

# OLS Revenue Snapshot

FY 2015 - Through November 2014

- **Growth Slips Below Target Growth Rate After Five Months.** Through the end of November, major revenues are growing by 4.8% overall. This is the first time collections trailed the 5.6% rate<sup>1</sup> assumed in the final FY 2015 targets. Of the 14 major revenues OLS tracks each month, only the income tax is growing at a rate above the certified year-end target growth rate.
- **Gross Income Tax (GIT)** cash receipts of \$3.73 billion are running 6.4% above the same period last year. The certified year-end target assumes annual growth of 2.6%<sup>2</sup> above FY 2014. Withholding from employee wages is growing by 7.6%, an encouraging sign for the remainder of FY 2015. On the other hand, quarterly estimated payments from higher-income taxpayers are up only 1.6%. Refund payments are down 13.4% from the unusually elevated levels during the same period last year.
- **Sales Tax** receipts through the end of November total \$2.97 billion, up 3.7% from the same period<sup>3</sup> last year, remaining below the certified growth rate target of 5.0%. However, November collections of \$698.6 million were up 6.7%, the second consecutive month above the year-end target rate.
- **Corporation Business Tax (CBT)** cash collections of \$736.5 million through the end of November represent a 19.7% 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. The much smaller **CBT on Banks and Financial Institutions** has received only \$35.2 million through the first five months, down 41.6% from the same period last year.
- **Casino revenues** of \$87.3 million are down 5.2% compared to last year through November. The certified target for FY 2015 casino revenues requires growth of 23.9%. Casino revenues include \$6.1 million from four months of internet gaming receipts, averaging about \$1.5 million per month after a peak of \$1.8 million in March. Excluding the internet gaming receipts, regular “brick and mortar” casino tax revenues are down 11.8%.
- **Realty Transfer revenues** of \$103.1 million are up 8.2% compared to last year through the end of November. While signaling steady progress in the housing market overall, growth remains below the year-end target growth rate of 22.4%.

Office of Legislative Services  
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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 in October.

<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 from October.

<sup>3</sup> November sales tax collections reflect October 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 from October.

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.

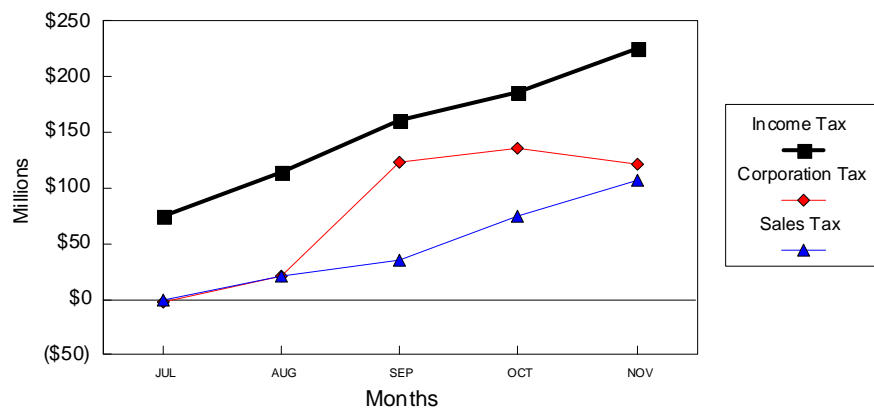
# OLS Revenue Snapshot

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

FY 2015 - Through November 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	\$3,507.6	\$3,733.7	6.4%	2.6%	\$12,627.0
* SALES TAX	\$2,866.2	\$2,973.2	3.7%	5.0%	\$9,068.0
CORPORATION TAX	\$615.2	\$736.5	19.7%	23.1%	\$2,590.0
LOTTERY	\$383.0	\$352.7	-7.9%	7.4%	\$1,036.9
TRANSFER INHERITANCE	\$296.0	\$308.6	4.3%	10.3%	\$757.9
INSURANCE PREMIUM	\$29.7	\$21.7	-26.8%	8.4%	\$627.0
* MOTOR FUELS	\$182.9	\$180.1	-1.5%	2.1%	\$541.0
[b] MOTOR VEHICLE FEES	\$22.3	\$18.3	-17.8%	0.6%	\$432.4
* REALTY TRANSFER	\$95.2	\$103.1	8.2%	22.4%	\$305.0
[c] CASINO	\$92.1	\$87.3	-5.2%	23.9%	\$257.6
* PETROLEUM PRODUCTS	\$76.7	\$73.8	-3.8%	-0.8%	\$215.0
BANKS & FINANCIAL (CBT)	\$60.3	\$35.2	-41.6%	12.8%	\$210.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-19.1%	\$180.8
* ALCOHOL EXCISE	\$31.9	\$32.8	2.6%	5.6%	\$110.0
<b>TOTALS:</b>	<b>\$8,259.2</b>	<b>\$8,657.0</b>	<b>4.8%</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 4 months of cash collections. All others represent 5 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.