



The Monthly Report

November 2009

Jake Corman, Chairman



General Fund Revenue Collections Have Best Showing Since September of 2008

General Fund revenue collections for the month ending October 2009 totaled \$3.52 billion, which was \$19.5 million, or less than one-half percent below estimate, the strongest performance in nearly a year. Fiscal year-to-date collections total \$8.8 billion, which is \$160.2 million, or 1.8 percent, below estimate. Large one-time transfers received in October do not affect the overall deficit for the month or year, but they do have the effect of skewing the percentages cited above.

The October revenues included large, one-time transfers from such sources as the Rainy Day Fund and the Health Care Provider Retention Account. These one-time transfers totaled \$1.8 billion. The distribution of the Official Estimate was recertified so the effect of the transfers on October's revenue collections is essentially a wash. The \$19.5 million shortfall for the month is comprised of a \$9.6 million deficit in tax revenues and nearly \$10 million in nontax revenues such as earnings on investments and unclaimed property.

Corporation tax collections exceeded the estimate by \$531,000. Personal income tax collections were over estimate by \$13.7 million for the month. Underperforming PIT collections had been a drag on revenues dating back to last fiscal year and beyond, so it is good news to see some recovery in this important tax category, as the PIT accounts for nearly 40 percent of all tax revenue.

Sales and use tax collections were below estimate for the month by \$37 million. It ap-

pears the federal cash-for-clunkers program had the effect of front-loading some auto sales earlier in the fiscal year. There was a fairly substantial drop-off in SUT received from the sale of motor vehicles in October.

Motor License Fund collections were \$41.1 million above estimate for the month of October. The Motor License Fund is \$16.7 million above estimate for the year.





October Special Fund Transfers Implement \$1.8 Billion Portion of Budget Agreement

The October Revenue Report shows nearly \$1.8 billion in special fund transfers that were part of the Fiscal Year 2009-10 budget

agreement. Coupled with significant reductions in spending, these transfers are designed to give the economy time to grow out of the na-

tional recession and prevent any across the board tax increases (See chart below for fund transfer details).

Final Parts of Budget Agreement Await Action by House of Representatives

The non-preferred appropriations, including the state-related universities, and table games bills – the final components of the budget agreement – await action by the House of Representatives.

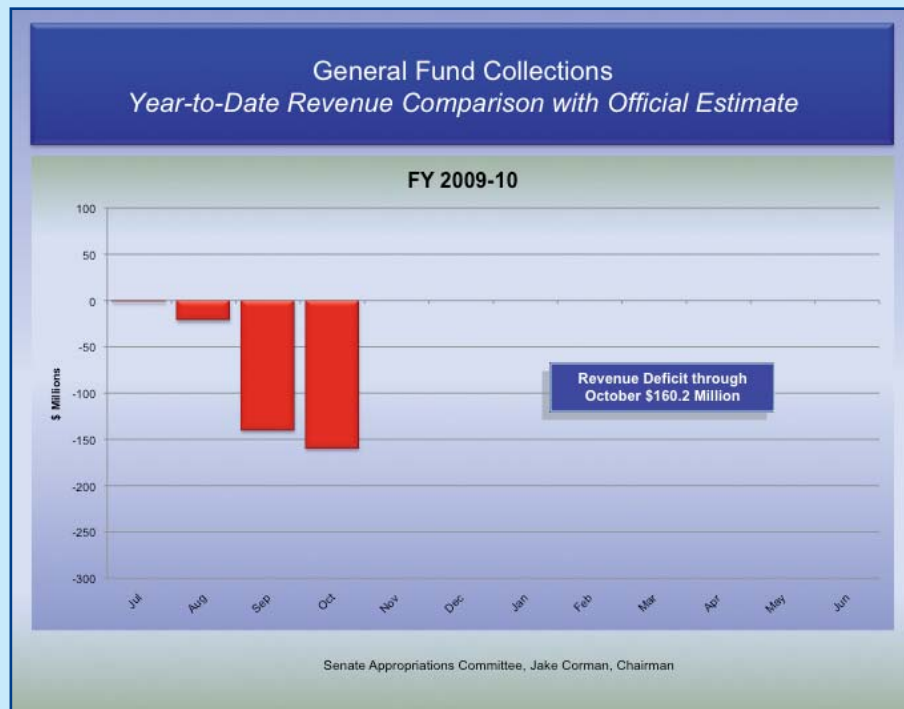
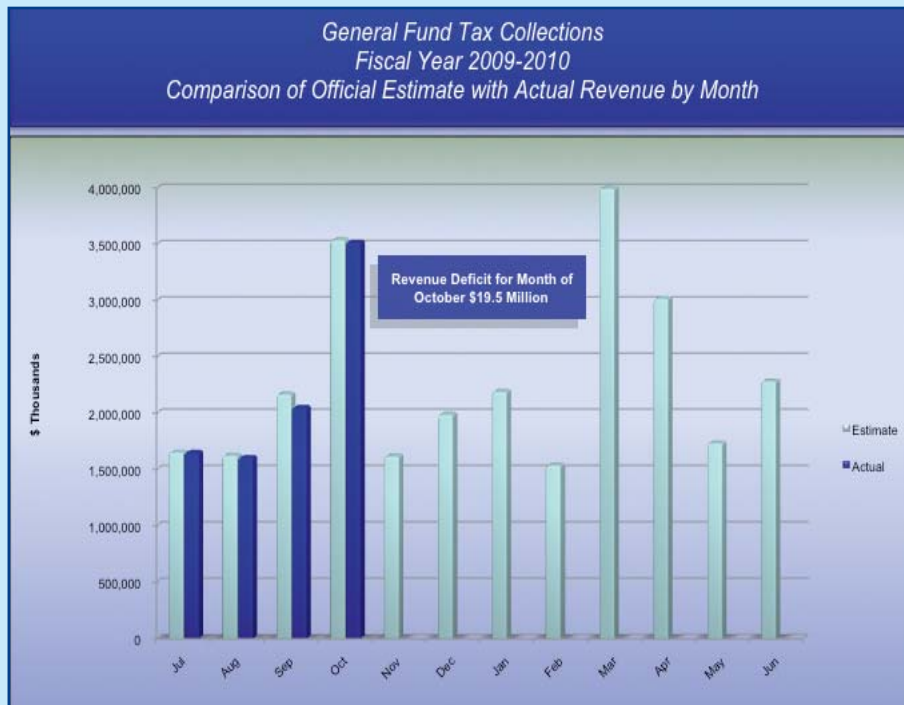
A financial statement provided by the Governor’s Budget Office that assumed the enactment of the gaming legislation and the non-preferred appropriations projects a surplus of

over \$350 million at the close of the fiscal year. The projected surplus exceeds the estimated amount of revenues generated by the table games bills by approximately \$100 million. As such, the certified revenues of \$28.57 billion are sufficient to permit the Governor to sign the non-preferred appropriations bills with or without the table games bills.

Even so, the Governor’s Office

and the Democratic Leadership in the House have tied the bills together, insisting that Penn State, Pitt, Temple, Lincoln and others go without funding until an agreement is reached on table games (See chart below for funding for state-related universities).

Fund	Amount (Thousands)	State-Related University	Amount (Thousands)
Health Care Provider Retention Account	771,602	The Pennsylvania State University	333,863
Budget Stabilization Reserve Fund (Rainy Day Fund)	755,000	University of Pittsburgh	167,995
Oil & Gas Lease Fund (Marcellus Shale Lease Revenues)	143,000	Temple University	172,737
MCARE Fund	100,000	Lincoln University	13,782
Tobacco Settlement Fund (One-half of Cessation and Prevention funds)	17,673		
PHEAA Transfers	11,284		
TOTAL	1,798,559	Total	688,377



Senate Appropriations Committee, Jake Corman, Chairman



Appropriations Committee Monthly Revenue Report

Fiscal Year 2009-10							
Senate Appropriations Committee Monthly Revenue Report							
(\$ thousands)							
REVENUE SOURCES	YTD FY 2008-09	October 2009 Actual	2009 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	7,407,802	3,519,063	3,538,600	(19,537)	8,825,815	8,986,000	(160,185)
TOTAL - NON-TAX REVENUE	(121,890)	1,804,272	1,814,200	(9,928)	1,856,371	1,855,500	871
TOTAL - TAX REVENUE	7,529,692	1,714,791	1,724,400	(9,609)	6,969,444	7,130,500	(161,056)
TOTAL - Corporation Taxes	764,561	116,632	116,100	532	658,033	650,200	7,833
Accelerated Deposits	3,471	(3,396)	0	(3,396)	(1,091)	0	(1,091)
Corp. Net Income	519,236	65,258	73,000	(7,742)	431,239	423,000	8,239
Cap. Stock & Franchise	221,980	45,961	38,000	7,961	165,618	172,400	(6,782)
Gross Receipts	8,426	1,987	900	1,087	6,761	8,300	(1,539)
PURTA	1,763	56	600	(544)	1,435	2,200	(765)
Insurance Premiums	1,281	3,654	3,100	554	45,007	39,700	5,307
Financial Institutions	5,417	2,559	0	2,559	6,866	1,900	4,966
Other Selective Bus. Taxes	2,987	553	500	53	2,199	2,700	(501)
TOTAL - Consumption Taxes	3,276,852	790,713	817,000	(26,287)	3,081,317	3,158,700	(77,383)
Sales and Use	2,927,705	696,565	733,600	(37,035)	2,727,938	2,817,200	(89,262)
General (net of transfers)	2,561,699	629,298	648,000	(18,702)	2,383,575	2,473,200	(89,625)
Motor Vehicle Sales	366,005	67,268	85,600	(18,332)	344,363	344,000	363
Cigarette Tax	265,160	68,958	59,700	9,258	257,909	246,200	11,709
Malt Beverage	9,559	2,264	2,100	164	9,839	9,700	139
Liquor	74,428	22,925	21,600	1,325	85,631	85,600	31
TOTAL - Other Taxes	3,488,279	807,446	791,300	16,146	3,230,094	3,321,600	(91,506)
Personal Income	3,084,197	719,868	706,200	13,668	2,878,578	2,962,800	(84,222)
Withholding	2,512,065	612,166	598,100	14,066	2,423,497	2,478,800	(55,303)
Non-Withholding	572,132	107,702	108,100	(398)	455,080	484,000	(28,920)
Realty Transfer	132,904	26,125	24,700	1,425	108,291	110,600	(2,309)
Inheritance & Estate	270,250	61,205	60,400	805	242,804	248,100	(5,296)
Minor & Repealed	929	248	0	248	421	100	321
TOTAL - MOTOR LICENSE FUND	778,525	325,592	284,510	41,082	992,739	976,030	16,709
TOTAL - Liquid Fuels Taxes	375,716	107,883	80,690	27,193	421,381	409,520	11,861
Liquid Fuels	142,369	64,573	35,720	28,853	226,725	198,850	27,875
Fuels	55,045	9,490	12,310	(2,820)	45,390	49,120	(3,730)
Motor Carriers/IFTA	11,972	1,562	2,610	(1,048)	7,228	10,360	(3,132)
Alternative Fuels	87	12	30	(18)	67	100	(33)
Oil Company Franchise	166,243	32,247	30,020	2,227	141,970	151,090	(9,120)
TOTAL - Licenses, Fees & Other	402,809	217,709	203,820	13,889	571,358	566,510	4,848
Licenses and Fees	271,842	65,571	69,460	(3,889)	270,715	279,660	(8,945)
Other Motor Receipts	130,967	152,138	134,360	17,778	300,643	286,850	13,793