

OLS Revenue Snapshot

FY 2016 - Through December 2015

- **Revenues Improve in December.** December collections for the major revenues increased by 7.5% over December 2014, reversing the weakness of the prior two months. Year-to-date growth for the first six months of 3.9% exceeds the 2.8% rate needed to reach the year-end¹ targets. Year-to-date, eight of the 14 major revenues are growing at rates above those needed to achieve the certified year-end targets, while five revenues are trailing the targets.

The growth rates necessary to achieve the certified year-end targets have been adjusted in this month's *Snapshot*, reflecting an updated FY 2015 baseline using preliminary totals recorded in the State's accounting system in December. In prior months the OLS used the Treasury's May 2015 estimated baseline. The OLS will use audited FY 2015 figures upon their release.

- **Gross Income Tax (GIT)** cash receipts of \$5.3 billion are running 6.1% above the same period last year. The certified year-end target assumes annual growth of 4.2% above FY 2015. Withholding from employee wages increased by only 1.2% above the same six months last year. Quarterly estimated payments² are up a strong 23.6%, while refunds are up 7.1% above last year.
- **Sales Tax** receipts year-to-date total \$3.8 billion, up 4.6% from the same period³ last year. December collections grew by 5.0% over last December's monthly amount. The certified target assumes an annual 2.4% growth rate above the preliminary FY 2015 total.
- **Corporation Business Tax (CBT)** cash collections of \$1.0 billion through the end of December are 14.6% below the same period last fiscal year. The certified FY 2016 CBT estimate projects a decline of 3.0% for the year. December's collections, which include the second quarterly payment this fiscal year, were down 4.2% from last December. Contributing to the weakness of the CBT is a 30% increase in refunds above FY 2015 year-to-date.
- **Transfer inheritance revenues** of \$436.6 million are up 19.2% compared to last year through December, well ahead of the 4.9% decline anticipated by the certified year-end target.
- **Realty transfer fee collections** of \$132.7 million grew by 8.5% year-on-year⁴ through the end of December. Notwithstanding the robust pace, year-to-date collections continue to lag the 13.6% growth rate needed to reach the certified FY 2016 year-end target.

Office of Legislative Services
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¹ The *OLS Revenue Snapshot* displays the growth rates necessary to achieve the FY 2016 year-end certified targets compared to the FY 2015 preliminary totals recorded in the State's Comprehensive Financial System in December of 2015. In the aggregate, the growth target changed from 3.4% in previous *Snapshots* to 2.8%.

² Quarterly estimated payments (April, June, September, and December/January) are generally paid by taxpayers with significant non-wage income such as capital gains, dividends, and partnership income.

³ December sales tax collections reflect November economic activity because this tax is subject to a one month payment lag. Accordingly, receipts from the important December holiday sales period will be reflected in the January revenue report.

⁴ December realty collections reflect November economic activity because this fee 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

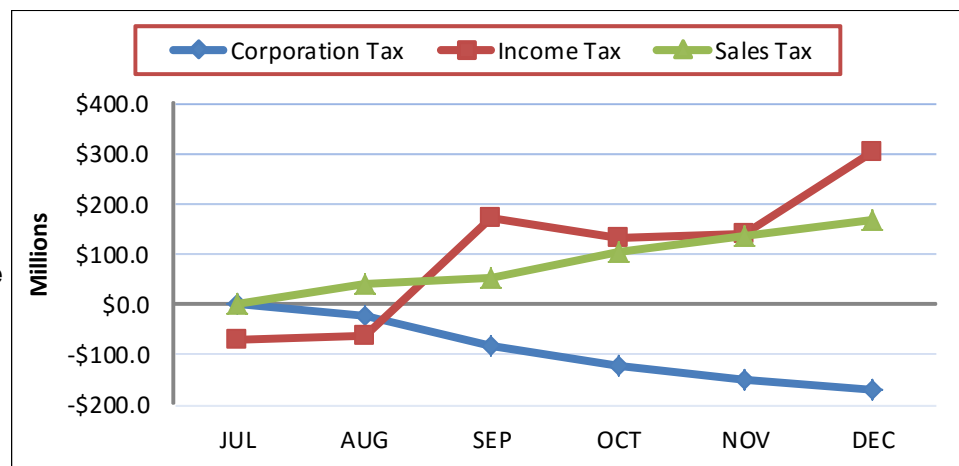
Selected Year-To-Date Cash Collections (\$ millions)

FY 2016 - Through December 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	\$4,999.8	\$5,303.8	6.1%	4.2%	\$13,810.0
* SALES TAX	\$3,632.4	\$3,800.8	4.6%	2.4%	\$9,090.0
CORPORATION TAX	\$1,178.9	\$1,006.9	-14.6%	-3.0%	\$2,575.0
LOTTERY	\$433.2	\$452.5	4.5%	4.2%	\$1,000.0
TRANSFER INHERITANCE	\$366.4	\$436.6	19.2%	-4.9%	\$755.0
INSURANCE PREMIUM	\$26.0	\$40.9	57.3%	7.0%	\$660.0
* MOTOR FUELS	\$217.1	\$228.8	5.4%	0.4%	\$534.9
[a] MOTOR VEHICLE FEES	\$72.7	\$105.9	45.7%	8.8%	\$472.1
* REALTY TRANSFER	\$122.4	\$132.7	8.5%	13.6%	\$309.1
* PETROLEUM PRODUCTS	\$90.1	\$90.8	0.8%	0.0%	\$215.0
[b] CASINO	\$99.2	\$98.0	-1.2%	-1.3%	\$194.2
BANKS & FINANCIAL (CBT)	\$81.3	\$63.7	-21.7%	29.8%	\$165.0
[c] CIGARETTE	\$0.0	\$0.0	0.0%	-18.9%	\$147.6
* ALCOHOL EXCISE	\$33.0	\$33.4	1.2%	1.4%	\$107.0
TOTALS:	\$11,352.4	\$11,794.7	3.9%	2.8%	\$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 5 months of cash collections. All others represent 6 months of cash collections.

** The percentage difference between FY2016 certified revenue estimates (June 2015) and preliminary FY2015 figures from the State accounting system (December 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).