

# OLS Revenue Snapshot

FY 2011 - Through November 2010

- **November Revenues Remain Close to Targets.** Five months into FY 2011, overall revenues continue to perform close to their targets. The pending December/January period will be important this year, as always. Significant quarterly payments are due for the income tax and the corporation business tax, while the biggest months for the sales tax come with the holiday shopping period.
- **Gross Income Tax (GIT)** receipts of \$3.0 billion are running 4.2% above last year's levels after five months of FY2011. The certified year-end target assumes a 5.5% decline from FY2010, due to the expiration of about \$1.0 billion in temporary tax increases. Most of the impact should appear in the Spring of 2011, when final tax payments are made in April. Withholding receipts from employee wages are up 3.9% so far this fiscal year, quarterly estimated payments are up 3.0%, and refunds are down 1.9%. Overall, the GIT is slightly out-performing OLS expectations so far this fiscal year, but it is premature to conclude that the GIT target will be exceeded.
- **Sales Tax** receipts after the first four months (November collections reflect October activity because this tax is subject to a one month payment lag) total \$2.56 billion, 2.4% ahead of the same period last year. This revenue has grown in three of four months in FY 2011, an encouraging sign entering the important holiday shopping months. Positive national retail sales reports provide an additional reason for optimism that growth will improve in the coming months. Continued improvement in the collections trend is necessary by year's end in order to meet the certified sales tax target growth of 3.9%.
- **Corporation Business Tax (CBT)** collections through the end of November total \$537.1 million, 1.0% below the same period last fiscal year. The most important months for the CBT are the four quarterly payment periods (September, December/January, April, and June). Growth during the remaining quarterly payments of FY 2011 will be needed to achieve the certified year-end target for the CBT, which anticipates growth of 7.3% over the entire year.
- **Transfer Inheritance** tax revenues of \$265.3 million are running 12.7% above the same period last year. This revenue has been running consistently ahead of the year-end target of 1.0% growth.
- **Casino and Lottery** revenues continue to lag behind projections for FY 2011. Casino revenues of \$116.7 million are 10.5% below the same period last year, weaker than the year-end projection of a 7.8% decline. Lottery revenues of \$357.1 million are 3.5% below the first five months of FY2010, trailing the certified projection of 3.2% growth by year's end.

Office of Legislative Services  
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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.

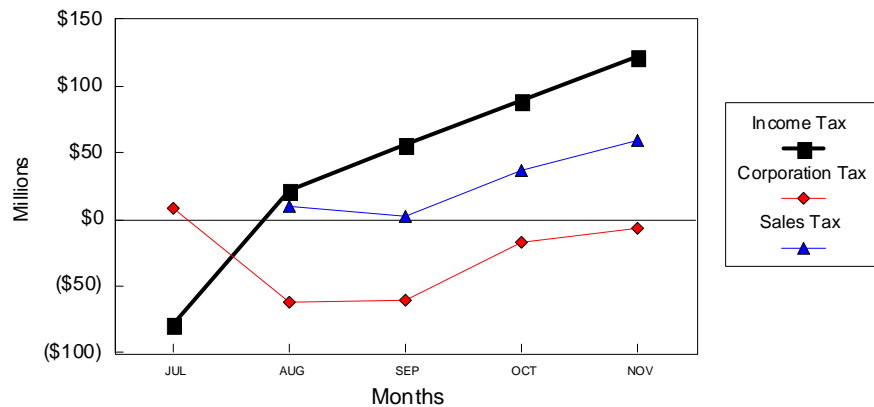
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Selected Year-To-Date Cash Collections (\$ millions)

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	\$2,885.4	\$3,007.9	4.2%	-5.5%	\$9,855.1
* SALES TAX	\$2,501.3	\$2,560.7	2.4%	3.9%	\$7,829.0
CORPORATION TAX	\$542.7	\$537.1	-1.0%	7.3%	\$2,145.0
LOTTERY	\$370.0	\$357.1	-3.5%	3.2%	\$953.0
TRANSFER INHERITANCE	\$235.5	\$265.3	12.7%	1.0%	\$587.7
* MOTOR FUELS	\$184.6	\$185.3	0.4%	7.1%	\$572.6
INSURANCE PREMIUM	(\$20.5)	\$21.8	--	-0.6%	\$478.0
(b) MOTOR VEHICLE FEES	\$54.1	\$13.8	-74.4%	108.1%	\$398.5
CASINO	\$130.4	\$116.7	-10.5%	-7.8%	\$256.4
* REALTY TRANSFER	\$64.1	\$60.2	-6.0%	27.9%	\$228.9
* PETROLEUM PRODUCTS	\$73.0	\$74.1	1.4%	4.6%	\$226.2
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-2.8%	\$199.0
BANKS & FINANCIAL (CBT)	\$22.5	\$46.3	106.2%	25.8%	\$164.0
* ALCOHOL EXCISE	\$34.4	\$29.3	-14.7%	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 four month of cash collections. All others represent five 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.