



Economic Brief

State Representative Jack Rader

March 2021

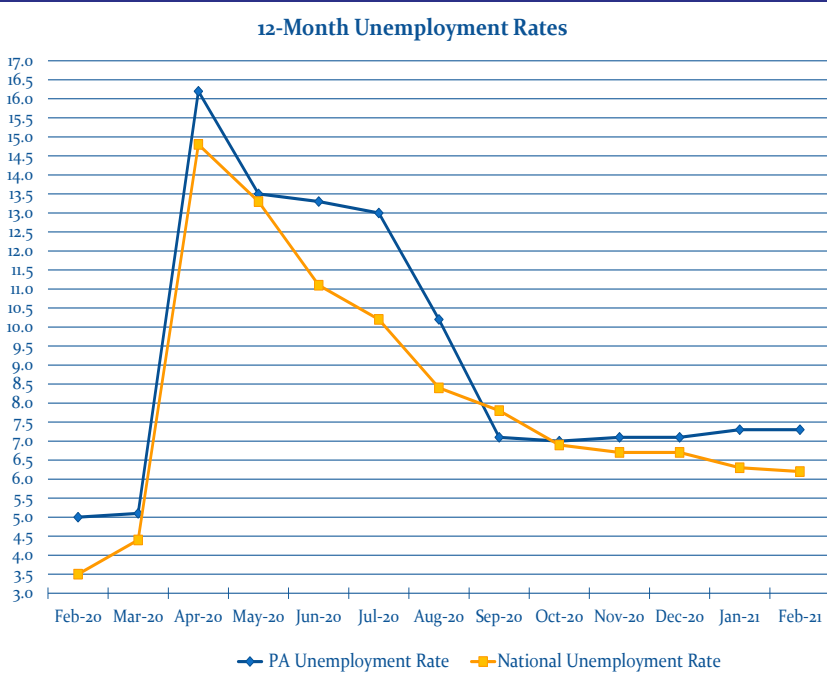
Chairman's Report

General Fund collections of \$4.84 billion in the month of March exceeded estimate by \$378.2 million. Year-to-date collections of \$28.7 billion are above estimate by \$1.28 billion for the fiscal year. Every major tax category exceeded estimate for the month.

While revenue collections continue to exceed estimate, it is important to note that revenue estimates were significantly reduced as compared to pre-pandemic estimates. The economic impact of the pandemic was initially estimated to result in lost revenues to the General Fund of approximately \$4.6 billion in FY2019-20 and FY2020-21. Even with revenues exceeding estimate by \$1.28 billion to date, the impact of the pandemic is still a loss of revenues in excess of \$3 billion.

Sales tax revenue growth is largely being driven by consumer spending of Federal economic stimulus payments and additional household income from refinancing and home equity loans due to favorable mortgage rates. Adjusting for delayed due dates and payments as a result of the pandemic, sales tax revenues are growing approximately 4% over the prior fiscal year while personal income tax withholding payments are essentially flat (-0.2%). Getting individuals back to work will be a critical component to moving economic growth back to pre-pandemic levels.

Looking forward to April collections, delaying the PIT filing due date until May 15th for the 2020 individual income tax returns will result in a significant shortfall for April collections as revenues will be shifted into May.



PA EMPLOYMENT STATISTICS			
	Feb. 2021	Monthly Change	
Labor Force	6.330 Million	+35,000	↑
Unemployment Rate	7.3%	0.0%	
Total Nonfarm Jobs	5.657 Million	+16,600	↑
12-Month Change			
Total Nonfarm Jobs	-435,900		
Unemployment Rate	+2.3%		
Surrounding States Unemployment Rate			
DE	6.3%	NY	8.9%
MD	6.2%	OH	5.0%
NJ	7.8%	WV	6.2%



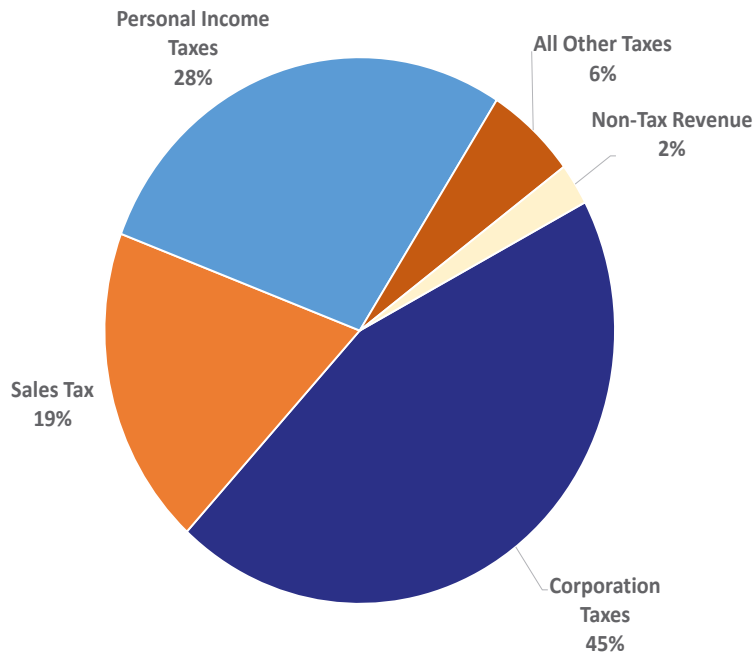
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Pennsylvania Brings in \$4.84 Billion in Revenue Collections

March Revenue



March Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↑
\$4.46 Billion	\$4.84 Billion
Corporation Taxes	Corporation Taxes ↑
\$2.08 Billion	\$2.16 Billion
Sales Taxes	Sales Taxes ↑
\$830.2 Million	\$916.0 Million
Personal Income Taxes	Personal Income Taxes ↑
\$1.27 Billion	\$1.37 Billion
All Other Taxes	All Other Taxes ↑
\$181.2 Million	\$278.3 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$101.2 Million	\$118.8 Million

Difference From Official General Fund Revenue Estimate

