

OLS Revenue Snapshot

FY 2012 Year-End Totals

- **Revenue Collections for FY 2012 Miss Target by \$275 Million.** FY 2012 ended on June 30, but collections for many revenues continued until the end of July. With the release of the FY 2012 Comprehensive Annual Financial Report (CAFR) on January 9, 2013, major revenue collections and annual year-end revenue accounting adjustments are complete. The 14 major revenues tracked by OLS each month fell short of the Executive's May 2012 targets by a combined \$274.6 million.¹ In the aggregate, these major revenues grew by 2.8% over FY 2011. The revenues included in this report account for about 88% of budgeted State revenues and exclude certain energy-related revenues and various miscellaneous sources.
- **Sales Tax** receipts total \$7.936 billion, \$109.8 million below the Executive's May revised target for FY 2012. This revenue significantly underperformed expectations during the last three months of the fiscal year, recording declining amounts in May and June and low growth in July (sales tax collections reflect transactions in the prior month). Overall, the sales tax grew by 2.2% in FY 2012.
- **Gross Income Tax (GIT)** cash receipts of \$11.128 billion grew by 4.8% over the prior year. This total is \$228.0 million above the Executive's May revised year-end target. Most of the additional amount is due to a larger than expected bookkeeping shift of certain partnership withholding receipts from the corporation tax accounts to the GIT. For FY 2012 this shift was \$190.8 million more than in FY 2011.
- **Corporation Business Tax (CBT)** cash collections of \$2.032 billion are down 8.7% from FY 2011. Total receipts are \$281.7 million below the Executive's May revised target for FY 2012. While the CBT underperformed expectations, the size of the shortfall in FY 2012 collections is largely a result of the \$190.8 million increased bookkeeping shift to the GIT. The much smaller **CBT for banks and financial institutions** reported \$106.4 million, 10.1% below the prior year but \$6.4 million more than the Executive's May revised target.
- The remaining ten major revenues differed from the Executive's revised May targets by varying amounts, as displayed in the table on page 2 of the **Snapshot**. Combined, these ten revenues fell \$111.1 million below their respective targets.

Office of Legislative Services
January 9, 2013

¹ A preliminary **Snapshot** report released in September, 2012, indicated a revenue shortfall of \$253.9 million, based on figures recorded at that time in the State's Comprehensive Financial System.

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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FY 2012 Year-End Totals

Major Revenues (\$ millions)

| REVENUE | May Revised Year-End Estimate* | FY 2012 Actual Year-End** | Year-End Difference from May Estimate | Growth Rate from FY 2011 to FY 2012 |
|-----------------------------|--------------------------------------|---------------------------------|---|---|
| INCOME TAX | \$10,900.4 | \$11,128.4 | \$228.0 | 4.8% |
| SALES TAX | \$8,045.6 | \$7,935.8 | (\$109.8) | 2.2% |
| CORPORATION TAX | \$2,314.0 | \$2,032.3 | (\$281.7) | -8.7% |
| LOTTERY | \$967.0 | \$950.1 | (\$16.9) | 2.2% |
| TRANSFER INHERITANCE | \$674.0 | \$641.9 | (\$32.1) | 0.0% |
| INSURANCE PREMIUM | \$550.0 | \$528.3 | (\$21.7) | 15.3% |
| MOTOR FUELS | \$545.0 | \$539.7 | (\$5.3) | 3.0% |
| MOTOR VEHICLE FEES | \$483.0 | \$463.9 | (\$19.1) | 13.8% |
| CIGARETTE | \$296.6 | \$288.4 | (\$8.2) | 26.9% |
| CASINO | \$230.8 | \$227.2 | (\$3.6) | -9.6% |
| PETROLEUM PRODUCTS | \$225.0 | \$223.3 | (\$1.7) | 3.2% |
| REALTY TRANSFER | \$195.0 | \$187.8 | (\$7.2) | 7.1% |
| ALCOHOL EXCISE | \$104.0 | \$102.3 | (\$1.7) | 3.9% |
| BANKS & FINANCIAL (CBT) | \$100.0 | \$106.4 | \$6.4 | -10.1% |
| Total Major Revenues | \$25,630.4 | \$25,355.8 | (\$274.6) | 2.8% |

* Executive FY 2012 year-end estimate as revised May 23, 2012.

** FY 2012 Actual revenues represent final collections through the end of the fiscal year as reported by the NJ Comprehensive Annual Financial Report (CAFR) in January, 2013. Energy revenues for the sales tax and CBT are not included.

Note: The major revenues above consist of on-budget amounts. Some revenues, such as the cigarette tax and motor vehicle fees, also have significant components reported off-budget as Schedule 2 revenues. The insurance premium, motor vehicle fee and cigarette tax revenue lines in FY 2012 include certain funds that were not included in those lines in FY 2011 and therefore the annual rate of growth reflected above is inflated as a result.