

# Economic Brief

State Representative Jim Rigby

December 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 in December to the revised official estimate.

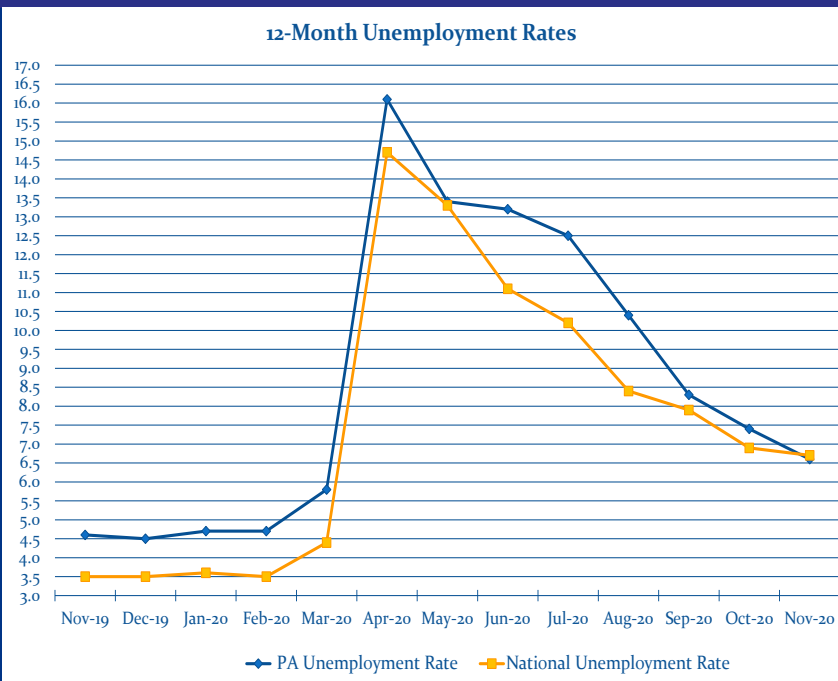
December collections totaled \$3.68 billion, which was \$465.8 million above the monthly estimate. Year-to-date (YTD) collections of \$18.53 billion exceed the official estimate by \$467.1 million.

Corporate Net Income Tax (CNI) collections of \$760.9 million exceeded the monthly estimate by \$312.1 million and were \$234.4 million higher than December 2019. The fourth quarterly payment for tax year 2020 was due in December and the IFO has indicated that a material portion of higher payments is likely due to the uncertainty with the taxable status of the Paycheck Protection Loan forgiveness at the time the CNIT payments were due. Recent federal legislation clarified that the amount of the PPP loan forgiveness is non-taxable.

Total Sales and Use Tax collections of \$1.02 billion were above the monthly estimate by \$54.4 million and were \$41.7 million higher than December 2019.

Personal Income Tax (PIT) withholding collections of \$1.05 billion were \$41.8 million above the monthly estimate and \$133 million above December 2019 collections. When adjusting for the additional pay date in December 2020, PIT withholding collections were essentially flat compared to the collections of December 2019.

Total Non-Tax Revenue collections of \$375.6 million were \$15.4 above estimate for the month. Non-Tax Revenue collections include \$334.4 million in special fund transfers that were authorized in Act 114 of 2020.



### PA EMPLOYMENT STATISTICS

	Dec. 2020	Monthly Change	
Labor Force	6.333 Million	-40,000	↓
Unemployment Rate	6.6%	-0.8%	↓
Total Nonfarm Jobs	5.637 Million	+21,000	↑
<b>12-Month Change</b>			
Total Nonfarm Jobs	-452,600		
Unemployment Rate	+2.0%		

### Surrounding States Unemployment Rate

DE	5.1%	NY	9.2%
MD	6.8%	OH	5.7%
NJ	10.2%	WV	6.2%



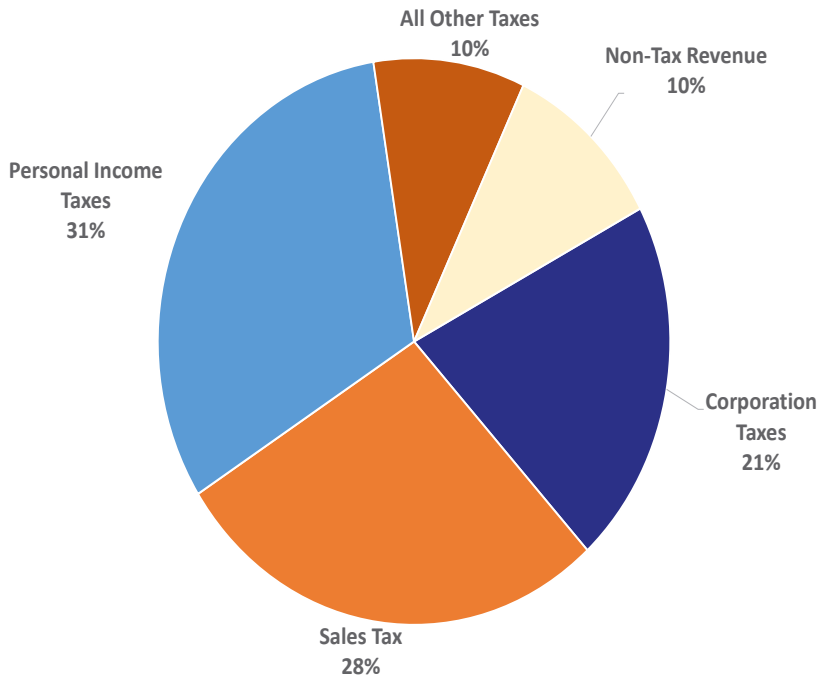
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## Pennsylvania Brings in \$3.68 Billion in Revenue Collections

### December Tax Collection by Tax Type



### December Revenue Collections

Official Estimate	Actual Collections
<b>Total General Fund</b>	<b>Total General Fund</b> ↑
\$3.22 Billion	\$3.68 Billion
<b>Corporation Taxes</b>	<b>Corporation Taxes</b> ↑
\$462.5 Million	\$771.3 Million
<b>Sales Taxes</b>	<b>Sales Taxes</b> ↑
\$968.7 Million	\$1.02 Billion
<b>Personal Income Taxes</b>	<b>Personal Income Taxes</b> ↑
\$1.12 Billion	\$1.16 Billion
<b>All Other Taxes</b>	<b>All Other Taxes</b> ↑
\$300.7 Million	\$351.9 Million
<b>Non-Tax Revenue</b>	<b>Non-Tax Revenue</b> ↑
\$360.2 Million	\$375.6 Million

### Comparison to December 2019 Revenues

