

# OLS Revenue Snapshot

FY 2015 - Through August 2014

- **Revenues Begin FY 2015 Ahead of Growth Targets.** Initial FY 2015 State revenue figures through the end of August indicate that aggregate major revenues are growing 6.1% from the same period last year, ahead of the 5.5% rate needed to reach the year-end targets. Four of the 14 major revenues, led by the income tax, are growing at rates above the certified year-end target growth rates, while eight revenues are initially falling below the certified growth rates. The ***OLS Revenue Snapshot*** displays the growth rates necessary to reach the FY 2015 year-end certified targets compared to the unaudited levels achieved in FY 2014, according to the State's Comprehensive Financial System in early September.

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. Underlying trends may be more evident after important individual and corporate quarterly payments are made in September. For each fiscal year, September typically books more revenue than the months of July and August combined.

- **Gross Income Tax (GIT)** cash receipts of \$882.7 million are running 15.0% above the same two-month period last year. The certified year-end target assumes annual growth of 2.1% above preliminary, unaudited figures for FY 2014 from the State Comprehensive Financial System. Part of the strong net growth rate early this year is due to a sharp drop in refund payments compared to last year at the same time. 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 \$760.4 million, up 2.8% 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 an annual 5.5% growth rate above the preliminary FY 2014 total.
- **Corporation Business Tax (CBT)** cash collections of \$119.7 million in July and August represent a 21.3% increase from the same two-month period last fiscal year. The certified FY 2015 CBT estimate requires 22.7% growth for the year from preliminary FY 2014 levels. The upcoming CBT September quarterly payments should be viewed as a more important indicator of growth patterns for FY 2015, as these payments historically account for three times the revenue booked in July and August combined.
- **Casino revenues** of \$42.9 million are up 14.1% compared to last year through the end of August. The certified target for FY 2015 casino revenues requires growth of 28.0%, which may be difficult to achieve with the recent and pending closure of a number of casinos. The target also includes revenue attributed to a new internet gaming program that began operation last year, but significantly underperformed expectations.

Office of Legislative Services  
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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

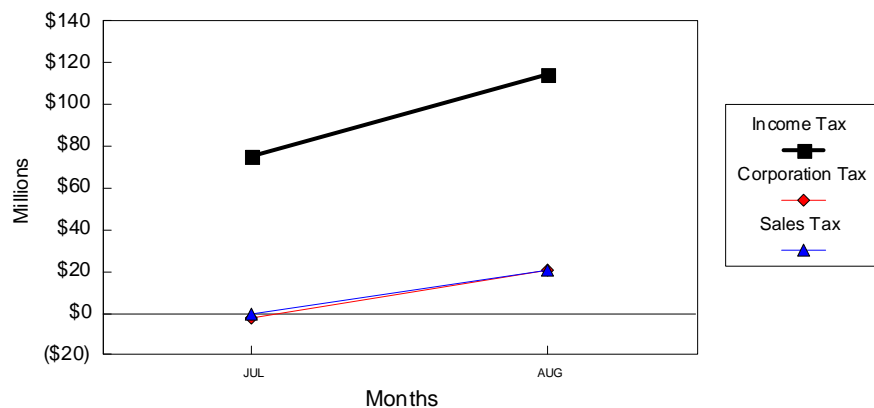
Selected Year-To-Date Cash Collections (\$ millions)

FY 2015 - Through August 2014

REVENUE	FY 2014 Actual Year-To-Date	FY 2015 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$767.6	\$882.7	15.0%	2.1%	\$12,615.0
* SALES TAX	\$739.6	\$760.4	2.8%	5.5%	\$9,127.0
CORPORATION TAX	\$98.7	\$119.7	21.3%	22.7%	\$2,563.0
LOTTERY	\$161.2	\$133.2	-17.4%	7.4%	\$1,036.9
TRANSFER INHERITANCE	\$114.7	\$98.3	-14.3%	10.3%	\$757.9
INSURANCE PREMIUM	\$13.9	\$7.6	-45.4%	8.4%	\$627.0
* MOTOR FUELS	\$37.5	\$44.5	18.7%	2.1%	\$541.0
[b] MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	0.0%	\$432.4
* REALTY TRANSFER	\$22.4	\$32.9	46.9%	22.4%	\$305.0
[c] CASINO	\$37.6	\$42.9	14.1%	28.0%	\$257.6
* PETROLEUM PRODUCTS	\$20.8	\$16.5	-20.6%	-0.8%	\$215.0
BANKS & FINANCIAL (CBT)	\$0.6	(\$1.9)	-444.5%	12.8%	\$210.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-18.8%	\$180.8
* ALCOHOL EXCISE	\$0.2	\$0.4	102.3%	5.6%	\$110.0
<b>TOTALS:</b>	<b>\$2,014.8</b>	<b>\$2,137.3</b>	<b>6.1%</b>	<b>5.5%</b>	<b>\$28,978.5</b>

**Income Tax  
Corporation Tax  
and Sales Tax**

**FY15 Over FY14  
Actual Year-To-Date  
\$ Change**



Sources: Executive FY2015 year-end revenues certified June 2014. FY2015 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 2015 certified revenue estimates (June 2014) and preliminary FY 2014 figures from the Comprehensive Financial System (September 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 \$250.3 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.
- [c] The FY15 casino amount includes internet gaming revenues.