

OLS Revenue Snapshot

FY 2012 - Through April 2012

- **Revenue Collections Below Target Through the End of April.** Through the end of April, the major tax revenues are growing at approximately half the rate necessary to reach the Executive's budgeted target of 4.8% growth in the current fiscal year. Weak April collections for some of the State's largest revenue sources further eroded the overall revenue situation with less than three months remaining in FY 2012. In particular, gross income tax and corporation tax revenues declined compared to last year during the crucial April tax payment period. The Treasurer and OLS will present updated revenue estimates for FY 2012 and FY 2013 on May 23 and 24, before the Budget Committees.
- **Gross Income Tax (GIT)** cash receipts of \$8.55 billion are only 2.0% above the same period last year, and less than half the Executive's revised year-end target growth rate of 4.9%. April, the most important month of the year for the GIT, saw revenues drop by 1.2% from last April.

Withholding collections are up 3.5% so far this fiscal year. Quarterly estimated payments are down 0.5% for the fiscal year. Refund payments are rising so far this spring. Meanwhile, the crucial final payments for Tax Year 2011 are down 2.7% from last year's levels. (The percentages in this paragraph were updated on May 18 based on corrected data from the Treasury. Total GIT revenue is unchanged.)

- **Sales Tax** receipts through the end of April total \$5.9 billion, up 3.1% from the same period last year. The Executive's revised FY 2012 target requires 3.9% growth for the fiscal year as a whole. April cash receipts grew by 3.8% above last April. In order to reach the year-end target, sales tax collections must grow by 6.3% for May through the end of the year, or essentially twice the average growth so far this year.
- **Corporation Business Tax (CBT)** cash collections of \$1.8 billion are up only 0.7% so far this fiscal year, after a sharp decline in April. The revised FY 2012 CBT estimate requires 3.9% growth for the entire fiscal year. April cash collections dropped by \$85 million from last April, a decline of 15.6%. In addition, the smaller **CBT for Banks and Financial Institutions** tumbled in April, pushing year-to-date collections of \$55.7 million down 40% compared to the same months last year. The Executive has projected this revenue to finish FY 2012 flat with last year, an increasingly unlikely prospect.

Office of Legislative Services
May 15, 2012

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.

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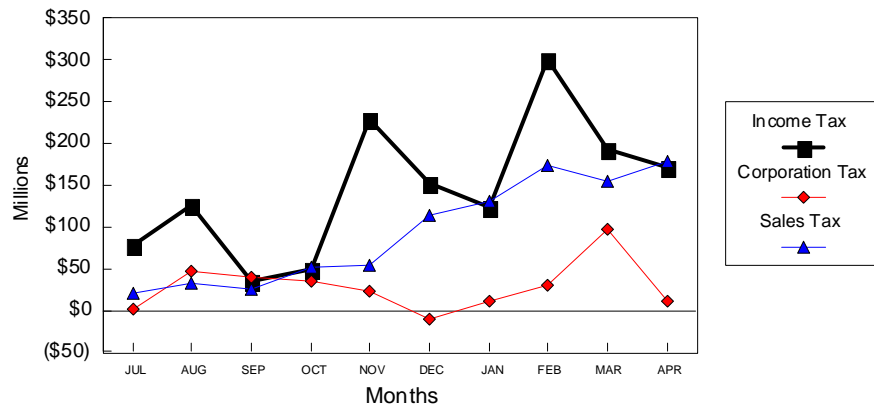
FY 2012 - Through April 2012

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

REVENUE	FY 2011 Actual Year-To-Date	FY 2012 Actual Year-To-Date	Actual Y-T-D Growth %	Revised Year-End Growth % **	Revised Year-End \$ Estimate
INCOME TAX	\$8,381.6	\$8,553.4	2.0%	4.9%	\$11,132.0
* SALES TAX	\$5,743.5	\$5,924.3	3.1%	3.9%	\$8,071.0
CORPORATION TAX	\$1,774.0	\$1,786.7	0.7%	3.9%	\$2,314.0
LOTTERY	\$753.0	\$774.8	2.9%	4.0%	\$967.0
TRANSFER INHERITANCE	\$505.1	\$530.6	5.0%	3.8%	\$666.9
* MOTOR FUELS	\$386.0	\$394.2	2.1%	4.0%	\$545.0
INSURANCE PREMIUM	\$250.8	\$306.4	22.2%	9.6%	\$502.0
(b) MOTOR VEHICLE FEES	\$284.4	\$330.7	16.3%	17.5%	\$479.0
(a) CIGARETTE	\$79.1	\$105.5	33.3%	25.9%	\$286.0
CASINO	\$216.5	\$192.2	-11.2%	-6.8%	\$234.0
* PETROLEUM PRODUCTS	\$162.9	\$166.6	2.2%	4.0%	\$225.0
* REALTY TRANSFER	\$134.0	\$138.5	3.3%	14.0%	\$200.0
BANKS & FINANCIAL (CBT)	\$92.6	\$55.7	-39.9%	-0.2%	\$118.0
* ALCOHOL EXCISE	\$61.1	\$64.6	5.7%	-0.4%	\$98.0

**Income Tax
Corporation Tax
and Sales Tax**

**FY12 Over FY11
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2012 year-end revenues as revised in February 2012.

FY 2012 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent nine months of cash collections. All others represent ten months of cash collections.

** The percentage difference between FY 2012 revised revenue estimates (February 2012) and FY 2011 figures from the State's Comprehensive Annual Financial Report (January 2012). 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 \$194.4 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.