

FOR IMMEDIATE RELEASE

January 28, 2015

**Independent Fiscal Office Releases
Revised Revenue Estimate for FY 2014-15**

(Harrisburg) - - Director Matthew Knittel released a mid-year update of the Independent Fiscal Office (IFO) revenue estimate for fiscal year (FY) 2014-15. The revised estimate is \$30.207 billion, which is \$250 million higher than the estimate published by the IFO at the beginning of the fiscal year and \$26 million higher than the official estimate recertified by the governor in September.

“Lower gasoline prices drive some of the projected revenue increase.” Knittel said. “We anticipate that Pennsylvania households will save between \$3.0 and \$3.5 billion on gasoline purchases this fiscal year. These savings are expected to translate to higher consumer spending on goods and services, netting an additional \$60 million in sales tax collections.”

Knittel cautioned that reductions in the estimates for other revenue sources offset some of the gains from the improved economic outlook. The table below contains an overview of the revisions to the IFO’s revenue estimate.

Revisions to the IFO’s FY 2014-15 Revenue Estimate
(\$ millions)

Revenue Source	Revision	Notes
<u>Increases</u>		
Corporate Net Income	\$230	Strong final payments for 2013.
Sales and Use	160	Lower gasoline prices and stronger consumer confidence.
Inheritance	100	Large one-time inheritance tax payment.
Other	30	Mainly related to the NIZ and CRIZ programs.

Subtotal – Increases	520	
<u>Decreases</u>		
Non-Tax Revenue	-160	No Oil & Gas Lease Fund transfer or casino license fees.
Personal Income	-55	Concerns about wage growth and strength of annual payment.
Bank Shares	-15	Overpayments from prior year will reduce cash remittances.
Other	-40	Mainly from cigarette and capital stock and franchise taxes.

Subtotal – Decreases	-270	
	=====	
Net Revision	250	Revised estimate is \$30.207 billion.

The IFO’s presentation discussing the economic forecast and the revisions to the revenue estimate is available at www.ifo.state.pa.us.

Contact: Matthew Knittel, 717-230-8293

###