

OLS Revenue Snapshot

FY 2014 - Through January 2014

- **January Revenues Leave Year-to-Date Collections \$404 Million Below Certified Target.**
The State's major revenues in January rose by 3.9% above last January. Following a December in which revenues declined, a weak January means that year-to-date growth in the major revenues slowed to 5.3%. The year-end target growth rate certified in June (target rate) for the major revenues is 6.6% for FY 2014.¹
- **Gross Income Tax (GIT)** collections for the month rose by 5.5% above last January. Total receipts of \$6.43 billion were 4.8% above the same seven month period last year, but below the target rate of 7.7%. Withholding receipts from employee wage income are up 4.2%. Withholding accounts for nearly three-quarters of annual GIT collections. The fourth quarterly estimated payments (December and January) of Tax Year 2013 rose 5.1%, a marked slowing from prior quarters.
- **Sales Tax** receipts through the end of January total \$4.42 billion, up 6.8% from the same period last year. January collections, which reflect December economic activity because this tax is subject to a one month payment lag, were essentially flat with last January. The target rate is 5.4% growth for FY 2014.
- **Corporation Business Tax (CBT)** collections of \$1.02 billion through January are up 0.6% from the same period last fiscal year. The FY 2014 CBT target rate is 2.3%. On the other hand, the much smaller **CBT for Banks and Financial Institutions** has booked \$92.9 million so far this fiscal year, up 30.1% from the same time last year, and is one of the few revenues exceeding the target rate.
- **Casino revenues** of \$121.9 million are 3.2% ahead of last year through the end of January. The FY 2014 baseline casino revenues target rate is 3.6% growth. Baseline casino revenues exclude the amount anticipated in FY 2014 from internet gaming.
- According to the Division of Gaming Enforcement, State tax revenue from **internet gaming** was \$2.68 million from the start of operations at the end of November 2013 through the end of January 2014. To hit the original certified FY 2014 target would require an average of \$31.46 million per month over the remaining five months of this fiscal year.¹
- **Realty Transfer revenues** of \$133.6 million are up 28.2% compared to the same period last year. Growth remains below the certified target rate of a 40.0% increase for FY 2014.

Office of Legislative Services
March 4, 2014

¹ The Executive revised the revenue forecasts on February 25, 2014, in the Governor's Budget Message. As in past years, those revised targets will be reflected in the **Revenue Snapshot** beginning with the February revenue report. The OLS will present its annual **Tax and Revenue Outlook** to the Budget Committees in early April.

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

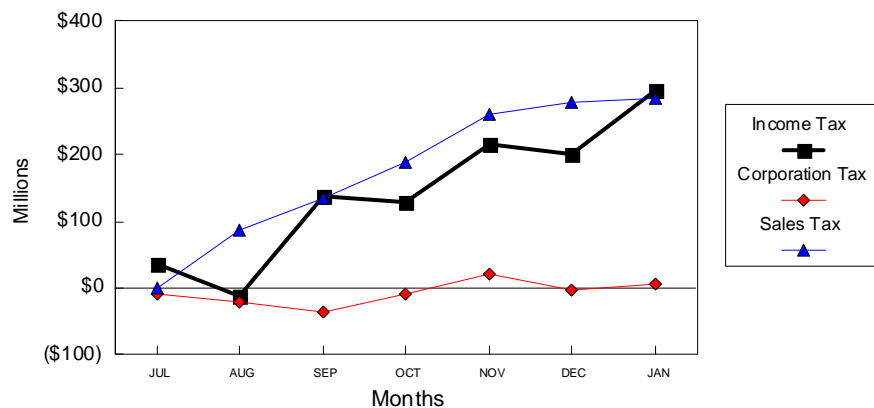
Selected Year-To-Date Cash Collections (\$ millions)

FY 2014 - Through January 2014

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	\$6,134.5	\$6,431.0	4.8%	7.7%	\$13,039.0
* SALES TAX	\$4,140.5	\$4,423.5	6.8%	5.4%	\$8,680.0
CORPORATION TAX	\$1,016.1	\$1,021.7	0.6%	2.3%	\$2,416.0
LOTTERY	\$526.8	\$538.5	2.2%	5.7%	\$1,020.0
TRANSFER INHERITANCE	\$356.1	\$411.0	15.4%	14.6%	\$715.0
INSURANCE PREMIUM	\$27.1	\$35.3	30.1%	7.9%	\$608.0
* MOTOR FUELS	\$263.6	\$266.6	1.2%	4.3%	\$547.0
[b] MOTOR VEHICLE FEES	\$157.8	\$125.1	-20.7%	-2.8%	\$437.1
* REALTY TRANSFER	\$104.2	\$133.6	28.2%	40.0%	\$297.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-4.0%	\$237.0
* PETROLEUM PRODUCTS	\$105.6	\$110.6	4.7%	10.4%	\$228.0
[c] CASINO	\$118.1	\$121.9	3.2%	3.6%	\$209.1
BANKS & FINANCIAL (CBT)	\$71.4	\$92.9	30.1%	23.0%	\$202.0
* ALCOHOL EXCISE	\$53.4	\$54.2	1.4%	15.0%	\$118.5
TOTALS:	\$13,075.2	\$13,765.9	5.3%	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 6 months of cash collections. All others represent 7 months of cash collections.

** The percentage difference between FY 2014 certified revenue estimates (June 2013) and preliminary FY 2013 figures from the Governor's Budget Message (February 2014). 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 internet gaming revenues.