

Economic Brief

State Representative Jim Rigby

November 2020

Chairman's Report

In completing the FY2020-21 budget, Act 114 of 2020 required a revised certification of the revenue estimate for the 2020-21 fiscal year. The amount recertified by the Budget Secretary was \$1.99 billion higher than the original official estimate in May. This report compares revenue collections through November to the original official estimate. The Department of Revenue anticipates releasing a new monthly distribution of the recertified revenue estimate in mid-December. Future monthly reports will incorporate the new monthly estimates.

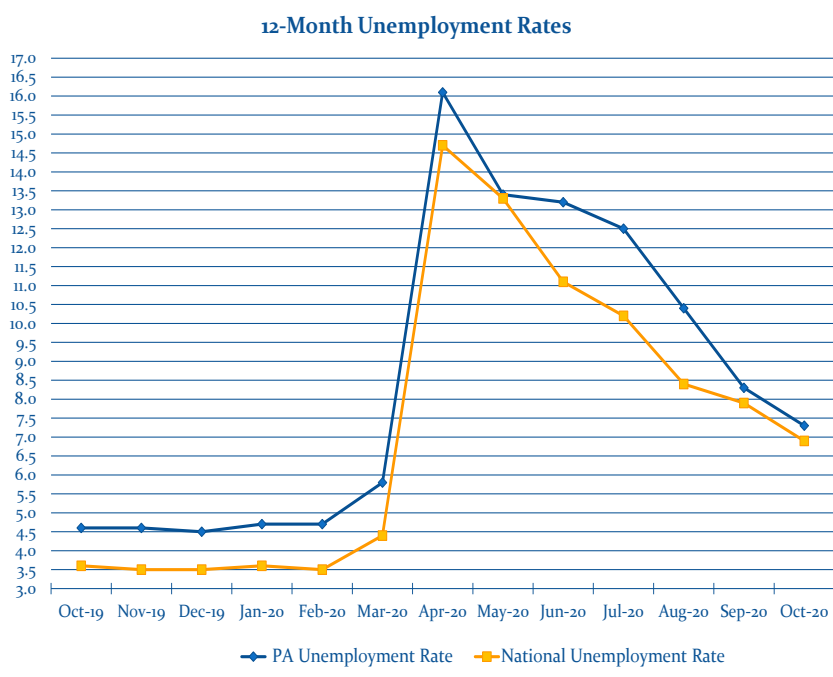
November collections totaled \$2.34 billion which was \$212.3 million above the monthly estimate. Year-to-date (YTD) collections of \$14.85 billion exceed the official estimate by \$1.04 billion.

Corporate Net Income Tax collections of \$138.3 million exceeded the monthly estimate by \$78.9 million and collections of \$1.38 billion for the fiscal year are above estimate by \$246.8 million.

Total Sales and Use Tax collections of \$984.3 million were above the monthly estimate by \$141.4 million, bringing the YTD overage to \$469.7 million.

Personal Income Tax (PIT) withholding collections of \$659.0 million for the month were reduced by a transfer of \$200 million to the Property Tax Relief Fund pursuant to Act 114 of 2020 (this transfer was not assumed in the original estimate). After adjusting for this transfer, actual PIT withholding collections of \$859 million were above estimate by \$76.9 million. YTD PIT withholding collections, adjusting for the transfer, are \$177.5 million above estimate.

Total Non-Tax Revenue collections were \$110.7 million above estimate for the month due to a \$100 million transfer from the Rainy Day Fund pursuant to Act 114 of 2020 (this transfer was not assumed in the original estimate).



PA EMPLOYMENT STATISTICS			
	Oct. 2020	Monthly Change	
Labor Force	6.364 Million	-75,000	↓
Unemployment Rate	7.3%	-1.0%	↓
Total Nonfarm Jobs	5.622 Million	+18,800	↑
12-Month Change			
Total Nonfarm Jobs	-455,900		
Unemployment Rate	+2.7%		
Surrounding States Unemployment Rate			
DE	5.6%	NY	9.6%
MD	7.8%	OH	5.6%
NJ	8.2%	WV	6.4%



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Pennsylvania Brings in \$2.34 Billion in Revenue Collections

Responsible Budget Enacted for FY2020-21

The Legislature enacted a budget in May that fully funded all aspects of Pennsylvania’s public education system, including early learning, public school districts, and higher education, with the goal of getting students back in the classroom. We also fully funded state pension and debt obligations. Remaining programs were funded to provide five months of support until we could better determine the available revenues over the following months.

Over the past several months, we worked to develop a plan to finalize the FY2020-21 budget. The final budget continues to fully fund schools and education, as well as public health and community safety. It also invests the remaining \$1.3 billion in federal CARES Act funding to support our frontline workers.

By standing up for taxpayers, we balance the budget using existing resources, and without tax increases or public borrowing. We also made the fiscally responsible decision to preserve the state’s Rainy Day Fund, leaving \$243 million in the fund.

November Revenue Collections

Official Estimate (May)	Actual Collections
Total General Fund	Total General Fund ↑
\$2.13 Billion	\$2.34 Billion
Corporation Taxes	Corporation Taxes ↑
\$66.8 Million	\$140.9 Million
Sales Taxes	Sales Taxes ↑
\$842.9 Million	\$984.3 Million
Personal Income Taxes	Personal Income Taxes ↓
\$823.4 Million	\$683.9 Million
All Other Taxes	All Other Taxes ↑
\$282.4 Million	\$326.5 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$110.7 Million	\$203.0 Million

Comparison to November 2019 Revenues

