

OLS Revenue Snapshot

FY 2013 - Through May 2013

*As the official May revenue report was released after the conclusion of the fiscal year (but not after the end of FY 2013 collections and accounting adjustments), this May **OLS Revenue Snapshot** is informed by preliminary June revenue data and looks ahead to possible year-end outcomes.*

- **Income Tax Collections Remain Strong While Most Other Revenues Lag.** Through the end of May, the 14 major tax revenues ran 6.6% ahead of the same period last year, slightly below the 6.8% growth rate necessary to hit the Executive's revised year-end targets. Preliminary data on June collections indicate that year-to-date growth will remain below the 6.8% growth rate target. Combined, the Big Three tax revenues – the income tax, sales tax, and corporation tax – are likely to finish FY 2013 close to the aggregate year-end target, while the total from the other major revenues is likely to fall short of the Executive's expectations.
- **Gross Income Tax (GIT)** cash receipts through May of \$10.45 billion were 12.9% above the same period last year, well ahead of the Treasury's revised year-end target growth rate of 9.6%. May receipts grew by a strong 14.9% above the prior year. Driving the GIT's impressive growth were Tax Year 2012 final payments, which rose by a remarkable 36.6% in April and May combined. Withholding of employee wages was up 4.65% through May, quarterly estimated payments were up 13.3%, and refund payments continued to lag last year by 4.0%. While growth is expected to decline from the current 12.9% rate, the GIT is likely to exceed the 9.6% growth target by the end of the year.
- **Corporation Business Tax (CBT)** cash collections of \$1.9 billion through May were down 0.2% from the same 11 months last fiscal year. The Treasury's revised target assumes 11.1% growth for the full year. Preliminary data indicate that CBT cash collections remained below last year's levels through the end of June. Thus, year-end accounting shifts from the CBT to the GIT would have to be about \$225 million less in FY 2013 than in FY 2012 in order to hit the target.
- **Sales Tax** collections through the end of May totaled \$6.73 billion, up 3.1% from the same period last year. To hit the Treasury's revised year-end target will require 5.3% growth in the two remaining collections months of FY 2013 (sales tax collections lag by one month). Preliminary June data suggest that this is an attainable target.
- **Other major revenues** generally lagged the revised FY 2013 targets. Excluding the Big Three taxes, seven of the other 11 major revenues were running behind their year-end target growth rates through the end of May (lottery, transfer inheritance, motor fuels, cigarette, realty transfer, petroleum products, and alcohol excise), while four revenues exceeded their growth targets (insurance premiums, motor vehicle fees, casinos, and the CBT on banks and financial institutions). Combined, these 11 other major revenues were up only 0.4% through the end of May, compared to growth of 2.9% necessary to achieve the FY 2013 year-end target. Preliminary June data indicate that these shortfalls will continue.

Office of Legislative Services, July 2, 2013

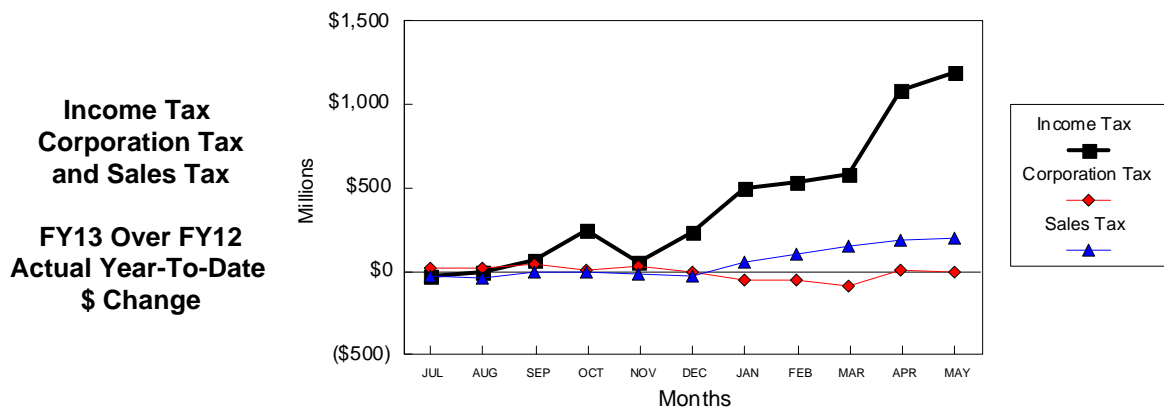
As in past years, the OLS Revenue Snapshot summarizes current cash revenue collections in comparison to prior year cash collections for the same period, using information provided by the Department of Treasury. Certain revenues are reported with a one month lag due to payment schedules.

OLS Revenue Snapshot

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

FY 2013 - Through May 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	\$9,254.3	\$10,449.9	12.9%	9.6%	\$12,193.0
SALES TAX	\$6,533.2	\$6,734.4	3.1%	3.8%	\$8,241.0
CORPORATION TAX	\$1,905.1	\$1,900.9	-0.2%	11.1%	\$2,257.0
c) LOTTERY	\$853.0	\$863.8	1.3%	2.6%	\$975.0
TRANSFER INHERITANCE	\$590.8	\$546.9	-7.4%	1.3%	\$650.0
INSURANCE PREMIUM	\$437.8	\$508.6	16.2%	6.0%	\$560.0
* MOTOR FUELS	\$446.4	\$425.9	-4.6%	0.1%	\$540.0
b) MOTOR VEHICLE FEES	\$399.3	\$394.5	-1.2%	-2.0%	\$454.7
a) CIGARETTE	\$226.1	\$181.3	-19.8%	-8.8%	\$263.0
* REALTY TRANSFER	\$153.1	\$174.4	13.9%	21.4%	\$228.0
* PETROLEUM PRODUCTS	\$185.6	\$172.7	-6.9%	-1.5%	\$220.0
CASINO	\$211.1	\$195.7	-7.3%	-10.2%	\$204.1
BANKS & FINANCIAL (CBT)	\$57.6	\$111.6	93.7%	66.4%	\$177.0
* ALCOHOL EXCISE	\$79.4	\$79.8	0.5%	6.5%	\$109.0
TOTALS:	\$21,332.7	\$22,740.5	6.6%	6.8%	\$27,071.8



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

* Revenues represent 10 month of cash collections. All others represent 11 months of cash collections.

** The percentage difference between FY 2013 revised revenue estimates (May 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.