

OLS Revenue Snapshot

FY2016 - Through August 2015

- **Revenues Begin FY2016 Behind Growth Targets.** Initial FY2016 State revenue collections through the end of August, as reported by the State Treasurer, indicate that aggregate major revenues are up 1.8% from the same period last year, below the 3.4% rate needed to reach the year-end targets. Six of the 14 major revenues, led by the income tax and the corporation business tax, are growing at rates below the certified year-end growth rates, while six revenues, including the sales tax, are initially running ahead of the certified targets. The OLS notes that revenue collection data from the summer months are always muddled by accounting adjustments and shifts between the old and new fiscal years. Underlying trends may be more evident after important individual and corporate quarterly payments are made in September. For each fiscal year, September typically books more revenue than the months of July and August combined.

The **OLS Revenue Snapshot** displays the growth rates necessary to achieve the FY2016 year-end certified targets compared to the FY2015 preliminary totals according to the Treasurer's May budget update. These growth rates will change when final FY2015 collections are established later this year.

- **Gross Income Tax (GIT)** cash receipts of \$818.7 million are running 7.3% below the same two-month period last year. The certified year-end target assumes annual growth of 3.5% above preliminary FY2015 totals. The weak performance through August is due to a sharp \$130 million jump in refund payments compared to last year at the same time. Absent this refund surge, the GIT would report solid growth of about 7% through the end of August. Next month's **OLS Revenue Snapshot** will report figures for the first significant month of the new fiscal year, when quarterly estimated payments are due.
- **Sales Tax** receipts through the end of August total \$798.6 million, up 5.0% from the same period last year. (August collections reflect July economic activity because this tax is subject to a one-month payment lag.) The certified target assumes an annual 2.9% growth rate above the preliminary FY2015 total.
- **Corporation Business Tax (CBT)** cash collections of \$96.4 million in July and August represent a 19.5% decline from the same two-month period last fiscal year. The certified FY2016 CBT estimate requires 5.9% growth above preliminary FY2015 levels. The upcoming CBT September quarterly payments should be viewed as a more important indicator of growth patterns for FY2016, as these payments historically account for three times the revenue booked in July and August combined.
- **Casino revenues** of \$35.3 million are down 17.7% compared to last year through the end of August. The certified target for FY2016 casino revenues assumes a much more modest decline of 2.5%. These amounts include revenues from both internet gaming and on-premises gaming.

Office of Legislative Services
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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

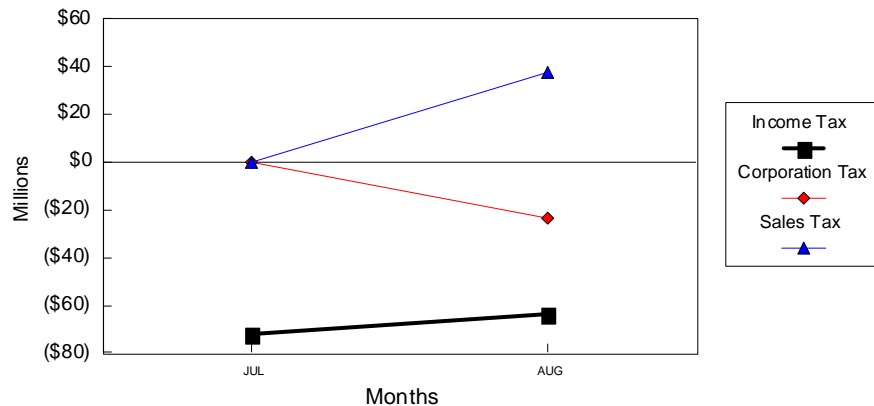
Selected Year-To-Date Cash Collections (\$ millions)

FY 2016 - Through August 2015

REVENUE	FY 2015 Actual Year-To-Date	FY 2016 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$882.7	\$818.7	-7.3%	3.5%	\$13,810.0
* SALES TAX	\$760.4	\$798.6	5.0%	2.9%	\$9,090.0
CORPORATION TAX	\$119.7	\$96.4	-19.5%	5.9%	\$2,575.0
LOTTERY	\$133.2	\$145.0	8.9%	7.5%	\$1,000.0
TRANSFER INHERITANCE	\$98.3	\$155.1	57.8%	1.9%	\$755.0
INSURANCE PREMIUM	\$7.6	\$29.0	281.1%	2.8%	\$660.0
* MOTOR FUELS	\$44.5	\$45.2	1.5%	0.7%	\$534.9
[a] MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	7.8%	\$472.1
* REALTY TRANSFER	\$32.9	\$30.6	-7.0%	10.0%	\$309.1
* PETROLEUM PRODUCTS	\$16.5	\$15.8	-4.6%	0.0%	\$215.0
[b] CASINO	\$42.9	\$35.3	-17.7%	-2.5%	\$194.2
BANKS & FINANCIAL (CBT)	(\$1.9)	\$5.8	--	-14.1%	\$165.0
[c] CIGARETTE	\$0.0	\$0.0	0.0%	-16.6%	\$147.6
* ALCOHOL EXCISE	\$0.4	\$0.1	-77.4%	1.9%	\$107.0
TOTALS:	\$2,137.3	\$2,175.6	1.8%	3.4%	\$30,034.9

**Income Tax
Corporation Tax
and Sales Tax**

**FY16 Over FY15
Actual Year-To-Date
\$ Change**



Sources: Executive FY2016 year-end revenues certified June 2015. FY2016 Year-To-Date from Treasury monthly reports.

* Revenues represent 1 month of cash collections. All others represent 2 months of cash collections.

** The percentage difference between FY2016 certified revenue estimates (June 2015) and FY2015 figures from the Treasurer's budget update (May 2015). Energy revenues for the Sales tax and CBT are not included. FY2016 Income tax reflects the Executive's downward adjustment of \$120 million for additional Earned Income Tax credits.

[a] The first \$222.8 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.

[b] The casino amounts include 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 \$107.9 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).