

OLS Revenue Snapshot

FY 2012 - Through March 2012

- **Revenue Collections Trail Targets Through the End of March.** March collections showed some weakness for the three largest revenue sources, which collectively fell \$74 million below the Executive's expectations. With all major tax revenues now completing eight months of cash collections, and some already completing nine months, most are maintaining growth rates close to, but below, the Executive's revised year-end targets. Looming ahead are the important income and corporate tax returns. While the bulk of these significant receipts are recorded in April, some amounts typically spill over into the early weeks of May as well. Collections over the next several months could change the current revenue picture.
- **Gross Income Tax (GIT)** cash receipts of \$6.8 billion are 2.9% above the same nine month period last year, below the revised year-end target in FY 2012 of 4.9% growth for the entire fiscal year. As noted in last month's **Snapshot**, the 5.0% growth rate through the end of February was misleading, due to the timing of certain withholding payments that shifted from March to February during the leap year. The year-to-date GIT growth rate of 2.9% through the end of March provides a more accurate measure of this revenue source.

Withholding collections are up 3.2% so far this fiscal year. Quarterly estimated payments are down 2.2% for the fiscal year. Refund payments are down 4.3% compared to the same months last year. Next month will provide important April year-end final payments for Tax Year 2011, initial quarterly estimated payments for Tax Year 2012, additional refund payments, plus the usual monthly withholding receipts.

- **Sales Tax** receipts through the end of March total \$5.2 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. March cash receipts were disappointing, as they fell 3.8% below last March. Recent months have seen sharp swings between strong growth in excess of 8% (December and February) and weak growth (January and March), a pattern the OLS is unable to explain at this time.
- **Corporation Business Tax (CBT)** cash collections of \$1.3 billion are up 7.9% so far this fiscal year. The revised FY 2012 CBT estimate requires 3.9% growth for the entire fiscal year. While March is not an important payment month for the CBT, the improved collections growth is encouraging as the more significant April payments approach.
- **Lottery** revenue jumped more than 25% in March, presumably benefitting from a very large Mega Millions jackpot. Despite the strongest monthly collection since June, 2009, year-to-date lottery revenue is growing at 3% compared to the year-end budget expectation of 4%.

Office of Legislative Services
April 16, 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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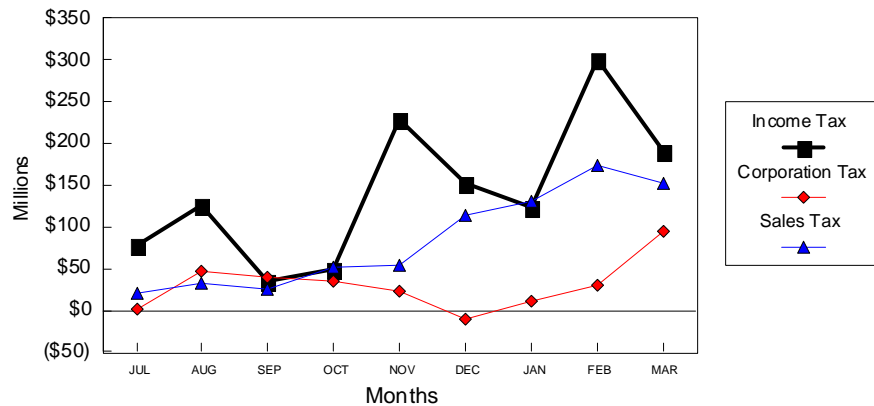
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Selected Year-To-Date Cash Collections (\$ millions)

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	\$6,630.0	\$6,821.9	2.9%	4.9%	\$11,132.0
* SALES TAX	\$5,037.6	\$5,191.4	3.1%	3.9%	\$8,071.0
CORPORATION TAX	\$1,226.9	\$1,323.7	7.9%	3.9%	\$2,314.0
LOTTERY	\$676.7	\$697.2	3.0%	4.0%	\$967.0
TRANSFER INHERITANCE	\$457.2	\$482.8	5.6%	3.8%	\$666.9
* MOTOR FUELS	\$348.2	\$357.3	2.6%	4.0%	\$545.0
INSURANCE PREMIUM	\$247.2	\$304.2	23.1%	9.6%	\$502.0
(b) MOTOR VEHICLE FEES	\$237.8	\$281.8	18.5%	17.5%	\$479.0
(a) CIGARETTE	\$34.5	\$41.3	19.8%	25.9%	\$286.0
CASINO	\$196.8	\$169.5	-13.9%	-6.8%	\$234.0
* PETROLEUM PRODUCTS	\$143.1	\$150.9	5.4%	4.0%	\$225.0
* REALTY TRANSFER	\$122.4	\$126.3	3.2%	14.0%	\$200.0
BANKS & FINANCIAL (CBT)	\$84.4	\$56.0	-33.6%	-0.2%	\$118.0
* ALCOHOL EXCISE	\$61.0	\$64.4	5.6%	-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 eight months of cash collections. All others represent nine 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.