

OLS Revenue Snapshot

FY 2012 - Through January 2012

- **Executive Releases Revised Revenue Estimates as Revenue Growth Lags Expectations Through January.** With the presentation of the FY 2013 Governor's Budget Message on February 21, the Executive revised its revenue estimates for FY 2012. The major tax revenues for the current fiscal year are projected to be \$81.4 million lower than the Governor's June 2011 revenue certification, though individual revenue sources are both higher and lower than originally certified by the Executive. Through January, cash collections from the major revenues are growing by about 2.6% overall compared to last year. The revised year-end targets assume approximately 4.8% growth from these revenues for all of FY 2012. The OLS will present its revised revenue estimates for FY 2012 to the Legislative Budget Committees by early Spring.
- **Gross Income Tax (GIT)** cash receipts of \$5.63 billion are 2.3% above the same seven month period last year. The revised year-end target for FY 2012 is unchanged from the certified amount of \$11.132 billion, assuming growth of 4.9% for the fiscal year.

Withholding collections are up 3.0% so far this fiscal year, consistent with OLS projections. However, estimated payments declined by 7.9% during the December/January period, and are now down 2.3% for the fiscal year to date. Refund payments are down 11.0% compared to the same months last year. Estimated payment and refund data may have important implications for revenue collections during the April tax filing season.

- **Sales Tax** receipts through the end of January total \$4.08 billion, up 3.3% from the same period last year (January collections reflect December economic activity because this tax is subject to a one month payment lag). The Executive revised the FY 2012 target downward by \$82.0 million to \$8.071 billion. The FY 2012 revised target requires 3.9% growth for the fiscal year as a whole.
- **Corporation Business Tax (CBT)** cash collections of \$1.06 billion are up 1.0% so far this fiscal year. The revised FY 2012 CBT estimate is up \$53 million from the certified level, to \$2.314 billion, requiring 3.9% growth for the entire fiscal year. The much smaller **CBT for banks and financial institutions** is running 44.0% below last year at the same time, so the Executive has significantly reduced the estimate by \$83.9 million, for a revised target of \$118.0 million, essentially flat with FY 2011.
- **Lottery and Casino revenues** continue to underperform expectations in FY 2012. Lottery receipts are down 0.9% through the first seven months and the Executive has revised that estimate down by \$63.0 million from the certified level. Casino revenues are down 12.8% at this time, and the Executive has made a small downward revision for FY 2012.

Office of Legislative Services
February 22, 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

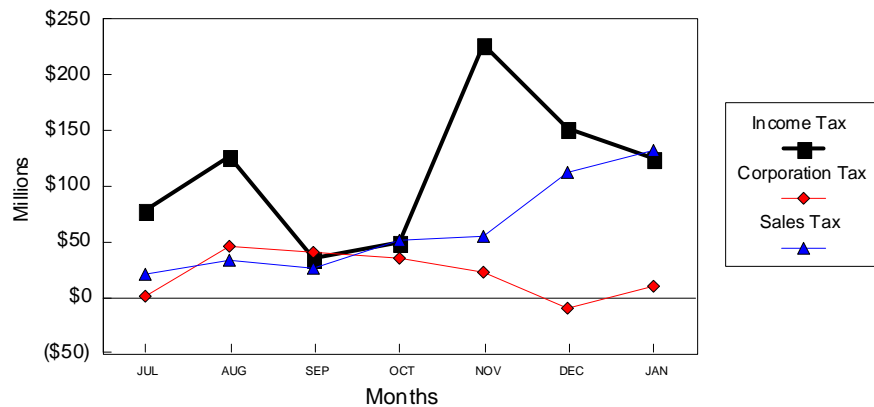
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Selected Year-To-Date Cash Collections (\$ millions)

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	\$5,503.7	\$5,628.5	2.3%	4.9%	\$11,132.0
* SALES TAX	\$3,947.8	\$4,079.3	3.3%	3.9%	\$8,071.0
CORPORATION TAX	\$1,051.6	\$1,061.7	1.0%	3.9%	\$2,314.0
LOTTERY	\$513.8	\$509.2	-0.9%	4.0%	\$967.0
TRANSFER INHERITANCE	\$372.2	\$394.5	6.0%	3.8%	\$666.9
* MOTOR FUELS	\$271.1	\$269.4	-0.6%	4.0%	\$545.0
INSURANCE PREMIUM	\$22.2	\$23.6	6.2%	9.6%	\$502.0
(b) MOTOR VEHICLE FEES	\$109.7	\$171.5	56.4%	17.5%	\$479.0
(a) CIGARETTE	\$0.0	\$0.0	0.0%	25.9%	\$286.0
CASINO	\$150.4	\$131.2	-12.8%	-6.8%	\$234.0
* PETROLEUM PRODUCTS	\$110.7	\$116.7	5.4%	4.0%	\$225.0
* REALTY TRANSFER	\$89.1	\$102.6	15.1%	14.0%	\$200.0
BANKS & FINANCIAL (CBT)	\$75.4	\$42.2	-44.0%	-0.2%	\$118.0
* ALCOHOL EXCISE	\$50.9	\$53.1	4.3%	-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 six months of cash collections. All others represent seven 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.