

OLS Revenue Snapshot

FY 2013 - Through September 2012

- **First Quarter Major Revenues Lag Year-End Target Growth Rates.** As the first quarter of FY 2013 ends, 11 of the 12 major revenues reporting on-budget receipts at this time of year,¹ continue to lag growth rates necessary to achieve the certified year-end targets. According to the Treasury's September revenue report, total revenues are growing by only 1.9% above the same period last year. The certified FY 2013 targets for these major revenues assume growth of 8.4% over FY 2012 collections. Since first quarter growth has been well below 8.4%, the remaining three quarters of FY 2013 will now need to grow by about 9.6% to compensate.²
- **Gross Income Tax (GIT)** cash receipts of \$1.8 billion are 3.7% above the same period last year. The certified year-end target assumes growth of 5.7% for the entire fiscal year. However, the OLS notes that last September a significant amount of estimated payments were postponed due to delays permitted for those taxpayers impacted by Hurricane Irene. The delay held down September payments by about \$60 million and boosted November receipts by a like amount. After adjusting for the storm-related delay, total GIT receipts have not grown from last year.
- **Sales Tax** receipts through the end of September total \$1.3 billion, down 0.3% 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 assumes 6.3% growth for the year. Sales tax receipts have been weak since the Spring, a significant ongoing concern for the State's revenue collections, because the sales tax is the State's second largest tax revenue.
- **Corporation Business Tax (CBT)** cash collections of \$468.7 million through September represent 11.8% growth from the same period last fiscal year. Generally, such a growth rate in the CBT would be viewed as encouraging, except that the certified CBT estimate requires a significantly greater 26.2% growth rate for FY 2013 over FY 2012.
- **Transfer Inheritance** revenues, the State's 5th largest major revenue source, have booked \$136.8 million through the first quarter, down 22.0% compared to the same point last year. The certified target requires growth of 12.9% in FY 2013.
- **Casino revenues** of \$62.1 million are up 4.7% through the end of September. The certified target for FY 2013 requires growth of 18.5%.

Office of Legislative Services
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¹ Motor vehicle fees and cigarette tax revenues are first allocated to designated off-budget accounts, and do not report on-budget revenues until later in each fiscal year.

² Further, the OLS notes that, assuming a \$60 million shift due to storm-related GIT payment delays in September 2011, the adjusted year-to-date growth of total major revenues is 0.5% rather than 1.9%. Using the same assumption, the remaining three quarters of FY 2013 need to grow by 9.9% to achieve the certified year-end targets.

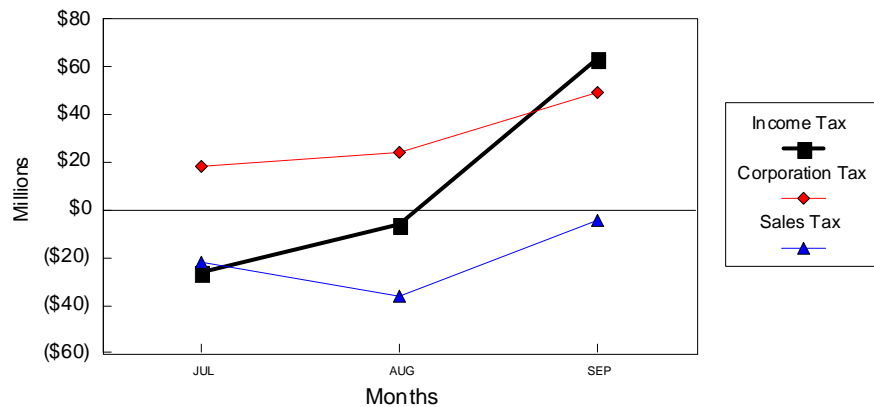
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2012 Actual Year-To-Date	FY 2013 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$1,742.6	\$1,806.6	3.7%	5.7%	\$11,767.4
SALES TAX	\$1,311.3	\$1,307.2	-0.3%	6.3%	\$8,422.8
CORPORATION TAX	\$419.3	\$468.7	11.8%	26.2%	\$2,566.0
LOTTERY	\$214.3	\$226.5	5.7%	15.3%	\$1,095.0
TRANSFER INHERITANCE	\$175.3	\$136.8	-22.0%	12.9%	\$725.0
INSURANCE PREMIUM	\$11.6	\$15.3	31.8%	8.8%	\$575.0
* MOTOR FUELS	\$93.7	\$90.4	-3.6%	4.8%	\$565.0
(b) MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	0.5%	\$466.4
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-5.8%	\$271.6
CASINO	\$59.3	\$62.1	4.7%	18.5%	\$269.1
* REALTY TRANSFER	\$36.8	\$36.1	-2.0%	27.7%	\$240.0
* PETROLEUM PRODUCTS	\$42.3	\$34.7	-18.0%	2.1%	\$228.0
BANKS & FINANCIAL (CBT)	\$16.5	\$23.8	44.2%	55.2%	\$165.0
* ALCOHOL EXCISE	\$20.2	\$15.7	-22.2%	9.5%	\$112.0

**Income Tax
Corporation Tax
and Sales Tax**
**FY13 Over FY12
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2013 year-end revenues as certified in June 2012.

FY 2013 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent 2 month of cash collections. All others represent 3 months of cash collections.

** The percentage difference between FY 2013 certified revenue estimates (June 2012) and FY 2012 figures from the State's Comprehensive Financial System (September 2012). 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.