

OLS Revenue Snapshot

FY 2015 - Through February 2015

- **Revenues Lag Revised Targets Following Weak February.** On February 24 the Governor presented his Budget proposal for FY 2016, including revised revenue targets for FY 2015. Overall, the major revenues were revised downward by \$75.2 million, with most revenue estimates reduced, while the gross income tax estimate was increased. Through the end of February, the major revenues are growing by 4.9%, slightly below the year-end aggregate target growth rate of 5.3%. Of the 14 major revenues OLS tracks each month, four are growing above the respective revised year-end target growth rates and 9 are growing below the target rates.
- **Gross Income Tax (GIT):** The revised year-end target is \$380.0 million above the certified target, and assumes annual growth of 5.6% above FY 2014. Cash receipts of \$7.4 billion are running 5.0% above the same period last year. Withholding from employee wages is up 5.3%, refunds are up 1.0%, and estimated payments are rising 5.2%. The combined December and January estimated payments rose 7.6% over the same months last year, an encouraging sign for the important final payments due in April.
- **Sales Tax:** The revised year-end target is \$182.0 million below the original certification, assuming a growth target of 2.8%. Receipts through the end of February total \$5.16 billion, up 2.6% from the same period¹ last year. February collections of \$607.6 million rose only 1.0% from last February.
- **Corporation Business Tax (CBT):** The Executive maintained the certified CBT estimated amount, requiring 23.1% growth from FY 2014 levels. Cash collections of \$1.37 billion through the end of February are up 23.6% from the same period last fiscal year.
- **Casino revenues:** The revised target is down by \$58.4 million from the certified level, assuming a decline of 3.5% from FY 2014. Receipts of \$132.2 million are down 4.7% compared to last year through the same period. Casino revenues include \$10.7 million from seven months of internet gaming receipts, averaging \$1.5 million per month in FY 2015. Excluding the internet gaming receipts, regular “brick and mortar” casino tax revenues are down 9.7%.
- **Lottery revenues:** The Executive revised the lottery revenues downward by \$81.85 million from the certified level, now assuming a 1.0% decline from last year. Collections of \$591.4 million are down 3.0% from the same eight month period last year. February lottery receipts rose a strong 14.3% from last February.

Office of Legislative Services
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¹ February sales tax collections reflect January economic activity because this tax is subject to a one month payment lag.

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

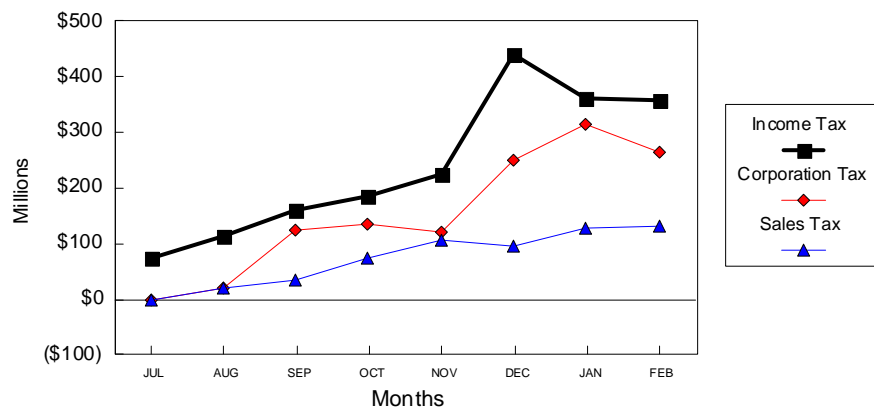
Selected Year-To-Date Cash Collections (\$ millions)

FY 2015 - Through February 2015

REVENUE	FY 2014 Actual Year-To-Date	FY 2015 Actual Year-To-Date	Actual Y-T-D Growth %	Revised Year-End Growth % **	Revised Year-End \$ Estimate
INCOME TAX	\$7,070.8	\$7,426.8	5.0%	5.6%	\$13,007.0
* SALES TAX	\$5,025.4	\$5,158.1	2.6%	2.8%	\$8,886.0
CORPORATION TAX	\$1,111.1	\$1,373.7	23.6%	23.1%	\$2,590.0
LOTTERY	\$609.9	\$591.4	-3.0%	-1.0%	\$955.0
TRANSFER INHERITANCE	\$452.0	\$467.6	3.4%	4.0%	\$715.0
INSURANCE PREMIUM	\$253.3	\$274.8	8.5%	6.8%	\$617.5
* MOTOR FUELS	\$312.2	\$310.1	-0.7%	0.9%	\$535.0
[a] MOTOR VEHICLE FEES	\$164.9	\$174.0	5.6%	2.3%	\$440.0
* REALTY TRANSFER	\$156.7	\$169.7	8.3%	12.4%	\$280.0
* PETROLEUM PRODUCTS	\$128.5	\$128.0	-0.4%	-3.8%	\$208.5
[b] CASINO	\$138.8	\$132.2	-4.7%	-3.5%	\$200.8
[c] CIGARETTE	\$2.7	\$0.0	-100.0%	-19.4%	\$180.7
BANKS & FINANCIAL (CBT)	\$97.5	\$76.8	-21.2%	-14.5%	\$159.0
* ALCOHOL EXCISE	\$55.0	\$55.9	1.6%	2.7%	\$107.0
TOTALS:	\$15,578.7	\$16,339.2	4.9%	5.3%	\$28,881.5

**Income Tax
Corporation Tax
and Sales Tax**

**FY15 Over FY14
Actual Year-To-Date
\$ Change**



Sources: Executive FY2015 year-end revenues revised February 2015. FY2015 Year-To-Date from Treasury monthly reports.

* Revenues represent 7 months of cash collections. All others represent 8 months of cash collections.

** The percentage difference between FY 2015 revised revenue estimates (Feb. 2014) and audited FY 2014 figures from the Governor's Budget Message (Feb. 2015). Energy revenues for the sales tax and CBT are not included.

[a] The first \$250.3 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.

[b] The FY15 casino amount includes internet gaming revenues.

[c] 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).