

OLS Revenue Snapshot

FY 2014 - Through October 2013

- **October Revenue Growth Moderates.** Revenue growth in October moderated from the pace of the first three months of FY 2014, bringing year-to-date growth in the major revenues to 6.4%. The certified year-end target growth rate (target rate) for the major revenues as a whole is 6.6%. However, as suggested by Treasury's October report in which receipts were \$115.2 million below the Executive's cash targets, a higher growth rate at this point in the fiscal year would increase confidence about attaining the required target rate through the end of FY 2014.
- **Gross Income Tax (GIT)** receipts of \$2.8 billion were 4.8% above the same period last year, below the target rate of 7.7%. Employer withholdings of employee wages, which typically account for about 70% of annual GIT revenues, were up 4.2% through October. Individual estimated payments were up 19.4%. In addition, October final payments, primarily from high-income taxpayers who previously filed for extensions, were \$151.7 million (43% above last year) and exceeded the highest October of the last two decades (the previous peak was \$136.2 million in FY 2008). On the other hand, total net GIT collections this year were held down due to a significant jump of 78% in taxpayer refund payments. October refund payments of \$98.6 million were 44% above the highest October level of the last 20 years (\$68.5 million in FY 2007).
- **Sales Tax** receipts through the end of October total \$2.2 billion, up 9.4% from the same period last year. October collections reflect September economic activity because this tax is subject to a one month payment lag. Since sales tax revenues in the first quarter last year were lower than the first quarter of the year before, strong growth from that weak base was expected. The target rate is 5.4% growth in FY 2014.
- **Corporation Business Tax (CBT)** collections of \$526.7 million through October were down 1.8% from the same period last fiscal year. The FY 2014 CBT target rate is an increase of 2.2%. On the other hand, the much smaller **CBT for Banks and Financial Institutions** is performing well, posting more than twice as much revenue as the same time last year.
- **Casino revenues** of \$74.0 million are down 5.3% through the end of October. The FY 2014 baseline casino revenues target rate is 3.7% growth.¹ **Lottery revenues** are up 6.4% so far this year, compared to a target rate of 5.7%.²
- **Realty Transfer revenues** of \$68.6 million are up 19.7% compared to the same period last year. However, the certified target rate is 40.0% growth in FY 2014.

Office of Legislative Services
November 25, 2013

¹ Baseline casino revenues exclude \$160 million anticipated in FY 2014 from a new internet gaming system.

² Baseline lottery revenues exclude a \$120.0 million one-time payment in FY 2013 under a new management contract.

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

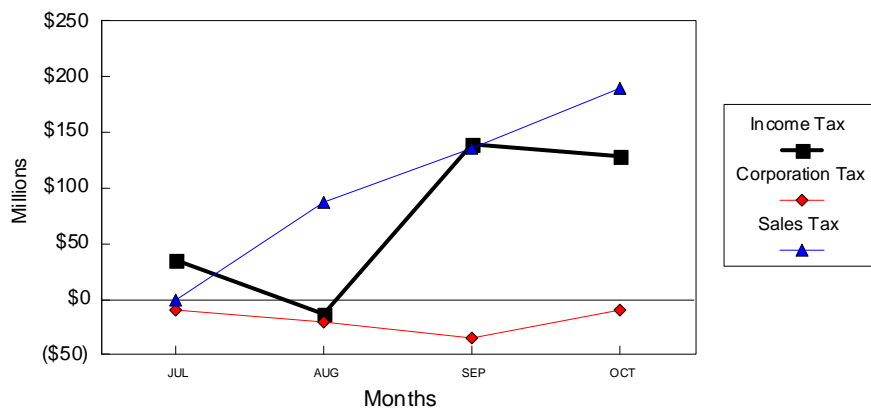
Selected Year-To-Date Cash Collections (\$ millions)

FY 2014 - Through October 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	\$2,697.1	\$2,825.8	4.8%	7.7%	\$13,039.0
* SALES TAX	\$2,021.9	\$2,211.3	9.4%	5.4%	\$8,680.0
CORPORATION TAX	\$536.4	\$526.7	-1.8%	2.2%	\$2,416.0
LOTTERY	\$293.1	\$312.0	6.4%	5.7%	\$1,020.0
TRANSFER INHERITANCE	\$204.0	\$226.6	11.1%	14.6%	\$715.0
INSURANCE PREMIUM	\$14.1	\$18.6	31.8%	8.0%	\$608.0
* MOTOR FUELS	\$134.2	\$128.8	-4.1%	4.4%	\$547.0
[b] MOTOR VEHICLE FEES	\$6.1	\$0.0	-100.0%	-3.1%	\$437.1
* REALTY TRANSFER	\$57.3	\$68.6	19.7%	40.0%	\$297.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-3.9%	\$237.0
* PETROLEUM PRODUCTS	\$52.6	\$62.1	18.1%	10.4%	\$228.0
[c] CASINO	\$78.2	\$74.0	-5.3%	3.7%	\$209.1
BANKS & FINANCIAL (CBT)	\$24.4	\$54.6	123.7%	23.0%	\$202.0
* ALCOHOL EXCISE	\$16.0	\$16.3	1.9%	14.9%	\$118.5
TOTALS:	\$6,135.6	\$6,525.4	6.4%	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 3 months of cash collections. All others represent 4 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.