

OLS Revenue Snapshot

FY 2013 - Through August 2012

- **Revenues Show No Growth Through August.** Initial FY 2013 State revenue figures through the end of August indicate that aggregate major revenues are down 0.3% from the same period last year. Most major tax revenue collections are running behind the growth rates required to reach the certified year-end targets, and the Treasurer reported that collections trail the Executive's targets by \$99.9 million.

The OLS notes that revenue collection data from the summer months are always muddled by accounting adjustments and shifts between the old and new fiscal years. Generally a better sense of underlying trends may be visible after important individual and corporate quarterly payments are made in September. However, trend analysis will be complicated this Autumn because last September's tax revenue receipts were artificially weak due to storm-related filing delays. Most of the deferred revenue did not show up until the November collections. Nevertheless, the early pattern in FY 2013 is noteworthy, as the major revenues will require an aggregate of more than 8% growth over 12 months in order to achieve the year-end levels certified by the Governor.

- **Gross Income Tax (GIT)** cash receipts of \$780.1 million are 0.8% below the same two-month period last year. The certified year-end target assumes growth of 5.8% for the entire fiscal year, while the GIT grew by 4.6% last year. Next month's **OLS Revenue Snapshot** will include figures for September, the first significant month of the new fiscal year, when quarterly estimated payments are due. However, last year's storm-related filing delays will alter the payment pattern for the next several months when comparing this year with last year.
- **Sales Tax** receipts through the end of August total \$652.4 million, down 5.2% from the same period last year (August collections reflect July economic activity because this tax is subject to a one month payment lag). The certified target assumes 6.0% growth rate for the year, higher than the long-term average sales tax growth rate of about 4.5% as well as last year's 2.3% growth.
- **Corporation Business Tax (CBT)** cash collections of \$118.2 million in July and August represent 25.7% growth from the same two-month period last fiscal year. The certified FY 2013 CBT estimate anticipates 26.6% growth for the year, which would be a sharp reversal from the 9.0% decline last year. The upcoming CBT September quarterly payments should be viewed as a more important indicator of growth patterns for FY 2013, as these payments historically account for three times the revenue booked in July and August combined.
- **Casino revenues** of \$44.1 million are up 5.4% through the end of August, providing some hope that a pattern of annual declines stretching back to FY 2006, including a 9.6% decline last year, may be ending. The certified target for FY 2013 requires growth of 18.5%, assuming a boost from an improving economy and the opening of the new Revel Resort and Casino this past Spring.

Office of Legislative Services
September 19, 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.

OLS Revenue Snapshot

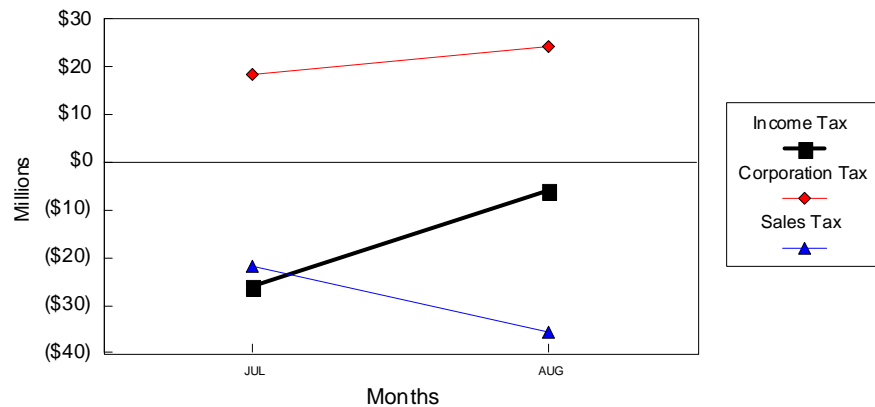
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2012 Actual Year-To-Date	FY 2013 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$786.0	\$780.1	-0.8%	5.8%	\$11,767.4
SALES TAX	\$688.1	\$652.4	-5.2%	6.0%	\$8,422.8
CORPORATION TAX	\$94.0	\$118.2	25.7%	26.6%	\$2,566.0
LOTTERY	\$145.4	\$152.4	4.8%	13.5%	\$1,095.0
TRANSFER INHERITANCE	\$109.7	\$98.2	-10.5%	12.9%	\$725.0
INSURANCE PREMIUM	\$3.2	\$15.2	373.7%	8.8%	\$575.0
* MOTOR FUELS	\$41.1	\$38.1	-7.1%	4.8%	\$565.0
(b) MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	-3.7%	\$466.4
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-5.8%	\$271.6
CASINO	\$41.8	\$44.1	5.4%	18.5%	\$269.1
* REALTY TRANSFER	\$19.4	\$15.5	-20.2%	27.7%	\$240.0
* PETROLEUM PRODUCTS	\$22.9	\$17.6	-23.3%	2.1%	\$228.0
BANKS & FINANCIAL (CBT)	(\$8.9)	\$5.2	--	55.2%	\$165.0
* ALCOHOL EXCISE	\$0.0	\$0.1	365.4%	9.5%	\$112.0

**Income Tax
Corporation Tax
and Sales Tax**

**FY13 Over FY12
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2013 year-end revenues as certified in June 2012.

FY 2013 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent 1 month of cash collections. All others represent 2 months of cash collections.

** The percentage difference between FY 2013 certified revenue estimates (June 2012) and FY 2012 figures from the State's Comprehensive Financial System (September 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 \$213.6 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.