

OLS Revenue Snapshot

FY 2012 - Through October 2011

- **Revenue Growth Remains Soft After Four Months of FY 2012.** Major tax revenue collections are growing compared to last year, but remain somewhat below expectations through the end of October in FY 2012. The State Treasury suggests the severe weather in recent months may have influenced consumer behavior and delayed certain taxpayer payments. This possibility makes it more difficult to accurately discern the current revenue picture.
- **Gross Income Tax (GIT)** cash receipts of \$2.45 billion are 2.0% above the same four month period last year. The Governor's certified year-end target assumes growth of 5.7% for the entire fiscal year. Withholding collections are up 4.2%, estimated payments are down 6.5%, other payments are down 5.3%, while refund payments have declined 3.9% compared to the same months last year. Storm-related filing delays may be influencing the estimated payment flow.
- **Sales Tax** receipts through the end of October total \$2.03 billion, up 2.7% from the same period last year (October collections reflect September economic activity because this tax is subject to a one month payment lag). The certified target requires 3.9% growth for the year. The OLS agrees with the Treasury Department's chief economist that recent severe storms may have depressed consumer spending and limited sales tax revenue growth.
- **Corporation Business Tax (CBT)** cash collections of \$530.8 million are up 7.0%, very close to the certified FY 2012 CBT estimate of 7.3% growth for the year. However, the much smaller **CBT for banks and financial institutions** remains weak, down 57.9% from the same four months last year.
- **Casino and lottery revenues** continue to underperform expectations, down 15.9% and flat respectively compared to last year. On the other hand, **inheritance revenues** are up 13.4% and **realty revenues** are showing some improvement, up 23.1%, both ahead of year-end target growth rates.

Office of Legislative Services
November 17, 2011

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.

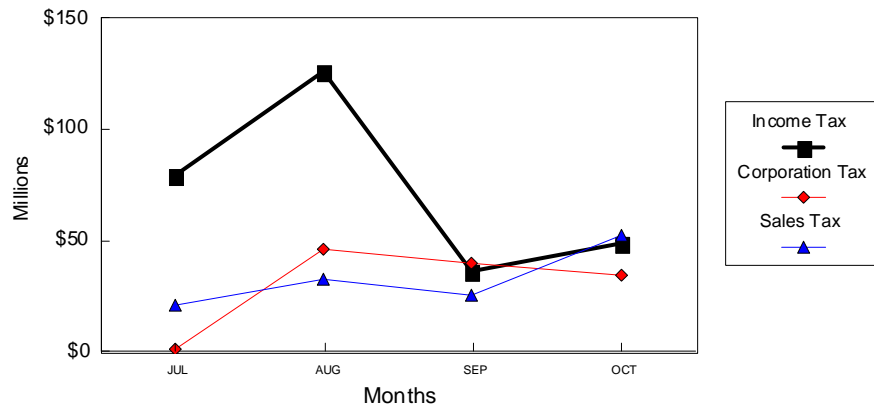
OLS Revenue Snapshot

FY 2012 - Through October 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	\$2,404.0	\$2,453.1	2.0%	5.7%	\$11,132.0
* SALES TAX	\$1,976.1	\$2,028.5	2.7%	3.9%	\$8,153.0
CORPORATION TAX	\$495.9	\$530.8	7.0%	7.3%	\$2,261.0
LOTTERY	\$286.1	\$285.9	0.0%	10.8%	\$1,030.0
TRANSFER INHERITANCE	\$202.1	\$229.1	13.4%	6.2%	\$666.9
* MOTOR FUELS	\$139.9	\$137.8	-1.5%	1.9%	\$535.0
INSURANCE PREMIUM	\$14.5	\$12.2	-15.9%	6.3%	\$499.2
(b) MOTOR VEHICLE FEES	\$0.0	\$23.2	--	19.6%	\$492.7
CASINO	\$93.8	\$78.9	-15.9%	-3.5%	\$234.8
* PETROLEUM PRODUCTS	\$54.7	\$60.1	9.9%	1.7%	\$222.8
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-4.0%	\$205.5
BANKS & FINANCIAL (CBT)	\$45.2	\$19.0	-57.9%	16.4%	\$201.9
* REALTY TRANSFER	\$44.8	\$55.2	23.1%	11.8%	\$191.1
* ALCOHOL EXCISE	\$14.8	\$20.4	38.0%	0.0%	\$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 three months of cash collections. All others represent four month of cash collections.

** The percentage difference between FY 2012 certified revenue estimates (June 2011) and FY 2011 Executive year-end anticipated figures (June 2011). 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.