



The Monthly Report

Gibson E. Armstrong, Chairman



May Tax Collections Fall Short Of Estimate

General Fund tax collections during the month of May were \$142.2 million, or 7.2 percent, below the official estimate of \$1.971 billion. Corporate tax collections, as well as general Sales Tax were below anticipated amounts. Realty transfer tax and the non-tax revenues also fell short of May's estimate.

As discussed in The Monthly Report for May, collections of the non-withheld Personal Income Tax were significantly under the projected amounts last month. Receipts of \$81.9 million were \$106.9 million below the estimate of \$188.8 million, representing a 57-percent shortfall.

Motor vehicle sales tax collections, withheld Personal Income tax, cigarette taxes, malt beverage and liquor taxes, and the inheritance tax all registered slight surpluses for May.

Overall, year-to-date collections of General Fund receipts are \$25.3 billion. This figure is \$294.4 million, or 1.2 percent, ahead of the official estimate. The Governor's budget had projected a revenue surplus of \$427.5 million through the end of this fiscal year. In order for that to

happen, revenues collected during June will have to be \$133.1 million, or 4.9 percent above anticipated amounts. Year-to-date revenues are \$499 million above the



prior year's collections through the end of May.

The following information has been prepared by the Department of Revenue to provide a more detailed analysis of tax collections for May.

Sales tax receipts totaled \$695.6 million for May, which was \$5.6 million below estimate. Sales tax collections year-to-date total \$7.8 billion, which is \$2.2 million below estimate.

Personal Income Tax (PIT) revenue in May was \$726.7 million, which was \$97.9 million below estimate. This brings year-to-date PIT collections to \$9.9 billion, which is \$166.7 million, or 1.7 percent, above estimate.

As reported last month, a portion of May's lower-than-estimate income tax collections are because annual income tax returns were processed much more quickly in April than in prior years.

May corporation tax revenue of \$113 million was \$31.5 million below estimate. Year-to-date corporation tax collections total \$5 billion, which is \$95.2 million, or 2 percent, above estimate.

Other General Fund revenue figures for the month included \$83.5 million in inheritance tax, which was \$12.5 million above estimate, bringing the year-to-date total to \$753 million, which is \$28.3 million above estimate.

Realty transfer tax was \$32 million for May, bringing the total to \$394 million for the year, which is \$1.8 million less than anticipated.

Other General Fund revenue including the cigarette, malt beverage and liquor tax totaled \$177.8 million for the month, \$18.2 million below estimate, bringing the year-to-date total to \$1.5 billion, which is \$8.2 million above estimate.



Budget Terms Defined

General Appropriation Act:

A single piece of legislation containing numerous individual appropriations. The General Appropriation Act contains only appropriations for the executive, legislative and judicial departments of the Commonwealth, for the public debt and for public schools. All other appropriations are made by separate acts each concerning one subject.

Preferred Appropriations:

An appropriation for the ordinary expenses of state government which only requires the approval of a majority of the Senators and Representatives elected to the General Assembly. The General Appropriation Act only makes preferred appropriations.

Nonpreferred Appropriations:

An appropriation to any charitable or educational institution not under the absolute control of the Commonwealth which requires the affirmative vote of two-thirds of the members elected to each House of the General Assembly.

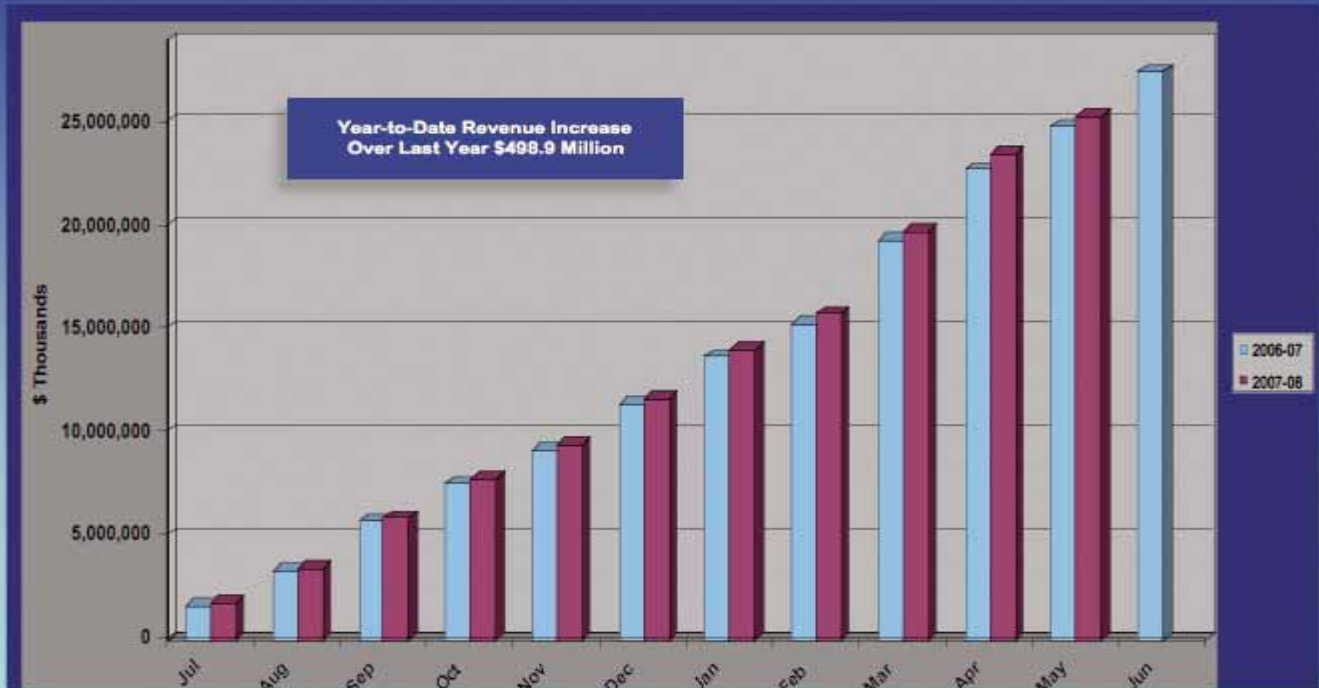
The following chart itemizes the Governor's recommended non-preferred appropriations for 2008-09.

BILL NO.	DEPT.	INSTITUTION	2007-08 Budget	2008-09 Gov.	Inc./Dec.	% Inc./Dec.
S.B. 1456	ED	Penn State University	334,230	336,834	2,604	0.78%
S.B. 1457	ED	University of Pittsburgh	168,169	170,334	2,165	1.29%
S.B. 1458	ED	Temple University	172,917	175,504	2,587	1.50%
S.B. 1459	ED	Lincoln University	13,786	13,993	207	1.50%
S.B. 1460	ED	Drexel University	7,002	7,037	35	0.50%
S.B. 1461	ED & HMC	University of Pennsylvania (Includes University Museum)	49,674	46,525	(3,149)	-6.34%
S.B. 1462	ED & HEALTH	Philadelphia Health & Education Corp.	12,665	6,717	(5,948)	-46.96%
S.B. 1463	ED	Thomas Jefferson University	9,852	4,950	(4,902)	-49.76%
S.B. 1464	ED	Phila. College of Osteopathic Medicine	6,576	6,609	33	0.50%
S.B. 1465	ED	Lake Erie College of Osteopathic Medicine	1,861	1,870	9	0.48%
S.B. 1466	ED	Pennsylvania College of Optometry	1,693	1,701	8	0.47%
S.B. 1467	ED	University of the Arts	1,214	1,220	6	0.49%
S.B. 1468	ED	Berean Training & Industrial School	1,504	1,512	8	0.53%
S.B. 1469	ED	Johnson Technical Institute of Scranton	194	195	1	0.52%
S.B. 1470	ED	Williamson Free School of Mechanical Trades	71	71	0	0.00%
S.B. 1471	HEALTH	Fox Chase Institute for Cancer Research	776	776	0	0.00%
S.B. 1472	HEALTH	Wistar Institute	306	306	0	0.00%
S.B. 1473	HEALTH	Central Penn Oncology	130	130	0	0.00%
S.B. 1474	HEALTH	Lancaster Cleft Palate	150	59	(91)	-60.67%
S.B. 1475	HEALTH	Burn Foundation	418	418	0	0.00%
S.B. 1476	HEALTH	Children's Institute, Pittsburgh	970	970	0	0.00%
S.B. 1477	HEALTH	CHOP	451	451	0	0.00%
S.B. 1478	L&I	Beacon Lodge Camp	105	105	0	0.00%
S.B. 1479	HMC	The Carnegie	508	508	0	0.00%
S.B. 1480	HMC	Franklin Institute Science Museum	769	769	0	0.00%
S.B. 1481	HMC	Academy of Natural Sciences	471	471	0	0.00%
S.B. 1482	HMC	African American Cultural Museum	359	359	0	0.00%
S.B. 1483	HMC	Everhart Museum - Scranton	46	46	0	0.00%
S.B. 1484	HMC	Mercer Museum	196	196	0	0.00%
S.B. 1485	HMC	Whitaker Center for Science and the Arts	141	141	0	0.00%
Totals			787,204	780,777	(6,427)	

¹ Reductions to these line items are offset by new Federal Medicaid funds for university affiliated physician practice plans under the Governor's "Federalizing Physician Practice Plans" initiative in the Department of Public Welfare.

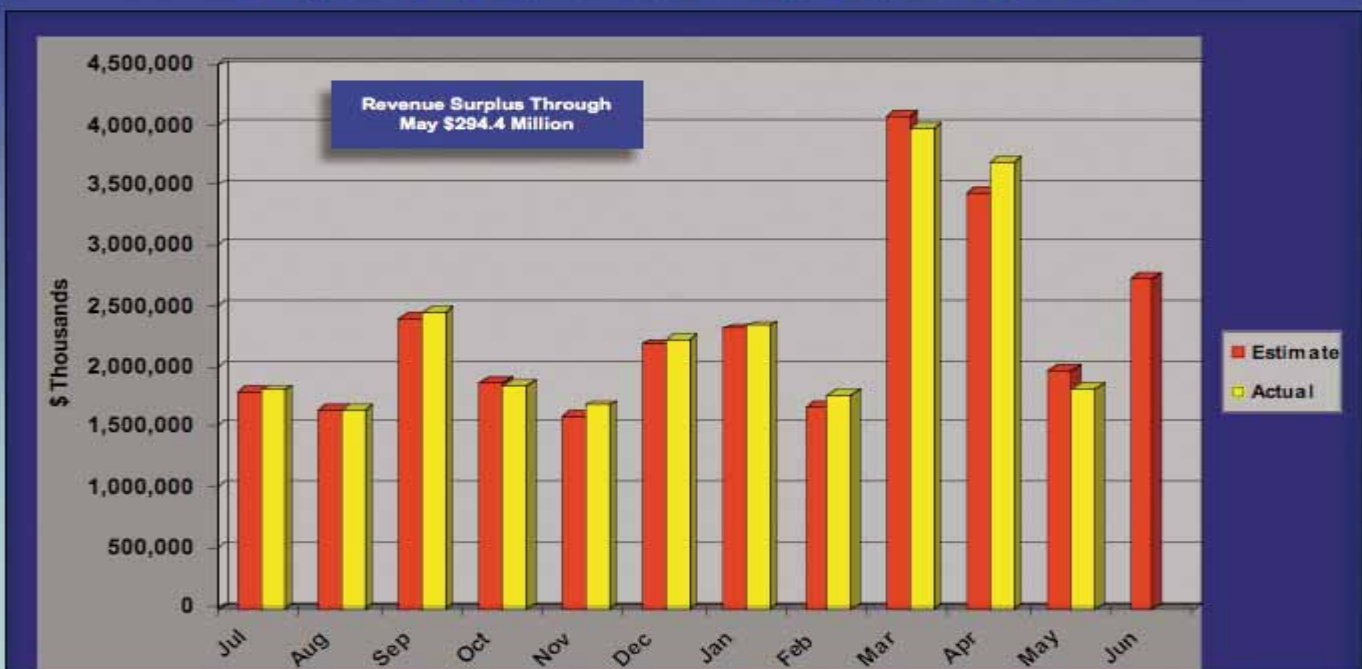


General Fund Tax Collections Fiscal Year 2007-2008 Revenue Comparison with Last Year

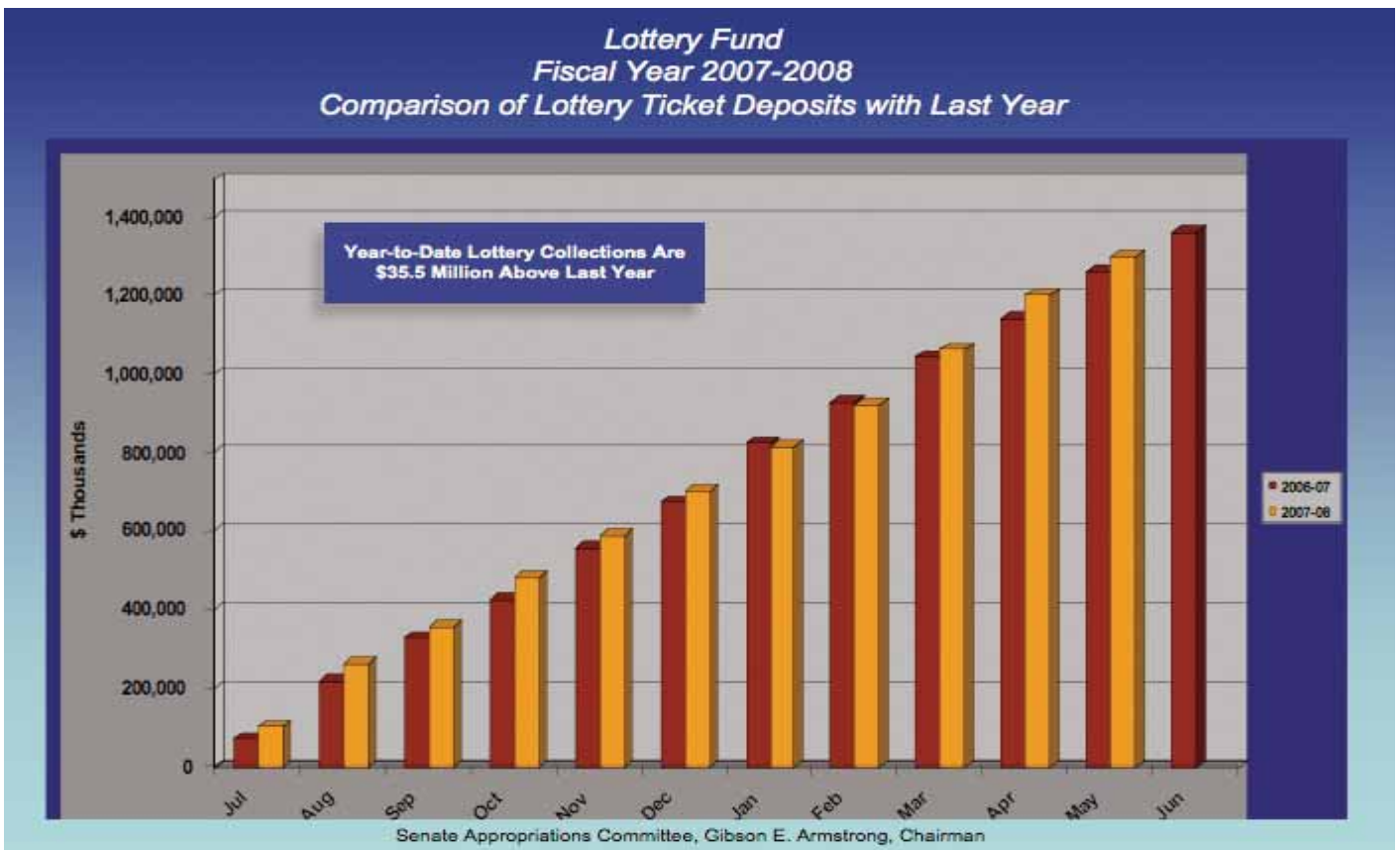
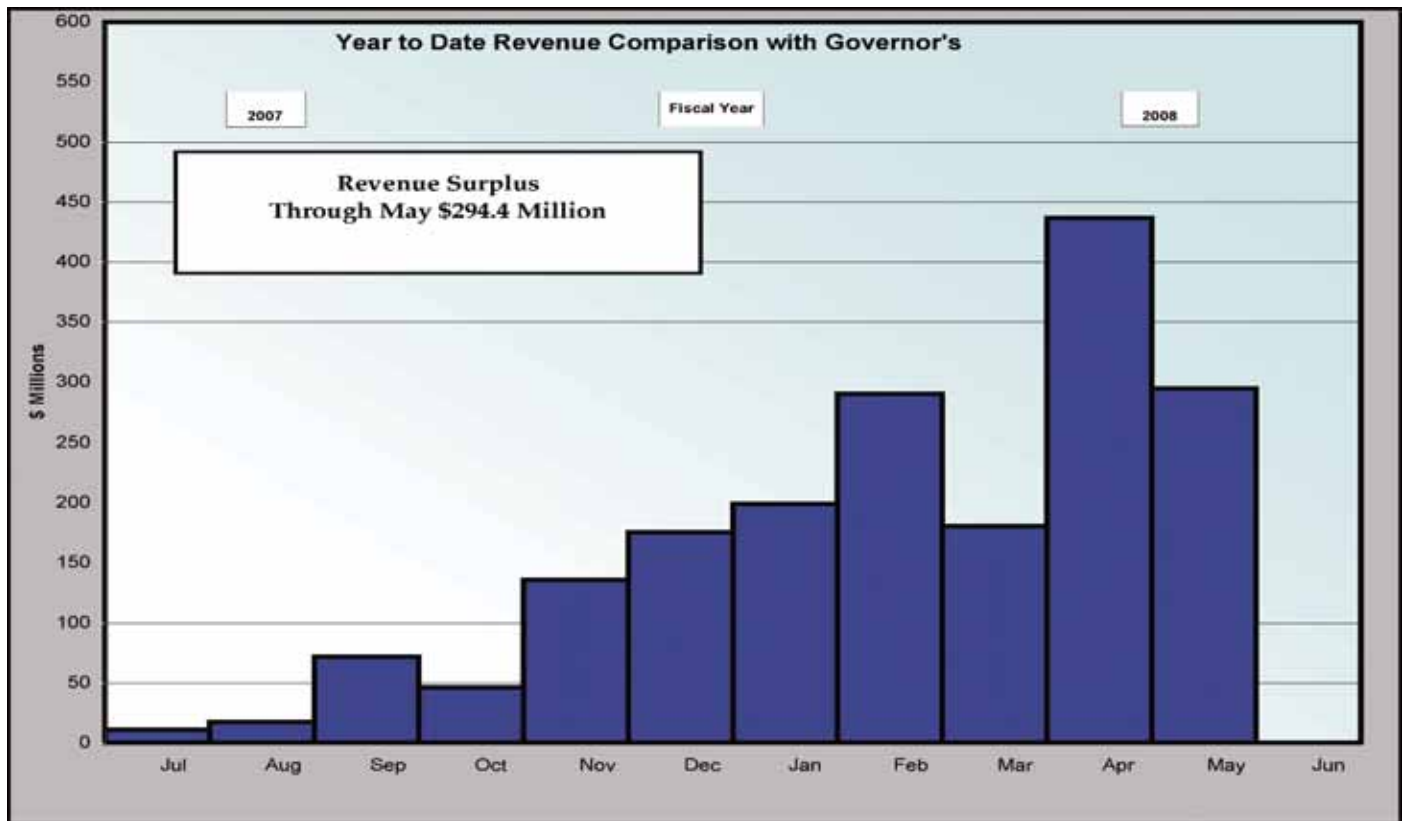


Senate Appropriations Committee, Gibson E. Armstrong, Chairman

General Fund Tax Collections Fiscal Year 2007-2008 Comparison of Official Estimate with Actual Revenue by Month



Senate Appropriations Committee, Gibson E. Armstrong, Chairman



Senate Appropriations Committee, Gibson E. Armstrong, Chairman



Appropriations Committee Monthly Revenue Report

Friday, May 30, 2008 Account:	(Dollars in Thousands)						
	Revenue 2006-07	For the month of May			For the year through May		
	thru May	Revenue	Official Estimate	Surplus (Deficit)	Revenue	Official Estimate	Surplus (Deficit)
CORPORATE TAXES:							
Clearing Account	-\$737	(\$70,039)	\$0	(\$70,039)	\$14,475	\$0	\$14,475
Corp. Net Income	\$2,093,325	\$81,009	\$74,100	\$6,909	\$2,076,194	\$2,122,700	(\$46,506)
Cap. Stock & Franchise	\$846,605	\$66,006	\$33,000	\$33,006	\$857,982	\$684,600	\$173,382
Gross Receipts	\$1,290,150	(\$3,609)	(\$5,900)	\$2,291	\$1,344,017	\$1,369,700	(\$25,683)
PURTA	\$47,224	\$36,918	\$39,500	(\$2,582)	\$44,215	\$47,800	(\$3,585)
Insurance Premiums	\$414,702	\$1,149	\$1,600	(\$451)	\$418,504	\$438,100	(\$19,596)
Financial Institutions	\$210,361	\$45	\$1,500	(\$1,455)	\$189,774	\$186,500	\$3,274
Other Selective Bus. Taxes	\$14,543	\$1,690	\$700	\$990	\$15,322	\$15,600	(\$278)
CORPORATE TAX TOTAL	\$4,916,173	\$113,168	\$144,500	(\$31,332)	\$4,960,482	\$4,865,000	\$95,482
CONSUMPTION TAXES:							
Sales, Use & Occupation Tax	\$7,825,613	\$695,553	\$701,200	(\$5,647)	\$7,786,341	\$7,788,500	(\$2,159)
-Motor Vehicle Sales	\$1,050,675	\$104,948	\$100,700	\$4,248	\$1,066,549	\$1,037,400	\$29,149
-General (net of transfers)	\$6,774,938	\$590,604	\$600,500	(\$9,896)	\$6,719,793	\$6,751,100	(\$31,307)
Cigarette Tax	\$700,871	\$72,925	\$71,300	\$1,625	\$710,725	\$690,500	\$20,225
Malt Beverage Tax	\$22,867	\$2,215	\$2,100	\$115	\$23,888	\$23,700	\$188
Liquor Tax	\$221,632	\$18,584	\$18,500	\$84	\$231,851	\$236,500	(\$4,649)
CONSUMPTION TAX TOTAL	\$8,770,983	\$789,277	\$793,100	(\$3,823)	\$8,752,805	\$8,739,200	\$13,605
OTHER TAXES:							
Personal Income Tax	\$9,271,580	\$726,679	\$824,600	(\$97,921)	\$9,900,161	\$9,733,500	\$166,661
-Withheld PIT	\$6,863,350	\$644,786	\$635,800	\$8,986	\$7,144,655	\$7,172,200	(\$27,545)
-Quarterly & Annual PIT	\$2,408,230	\$81,893	\$188,800	(\$106,907)	\$2,755,505	\$2,561,300	\$194,205
Realty Transfer Tax	\$521,788	\$31,986	\$33,300	(\$1,314)	\$393,986	\$395,800	(\$1,814)
Inheritance & Estate Tax	\$690,005	\$83,465	\$71,000	\$12,465	\$753,007	\$724,700	\$28,307
Minor & Repealed	(\$9,762)	(\$7,380)	(\$1,600)	(\$5,780)	\$1,901	\$1,800	\$101
OTHER TAXES TOTAL	\$10,473,611	\$834,750	\$927,300	(\$92,550)	\$11,049,054	\$10,855,800	\$193,254
GENERAL FUND TAXES	\$24,160,767	\$1,737,194	\$1,864,900	(\$127,706)	\$24,762,341	\$24,460,000	\$302,341
NON-TAX REVENUES	\$666,735	\$91,221	\$105,700	(\$14,479)	\$564,052	\$572,000	(\$7,948)
GENERAL FUND	\$24,827,502	\$1,828,416	\$1,970,600	(\$142,184)	\$25,326,393	\$25,032,000	\$294,393
MOTOR LICENSE FUND:							
Liquid Fuels Tax	\$722,568	\$69,451	\$52,650	\$16,801	\$546,712	\$545,770	\$942
Fuels Use Tax	\$128,899	\$10,424	\$14,330	(\$3,906)	\$142,503	\$152,130	(\$9,627)
Motor Carriers Road Tax	\$34,803	\$2,388	\$1,760	\$628	\$30,577	\$35,620	(\$5,043)
Alternate Fuels	\$187	\$15	\$40	(\$25)	\$649	\$380	\$269
Clearing Account	\$0	\$0	\$0	\$0	\$137	\$0	\$137
Gross Receipts Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oil Company Franchise Tax	\$366,692	\$30,320	\$42,670	(\$12,350)	\$409,182	\$435,180	(\$25,998)
Licenses and Fees	\$789,446	\$91,425	\$101,250	(\$9,825)	\$796,681	\$796,530	\$151
Vehicle Code Fines	\$42,065	\$4,400	\$3,960	\$440	\$45,742	\$41,910	\$3,832
Miscellaneous	\$120,890	\$152,385	\$9,360	\$143,025	\$71,194	\$103,270	(\$32,076)
Adjustment to Miscellaneous Revenue for Act 44 Transfer from PA Turnpike Commission		\$150,000	\$150,000	\$0	\$450,000	\$450,000	\$0
MOTOR FUND	\$2,205,550	\$360,807	\$226,020	\$134,787	\$2,043,378	\$2,110,790	(\$67,412)