



Economic Brief

State Representative Joe Hamm

March 2022

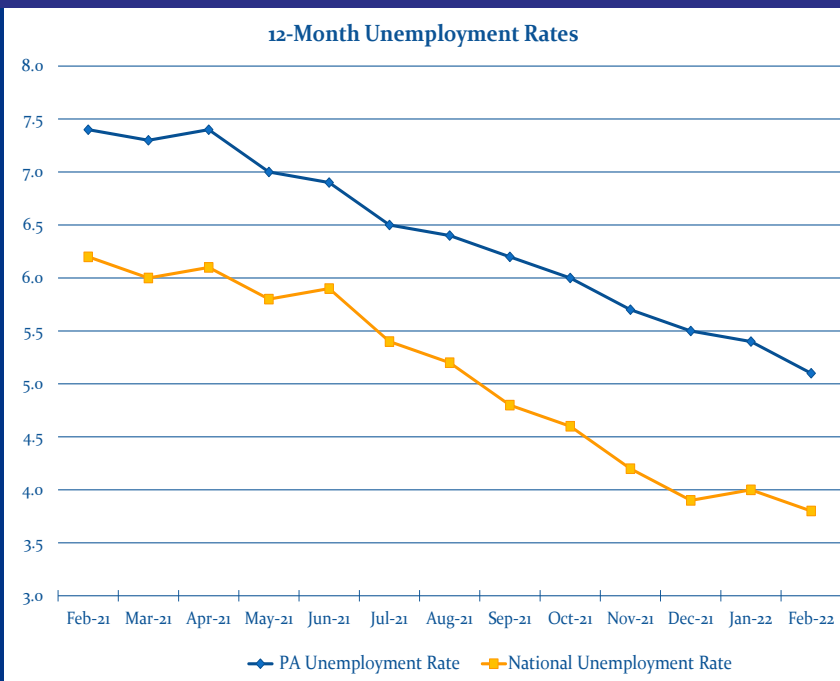
Fiscal Report

General Fund revenues of \$5.56 billion for the month of March exceeded estimate by \$659 million. Year-to-date revenues of \$34.14 billion are above the official estimate by \$2.66 billion.

The Governor’s revised budget estimate assumed revenues for FY21-22 would exceed estimate by \$2.42 billion while the IFO estimate for FY21-22 assumed revenues would exceed estimate by \$2.79 billion. Through the month of March, revenues are above the Governor’s revised estimate but below the IFO’s revised estimate.

All major tax categories along with Non-tax revenues continue to be strong and exceeded the estimate for the month of March.

During the pandemic in calendar year 2020, quarterly estimated payments for both PIT and CNIT were depressed. When taxpayers filed their annual returns for 2020, the annual payments were very strong and made up for the depressed quarterly payments. Tax year 2021 quarterly estimated payments received for both of these taxes have been significantly above the depressed estimated payments received for tax year 2020 during the pandemic. Tax year 2021 annual payments for PIT and CNIT are due in the upcoming months of April and May, respectively. We will continue to monitor these payments as there is uncertainty as to how the stronger quarterly payments this year will impact these annual payments.



PA EMPLOYMENT STATISTICS

| | Feb. 2022 | Monthly Change | |
|------------------------|---------------|----------------|---|
| Labor Force | 6.370 Million | -1,000 | ↓ |
| Unemployment Rate | 5.1% | -0.3% | ↓ |
| Total Nonfarm Jobs | 5.891 Million | +34,400 | ↑ |
| 12-Month Change | | | |
| Total Nonfarm Jobs | +224,100 | | |
| Unemployment Rate | -2.2% | | |

Surrounding States Unemployment Rates

| | | | |
|----|------|----|------|
| DE | 4.6% | NY | 4.9% |
| MD | 5.0% | OH | 4.2% |
| NJ | 4.6% | WV | 3.9% |



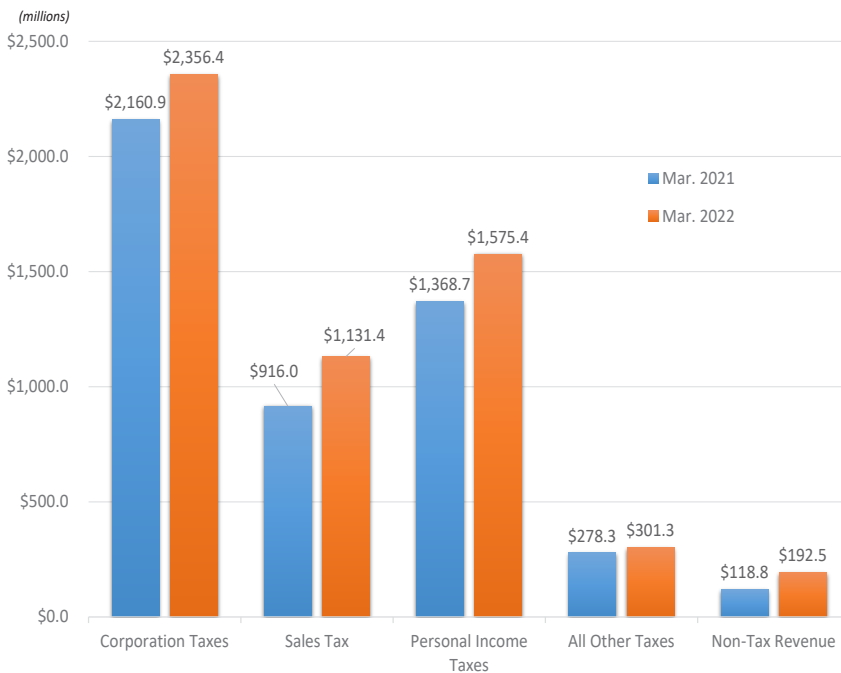
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March Revenue Collections Over Estimate by \$659.1 Million

March 2021 vs. March 2022 Collections



March Revenue Collections

| Official Estimate | Actual Collections |
|------------------------------|--------------------------------|
| Total General Fund | Total General Fund ↑ |
| \$4.90 Billion | \$5.56 Billion |
| Corporation Taxes | Corporation Taxes ↑ |
| \$2.17 Billion | \$2.36 Billion |
| Sales Taxes | Sales Taxes ↑ |
| \$923.3 Million | \$1.13 Billion |
| Personal Income Taxes | Personal Income Taxes ↑ |
| \$1.42 Billion | \$1.58 Billion |
| All Other Taxes | All Other Taxes ↑ |
| \$238.9 Million | \$301.3 Million |
| Non-Tax Revenue | Non-Tax Revenue ↑ |
| \$150.5 Million | \$192.5 Million |

Inflation in Pennsylvania

A 7.3% total increase from Feb. 2021 to Feb. 2022

