

# Analysis of Tax Data for Economic Information

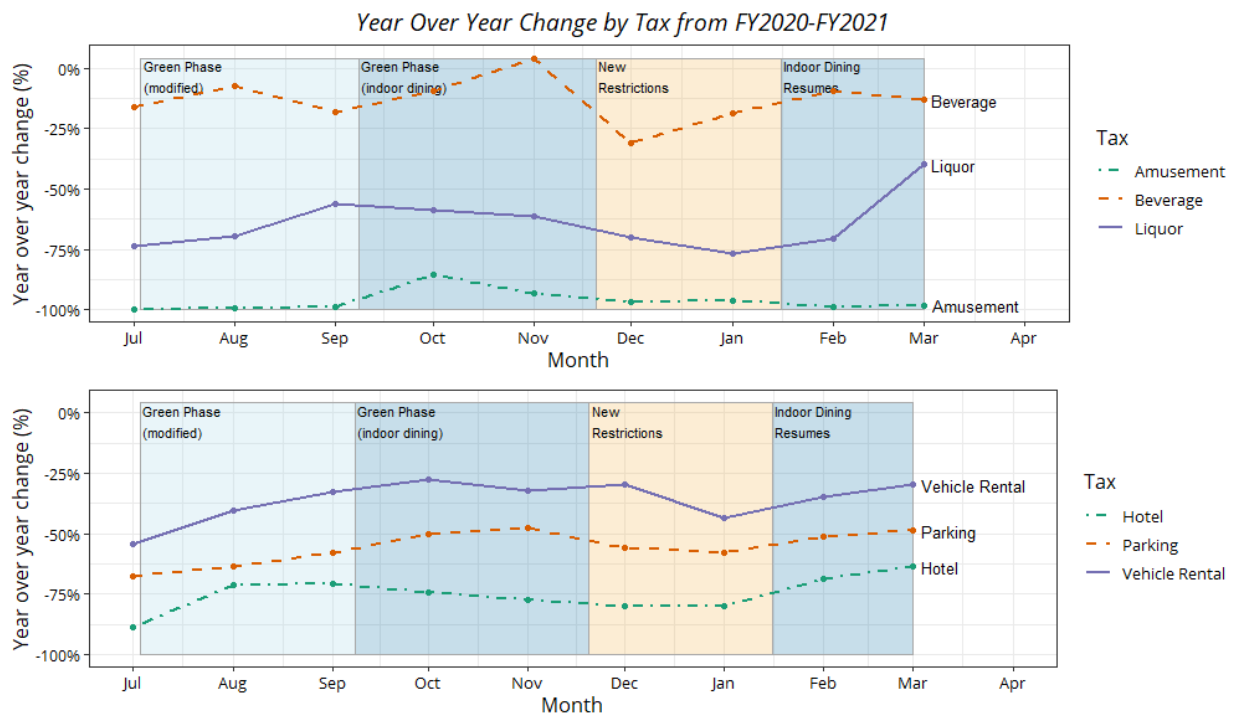
April 22, 2021

With this report we approach the one-year anniversary of the entry of the coronavirus pandemic into Philadelphia. The use and occupancy tax collections in March 2020 reflect economic conditions in that month since the due date is near the end of the month. For wage tax and “other taxes”, the due dates lag one month so the March 2020 data is still pre-pandemic. For the U&O charts we see sharp upticks in March for all categories; this trend is not seen in the wage tax nor in the other taxes.

The transfer tax data includes the month of February and is still preliminary. The collection and review of this data is not as automated as most taxes. Discounting February, the transfer tax data shows five consecutive months of increases in revenue from house and condo sales, as compared to the same month of the previous year.

## Other Taxes

- Fiscal year to date, Beverage Tax is down 13.8%, the least of the six smaller taxes, and Amusement Tax is down 97.0%, the most of the smaller taxes.
- Fiscal year to date, Hotel Tax has lost the most revenue (\$43 mil) compared to last year.
- The Liquor, Vehicle Rental, Parking, and Hotel taxes have continued to improve since January.



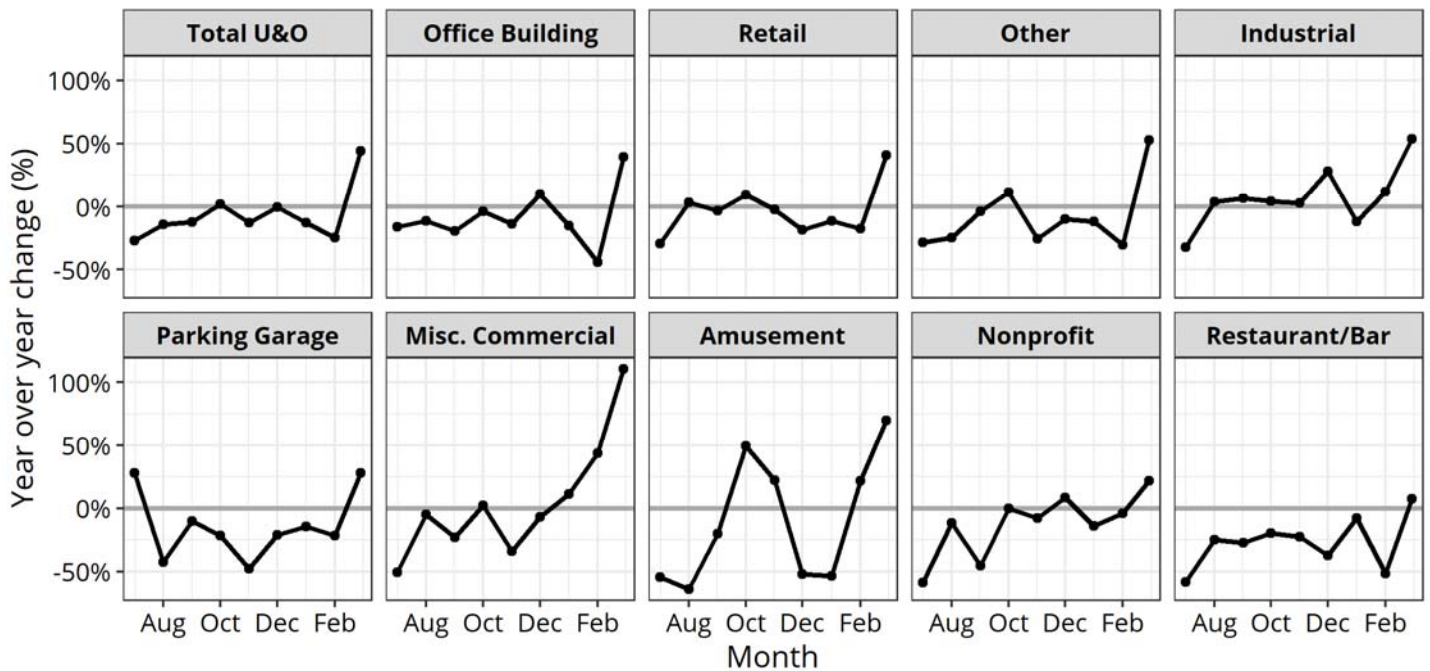
### Tax Type Breakdown – Fiscal Year to Date

Tax	FY2020	FY2021	Change	Pct Change
Parking	\$ 73,461,926	\$ 32,770,612	\$ (40,691,315)	-55.4%
Liquor	\$ 60,106,618	\$ 20,828,154	\$ (39,278,464)	-65.3%
Beverage	\$ 57,420,490	\$ 49,503,170	\$ (7,917,320)	-13.8%
Hotel	\$ 56,887,622	\$ 13,737,061	\$ (43,150,561)	-75.9%
Amusement	\$ 19,484,578	\$ 593,922	\$ (18,890,656)	-97.0%
Vehicle Rental	\$ 5,071,295	\$ 3,214,055	\$ (1,857,241)	-36.6%

**Use and Occupancy Tax (U&O Tax)<sup>1</sup>**

- Fiscal year to date, total U&O Tax collections are down 8.2% compared to FY 2020. Compared to last year, total collections declined from December to February. They improved in March, but this is partly because March 2020 was the beginning of the pandemic (and U&O Tax is collected for the current month’s activity).
- Industrial is the only building type with fiscal year to date collections above last fiscal year (+2.2%). Collections from restaurants/bars are faring the worst, down 29.1% fiscal year to date.

*Percent Change from FY2020-FY2021 in U&O Revenue by Building Type*



*Building Type Breakdown – Fiscal Year to Date – U&O Revenue*

Building Type	FY2020	FY2021	Change	Pct Change
<b>Total U&amp;O</b>	<b>\$ 145,168,165</b>	<b>\$ 133,247,435</b>	<b>\$ (11,920,729)</b>	<b>-8.2%</b>
Office Building	\$ 57,704,616	\$ 52,488,302	\$ (5,216,314)	-9.0%
Retail	\$ 26,899,105	\$ 25,318,292	\$ (1,580,813)	-5.9%
Other	\$ 19,990,876	\$ 17,944,827	\$ (2,046,049)	-10.2%
Industrial	\$ 18,761,635	\$ 19,179,775	\$ 418,141	2.2%
Parking Garage	\$ 5,814,434	\$ 4,871,198	\$ (943,237)	-16.2%
Misc. Commercial	\$ 4,945,191	\$ 4,914,538	\$ (30,653)	-0.6%
Amusement	\$ 4,134,002	\$ 3,206,216	\$ (927,786)	-22.4%
Nonprofit	\$ 4,086,079	\$ 3,316,376	\$ (769,703)	-18.8%
Restaurant/Bar	\$ 2,832,226	\$ 2,007,911	\$ (824,315)	-29.1%

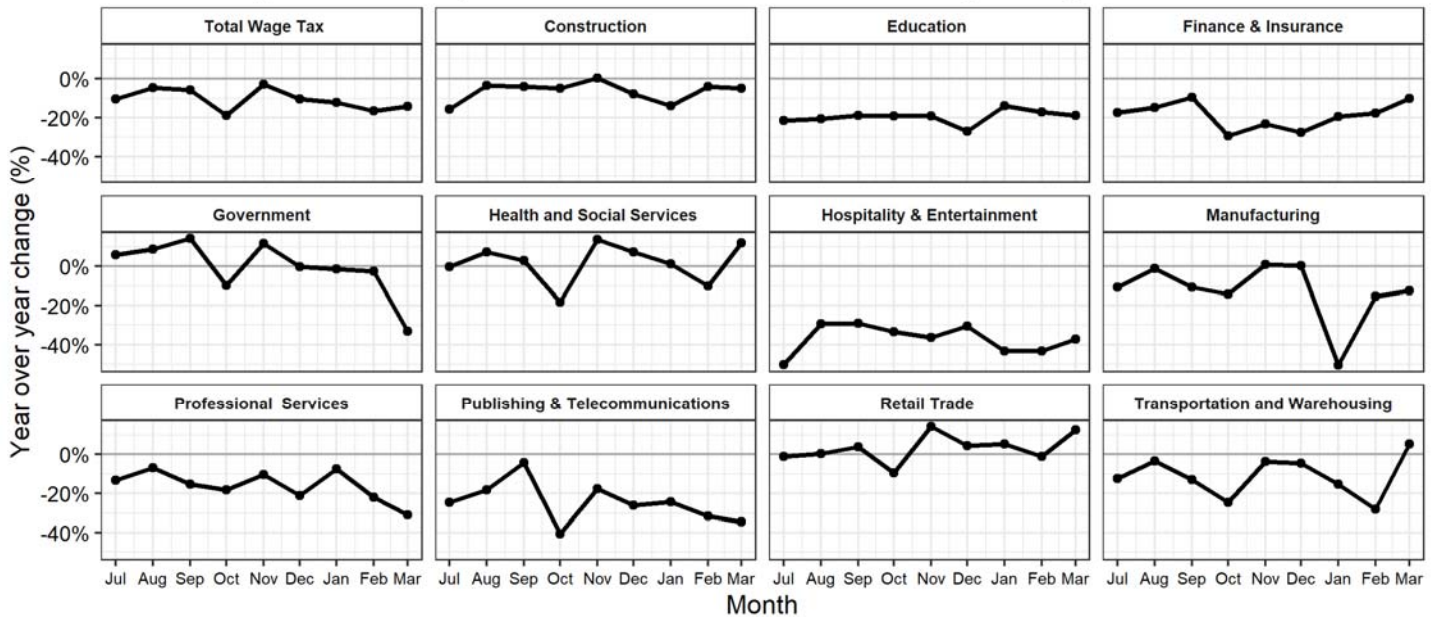
<sup>1</sup> July 2019 payments include annual filers who filed for the first six months of 2019 due to a change in Department of Revenue policy. There are no annual filers for July 2020. “Other” building types include large apartment, parking lot, condo, mixed usage, hotel, bank, utility, small apartment, garage, pier, and unclassified.

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## Wage Tax<sup>2</sup>

- Wage Tax collections were down 14.3% in March 2021 compared to last year and are down 11.1% for the fiscal year to date.
- The top four industries are down 6.9% fiscal year to date, which includes health and social services (+0.8%), government (-1.5%), professional services (-15.6%), and education (-19.7%). Retail trade and transportation/warehousing were up compared to last year. Government, professional services, and publishing/telecommunications are down from last month and year.

Top-level Industry Breakdown - Year over Year Change - Wage Tax Revenue



Top-level Industry Breakdown – Fiscal Year to Date (July to March) – Wage Tax Revenue

Industry	FY2020	FY2021	Percent Change
Health and Social Services	\$ 343,935,719	\$ 346,633,563	0.8%
Government	\$ 191,781,483	\$ 188,997,691	-1.5%
Professional Services	\$ 198,545,851	\$ 167,661,922	-15.6%
Education	\$ 151,534,640	\$ 121,654,262	-19.7%
Finance & Insurance	\$ 126,943,917	\$ 103,888,263	-18.2%
Manufacturing	\$ 101,015,744	\$ 82,922,809	-17.9%
Retail Trade	\$ 75,244,528	\$ 77,343,199	2.8%
Hospitality & Entertainment	\$ 86,456,915	\$ 54,146,460	-37.4%
Construction	\$ 56,180,267	\$ 52,187,160	-7.1%
Publishing & Telecommunications	\$ 67,364,571	\$ 49,555,180	-26.4%
Transportation and Warehousing	\$ 55,309,164	\$ 48,856,113	-11.7%
Other Sectors	\$ 189,723,882	\$ 168,426,256	-11.2%
<b>Total Wage Tax</b>	<b>\$ 1,644,036,682</b>	<b>\$ 1,462,272,878</b>	<b>-11.1%</b>

<sup>2</sup> Some industries are excluded from the chart (89% of total Wage Tax is accounted for in the industry breakdown chart). July, October, and January data includes quarterly payments processed late.

### Real Estate Transfer Tax<sup>3</sup>

- The number of House and Condo sales began to recover to FY20 levels starting in September and stayed strong through the rest of the calendar year. February appears to have dipped below FY20 numbers, but this data is still preliminary and may change slightly. Overall, House/Condo collections are up 8.8% in FY21.
- For Commercial buildings, Office Buildings and Industrial Buildings collections have decreased the most in FY21. However, Large Apartments have done the best in FY21, surpassing FY20 collections after having a very strong December and January, leading to Large Apartment collections being up 14.9% in FY21.

Residential Transfer Tax Collections by Month for Houses/Condos						
Month	Local Tax Amount			# of Sales		
	FY 20	FY 21	% Change	FY 20	FY 21	% Change
July	\$17,573,876	\$15,262,063	-13.2%	3,103	2,505	-19.3%
August	\$16,549,720	\$14,161,145	-14.4%	3,066	2,376	-22.5%
September	\$14,027,062	\$15,815,893	12.8%	2,827	2,505	-11.4%
October	\$13,996,807	\$19,136,571	36.7%	3,058	3,093	1.1%
November	\$11,686,317	\$15,942,566	36.4%	2,416	2,637	9.1%
December	\$14,744,753	\$18,086,027	22.7%	2,719	2,916	7.2%
January	\$12,892,856	\$13,924,057	8.0%	2,660	2,380	-10.5%
February	\$8,867,633	\$7,674,601	-13.5%	1,901	1,496	-21.3%
<b>FYTD Total</b>	<b>\$110,339,024</b>	<b>\$120,002,923</b>	<b>8.8%</b>	<b>21,750</b>	<b>19,908</b>	<b>-8.5%</b>

### Commercial Transfer Tax Collections by Month for Office Buildings, Large Apartments, and Retail

Month	Large Apartments			Office Buildings			Retail		
	FY 20	FY 21	% Change	FY 20	FY 21	% Change	FY 20	FY 21	% Change
July	\$1,018,184	\$1,217,268	19.6%	\$62,938	\$430,838	584.5%	\$716,753	\$1,696,461	136.7%
August	\$2,084,682	\$1,705,073	-18.2%	\$629,243	\$273,079	-56.6%	\$1,381,438	\$148,886	-89.2%
September	\$798,379	\$1,080,241	35.3%	\$276,996	\$145,380	-47.5%	\$908,344	\$526,073	-42.1%
October	\$2,299,703	\$3,292,684	43.2%	\$2,062,288	\$49,170	-97.6%	\$331,437	\$407,974	23.1%
November	\$2,338,706	\$1,083,920	-53.7%	\$1,281,493	\$580,206	-54.7%	\$363,306	\$153,998	-57.6%
December	\$1,963,026	\$4,722,388	140.6%	\$4,189,098	\$2,009,414	-52.0%	\$2,339,568	\$1,497,027	-36.0%
January	\$629,301	\$2,811,603	346.8%	\$43,804	\$55,549	26.8%	\$852,383	\$591,790	-30.6%
February	\$3,204,856	\$560,640	-82.5%	\$477,985	\$22,290	-95.3%	\$171,792	\$102,274	-40.5%
<b>FYTD Total</b>	<b>\$14,336,837</b>	<b>\$16,473,817</b>	<b>14.9%</b>	<b>\$9,023,845</b>	<b>\$3,565,926</b>	<b>-60.5%</b>	<b>\$7,065,021</b>	<b>\$5,124,483</b>	<b>-27.5%</b>

### Commercial Transfer Tax Collections by Month for Industrial Buildings and all other Commercial Building Types

Month	Industrial			Other Commercial		
	FY 20	FY 21	% Change	FY 20	FY 21	% Change
July	\$2,009,601	\$697,046	-65.3%	\$5,911,569	\$2,242,261	-62.1%
August	\$925,131	\$2,357,703	154.9%	\$3,769,811	\$1,652,313	-56.2%
September	\$8,906,633	\$201,082	-97.7%	\$2,562,367	\$650,690	-74.6%
October	\$4,328,157	\$1,825,240	-57.8%	\$2,772,601	\$1,862,633	-32.8%
November	\$395,527	\$522,080	32.0%	\$2,585,237	\$3,579,774	38.5%
December	\$1,103,021	\$1,700,596	54.2%	\$2,000,361	\$3,385,830	69.3%
January	\$336,400	\$812,478	141.5%	\$2,233,808	\$1,722,453	-22.9%
February	\$444,398	\$1,110,029	149.8%	\$2,860,877	\$1,987,763	-30.5%
<b>FYTD Total</b>	<b>\$18,448,868</b>	<b>\$9,226,254</b>	<b>-50.0%</b>	<b>\$24,696,631</b>	<b>\$17,083,717</b>	<b>-30.8%</b>

<sup>3</sup> February 2021 Data is Preliminary.