



Economic Brief

State Representative Marcy Toepel

October 2019

Pennsylvania Brings in \$2.67 Billion in Revenue Collections

General Fund revenue collections for the month of October were \$2.67 billion, which was \$120 million more than the Department of Revenue's Official Estimate.

Collections of \$145 million for corporation taxes came in above the Official Revenue Estimate projection by \$16 million. Sales tax collections of \$1.03 billion were higher than expected, coming in \$27 above the Official Estimate. The Personal Income Taxes collected were \$1.16 billion, which was above estimate by \$27 million.

General Fund collections year-to-date total \$10.38 billion. Total Revenue Collections are \$164 million above the official estimate for the fiscal year.

October Revenue Collections

| Official Estimate | Actual Collections |
|------------------------------|--------------------------------|
| Total General Fund | Total General Fund ↑ |
| \$2.55 Billion | \$2.67 Billion |
| Corporation Taxes | Corporation Taxes ↑ |
| \$129 Million | \$145 Million |
| Sales Taxes | Sales Taxes ↑ |
| \$1.004 Billion | \$1.031 Billion |
| Personal Income Taxes | Personal Income Taxes ↑ |
| \$1.13 Billion | \$1.16 Billion |
| All Other Taxes | All Other Taxes ↑ |
| \$288 Million | \$303 Million |
| Non-Tax Revenue | Non-Tax Revenue ↑ |
| -\$4 Million | \$29 Million |

Difference From Official General Fund Revenue Estimate





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Chairman's Budget News

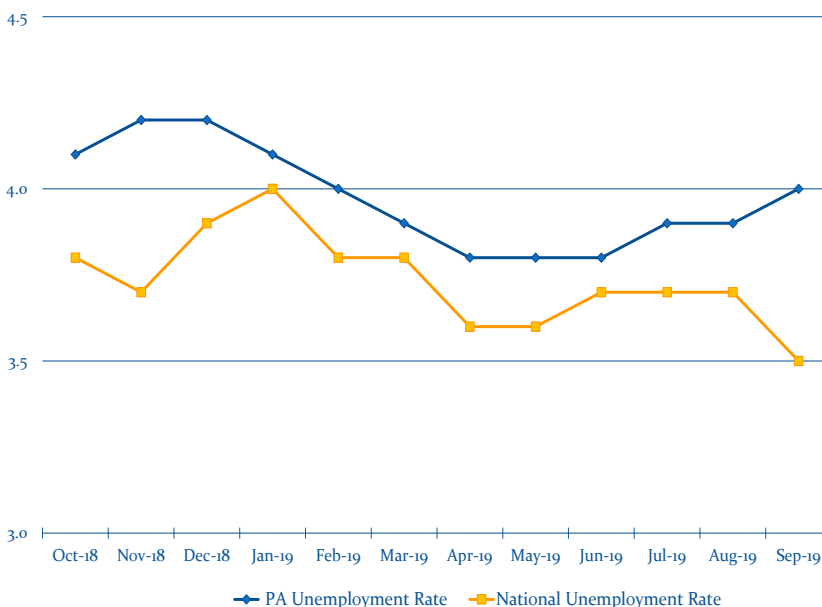
The Commonwealth is now a third of the way through the 2019-20 fiscal year and our revenue growth has been strong year-to-date. Tax revenue has a year-to-date growth of 3.3% with Corporate Taxes growing at 1.8%, Sales Taxes growing at 5.9%, and Personal Income Taxes growing at 5.1%. While this is all good news, we need to be cautious about making future plans to spend more taxpayer dollars. The General Assembly needs to be wary about enacting legislation that could increase future costs to the Commonwealth.

One of the largest cost drivers in the General Fund budget has been the Department of Human Services. DHS costs have increased because of changing demographics in the state as the state population gets older and more seniors qualify for benefits. The DHS budget has also seen increased utilization of other programs such as physical and intellectual disabilities. Until needed reforms are enacted to help control the cost growth in DHS the General Assembly should be cautious of spending money on new programs in the state budget.

With the enactment of the 2019-20 fiscal year General Fund Budget, \$317 million was deposited into the state's Rainy-Day Fund. This was a historic step for Pennsylvania, and it is something that we should seek to replicate in next year's budget. Our economy is strong, but at some unknown point in the future the economy has the possibility to enter into a downward trend. Pennsylvania needs to be prepared for that eventuality by saving today so that we don't need to raise taxes tomorrow.

On November 14th the Independent Fiscal Office will release their five-year outlook for the General Fund Budget. In December the Governor's Budget Office will present their mid-year update where they will provide more information about what next year's budget may look like. I believe it is important that we move forward in a cautious manner and focus on saving money not on spending more.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

| | Sept. 2019 | Monthly Change |
|---------------------------|---------------|----------------|
| Labor Force | 6.49 Million | +12,000 |
| Unemployment Rate | 4.0% | +0.1% |
| Total Nonfarm Jobs | 6.044 Million | -5,000 ↓ |
| 12-Month Change | | |
| Total Nonfarm Jobs | +30,200 | |
| Unemployment Rate | -0.2% | |

Surrounding States Unemployment Rate

| | | | |
|----|------|----|------|
| DE | 3.5% | NY | 3.9% |
| MD | 3.7% | OH | 4.2% |
| NJ | 3.1% | WV | 4.7% |