

# OLS Revenue Snapshot

FY 2011 - Through December 2010

- **December Revenue Patterns Remain Mixed.** At the midpoint of the fiscal year for most revenues, overall collections continue to offer a mixture of positive and negative signals. A better perspective will be available at the end of January, when revenue receipts include the income tax's quarterly estimated payment period and the impact of the traditional holiday shopping period.
- **Gross Income Tax (GIT)** cash receipts of \$4.0 billion are running 0.9% below last year's levels six months into FY2011. The certified year-end target assumes a 5.6% decline from FY2010, due to the expiration of about \$1.0 billion in temporary tax increases. Most of the negative impact was expected to appear in the Spring of 2011, when final tax payments are made. Withholding receipts from employee wages are up 1.3% so far this fiscal year, quarterly estimated payments are down 10.8%, and refunds are up 6.1%. The particularly weak December estimated payments may be a function of the timing of these payments, which annually split between December and January based on taxpayers' year-end tax considerations. A complete picture of these payments will not emerge until after the end of January, but early January cash receipts on the State's accounting system are up sharply, suggesting that December's weakness may be due to payments shifting into January.
- **Sales Tax** receipts after the first five months (December collections reflect November activity because this tax is subject to a one month payment lag) total \$3.2 billion, 3.5% ahead of the same period last year, and only slightly below the certified sales tax target growth of 4.1%. Growth in recent months has been encouraging, and January receipts, the largest sales tax month each year, will reflect December holiday shopping.
- **Corporation Business Tax (CBT)** collections through the end of December total \$949.1 million, 4.0% above the same period last fiscal year. Growth during the important December quarterly payment period was strong, up a promising 11.4%. Continuing improvement will be needed to achieve the certified year-end target for the CBT, which anticipates growth of 7.3% over the entire year. In addition, the smaller **CBT on Banks and Financial Institutions** is up a robust 79.3% so far this year, at \$76.0 million through the end of December.
- **Realty transfer** tax revenues of \$72.7 million are running 11.8% below the same period last year, reflecting on-going weakness in the State housing market. The certified target requires growth of 28.0% for the entire year, an increasingly improbable outcome with only seven months remaining for this revenue (which like the sales tax is subject to a one month payment lag).

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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 2011 budget projections.

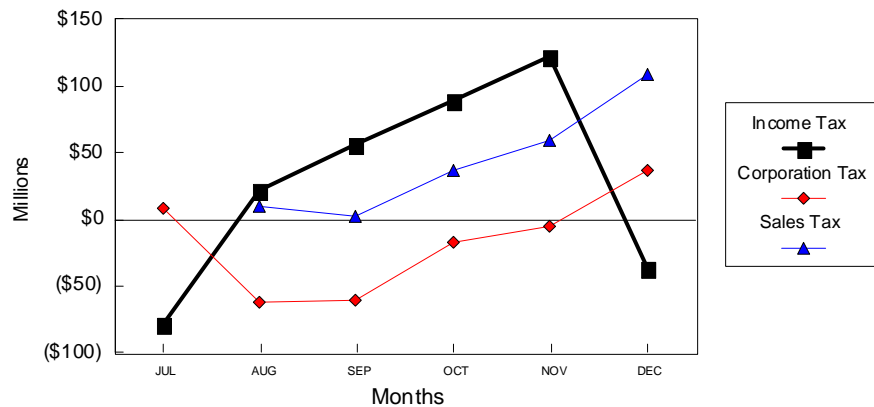
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2010 Actual Year-To-Date	FY 2011 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$4,009.4	\$3,973.5	-0.9%	-5.6%	\$9,855.1
* SALES TAX	\$3,065.9	\$3,174.4	3.5%	4.1%	\$7,829.0
CORPORATION TAX	\$912.5	\$949.1	4.0%	7.3%	\$2,145.0
LOTTERY	\$449.2	\$436.2	-2.9%	3.1%	\$953.0
TRANSFER INHERITANCE	\$283.7	\$323.6	14.1%	1.0%	\$587.7
* MOTOR FUELS	\$223.1	\$226.5	1.5%	7.0%	\$572.6
INSURANCE PREMIUM	(\$17.2)	\$25.2	--	-0.7%	\$478.0
(b) MOTOR VEHICLE FEES	\$98.7	\$59.7	-39.5%	5.2%	\$398.5
CASINO	\$150.1	\$130.7	-12.9%	-7.9%	\$256.4
* REALTY TRANSFER	\$82.4	\$72.7	-11.8%	28.0%	\$228.9
* PETROLEUM PRODUCTS	\$89.7	\$91.9	2.4%	4.6%	\$226.2
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-2.9%	\$199.0
BANKS & FINANCIAL (CBT)	\$42.4	\$76.0	79.3%	25.8%	\$164.0
* ALCOHOL EXCISE	\$34.6	\$29.4	-15.0%	6.0%	\$99.0

**Income Tax  
Corporation Tax  
and Sales Tax**  
  
**FY11 Over FY10  
Actual Year-To-Date  
\$ Change**



Sources: Executive FY 2011 year-end revenues as certified by the Governor in June 2010.

FY 2011 Year-To-Date actuals are from Treasury monthly reports.

\* Revenues represent five month of cash collections. All others represent six months of cash collections.

\*\* The percentage difference between FY 2011 revised revenue estimates (June 2010) and FY 2010 preliminary year-end figures from the NJ Comprehensive Financial System. Energy revenues for the sales tax and CBT are not included.

- (a) The first \$396.5 million in cigarette tax collections are deposited into the Health Care Subsidy Fund (P.L.2006, c.37). Additional amounts, estimated at about \$145.0 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).
- (b) The first \$238.0 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.