

OLS Revenue Snapshot

FY 2015 - Through October 2014

- **Revenue Growth on Track After Four Months.** Through the end of October, major revenues are growing by 5.6% overall, matching the 5.6% rate¹ needed to reach the FY 2015 year-end targets. Three of the 14 major revenues, including the income tax and the corporation business tax, are growing at rates above the certified year-end target growth rates, while nine revenues, including the sales tax, are falling below the certified growth rates.
- **Gross Income Tax (GIT)** cash receipts of \$3.0 billion are running 6.6% above the same period last year. The certified year-end target assumes annual growth of 2.6%² above FY 2014. Withholding from employee wages is growing by about 6% and quarterly estimated payments are up about 2%. Refund payments are down 20% from the unusually elevated levels during the same period last year. The FY 2015 refund pattern may mark a return to more normal levels.
- **Sales Tax** receipts through the end of October total \$2.29 billion, up 3.4% from the same period³ last year. October collections of \$809.3 million were up 5.3%, the highest growth rate so far in FY 2015 and the first month above the year-end target rate. The certified target assumes an annual 5.0% growth rate above the preliminary FY 2014 total.
- **Corporation Business Tax (CBT)** cash collections of \$662.5 million through the end of October represent a 25.8% increase from the same period last fiscal year. The certified FY 2015 CBT estimate requires 23.1%⁴ growth for the year from FY 2014 levels.
- **Casino revenues** of \$73.8 million are down 0.3% compared to last year through October. The certified target for FY 2015 casino revenues requires growth of 23.9%. The casino revenues include \$4.6 million from three 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 6.5%.
- **Lottery revenues** of \$283.4 million are down 9.2% compared to last year through October, below the year-end target growth rate of 7.4%. The OLS notes that FY 2015 is the first full fiscal year under the new Lottery management contract.

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¹ 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.

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

³ October sales tax collections reflect September economic activity because this tax is subject to a one month payment lag.

⁴ Treasury reports a projected CBT growth of 6.5%, because the base for the Executive’s comparison is their 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

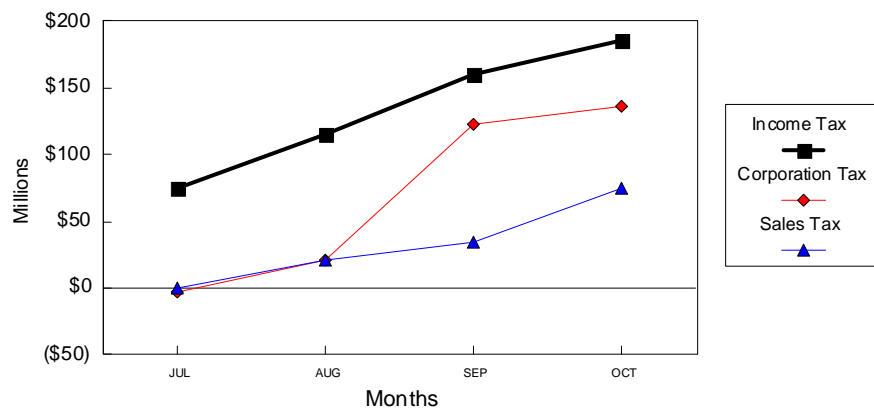
Selected Year-To-Date Cash Collections (\$ millions)

FY 2015 - Through October 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	\$2,825.8	\$3,011.2	6.6%	2.6%	\$12,627.0
* SALES TAX	\$2,211.3	\$2,287.0	3.4%	5.0%	\$9,068.0
CORPORATION TAX	\$526.7	\$662.5	25.8%	23.1%	\$2,590.0
LOTTERY	\$312.0	\$283.4	-9.2%	7.4%	\$1,036.9
TRANSFER INHERITANCE	\$226.6	\$243.9	7.6%	10.3%	\$757.9
INSURANCE PREMIUM	\$18.6	\$14.6	-21.6%	8.4%	\$627.0
* MOTOR FUELS	\$128.8	\$132.7	3.0%	2.1%	\$541.0
[b] MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	0.6%	\$432.4
* REALTY TRANSFER	\$68.6	\$78.8	14.8%	22.4%	\$305.0
[c] CASINO	\$74.0	\$73.8	-0.3%	23.9%	\$257.6
* PETROLEUM PRODUCTS	\$62.1	\$56.0	-9.9%	-0.8%	\$215.0
BANKS & FINANCIAL (CBT)	\$54.6	\$30.7	-43.7%	12.8%	\$210.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-19.1%	\$180.8
* ALCOHOL EXCISE	\$16.3	\$16.2	-0.7%	5.6%	\$110.0
TOTALS:	\$6,525.4	\$6,890.7	5.6%	5.6%	\$28,958.5

**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 3 months of cash collections. All others represent 4 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.