

Economic Brief

State Representative Matthew Dowling

April 2021



Chairman's Report

Original expectations were that April collections could be short due to the delay in the deadline for filing individual income tax returns to May 15. However, earlier than expected Corporate Net Income Tax (CNIT) and Personal Income Tax (PIT) annual payments as well as higher than anticipated Sales and Use Tax (SUT) collections contributed to revenues being above estimate for the month. General Fund revenues of \$3.96 billion exceeded estimate by \$28.2 million. Year-to-date collections of \$32.68 billion exceed the estimate by \$1.31 billion.

CNIT annual payments of \$403.8 million exceeded estimate by \$200 million. A total of \$495.6 million was received in PIT annual payments in April. It is not known how these early CNIT and PIT annual payments will impact collections due in May.

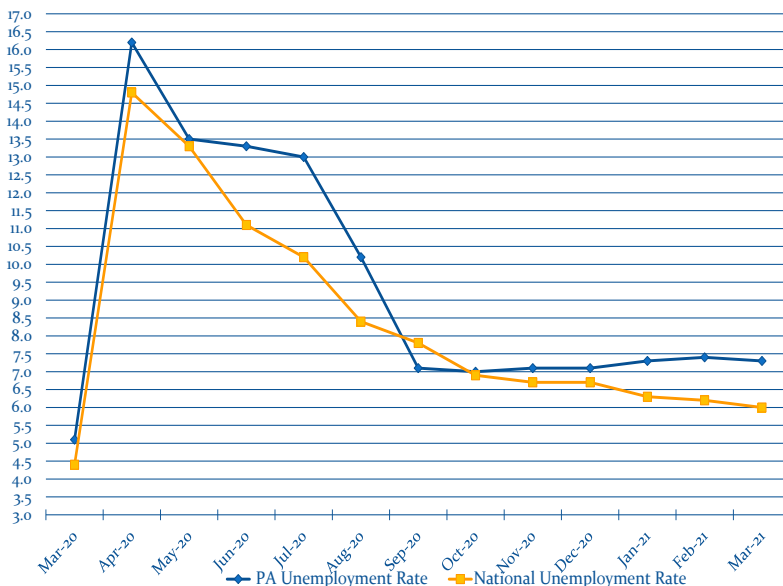
SUT motor vehicle collections of \$183.5 million exceeded estimate by \$53.9 million. SUT non-motor vehicle collections of \$1.012 billion exceeded the monthly estimate by \$219 million.

Personal Income Tax withholding collections of \$884.4 million for the month of April were below estimate by \$15.3 million. PIT withholding collections of \$8.997 billion continue to be below collections of the prior fiscal year through April (down 0.4%).

Realty Transfer Tax (up 20%), Inheritance Tax (up 18.9%), and Gaming Tax (up 46%) collections continue to be strong and exceed collections of the prior fiscal year.

Actual revenue collections year-to-date indicate that consumers are spending the monies they received from the federal tax cuts, stimulus payments and additional unemployment payments. Future economic recovery and growth in tax revenues are highly dependent on getting people back to work.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	March 2021	Monthly Change	
Labor Force	6.337 Million	+1,000	↑
Unemployment Rate	7.3%	-0.1%	↓
Total Nonfarm Jobs	5.679 Million	+24,000	↑
12-Month Change			
Total Nonfarm Jobs	-369,200		
Unemployment Rate	+2.2%		

Surrounding States Unemployment Rate⁵

DE	6.3%	NY	8.5%
MD	6.2%	OH	4.7%
NJ	7.7%	WV	5.9%



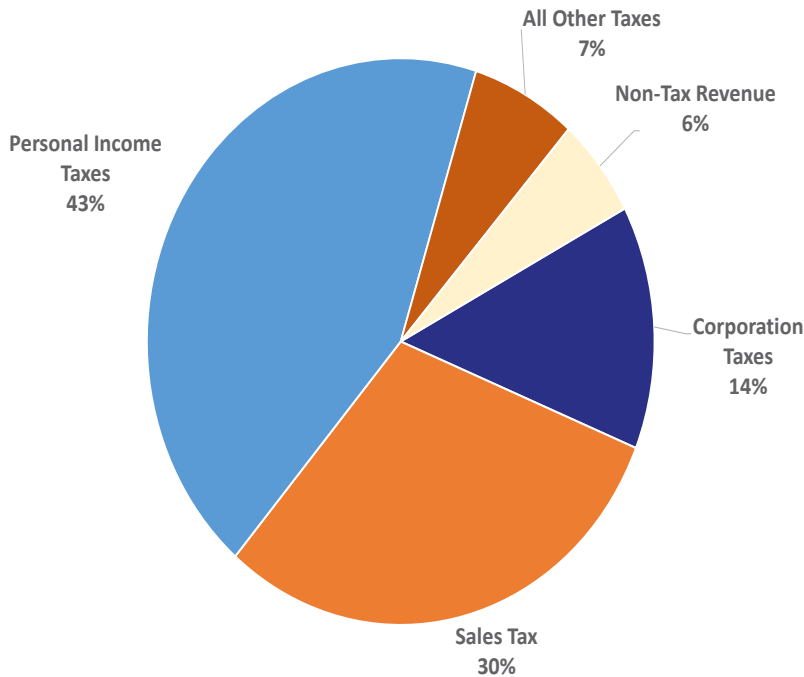
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April Revenue Collections Over Estimate by \$28.2 Million

April Revenue



April Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↑
\$3.93 Billion	\$3.96 Billion
Corporation Taxes	Corporation Taxes ↑
\$299.4 Million	\$551.2 Million
Sales Taxes	Sales Taxes ↑
\$922.5 Million	\$1.20 Billion
Personal Income Taxes	Personal Income Taxes ↓
\$2.30 Billion	\$1.72 Billion
All Other Taxes	All Other Taxes ↑
\$150.7 Million	\$265.7 Million
Non-Tax Revenue	Non-Tax Revenue ↓
\$266.2 Million	\$226.3 Million

Difference From Official General Fund Revenue Estimate

