



Economic Brief

Rep. Stan Saylor, Republican Chairman

March 2018

Pennsylvania Brings in \$4.3 Billion in Revenue Collections

General Fund revenue collections for the month of March were \$4.3 billion, which was \$274 million less than the Department of Revenue's Official Estimate. Tax Revenues were under by \$177 million or 4% for the month of March.

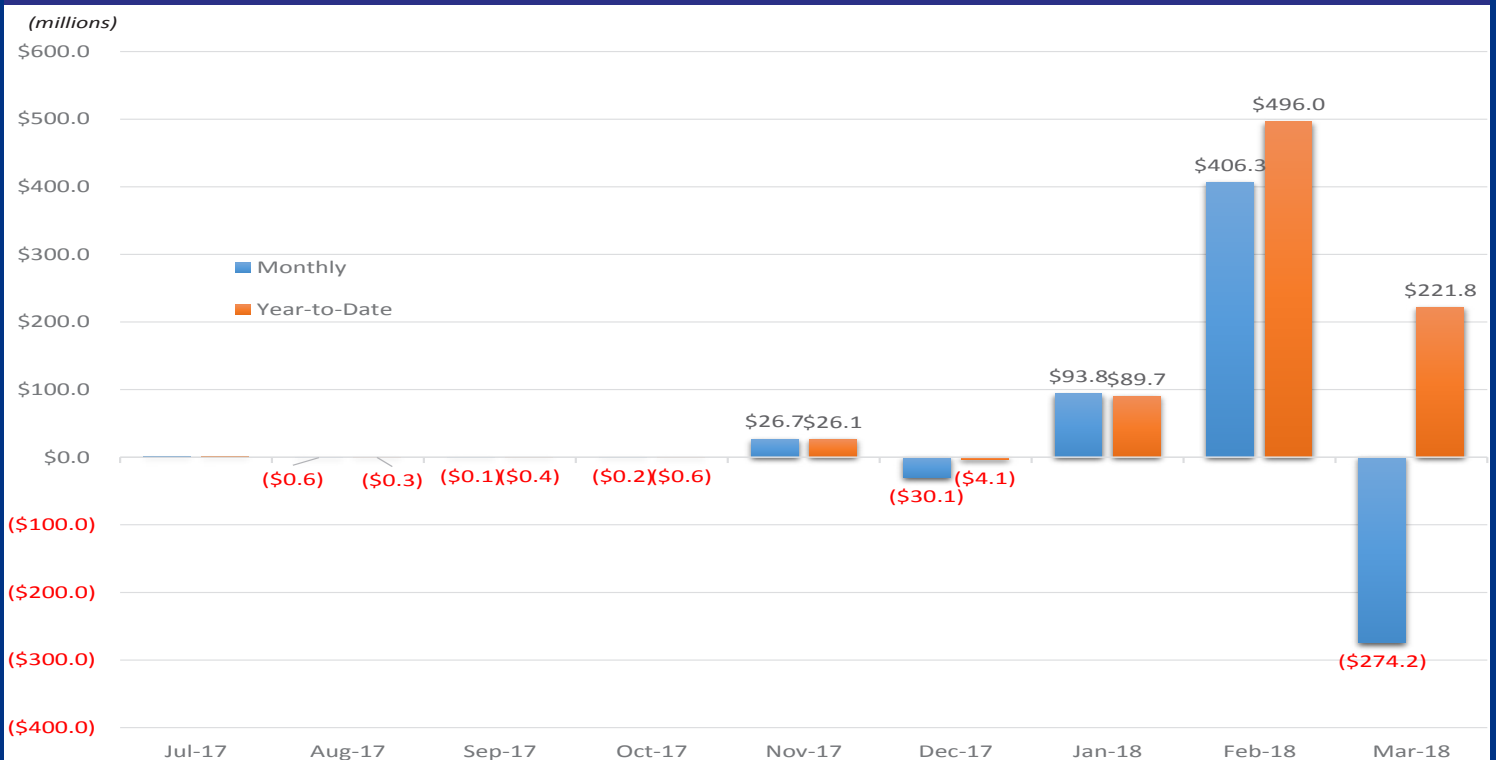
Collections of \$2.2 billion for corporation taxes came in lower than the Official Revenue Estimate projections by \$121 million. Sales tax collections of \$787 million were lower than expected, coming in \$9 million below the Official Estimate. The Personal Income Taxes collected were \$1.1 billion, which was below estimate by \$23 million.

For the 2017-18 Fiscal Year, General Fund collections of \$25.27 billion are above the official estimate by \$221.8 million or 0.9%. Year-to-date tax revenues are up 4.4% as compared to the prior fiscal year.

March Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↓
\$4.6 Billion	\$4.3 Billion
Corporation Taxes	Corporation Taxes ↓
\$2.3 Billion	\$2.2 Billion
Sales Taxes	Sales Taxes ↓
\$796 Million	\$787 Million
Personal Income Taxes	Personal Income Taxes ↓
\$1.11 Billion	\$1.09 Billion
All Other Taxes	All Other Taxes ↓
\$223 Million	\$200 Million
Non-Tax Revenue	Non-Tax Revenue ↓
\$132.6 Million	\$35.2 Million

Difference From Official General Fund Revenue Estimate





Economic Brief

Rep. Stan Saylor, Republican Chairman

March 2018

Chairman's Budget News

With the conclusion of the 2018 budget hearings, I wanted to give you an update on what was discussed. If you missed any of the hearings you can find videos of each hearing, written submitted testimony, and transcripts on www.pabudget.com.

\$200 Million Financing Agreement

One of the biggest issues that was discussed was the \$200 million Financing Agreement that the Administration is pursuing under the guise of the "lease-leaseback" of the Farm Show. The Secretary of the Department of General Services testified that this deal has nothing to do with the Farm Show Complex and it is simply debt. Act 44 of 2017, which amended the Fiscal Code, requires the Budget Secretary to transfer \$300 million from Special Funds and Restricted Accounts to the General Fund. The Administration is using this \$200 million as part of the \$300 million. This is a clear violation of the legislative process.

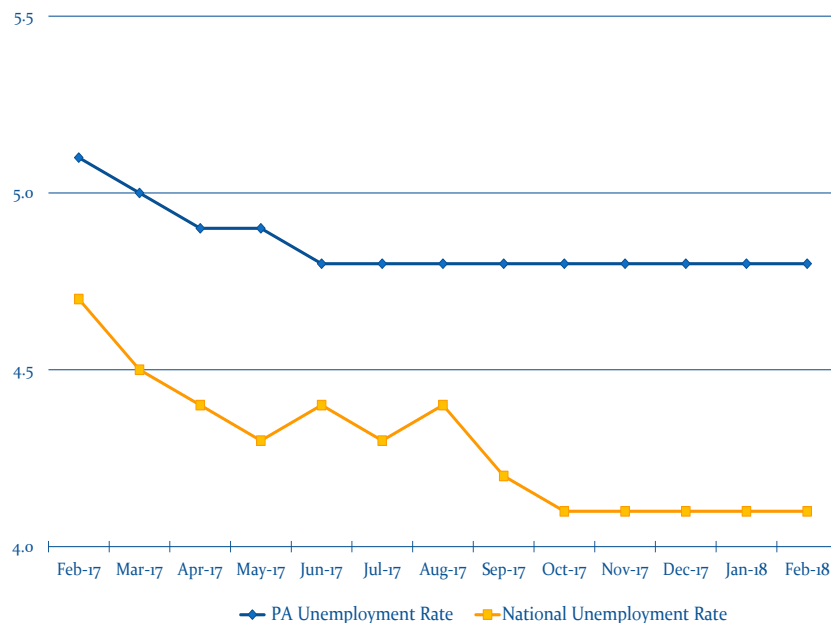
DHS Hearing

Secretary Miller testified that 486,000 able-bodied adults are on Medical Assistance and not working. This represents over half of the number of able-bodied adults on Medical Assistance. DHS provided information that there are 965,410 non-disabled adults on Medical Assistance and 495,719 reported \$0 in income. The Secretary also stated that work requirements would cost \$600 million and the need to hire an additional 300 staff, but she quickly back-tracked when pressed to verify those costs stating those were rough numbers that have not been vetted. The Committee requested that the Department provide all information on their cost estimate for work requirements.

Tax Increases

In Governor Wolf's first budget address for the 2015-16 fiscal year he proposed a revenue package that would have taxed our families and businesses an additional \$4.56 billion in 2015-16 alone. The proposed 2015-16 budget anticipated that if the tax package were to be enacted, 2018-19 General Fund tax revenues would have totaled \$35.87 billion. In contrast, the currently proposed General Fund tax revenues are estimated to be \$33.61 billion, which is \$2.26 billion less taken out of the pockets of Pennsylvania families and businesses. In March of 2015, Governor Wolf stated "that this large tax increase was necessary to solve our structural deficit." Ironically, the Budget Secretary even stated during his Mid-Year Briefing that the structural deficit is virtually gone.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	Feb. 2018	Monthly Change	
Labor Force	6.411 Million	-3,000	↓
Unemployment Rate	4.8%	0.0%	
Total Employment	6.101 Million	-3,000	↓
12-Month Change			
Total Employment	-11,000		
Unemployment Rate	-0.3%		

Surrounding States Unemployment Rates

DE	4.4%	NY	4.6%
MD	4.2%	OH	4.5%
NJ	4.6%	WV	5.4%