

OLS Revenue Snapshot

FY 2010 - Through February 2010

- **Revenue Collections Remain Below Prior Year Levels.** Eight months into FY 2010, State tax revenues continue to perform below last year's levels, with each of the three biggest State tax revenues down from last year at the same time. In January the Administration announced an estimated \$1.2 billion revenue shortfall, compared to amounts certified in June. The Governor delivers the FY 2011 Budget Message on March 16, releasing revised revenue estimates for FY 2010 and initial projections for FY 2011. The OLS will follow the Executive's revised revenues with its annual ***Tax and Revenue Outlook*** report to the Senate and Assembly Budget Committees early in April.
- **Gross Income Tax (GIT)** receipts through the end of February are 3.1% below the same period last year. However, February was the third month in the last four in which GIT revenues outperformed the same month in FY 2009, posting an increase of 16.4%. Year-to-date revenues from withholding of employee wages are essentially even with FY 2009 levels. On the other hand, FY 2010 year-to-date estimated payments (from taxpayers with significant sources of non-wage income) are 11.3% below last year's levels. The crucial month for the GIT will be April. Not only will taxpayers file their important year-end returns, making April the GIT's biggest month of the year, but the payments of the one-year tax increase should also be concentrated in the April tax collections.
- **Sales Tax** receipts after the first seven months (February collections reflect January activity because this tax is subject to a one month payment lag) total about \$4.4 billion, down 4.6% from the same period last year. After a promising January in which receipts posted the first monthly increase since May of 2008, February collections fell 4.7% below last February. The Governor has indicated that sales tax revenue estimates will be revised downward with the release of updated revenue figures on March 16.
- **Corporation Business Tax (CBT)** collections through the end of February total \$975.6 million, 13.8% below the same period last fiscal year. The Governor has indicated that CBT revenue estimates will be revised downward with the release of updated revenue figures on March 16.

Office of Legislative Services
March 12, 2010

As in past years, the OLS Revenue Snapshot summarizes current cash revenue collections in comparison to prior year cash collections for the same period, using information provided by the Department of Treasury. Certain revenues are reported with a one month lag due to payment schedules. The Treasury publicly reports monthly revenues in a different format which compares estimated or accrued earnings with FY 2010 budget projections.

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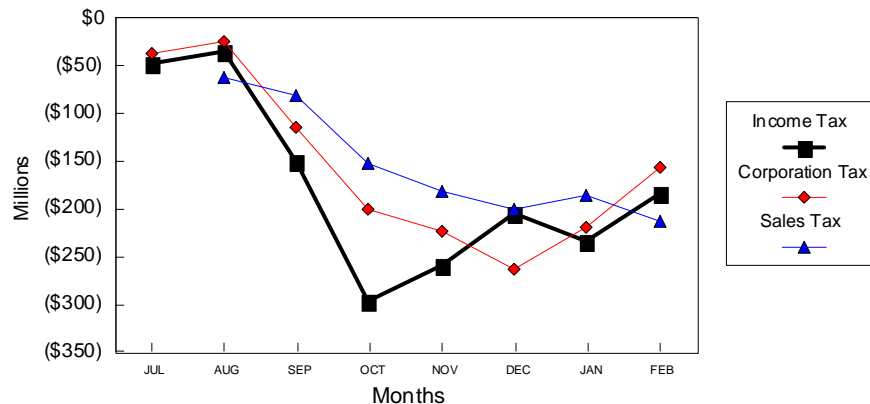
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2009 Actual Year-To-Date	FY 2010 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$5,890.7	\$5,707.5	-3.1%	0.1%	\$10,393.0
* SALES TAX	\$4,566.5	\$4,354.7	-4.6%	5.1%	\$7,965.0
CORPORATION TAX	\$1,131.2	\$975.6	-13.8%	-0.4%	\$2,224.0
LOTTERY	\$555.2	\$591.0	6.4%	0.7%	\$893.8
TRANSFER INHERITANCE	\$465.3	\$366.7	-21.2%	1.8%	\$645.0
* MOTOR FUELS	\$316.9	\$313.4	-1.1%	2.9%	\$551.0
INSURANCE PREMIUM	\$171.4	\$160.1	-6.6%	25.9%	\$542.0
(b) MOTOR VEHICLE FEES	\$136.2	\$195.1	43.3%	3.1%	\$392.6
CASINO	\$233.9	\$194.3	-16.9%	-2.8%	\$320.2
* PETROLEUM PRODUCTS	\$132.2	\$125.8	-4.9%	1.2%	\$223.0
(a) CIGARETTE	\$8.5	\$0.0	-100.0%	-4.4%	\$203.5
* REALTY TRANSFER	\$130.0	\$103.3	-20.6%	2.8%	\$199.0
BANKS & FINANCIAL (CBT)	\$25.7	\$52.6	105.0%	10.3%	\$104.0
* ALCOHOL EXCISE	\$49.6	\$54.0	8.9%	5.8%	\$100.0

**Income Tax
Corporation Tax
and Sales Tax**

**FY10 Over FY09
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2010 year-end revenues as certified by the Governor in June 2009.

FY 2010 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent seven months of cash collections. All others represent eight months of cash collections.

** The percentage difference between FY 2010 certified revenue estimates (June 2009) and unofficial FY 2009 final year-end figures from the Comprehensive Financial System. Energy revenues for the sales tax and CBT are not included.

- (a) The first \$370 million in cigarette tax collections are deposited into the Health Care Subsidy Fund (P.L.2006, c.37). Additional amounts, estimated at about \$191.1 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).
- (b) The first \$186.7 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.