

OLS Revenue Snapshot

FY 2013 - Through March 2013

- **Most Major Revenues Trail Revised Target Growth Rates.** Total major tax revenues for the first nine months of FY 2013 are running 4.1% ahead of the same period last year, after rising only 1.8% during March. Overall growth trails the Executive's year-end target rate of 7.3%. To achieve the Executive's revised targets will require the major revenues to grow by 11.4% in the remaining months of FY2013.
- **Gross Income Tax (GIT)** cash receipts of \$7.4 billion are 8.6% above the same period last year. The \$120 million delay in February refund payments, discussed in last month's *Revenue Snapshot*, remains unchanged through the end of March. The OLS expects tax filing and refund processing to catch up in the final months of FY 2013. Adjusting for the \$120 million refund delay yields GIT collections of \$7.29 billion, or growth of 6.9% year to date, a more appropriate comparison to last year at the same time. The Executive's revised year-end target assumes 9.4% growth for the year. To achieve that target will require 10.6% growth for the remaining months of FY 2013.
- **Sales Tax** collections through the end of March total \$5.35 billion, up 3.0% from the same period last year. The Executive's revised target assumes 3.5% growth for the year. March collections grew by 10.6% compared to last March. To hit the Executive's year-end target will require 4.5% growth in the remaining months.
- **Corporation Business Tax (CBT)** cash collections of \$1.24 billion through March are down 6.4% from the same nine month period last fiscal year. March collections dropped by 15.4% from last year's level. The Executive's revised target assumes 9.8% growth for the full year, requiring 40% growth during the final quarter of the fiscal year.
- **Casino revenues** of \$151.2 million are down 10.8% through the end of March. The revised target for FY 2013 assumes a decline of only 2.3% for the year. Receipts declined 4.0% from last March. To achieve the revised target will require casino revenues to reverse the on-going decline and increase by 22.4% in the final months of the year.
- **Realty Transfer revenues** of \$143.5 million are up 13.6% compared to last year at the same point. March receipts rose a strong 84.3% above last March, a second consecutive good month after February's 50.7% growth. In order to achieve the Executive's target, realty revenues will need to grow by 57% for the remainder of FY2013. The OLS notes that the February and March baselines were particularly low last year, having dropped by 18.5% and 38.2% respectively, and that last year's baseline for the remaining months is considerably stronger.

Office of Legislative Services, April 5, 2013

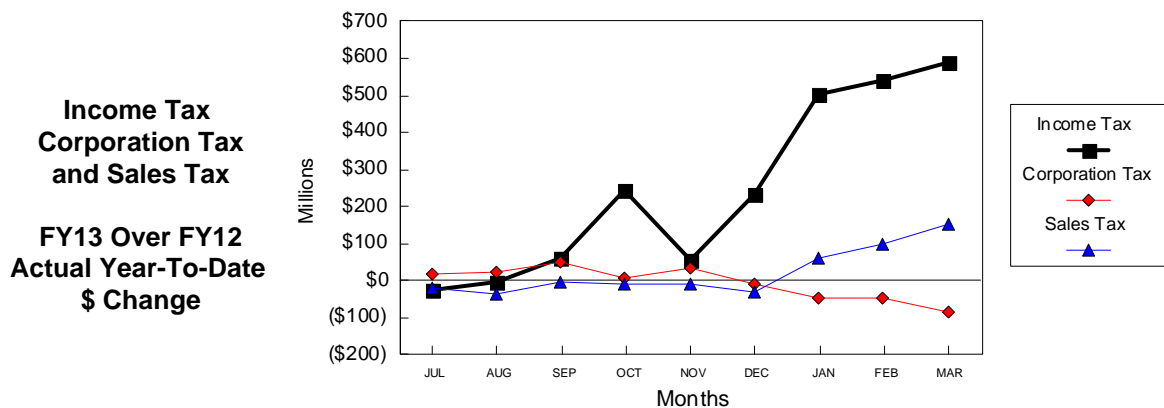
As in past years, the OLS Revenue Snapshot summarizes current cash revenue collections in comparison to prior year cash collections for the same period, using information provided by the Department of Treasury. Certain revenues are reported with a one month lag due to payment schedules.

OLS Revenue Snapshot

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

FY 2013 - Through March 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	\$6,821.9	\$7,410.0	8.6%	9.4%	\$12,173.0
SALES TAX	\$5,191.4	\$5,347.3	3.0%	3.5%	\$8,216.0
CORPORATION TAX	\$1,323.7	\$1,239.5	-6.4%	9.8%	\$2,232.0
c) LOTTERY	\$697.2	\$687.4	-1.4%	15.3%	\$1,095.0
TRANSFER INHERITANCE	\$482.8	\$451.3	-6.5%	5.9%	\$680.0
INSURANCE PREMIUM	\$304.2	\$329.7	8.4%	6.0%	\$560.0
* MOTOR FUELS	\$357.3	\$341.8	-4.3%	1.0%	\$545.0
b) MOTOR VEHICLE FEES	\$281.8	\$279.0	-1.0%	0.5%	\$466.4
a) CIGARETTE	\$41.3	\$66.0	59.6%	-8.8%	\$263.0
* REALTY TRANSFER	\$126.3	\$143.5	13.6%	27.8%	\$240.0
* PETROLEUM PRODUCTS	\$150.9	\$139.2	-7.7%	2.1%	\$228.0
CASINO	\$169.5	\$151.2	-10.8%	-2.3%	\$221.9
BANKS & FINANCIAL (CBT)	\$56.0	\$82.3	46.8%	55.1%	\$165.0
* ALCOHOL EXCISE	\$64.4	\$64.4	0.0%	7.5%	\$110.0
TOTALS:	\$16,068.8	\$16,732.4	4.1%	7.3%	\$27,195.3



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

* Revenues represent 8 month of cash collections. All others represent 9 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 estimate includes the anticipation of a \$120 million payment under a pending new management contract.