

Official

August 2020

Monthly and Quarterly

Revenue Estimates

FY 2020-21



About the Independent Fiscal Office

The Independent Fiscal Office (IFO) provides revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues to assist Commonwealth residents and the General Assembly in their evaluation of policy decisions. In that capacity, the IFO does not support or oppose any policy it analyzes, and will disclose the methodologies, data sources and assumptions used in published reports and estimates.

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The Independent Fiscal Office was created
by the Act of Nov. 23, 2010 (P.L.1269, No.120).

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FY 2020-21 Monthly and Quarterly Estimates

This report provides monthly estimates for General Fund revenues and quarterly estimates for Motor License and Lottery Fund revenues for fiscal year (FY) 2020-21. The monthly and quarterly estimates are based on the FY 2020-21 projections contained in the *Official Revenue Estimate* published by the Independent Fiscal Office (IFO) on June 22, 2020, which includes adjustments to reflect the impact of statutory changes that were enacted in conjunction with the state budget. The statutory changes are summarized in Table 1. Additional detail regarding the recent enactments can be found in the next section.

	FY 2020-21
Cigarette	-\$115.3
Personal Income - Withholding	-13.8
Licenses & Fees	<u>-1.1</u>
Total	-130.2

Note: Figures in dollar millions. Reflects the impact of Act 23-2020.

Table 2
FY 2020-21 General Fund Monthly Estimates

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Total General Fund	\$3,959	\$2,301	\$2,914	\$2,317	\$2,248	\$2,907	\$2,799	\$2,191	\$4,515	\$3,914	\$2,577	\$3,233	\$35,874
Total Corporation Taxes	221	278	489	98	69	444	115	136	2,089	294	305	524	5,060
Corporate Net Income	216	271	474	89	66	427	79	120	411	243	271	522	3,188
Gross Receipts	3	4	6	7	2	10	4	4	947	6	3	11	1,005
Utility Property	0	0	1	0	0	0	0	0	1	7	29	0	38
Insurance Premiums	1	1	0	0	1	1	31	10	381	35	2	-15	447
Financial Institutions	0	1	9	1	1	6	1	1	350	4	1	6	382
Total Consumption Taxes	1,178	1,021	1,008	1,089	1,032	1,144	1,167	939	1,005	1,010	1,130	1,174	12,896
SUT - Non-Motor	930	736	734	823	773	855	955	722	758	854	850	903	9,893
SUT - Motor	155	144	130	134	116	124	120	99	124	142	144	129	1,559
Cigarette	48	97	100	87	91	101	52	76	77	-31	88	95	881
Other Tobacco Products	11	10	11	10	12	11	10	10	10	11	11	12	127
Malt Beverage	2	2	2	2	2	2	2	2	2	2	2	2	23
Liquor	32	32	32	33	38	52	29	30	34	32	35	34	412
Total Other Taxes	2,542	978	1,401	1,109	1,034	1,297	1,502	1,111	1,322	2,361	1,098	1,496	17,252
PIT - Withholding	915	755	881	796	833	1,015	841	933	1,083	906	843	965	10,767
PIT - Quarterly	451	28	336	51	19	87	494	19	46	298	22	297	2,147
PIT - Annual	1,021	23	28	90	21	20	21	33	121	1,003	45	37	2,465
Realty Transfer	22	55	46	51	47	51	45	32	41	45	52	59	544
Inheritance	110	109	97	107	102	109	79	81	98	90	101	114	1,196
Gaming	15	12	14	18	13	14	20	12	16	17	13	15	178
Minor and Repealed	9	-4	1	-5	1	1	2	1	-83	2	23	8	-44
Total Non-Tax Revenue	19	24	16	21	113	22	15	5	99	250	44	39	667
State Store Fund Transfers	0	0	0	0	100	0	0	0	43	0	0	43	185
Licenses and Fees	7	16	14	20	7	24	8	6	28	19	-2	4	152
Treasury	6	4	3	2	3	1	1	1	2	1	1	4	27
Escheats	-4	-7	-11	-10	-5	-13	-6	-10	20	218	36	-4	205
Other Miscellaneous	3	3	3	2	1	3	5	2	0	5	1	0	29
Fines, Penalties & Interest	7	7	7	7	7	7	6	6	6	8	8	-8	69

Note: Figures in dollar millions. Due to rounding, detail may not sum to total.

Table 3
FY 2020-21 Motor License Fund Quarterly Estimates

	2020 Q3 Jul-Sep	2020 Q4 Oct-Dec	2021 Q1 Jan-Mar	2021 Q2 Apr-Jun	FY 2020-21 Estimate
Total Motor License Fund	\$764.4	\$605.7	\$647.1	\$823.8	\$2,841.0
Liquid Fuels Taxes	441.6	388.2	396.0	472.0	1,697.8
Motor Carriers/IFTA	31.2	35.6	30.6	37.6	135.0
Alternative Fuels	3.3	3.3	3.9	3.6	14.1
Oil Company Franchise	191.5	207.6	244.1	281.4	924.6
Act 89 OFT - Liquid Fuels	180.0	105.7	83.8	116.3	485.8
Act 89 OFT - Fuels	35.6	36.0	33.6	33.1	138.3
Motor Licenses and Fees	317.2	215.0	242.6	343.8	1,118.6
Special Hauling Permits	9.5	8.6	6.9	8.0	33.0
Registration Other States/IRP	35.0	36.0	46.3	39.0	156.3
Operators' Licenses	26.8	16.7	17.4	15.3	76.2
Real ID	2.1	2.1	2.0	3.9	10.1
Vehicle Registration & Titling	243.4	150.8	169.4	275.8	839.4
Miscellaneous	0.4	0.8	0.6	1.8	3.6
Other Motor Receipts	5.6	2.5	8.5	8.0	24.6
Treasury	6.7	5.0	3.6	4.1	19.4
Transportation	0.5	0.4	0.4	1.2	2.5
General Services	0.1	0.1	0.1	0.1	0.4
Vehicle Fines & Clearing Acct.	-1.7	-3.0	4.4	2.6	2.3

Note: Figures in dollar millions. Due to rounding, detail may not sum to total.

Table 4
FY 2020-21 Lottery Fund Quarterly Estimates

	2020 Q3 Jul-Sep	2020 Q4 Oct-Dec	2021 Q1 Jan-Mar	2021 Q2 Apr-Jun	FY 2020-21 Estimate
Lottery Fund Revenues	\$494.1	\$475.8	\$431.2	\$461.5	\$1,862.6
Gross Ticket Sales	1,351.4	1,368.9	1,360.1	1,354.6	5,435.0
Field Paid Prizes & Commissions	-857.9	-893.7	-929.4	-893.7	-3,574.7
Miscellaneous Revenues	0.6	0.6	0.6	0.6	2.3
Gross Ticket Sales	1,351.4	1,368.9	1,360.1	1,354.6	5,435.0
Instant Tickets	823.0	835.7	832.5	824.2	3,315.4
Multi-State Lotto Games	105.8	105.7	105.8	105.7	423.0
In-State Lotto and Raffle	63.1	61.7	64.7	65.2	254.7
Numbers Games	138.3	141.0	137.0	139.3	555.6
iLottery	205.6	205.7	205.6	205.6	822.5
Keno and Xpress Sports	15.6	19.1	14.5	14.6	63.8
Miscellaneous Revenues	0.6	0.6	0.6	0.6	2.3
Gaming Fund Transfers ¹	0.0	0.0	0.0	0.0	0.0
Other Miscellaneous Revenue	0.6	0.6	0.6	0.6	2.3

Note: Figures in dollar millions. Due to rounding, detail may not sum to total.

¹In response to the COVID-19 pandemic, Property Tax/Rent Rebate payments (and the Gaming Fund transfers that support those payments) that would have been disbursed in FY 2020-21 were accelerated into FY 2019-20.

Analysis of Statutes Affecting Revenues

The *Official Revenue Estimate* for FY 2020-21 published by the IFO on June 22, 2020 includes the impact from statutory changes (Act 23-2020) enacted in conjunction with the state budget. This section briefly summarizes the recently enacted provisions that affect projections of unrestricted General Fund revenues. The descriptions that follow do not include every statutory change and certain provisions (e.g., some with no or minimal revenue impact) may have been omitted.

Personal Income Tax

Transfer to the Environmental Stewardship Fund

The act requires a transfer of \$13.782 million from personal income tax (PIT) to the Environmental Stewardship Fund. This provision is effective July 1, 2020.

Prior Law

For FY 2019-20, the transfer from PIT to the Environmental Stewardship Fund was \$20 million.

Fiscal Analysis

This provision is projected to reduce FY 2020-21 PIT withholding revenues by \$13.782 million.

Cigarette Tax

Transfer to the Tobacco Settlement Fund

The act requires a one-time transfer from cigarette tax to the Tobacco Settlement Fund for the repayment of the Tobacco Revenue Bond debt service. This transfer will occur by April 30, 2021. The provision takes effect July 1, 2020.

Prior Law

The same transfer occurred in FY 2019-20.

Fiscal Analysis

This provision is projected to reduce FY 2020-21 cigarette tax revenues by \$115.3 million.

Licenses and Fees

Sports Wagering Fees

The act provides that a Category 1, 2 or 3 slot machine license holder that also holds a sports wagering certificate may conduct sports wagering at an affiliated Category 4 facility without paying an additional fee.

Prior Law

The fee to obtain a sports wagering certificate is \$10 million.

Fiscal Analysis

This provision is not expected to impact FY 2020-21 revenues.

Category 4 Gaming Auction

The act requires the Pennsylvania Gaming Control Board (PGCB) to conduct an auction for an additional Category 4 slot machine license within 90 days. Only current slot machine license holders are eligible to bid and if there are no bidders, no further auctions will be held. This provision is effective July 1, 2020.

Prior Law

Act 42 of 2017 authorized the creation of ten Category 4 licenses to be auctioned to qualified bidders, with the initial auctions beginning no later than January 15, 2018 and concluding by July 31, 2018. Subsequent auctions were permitted through December 31, 2019, but only five licenses were sold. A license originally awarded in February 2018 was later denied by the PGCB and only four Category 4 licenses currently remain.

Fiscal Analysis

This provision is not expected to impact FY 2020-21 revenues.

Increased Cap for Death Certificates

The act increases the cap on the amount that local registrars may keep for processing death certificates to \$85,000 annually. Any death certificates issued during the COVID-19 disaster declaration do not count towards the cap. This provision is effective July 1, 2020.

Prior Law

The cap on the amount that local registrars may keep for processing death certificates was previously \$60,000 annually.

Fiscal Analysis

This provision is expected to reduce licenses and fees revenues by \$1 million annually.

