

OLS Revenue Snapshot

FY 2014 - Through March 2014

- **March Revenues Disappoint.** The State's major revenues rose by 3.1% above last March. Year-to-date growth in the major revenues of 4.5% trails the Executive's recently revised year-end target growth rate of 5.9%. Ten of the 14 major revenues are running behind the target growth rates, while four revenues exceed the target rates.
- **Gross Income Tax (GIT)** collections in March fell 0.6% below last March. Through the first nine months of FY 2014, receipts of \$7.64 billion are 3.1% above the same period last year, trailing the Executive's revised target rate of 6.8%. As the OLS noted in the February *Snapshot*, the current lag in GIT collections results in part to a significant delay in refund processing last year, which elevated net collections 12 months ago. These refund processing issues should be resolved by the close of FY2014.

GIT performance for the year will be determined in large measure by April's important final payments for Tax Year 2013. Last April, final payments jumped \$525 million, up 39%, spurred by taxpayers who shifted income to avoid federal tax rate increases in January 2013. That boost will not recur this year. However, strong gains from the stock market are expected to offset the loss of that one-time windfall.

- **Sales Tax** receipts in March, which reflect February economic activity due to a one month payment lag, declined for the second month in a row, falling 1.5% below last March. Year-to-date collections total \$5.61 billion, up 4.9% from the same period last year. Growth now trails the Executive's revised FY 2014 target rate of 5.4%.
- **Corporation Business Tax (CBT)** collections rose considerably for the second consecutive month, up 52.4% over last March. This jump is largely due to a sharp decline in refund payments. Total refund payments in February and March combined were only \$15.5 million, far behind the \$117.5 million refund payments for the same two months last year (refund processing has rebounded in April). Total receipts of \$1.42 billion through March are up 14.6% from the same period last fiscal year, well ahead of the revised FY 2014 CBT target rate of 2.3%.
- **Casino revenues** of \$151.2 million are 0.1% behind of last year through the end of March, trailing the FY 2014 revised baseline casino revenue target growth rate. Baseline casino revenues exclude amounts from internet gaming.
- According to the Division of Gaming Enforcement, State tax revenue from **internet gaming** totaled \$6.0 million from the start of operations in late November 2013 through the end of March 2014. March receipts of \$1.78 million were \$231,885 above February collections. The OLS projects \$12.0 million by the end of FY 2014.

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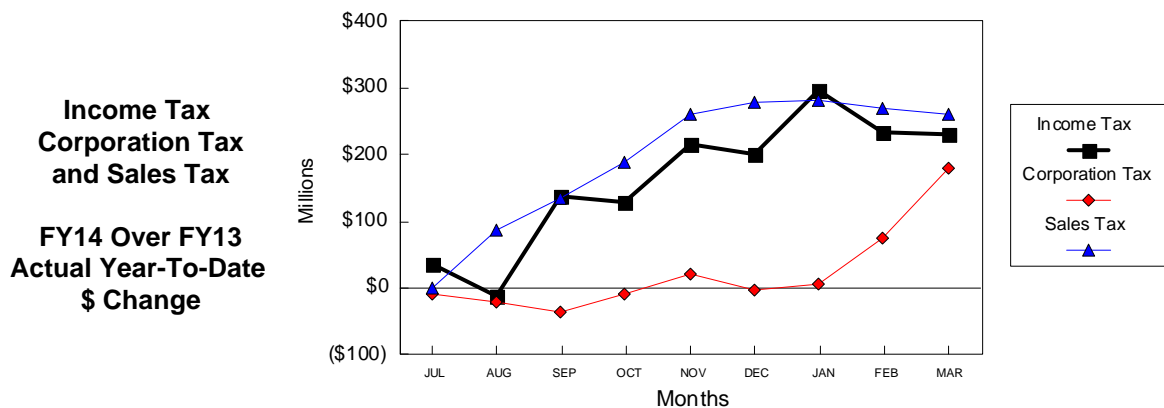
The OLS Revenue Snapshot summarizes current cash revenue collections in comparison to prior year cash collections for the same period, using information provided by the Department of Treasury. Certain revenues are reported with a one month lag due to payment schedules.

OLS Revenue Snapshot

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

FY 2014 - Through March 2014

REVENUE	FY 2013 Actual Year-To-Date	FY 2014 Actual Year-To-Date	Actual Y-T-D Growth %	Revised Year-End Growth % **	Revised Year-End \$ Estimate
INCOME TAX	\$7,410.0	\$7,640.7	3.1%	6.8%	\$12,927.8
* SALES TAX	\$5,347.3	\$5,607.3	4.9%	5.4%	\$8,680.0
CORPORATION TAX	\$1,239.5	\$1,420.3	14.6%	2.3%	\$2,419.7
LOTTERY	\$687.4	\$690.8	0.5%	2.9%	\$993.0
TRANSFER INHERITANCE	\$451.3	\$512.9	13.7%	14.6%	\$715.0
INSURANCE PREMIUM	\$329.7	\$344.0	4.3%	8.7%	\$612.0
* MOTOR FUELS	\$341.8	\$349.6	2.3%	2.2%	\$536.0
[b] MOTOR VEHICLE FEES	\$279.0	\$233.4	-16.3%	-2.5%	\$438.5
* REALTY TRANSFER	\$143.5	\$170.0	18.5%	35.3%	\$287.0
[a] CIGARETTE	\$66.0	\$54.7	-17.1%	-10.3%	\$221.4
* PETROLEUM PRODUCTS	\$139.2	\$144.1	3.5%	3.2%	\$213.0
[c] CASINO	\$151.2	\$151.2	-0.1%	3.6%	\$209.1
BANKS & FINANCIAL (CBT)	\$82.3	\$101.4	23.3%	20.0%	\$197.0
* ALCOHOL EXCISE	\$64.4	\$66.2	2.8%	4.8%	\$108.0
TOTALS:	\$16,732.4	\$17,486.6	4.5%	5.9%	\$28,557.5



Sources: Executive FY2014 year-end revenues revised February 2014. FY2014 Year-To-Date from Treasury monthly reports.

* Revenues represent 8 months of cash collections. All others represent 9 months of cash collections.

** The percentage difference between FY 2014 revised revenue estimates (Feb 2014) and audited FY 2013 figures from the Comprehensive Annual Financial Report (March 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 the new internet gaming revenues.