



Economic Brief

State Representative Sue Helm

December 2019

Pennsylvania Brings in \$2.91 Billion in Revenue Collections

General Fund revenue collections for the month of December were \$2.907 billion, which was \$91.5 million less than the Department of Revenue’s Official Estimate.

Collections of \$542 million for corporation taxes came in below the Official Revenue Estimate projection by \$80.7 million. Sales tax collections of \$981 million were lower than expected, coming in \$6.7 million below the Official Estimate. The Personal Income Taxes collected were \$1.03 billion, which was above estimate by \$19 million.

General Fund collections year-to-date total \$15.64 billion. Total Revenue Collections are \$75 million or 0.48% above the official estimate for the fiscal year.

December Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↓
\$2.998 Billion	\$2.907 Billion
Corporation Taxes	Corporation Taxes ↓
\$623 Million	\$542 Million
Sales Taxes	Sales Taxes ↓
\$988 Million	\$981 Million
Personal Income Taxes	Personal Income Taxes ↑
\$1.01 Billion	\$1.03 Billion
All Other Taxes	All Other Taxes ↓
\$347 Million	\$331 Million
Non-Tax Revenue	Non-Tax Revenue ↓
\$31.5 Million	\$24.2 Million

Difference From Official General Fund Revenue Estimate





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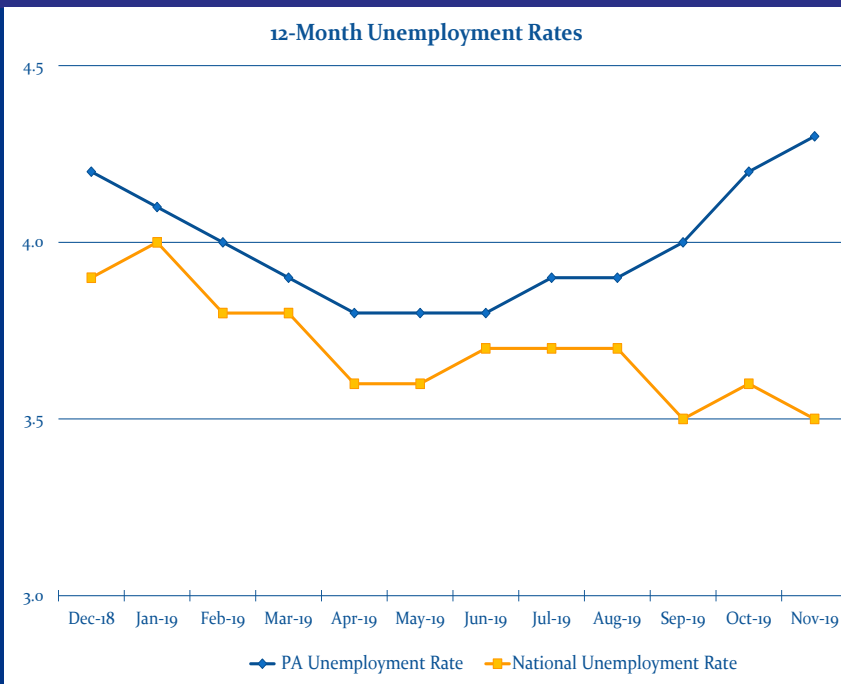
December 2019

Chairman's Budget News

On December 10th the governor's budget secretary held the annual mid-year budget briefing. The mid-year briefing is supposed to be an opportunity for the executive branch of state government to communicate to the legislative branch concerns about the state's fiscal health as we head into the second half of the fiscal year. Unfortunately, this briefing fell short and left many unanswered questions. Probably the biggest unanswered question was about the need for supplemental appropriations in the 2019-20 General Fund budget.

Act 15 of 2019 requires the governor to submit to the Appropriations Committees a written request detailing the amount of potential supplemental appropriations and the reason for the supplemental appropriations. On October 31st the House received a list of "possible" supplemental requests totaling up to \$779 million for the 2019-20 General Fund budget. The House did not receive the required written reasoning for the requested supplementals. The Appropriations Committee has requested more details on these "possible" supplementals and to date we have received no additional information. During the IFO's five-year outlook in November, a staff member from the governor's office of the budget stated that the \$779 million wasn't an actual request. However, in the mid-year briefing the power point presentation showed the administration still carrying a supplemental request of \$779 million and they predicted the Commonwealth would end the current fiscal year with a \$257.8 million deficit.

The governor needs to take a couple of steps to clarify this confusion. First, he needs to fully comply with Act 15 and provide written reasoning for each supplemental request by line-item. Second, if he believes that there is going to be such a large supplemental need, he needs to immediately work with his agency heads to reduce spending and he needs to freeze some spending by putting items in budgetary reserve. Budgets that are passed by the General Assembly cannot be treated as guidelines for the executive agencies.



PA EMPLOYMENT STATISTICS			
	Nov. 2019	Monthly Change	
Labor Force	6.534 Million	+18,000	
Unemployment Rate	4.3%	+0.1%	
Total Nonfarm Jobs	6.07 Million	+9,500	▲
12-Month Change			
Total Nonfarm Jobs	+48,400		
Unemployment Rate	+0.1%		
Surrounding States Unemployment Rate			
DE	3.8%	NY	4.0%
MD	3.6%	OH	4.2%
NJ	3.4%	WV	4.9%