



Monthly Trends Report

September 2015

NEW IRS STATE MIGRATION DATA RELEASED

The Internal Revenue Service (IRS) recently released new data that capture interstate migration patterns for calendar years 2012 and 2013. The data are based on the mailing addresses reported on tax returns. For Pennsylvania, more than five million federal tax returns were matched between the two years. The database of matched returns allows the IRS to identify a migrating taxpayer's origin and destination states.

The data reveal a net outflow from Pennsylvania of 21,578 individuals (includes dependents) and \$935 million of adjusted gross income reported on tax returns for tax year 2012. The states of New York (6,925), New Jersey (3,858) and Maryland (1,056) were the primary states to record a net inflow into Pennsylvania. Those individuals reported \$475 million of adjusted gross income on their tax returns. The states of Florida (-9,092), Texas (-4,663), North Carolina (-2,913) and South Carolina (-2,481) were the primary states to record a net outflow from Pennsylvania. Those individuals reported more than \$1.0 billion of adjusted gross income.

The data also include breakdowns by age and income levels. Those data show that individuals aged 55 to 64 comprised roughly one-sixth (16.9 percent) of net migrants,

PENNSYLVANIA INTERSTATE MIGRATION: 2012 TO 2013				
State	Number to PA	Number from PA	Net PA Change	Amount (\$ millions)
New York	27,459	20,534	6,925	\$140
New Jersey	27,143	23,285	3,858	251
Maryland	13,688	12,632	1,056	84
Ohio	8,414	9,870	-1,456	0
Georgia	4,862	6,406	-1,544	-54
California	8,076	9,977	-1,901	-57
Delaware	6,133	8,094	-1,961	7
South Carolina	2,974	5,455	-2,481	-119
North Carolina	7,737	10,650	-2,913	-111
Texas	7,520	12,183	-4,663	-170
Other States	57,880	65,286	-7,406	-262
Florida	<u>16,117</u>	<u>25,209</u>	<u>-9,092</u>	<u>-645</u>
Total	188,003	209,581	-21,578	-935

Source: U.S. Internal Revenue Service. Excludes foreign migration.

GENERAL FUND SNAPSHOT

The Commonwealth collected \$2.73 billion in General Fund revenues for September, an increase of \$156.2 million (6.1%) compared to September 2014. Fiscal year-to-date revenues were \$6.74 billion, an increase of \$121.5 million (1.8%) from the prior year.

See pages 3 and 4 for additional General Fund detail.

	General Fund	Tax Revenue	Non-Tax Revenue
Sept-15	\$2,733	\$2,710	\$23
Growth	6.1%	5.7%	87.6%
FYTD	\$6,736	\$6,655	\$80
Growth	1.8%	5.1%	-71.2%

Dollar amounts are in millions.

but more than one-third of the total dollar amount (-\$356 million) reported on tax returns. Those aged 65 and older comprised the same share of net migrants (16.5 percent), but a much smaller share of the dollar amount reported on tax returns (-\$162 million). These age classifications are based on the age of the primary taxpayer and will include some younger dependents.

The IRS migration data differ from U.S. Census Bureau migration data because they do not include individuals who do not need to file a tax return, such as certain lower-income and elderly individuals. The data also exclude most temporary relocations of college-age students. Therefore, the net outflow from Pennsylvania was not due to college students returning to their home states. The IRS data show that the 25 and younger age group accounted for 2,661 net migrants from the state.

MONTHLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	Jun-15	Jul-15	Aug-15	Sep-15	Jun-15	Jul-15	Aug-15	Sep-15
Unemployment Rate ¹	5.3%	5.3%	5.1%	5.1%	5.4%	5.4%	5.4%	n.a.
Net Job Gains (000s) ²	245.0	223.0	136.0	142.0	58.7	62.6	61.7	n.a.
Average Gasoline Price ³	\$2.80	\$2.79	\$2.64	\$2.37	\$2.78	\$2.76	\$2.56	\$2.32
Consumer Price Index ⁴	0.2%	0.2%	0.2%	n.a.	0.2%	-0.1%	-0.3%	n.a.
Retail Sales ⁵	1.9%	2.3%	2.2%	n.a.	3.3%	3.2%	3.9%	2.5%
Consumer Sentiment Index ⁶	96.2	93.1	91.9	87.2	n.a.	n.a.	n.a.	n.a.
New Building Permits ⁷	10.5%	9.3%	11.2%	n.a.	-15.3%	-11.0%	2.3%	n.a.

QUARTERLY ECONOMIC INDICATORS

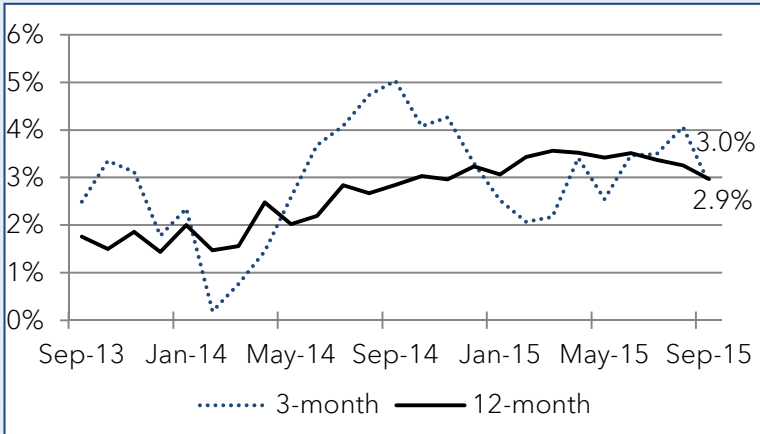
	United States				Pennsylvania			
	2014.3	2014.4	2015.1	2015.2	2014.3	2014.4	2015.1	2015.2
Gross Domestic Product ⁸	4.3%	2.1%	0.6%	3.9%	1.8%	1.8%	n.a.	n.a.
Personal Income ⁹	4.5%	5.2%	4.5%	4.2%	3.7%	4.3%	3.5%	3.3%
Completed Home Sales ¹⁰	-3.8%	2.9%	6.9%	8.2%	0.4%	7.7%	12.7%	10.8%
FHFA House Price Index ¹¹	4.8%	5.1%	5.2%	5.4%	2.4%	2.6%	3.7%	2.9%
Student Loan Debt ¹²	\$4,390	\$4,480	\$4,590	\$4,480	\$5,070	\$5,180	\$5,330	\$5,180
Industrial Electricity Sales ¹³	-1.4%	-1.3%	-0.5%	-0.7%	-0.6%	-1.2%	-1.8%	-1.1%

Notes:

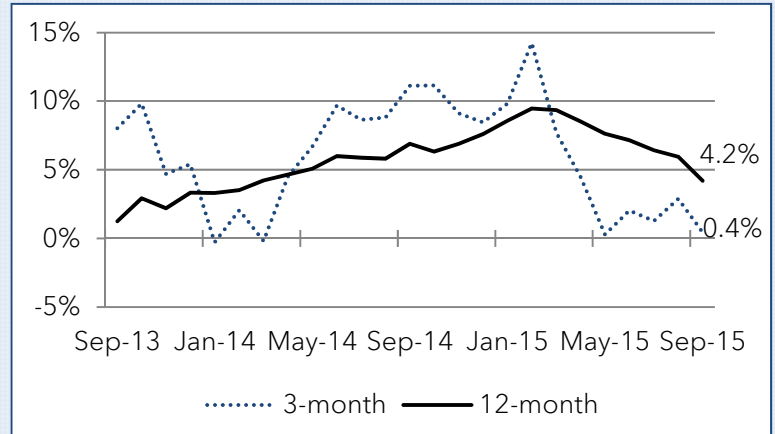
1. Source: U.S. Bureau of Labor Statistics—Survey of Households.
2. U.S.: Increase in monthly payroll employment compared to the previous month. PA: Average increase in annual payroll employment based on latest three months of data. Source: U.S. Bureau of Labor Statistics—Survey of Establishments.
3. Average price for one gallon of regular gasoline. Source: U.S. Energy Information Administration.
4. Annual change in average price level for U.S. and PA-NJ-DE-MD. Data for PA-NJ-DE-MD only published on a bi-monthly basis. For non-release months, values are an interpolation. Source: U.S. Bureau of Labor Statistics.
5. U.S.: Annual growth rate of advance retail sales based on latest three months of data. Includes purchases of gas and motor vehicles. Excludes services. Source: U.S. Dept. of Commerce. PA: Annual growth rate of sales tax revenues based on latest three months of data. Excludes transfers to or from the Enhanced Revenue Collection Account. Source: PA Dept. of Revenue.
6. A diffusion index that reflects consumer optimism. Source: UM—Survey of Consumers.
7. Annual growth of new, privately owned single-housing units authorized for construction based on latest three month of data. Source: U.S. Census Bureau.
8. The quarterly, annualized real growth rate of the U.S. economy. Excludes inflation. For PA, values are annual growth rates for the entire year as quarterly data are not available. Source: U.S. Bureau of Economic Analysis.
9. The annual growth rate of personal income. Includes any inflationary gains. Source: U.S. Bureau of Economic Analysis.
10. The annual growth rate of sales of existing single-family properties, townhomes and condominiums. (PA data contain some new properties.) Sources: National Association of Realtors and PA Association of Realtors.
11. The annual growth rate of an index that measures the average price change of residential homes with mortgages purchased or securitized by Fannie Mae or Freddie Mac. Source: Federal Housing Finance Agency.
12. Per capita levels. Levels represent total student loan debt divided by number of consumers with a credit report. For Q4 2014, Pennsylvania has 10.7 million consumers (includes children). Source: Federal Reserve Bank of New York.
13. The annual growth rate in megawatt-hours of electricity sold to industrial customers. Source: U.S. EIA.

SELECT GENERAL FUND TAX REVENUES - ANNUAL GROWTH RATES

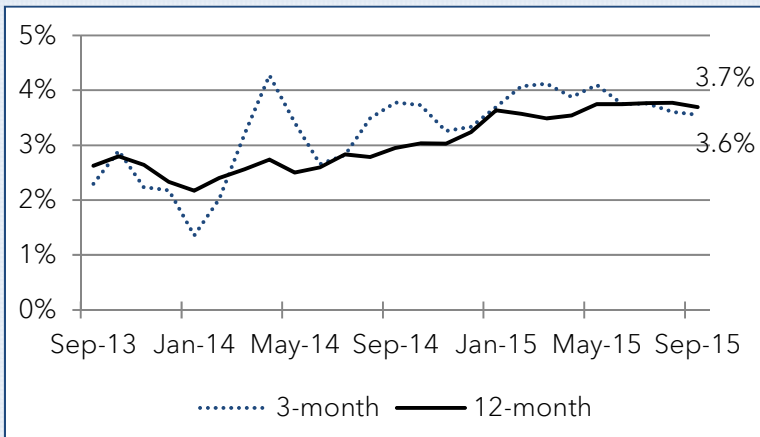
Sales and Use Tax – Non-Motor



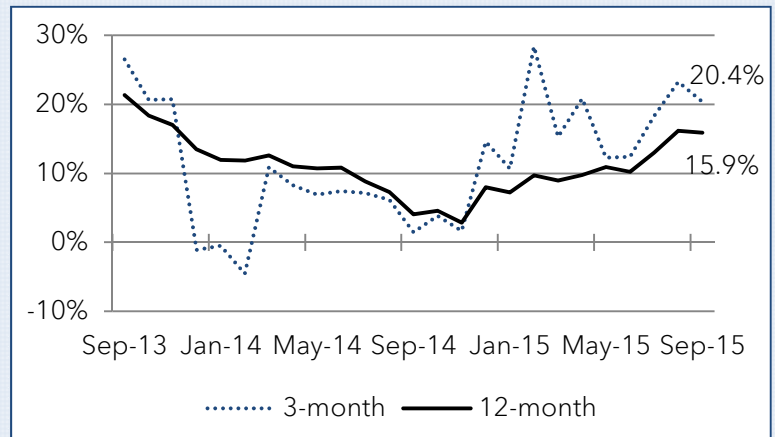
Sales and Use Tax – Motor



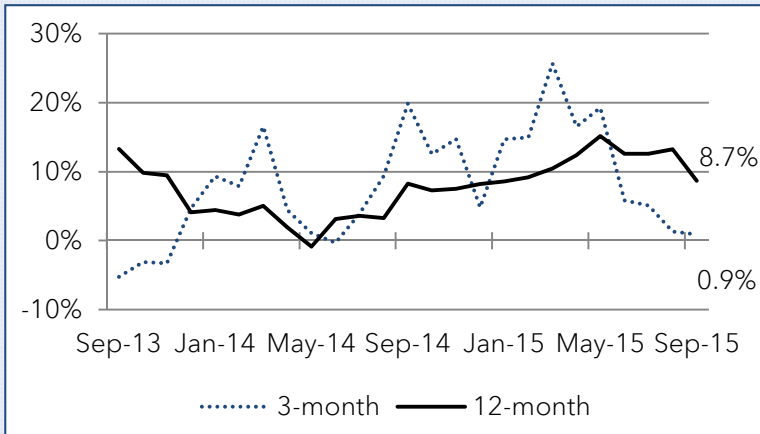
Personal Income Tax – Withholding



Realty Transfer Tax



Corporate Net Income Tax



Technical Notes:

- ↳ Personal income tax withholding includes revenue collections associated with a weekly due date that occurred in September this year, but which fell in October last year.
- ↳ The third quarterly installment of estimated taxes for calendar year filers was due in September for both the corporate net income and personal income taxes.
- ↳ Transfers from the General Fund to the Enhanced Revenue Collection Account occurred: \$3.9 million from corporate net income tax; \$8.6 million from sales tax; \$5.0 million from personal income tax; and \$2.6 million from inheritance tax.

Note: Three and twelve month annual growth rates are rolling averages relative to the previous fiscal year.

PENNSYLVANIA GENERAL FUND REVENUES SUMMARY

Revenue Source	Sept 2015	Sept 2014	Sept 2013	FYTD 2015-16	FYTD 2014-15	FYTD 2013-14	Sept 2015 Growth	FYTD Growth
Total General Fund	\$2,733.0	\$2,576.8	\$2,427.8	\$6,735.7	\$6,614.3	\$6,109.5	6.1%	1.8%
Total Tax Revenue	2,709.9	2,564.5	2,405.0	6,655.3	6,334.6	6,058.6	5.7	5.1
Total Corporation Taxes	517.9	539.8	457.4	650.0	666.5	588.9	-4.1	-2.5
Accelerated Deposits	1.0	1.5	0.4	0.9	3.2	3.1	-33.4	-70.9
Corporate Net Income	465.6	478.1	382.0	572.6	570.2	477.8	-2.6	0.4
Capital Stock & Fran.	28.6	38.5	64.4	38.8	55.4	88.6	-25.7	-29.9
Gross Receipts	5.0	4.0	5.5	17.2	16.6	13.2	24.8	3.5
Utility Property	2.6	1.5	1.3	2.7	1.8	2.1	68.4	46.6
Insurance Premium	0.6	0.3	0.4	2.0	1.9	-0.7	104.5	1.9
Financial Institution	13.6	15.4	2.1	14.2	16.3	3.1	-11.5	-12.6
Other Sel. Business	0.9	0.5	1.3	1.7	1.1	1.7	75.6	60.1
Total Consumption Taxes	898.0	893.5	848.5	2,814.1	2,754.0	2,636.2	0.5	2.2
Sales and Use - Total	783.0	777.3	730.4	2,489.7	2,429.1	2,301.7	0.7	2.5
Non-Motor	658.1	652.6	626.9	2,121.4	2,062.4	1,971.7	0.9	2.9
Motor Vehicle	124.9	124.7	103.5	368.3	366.7	330.0	0.1	0.4
Cigarette	86.7	89.8	92.8	236.5	240.2	252.7	-3.4	-1.5
Malt Beverage	2.3	2.2	2.3	7.1	6.9	7.1	2.0	3.0
Liquor	25.9	24.2	22.9	80.7	77.8	74.7	7.3	3.8
Total Other Taxes	1,294.1	1,131.1	1,099.1	3,191.2	2,914.2	2,833.4	14.4	9.5
Personal Income - Total	1,179.7	1,017.0	986.0	2,799.2	2,564.0	2,484.3	16.0	9.2
Withholding	790.2	670.6	645.7	2,310.8	2,133.8	2,056.6	17.8	8.3
Quarterly	362.6	325.4	320.3	429.5	382.9	375.5	11.4	12.2
Annual	26.9	20.9	20.0	58.9	47.4	52.2	28.8	24.5
Realty Transfer	36.2	36.2	35.2	136.8	113.7	112.0	0.1	20.4
Inheritance	71.5	70.3	70.8	228.0	212.6	213.6	1.7	7.3
Table Games	7.0	7.3	6.9	24.8	23.1	22.5	-3.6	7.6
Minor and Repealed	-0.4	0.4	0.2	2.3	0.9	0.9	-209.7	174.8
Total Non-Tax Revenue	23.0	12.3	22.8	80.4	279.7	51.0	87.6	-71.2
Liquor Store Profits	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.
Licenses, Fees & Misc.	15.6	3.7	14.1	57.6	257.0	26.7	318.2	-77.6
Licenses and Fees	6.8	5.1	4.1	20.2	17.2	15.3	34.3	17.3
Miscellaneous	8.7	-1.4	10.0	37.4	239.8	11.4	-736.8	-84.4
Treasury	0.4	1.2	10.6	1.3	5.1	13.6	-62.0	-75.2
Escheats	2.9	-7.2	-5.3	11.1	-10.5	-15.0	-139.8	-205.5
Other Miscellaneous	5.4	4.6	4.6	25.0	245.2	12.8	16.9	-89.8
Fines, Pen. & Int. - Total	7.5	8.6	8.6	22.9	22.7	24.3	-12.5	0.7

Note: Dollar amounts in \$ millions. Growth rates computed from the same time period from the previous year.