

# Analysis of Tax Data for Economic Information

**August 19, 2021**

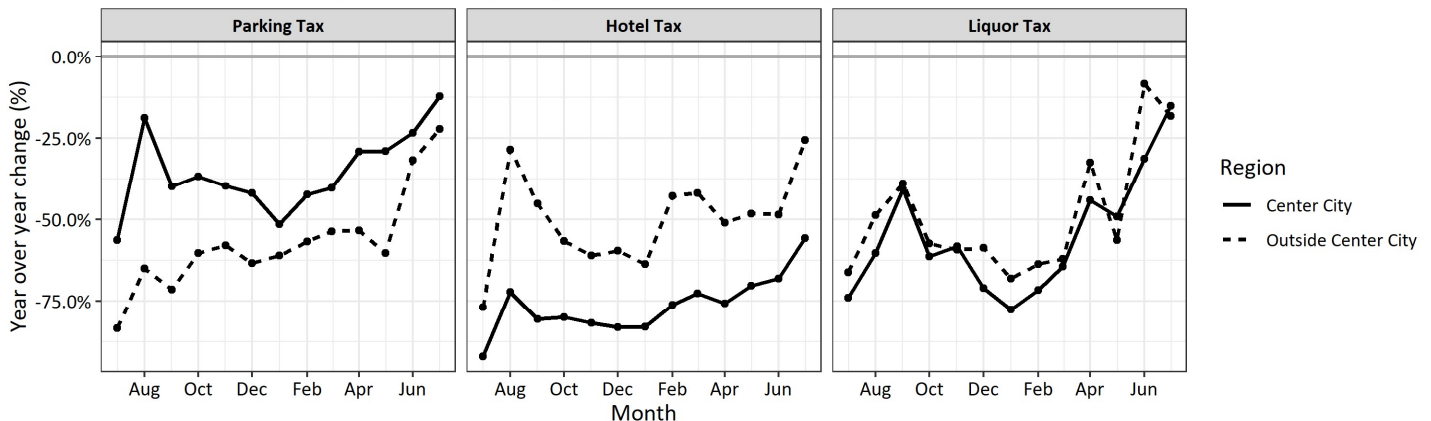
In this report, we see the recent increases in collections from three smaller taxes: Parking Tax, Hotel Tax, and Liquor Tax. However, the charts on the first page show that collections for all three taxes are still below the pre-pandemic levels of Fiscal Year 2019. On the Liquor Tax page, there is an analysis by sector. The largest increases in Liquor Tax are coming from two sectors that were hit very hard by the pandemic: full-service restaurants and bars.

The first three pages of the report compare collections from Center City to Outside Center City. Wage Tax collections from Center City continue to perform more poorly than from Outside Center City.

## Center City/ Outside Center City – Smaller Taxes

- Compared to July 2018, Center City revenue performed better than outside Center City for Parking Tax and Liquor Tax, while outside Center City performed better for Hotel Tax.
- Hotel Tax revenue from outside Center City has consistently performed much better than revenue from Center City compared to FY2019. For Parking Tax, the reverse has been true, although the gap in performance between Center City and outside Center City has narrowed in recent months for this tax.

*Center City Revenue by Tax:  
July 2020 through July 2021 Percent Change from FY2019*



*July 2021 Revenue Comparison to FY2019 by Tax*

Tax Type	FY2019 Center City	FY2022 Center City	Pct Change	FY2019 Outside Center City	FY2022 Outside Center City	Pct Change
Parking Tax	\$4,359,494	\$3,826,274	-12.2%	\$3,703,026	\$2,881,342	-22.2%
Hotel Tax	\$4,624,393	\$2,046,281	-55.8%	\$2,278,615	\$1,694,282	-25.6%
Liquor Tax	\$3,552,057	\$3,013,128	-15.2%	\$3,256,632	\$2,663,636	-18.2%

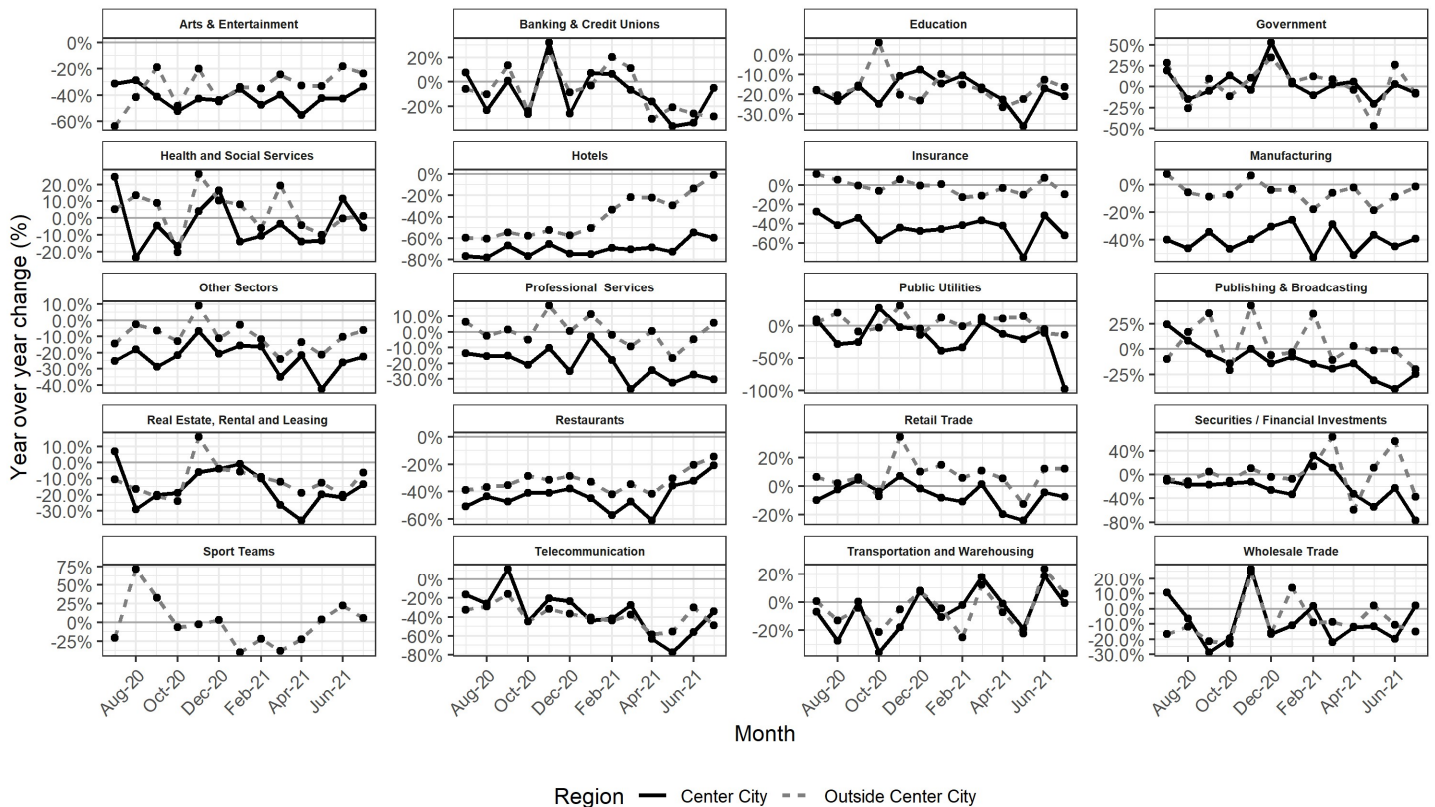
*July 2021 Revenue Comparison to FY2020 by Tax*

Tax Type	FY2020 Center City	FY2022 Center City	Pct Change	FY2020 Outside Center City	FY2022 Outside Center City	Pct Change
Parking Tax	\$4,288,530	\$3,826,274	-10.8%	\$3,412,431	\$2,881,342	-15.6%
Hotel Tax	\$4,965,434	\$2,046,281	-58.8%	\$2,768,473	\$1,694,282	-38.8%
Liquor Tax	\$4,313,577	\$3,013,128	-30.1%	\$3,323,371	\$2,663,636	-19.9%

## Center City/ Outside Center City - Wage Tax<sup>1</sup>

- For Center City, Wage Tax collections were down calendar year to date 26.1% compared to CY2019 and 22.2% compared to CY2020; outside Center City, collections were down 7.5% and 6.3%, respectively.
- Compared to CY2019, the top four industries (Health and Social Services, Government, Professional Services, and Education) are down 17.5% calendar year to date in Center City and 6.2% outside Center City. Compared to FY2020, these industries are down 14.4% in Center City and 6.0% outside Center City.
- For July, Center City Wage Tax collections were down 25.8% compared to FY2019, with collections outside Center City down by 15.4%.

### Wage Tax: July 2020-July 2021 Percent Change from FY2019



Note: This chart only shows businesses with a location, and does not include about 22% of revenue not associated with a business location.

<sup>1</sup> July, October, and January data include quarterly payments processed late. Business location data is provided by some businesses which is supplemented by manual research and may contain inaccuracies. For businesses that have a Philadelphia and non-Philadelphia location, the Philadelphia location is weighted more heavily by a factor of three. The "Outside Center City" designation includes suburban locations. Manufacturing includes headquarter offices and factories.

## Analysis of Tax Data for Economic Information

### Top-level Industry Breakdown – Calendar Year to Date (January to July) – Wage Tax Revenue in Millions

Industry	Center City					Outside Center City				
	CY2019	CY2020	CY2021	Pct Change CY2019	Pct Change CY2020	CY2019	CY2020	CY2021	Pct Change CY2019	Pct Change CY2020
Education	\$7.3	\$6.6	\$5.8	-20.6%	-12.8%	\$101.4	\$96.1	\$83.0	-18.2%	-13.7%
Finance & Insurance	\$65.3	\$64.5	\$43.2	-34.0%	-33.1%	\$35.0	\$36.1	\$33.0	-5.8%	-8.6%
Government	\$17.8	\$17.8	\$16.8	-5.6%	-5.7%	\$47.1	\$48.4	\$45.9	-2.6%	-5.2%
Health and Social Services	\$56.0	\$52.6	\$49.6	-11.4%	-5.8%	\$166.6	\$168.9	\$165.5	-0.6%	-2.0%
Hospitality & Entertainment	\$24.8	\$18.2	\$12.8	-48.2%	-29.5%	\$38.3	\$29.3	\$27.9	-27.1%	-4.8%
Manufacturing	\$7.5	\$6.1	\$4.3	-42.2%	-29.6%	\$58.6	\$67.0	\$52.8	-9.8%	-21.1%
Other Sectors	\$36.0	\$35.8	\$27.8	-22.8%	-22.4%	\$74.0	\$69.6	\$66.8	-9.8%	-4.1%
Professional Services	\$91.2	\$89.1	\$70.0	-23.3%	-21.4%	\$36.3	\$37.5	\$35.3	-2.7%	-5.8%
Publishing & Telecommunications	\$43.4	\$42.4	\$24.3	-44.0%	-42.8%	\$9.2	\$8.7	\$7.1	-22.7%	-18.0%
Retail Trade	\$13.3	\$11.8	\$11.7	-12.4%	-1.3%	\$46.1	\$45.1	\$48.9	6.1%	8.5%
Transportation and Warehousing	\$7.2	\$6.3	\$7.0	-2.3%	12.5%	\$26.5	\$24.5	\$25.0	-5.6%	2.0%
<b>Total Wage Tax</b>	<b>\$369.7</b>	<b>\$351.3</b>	<b>\$273.3</b>	<b>-26.1%</b>	<b>-22.2%</b>	<b>\$639.1</b>	<b>\$631.2</b>	<b>\$591.2</b>	<b>-7.5%</b>	<b>-6.3%</b>

Note: Total Wage Tax does not include about 22% of revenue not associated with a business location.

### Center City/ Outside Center City - Real Estate Transfer Tax

- Condos have an overall increase in collections for outside of Center City whereas in Center City we see a decrease in collections. For houses, we see a general increase for both in Center City and outside of Center City.
- Condos and houses both in and outside of Center City shows a general increase in sales for quarters 1 and 2. However, in quarter 3 both experience a decline in sales followed by an increase in April with another decrease in sales. Condos outside of Center City as the highest percentage in sales (8.4%) followed by houses in Center City.

House and Condo Transfer Tax Collections for Center City																
Fiscal Quarter	Local Tax Amount (in millions)								# of Sales							
	Condo				House				Condo				House			
	FY 19	FY 20	FY 21	% Change	FY 19	FY 20	FY 21	% Change	FY 19	FY 20	FY 21	% Change	FY 19	FY 20	FY 21	% Change
Quarter1	\$6.4	\$6.6	\$4.2	-34.3%	\$8.9	\$9.4	\$9.7	9.2%	505	504	400	-20.8%	759	740	745	-1.8%
Quarter2	\$5.0	\$5.0	\$5.7	14.2%	\$7.6	\$7.3	\$10.1	32.7%	379	403	460	21.4%	680	667	794	16.8%
Quarter3	\$5.6	\$4.9	\$3.0	-46.9%	\$6.0	\$7.9	\$7.7	28.4%	440	373	266	-39.5%	592	683	592	0.0%
April	\$1.9	\$1.5	\$2.1	11.7%	\$3.0	\$2.7	\$4.0	35.7%	131	121	160	22.1%	242	186	287	18.6%
May	\$2.4	\$1.0	\$2.4	-2.2%	\$3.1	\$2.2	\$3.8	21.8%	194	88	161	-17.0%	275	165	259	-5.8%
<b>FYTD Total</b>	<b>\$21.4</b>	<b>\$19.0</b>	<b>\$17.4</b>	<b>-18.5%</b>	<b>\$28.6</b>	<b>\$29.6</b>	<b>\$35.4</b>	<b>23.6%</b>	<b>1,649</b>	<b>1,489</b>	<b>1,447</b>	<b>-12.2%</b>	<b>2,548</b>	<b>2,441</b>	<b>2,677</b>	<b>5.1%</b>

House and Condo Transfer Tax Collections Outside of Center City																
Fiscal Quarter	Local Tax Amount (in millions)								# of Sales							
	Condo				House				Condo				House			
	FY 19	FY 20	FY 21	% Change	FY 19	FY 20	FY 21	% Change	FY 19	FY 20	FY 21	% Change	FY 19	FY 20	FY 21	% Change
Quarter1	\$1.0	\$1.1	\$1.0	1.4%	\$28.8	\$31.0	\$30.3	5.6%	193	200	175	-9.3%	7,384	7,552	6,066	-17.8%
Quarter2	\$0.8	\$0.9	\$1.5	88.4%	\$25.9	\$27.2	\$35.8	38.2%	168	213	235	39.9%	7,222	6,910	7,157	-0.9%
Quarter3	\$0.9	\$1.0	\$0.8	-5.0%	\$20.1	\$24.6	\$23.6	17.2%	155	216	148	-4.5%	5,991	6,330	5,049	-15.7%
April	\$0.3	\$0.3	\$0.4	47.6%	\$8.2	\$5.9	\$9.5	15.5%	45	42	63	40.0%	2,263	1,072	2,091	-7.6%
May	\$0.4	\$0.2	\$0.4	7.5%	\$10.9	\$5.6	\$10.7	-1.9%	68	37	61	-10.3%	2,678	1,128	2,000	-25.3%
<b>FYTD Total</b>	<b>\$3.3</b>	<b>\$3.5</b>	<b>\$4.2</b>	<b>25.1%</b>	<b>\$93.9</b>	<b>\$94.2</b>	<b>\$109.9</b>	<b>17.1%</b>	<b>629</b>	<b>708</b>	<b>682</b>	<b>8.4%</b>	<b>25,538</b>	<b>22,992</b>	<b>22,363</b>	<b>-12.4%</b>

## Liquor Tax<sup>2</sup>

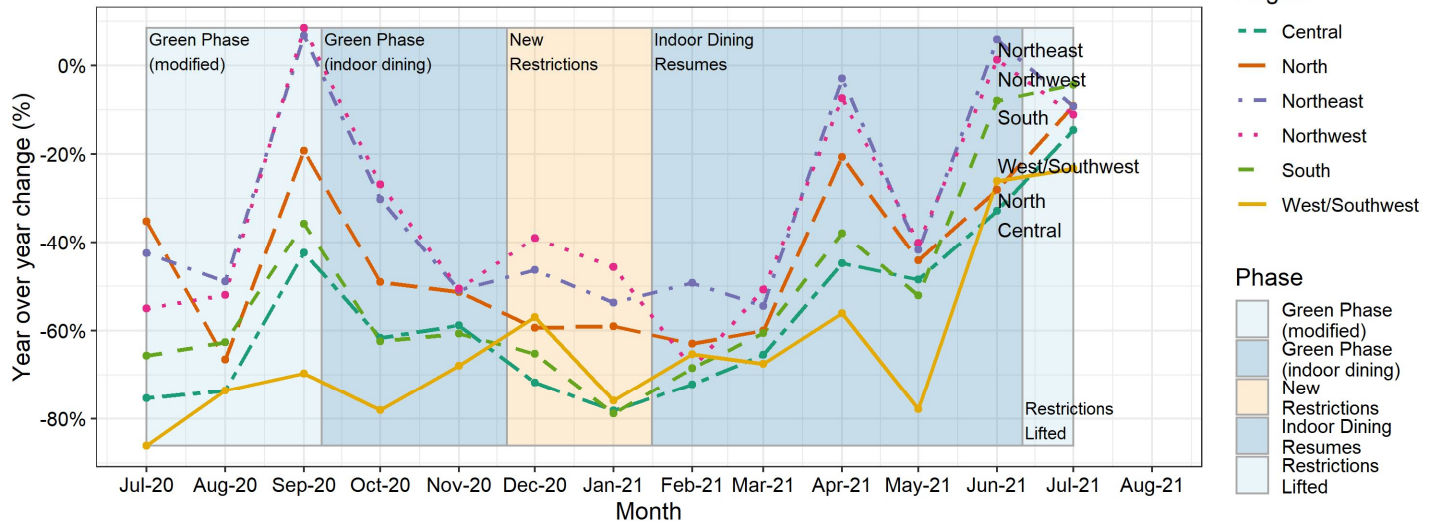
### Key Takeaways

- Liquor Tax is collected for the prior month's activity, so the July comparison compares activity in June.
- For the calendar year to date, Liquor Tax is down 48.4% compared to CY2019 and 6.3% compared to CY2020; for July, it is down 25.7% compared to CY2019 and up 180.6% compared to CY2020.
- Full Service Restaurants (+236.3%) have shown the most improvement in June compared to CY2020, as well as experiencing the least decline (-16.1%) compared to CY2019.
- Compared to FY2019, collections are down the least in July for the South (-4.3%), North (-9.1%) and Northeast (-9.3%) regions.

Comparison of Liquor Tax Revenue: CY2019 – CY2021

Quarter	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
January-March	\$19,273,238	\$17,881,181	\$6,078,653	-68.5%	-66.0%
April-June	\$21,019,094	\$6,477,231	\$12,956,021	-38.4%	100.0%
July	\$7,636,949	\$2,023,200	\$5,676,763	-25.7%	180.6%
CYTD	\$47,929,281	\$26,381,612	\$24,711,438	-48.4%	-6.3%

Liquor Tax Revenue: July 2020-July 2021 Percent Change from FY2019 by Region



July Liquor Tax Revenue by Industry

Industry	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
Full Service Restaurants	\$3,455,436	\$862,199	\$2,899,614	-16.1%	236.3%
Other	\$2,369,140	\$685,541	\$1,474,883	-37.7%	115.1%
Bars	\$1,459,426	\$354,544	\$1,039,575	-28.8%	193.2%
Take-Out Restaurants	\$352,946	\$120,916	\$262,692	-25.6%	117.3%

<sup>2</sup> Liquor Tax is due monthly on the 25th of the following month.