

OLS Revenue Snapshot

FY 2015 - Through September 2014

- **First Quarter Revenues Slightly Above Growth Targets.** September marks the completion of the first quarter of FY 2015. Overall, the major revenues are growing by 6.1%, slightly ahead of the 5.6% rate¹ needed to reach the year-end targets. Four of the 14 major revenues, particularly the income tax and the corporation tax, are growing at rates above the certified year-end target growth rates, while eight revenues, including the sales tax, are initially falling below the certified growth rates.
- **Gross Income Tax (GIT)** cash receipts of \$2.1 billion are running 8.3% above the same period last year. The certified year-end target assumes annual growth of 2.5%² above preliminary, unaudited figures for FY 2014. Withholding from employee wages is growing by about 4.0% and quarterly estimated payments are up a solid 6.0%. However, refund payments are down sharply, 26.0% below the same period last year, which is a benefit to net collections. Last year the first quarter refunds were unusually elevated, so the FY 2015 pattern may mark a return to more normal levels.
- **Sales Tax** receipts through the end of September total \$1.48 billion, up 2.4% from the same period³ last year. The certified target assumes an annual 5.6% growth rate above the preliminary FY 2014 total.
- **Corporation Business Tax (CBT)** cash collections of \$557.1 million through the end of September represent a 28.5% increase from the same period last fiscal year. The certified FY 2015 CBT estimate requires 21.8%⁴ growth for the year from preliminary FY 2014 levels. The September collections jumped by 30.6%, an encouraging sign early in the fiscal year.
- **Casino revenues** of \$62.8 million are up 6.9% compared to last year through September. This growth is entirely a function of the timing of an accounting adjustment and underlying collections are slightly negative year-to-date. The certified target for FY 2015 casino revenues requires growth of 23.9%. The casino revenues include \$3.1 million from two months of internet gaming receipts. Recently this source has averaged about \$1.5 million per month, with a peak of \$1.8 million in March.
- **Lottery revenues** of \$205.1 million are down 14.6% compared to last year through September, well 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 September sales tax collections reflect August economic activity because this tax is subject to a one month payment lag.

⁴ As with the GIT, 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

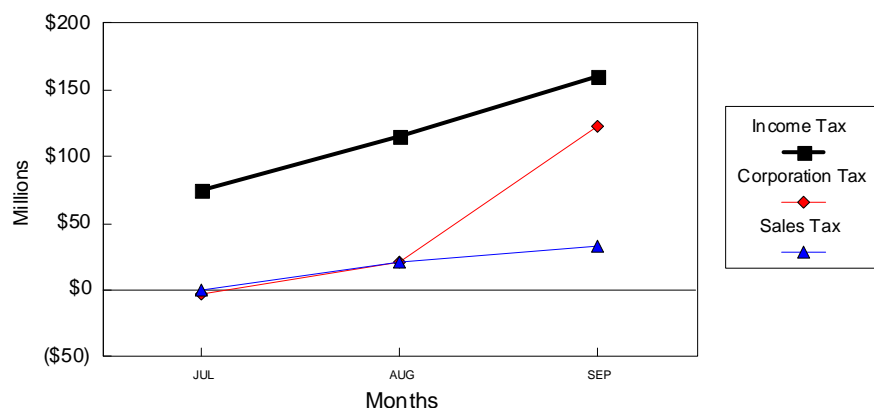
Selected Year-To-Date Cash Collections (\$ millions)

FY 2015 - Through September 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	\$1,945.3	\$2,106.1	8.3%	2.5%	\$12,615.0
* SALES TAX	\$1,442.7	\$1,477.7	2.4%	5.6%	\$9,127.0
CORPORATION TAX	\$433.6	\$557.1	28.5%	21.8%	\$2,563.0
LOTTERY	\$240.2	\$205.1	-14.6%	7.4%	\$1,036.9
TRANSFER INHERITANCE	\$166.6	\$158.8	-4.7%	10.3%	\$757.9
INSURANCE PREMIUM	\$18.0	\$11.1	-38.2%	8.4%	\$627.0
* MOTOR FUELS	\$82.1	\$89.3	8.7%	2.1%	\$541.0
[b] MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	0.6%	\$432.4
* REALTY TRANSFER	\$48.7	\$60.5	24.3%	22.4%	\$305.0
[c] CASINO	\$58.8	\$62.8	6.9%	23.9%	\$257.6
* PETROLEUM PRODUCTS	\$44.3	\$36.4	-17.8%	-0.8%	\$215.0
BANKS & FINANCIAL (CBT)	\$36.0	\$26.4	-26.8%	12.8%	\$210.0
[a] CIGARETTE	\$0.0	\$0.0	0.0%	-19.1%	\$180.8
* ALCOHOL EXCISE	\$15.7	\$16.4	4.6%	5.6%	\$110.0
TOTALS:	\$4,531.9	\$4,807.8	6.1%	5.6%	\$28,978.5

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