

OLS Revenue Snapshot

FY 2014 - Through September 2013

- **First Quarter Revenues Growing.** For the first quarter of FY 2014, State revenues grew 7.3% from the same period last year, slightly better than the overall certified year-end target growth rate (target rate). The income tax is matching its target rate, the sales tax is above the target rate and the corporation business tax trails the target rate. Of the other major revenues, five grew above and four below the target rates. Growth in the first quarter was expected to be strong because the corresponding quarter last year was weak.
- **Gross Income Tax (GIT)** receipts of \$1.945 billion are running 7.7% above the same period last year, matching the target rate. GIT growth is likely to exceed the target rate until the Spring of 2014, at which time GIT growth should moderate. This pattern is expected due to the one time boost in April of FY 2013 from surging individual payments induced by the increase in federal income tax rates on high-income taxpayers.¹
- **Sales Tax** receipts through the end of September total \$1.443 billion, up a strong 10.4% from the same period last year. September collections reflect August economic activity because this tax is subject to a one month payment lag. The significance of this early growth is unclear, as sales tax collections in the first quarter of last fiscal year were quite weak. The target is 5.4% growth.
- **Corporation Business Tax (CBT)** collections of \$433.6 million through September declined 7.5% from the same period last fiscal year. The FY 2014 CBT target rate is an increase of 2.2% from last year. The important CBT September payments declined by 4.5% from last September.
- **Casino revenues** of \$58.8 million are down 5.3% through the end of September. The certified target for FY 2014 baseline casino revenues requires growth of 3.7%.

Office of Legislative Services
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¹ In April 2013, GIT revenues soared, driven by a remarkable \$525 million (39.1%) surge in individual final payments. The OLS believes that perhaps \$250 million of that surge was a one-time boost related to federally induced taxpayer behavior which will not be repeated in April 2014. Therefore, the OLS expects weak GIT growth in April 2014, not for economic reasons, but rather due to this artificial one-time effect relative to last April.

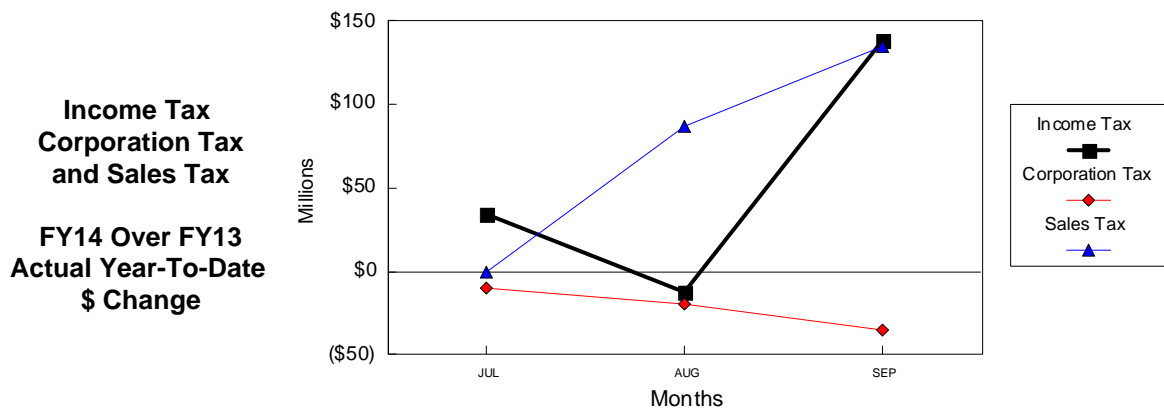
As in past years, the OLS Revenue Snapshot summarizes current cash revenue collections in comparison to prior year cash collections for the same period, using information provided by the Department of Treasury. Certain revenues are reported with a one month lag due to payment schedules.

OLS Revenue Snapshot

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

FY 2014 - Through September 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	\$1,806.6	\$1,945.3	7.7%	7.7%	\$13,039.0
* SALES TAX	\$1,307.2	\$1,442.7	10.4%	5.4%	\$8,680.0
CORPORATION TAX	\$468.7	\$433.6	-7.5%	2.2%	\$2,416.0
LOTTERY	\$226.5	\$240.2	6.1%	-6.0%	\$1,020.0
TRANSFER INHERITANCE	\$136.8	\$166.6	21.8%	14.6%	\$715.0
INSURANCE PREMIUM	\$15.3	\$18.0	17.2%	8.0%	\$608.0
* MOTOR FUELS	\$90.4	\$82.1	-9.1%	4.4%	\$547.0
[b] MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	-3.1%	\$437.1
* REALTY TRANSFER	\$36.1	\$48.7	35.0%	40.0%	\$297.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-3.9%	\$237.0
* PETROLEUM PRODUCTS	\$34.7	\$44.3	27.7%	10.4%	\$228.0
[c] CASINO	\$62.1	\$58.8	-5.3%	3.7%	\$209.1
BANKS & FINANCIAL (CBT)	\$23.8	\$36.0	51.2%	23.0%	\$202.0
* ALCOHOL EXCISE	\$15.7	\$15.7	-0.5%	14.9%	\$118.5
TOTALS:	\$4,223.8	\$4,531.9	7.3%	6.1%	\$28,753.7



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

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