

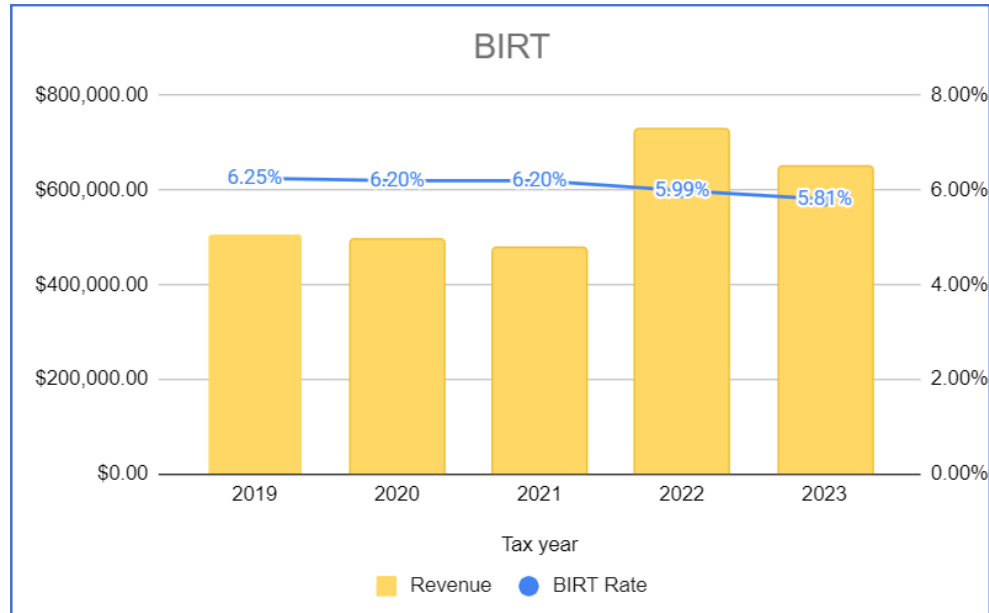
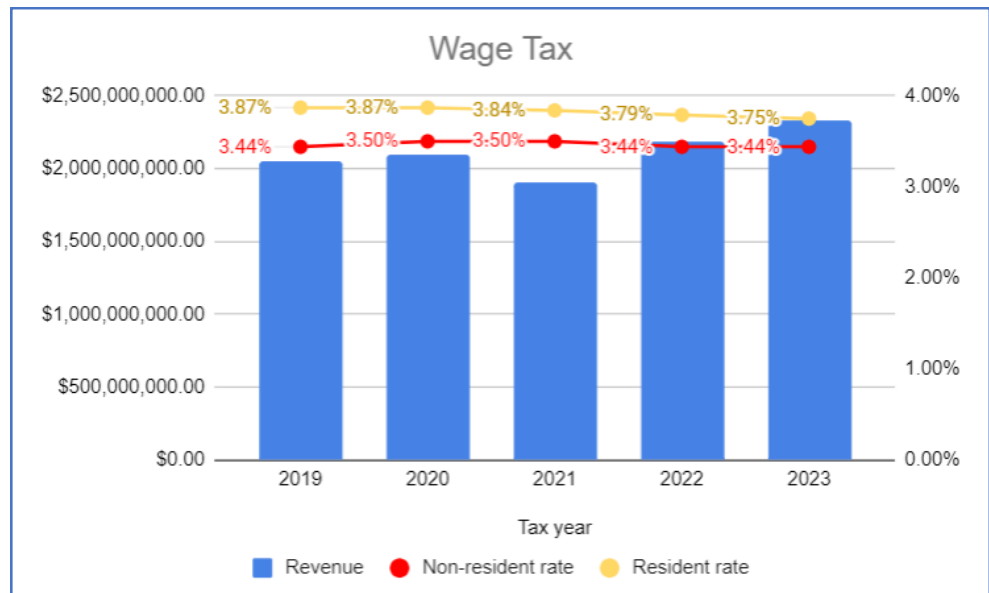


April 2024

Municipal Money Matters

Office of the Philadelphia Controller Christy Brady

BIRT and Wage Taxes 2019-2023



As part of the City Controller’s ongoing monitoring of city tax revenues, this month’s Municipal Money Matters focuses on Philadelphia’s largest business taxes, Business Income and Receipts (BIRT) and Wage tax.

Combined, BIRT and Wage are responsible for roughly 70% of total General Fund revenue. Since 2019, Philadelphia has been incrementally lowering both the BIRT and the City Wage Tax. Over this time, in 2019, BIRT generated \$506M, and by 2023 saw a 29% increase in revenue to \$653M, while the rate fell 7%. Wage Tax revenue went from \$2B in 2019 to \$2.3B in 2023, marking a 13% increase while during the same time the Wage Tax rate fell by 3%.



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Philadelphia Beverage Tax Update

As a follow up to last month’s Municipal Money Matters on the Philadelphia Beverage Tax, the City of Philadelphia is issuing its second bond for Rebuild, which is supported by the revenues from the City’s beverage tax. The enabling legislation signed in 2017 allows for three bonds to be issued for Rebuild not to exceed \$300 million in total. The first bond issued in 2018 was over 86.5 million and the second bond, that is going through the process now, is planned to be around \$85 million. The bond is scheduled to be closed by the end of June 2024.

- Rating for the bond will be received on June 5, 2024
- The cost of the bond will be determined on June 13, 2024
- Closing date June 27, 2024

Beverage Tax Revenue Collections over last two Fiscal Years

In Millions

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY24	\$6.3	\$5.8	\$6.3	\$5.9	\$5.4	\$5.7	\$6.8	\$5.1	\$5.3	\$52.7
FY23	\$6.3	\$4.8	\$6.2	\$7.2	\$5.8	\$5.7	\$7.8	\$5.4	\$5.5	\$54.6