

OLS Revenue Snapshot

FY 2012 - Through September 2011

- **First Quarter Revenue Collections Complete.** Revenue collections from the first quarter rarely provide a clear picture for the fiscal year and this year the picture is more muddled than usual. Filing extensions permitted by the Division of Taxation following the hurricane probably shifted some of the revenue from September into October, but there is no easy way to assess the magnitude of this effect. It is noteworthy that each of the major revenue sources did less well in September than it had in the prior two months.
- **Gross Income Tax (GIT)** cash receipts of \$1.74 billion are 2.1% above the same First Quarter period last year. The Governor's certified year-end target assumes growth of 5.7% for the entire fiscal year. September receipts fell back from unusually strong growth through August for two reasons. First, the acceleration of one weekly withholding payment, noted in last month's *Snapshot*, has been reversed in this month's collection.

Second, the filing delay may be depressing current receipts. Postponed tax payments must be paid by the end of October and would presumably boost receipts next month. The GIT component most likely to be delayed, taxpayers' quarterly estimated payments, are indeed lower than anticipated, down \$58 million (-11.4%) compared to last year at the same time. Other GIT components are performing at or slightly better than expected. Withholding collections are up \$44 million (+3.2%), refund payments are down \$18 million (-11.0%), and other payments are up \$26 million (+39.7%) compared to the same months last year.

- **Sales Tax** receipts through the end of September total \$1.31 billion, up 2.0% from the same period last year (September collections reflect August 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 notes that sales tax receipts due in September may also have been reduced to an unknown extent by the filing delay, and may improve when those delayed payments are made to the State in subsequent months.
- **Corporation Business Tax (CBT)** cash collections of \$419.3 million are up 10.6% above the same period last fiscal year. The certified FY 2012 CBT estimate anticipates 7.3% growth for the year. If there have been any filing delays for the corporate tax, then collections are even further ahead of the estimated year-end growth rate.

Office of Legislative Services
October 14, 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.

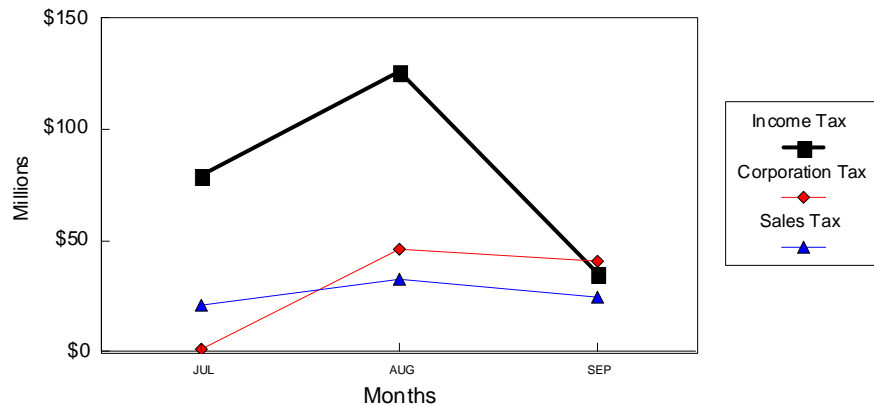
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2011 Actual Year-To-Date	FY 2012 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$1,706.5	\$1,742.6	2.1%	5.7%	\$11,132.0
* SALES TAX	\$1,285.6	\$1,311.3	2.0%	3.9%	\$8,153.0
CORPORATION TAX	\$379.1	\$419.3	10.6%	7.3%	\$2,261.0
LOTTERY	\$211.6	\$214.3	1.3%	10.8%	\$1,030.0
TRANSFER INHERITANCE	\$142.9	\$175.3	22.7%	6.2%	\$666.9
* MOTOR FUELS	\$94.0	\$93.7	-0.3%	1.9%	\$535.0
INSURANCE PREMIUM	\$12.9	\$11.6	-10.0%	6.3%	\$499.2
(b) MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	19.6%	\$492.7
CASINO	\$75.8	\$59.3	-21.8%	-3.5%	\$234.8
* PETROLEUM PRODUCTS	\$36.5	\$42.3	15.8%	1.7%	\$222.8
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-4.0%	\$205.5
BANKS & FINANCIAL (CBT)	\$44.9	\$16.5	-63.2%	16.4%	\$201.9
* REALTY TRANSFER	\$35.5	\$36.8	3.8%	11.8%	\$191.1
* ALCOHOL EXCISE	\$14.7	\$20.2	37.3%	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 two months of cash collections. All others represent three 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.