

OLS Revenue Snapshot

FY 2012 - Through December 2011

- **Revenues Remain Slightly Below Expectations Following Mixed December Collections.** Major tax revenue collections are growing by about 3.2% overall compared to last year, according to the monthly cash report released by the Treasury. The year-end growth target for these major revenues is about 5.1%, based on FY 2012 Certified levels compared to audited FY 2011 levels¹. December cash collections reported mixed results compared to last December, with the income tax and the corporation tax declining, but a strong boost from the sales tax.
- **Gross Income Tax (GIT)** cash receipts of \$4.13 billion are 3.8% above the same six month period last year. The Governor's certified year-end target for FY 2012 assumes growth of 4.9% above the amount reported by the FY 2011 audit. The GIT is performing close to levels anticipated by the OLS.

After correcting for the timing of certain withholding payments between November and December (noted in last month's *Snapshot*), withholding collections are now up 2.6% so far this fiscal year. Estimated payments are up 8.2%, other payments are down 2.5%, while refund payments are down 4.8% compared to the same months last year. The fourth quarter individual estimated payment is split between December and January each year, and only after January is complete can it be accurately assessed. For this reason, the GIT's year-over-year decline in December, while less than optimal, is not a conclusive indicator of overall performance.

- **Sales Tax** receipts through the end of December total \$3.3 billion, up 3.6% from the same period last year (December collections reflect November economic activity because this tax is subject to a one month payment lag). The certified target for FY 2012 requires 5.0% growth. December sales tax collections jumped by 9.5% over December of last year, but the overall slow growth in this tax remains a concern. The strong December collections may have received a boost from the early Thanksgiving and aggressive retail promotions at the end of November. Upcoming January collections will reflect holiday sales from December.
- **Corporation Business Tax (CBT)** cash collections of \$938.8 million are down 1.1% so far this fiscal year. The certified FY 2012 CBT estimate requires 1.5% growth. December quarterly payments declined by 8.2%, the first decline this fiscal year and a potential cause for worry entering the second half of FY 2012.

Office of Legislative Services
January 19, 2012

¹ Actual FY 2011 revenue amounts were released in January with the annual State Audit (NJ Comprehensive Annual Financial Report). These 14 major revenues reported \$24.66 billion in FY 2011, while the FY 2012 Certification for these revenues is \$25.92 billion, an anticipated increase of 5.1%. The audit reported total FY 2011 budgeted revenues of \$28.66 billion, or \$155.8 million above the Executive's final June 2011 estimate.

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

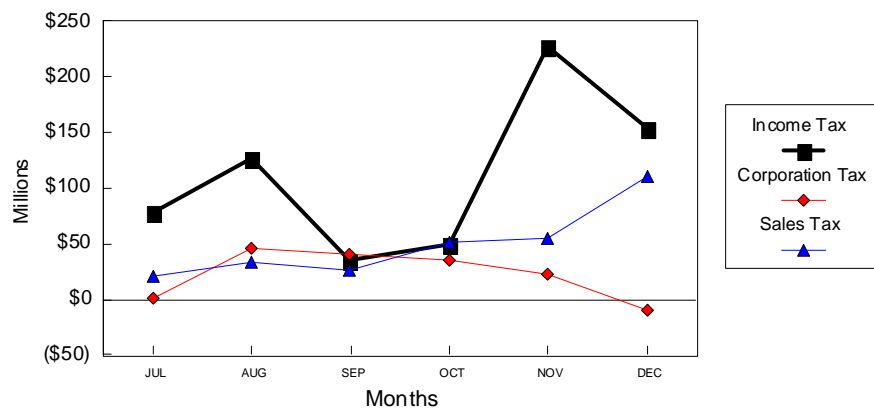
FY 2012 - Through November 2011

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 %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$3,973.5	\$4,126.4	3.8%	4.9%	\$11,132.0
* SALES TAX	\$3,174.4	\$3,287.3	3.6%	5.0%	\$8,153.0
CORPORATION TAX	\$949.1	\$938.8	-1.1%	1.5%	\$2,261.0
LOTTERY	\$436.2	\$437.6	0.3%	10.8%	\$1,030.0
TRANSFER INHERITANCE	\$323.6	\$342.2	5.8%	3.8%	\$666.9
* MOTOR FUELS	\$226.5	\$231.9	2.4%	2.1%	\$535.0
INSURANCE PREMIUM	\$25.2	\$22.3	-11.6%	8.9%	\$499.2
(b) MOTOR VEHICLE FEES	\$59.7	\$118.4	98.3%	20.8%	\$492.7
CASINO	\$130.7	\$109.0	-16.5%	-6.5%	\$234.8
* PETROLEUM PRODUCTS	\$91.9	\$97.5	6.1%	3.0%	\$222.8
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-9.6%	\$205.5
BANKS & FINANCIAL (CBT)	\$76.0	\$45.4	-40.3%	70.7%	\$201.9
* REALTY TRANSFER	\$72.7	\$84.9	16.9%	8.9%	\$191.1
* ALCOHOL EXCISE	\$29.4	\$30.7	4.3%	-5.2%	\$93.4

**Income Tax
Corporation Tax
and Sales Tax**

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



Sources: Executive FY 2012 year-end revenues as certified by the Governor in June 2011.

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

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

** The percentage difference between FY 2012 certified revenue estimates (June 2011) 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 \$185.0 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.