

OLS Revenue Snapshot

FY 2014 - Through December 2013

- **December Revenues Fall.** Revenues in December fell 1.4% below last December's levels, slowing year-to-date growth in the major revenues to 5.7%. The certified year-end target growth rate (target rate) for the major revenues is 6.6% in FY 2014.

In FY 2013 revenue growth through November was very weak, up only 0.2%, while growth during the final seven months surged by 9.7%. Accordingly, it was anticipated that the growth rate would be strong in the early part of FY 2014 but that it would be difficult to sustain such growth for the remainder of the fiscal year. Whether the existing revenue problem¹ will improve or worsen in the months ahead remains to be seen.

- **Gross Income Tax (GIT)** collections for the month fell 1.5% below last December. Total receipts of \$4.56 billion were 4.6% above the same six month period last year, but below the target rate of 7.7%. The OLS notes that December and January need to be viewed in combination, as typically about one-fifth of the quarterly estimated payments due in January are received early in December. These payments can sometimes shift between months, temporarily distorting collection patterns.
- **Sales Tax** receipts through the end of December total \$3.54 billion, up 8.5% from the same period last year. December collections reflect November economic activity because this tax is subject to a one month payment lag. Last year the sales tax was down 0.9% for the five months through December, so strong growth off that depressed base was expected. The year-end target rate is 5.4% growth for FY 2014.
- **Corporation Business Tax (CBT)** collections of \$930.1 million through December are essentially flat, down 0.2% from the same period last fiscal year. The FY 2014 CBT target rate is an increase of 2.2%. December collections include important quarterly payments (the CBT's third largest month each year after April and June), but receipts fell 6.6% this December compared to December 2012.
- **Casino revenues** of \$103.7 million are up 1.5% through the end of December. The FY 2014 baseline casino revenues target rate is 3.7% growth.²
- **Realty Transfer revenues** of \$112.6 million are up 30.0% compared to the same period last year. While this historically strong rate of growth is encouraging, it remains below the certified target rate of 40.0% growth in FY 2014.

Office of Legislative Services
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¹ According to Treasury, year-to-date revenue collections are \$331.7 million below their expectations. Treasury anticipated an FY 2014 year-end surplus of \$302.8 million.

² Baseline casino revenues exclude \$160 million anticipated in FY 2014 from internet gaming.

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

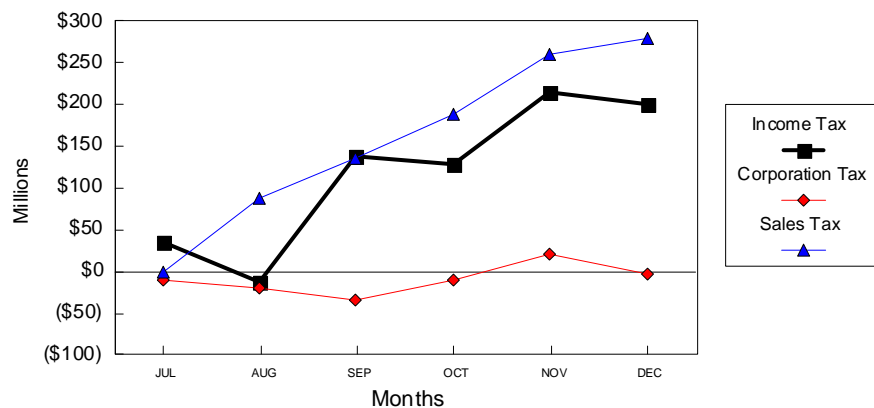
Selected Year-To-Date Cash Collections (\$ millions)

FY 2014 - Through December 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	\$4,357.8	\$4,557.4	4.6%	7.7%	\$13,039.0
* SALES TAX	\$3,257.8	\$3,536.4	8.5%	5.4%	\$8,680.0
CORPORATION TAX	\$932.0	\$930.1	-0.2%	2.2%	\$2,416.0
LOTTERY	\$451.7	\$470.5	4.2%	5.7%	\$1,020.0
TRANSFER INHERITANCE	\$300.5	\$346.6	15.4%	14.6%	\$715.0
INSURANCE PREMIUM	\$26.5	\$30.5	15.1%	8.0%	\$608.0
* MOTOR FUELS	\$219.3	\$219.3	0.0%	4.4%	\$547.0
[b] MOTOR VEHICLE FEES	\$94.7	\$63.0	-33.5%	-3.1%	\$437.1
* REALTY TRANSFER	\$86.6	\$112.6	30.0%	40.0%	\$297.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-3.9%	\$237.0
* PETROLEUM PRODUCTS	\$87.8	\$94.5	7.7%	10.4%	\$228.0
[c] CASINO	\$102.1	\$103.7	1.5%	3.7%	\$209.1
BANKS & FINANCIAL (CBT)	\$71.1	\$95.1	33.7%	23.0%	\$202.0
* ALCOHOL EXCISE	\$31.4	\$32.1	2.3%	14.9%	\$118.5
TOTALS:	\$10,019.5	\$10,591.8	5.7%	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 5 months of cash collections. All others represent 6 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 (October 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.