



Senate Appropriations Committee

The Monthly Report

APRIL 2009

Jake Corman, Chairman

March Revenues Miss Target Projections

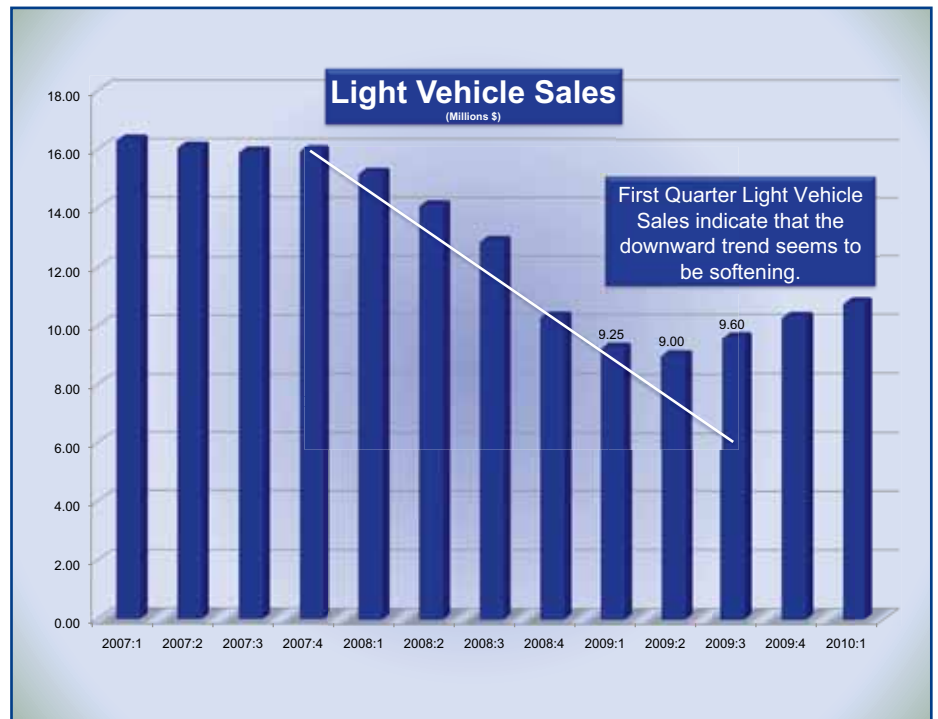
Revenue collections for the month of March continued to miss their target projections. March is the largest tax receipts month in the Commonwealth's fiscal year. Collections were off by \$334.6 million – putting us short by \$1.6 billion, or 7.9% for the year. This is the eleventh consecutive month with a revenue deficit of at least \$100 million.

The three big taxes for this month were all significantly off the mark. Corporation taxes came in at \$2.3 billion, or \$192.5 million below estimate. For the year, corporation taxes are off 8.7%. The Personal Income Tax was \$59.8 million below the estimate at \$763.6 million. The Sales Tax reported \$589.2 million for March - \$51 million below its estimate.

There are only three months remaining in the fiscal year. We continue to project a \$2.6 billion

year-end shortfall, but now consider that to be a floor rather than a ceiling.

Light Vehicle Sales Rise in March



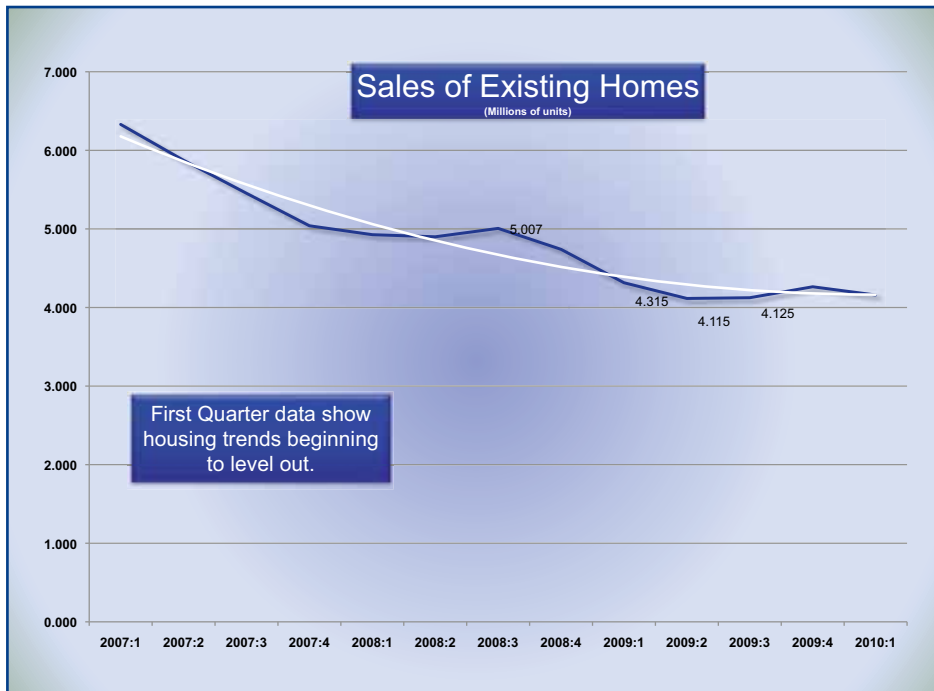
For the latest information on the budget go to pasenategop.com.

While tax revenues continue to disappoint, there are finally some signs of hope in the economy. Light vehicle sales in March, while significantly below last year's levels, rose by a seasonal adjusted annual rate (SAAR) of 700,000 units over February's number. At 9.8 million units SAAR, it's the first sign of hope

for the car industry.

The March 2009 sales were down 37% from March of 2008. That decline beat analyst's expectations, which had been predicting a year over year drop of 42%. General Motors sales were down 44.7%, followed by Ford and Chrysler at 40.8% and 39% respectively. Market share

Continued...



rate mortgage is at an all-time low of 4.78% in the most recent survey. Also pushing up sales is the American Recovery and Reinvestment Act, which allows first-time homebuyers (someone who has not owned a home within the last three years) to take a tax credit worth up to \$8,000.

That said, analysts predict the housing market to continue its slide. Housing inventory is still too high and the financial markets continue to make credit difficult to come by.



for the Big Three declined to 45.2% for the month – a decline of more than four percentage points from the previous year.

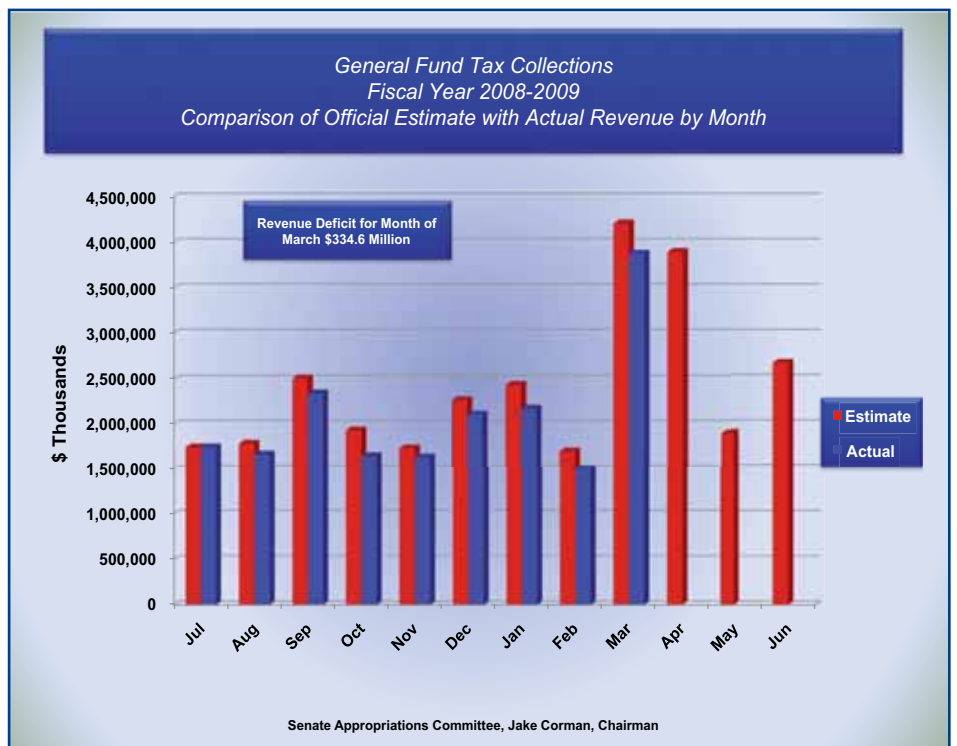
In other economic news, the Pending Home Sales Index increased 2.1% in February and the MBA Mortgage Applications Refinancing Index jumped

Conditions in the housing market have been showing signs of improvement. Housing starts, as well as sales for new and existing homes, were up in February. The 30-year fixed-

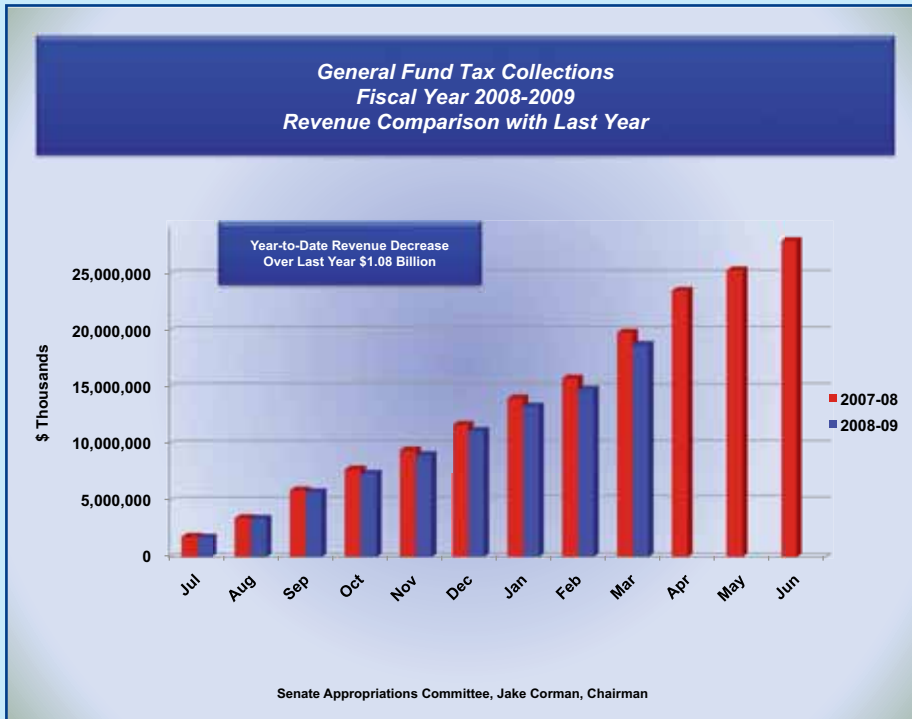
“Conditions in the housing market have been showing signs of improvement. Housing starts, as well as sales for new and existing homes, were up in February.”

32.2% in the period.

In spite of analysts predictions, existing home sales realized a 5.1% increase over the previous month.



Senate Appropriations Committee, Jake Corman, Chairman



Appropriations Committee Monthly Revenue Report

| Account: | Revenue | (Dollars in Thousands) | | | | | |
|------------------------------|---------------------|------------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|
| | 2007-08 | For the month of March | | | For the year through March | | |
| | thru March | Revenue | Official Estimate | Surplus (Deficit) | Revenue | Official Estimate | Surplus (Deficit) |
| CORPORATE TAXES: | | | | | | | |
| Clearing Account | \$274 | \$35,583 | \$0 | \$35,583 | \$37,163 | \$0 | \$37,163 |
| Corp. Net Income | \$1,605,496 | \$290,235 | \$375,400 | (\$85,165) | \$1,321,274 | \$1,505,700 | (\$184,426) |
| Cap. Stock & Franchise | \$671,732 | \$109,601 | \$132,100 | (\$22,499) | \$542,298 | \$640,100 | (\$97,802) |
| Gross Receipts | \$1,345,290 | \$1,359,636 | \$1,466,600 | (\$106,964) | \$1,377,831 | \$1,477,100 | (\$99,269) |
| PURTA | \$2,840 | \$44 | \$100 | (\$56) | \$2,031 | \$2,600 | (\$569) |
| Insurance Premiums | \$369,055 | \$343,467 | \$358,300 | (\$14,833) | \$375,902 | \$393,600 | (\$17,698) |
| Financial Institutions | \$187,994 | \$177,980 | \$176,300 | \$1,680 | \$184,868 | \$187,000 | (\$2,132) |
| Other Selective Bus. Taxes | \$10,834 | \$5,167 | \$5,400 | (\$233) | \$9,278 | \$11,200 | (\$1,922) |
| CORPORATE TAX TOTAL | \$4,193,515 | \$2,321,713 | \$2,514,200 | (\$192,487) | \$3,850,647 | \$4,217,300 | (\$366,653) |
| CONSUMPTION TAXES: | | | | | | | |
| Sales, Use & Occupation Tax | \$6,361,322 | \$589,227 | \$640,200 | (\$50,973) | \$6,164,116 | \$6,514,500 | (\$350,384) |
| -Motor Vehicle Sales | \$807,862 | \$77,868 | \$91,000 | (\$13,132) | \$699,009 | \$786,500 | (\$87,491) |
| -General (net of transfers) | \$5,553,460 | \$511,360 | \$549,200 | (\$37,840) | \$5,465,107 | \$5,728,000 | (\$262,893) |
| Cigarette Tax | \$569,353 | \$61,448 | \$62,600 | (\$1,152) | \$559,901 | \$573,600 | (\$13,699) |
| Malt Beverage Tax | \$19,746 | \$1,919 | \$1,800 | \$119 | \$19,304 | \$19,500 | (\$196) |
| Liquor Tax | \$175,902 | \$37,942 | \$20,500 | \$17,442 | \$202,694 | \$199,200 | \$3,494 |
| CONSUMPTION TAX TOTAL | \$7,126,323 | \$690,536 | \$725,100 | (\$34,564) | \$6,946,015 | \$7,306,800 | (\$360,785) |
| OTHER TAXES: | | | | | | | |
| Personal Income Tax | \$7,231,390 | \$763,582 | \$823,400 | (\$59,818) | \$7,184,410 | \$7,560,900 | (\$376,490) |
| -Withheld PIT | \$5,898,319 | \$662,827 | \$708,500 | (\$45,673) | \$5,938,916 | \$6,156,700 | (\$217,784) |
| -Quarterly & Annual PIT | \$1,333,071 | \$100,755 | \$114,900 | (\$14,145) | \$1,245,494 | \$1,404,200 | (\$158,706) |
| Realty Transfer Tax | \$330,677 | \$17,387 | \$30,800 | (\$13,413) | \$230,260 | \$310,000 | (\$79,740) |
| Inheritance & Estate Tax | \$600,120 | \$66,721 | \$77,200 | (\$10,479) | \$569,611 | \$644,500 | (\$74,889) |
| Minor & Repealed | \$2,568 | \$771 | \$1,000 | (\$229) | \$3,948 | \$2,600 | \$1,348 |
| OTHER TAXES TOTAL | \$8,164,755 | \$848,460 | \$932,400 | (\$83,940) | \$7,988,229 | \$8,518,000 | (\$529,771) |
| GENERAL FUND TAXES | \$19,484,593 | \$3,860,709 | \$4,171,700 | (\$310,991) | \$18,784,890 | \$20,042,100 | (\$1,257,210) |
| NON-TAX REVENUES | \$303,521 | \$14,087 | \$37,700 | (\$23,613) | (\$76,398) | \$274,200 | (\$350,598) |
| GENERAL FUND | \$19,788,114 | \$3,874,796 | \$4,209,400 | (\$334,604) | \$18,708,492 | \$20,316,300 | (\$1,607,808) |
| MOTOR LICENSE FUND: | | | | | | | |
| Liquid Fuels Tax | \$436,189 | \$38,247 | \$49,590 | (\$11,343) | \$351,516 | \$406,305 | (\$54,789) |
| Fuels Use Tax | \$118,828 | \$10,301 | \$11,290 | (\$989) | \$116,054 | \$119,740 | (\$3,686) |
| Motor Carriers Road Tax | \$26,908 | \$5,807 | \$4,210 | \$1,597 | \$28,942 | \$27,110 | \$1,832 |
| Alternate Fuels | \$629 | \$12 | \$20 | (\$8) | \$162 | \$200 | (\$38) |
| Oil Company Franchise Tax | \$341,097 | \$33,892 | \$35,480 | (\$1,588) | \$350,703 | \$339,430 | \$11,273 |
| Licenses and Fees | \$613,234 | \$87,664 | \$84,490 | \$3,174 | \$624,419 | \$624,830 | (\$411) |
| Other Motor Receipts | \$335,687 | \$10,354 | \$6,410 | \$3,944 | \$432,247 | \$427,320 | \$4,927 |
| Miscellaneous | \$74,154 | (\$2,134) | \$6,650 | (\$8,784) | (\$25,238) | \$42,860 | (\$68,098) |
| MOTOR FUND | \$1,946,726 | \$184,142 | \$198,140 | (\$13,998) | \$1,878,805 | \$1,987,795 | (\$108,990) |