

IFO NEWS STAND

Pennsylvania News

Spotted Lanternfly Causes Economic Damage Across the State

A [study](#) by the College of Agricultural Sciences at Penn State University finds that the invasive spotted lanternfly inflicts \$50 million in damages per year in Pennsylvania. The spotted lanternfly is currently confined to fourteen counties in the eastern and central regions of the state. If the spotted lanternfly were to spread across the state, the impact to the Pennsylvania economy could be \$324 million annually including a loss of 2,800 jobs. The majority of the direct losses would impact the agricultural industry, especially nursery operators, and fruit and Christmas tree farms.

Income Tax Breaks for Seniors Estimated at \$1.5 Billion

The Center on Budget and Policy Priorities released a [report](#) that discusses tax breaks targeted to seniors. Pennsylvania is one of three states (Illinois and Mississippi) that exempt all private and public retirement accounts from income tax. The report estimates this tax break is worth \$1.5 billion for Pennsylvania seniors. In Pennsylvania, seniors' income tax liability is 49.9% of non-seniors for the same level of income. The report found that the tax breaks are not means tested for income or wealth, and that means-tested tax breaks may be a way to provide relief to the most vulnerable seniors without exempting wealthier seniors from income taxes.

National News

Mortgage Originations Grow 87% as Homeowners Refinance

The Federal Reserve Bank of New York released household debt and credit [data](#) for 2019 Q4. Mortgage originations grew by 87% year-over-year from \$402 billion in 2018 Q4 to \$752 billion in 2019 Q4. This is largely due to mortgage refinancing as many homeowners cashed out the equity in their home. Mortgage balances delinquent for 30 days or more fell to 1.0%—the lowest level on record. Credit card balances and credit limits each grew over the prior year, 6.6% and 5.7%, respectively. Credit card balances more than 90 days delinquent grew 6.6% across all ages over the prior year, with significant growth in the age 18-29 category (21.7%).

Federal Balance of Payments Estimated for Federal Fiscal Year 2018

The Office of the New York State Comptroller released a [report](#) that examines the distribution of federal budget receipts and expenditures across states in Federal Fiscal Year (FFY) 2018. Some states receive more in federal expenditures than they pay in taxes, while other states bear the tax burden while receiving less federal benefits. This is known as the "balance of payments" and is influenced by factors such as the poverty rate (e.g., TANF and SNAP), elderly population (e.g., Social Security) and personal income levels across states. In FFY 2018, New Mexico was the state with the most favorable balance of payments, receiving \$10,671 more in federal expenditures per person than it remitted in taxes. New Jersey had the least favorable balance of payments, paying \$2,792 per capita more in federal taxes than its residents received in federal expenditures. Pennsylvania ranked 23rd receiving \$2,658 more federal expenditures per capita than federal taxes paid. Across all 50 states, only 7 states (California, Connecticut, Illinois, Massachusetts, Minnesota, New Jersey and New York) paid more in taxes to the federal government than received in expenditures.