

OLS Revenue Snapshot

FY 2011 - Through May 2011

- **May Revenues Remain Close to FY 2011 Revised Targets.** On May 17 and 18, the Treasurer reported to the Legislature's Budget Committees that FY 2011 revenues were running ahead of targets, and revised the year-end targets upward by a total of \$241.8 million. The most significant revisions were for the gross income tax, up \$459.9 million, and the corporation business tax, down \$213.0 million. The OLS's revised estimate was \$187.8 million higher than the Treasurer's for FY 2011, with the gross income tax accounting for \$174.0 million of the difference. Through the end of May most major revenues were running close to or above the growth rate necessary to reach the Treasurer's revised year-end targets.
- **Gross Income Tax (GIT)** receipts of \$8.94 billion through the end of May are 1.8% above the same period last year, somewhat ahead of the Treasurer's revised year-end target, which assumes growth of 1.0% for the entire fiscal year. Among the GIT components, withholding receipts from employee wages (three-quarters of annual GIT collections) are up a solid 3.3%, estimated payments and final payments are down 1.3% and 2.2% respectively, and refund payments are basically flat with FY 2010 through the end of May. Withholding and estimated payments are the primary components impacting the remainder of FY 2011.
- **Sales Tax** receipts after ten months of FY 2011 total more than \$6.4 billion, up 3.8% from the same period last year (May collections reflect April economic activity because this tax is subject to a one month payment lag). The Treasurer increased sales tax estimates for FY 2011 by \$72.0 million due to improved collections in recent months, and now is assuming 4.3% growth for the year.
- **Corporation Business Tax (CBT)** collections through the end of May total about \$1.9 billion, 6.2% above the same period last fiscal year. The Treasurer's revised FY 2011 CBT estimate anticipates 5.4% growth for the year.
- The only major revenue significantly underperforming the revised expectations is the relatively small **CBT on Banks and Financial Institutions**, which has received \$97.0 million through the end of May, 0.8% *below* last year at the same time. The Treasurer's revised target assumes 33.0% growth for FY 2011.

Office of Legislative Services
June 13, 2011

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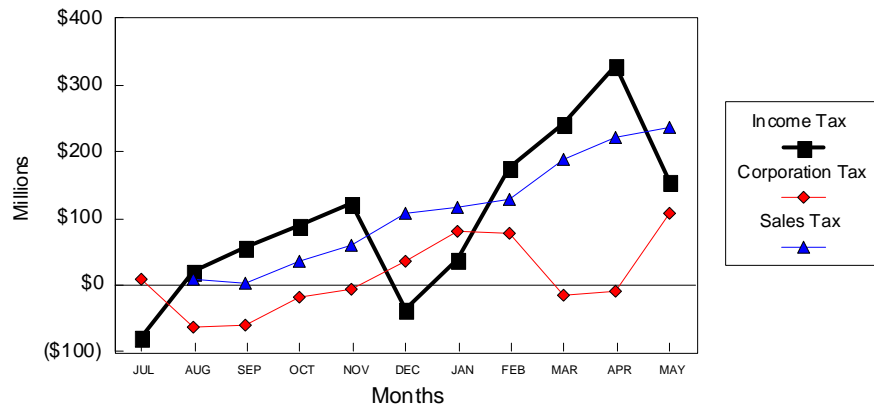
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2010 Actual Year-To-Date	FY 2011 Actual Year-To-Date	Actual Y-T-D Growth %	Revised Year-End Growth % **	Revised Year-End \$ Estimate
INCOME TAX	\$8,782.0	\$8,939.4	1.8%	1.0%	\$10,536.0
* SALES TAX	\$6,133.6	\$6,369.1	3.8%	4.3%	\$7,847.0
CORPORATION TAX	\$1,762.0	\$1,870.9	6.2%	5.4%	\$2,107.0
LOTTERY	\$834.8	\$829.7	-0.6%	0.6%	\$930.0
TRANSFER INHERITANCE	\$515.4	\$554.3	7.5%	8.0%	\$628.2
* MOTOR FUELS	\$439.1	\$432.2	-1.6%	-1.9%	\$525.1
INSURANCE PREMIUM	\$390.4	\$366.7	-6.1%	-2.5%	\$469.4
(b) MOTOR VEHICLE FEES	\$317.4	\$339.1	6.9%	8.8%	\$412.0
CASINO	\$270.8	\$236.9	-12.5%	-12.5%	\$243.3
* PETROLEUM PRODUCTS	\$178.6	\$181.6	1.7%	1.3%	\$219.0
(a) CIGARETTE	\$115.8	\$127.1	9.7%	4.4%	\$214.0
BANKS & FINANCIAL (CBT)	\$97.8	\$97.0	-0.8%	33.0%	\$173.4
* REALTY TRANSFER	\$146.3	\$148.4	1.4%	-4.4%	\$170.9
* ALCOHOL EXCISE	\$74.2	\$76.3	2.8%	0.0%	\$93.4

**Income Tax
Corporation Tax
and Sales Tax**

**FY11 Over FY10
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2011 year-end revenues as revised by the Governor in May 2011.

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

* Revenues represent ten month of cash collections. All others represent eleven months of cash collections.

** The percentage difference between FY 2011 revised revenue estimates (May 2011) and FY 2010 audited year-end figures from the NJ Comprehensive Annual Financial Report. 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 \$230.8 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.