

MONTHLY REVENUE REPORT

Josh Shapiro, Governor

Patrick M. Browne, Acting Secretary of Revenue



pennsylvania
DEPARTMENT OF REVENUE

FEBRUARY 2023

GENERAL FUND

General Fund Collections of \$2.8 billion for the month of February were \$351.8 million, or 14.2 percent, above the official estimate. Fiscal year 2022-23 collections of \$26.1 billion were \$649.3 million, or 2.6 percent, above estimate.

- Total Corporation Tax collections of \$303.8 million for the month of February were \$166.7 million above the official estimate. Year-to-date collections are \$509.2 million, or 18.5 percent, above estimate.
- Sales and Use Tax (SUT) collections of \$1.0 billion were \$63.1 million above estimate. Year-to-date collections are \$209.5 million, or 2.3 percent, above estimate.
- Total Personal Income Tax (PIT) collections of \$1.2 billion for the month of February were \$81.2 million above estimate. Year-to-date collections are \$135.4 million, or 1.3 percent, below the official estimate.
- Realty Transfer Tax (RTT) revenues of \$29.1 million were \$18.5 million below estimate. Year-to-date collections are \$62.3 million, or 12.5 percent, below estimate.
- Inheritance Tax revenues of \$133.3 million were \$16.3 million above estimate. Year-to-date collections are \$3.9 million, or 0.4 percent, above estimate.
- Other tax revenue including Cigarette, Malt Beverage, Liquor, Gaming, and other miscellaneous tax collections totaled \$149.4 million for the month of February.
- Nontax revenue collections for the month of February were \$34.5 million above estimate. Year-to-date collections are \$148.1 million, or 51.8 percent, above the official estimate.

IN THIS ISSUE

• General Fund	<i>Page 1</i>	• Revenue Receipts for Selected Special Funds	<i>Page 9</i>
• 2022-23 General Fund Revenues	<i>Page 2</i>	• Refunds of Taxes	<i>Page 9</i>
• General Fund Detail	<i>Page 3</i>	• General Fund Growth	<i>Page 10</i>
• Corporation Tax Detail	<i>Page 4</i>	• General Fund Comparison of Actual to Estimate February 2023	<i>Page 11</i>
• Consumption Tax Detail	<i>Page 5</i>	• Motor License Fund Growth	<i>Page 12</i>
• Other Tax Detail	<i>Page 6</i>	• Motor License Fund Comparison of Actual to Estimate February 2023	<i>Page 12</i>
• Non-Tax Collections Detail	<i>Page 7</i>		
• Motor License Fund Detail	<i>Page 8</i>		

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MONTHLY REVENUE REPORT

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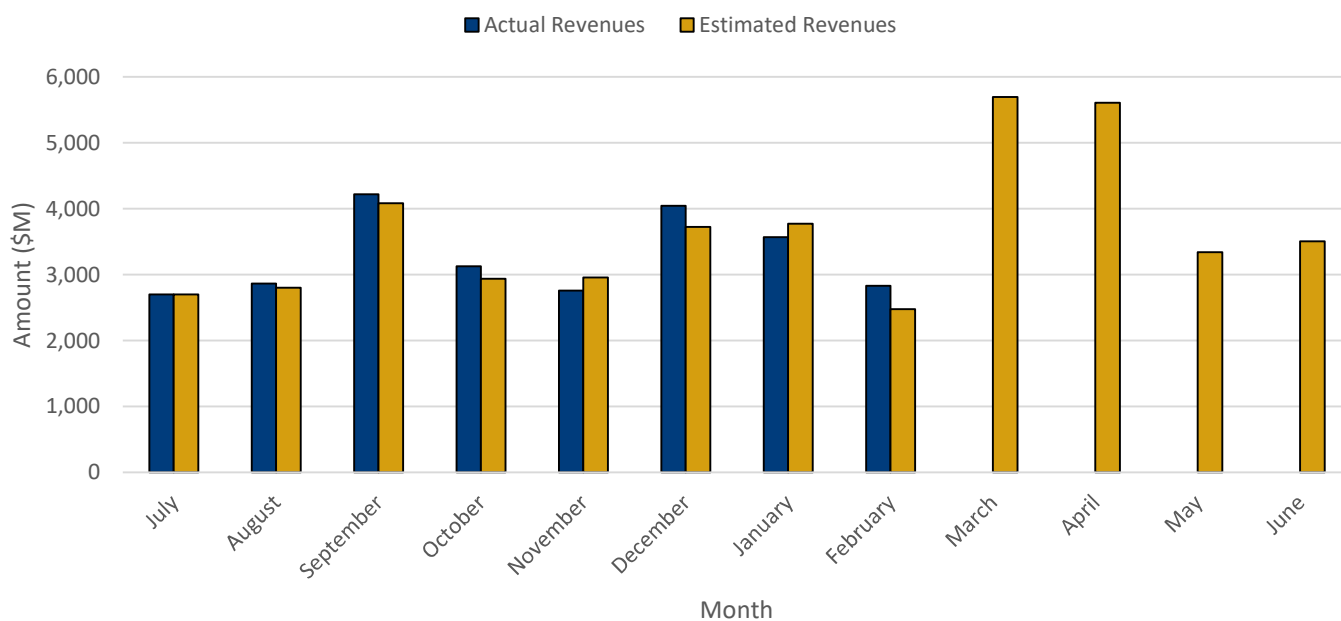


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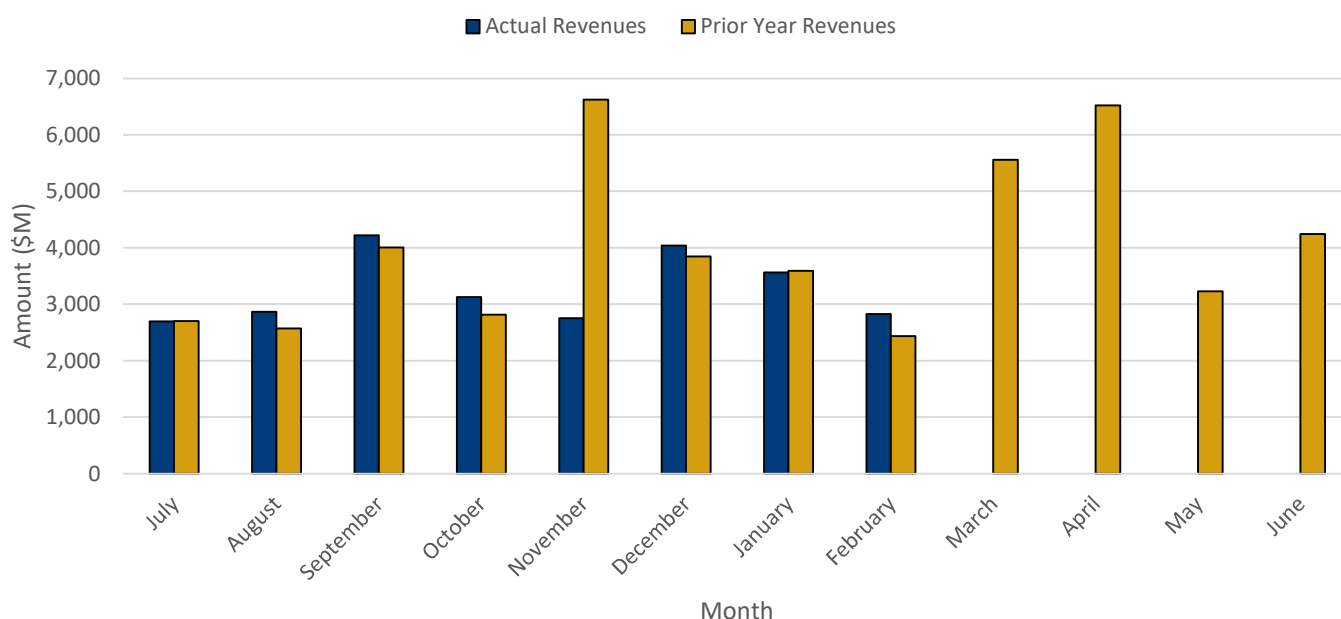
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2022-23 GENERAL FUND REVENUES

Actual vs. Estimated Revenue Collections



Actual vs. Prior Year Revenue Collections



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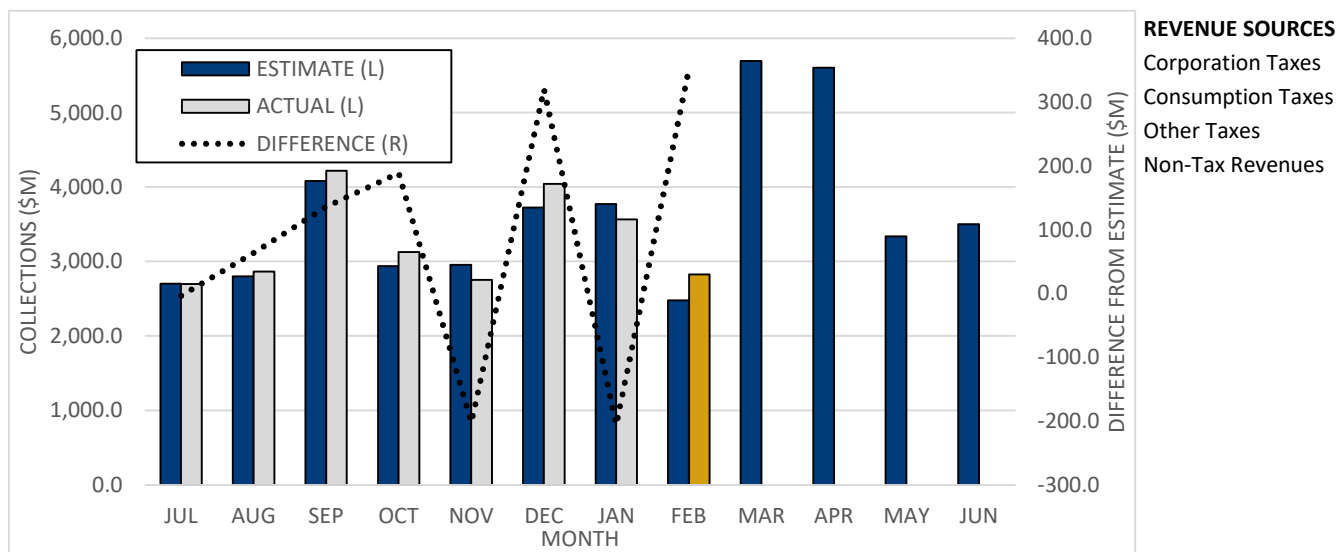
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GENERAL FUND TOTAL



FEBRUARY

- In February, the General Fund exceeded estimate by \$351.8M (14.2%):

DIFFERENCE FROM ESTIMATE

Corporation Taxes	166.7
Consumption Taxes	64.1
Other Taxes	86.5
Non-Tax Revenues	34.5
Total	351.8

Please see the following pages for more discussion of these differences.

FISCAL YEAR TO DATE

- Through February, the General Fund is \$649.3M over estimate (2.6%):

DIFFERENCE FROM ESTIMATE

Corporation Taxes	509.2
Consumption Taxes	156.3
Other Taxes	-164.3
Non-Tax Revenues	148.1
Total	649.3

Please see the following pages for more discussion of these differences.

MONTHLY REVENUE REPORT

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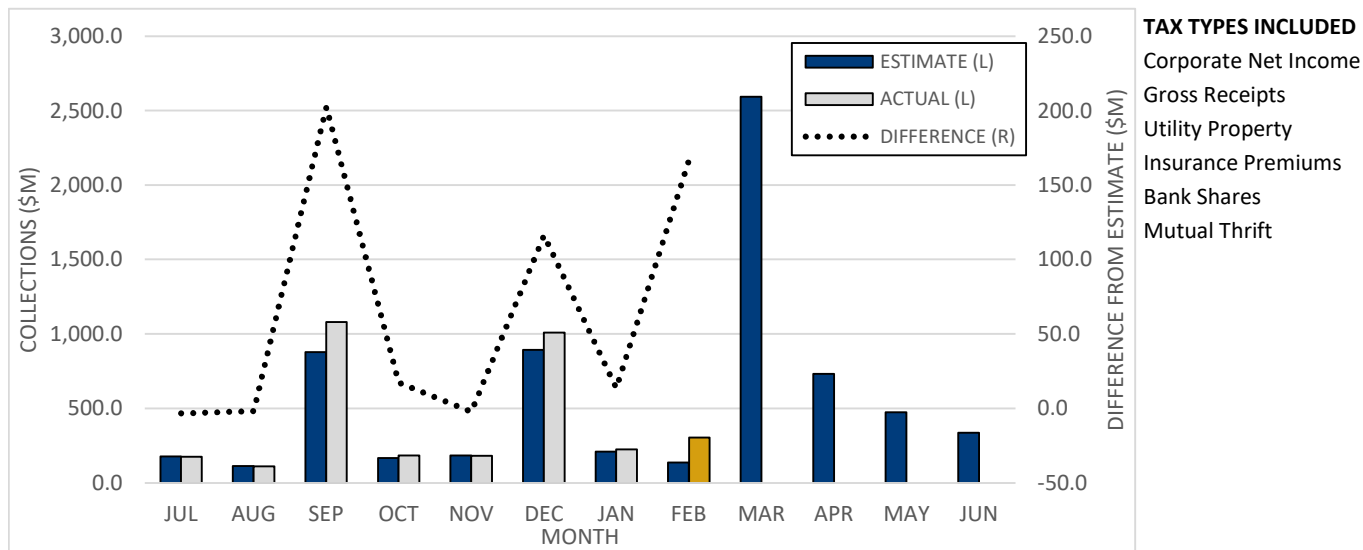
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CORPORATION TAXES



FEBRUARY

- February continued the trend of strong Corporation Tax collections, again led by Corporate Net Income Tax (CNIT).
- CNIT collections were over estimate in February by \$124.3M (149%). The bulk of this overage comes from taxpayers making payments for tax year 2022. These payments are early regular payments, which are actually due in May 2023. It's possible some of the February overage is pulling forward money from May (and to a lesser extent April).
- Beyond CNIT, both Gross Receipts (GRT) and Insurance Premiums (IPT) Taxes also exceeded estimate in February by \$16.3M and \$21.6M respectively. As with CNIT, this overage is driven primarily by payments that would be expected in a different month. In the case of GRT and IPT, these payments would have been expected in March 2023.
- The remaining Corporation Taxes exceeded estimate by \$4.6M in February.

FISCAL YEAR TO DATE

- Through February, Corporation Taxes have exceeded estimate by \$509.2M (18.5%).
- The bulk of that overage (\$443.8M) comes from CNIT payments made in three months - September, December, and February. In all of those months, taxpayers were making payments for tax year 2022 that were significantly larger than expected in our Official forecast. While the largest returns for tax year 2022 will not start being filed until this fall, it is assumed that these large CNIT payments are due to strong 2022 corporation profits.

MONTHLY REVENUE REPORT

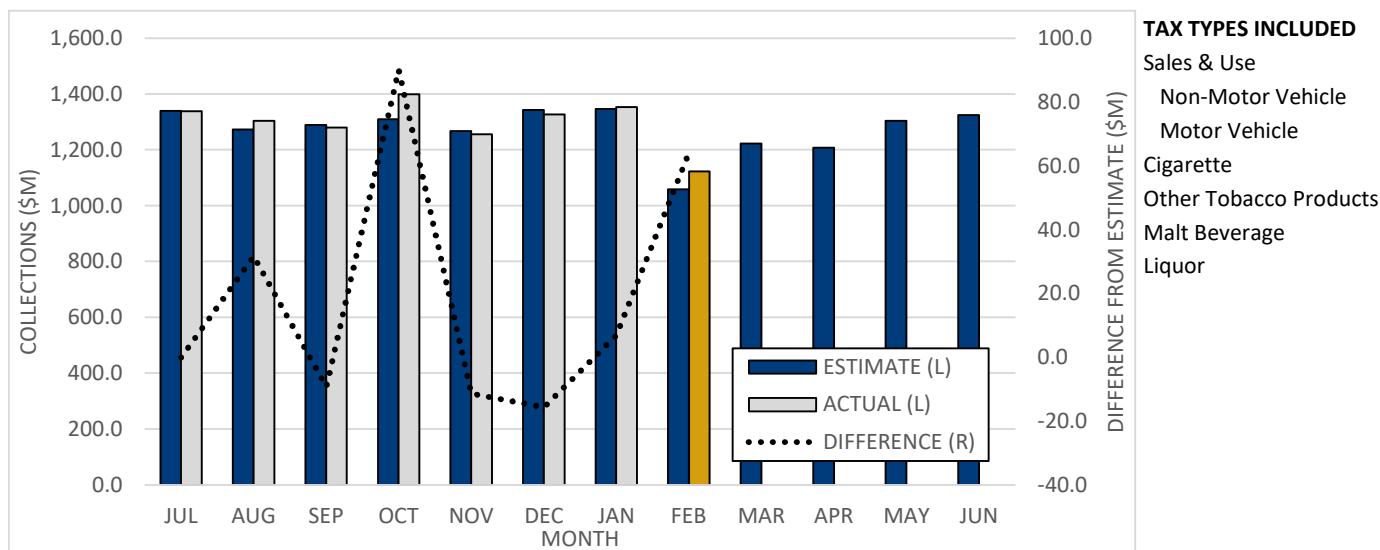
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FEBRUARY 2023

CONSUMPTION TAXES



FEBRUARY

- Consumption Taxes exceeded estimate by \$64.1M in February, led by Non-Motor Vehicle Sales & Use Tax (NMV).
- The overage in NMV is likely an anomaly, as other recent months had been closer to estimate and showed slowing growth. In February, collections were higher due to higher than expected amounts from January 'clean-up' payments and February prepayments. The largest NMV remitters are required to make two payments each month - 50% of their remittance from the prior year and then a 'clean-up' payment that satisfies the rest of their liability from the prior month.
- The remaining Consumption Taxes were \$8.0M over estimate in February.

FISCAL YEAR TO DATE

- Through February, Consumption Taxes have exceeded estimate by \$156.3M (1.5%).
- The largest contributor to the fiscal year to date overage is NMV (\$161.2M), with higher than expected collections between August and November. As mentioned above, NMV cooled down in December and January before showing significant growth in February.
- Beyond NMV, there are two Consumption Taxes whose differences from estimate have offset each other - Motor Vehicle Sales & Use Tax (MV) and Cigarette Tax (CIG). MV has exceeded estimate by \$48.3M through February due to sales of motor vehicles not being as weak as originally estimated. CIG has been weaker than expected (-11.0% year over year growth), which could be due to inflation and fewer opportunities to smoke (as smokers returned to in-office work).
- The remaining Consumption Taxes are \$1.0M below estimate through February.

MONTHLY REVENUE REPORT

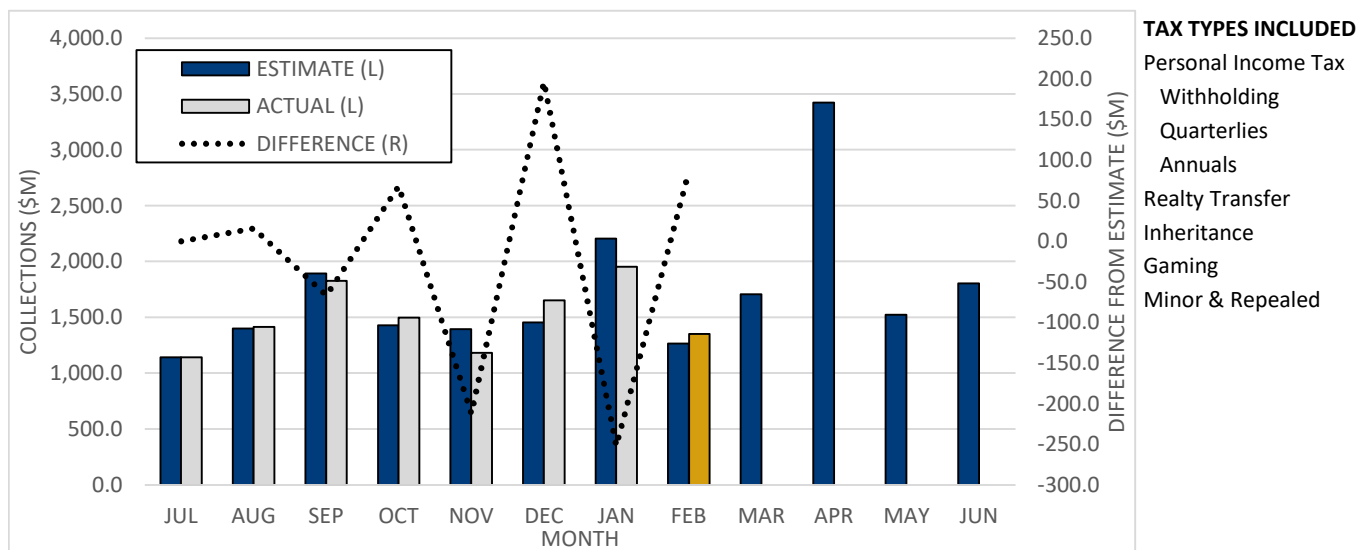
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FEBRUARY 2023

OTHER TAXES



FEBRUARY

- In February, Other Taxes exceeded estimate by \$86.5M, driven primarily by an overage of \$74.7M in Personal Income Tax Withholding (PITW).
- The overage in PITW was primarily caused by a revenue posting delay. \$69.1M that was originally expected to be deposited on January 31st was instead deposited on February 1st. This delay caused a shortfall in January that is more than offset by the overage in February.
- The remaining components of Personal Income Tax - Quarterlies (PITQ) and Annuals (PITA) - exceeded estimate by \$6.5M in February.
- Realty Transfer Tax (RTT) missed estimate in February (as it has for most of the fiscal year) due to reduced home sales, driven by higher than expected mortgage rates.
- Inheritance Tax (IT) exceeded estimate in February by \$16.3M as several large payments helped offset otherwise weak collections.
- Gaming Taxes exceeded estimate in February by \$9.3M as Sports Wagering Tax collections were stronger than expected.

FISCAL YEAR TO DATE

- Through February, Other Taxes are \$164.3M below estimate (-1.3%).
- There have been several timing issues with PITW collections through February, but they have been resolved, and collections are just \$1.0M below estimate.
- PITQ has been noticeably weaker than expected through February (with the biggest shortfalls in September and January) - down \$265.1M vs. estimate. The Official estimate assumed that strong collections in the beginning of 2022 (38% year over year adjusted growth between February and June) would continue, but that was not borne out. Because the expectations of growth in our Official forecast were not met, PITQ is significantly below estimate even though fiscal year to date growth is +10.8%. It is assumed that lower than expected growth is due to weakness in capital gains.
- Contrasting the weak performance of PITQ has been the strong performance of PITA. Here, the trend of large tax year 2022 payments has continued with collections \$130.8M over estimate through February.
- As mentioned above, RTT has been weak all fiscal year with collections down \$62.3M vs. estimate. Those collections are 20.6% less than collections last fiscal year over the same time period.
- The remaining Other Taxes (Inheritance, Gaming, and Minor & Repealed) are \$33.4M over estimate through February.

MONTHLY REVENUE REPORT

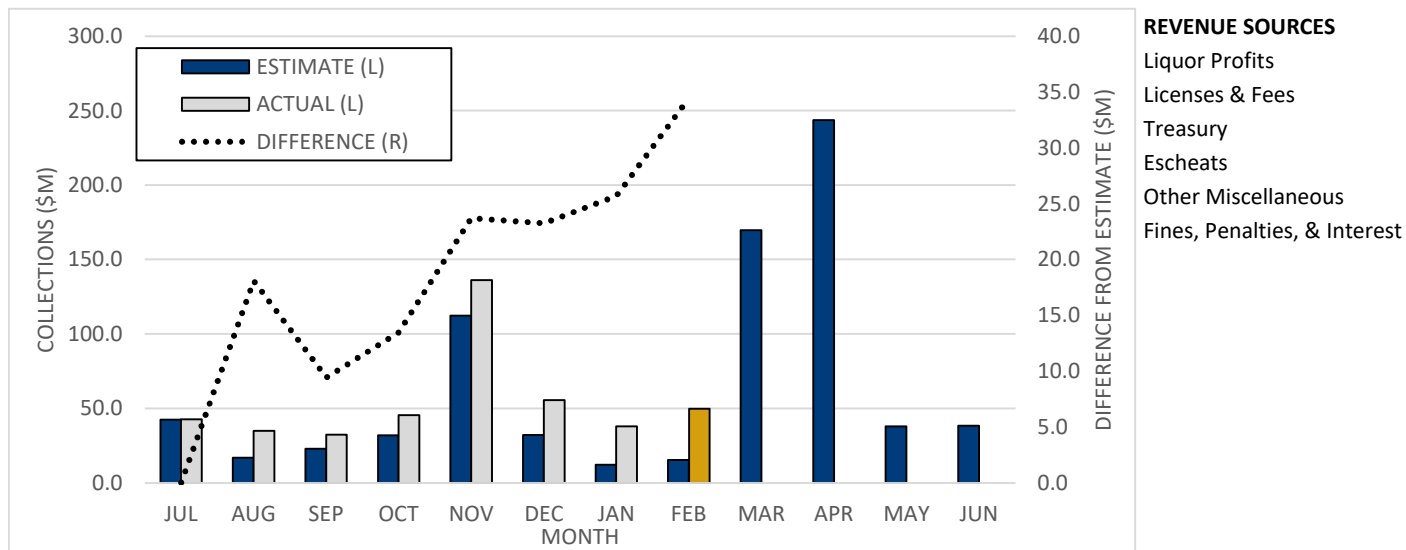
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NON-TAX



FEBRUARY

- In February, Non-Tax revenues exceeded estimate by \$34.5M driven entirely by Treasury collections, which exceeded estimate by \$38.3M.

FISCAL YEAR TO DATE

- Fiscal year to date, Non-Tax revenues have exceeded estimate by \$148.1M. As in February, Treasury collections have led the way as they are \$220.2M over estimate. Offsetting those collections have been weaker than expected Escheats collections, which are \$87.2M below estimate.

MONTHLY REVENUE REPORT

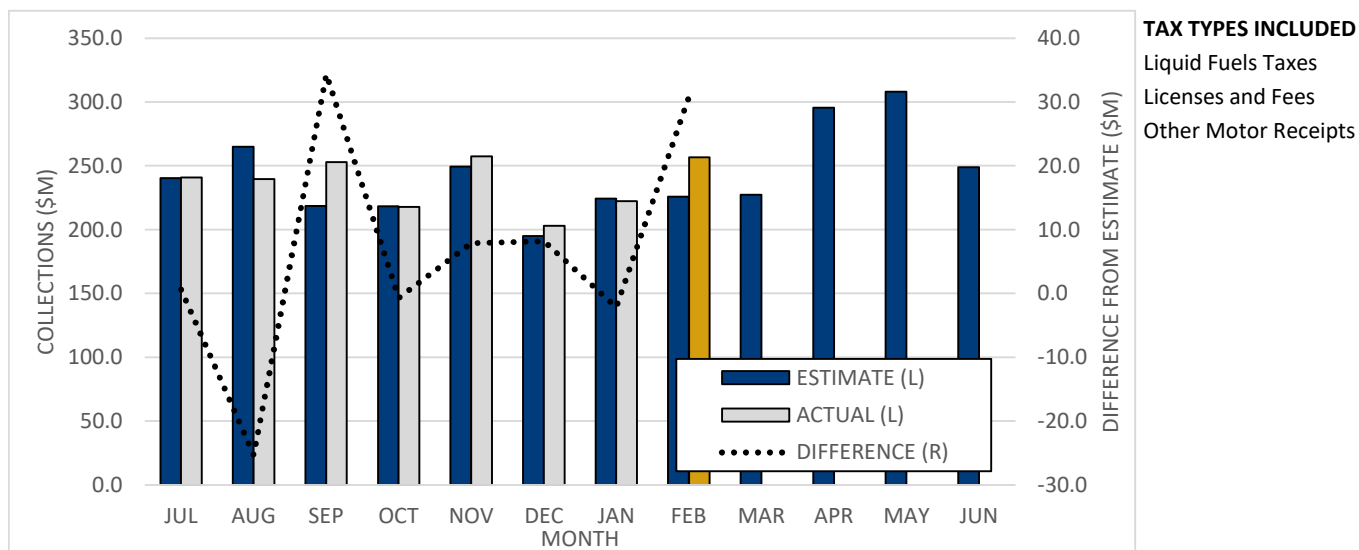
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MOTOR LICENSE FUND TOTAL



TAX TYPES INCLUDED

- Liquid Fuels Taxes
- Licenses and Fees
- Other Motor Receipts

FEBRUARY

- February collections tracked close to or above estimates across most tax and fee types.
- Oil Company Franchise Tax came in very close to estimate overall (\$0.5M or 0.4%) within Liquid Fuels Taxes.
- Within Licenses and Fees, Vehicle Registration and Titling (VRT) was \$23.3M, or 47.8% above estimate.
- Within Other Motor Receipts, Treasury deposits continue to come in much stronger than estimate (\$5.3M or more than 5,000%).

FISCAL YEAR TO DATE

- Through February, the Motor License Fund exceeded estimate by \$53.7M, or 2.9%.
- The overage is concentrated mostly in VRT within Licenses and Fees (\$41.2M or 9.3%) and Treasury in Other Motor Receipts (\$31.0M or 837.8%).

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DEPARTMENT OF REVENUE

FEBRUARY 2023

REVENUE RECEIPTS FOR SELECTED SPECIAL FUNDS

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FUND NAME	FEBRUARY 2023	FEBRUARY 2022	FEBRUARY 2021	FISCAL YTD 2022-23	FISCAL YTD 2021-22	FISCAL YTD 2020-21
Lottery ¹	184,424	133,508	156,989	1,521,600	1,341,972	1,241,241
Public Transportation Assistance	14,396	12,918	12,412	203,987	203,602	190,241
Public Transportation Trust	138,588	80,717	71,270	1,044,398	639,790	705,751
Game Commission	20,396	23,261	7,534	306,622	149,188	82,839
Fish	1,564	1,727	971	10,318	9,623	9,825
Racing	1,555	1,379	1,454	11,342	10,421	12,291
Banking	3,618	3,566	4,287	33,246	33,859	29,515
Fire Insurance	0	1,630	717	-1,953	-385	718
Municipal Pension	66	1,389	6,355	-18,814	-14,726	6,927
Highway/Bridge ²	17,557	18,539	17,576	147,512	153,245	149,092
State Gaming	100,390	88,345	60,675	776,036	718,287	475,802
Economic Development & Tourism	11,266	10,732	7,307	88,213	87,022	58,709

¹ Excludes field paid prizes, commissions, and expenses. ² Restricted receipts account within the Motor License Fund.

REFUNDS OF TAXES

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	FEBRUARY 2023	FEBRUARY 2022	FEBRUARY 2021	FISCAL YTD 2022-23	FISCAL YTD 2021-22	FISCAL YTD 2020-21
GENERAL FUND	105,063	84,256	84,108	805,531	810,751	683,826
Corporation Taxes	27,694	15,285	40,311	365,446	274,727	330,735
Sales and Use Tax	13,295	14,657	8,406	90,301	80,730	85,417
Employer Tax	-2	430	903	2,907	4,071	3,437
Personal Income Tax	61,643	48,692	30,119	305,395	420,460	232,243
Miscellaneous	2,434	5,193	4,369	41,482	30,764	31,995
MOTOR LICENSE FUND	2,137	2,764	1,675	16,879	21,897	21,770

Refund numbers reflect amounts recorded by the Department of Revenue in the executive authorizations for refunds.

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FEBRUARY 2023

GENERAL FUND GROWTH

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REVENUE SOURCES	FEBRUARY 2023	FEBRUARY 2022	GROWTH	FISCAL YTD 2022-23	FISCAL YTD 2021-22	GROWTH
TOTAL - GENERAL FUND	2,827,817	2,434,349	16.2%	26,092,821	28,582,906	-8.7%
TOTAL - TAX REVENUE	2,778,048	2,415,470	15.0%	25,658,488	24,428,117	5.0%
TOTAL - CORPORATION TAXES	303,843	136,064	123.3%	3,266,075	2,801,652	16.6%
Accelerated Deposits	1	-221	100.4%	-3,439	-2,862	-20.2%
Corporate Net Income	207,485	86,630	139.5%	3,034,988	2,617,603	15.9%
Gross Receipts	39,540	25,973	52.2%	77,990	61,034	27.8%
Utility Property	5	15	-67.6%	3,288	1,959	67.9%
Insurance Premiums	42,368	13,969	203.3%	116,483	84,902	37.2%
Bank Shares	13,701	9,698	41.3%	21,744	21,578	0.8%
Mutual Thrift	744	0		15,022	17,438	-13.9%
TOTAL - CONSUMPTION TAXES	1,122,844	1,051,908	6.7%	10,379,266	10,199,009	1.8%
SALES & USE	1,001,924	935,648	7.1%	9,388,810	9,149,590	2.6%
Non-Motor Vehicle	912,490	836,317	9.1%	8,499,078	7,990,258	6.4%
Motor Vehicle	89,433	99,332	-10.0%	889,732	1,159,332	-23.3%
Cigarette	74,163	71,119	4.3%	572,136	643,058	-11.0%
Other Tobacco Products	12,760	11,759	8.5%	102,352	100,084	2.3%
Malt Beverage	1,470	1,596	-7.9%	14,734	14,820	-0.6%
Liquor	32,528	31,785	2.3%	301,235	291,457	3.4%
TOTAL - OTHER TAXES	1,351,361	1,227,498	10.1%	12,013,147	11,427,456	5.1%
PERSONAL INCOME	1,160,536	1,032,498	12.4%	10,364,238	9,650,629	7.4%
Withholding	1,078,495	950,482	13.5%	8,163,796	7,745,579	5.4%
Quarterly	29,872	41,003	-27.1%	1,699,076	1,533,628	10.8%
Annual	52,169	41,014	27.2%	501,367	371,422	35.0%
Realty Transfer	29,057	58,544	-50.4%	436,478	549,483	-20.6%
Inheritance	133,253	116,066	14.8%	984,822	1,004,764	-2.0%
Gaming	29,197	18,989	53.8%	242,203	205,978	17.6%
Minor & Repealed	-681	1,400	-148.6%	-14,595	16,602	-187.9%
TOTAL - NON-TAX REVENUE	49,769	18,879	163.6%	434,333	4,154,789	-89.5%
Liquor Store Profits	0	0		100,000	100,000	0.0%
Licenses & Fees	9,238	7,627	21.1%	86,369	103,320	-16.4%
Miscellaneous	35,232	6,368	453.3%	201,667	3,902,088	-94.8%
Fines, Penalties, & Interest	5,299	4,884	8.5%	46,298	49,381	-6.2%

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FEBRUARY 2023

GENERAL FUND COMPARISON OF ACTUAL TO ESTIMATE

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REVENUE SOURCES	FEBRUARY		DIFFERENCE		FISCAL YTD		DIFFERENCE	
	ACTUAL	ESTIMATED	AMOUNT	PERCENT	ACTUAL	ESTIMATED	AMOUNT	PERCENT
TOTAL - GENERAL FUND	2,827,817	2,476,000	351,817	14.2%	26,092,821	25,443,500	649,321	2.6%
TOTAL - TAX REVENUE	2,778,048	2,460,700	317,348	12.9%	25,658,488	25,157,300	501,188	2.0%
TOTAL - CORPORATION TAXES	303,843	137,100	166,743	121.6%	3,266,075	2,756,900	509,175	18.5%
Accelerated Deposits	1	0	1		-3,439	0	-3,439	
Corporate Net Income	207,485	83,200	124,285	149.4%	3,034,988	2,572,900	462,088	18.0%
Gross Receipts	39,540	23,200	16,340	70.4%	77,990	50,500	27,490	54.4%
Utility Property	5	0	5		3,288	1,200	2,088	174.0%
Insurance Premiums	42,368	20,800	21,568	103.7%	116,483	94,800	21,683	22.9%
Bank Shares	13,701	9,900	3,801	38.4%	21,744	21,900	-156	-0.7%
Mutual Thrift	744	0	744		15,022	15,600	-578	-3.7%
TOTAL - CONSUMPTION TAXES	1,122,844	1,058,700	64,144	6.1%	10,379,266	10,223,000	156,266	1.5%
SALES & USE	1,001,924	938,800	63,124	6.7%	9,388,810	9,179,300	209,510	2.3%
Non-Motor Vehicle	912,490	856,300	56,190	6.6%	8,499,078	8,337,900	161,178	1.9%
Motor Vehicle	89,433	82,500	6,933	8.4%	889,732	841,400	48,332	5.7%
Cigarette	74,163	73,300	863	1.2%	572,136	624,400	-52,264	-8.4%
Other Tobacco Products	12,760	13,100	-340	-2.6%	102,352	108,700	-6,348	-5.8%
Malt Beverage	1,470	1,600	-130	-8.1%	14,734	14,300	434	3.0%
Liquor	32,528	31,900	628	2.0%	301,235	296,300	4,935	1.7%
TOTAL - OTHER TAXES	1,351,361	1,264,900	86,461	6.8%	12,013,147	12,177,400	-164,253	-1.3%
PERSONAL INCOME	1,160,536	1,079,300	81,236	7.5%	10,364,238	10,499,600	-135,362	-1.3%
Withholding	1,078,495	1,003,800	74,695	7.4%	8,163,796	8,164,800	-1,004	0.0%
Quarterly	29,872	44,300	-14,428	-32.6%	1,699,076	1,964,200	-265,124	-13.5%
Annual	52,169	31,200	20,969	67.2%	501,367	370,600	130,767	35.3%
Realty Transfer	29,057	47,600	-18,543	-39.0%	436,478	498,800	-62,322	-12.5%
Inheritance	133,253	117,000	16,253	13.9%	984,822	980,900	3,922	0.4%
Gaming	29,197	19,900	9,297	46.7%	242,203	209,000	33,203	15.9%
Minor & Repealed	-681	1,100	-1,781	-161.9%	-14,595	-10,900	-3,695	-33.9%
TOTAL - NON-TAX REVENUE	49,769	15,300	34,469	225.3%	434,333	286,200	148,133	51.8%
Liquor Store Profits	0	0	0		100,000	100,000	0	0.0%
Licenses & Fees	9,238	7,900	1,338	16.9%	86,369	83,300	3,069	3.7%
Miscellaneous	35,232	2,100	33,132	1577.7%	201,667	54,200	147,467	272.1%
Fines, Penalties, & Interest	5,299	5,300	-1	0.0%	46,298	48,700	-2,402	-4.9%

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FEBRUARY 2023

MOTOR LICENSE FUND GROWTH

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REVENUE SOURCES	FEBRUARY 2023	FEBRUARY 2022	GROWTH	FISCAL YTD 2022-23	FISCAL YTD 2021-22	GROWTH
TOTAL - MOTOR LICENSE FUND	256,674	197,040	30.3%	1,890,187	1,842,238	2.6%
TOTAL - LIQUID FUELS TAXES	156,944	132,862	18.1%	1,176,441	1,171,295	0.4%
Motor Carriers/IFTA	26,878	22,722	18.3%	110,893	90,615	22.4%
Alternative Fuels	1,583	1,145	38.3%	12,041	10,203	18.0%
Oil Company Franchise	79,893	81,913	-2.5%	639,967	662,898	-3.5%
Act 89 OCFT - Fuels	11,485	12,199	-5.8%	96,892	100,028	-3.1%
Act 89 OCFT - Liquid	37,106	14,883	149.3%	316,614	307,546	2.9%
Minor & Repealed	0	1	-49.8%	33	5	628.4%
TOTAL - LICENSES AND FEES	93,448	64,806	44.2%	680,193	671,342	1.3%
Special Hauling Permits	2,718	2,447	11.1%	22,982	21,903	4.9%
Registrations Other States-IRP	12,407	654	1798.4%	116,645	80,517	44.9%
Operators Licenses	5,019	6,349	-21.0%	41,218	62,383	-33.9%
Real ID	1,041	903	15.3%	9,437	15,411	-38.8%
Vehicle Registrations & Titling	71,990	54,003	33.3%	485,350	494,398	-1.8%
Miscellaneous Collections	273	450	-39.5%	4,562	-3,269	239.5%
TOTAL - OTHER MOTOR RECEIPTS	6,282	-628	1100.3%	33,553	-399	8513.7%
Fines, Penalties, & Interest	626	-1,182	152.9%	-2,300	-5,331	56.9%
Miscellaneous - Treasury	5,433	310	1653.4%	34,697	3,278	958.6%
Other Miscellaneous	223	244	-8.7%	1,156	1,654	-30.2%

MOTOR LICENSE FUND COMPARISON OF ACTUAL TO ESTIMATE

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REVENUE SOURCES	FEBRUARY		DIFFERENCE		FISCAL YTD		DIFFERENCE	
	ACTUAL	ESTIMATED	AMOUNT	PERCENT	ACTUAL	ESTIMATED	AMOUNT	PERCENT
TOTAL - MOTOR LICENSE FUND	256,674	225,840	30,834	13.7%	1,890,187	1,836,510	53,677	2.9%
TOTAL - LIQUID FUELS TAXES	156,944	151,600	5,344	3.5%	1,176,441	1,192,200	-15,759	-1.3%
Motor Carriers/IFTA	26,878	22,200	4,678	21.1%	110,893	96,600	14,293	14.8%
Alternative Fuels	1,583	1,400	183	13.0%	12,041	10,600	1,441	13.6%
Oil Company Franchise	79,893	84,800	-4,907	-5.8%	639,967	670,600	-30,633	-4.6%
Act 89 OCFT - Fuels	11,485	12,000	-515	-4.3%	96,892	98,500	-1,608	-1.6%
Act 89 OCFT - Liquid	37,106	31,200	5,906	18.9%	316,614	315,900	714	0.2%
Minor & Repealed	0	0	0		33	0	33	
TOTAL - LICENSES AND FEES	93,448	73,900	19,548	26.5%	680,193	639,000	41,193	6.4%
TOTAL - OTHER MOTOR RECEIPTS	6,282	340	5,942	1747.8%	33,553	5,310	28,243	531.9%