

To: David Keller
From: Don Boyd
Date: October 17, 2024
Re: Summary of PMT analysis in anticipation of November Financial Plan

Conclusions

- It's clear the PMT is doing better than anticipated in the February & July plan 2024 forecast of \$3,020 million. Tax Department collections for January-September are \$18 million ahead of my cash flow estimate for my June forecast of \$3,034 million.
- September tax collections (reflected in MTA October distributions) were strong. (Tax Department details were released yesterday.) Payroll tax collections were up 23.6% from a year ago, and self-employment tax collections were up 16.6%. September collections were \$17 million ahead of my June estimate. September must have reflected lagged effects of the tax increase phase-in, not just the economy. I had assumed the increase would be fully phased into collections by September.
- My methodology yields a conservative estimate for 2024 distributions of \$3,056 million. Key assumptions: (1) monthly collections for October through January 2025 grow approximately 5% vs. year ago, consistent with the IHS forecast, and (2) the "extra" distribution to MTA in December will be the same as last year's \$160 million.
- This is conservative because: (1) tax collections and recent economic data suggest the economy may be doing better than the IHS forecast, and (2) Wall Street bonuses could drive December collections growth above the 5% assumed here, potentially making the "extra" distribution in December considerably larger than \$160 million. The [state comptroller's most recent analysis](#) concludes that 2024 industry profits and likely bonuses will be strong, although he does not give a specific forecast.
- Your preliminary 2024 distributions forecast of \$3,061 million is just 0.2% ahead of my conservative \$3,056 million forecast. I think your forecast is reasonable, and conservative.
- Your outyear forecasts appear reasonable vs. the IHS economic forecast. If bonus-driven December wage-tax collections are strong, January and February likely will be strong too, with possible upside in 2025. There is, of course, downside risk to the IHS forecast as well as upside.

I attach my xlsx file with my forecast for 2024, and have copied some graphs and tables below. I do not include the economy because I do not have the quarterly components of the new IHS forecast. I'm happy to discuss any of this if you would like.

2024 forecast table

Tax Department Collections					Distributions to MTA			
\$ thousands					\$ thousands			
date	Wage tax	Self-employment tax	PMT	Notes	PMT total	Distribution minus prior-month collections	Notes	Calendar-year distributions
2022-Jan	189,301	27,061	216,362	actuals↓	41,672		actuals↓	
2022-Feb	176,795	3,540	180,335		216,372	10		
2022-Mar	168,113	773	168,886		180,351	16		
2022-Apr	130,760	40,682	171,442		168,914	28		
2022-May	131,946	1,872	133,818		171,486	44		
2022-Jun	120,857	13,398	134,255		133,894	76		
2022-Jul	114,995	2,570	117,565		134,354	99		
2022-Aug	141,518	3,819	145,337		117,680	115		
2022-Sep	102,733	11,591	114,324		145,524	187		
2022-Oct	120,513	30,363	150,876		114,522	198		
2022-Nov	138,102	(9,444)	128,658		151,103	227		
2022-Dec	127,497	(2,722)	124,775		221,011	92,353		2022 1,796,884
2023-Jan	178,272	9,327	187,599		32,732	(92,043)		
2023-Feb	181,304	(4,340)	176,964		188,259	660		
2023-Mar	177,652	3,288	180,940		177,563	599		
2023-Apr	133,875	23,575	157,450		181,623	683		
2023-May	155,846	3,508	159,354		158,020	570		
2023-Jun	120,950	9,118	130,068		159,939	585		
2023-Jul	154,288	7,418	161,706		130,586	518		
2023-Aug	184,545	6,463	191,008		162,174	468		
2023-Sep	147,430	16,092	163,522		191,645	637		
2023-Oct	227,556	58,905	286,461		164,134	612		
2023-Nov	244,517	(5,745)	238,772		287,182	721		
2023-Dec	228,174	(1,649)	226,525		399,092	160,320		2023 2,232,950
2024-Jan	328,214	10,682	338,896		67,981	(158,544)		
2024-Feb	316,548	(809)	315,739		339,734	838		
2024-Mar	238,991	2,155	241,146		317,128	1,389		
2024-Apr	259,086	31,890	290,976		242,332	1,186		
2024-May	258,933	4,003	262,936		291,947	971		
2024-Jun	181,273	11,404	192,677		264,099	1,163		
2024-Jul	231,924	6,172	238,096		193,493	816		
2024-Aug	227,278	4,282	231,560		238,844	748		
2024-Sep	182,198	18,759	200,957	actuals↑	232,569	1,009	actuals↑	
2024-Oct	239,161	16,670	255,831	forecast↓	200,957	-	estimated	
2024-Nov	256,987	(6,044)	250,944		255,831	-	forecast↓	
2024-Dec	239,811	(1,735)	238,076		410,944	160,000		2024 3,055,858
2025-Jan	344,296	11,237	355,534	forecast↑	78,076	(160,000)	forecast↑	

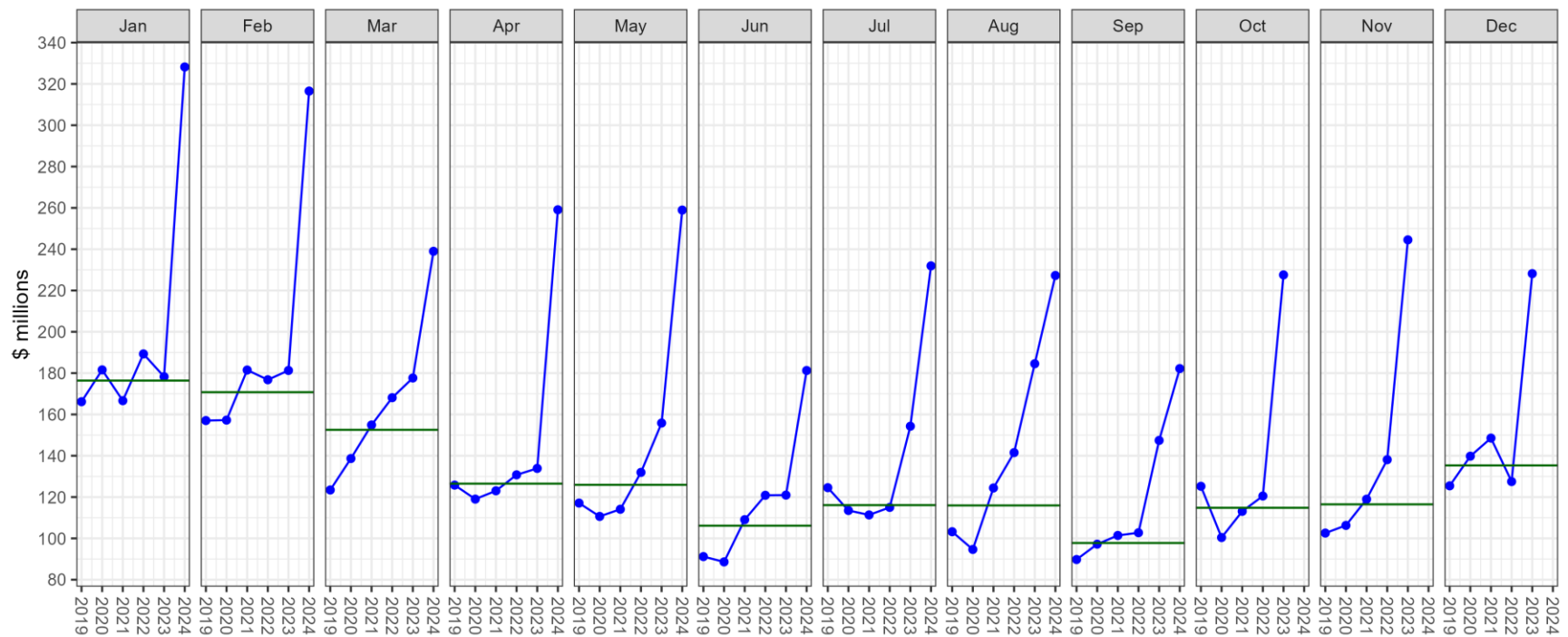
Tax receipts graphs

PMT Wage tax monthlies – dollar amounts

This graph shows actual PMT wage tax collections through September 2024 by month and year. September 2024 was up considerably over 2023, even though 2023 was boosted by the tax increase. This suggests the tax increase was not fully phased into collections in September 2023. Presumably it was fully in effect by October and tax collections growth will now reflect just economic growth.

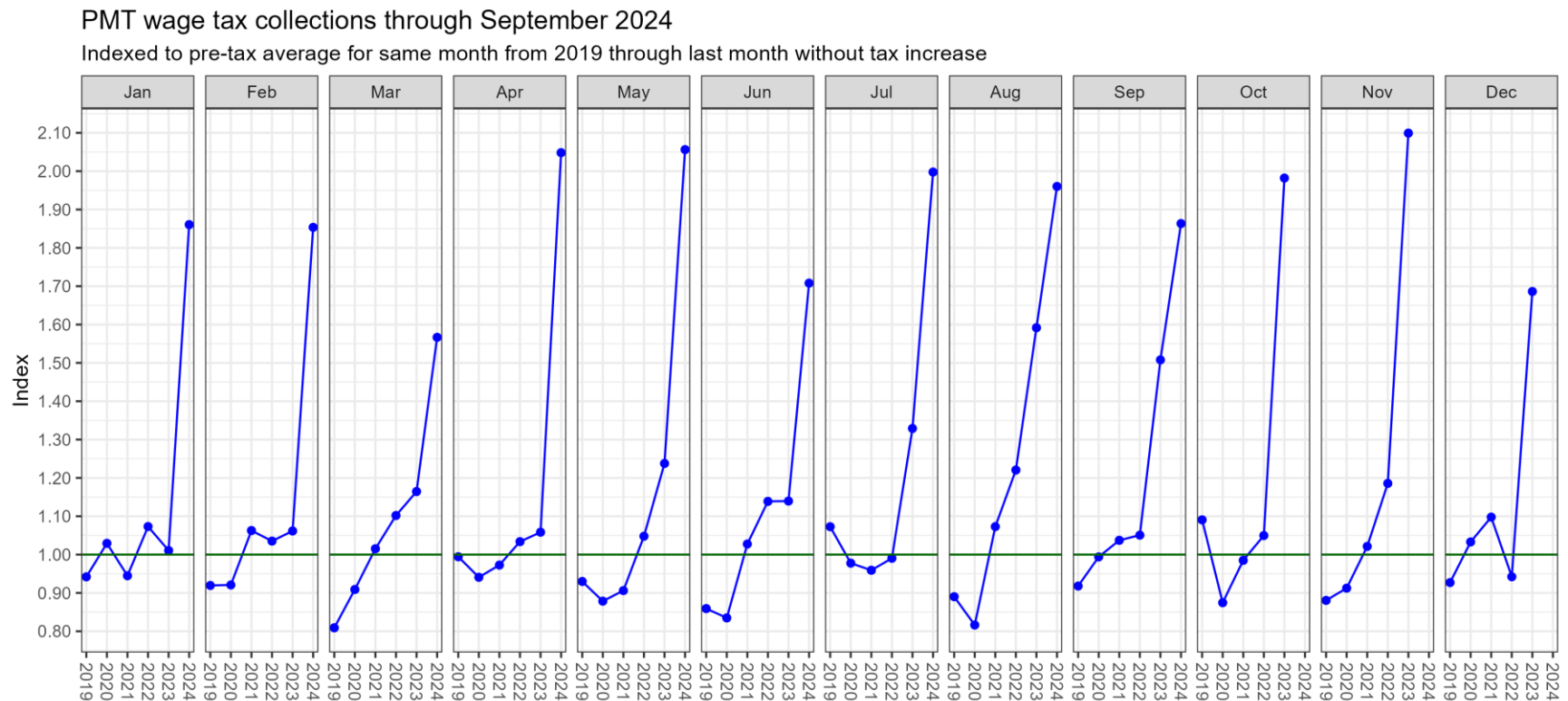
PMT wage tax collections through September 2024 (estimated)

Horizontal line is average for same month from 2019 through last month without tax increase



PMT Wage tax monthlies – indexed

This graph shows the same data as above, indexed to the pre-tax-increase average for each month.

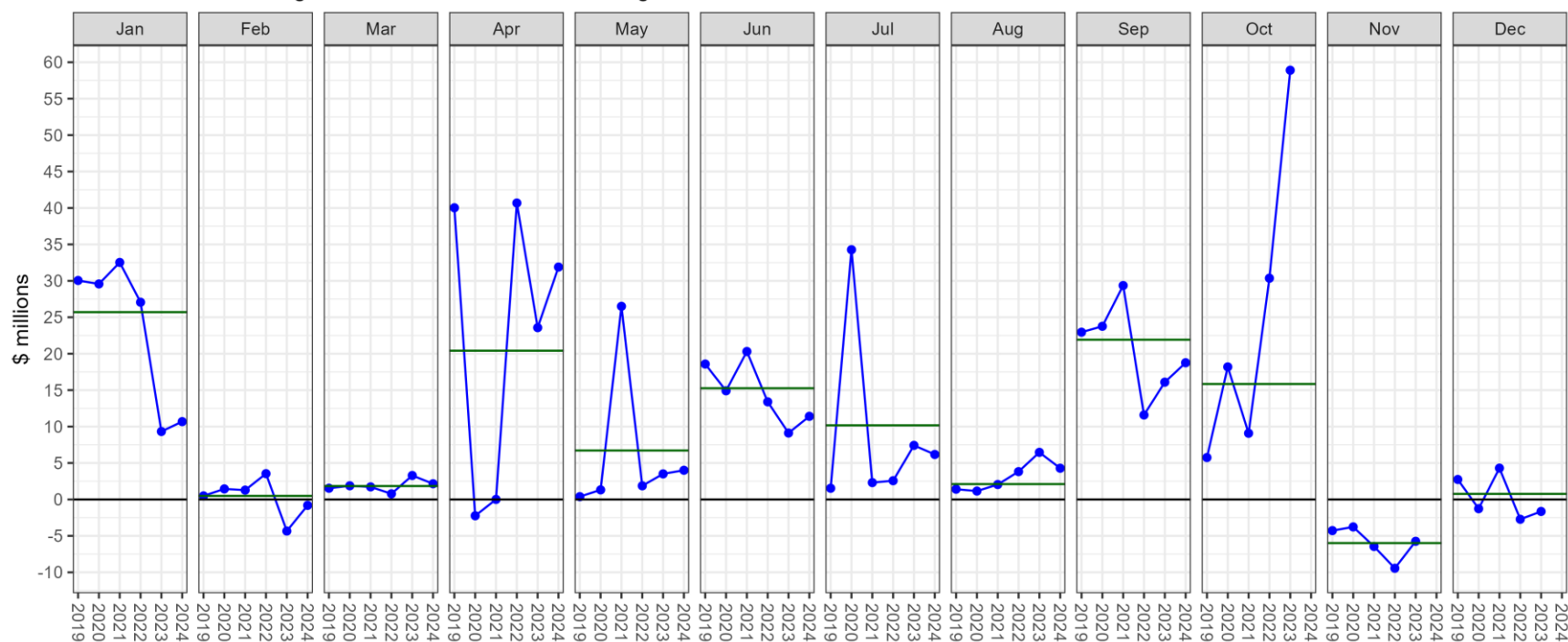


PMT Net earnings from self-employment tax monthlies

Monthly revenue from the self-employment tax. I don't show an indexed graph because this tax is too volatile for such a graph to be useful. October last year had a large amount of catch-up revenue and will be lower this year than last October.

PMT self-employment tax collections through September 2024

Horizontal line is average for same month from 2019 through last month without tax increase



PMT components – data for recent months

Monthly PMT revenue collections by NYS						
\$ millions						
date	Revenue amount			% change vs. year ago		
	Wage tax	Self-employment tax	PMT total	Wage tax	Self-employment tax	PMT total
2022-Jan	189.301	27.061	216.362	13.6%	-16.8%	8.6%
2022-Feb	176.795	3.540	180.335	-2.6%	177.0%	-1.3%
2022-Mar	168.113	0.773	168.886	8.5%	-55.2%	7.8%
2022-Apr	130.760	40.682	171.442	6.3%	Inf%	39.3%
2022-May	131.946	1.872	133.818	15.6%	-92.9%	-4.8%
2022-Jun	120.857	13.398	134.255	10.8%	-34.0%	3.8%
2022-Jul	114.995	2.570	117.565	3.3%	11.1%	3.4%
2022-Aug	141.518	3.819	145.337	13.8%	86.3%	14.9%
2022-Sep	102.733	11.591	114.324	1.3%	-60.5%	-12.6%
2022-Oct	120.513	30.363	150.876	6.6%	234.2%	23.5%
2022-Nov	138.102	-9.444	128.658	16.1%	46.4%	14.3%
2022-Dec	127.497	-2.722	124.775	-14.2%	-163.4%	-18.4%
2023-Jan	178.272	9.327	187.599	-5.8%	-65.5%	-13.3%
2023-Feb	181.304	-4.340	176.964	2.6%	-222.6%	-1.9%
2023-Mar	177.652	3.288	180.940	5.7%	325.4%	7.1%
2023-Apr	133.875	23.575	157.450	2.4%	-42.1%	-8.2%
2023-May	155.846	3.508	159.354	18.1%	87.4%	19.1%
2023-Jun	120.950	9.118	130.068	0.1%	-31.9%	-3.1%
2023-Jul	154.288	7.418	161.706	34.2%	188.6%	37.5%
2023-Aug	184.545	6.463	191.008	30.4%	69.2%	31.4%
2023-Sep	147.430	16.092	163.522	43.5%	38.8%	43.0%
2023-Oct	227.556	58.905	286.461	88.8%	94.0%	89.9%
2023-Nov	244.517	-5.745	238.772	77.1%	-39.2%	85.6%
2023-Dec	228.174	-1.649	226.525	79.0%	-39.4%	81.5%
2024-Jan	328.214	10.682	338.896	84.1%	14.5%	80.6%
2024-Feb	316.548	-0.809	315.739	74.6%	-81.4%	78.4%
2024-Mar	238.991	2.155	241.146	34.5%	-34.5%	33.3%
2024-Apr	259.086	31.890	290.976	93.5%	35.3%	84.8%
2024-May	258.933	4.003	262.936	66.1%	14.1%	65.0%
2024-Jun	181.273	11.404	192.677	49.9%	25.1%	48.1%
2024-Jul	231.924	6.172	238.096	50.3%	-16.8%	47.2%
2024-Aug	227.278	4.282	231.560	23.2%	-33.7%	21.2%
2024-Sep	182.198	18.759	200.957	23.6%	16.6%	22.9%