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June 15, 2015

Independent Fiscal Office Releases Revenue Estimate

(Harrisburg) - - The Independent Fiscal Office (IFO) today released its official revenue estimate, according to director Matthew Knittel. The IFO's initial revenue estimate was released on May 4th, and the official estimate provides updates for fiscal year (FY) 2014-15 and FY 2015-16.

FY 2014-15 unrestricted General Fund revenues are estimated to be \$30.540 billion, \$359 million above the estimate certified by the governor with the enactment of the FY 2014-15 budget and \$1.932 billion (6.8 percent) above receipts in the prior fiscal year.

The statutory deadline for the IFO's official estimate occurs before June sales tax remittances and the quarterly estimated payments for personal income and corporate income taxes are recorded. Accordingly, the estimate for the current fiscal year is based on collections through May and the IFO's expectations for June revenues.

FY 2015-16 unrestricted General Fund revenues are projected to be \$30.722 billion, an increase of 0.6 percent over the prior year. The projection is made on a current law basis, and it does not include the impact of proposed changes to statute.

Relative to the revenue estimates contained in the Executive Budget released on March 3rd, these projections are \$363 million higher for FY 2014-15 and \$98 million higher for FY 2015-16, a two-year difference of \$461 million.

"FY 2014-15 revenues were inflated by various non-recurring events," Knittel said. "Projections for FY 2015-16 anticipate continued economic growth, but the absence of the one-time revenues received in the prior year reduces the overall rate of growth for the General Fund."

A copy of the official revenue estimate, including a brief discussion of the economic outlook, is posted on the IFO's website at www.ifo.state.pa.us. A separate document describes the methods and data used to make the projections.

Act 120 of 2010 created the Independent Fiscal Office to provide revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues.

Follow the Independent Fiscal Office on Twitter at www.twitter.com/ind_fisc_office. Sign up at www.ifo.state.pa.us/EmailSubscr.cfm to be alerted by email when new documents are posted to the IFO website.

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