

OLS Revenue Snapshot

FY 2014 - Through August 2013

- **Revenues Begin FY 2014 with Moderate Growth.** Initial FY 2014 State revenue figures through the end of August indicate that aggregate major revenues are growing 4.0% from the same period last year. Five of the 14 major revenues are growing at rates above the certified year-end target growth rates, seven major revenues are initially falling below the certified growth rates, and for two revenues it is too early in the fiscal year to record on-budget collections.

The OLS notes that revenue collection data from the summer months are always muddled by accounting adjustments and shifts between the old and new fiscal years. A better sense of underlying trends may be visible after important individual and corporate quarterly payments are made in September.

- **Gross Income Tax (GIT)** cash receipts of \$767.6 million are running 1.6% below the same two-month period last year. The certified year-end target assumes growth of 7.7% for the entire fiscal year. Next month's **OLS Revenue Snapshot** will include figures for September, the first significant month of the new fiscal year, when quarterly estimated payments are due.
- **Sales Tax** receipts through the end of August total \$739.6 million, up a robust 13.4% from the same period last year (August collections reflect July economic activity because this tax is subject to a one month payment lag). The certified target assumes a 5.4% growth rate for the year.
- **Corporation Business Tax (CBT)** cash collections of \$98.7 million in July and August represent a 16.5% decline from the same two-month period last fiscal year. The certified FY 2014 CBT estimate anticipates 2.2% growth for the year. The upcoming CBT September quarterly payments should be viewed as a more important indicator of growth patterns for FY 2014, as these payments historically account for three times the revenue booked in July and August combined.
- **Casino revenues** of \$37.6 million are down 14.7% through the end of August, continuing a pattern of annual declines stretching back to FY 2006. The certified target for FY 2014 baseline casino revenues requires growth of 3.9%. These figures do not include an additional \$160.0 million revenue gain attributed to a new internet gaming program to begin operation at some point in this fiscal year.

Office of Legislative Services
September 20, 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

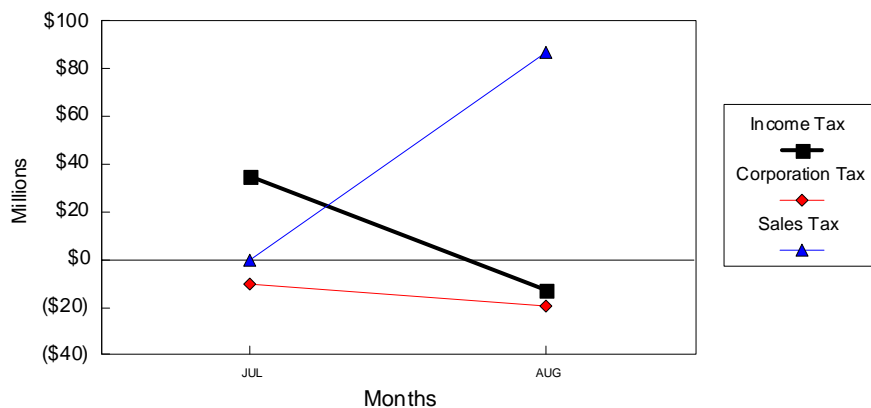
Selected Year-To-Date Cash Collections (\$ millions)

FY 2014 - Through August 2013

| REVENUE | FY 2013 Actual Year-To-Date | FY 2014 Actual Year-To-Date | Actual Y-T-D Growth % | Certified Year-End Growth % ** | Certified Year-End \$ Estimate |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| INCOME TAX | \$780.1 | \$767.6 | -1.6% | 7.7% | \$13,039.0 |
| * SALES TAX | \$652.4 | \$739.6 | 13.4% | 5.4% | \$8,680.0 |
| CORPORATION TAX | \$118.2 | \$98.7 | -16.5% | 2.2% | \$2,416.0 |
| LOTTERY | \$152.4 | \$161.2 | 5.8% | 6.8% | \$1,020.0 |
| TRANSFER INHERITANCE | \$98.2 | \$114.7 | 16.8% | 14.6% | \$715.0 |
| INSURANCE PREMIUM | \$15.2 | \$13.9 | -8.4% | 8.3% | \$608.0 |
| * MOTOR FUELS | \$38.1 | \$37.5 | -1.6% | 4.8% | \$547.0 |
| [b] MOTOR VEHICLE FEES | \$0.0 | \$0.0 | 0.0% | -3.1% | \$437.1 |
| * REALTY TRANSFER | \$15.5 | \$22.4 | 44.8% | 39.4% | \$297.0 |
| [a] CIGARETTE | \$0.0 | \$0.0 | 0.0% | -4.0% | \$237.0 |
| * PETROLEUM PRODUCTS | \$17.6 | \$20.8 | 18.7% | 9.1% | \$228.0 |
| [c] CASINO | \$44.1 | \$37.6 | -14.7% | 3.9% | \$209.1 |
| BANKS & FINANCIAL (CBT) | \$5.2 | \$0.6 | -89.4% | 22.4% | \$202.0 |
| * ALCOHOL EXCISE | \$0.1 | \$0.2 | 46.3% | 14.9% | \$118.5 |
| TOTALS: | \$1,937.1 | \$2,014.8 | 4.0% | 6.6% | \$28,753.7 |

**Income Tax
Corporation Tax
and Sales Tax**

**FY14 Over FY13
Actual Year-To-Date
\$ Change**



Sources: Executive FY2014 year-end revenues certified June 2013. FY2014 Year-To-Date from Treasury monthly reports.

* Revenues represent 1 month of cash collections. All others represent 2 months of cash collections.

** The percentage difference between FY 2014 certified revenue estimates (June 2013) and preliminary FY 2013 figures from the Comprehensive Financial System (September 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 \$244.9 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.

[c] The FY14 casino amount does not include the \$160 million from new internet gaming revenues.