



Senate Appropriations Committee

The Monthly Report

Gibson E. Armstrong, Chairman

Tax Collections Fail to Meet Anticipated Amounts

Last July, Governor Rendell approved a General Fund revenue estimate of \$27.761 billion for fiscal year 2007-08. By the end of January, the surplus was \$199.4 million. In February, when the Governor presented his budget for the upcoming fiscal year, he revised the fiscal year 2007-08 revenue estimate upwards by \$427.5 million.

While the General Fund revenue surplus was as high as \$436 million in April, the shortfalls of May and June reduced that figure to \$167.5 million by June 30th. This \$260 million reduction in anticipated revenues meant that the proposed fiscal year 2008-09 budget had to be pared by that amount, or additional revenue sources had to be forthcoming.

The Governor did both to balance the fiscal year 2008-09 spending plan. Additional revenue sources included increased lapses of prior year appropriations, and suspending the annual transfer to Budget Stabilization Reserve Fund. The Governor also made targeted and across the board cuts of 1.3 percent in fiscal year 2008-09 appropriations.

For the month of June, corporate tax collections, consumption taxes, and other taxes all were below estimated amounts. The

following information has been prepared by the Department of Revenue to provide a more detailed analysis of tax collections in June.



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General Fund collections of \$2.6 billion for the month of June were \$126.9 million, or 4.7% below the official estimate. Fiscal year 2007-08 collections of \$27.928 billion exceeded the official estimate by \$167.5 million, or 0.6%.

Sales tax receipts totaled \$710.2 million for June, which was \$30.2 million below estimate. Sales tax collections for the fiscal year totaled \$8.5 billion, which was

\$32.3 million below estimate, or 0.4 percent less than anticipated.

Personal income tax (PIT) revenue in June was \$1 billion, which was \$8.9 million below estimate. This brought fiscal year PIT collections to \$10.9 billion, which was \$157.7 million, or 1.5 percent, above estimate.

June corporation tax revenue of \$497.4 million was \$82.0 million below estimate. Fiscal year corporation tax collections totaled \$5.5 billion, which was \$13.5 million, or 0.3 percent, above estimate.

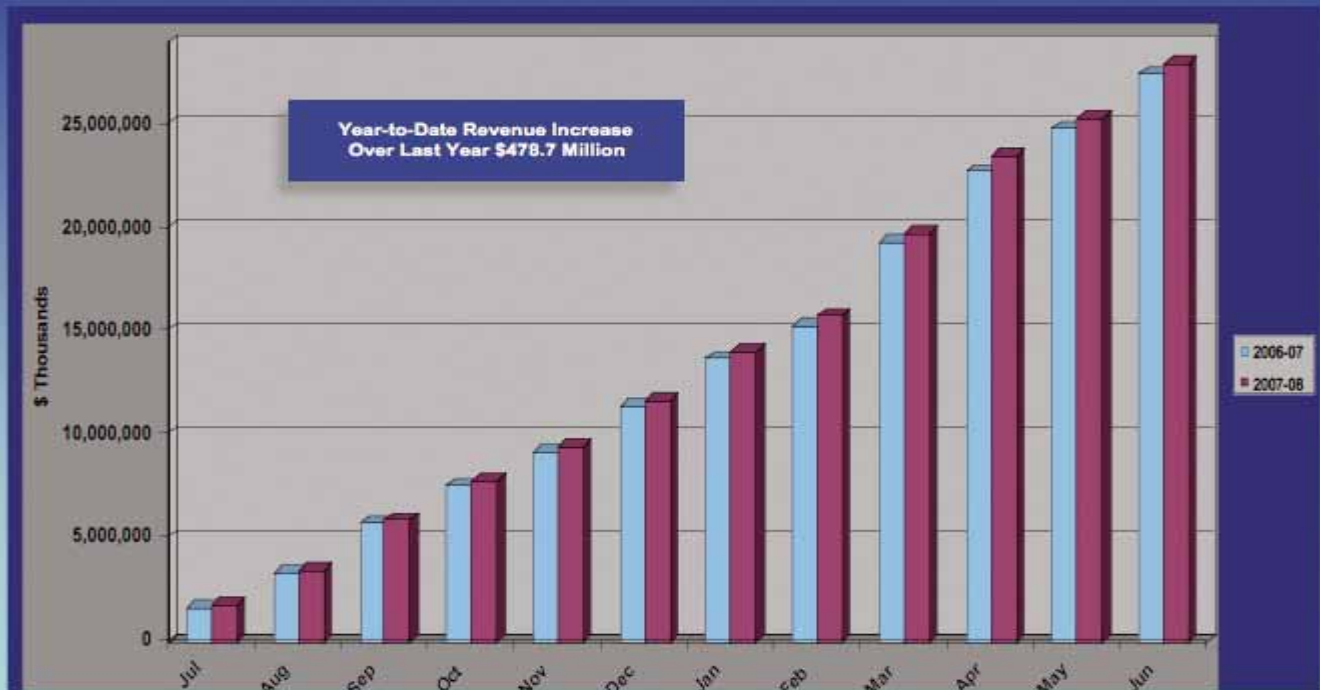
Other General Fund revenue figures for the month included \$75.6 million in inheritance tax, which was \$1.6 million below estimate and brought the fiscal year total to \$828.6 million, or \$26.7 million above estimate.

Realty transfer tax was \$35.6 million for June, bringing the total to \$429.5 million for the fiscal year, or \$5.0 million less than anticipated.

Other General Fund revenue including the cigarette, malt beverage and liquor tax totaled \$275.3 million for the month (\$1.0 million below estimate) and brought the fiscal year total to \$1.8 billion, which was \$6.9 million above estimate.

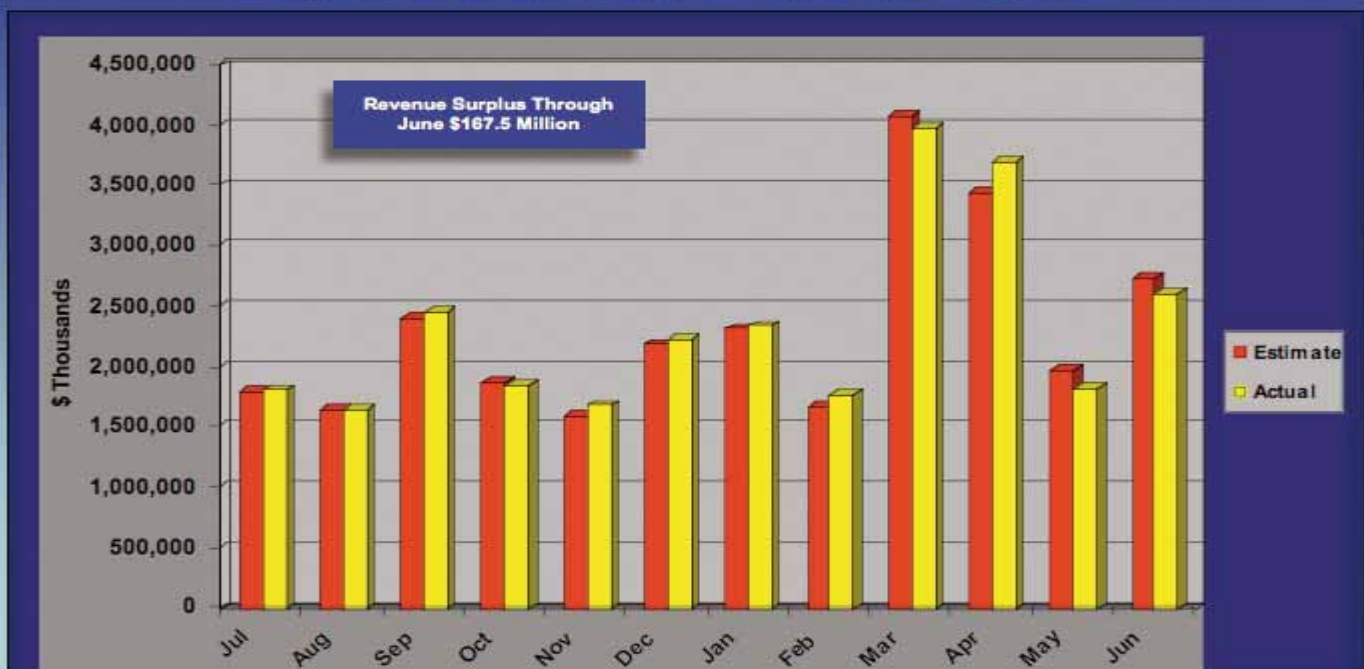


General Fund Tax Collections Fiscal Year 2007-2008 Revenue Comparison with Last Year

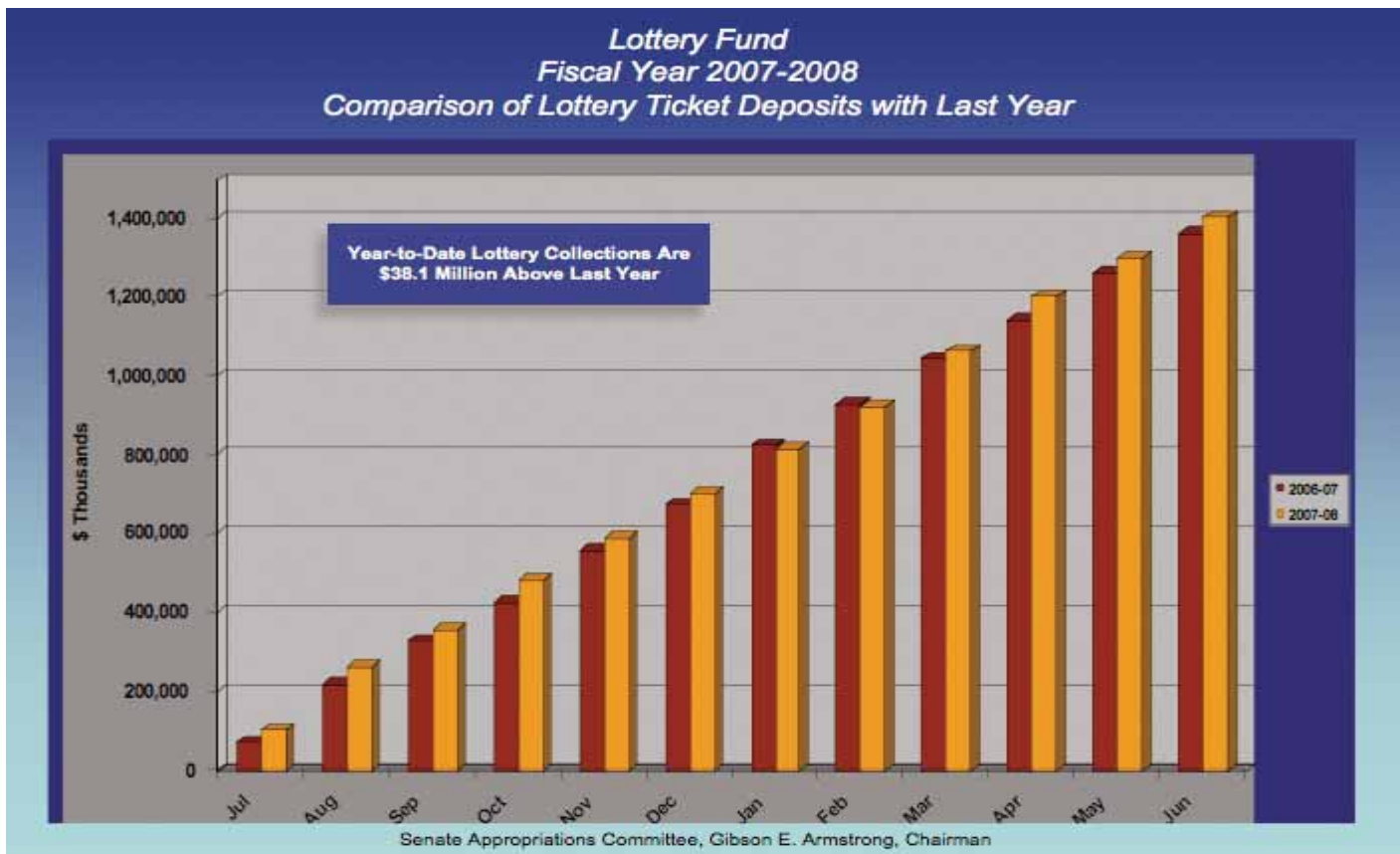
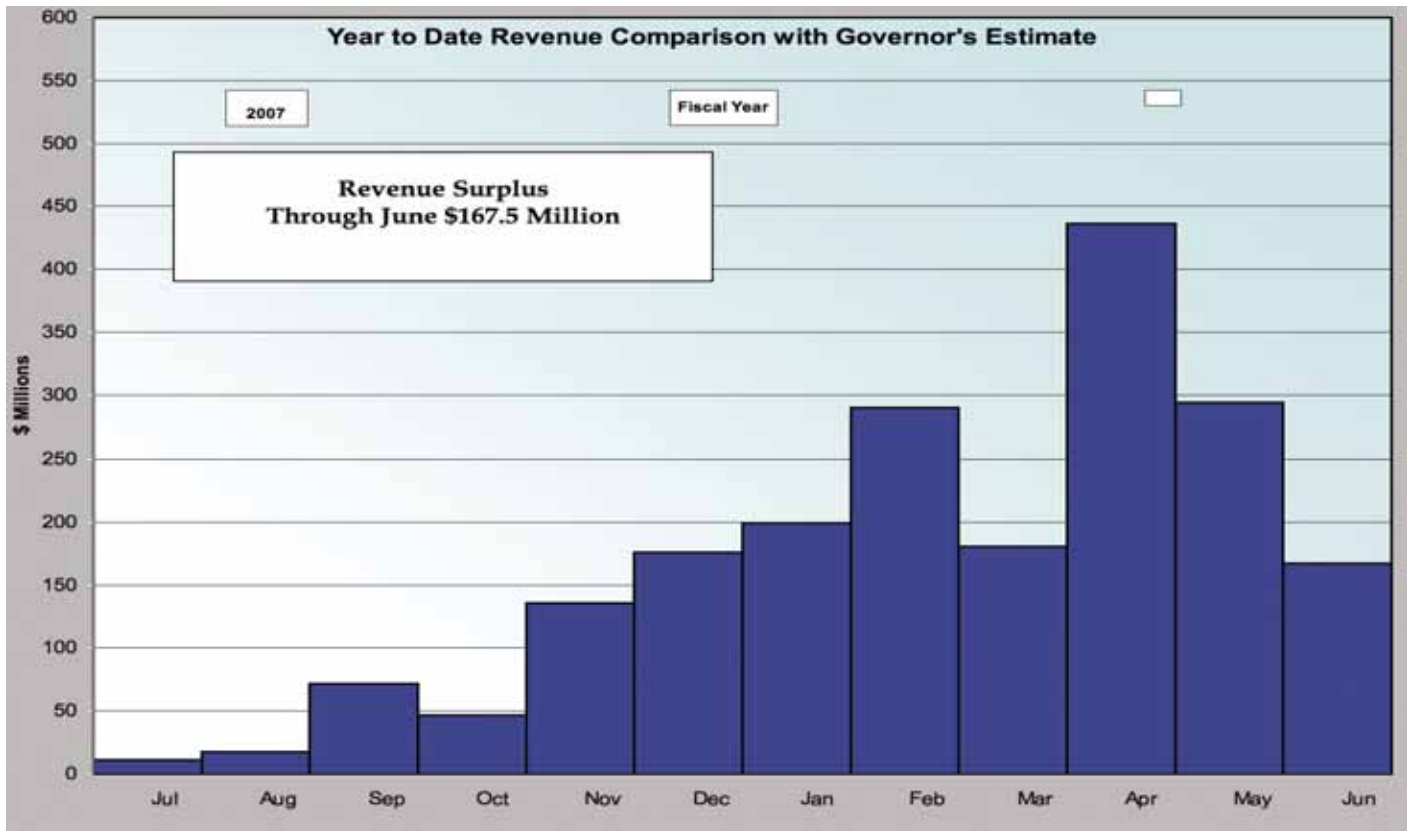


Senate Appropriations Committee, Gibson E. Armstrong, Chairman

General Fund Tax Collections Fiscal Year 2007-2008 Comparison of Official Estimate with Actual Revenue by Month



Senate Appropriations Committee, Gibson E. Armstrong, Chairman



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Appropriations Committee Monthly Revenue Report

Monday, June 30, 2008 Account:	Revenue 2006-07 thru June	(Dollars in Thousands)					
		For the month of June			For the year through June		
		Revenue	Official Estimate	Surplus (Deficit)	Revenue	Official Estimate	Surplus (Deficit)
CORPORATE TAXES:							
Clearing Account	-\$419	(\$7,665)	\$0	(\$7,665)	\$6,811	\$0	\$6,811
Corp. Net Income	\$2,492,482	\$338,489	\$455,700	(\$117,211)	\$2,414,682	\$2,578,400	(\$163,718)
Cap. Stock & Franchise	\$999,954	\$158,433	\$111,800	\$46,633	\$1,016,415	\$796,400	\$220,015
Gross Receipts	\$1,293,311	\$4,546	\$5,000	(\$454)	\$1,348,562	\$1,374,700	(\$26,138)
PURTA	\$47,518	\$474	\$100	\$374	\$44,689	\$47,900	(\$3,211)
Insurance Premiums	\$412,490	(\$278)	\$600	(\$878)	\$418,226	\$438,700	(\$20,474)
Financial Institutions	\$213,645	\$2,055	\$3,400	(\$1,345)	\$191,828	\$189,900	\$1,928
Other Selective Bus. Taxes	\$17,312	\$1,317	\$2,800	(\$1,483)	\$16,639	\$18,400	(\$1,761)
CORPORATE TAX TOTAL	\$5,476,293	\$497,371	\$579,400	(\$82,029)	\$5,457,853	\$5,444,400	\$13,453
CONSUMPTION TAXES:							
Sales, Use & Occupation Tax	\$8,590,769	\$710,212	\$740,400	(\$30,188)	\$8,496,554	\$8,528,900	(\$32,346)
-Motor Vehicle Sales	\$1,168,918	\$97,617	\$108,800	(\$11,183)	\$1,164,166	\$1,146,200	\$17,966
-General (net of transfers)	\$7,421,851	\$612,595	\$631,600	(\$19,005)	\$7,332,388	\$7,382,700	(\$50,312)
Cigarette Tax	\$778,582	\$73,329	\$76,300	(\$2,971)	\$784,055	\$766,800	\$17,255
Malt Beverage Tax	\$25,171	\$2,401	\$2,300	\$101	\$26,289	\$26,000	\$289
Liquor Tax	\$239,494	\$19,288	\$19,400	(\$112)	\$251,138	\$255,900	(\$4,762)
CONSUMPTION TAX TOTAL	\$9,634,016	\$805,231	\$838,400	(\$33,169)	\$9,558,036	\$9,577,600	(\$19,564)
OTHER TAXES:							
Personal Income Tax	\$10,261,618	\$1,007,580	\$1,016,500	(\$8,920)	\$10,907,741	\$10,750,000	\$157,741
-Withheld PIT	\$7,528,691	\$666,990	\$669,400	(\$2,410)	\$7,811,646	\$7,841,600	(\$29,954)
-Quarterly & Annual PIT	\$2,732,928	\$340,590	\$347,100	(\$6,510)	\$3,096,095	\$2,908,400	\$187,695
Realty Transfer Tax	\$570,994	\$35,554	\$38,800	(\$3,246)	\$429,540	\$434,600	(\$5,060)
Inheritance & Estate Tax	\$756,553	\$75,622	\$77,200	(\$1,578)	\$828,628	\$801,900	\$26,728
Minor & Repealed	(\$15,461)	\$109,668	\$108,700	\$968	\$111,569	\$110,500	\$1,069
OTHER TAXES TOTAL	\$11,573,705	\$1,228,424	\$1,241,200	(\$12,776)	\$12,277,478	\$12,097,000	\$180,478
GENERAL FUND TAXES	\$26,684,014	\$2,531,025	\$2,659,000	(\$127,975)	\$27,293,367	\$27,119,000	\$174,367
NON-TAX REVENUES	\$765,321	\$70,643	\$69,600	\$1,043	\$634,695	\$641,600	(\$6,905)
GENERAL FUND	\$27,449,335	\$2,601,669	\$2,728,600	(\$126,931)	\$27,928,062	\$27,760,600	\$167,462
MOTOR LICENSE FUND:							
Liquid Fuels Tax	\$589,236	\$44,970	\$46,250	(\$1,280)	\$591,682	\$592,020	(\$338)
Fuels Use Tax	\$162,793	\$14,620	\$13,620	\$1,000	\$157,123	\$165,750	(\$8,627)
Motor Carriers Road Tax	\$40,366	\$7,298	\$6,450	\$848	\$37,875	\$42,070	(\$4,195)
Alternate Fuels	\$191	\$455	\$220	\$235	\$1,104	\$600	\$504
Clearing Account	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oil Company Franchise Tax	\$462,775	\$38,517	\$38,430	\$87	\$447,699	\$473,610	(\$25,911)
Licenses and Fees	\$870,038	\$76,237	\$93,160	(\$16,923)	\$872,918	\$889,690	(\$16,772)
Vehicle Code Fines	\$31,691	(\$14,492)	(\$11,170)	(\$3,322)	\$31,249	\$30,740	\$509
Miscellaneous	\$133,685	\$3,807	\$9,710	(\$5,903)	\$75,001	\$112,980	(\$37,979)
Adjustment to Miscellaneous Revenue for Act 44 Transfer from PA Turnpike Commission		\$0	\$0	\$0	\$450,000	\$450,000	\$0
MOTOR FUND	\$2,290,775	\$171,411	\$196,670	(\$25,259)	\$2,664,651	\$2,757,460	(\$92,809)