

OLS Revenue Snapshot

FY 2012 - Through February 2012

- **Revenue Collections Remain Close to Fiscal Year Targets.** With some of the major tax revenues completing seven months of cash receipts in FY 2012, and others completing eight months, most are maintaining growth rates close to the Executive's revised year-end targets. The sales tax has been showing signs of improvement, but the apparent strength of the income tax may be overstated.
- **Gross Income Tax (GIT)** cash receipts of \$6.3 billion are 5.0% above the same eight month period last year. The revised year-end target for FY 2012 requires growth of 4.9% for the entire fiscal year. However, the current 5.0% growth rate is somewhat misleading, due to the timing of certain weekly withholding payments that shifted from March to February this year because of the Leap Year impact of February 29. Adjusting for this transitory shift brings the year-to-date growth rate for the GIT to approximately 2.2% through the end of February. The OLS noted a similar payment shift in November's **Snapshot**, with the offsetting impact occurring in December. This shifting of payments between months happens several times every year, and is visible in the graph of the GIT displayed on the second page of the **Snapshot**. The GIT line jumps in both November and February due to the shifted withholding payments, but, as in December, the March GIT revenues will compensate for the payment shift.

Withholding collections are up 5.7% so far this fiscal year, but only up 2.3% after adjusting for the payment timing issue noted above. Quarterly estimated payments are down 2.5% for the fiscal year to date. Refund payments are down 7.8% compared to the same months last year.

- **Sales Tax** receipts through the end of February total \$4.7 billion, up 3.9% from the same period last year (February collections reflect January economic activity because this tax is subject to a one month payment lag). The Executive's revised FY 2012 target requires 3.9% growth for the fiscal year as a whole. February cash receipts were up a strong 8.1% compared to last February, the second month in the last three to exceed 8.0% growth.
- **Corporation Business Tax (CBT)** cash collections of \$1.08 billion are up 2.9% so far this fiscal year. The revised FY 2012 CBT estimate requires 3.9% growth for the entire fiscal year. The much smaller **CBT for banks and financial institutions** is running 41.0% below last year at the same time, compared to flat collections assumed by the Executive's revised target.
- **Realty Transfer Tax revenues** continue to rebound from several consecutive difficult years. Revenues are up 9.9% at this time, although that rate lags the Executive's revised year-end target growth rate of 14.0%.

Office of Legislative Services
March 8, 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

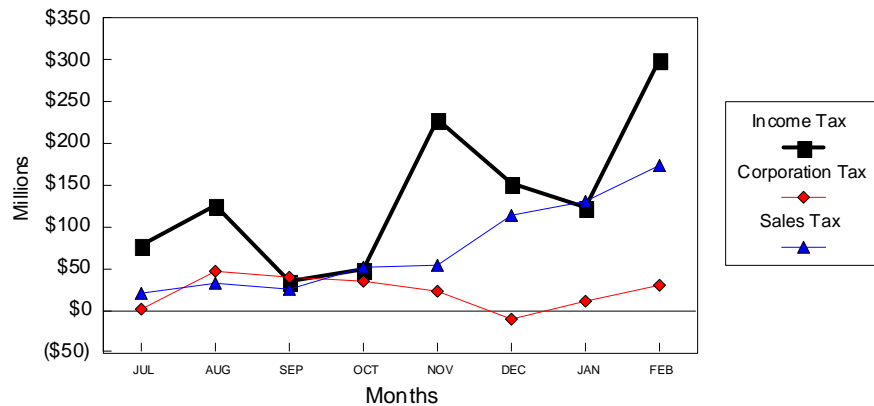
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 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	\$5,996.4	\$6,296.7	5.0%	4.9%	\$11,132.0
* SALES TAX	\$4,482.4	\$4,657.3	3.9%	3.9%	\$8,071.0
CORPORATION TAX	\$1,053.0	\$1,083.9	2.9%	3.9%	\$2,314.0
LOTTERY	\$584.5	\$591.8	1.3%	4.0%	\$967.0
TRANSFER INHERITANCE	\$409.7	\$434.4	6.0%	3.8%	\$666.9
* MOTOR FUELS	\$294.3	\$304.9	3.6%	4.0%	\$545.0
INSURANCE PREMIUM	\$144.7	\$167.9	16.0%	9.6%	\$502.0
(b) MOTOR VEHICLE FEES	\$155.8	\$215.6	38.4%	17.5%	\$479.0
(a) CIGARETTE	\$0.0	\$0.0	0.0%	25.9%	\$286.0
CASINO	\$175.7	\$150.9	-14.1%	-6.8%	\$234.0
* PETROLEUM PRODUCTS	\$126.6	\$131.1	3.6%	4.0%	\$225.0
* REALTY TRANSFER	\$105.4	\$115.9	9.9%	14.0%	\$200.0
BANKS & FINANCIAL (CBT)	\$75.5	\$44.5	-41.0%	-0.2%	\$118.0
* ALCOHOL EXCISE	\$51.4	\$53.4	3.7%	-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 seven months of cash collections. All others represent eight 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 \$185.0 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.