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State Treasurer
Testimony before the
Assembly Budget Committee
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Mr. Chairman, distinguished members of the Assembly Budget Committee. Good morning. I welcome this opportunity to return and detail to you a revised revenue picture that has significant implications for both the current budget and Acting Governor Codey's budget for FY 2006.

As you know, New Jersey's revenue picture has vastly improved since the Governor's budget address on March 1. On the strength of continuing economic expansion, revenues are \$1.2 billion higher than anticipated for the two fiscal years. This growth, almost exclusively in Gross Income Tax collections, that has been driven by sustained job growth, low unemployment, dramatic business investment and high wage earnings.

We've said time and again, and it bears repeating, that economic investment does not happen by accident. In New Jersey, multiple agencies work as a team to present the right incentives, build healthy relationships and solve tough problems so that businesses can grow and prosper and the keep state's economy strong.

This turnaround marks a stark contrast to four years ago at this time when revenues, which hitched a ride with the skyrocketing stock market of the late 1990s, began a freefall that coincided with the bursting of the stock market bubble and the loss of thousands of jobs.

Governor Codey is acutely aware of how New Jersey's fortunes can quickly swing from one direction to another, which is why he said in his budget address that "the days of spending like there is no tomorrow end today." His message has been clear and consistent: While the good news is that New Jersey's revenue picture has brightened, storm clouds in the form of growing mandatory expenses and pressing priorities can move in without warning and rain on New Jersey's budget parade.

The Governor therefore has proposed that we take a measured approach to our windfall and to put the taxpayer first. With this additional revenue, he would like to accomplish three things: restore property tax relief, eliminate tax increases and boost the budget surplus.

We propose first to reserve several hundred million dollars for property tax relief. The Property tax relief is a top priority and now that additional funding is possible, this need must be met. We are also prepared to work with the Legislature on setting aside revenues from our improved fiscal picture on other priorities in the areas of public education and health care.

The Governor made some agonizing choices on increasing taxes when he proposed an austere budget in March. He made the decisions because the revenue to support key initiative did not exist. We are pleased that several of these increases can now be eliminated due to growth of revenue from existing sources.

Finally, Governor Codey proposes to place a significant part of the additional revenue in surplus to shore up State finances and put New Jersey on more solid fiscal footing. Building the surplus is like making a down payment on future fiscal stability. The structural problems and mandatory cost increases we face every year aren't going away and New Jersey must act now, when it can, to prepare for the next economic downturn. A bigger surplus also sends the right signal to Wall Street on Governor Codey's approach to fiscal responsibility.

FY 2005 -- Revenues

New Jersey's revenues for FY 2005 are projected to end the year approximately \$665 million ahead of March 1 projections. Most of this increase -- \$525 million -- is directly attributable to the spring collection performance of the Gross Income Tax. We now project the Gross Income Tax to finish the year at \$9.58 billion.

During this period we also saw higher than anticipated revenue from the Corporation Business Tax. The March 1 projection for the CBT was \$2.16 billion. We're revising this revenue to finish FY 2005 at \$2.2 billion. We are guardedly optimistic about this finish because last June, the CBT's monthly collection numbers dropped unexpectedly and we missed our year end target for FY 2004.

While we've seen better-than-expected performance from these two revenues, the same cannot be said of the State Sales Tax. Under the budget adopted for FY 2005, the Sales Tax was projected to generate \$6.6 billion. That target was reduced to \$6.52 billion in March, and has been adjusted again to finish the year at \$6.51 billion.

Among the other revenues, FY 2005 is generating better than expected growth in the Corporation Tax paid by banks and other financial institutions, up by \$30 million in FY 2005, to an end-of-year projection of \$115 million. The Realty Transfer fee, meanwhile, is exceeding estimates by \$20 million for FY 2005, and is trending higher for FY 06 as well.

Last year at this time, total income for FY 2004 exceeded targets by \$511 million. The increased revenue made it possible to build up the budget surplus and meet end of the year supplemental spending requirements.

This year, FY 2005 revenues will also be higher than anticipated. Governor Codey proposes to move all \$665 million into the surplus until final agreements are reached with the Legislature on restoring property tax relief programs that are funded out of the FY 2006 budget. The transfer raises the surplus for FY 2005 from \$400 million to \$1 billion.

I would like to now address revenues for FY 2006.

FY 2006 – The Income Tax

As the fiscal backbone of New Jersey's budget, the Gross Income is projected to continue its growth trend for FY 2006. Based on spring collections, we have revised our GIT estimate for FY 2006 from \$9.52 billion to \$10 billion, a \$480 million differential. Again, the GIT accounts for the vast majority of the revised revenue increase of \$600 million for the next fiscal year.

FY 2006 – The Sales Tax

The New Jersey Sales Tax is anticipated to generate \$7.14 billion in FY 2006, which is \$30 million below our March estimate of \$7.17 billion. As you know, this figure anticipates approximately \$275 million in new extensions as part of an effort to modernize the structure and reach of the sales tax. Taking into account the improving revenue picture, Governor Codey is proposing that the extension revenue target of \$275 million be cut by \$100 million, which will bring the sales tax collection below the \$7.14 billion total for 2006 and reduce the number of services to which the sales tax would be extended under the modernization and fairness initiative.

FY 2006 – The Corporation Business Tax

The performance of the Corporation Business Tax will stay strong for FY 2006, but it remains one of the more difficult major revenue sources to predict. After a strong 11 months last fiscal year, collections dropped below expectations in June to close out the year. We won't be surprised by a "June surprise" this year, and we are cautious about our predictions for 2006. We anticipate \$2.18 billion in CBT revenues for FY 06, which is \$56 million over the revised number for 2005.

Asset Sales

Under the budget proposed to you in March, the amount of spending supported by one-time revenue raisers was down dramatically - 70 percent – from FY 2004. We propose at this time to reduce non-recurring revenues further by cutting the target for selling State assets, from \$500 million to \$200 million. This means that the reduction on one-time revenues will be closer to 80 percent from FY 2005 to FY 2006.

Although we have initiated a concentrated effort to meet the FY 2006 target of \$500 million, the task is extremely ambitious and complex. As we inventory and investigate properties that, at first blush appear to be ripe for a sale, we often encounter stumbling blocks leave us little choice but to remove the property from consideration.

Many properties that we originally considered were passed over after information surfaced about deed restrictions, restrictions on the use of the proceeds from the sale, and

other factors, such as reverter clauses, environmental concerns or development restrictions.

For example, a state-owned golf course in Wall Township at first appeared as a logical and easy choice for an asset sale. That is, until learning later that we would be required under state law to deposit the proceeds of that sale into the Green Acres Program.. not into the General Fund as part of the Asset Sale line item. We encountered other properties that were not marketable because they were surrounded by environmental wetlands, and the list of exclusions grows larger almost with each passing day.

Treasury's Division of Property Management and Construction is working closely with all State departments to meet the time constraints and monetary goals of the asset sale, and the \$200 million target is simply more realistic for 2006.

Realty Transfer fee/Estate Tax –

As I indicated earlier, the Realty Transfer Fee is exceeding projections for FY 2005, and we expect that trend to continue in FY 2006. We are therefore eliminating this fee increase from the FY 2006 budget. Similarly, we are proposing to rescind a planned increase of the Estate Tax of \$25 million because of the improved revenue picture.

To summarize, our budget is still approximately \$27.4 billion, still contains the largest spending decrease in New Jersey history and is still about 2 percent less than the budget for FY 2005. The budget contains \$150 million less in revenue raisers, reduces one-time revenues by about 80 percent, versus 70 percent as proposed on March 1, and increases the State surplus to over \$1 billion. Within that surplus, we have reserved \$400 million to spending down for property tax relief, as well as to make small investments in the areas of health and education.

These changes reflect Governor Codey's responsible approach to managing the unanticipated revenue growth of approximately \$1.2 billion as we close out FY 2005 and enter FY 2006. We are overjoyed to have the benefit of this additional revenue, but the Governor will not over-commit the resources and leave a potential problem for the budget of his successor.

At this time I would like to proceed with presenting testimony on the State Treasury Department budget.

As you all know, the Treasury Department plays a key role in crafting the State of New Jersey's budget, but the responsibilities of the department stretch far beyond management of revenues and appropriations. As New Jersey's Treasurer, I have oversight of 12 divisions that encompass a wide range of areas that include everything from investing the State's money wisely and managing hundreds of State properties to procuring public

contracts and serving as custodian of one of the largest public-employee retirement systems in the country.

The Department of the Treasury has been doing more with less. The Governor's proposed budget allocates \$379.5 million to the Department Of Treasury, a decrease of \$22.2 million, or 5.5 percent, from FY 2005.

Our workforce is down as well. Near the start of the new administration, Treasury's workforce stood at 3,764. Our workforce is now 3,687, with the vast majority of net employee growth falling in our Division of Taxation's compliance and enforcement area.

Over this same period of time, there has been an 18.5 percent reduction in the number of unclassified employees in the Department of the Treasury, from 168 in 2002 to the present level of 137.

Our continuing goal is to find ways to lower our operational bottom line while at the same time, raise the bar of performance in the delivery of services to the public and other constituencies. In all of our divisions we are putting mechanisms and procedures into place that reduce our own operating costs and improve our efficiency, eliminate waste and duplication and deliver tangible savings for New Jersey's taxpayers.

When we look for cost cutting, we must look everywhere, including our travel budget. Treasury's travel expenses for FY 2005, at just over \$1 million, are 22.3 percent lower than travel expenses incurred by the Treasury Department in FY 2001. Similarly, employee mileage reimbursement costs are lower now than in 2001, falling from \$665,884 in 2001 to the present level of \$620,222.

We can do more to save and preserve the tax dollars entrusted to us, and we will. In cooperation with the Governor's Office, the Department of the Treasury is developing changes to the State Travel circular to enforce the following:

- Eliminate public transportation services between Boston and Washington when two or more employees are traveling to the same event. We will require employees to use a State of New Jersey vehicle or submit for mileage reimbursement for their own vehicle.
- When one employee is traveling, NJ Transit must be used as a mass transit option. Amtrak will be permitted only if it is the only means of travel available. We will also eliminate the use of high speed transit services, such as Acela.
- We will require departments to fully enforce all travel regulations required under the State travel policy, particularly the per diem limitations. Additionally, no reimbursements will be permitted for meals when a registration fee that includes meals is paid.

- We will also seek to work cooperatively with the Port Authority of New York and New Jersey to coordinate parking and transportation services for State employees at Newark Airport in an effort to minimize or eliminate these expenses.

Treasury is uniquely positioned to take actions which result in savings and economies in the day to day operations of not just our department, but government-wide.

Through the Division of Administration, Treasury provides necessary support for such services as fleet management and maintenance, internal audit, telecommunications, postal and printing services, as well as management of numerous interdepartmental accounts.

Under Director Chuck Chianese, the Division has actively sought and implemented common sense economies in multiple areas and for multiple agencies. When the Department of Human Services, for example, had an immediate need for additional vehicles for 160 new DYFS caseworkers, Treasury conducted an evaluation of its automobile fleet and recalled vehicles from all departments of state government to meet it. So rather than purchase new automobiles at a per-car cost of \$11,000 through the State's vehicle contract, we reorganized the motor pool in a way that assisted both DYFS and the taxpayer.

The Division's recent accomplishments include the initiation of a contract for an outside firm to audit the telecommunications services provided to the State and look for possible overcharges and savings opportunities. The review has resulted in savings of \$2.4 million to date.

In addition, the Division also realized approximately \$7 million on cost offsets by signing consolidated contracts that lock in the price for the supply of electricity and gas for State agencies and other public entities.

The Division of Taxation, under the direction of Robert Thompson, has worked extremely effectively at recouping tax liabilities due to the State. For the fourth consecutive fiscal year, compliance collections have reached an all-time high. Based on current trends, the Division expects that Compliance Collections will exceed \$1.1 billion for FY 2005, which represents an increase in excess of 70 percent over FY 2001. The Division attributes this growth in productivity to the support of the administration in continuing to fund compliance and enforcement activities and resources, in addition to implementing new, effective initiatives.

Another example of integrating efficiencies is the Division's expanded electronic filing program for the Sales and Use Tax, which was introduced in January 2004. This efficient, user-friendly system reduces paper filings and the inherent costs associated with processing paper forms. In FY 2005, the number of sales tax transactions filed electronically has increased from 4,000 to 100,000 in the most recent quarter. It is expected that the remaining paper filings will be eliminated by the end of this calendar year.

Our automated income tax filing systems continue to break records of participation, which translates to record dollars being saved through electronic integration.

The State reached another record milestone in electronic filing for the 2004 tax season – more than 1.5 million returns, or a 52 percent increase over last year. And when you consider that New Jersey saves \$1 for every return processed electronically versus paper returns, the economies are significant and tangible for the state taxpayer.

In Fiscal 2006, the Division of Revenue plans to build on this achievement by working with Taxation and the Department of Labor to make paperless filing and payment the predominate mode of processing for our individual income tax returns and to convert the entire quarterly employer return and payment process to an electronic format. Those changes will help us avoid over \$1 million per year in forms production, mailing, and processing costs.

The Division of Taxation is also making substantial progress enforcing the tax laws regarding Internet sales of cigarettes. Between November 2004 and February 2005, Division agents seized the contents of several plane loads of cigarettes that were shipped from several European countries into Newark Liberty International Airport. For the current fiscal year to date, seizures of contraband cigarettes have increased by 32 percent. 72,100 cartons were seized resulting in an averted tax loss of \$1 million. The Division also worked in cooperation with the U.S. Attorneys Office in the Eastern District of Virginia in a federal prosecution, which resulted in billing 1,250 people for \$800,000 for failure to pay cigarette tax and use tax for purchases of cigarettes over the Internet. Most of this revenue has been recouped and this enforcement effort continues for those who have not complied.

We feel these actions have had a positive result in discouraging illegal internet purchases. We recently received information that a major tobacco manufacturer conducted a poll which shows that cigarette purchases over the Internet by New Jersey residents have decreased by 33 percent from the last 3 months of 2004 to the first 3 months of 2005.

The Division of Revenue's mission is to provide responsive, accurate, and cost-effective transaction processing, revenue recording, debt collection, image processing and business-registry services. On an annual basis, the Division processes approximately 24 million transactions, deposits nearly \$25 billion in payments, and captures up to 20 million electronic images of processed returns and remittance documents.

In the past year, the Division has implemented enhancements to streamline the business gateway web site. The one-stop service site -- which facilitates business formation and registration -- now allows contractors interested in doing business with the State to use information they have entered on the gateway to automatically access and pre-fill forms for several related programs. Items integrated into this service include the small business registration application, forms for contractor classification and prevailing-wage compliance, the bidders' list application, form W9, and the educational facilities contractor-classification application. In addition, public sector contractors can look up their registration status online through a new web-based proof of registration service.

Businesses may also now file their annual reports online. The new annual report service consolidates the reporting process, which was split between two paper-based and labor-intensive systems. These enhancements will improve the quality and timeliness of our commercial-information programs.

The Division administers an effective centralized debt collection program that currently brings in over \$130 million in revenue and another \$34 million in set-offs this fiscal year. The majority of this debt would not have been collected if not for this centralized program.

The Division of Property Management and Construction (DPMC) has responsibilities that include the procurement and administration of design and construction contracts and leases in accordance with competitive bidding laws, as well as the management of approximately 350 leases and 40 State-owned buildings.

Under the leadership of Director Ed Jenkins, the Division has implemented a number of lease savings initiatives. Elimination of costly month-to-month leases and more efficient use of space identified in existing state-owned or leased facilities has resulted in approximately \$1.7 million of annual rent savings and the avoidance of nearly \$2 million in future lease costs. Language added to the budget authorizing the Division to renegotiate leases at more favorable terms has resulted in annual rent savings of more than \$800,000 and cost avoidance of more than \$5 million for renovations that will be performed by landlords.

During the recent major flooding in Trenton last September and most recently in April, the Division did an outstanding job. Their proactive measures prior to the flooding preserved hundreds of thousands of dollars worth of equipment and property in the Capitol Complex, particularly the State House Garage and ensured the safety of those fighting the flood waters. They worked together to find creative methods to maintain and re-start building services to keep the State House and other facilities open for business.

This past fiscal year the Division of Purchase and Property implemented various cutting-edge electronic procurement efficiencies and major reforms. Under the leadership of Jack Naiman, the Purchase Bureau is responsible for over 700 contracts and awards contracts valued in excess of \$1.5 billion annually that serve the functional needs of government.

The Division introduced electronic bidding and received its first electronic bid in January 2005 as part of the e-Bid pilot program. Online services were also improved through the Division's newly designed Web site, which now includes more information for the vendor community including; anticipated advertisements, 6 month forecasting and a direct link to assist in identifying small businesses registered with the NJ Commerce Economic Growth & Tourism Commission.

The Division of Contract Compliance and Equal Employment Opportunity in Public Contracts, under the direction of Deirdre Webster Cobb, is charged with monitoring and enforcing New Jersey's laws against discrimination as they relate to government contracting.

The Division recently readopted its rules with amendments in order to strengthen the requirements with which public agencies, contractors, subcontractors and business firms must comply in order to ensure equal employment opportunity in public contracting. Of particular note are the changes to the training rules that will ensure that one-half of one percent of the total cost of a construction project is readily available to finance minority and worker outreach and training programs. As a result of these changes, during FY 06, it is anticipated that more funding will be available to train minorities and women in the construction trades and qualify them for employment on public contracts. Enhanced enforcement efforts through sanctioning and public education have resulted in an increase in minority and female utilization in public contracting.

The Division of Pensions and Benefits, under the direction of Fred Beaver, administers the second-largest non-federal public-benefits program in the nation. More than 700,000 individuals participate in the various retirement systems and over 800,000 lives are covered under the State Health Benefits Program.

The Division is in the process of expanding a Web-based system that will allow employers to determine the processing status of forms submitted to pensions and benefits without the need to contact employees. In addition, the Division is also undertaking an effort to deploy pension and health benefit information to active and retired members via the Web.

In response to a State auditor report, the Division has developed procedures to more closely monitor post-retirement earnings in conjunction with the Department of Labor and the Office of Information Technology. Since 2002, this monitoring has led to the assessment and recouping \$1.6 million in overpayments due to deaths of retirees and fraud.

In addition, the division has developed procedures to monitor disability retiree earnings following recommendations from the auditor. Since 2002, Pensions has assessed \$1.1 million in overpaid benefits.

The Division of Investment, under director William Clark, is responsible for the management of State assets, managing 187 funds with a total market value of \$80 billion. The State's pension funds currently have a market value of \$69.5 billion

As this committee is well aware, the Investment Council has approved an alternative investment policy to provide for the investment of up to 13 percent of the pension portfolio into alternative asset classes. We have engaged consultants to provide the State guidance for investments in two classes – real estate and private equity – and are in the final stages of selecting a third consultant for absolute returns.

We believe this diversification is critically important to mitigate the State's risk and enhance returns in support of the pension fund.

The Office of Public Finance is the unit responsible for the issuance of all State general obligation debt, both short and long term and of all State-backed debt issued by State authorities. Led by Ann Flynn, Public Finance is constantly monitoring the bond market for additional refinancing opportunities as interest rates continue to fluctuate.

In the past fiscal year, the Office of Public Finance completed 24 bond transactions including several refinancing bond issues. As a result of the strong tax-exempt bond market and low interest rates, the State achieved significant debt service savings of approximately \$88 million in FY 05 and additional savings of approximately \$207 million in FY 06.

The New Jersey Lottery, under the leadership of Director Michellene Davis, is continuing to build on the record year experienced in FY 2004 when it contributed more than \$794 million to the State Treasury to benefit education and institutions. Through the first eight months of FY2005, total ticket sales have increased more than 3.6 percent over the prior fiscal year. For FY 2006, we anticipate that the Lottery, New Jersey 4th largest revenue generator, will deposit another record amount of funds to the budget -- \$820 million.

When you consider that this division of Treasury is operated on a budget of \$30 million, and will generate about \$800 million in projected revenue to the State budget, the New Jersey Lottery is one of the most efficiently run lotteries in the country. For every dollar spent on operational costs, our lottery generates \$27.67 in revenue for education and institutions.

Under the direction of Charlene Holzbaur, the Office of Management and Budget continues to set an example in the efficiency of its own operation. With a workforce of 183, OMB now operates with 31 fewer staff than it did five years ago, a 14 percent reduction. In fact, OMB's employs less than half of the number of workers it employed in 1988. Major programs such as budget planning were consolidated and others were eliminated altogether as the agency concentrated on its core areas of budget operations, accounting, payroll and financial reporting.

Treasury continues to seek ways to cut costs, operate more efficiency, work smarter and perform to the highest of ethical standards. There are several initiatives that we believe will have an immediate positive impact in these areas for FY 2006 and beyond and lighten the load that taxpayers carry for the cost of government at both the state and local level.

The Division of Purchase and Property is moving ahead with Governor Codey's effort to save State and local government money by buying smarter through a new "strategic sourcing" initiative. Recently, a consultant was hired to develop a plan to strategically coordinate the purchase of equipment, goods and services by State and local entities to leverage the combined buying power and realize maximum savings. The New Jersey State government purchases more than \$1.5 billion worth of services each year, which does not include contract purchases by 1,800 local entities. Just a small percentage of

savings has the potential to yield tens of millions of dollars in economies on the purchase of goods and services statewide, and at least some of those savings will be achieved in FY 2006.

The State of New Jersey Distribution Center is a centralized warehouse operated for purchase and distribution of food and other materials used by State agencies. Operating under the Division of Purchase and Property, the warehouse is a place where bulk purchased items are stored at the warehouse site and then shipped out to individual agencies at a marked up price to offset administrative costs.

While it was an efficient idea when it was first implemented, today most supplies can be purchased at office supply or other bulk package vendors at competitive prices and be shipped directly to agency offices. By eliminating this middle management of goods at our current warehouse, we project an initial savings of more than \$2 million from avoided rent and administrative expenses.

In Fiscal 2006, the Division of Revenue plans to develop a comprehensive process for the systematic and timely transfer of all non-tax agency debt to the Division. Also, we will implement a new and enhanced data base management system that will better enable the Motor Vehicle Commission collect surcharges due to the State as part of its non-tax debt collection program.

Also as part of Treasury's ongoing efforts to save money and find efficiencies, we have retained a consultant to conduct a study of our Bureau of Risk Management operations. The study, which is being done at no charge by a consortium of 18 local joint insurance funds, will help correct the deficiencies cited by a State audit. The audit, which was done between July 1, 2002 and August 26, 2004, discovered weaknesses in the coordination of benefits between workers compensation and the sick leave injury program, which provides continuation of pay for one year from the initial date of an injury.

The audit found that the bureau lacks a centralized system for oversight of claims and collections from others responsible for damages to the State, its employees and property.

This is a 90-day study that will yield recommendations that we're prepared to implement immediately to streamline the process for reporting, reviewing and administering claims, and improve the process at agencies to reduce work-related injuries.

And, last for FY 2006, but certainly not least; the Division of Taxation is prepared to move forward with the long awaited Property Assessment Management System – PAMS.

PAMS, to begin on a three county, phase-in schedule, will provide a centralized, web-based system with multiple capabilities for municipalities to access information and state taxation services.

It will replace the antiquated MOD-4 system, and eliminate between \$12 million and \$15 million per year in system costs to localities for assessment information services. It will

create one central database of information for real property information and all tax and parcel information will be available in one application.

Finally, I must acknowledge what a pleasure it has been during the past four years to work with the team we have assembled in the Department of Treasury. Every day, the division directors and staff members perform their job duties with professionalism and dedication. I am proud to work with them and would like to thank all of them, as well as Deputy Treasurers Dave Rousseau and Robert Smartt, Chief of Staff Carol Ehrlich, Associate Deputy Treasurer Chuck Chianese, Assistant Treasurers Dan Levine and Gerry Gibbs and Communications Director Tom Vincz.

At this time, I would invite questions from the committee on my presentation.

	CAFR 2004	FY05 Approp Act 6/30/04	FY05 GBM Feb 2005	FY05 Revised May 2005	FY05 Variance May vs. GBM	FY06 GBM Feb 2005	FY06 Revised May 2005	FY06 Variance May vs. GBM
Major Taxes								
Sales Tax (Base)	\$6,233,779	\$6,600,000	\$6,520,000	\$6,510,000	(\$10,000)	\$6,850,000	\$6,820,000	(\$30,000)
Sales Tax-(Equity Initiative)						275,000	175,000	(100,000)
Sales Tax-(UEZ Initiative)						50,000	50,000	-
Sales Energy	27,921	-	-	-	-	-	-	-
Corporation Business	2,337,086	2,500,000	2,162,000	2,215,000	53,000	2,126,000	2,182,000	56,000
Corporation Energy	33,084	-	-	29,400	29,400	29,100	53,000	23,900
Motor Fuels	566,831	559,000	565,000	565,000	-	580,000	580,000	-
Motor Vehicle Fees	235,254	301,094	272,000	272,000	-	294,320	294,320	-
Transfer Inheritance (Base)	516,008	556,000	500,000	500,000	-	520,000	530,000	10,000
Transfer Inheritance (Initiative)						25,000	-	(25,000)
Insurance Premium	417,873	449,000	432,000	436,000	4,000	443,000	447,000	4,000
Cigarette	612,167	678,000	636,000	640,000	4,000	612,000	616,000	4,000
Petroleum Products Gross Receipts	216,247	212,000	250,000	250,000	-	255,000	255,000	-
Public Utility Excise	9,321	8,700	9,000	10,000	1,000	9,000	10,000	1,000
Corporation Banks and Financial Institutions	141,432	132,000	85,000	115,000	30,000	85,000	100,000	15,000
Alcoholic Beverage Excise	87,357	88,000	87,000	87,000	-	91,000	90,000	(1,000)
Realty Transfer (Base)	227,064	286,000	345,000	365,000	20,000	380,000	395,000	15,000
Realty Transfer (Initiatives)						25,000	-	(25,000)
Savings Institution	(11,912)	-	-	-	-	-	-	-
Tobacco Products Wholesale Sales	10,345	10,000	12,000	12,000	-	12,000	13,000	1,000
Total Major Taxes	\$11,659,857	\$12,379,794	\$11,875,000	\$12,006,400	\$131,400	\$12,661,420	\$12,610,320	(\$51,100)
Miscellaneous Taxes, Fees, Revenues								
Assessment on Houses Greater Than \$1 Million	-	24,000	44,000	50,000	6,000	48,000	54,000	6,000
Medicaid Uncompensated Care	508,537	529,934	440,282	440,282	-	466,095	466,095	-
Good Driver	76,259	61,000	71,500	71,500	-	71,500	71,500	-
Motor Vehicle Inspection Fund	77,701	76,710	76,700	76,700	-	76,700	76,700	-
Hotel/Motel Occupancy Tax	80,972	65,118	65,118	67,000	1,882	65,118	67,000	1,882
Investment Earnings	18,388	-	-	-	-	-	-	-
Public Utility GRFT	76,849	69,000	75,000	75,000	-	75,000	75,000	-
TEFA	249,522	222,200	221,900	239,600	17,700	235,000	235,000	-
Cable Industry Equity Fee						50,000	50,000	-
Simplified Sales Tax						40,000	40,000	-
Asset Sales						500,000	200,000	(300,000)
Fines Amnesty						15,000	15,000	-
Authorities Recruitment Class Reimbursement						2,500	2,500	-
Fringe Benefit Recoveries	295,976	294,194	346,300	350,500	4,200	353,900	358,950	5,050
Other Miscellaneous Revenue	1,041,125	1,212,504	1,193,349	1,175,483	(17,866)	1,140,475	1,122,603	(17,872)
Total Miscellaneous Taxes, Fees, Revenues	\$2,425,329	\$2,554,660	\$2,534,149	\$2,546,065	\$11,916	\$3,139,288	\$2,834,348	(\$304,940)
Interfund Transfers								
State Lottery Fund (Base)	794,972	795,000	800,000	800,000	-	820,000	820,000	-
State Lottery Fund (Initiatives)						150,000	150,000	-
Tobacco Settlement/Securitization	1,610,783	-	-	-	-	12,416	12,416	-
Cigarette Tax Securitization	0	1,190,000	1,190,000	1,190,000	-	-	-	-
Motor Vehicle Surcharge Securitization	0	740,000	740,000	740,000	-	-	-	-
All Other Funds	435,661	544,266	549,208	554,002	4,794	421,628	427,112	5,484
Total Interfund Transfers	\$2,841,416	\$3,269,266	\$3,279,208	\$3,284,002	\$4,794	\$1,404,044	\$1,409,528	\$5,484
Total State Revenues General Fund	\$16,926,602	\$18,203,720	\$17,688,357	\$17,836,467	\$148,110	\$17,204,752	\$16,854,196	(\$350,556)
Property Tax Relief Fund (Base)	7,400,733	8,855,000	9,055,000	9,580,000	525,000	9,520,000	10,000,000	480,000
Property Tax Relief Fund (Prop Tax Deduction Initiative)						85,000	85,000	-
Property Tax Relief Fund (Pension Exclusion Initiative)						45,000	45,000	-
Casino Control Fund	64,646	65,600	69,585	69,585	-	69,585	69,585	-
Casino Revenue Fund	468,072	474,880	482,150	474,181	(7,969)	487,204	481,311	(5,893)
Gubernatorial Election Fund	603	1,500	1,500	1,500	-	1,500	1,500	-
TOTAL STATE REVENUES	\$24,860,656	\$27,600,700	\$27,296,592	\$27,961,733	\$665,141	\$27,413,041	\$27,536,592	\$123,551