

# OLS Revenue Snapshot

FY 2015 - Through December 2014

- **Revenues on Track in December.** Through the end of December, the major revenues are growing by 7.2%. However, this growth is exaggerated by a timing shift for certain income tax payments, which is discussed below. Adjusting for this shift yields a year-to-date growth in the major revenues of about 5.8%, slightly above the 5.6% rate<sup>1</sup> assumed in the aggregated FY 2015 targets. Of the 14 major revenues OLS tracks each month, only the income tax, the corporation business tax, and motor vehicle fees are growing above the respective certified year-end target growth rates.
- **Gross Income Tax (GIT)** cash receipts of \$5.0 billion are running 9.7% above the same period last year. The certified year-end target assumes annual growth of 2.6%<sup>2</sup> above FY 2014. However, the OLS notes that December collections were exaggerated by the timing shift of a withholding payment from January to December. Assuming the withholding shift is worth \$150 million, the adjusted GIT growth rate is 6.4% compared to last year at the same time. This impact will be reversed in January. Regardless of the shift, GIT collections are exceeding the FY 2015 forecast so far this fiscal year.
- **Sales Tax** receipts through the end of December total \$3.63 billion, up 2.7% from the same period<sup>3</sup> last year, remaining below the certified growth target of 5.0%. December collections of \$659.2 million were down 1.6% from last December, the first year-over-year decline in FY 2015.
- **Corporation Business Tax (CBT)** cash collections of \$1.18 billion through the end of December represent a 26.7% increase from the same period last fiscal year. The certified FY 2015 CBT estimate requires 23.1%<sup>4</sup> growth for the year from FY 2014 levels. December is an important quarterly payment month, and net collections jumped 40.5%. Part of the growth is attributable to a sharp drop in refunds and a technical correction, nevertheless underlying gross receipts rose by about 24%, an encouraging sign for the remainder of the fiscal year.
- **Casino revenues** of \$99.2 million are down 4.3% compared to last year through December. The certified target for FY 2015 casino revenues requires growth of 23.9%. Casino revenues include \$7.4 million from five months of internet gaming receipts, averaging \$1.48 million per month in FY 2015. Excluding the internet gaming receipts, regular “brick and mortar” casino tax revenues are down 11.5%.
- **Lottery revenues** of \$433.2 million are down 7.9% from the same period last year, well below the 7.4% growth target.

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<sup>1</sup> 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.

<sup>2</sup> The Treasury monthly revenue report shows GIT projected growth of 4.8%, because the base for the Executive’s comparison is the May 2014 revenue estimate. The OLS is comparing to more recent, unaudited FY 2014 figures.

<sup>3</sup> December sales tax collections reflect November economic activity because this tax is subject to a one month payment lag.

<sup>4</sup> Treasury reports a projected CBT growth of 6.5%, because the base for the Executive’s comparison is the May 2014 revenue estimate. The OLS is comparing to more recent, unaudited FY 2014 figures.

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

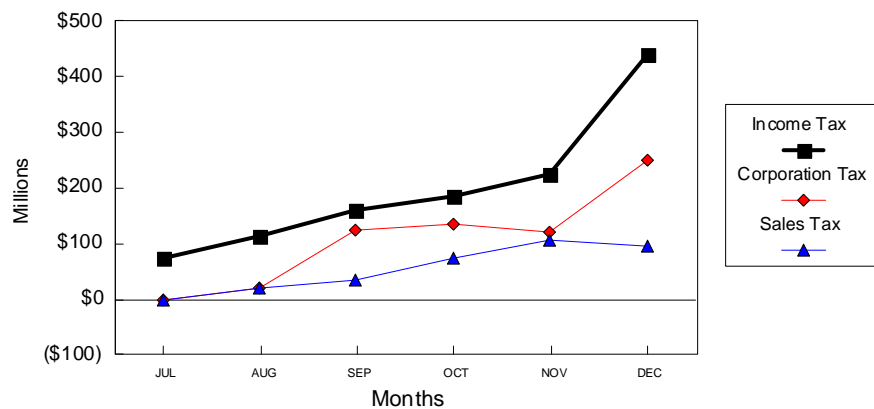
Selected Year-To-Date Cash Collections (\$ millions)

FY 2015 - Through December 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	\$4,557.4	\$4,999.8	9.7%	2.6%	\$12,627.0
* SALES TAX	\$3,536.4	\$3,632.4	2.7%	5.0%	\$9,068.0
CORPORATION TAX	\$930.1	\$1,178.9	26.7%	23.1%	\$2,590.0
LOTTERY	\$470.5	\$433.2	-7.9%	7.4%	\$1,036.9
TRANSFER INHERITANCE	\$346.6	\$366.4	5.7%	10.3%	\$757.9
INSURANCE PREMIUM	\$30.5	\$26.0	-14.9%	8.4%	\$627.0
* MOTOR FUELS	\$219.3	\$217.1	-1.0%	2.1%	\$541.0
[b] MOTOR VEHICLE FEES	\$63.0	\$72.7	15.4%	0.6%	\$432.4
* REALTY TRANSFER	\$112.6	\$122.4	8.7%	22.4%	\$305.0
[c] CASINO	\$103.7	\$99.2	-4.3%	23.9%	\$257.6
* PETROLEUM PRODUCTS	\$94.5	\$90.1	-4.7%	-0.8%	\$215.0
BANKS & FINANCIAL (CBT)	\$95.1	\$81.3	-14.5%	12.8%	\$210.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-19.1%	\$180.8
* ALCOHOL EXCISE	\$32.1	\$33.0	2.8%	5.6%	\$110.0
<b>TOTALS:</b>	<b>\$10,591.8</b>	<b>\$11,352.4</b>	<b>7.2%</b>	<b>5.6%</b>	<b>\$28,958.5</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 5 months of cash collections. All others represent 6 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 (October 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.