



Economic Brief

State Representative Matthew Dowling

September 2020

Chairman's Report

General Fund Revenues for September of \$3.26 billion exceeded the monthly estimate by \$248.7 million. Fiscal Year to date collections of \$9.9 billion are \$459 million above estimate.

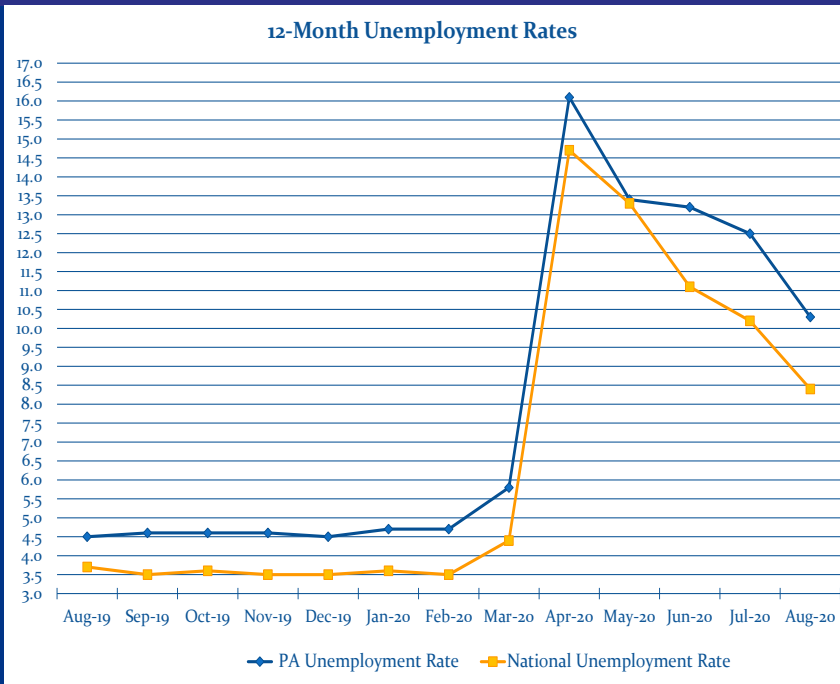
It is important to note that the Official Estimate assumes a revenue loss of \$4.6 billion in FY2020-21 from the economic impact of the COVID-19 pandemic. Another \$1.1 billion of the FY2019-20 shortfall is estimated to be from reduced economic activity for a total loss of \$5.7 billion over the two fiscal years.

While Corporate Net Income Tax (CNI) payments through September exceed the official estimate by \$137.7 million, collections in 2020 for the first three quarterly payments from calendar year taxpayers are 11.2% below the collections from the first three quarterly payments in 2019. These collections clearly indicate reduced economic profitability in 2020 for businesses paying the CNI.

Similarly, Personal Income Tax quarterly payments through the third quarter of 2020 are below collections of 2019 by 9.8% through September.

Personal Income Tax withholding collections exceed estimate through September by \$80 million. However, it is important to note that adjusted for the number of deposit days in each month the withholding collections for the months of July, August and September in 2020 have declined 2.3% from 2019 collections during that same period.

Finally, Sales and Use Tax (SUT) non-motor vehicle collections through September exceed estimate by \$154.2 million and are growing on a cash basis by 14.4% over last year. However, after adjusting for payment delays of the accelerated SUT prepayments for certain licensees, collections through September are only actually growing by 2.7%.



PA EMPLOYMENT STATISTICS

	Aug. 2020	Monthly Change	
Labor Force	6.302 Million	-59,000	↓
Unemployment Rate	10.3%	-2.2%	↓
Total Nonfarm Jobs	5.577 Million	+59,500	↑
12-Month Change			
Total Nonfarm Jobs	-499,600		
Unemployment Rate	+5.8%		

Surrounding States Unemployment Rate

DE	8.9%	NY	12.5%
MD	6.9%	OH	8.9%
NJ	10.9%	WV	8.9%

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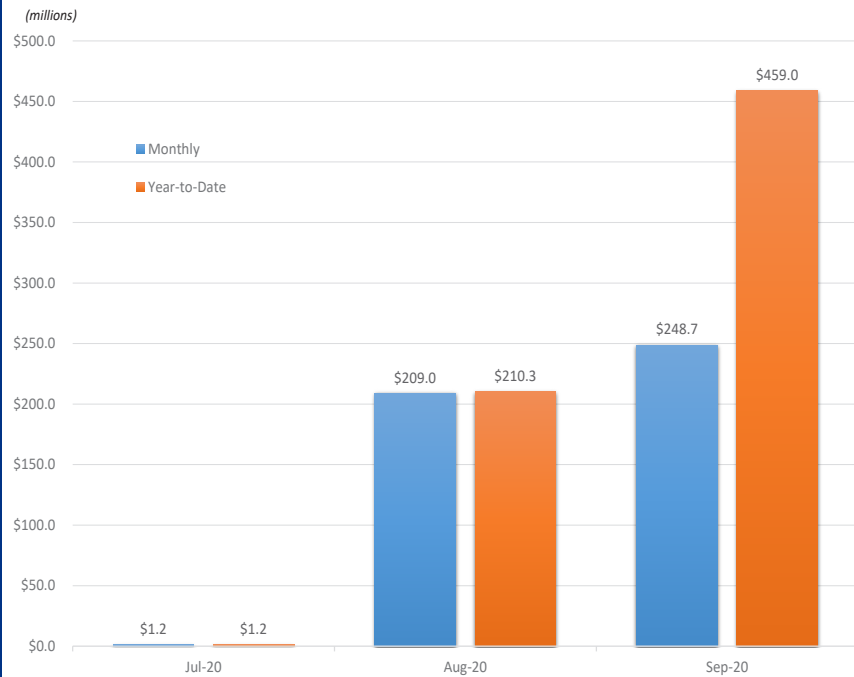
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Pennsylvania Brings in \$3.26 Billion in Revenue Collections

Difference from Official Revenue Estimate



September Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↑
\$3.01 Billion	\$3.26 Billion
Corporation Taxes	Corporation Taxes ↑
\$492.8 Million	\$597.3 Million
Sales Taxes	Sales Taxes ↑
\$905.8 Million	\$996.5 Million
Personal Income Taxes	Personal Income Taxes ↑
\$1.31 Billion	\$1.33 Billion
All Other Taxes	All Other Taxes ↑
\$246.1 Million	\$315.1 Million
Non-Tax Revenue	Non-Tax Revenue ↓
\$54.6 Million	\$19.6 Million

Comparison to September 2019 Revenues

