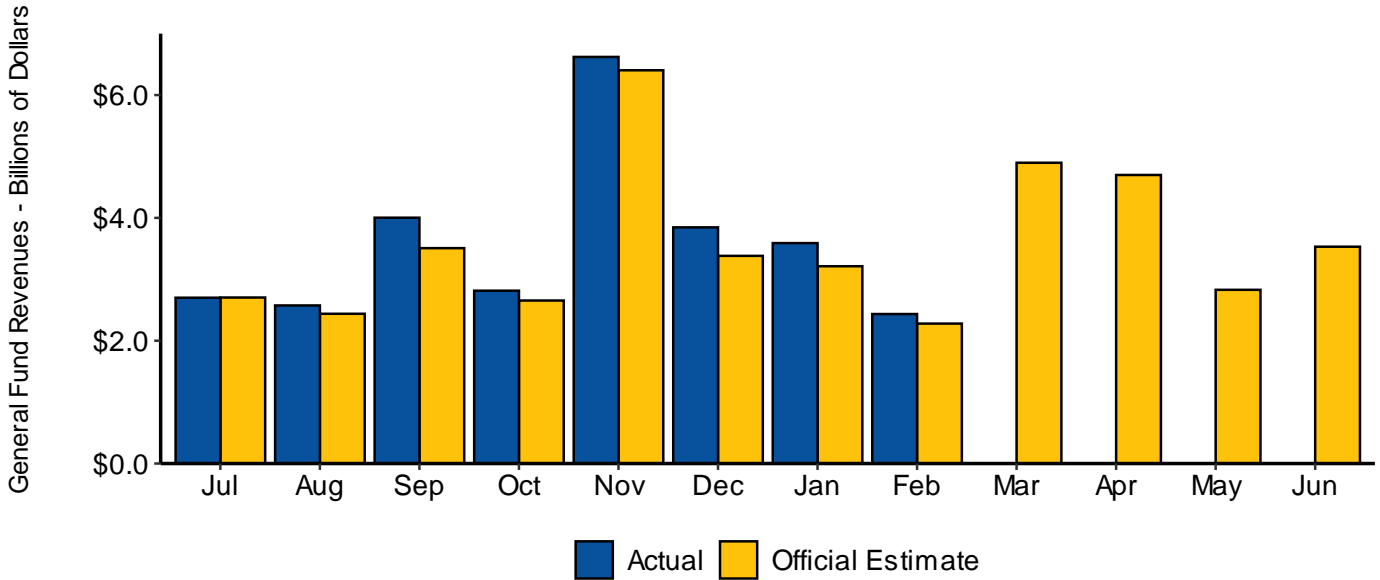
For the 2021/22 Fiscal Year to Date:

- Cumulative General Fund revenues are \$2.0 billion higher than expected (7.5 percent)
- General Fund tax revenues were \$1.919 billion higher than projected (8.5 percent)
- Corporate net income tax revenues are \$585.3 million more than expected (28.8 percent)
- Sales and use taxes are \$559.6 million more than expected (6.5 percent)
- Personal income tax collections are \$528.9 million higher than anticipated (5.8 percent)
- Realty transfer taxes are \$92.4 million above estimate (20.2 percent)
- Inheritance taxes are \$90.9 million better than projected (9.9 percent)
- Non-tax revenues are \$84.3 million above the estimate (2.1 percent)

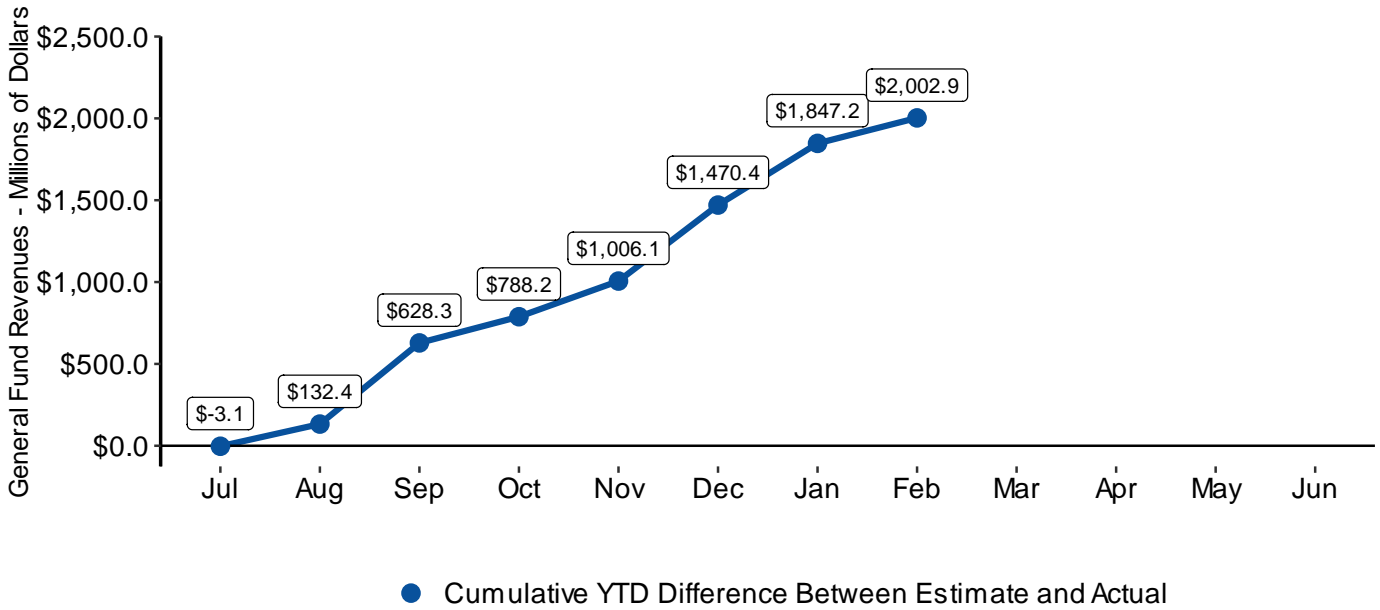
General Fund Revenues - Year-to-Date Performance vs Official Estimate			
<i>Amounts in Millions</i>	YTD Estimate	YTD Collections	Difference
General Fund Total	26,580.0	28,582.9	2,002.9
Tax Revenue Total	22,509.5	24,428.1	1,918.6
Corporation Taxes	2,179.0	2,801.7	622.7
Corporate Net Income Tax	2,032.3	2,617.6	585.3
Gross Receipts Tax	26.5	61.0	34.5
Utility Property Tax	1.6	2.0	0.4
Insurance Premiums Taxes	92.8	84.9	(7.9)
Financial Institutions Taxes	25.8	39.0	13.2
Consumption Taxes	9,658.3	10,199.0	540.7
Sales and Use Tax	8,590.0	9,149.6	559.6
Cigarette Tax	665.2	643.1	(22.1)
Other Tobacco Products	95.9	100.1	4.2
Malt Beverage Tax	15.2	14.8	(0.4)
Liquor Tax	292.0	291.5	(0.5)
Other Taxes	10,672.2	11,427.5	755.3
Personal Income Tax	9,121.7	9,650.6	528.9
Realty Transfer Tax	457.1	549.5	92.4
Inheritance Tax	913.9	1,004.8	90.9
Gaming	190.5	206.0	15.5
Minor and Repealed	(11.0)	16.6	27.6
Non-Tax Revenue	4,070.5	4,154.8	84.3



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

