

# OLS Revenue Snapshot

FY 2013 - Through April 2013

- **April Income Tax Collections Strong; Most Other Revenues Weaker.** With the fourth quarter of FY 2013 well underway, nine of the 14 major revenues trail the Executive's revised year-end growth targets, while five revenues, including the gross income tax, are growing faster than their year-end growth targets. In total, the major tax revenues for the first ten months of FY 2013 are running 6.8% ahead of the same period last year, fueled by the strong April performance of the income tax. On May 20 the OLS and the Treasurer will update their revenue forecasts.
- **Gross Income Tax (GIT)** cash receipts of \$9.6 billion are 12.8% above the same period last year, jumping ahead of the Treasury's year-end target growth rate of 9.4%. April receipts surged by 29.1% above last April during the largest and most important collections month of the fiscal year. This growth resulted from a 39.1% increase in final payments in April. Withholding of employee wages declined slightly for the month and is now up 3.6% so far this year. Quarterly estimated payments are up 14.4%, while refund payments continue to lag last year by 6.3%.

The OLS notes that the GIT growth rate is likely to decline over the remainder of FY 2013, as the future revenue flow is primarily from withholding collections, which are growing at a more modest rate. In addition, the OLS anticipates net collections to be depressed by higher refund payments as the delay in processing, noted in prior months of the OLS *Snapshot*, is resolved. Lastly, the OLS and the Executive also expect the GIT to received a smaller accounting adjustment from the CBT (relating to certain partnership withholding provisions) than was the case in FY 2012.
- **Sales Tax** collections through the end of April total \$6.1 billion, up 3.1% from the same period last year. April collections grew by 3.8% compared to last April. To hit the Treasury's revised year-end target will require 4.8% growth in the remaining months.
- **Corporation Business Tax (CBT)** cash collections of \$1.79 billion through April are up only 0.2% from the same 10 months last fiscal year. Collections rebounded from a 15.4% decline in March to a 19.1% increase in April, bringing this revenue even with the prior year. The Treasury's revised target assumes 9.8% growth for the full year, requiring 79.7% growth during the final two months of the fiscal year. The CBT will benefit as the net accounting adjustments for partnership tax withholdings, noted in the GIT discussion above, return to more normal levels.
- **Casino revenues** of \$174.3 million are down 9.3% through the end of April. The revised target for FY 2013 assumes a drop of only 2.3% for the year. To achieve the revised target will require casino revenues to reverse the decline and increase by 36.1% in the final months of the year.

Office of Legislative Services, May 16, 2013

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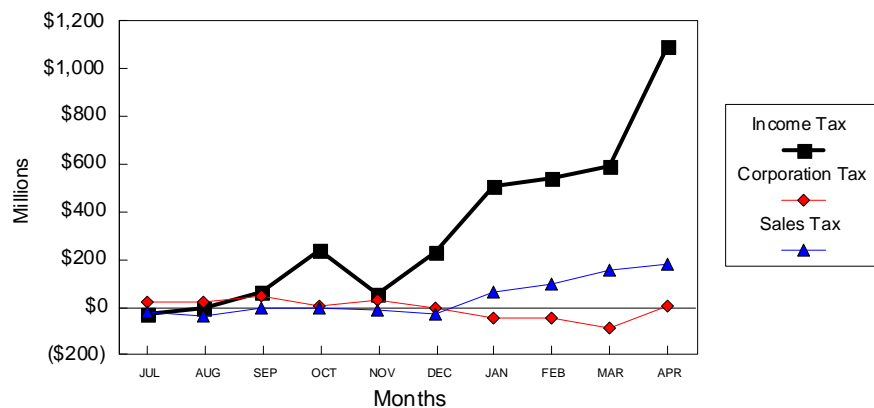
Selected Year-To-Date Cash Collections (\$ millions)

FY 2013 - Through April 2013

REVENUE	FY 2012 Actual Year-To-Date	FY 2013 Actual Year-To-Date	Actual Y-T-D Growth %	Revised Year-End Growth % **	Revised Year-End \$ Estimate
INCOME TAX	\$8,553.4	\$9,644.5	12.8%	9.4%	\$12,173.0
SALES TAX	\$5,924.3	\$6,108.1	3.1%	3.5%	\$8,216.0
CORPORATION TAX	\$1,786.7	\$1,790.7	0.2%	9.8%	\$2,232.0
c) LOTTERY	\$774.8	\$765.3	-1.2%	2.6%	\$975.0
TRANSFER INHERITANCE	\$530.6	\$493.3	-7.0%	5.9%	\$680.0
INSURANCE PREMIUM	\$306.4	\$332.6	8.6%	6.0%	\$560.0
* MOTOR FUELS	\$394.2	\$384.1	-2.6%	1.0%	\$545.0
b) MOTOR VEHICLE FEES	\$330.7	\$337.9	2.2%	0.5%	\$466.4
a) CIGARETTE	\$105.5	\$123.3	16.9%	-8.8%	\$263.0
* REALTY TRANSFER	\$138.5	\$156.3	12.9%	27.8%	\$240.0
* PETROLEUM PRODUCTS	\$166.6	\$154.8	-7.1%	2.1%	\$228.0
CASINO	\$192.2	\$174.3	-9.3%	-2.3%	\$221.9
BANKS & FINANCIAL (CBT)	\$55.7	\$109.7	97.1%	55.1%	\$165.0
* ALCOHOL EXCISE	\$64.6	\$64.6	0.0%	7.5%	\$110.0
<b>TOTALS:</b>	<b>\$19,324.1</b>	<b>\$20,639.4</b>	<b>6.8%</b>	<b>6.8%</b>	<b>\$27,075.3</b>

**Income Tax  
Corporation Tax  
and Sales Tax**

**FY13 Over FY12  
Actual Year-To-Date  
\$ Change**



Sources: Executive FY2013 year-end revenues revised February 2013. FY2013 Year-To-Date from Treasury monthly reports.

\* Revenues represent 9 month of cash collections. All others represent 10 months of cash collections.

\*\* The percentage difference between FY 2013 revised revenue estimates (February 2013) and final audited FY 2012 figures from the Comprehensive Annual Financial Report (January 2013). 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 \$213.6 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.

c) The FY13 Lottery amount excludes the anticipation of a \$120 million payment under a pending new management contract.