

PA Tax Collections Continue to Lag

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Pennsylvania's General Fund collections through October continued to lag significantly. Although year-to-date collections for many taxes appear to be higher than for the same period last year, they are significantly behind projections. If collections do not soon improve, the Commonwealth likely will have to slow spending, freeze hiring, etc. to bring the budget back to balance for the remainder of the fiscal year ending June 30, 2012. As legislators and others begin to contemplate the 2012-13 budget, weak collections will make a difficult job even tougher. Results for July-October, versus projections:

Total General Fund: \$ -282.1 million (-3.6%)

Sales Tax: \$ -8.6 million (-0.3%)

Personal Income Tax: \$ -134.6 million (-4.2%)

Corporate Taxes: \$ -142.9 million (-16.7%)

Inheritance Tax: \$ -2.1 million (-0.8%)

Realty Transfer Tax: \$ -8.9 million (-7.8%)

Other Taxes: \$ +8.1 million (+1.6%)

Non-tax Revenue \$ +6.9 million (+8.2%)

Motor License Fund: \$ -5.8 million (-0.7%)

(gas & diesel taxes)

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