

Analysis of Tax Data for Economic Information

December 9, 2021

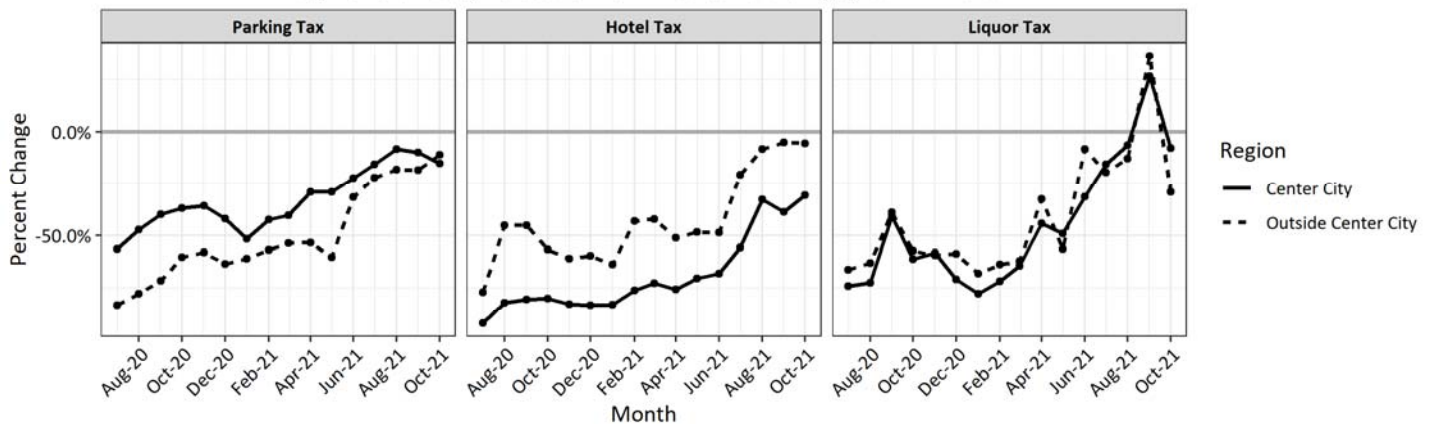
Looking at the three smaller taxes below, we see that five of the six lines in the graphs are approaching or reaching the zero percent change level. This means that the collections are nearing what they were before the pandemic began. The one exception is hotel tax collections from Center City. This condition of hotels is also apparent in the wage tax graph on page two; wage taxes from Center City hotels hover around a 50% decline level.

The analysis of the vacancy exemption for the Use and Occupancy Tax shows mixed results for the different building types. However, in the box graph for Total, we see that exemption amount has declined after reaching a peak in March 2021. Please note that revenues for the last two days of October 2021 were posted into November.

Center City/Outside Center City – Smaller Taxes

- Compared to FY2019, Liquor Tax collections fell in both Center City and outside Center City from September to October. For the same time period, Center City Parking Tax collections fell, while outside Center City Parking Tax collections increased. The opposite trend occurred with Hotel Tax: Center City collections improved, while outside Center City collections declined.
- In October 2021, Hotel Tax collections improved the most compared to October 2020, up 246.5% in Center City and 117.5% outside Center City. However, Hotel Tax collections still lagged behind October 2019 levels.

Revenue by Tax and Region:
July 2020 through October 2021 Percent Change from FY2019



October 2021 Revenue Comparison to CY2019 by Tax

Tax Type	CY2019 Center City	CY2021 Center City	Pct Change	CY2019 Outside Center City	CY2021 Outside Center City	Pct Change
Parking Tax	\$4,382,023	\$3,577,787	-18.4%	\$3,982,059	\$3,353,145	-15.8%
Hotel Tax	\$4,586,847	\$3,095,154	-32.5%	\$2,487,270	\$2,040,223	-18.0%
Liquor Tax	\$3,746,085	\$3,564,643	-4.8%	\$3,143,475	\$2,249,090	-28.5%

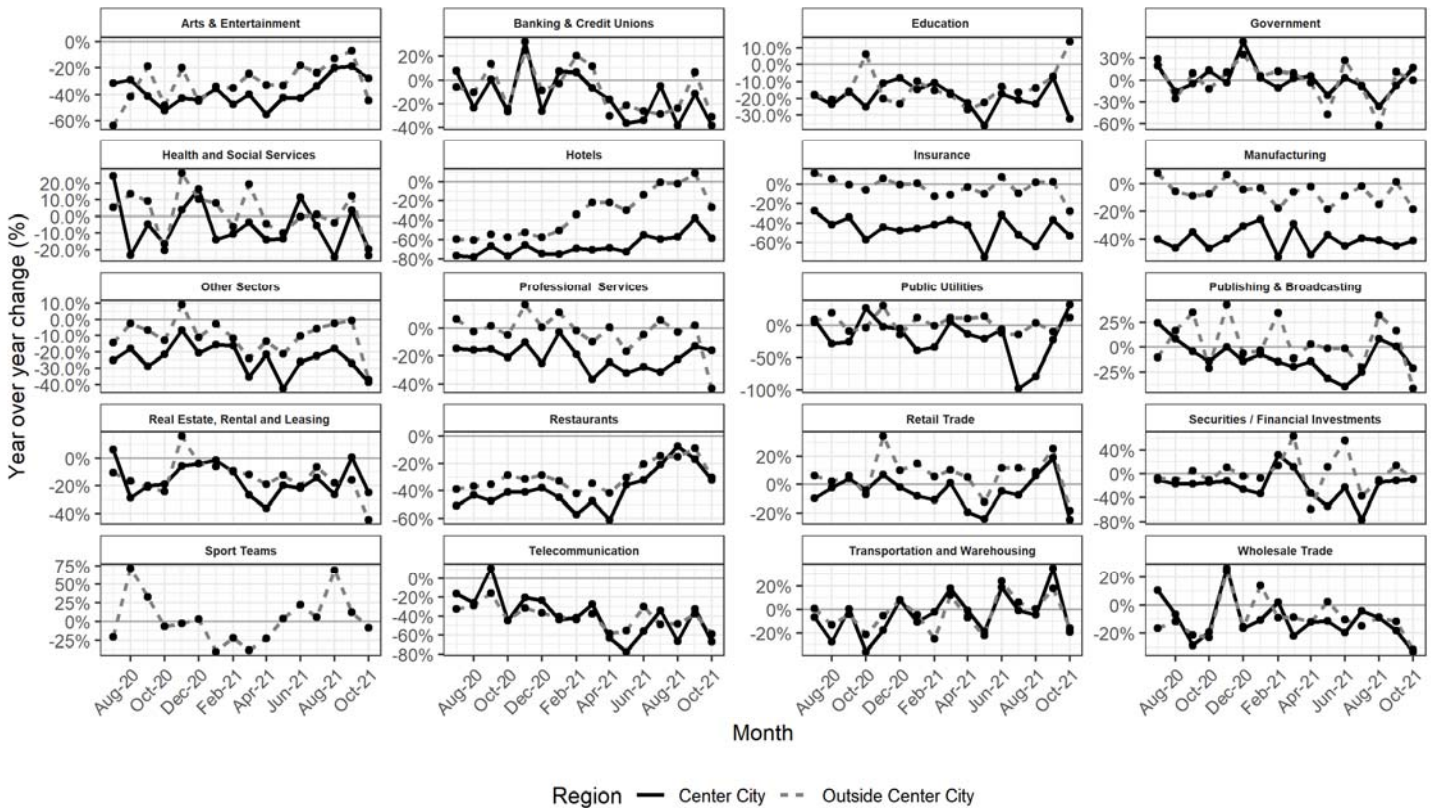
October 2021 Revenue Comparison to CY2020 by Tax

Tax Type	CY2020 Center City	CY2021 Center City	Pct Change	CY2020 Outside Center City	CY2021 Outside Center City	Pct Change
Parking Tax	\$2,673,949	\$3,577,787	33.8%	\$1,499,750	\$3,353,145	123.6%
Hotel Tax	\$893,205	\$3,095,154	246.5%	\$938,010	\$2,040,223	117.5%
Liquor Tax	\$1,500,126	\$3,564,643	137.6%	\$1,352,110	\$2,249,090	66.3%

Center City/Outside Center City - Wage Tax¹

- For Center City, Wage Tax collections were down calendar year to date 25.4% compared to CY2019 and 17.5% compared to CY2020; outside Center City, collections were down 8.6% and 5.1%, respectively.
- Compared to CY2019, the top four industries (Health and Social Services, Government, Professional Services, and Education) are down 16.9% calendar year to date in Center City and 7.8% outside Center City. Compared to CY2020, these industries are down 10.8% in Center City and 5.1% outside Center City.
- For October, Center City Wage Tax collections were down 27.3% compared to FY2019, with collections outside Center City also down by 20.1%.

Wage Tax: July 2020-October 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.

¹ 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.

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

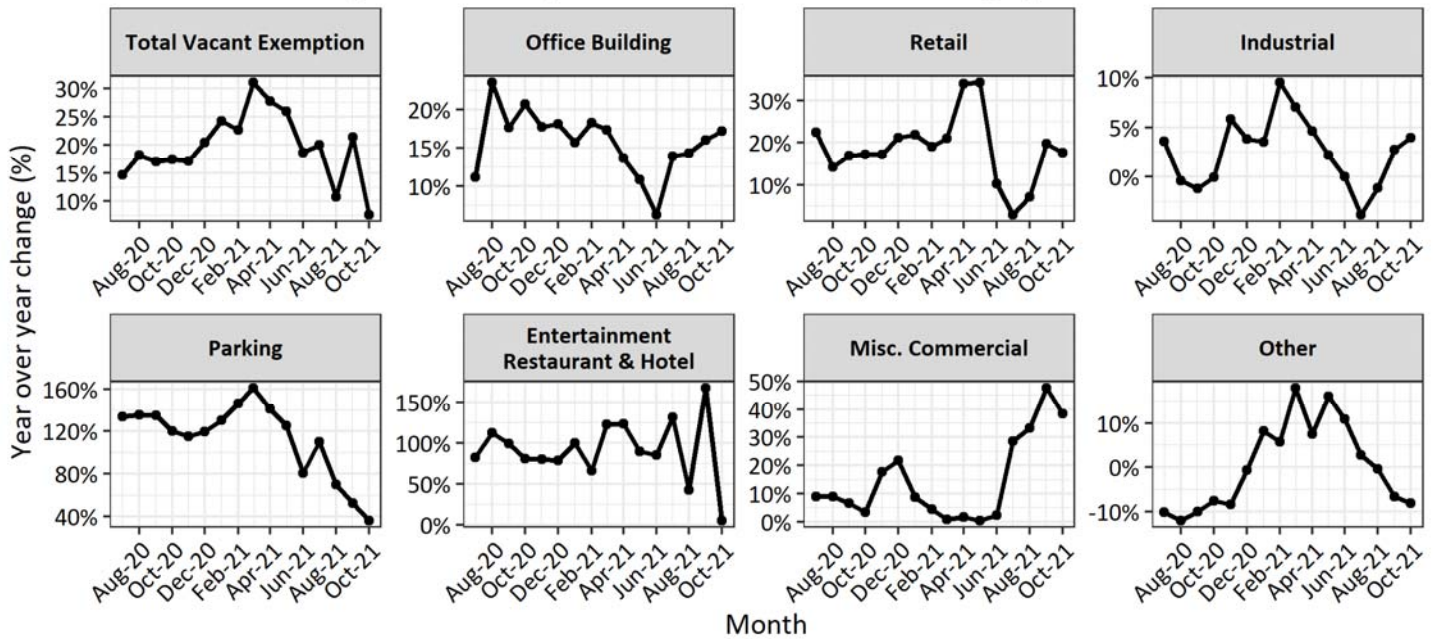
Industry	Center City					Outside Center City				
	CY2019	CY2020	CY2021	Pct Change CY2019	Pct Change CY2020	CY2019	CY2020	CY2021	Pct Change CY2019	Pct Change CY2020
Education	\$10.4	\$9.2	\$8.3	-20.0%	-9.3%	\$147.8	\$133.0	\$123.2	-16.6%	-7.4%
Finance & Insurance	\$85.3	\$78.9	\$56.7	-33.6%	-28.1%	\$46.5	\$46.9	\$43.2	-7.2%	-7.9%
Government	\$25.5	\$25.9	\$24.2	-5.3%	-6.5%	\$64.3	\$65.9	\$62.8	-2.5%	-4.8%
Health and Social Services	\$79.9	\$73.8	\$71.0	-11.2%	-3.8%	\$239.9	\$239.1	\$231.7	-3.4%	-3.1%
Hospitality & Entertainment	\$34.8	\$23.3	\$20.1	-42.2%	-13.6%	\$55.1	\$42.9	\$42.6	-22.7%	-0.5%
Manufacturing	\$10.1	\$7.6	\$5.8	-42.7%	-23.8%	\$80.6	\$87.5	\$72.5	-10.1%	-17.2%
Other Sectors	\$50.1	\$46.6	\$37.8	-24.4%	-18.8%	\$102.9	\$94.7	\$90.1	-12.4%	-4.8%
Professional Services	\$126.8	\$117.2	\$98.2	-22.6%	-16.2%	\$51.1	\$50.9	\$46.3	-9.3%	-9.1%
Publishing & Telecommunications	\$58.5	\$53.5	\$31.9	-45.4%	-40.4%	\$12.7	\$11.7	\$9.7	-23.5%	-17.5%
Retail Trade	\$18.5	\$16.5	\$16.2	-12.4%	-1.5%	\$64.3	\$63.3	\$67.7	5.3%	6.9%
Transportation and Warehousing	\$10.2	\$8.7	\$10.2	-0.4%	17.6%	\$38.1	\$34.1	\$36.0	-5.6%	5.7%
Total Wage Tax	\$510.2	\$461.0	\$380.4	-25.4%	-17.5%	\$903.4	\$870.1	\$825.9	-8.6%	-5.1%

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

Use and Occupancy (U&O) Vacancy Exemption²

- The total Vacant Exemption amount decreased from September 2021 (+21.4%) to October 2021 (+7.6%) compared to FY2019. (All building types saw a decline from September to October except for office buildings and industrial buildings.)
- For calendar year to date (January –October), the total Vacant Exemption amount was 5.9% above last year, and 23.9% above CY2019. All building types were up compared to CY2019, but retail, industrial, and miscellaneous commercial buildings decreased compared to CY2020.
- Parking and entertainment, restaurant, and hotel buildings have increased the most compared to January – October 2019, and entertainment, restaurant, and hotel buildings has increased the most compared to January – October 2020.
- The calendar year to date amount of vacancy exemption from office buildings, the largest building type, has increased compared to both last year and CY2019.

*U&O Vacant Exemption by Building Type:
 July 2020 through October 2021 Percent Change from FY2019*



Building Type Breakdown- Calendar Year to Date (Jan through Oct) – U&O Vacant Exemption

Building Type	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
Total Vacant Exemption	\$50,644,277	\$59,214,857	\$62,731,769	23.9%	5.9%
Office Building	\$16,580,869	\$17,386,617	\$18,613,054	12.3%	7.1%
Retail	\$6,316,682	\$7,786,474	\$7,541,568	19.4%	-3.1%
Industrial	\$5,854,563	\$6,408,694	\$6,109,001	4.3%	-4.7%
Entertainment, Restaurant & Hotel	\$5,212,360	\$7,588,804	\$9,489,977	82.1%	25.1%
Parking	\$1,747,982	\$3,239,375	\$3,423,442	95.9%	5.7%
Misc. Commercial	\$565,565	\$648,801	\$619,520	9.5%	-4.5%
Other	\$14,366,256	\$16,156,092	\$16,935,207	17.9%	4.8%

² "Other" building types include large apartment, nonprofit, condo, mixed usage, bank, utility, small apartment, garage, pier, and unclassified.

Liquor Tax³

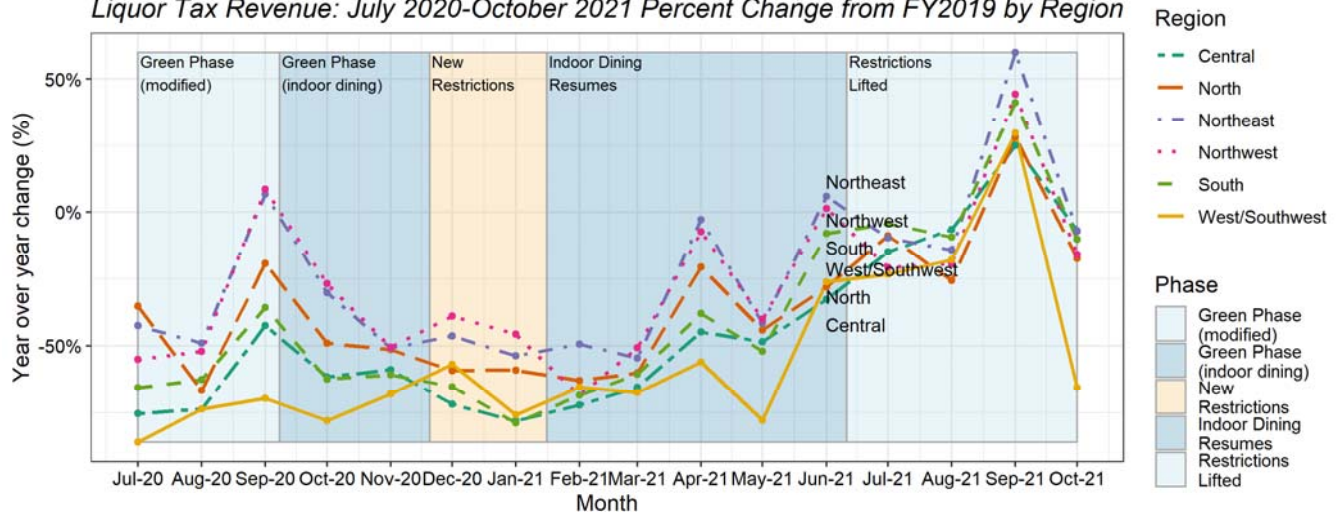
Key Takeaways

- Liquor Tax is collected for the prior month's activity, so the October comparison compares activity in September.
- For the calendar year to date, Liquor Tax is down 37.4% compared to CY2019 and up 24.7% compared to CY2020; for October, it is down 15.6% compared to CY2019 and up 103.8% compared to CY2020.
- Bars have shown the most improvement in October compared to both CY2019 (+6.1%) and CY2020 (+140.6%).
- Compared to FY2019, collections are down across all regions, with the least decline in the Central (-7.1%) and Northeast (-7.3%) regions.

Comparison of Liquor Tax Revenue: CY2019 - CY2021

Quarter	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
January-March	\$19,273,255	\$17,881,181	\$6,078,653	-68.5%	-66.0%
April-June	\$21,019,547	\$6,477,231	\$12,954,200	-38.4%	100.0%
July-September	\$20,956,021	\$6,955,983	\$17,776,052	-15.2%	155.6%
October	\$6,889,560	\$2,852,236	\$5,813,734	-15.6%	103.8%
CYTD	\$68,138,383	\$34,166,631	\$42,622,639	-37.4%	24.7%

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



October Liquor Tax Revenue by Industry

Industry	CY2019	CY2020	CY2021	Pct Change from CY2019	Pct Change from CY2020
Full Service Restaurants	\$3,139,187	\$1,361,709	\$2,672,964	-14.9%	96.3%
Other	\$2,157,048	\$770,909	\$1,612,645	-25.2%	109.2%
Bars	\$1,172,103	\$516,889	\$1,243,451	6.1%	140.6%
Take-Out Restaurants	\$421,223	\$202,729	\$284,674	-32.4%	40.4%

³ Liquor Tax is due monthly on the 25th of the following month.