



# Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

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## **Pennsylvania Tax Revenues Increased Seven Percent in 2005**

MIDDLETOWN, Pa – Tax collections in Pennsylvania totaled \$27.3 billion in 2005, an increase of \$1.9 billion or 7.6 percent over 2004, according to the U.S. Census Bureau's *2005 Annual Survey of State Government Tax Collections*. Since 2000, tax revenue in Pennsylvania has risen \$4.8 billion, or 21.3 percent. Pennsylvanians paid an average of \$2,193.32 to the state in 2005, slightly above the national average (\$2,192.27) and a per capita increase of \$148.23 from the previous year. The commonwealth ranks 17<sup>th</sup> nationally in per capita tax revenue growth since 2000 (+\$363.92 per resident), but just 30<sup>th</sup> in per capita increase last year. Total tax revenue for all states grew 9.7 percent between 2004 and 2005, and since 2000, revenue has grown by 20.2 percent.

### **Components of Pennsylvania Tax Revenue**

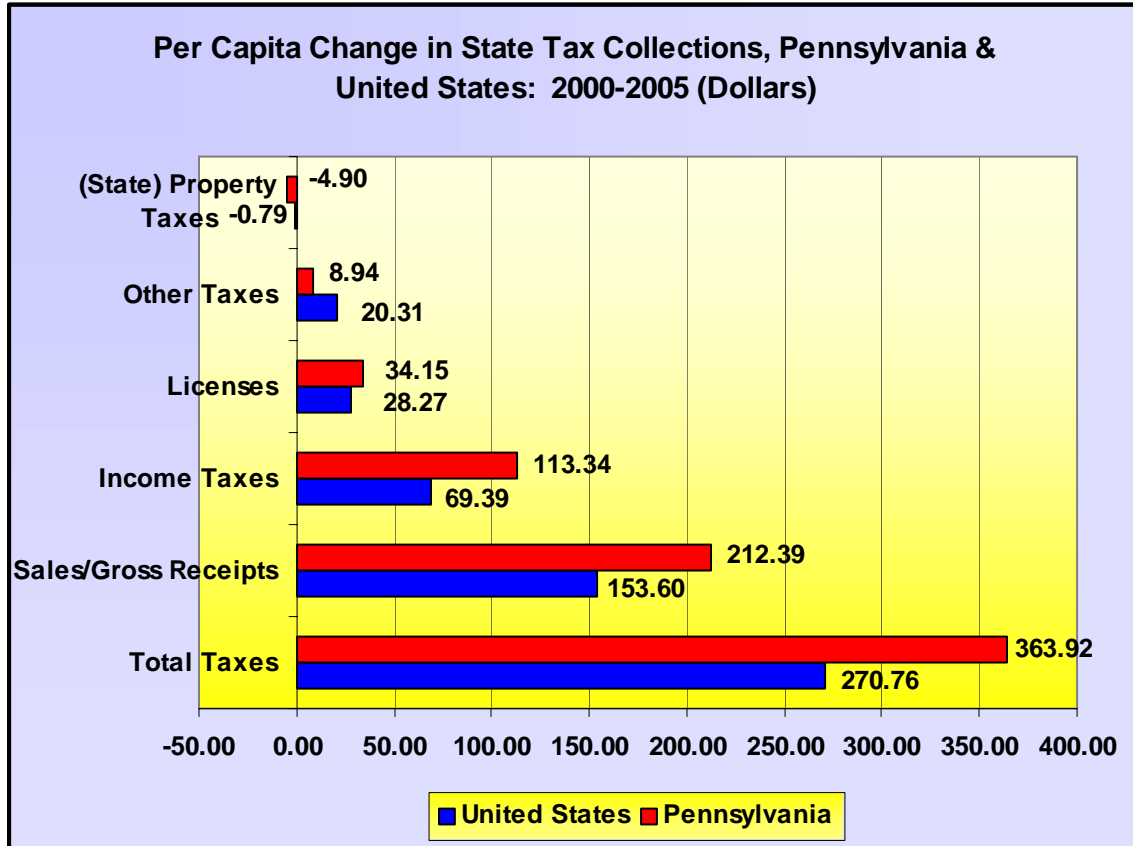
Pennsylvania's largest source of tax revenue is sales and gross receipts (\$13.2 billion). The commonwealth took in 5.6 percent more in sales and gross receipts tax revenue last year and since 2000, revenue has increased by more than 26 percent. A little over 60 percent of the total (\$8.1 billion) are general sales and gross receipts taxes; the remainder (\$5.2 billion) are selective sales taxes (alcoholic beverage, insurance premiums, tobacco products, etc.). Pennsylvanians paid \$1,064.14 per person in sales and gross receipts taxes last year. Income taxes brought in close to \$10 billion in 2005, an increase of 10.9 percent over 2004 and 17.9 percent since 2000. Individual income taxes accounted for 83 percent of all income tax revenue, while taxes on corporate net income comprised the other 17 percent. Individual income taxes now average \$665.78 per person. License and other tax revenue also increased in 2005, totaling \$2.7 billion and \$1.3 billion, respectively. License tax revenue is up 19.9 percent since 2000, and other taxes brought in an additional 10.9 percent. In contrast, state property taxes (made up primarily of utility property and domestic and foreign corporation taxes) have declined fifty-one percent since 2000. Totaling \$117.4 million in 2000, state property taxes brought in just \$58 million in 2005.

### **Per Capita National Comparison**

Pennsylvania ranked 22<sup>nd</sup> nationally in total per capita tax collections in 2005 and 5<sup>th</sup> in total tax revenue. The commonwealth also ranked 5<sup>th</sup> in per capita licensing tax income, 24<sup>th</sup> in tax revenue from sales and gross receipts, and 32<sup>nd</sup> in individual income tax. Pennsylvania's individual income taxes averaged \$81.43 less than the states as a whole.

For more information on state taxes in the commonwealth, contact the Pennsylvania State Data Center at 717.772.2710. Pennsylvania tax tables may be downloaded from the PaSDC website at:

[http://pasdc.hbg.psu.edu/pasdc/PA\\_Stats/data\\_&\\_information/data\\_by\\_type/taxes.htm](http://pasdc.hbg.psu.edu/pasdc/PA_Stats/data_&_information/data_by_type/taxes.htm)



Source: U.S. Census Bureau, *2005 Annual Survey of State Government Tax Collections*.

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic, contact Penn State Harrisburg's Public Information Office at 717.948.6029.

**Table 1: Pennsylvania Tax Collections: 2005**

(Amounts in thousands. Per capita amounts in dollars)

Item	Pennsylvania	
	Amount	Per Capita
<b>Population July 1, 2005</b>	<b>12,430</b>	<b>X</b>
<b>Total taxes</b>	<b>27,262,969</b>	<b>2,193.32</b>
Property taxes	57,984	4.66
Sales and gross receipts	13,227,212	1,064.14
General sales and gross receipts	8,064,868	648.82
Selective sales taxes	5,162,344	415.31
Alcoholic beverages	237,405	19.10
Amusements	521	0.04
Insurance premiums	677,098	54.47
Motor fuels	1,907,673	153.47
Pari-mutuels	26,041	2.10
Public utilities	1,131,296	91.01
Tobacco products	1,030,512	82.91
Other selective sales	151,798	12.21
Licenses	2,725,459	219.26
Alcoholic beverages	14,538	1.17
Amusements	45	-
Corporation	845,455	68.02
Hunting and fishing	67,351	5.42
Motor vehicle	824,017	66.29
Motor vehicle operators	60,110	4.84
Public utility	50,844	4.09
Occupation and business, NEC	847,330	68.17
Other licenses	15,769	1.27
Income taxes	9,978,884	802.81
Individual income	8,275,589	665.78
Corporation net income	1,703,295	137.03
Other taxes	1,273,430	102.45
Death and gift	695,334	55.94
Documentary and stock transfer	555,748	44.71
Severance	X	X
Other	22,348	1.80

Source: U.S. Census Bureau, 2005 Annual Survey of State Government Tax Collections.