OLS Revenue Snapshot

FY 2017 - Through March 2017

- **Major Revenues Lag Executive's Targets.** Aggregate major revenue collections are up 2.9% compared with the same nine-month period last year. The Executive's revised estimates for FY 2017 major revenues require 5.4% aggregate growth to reach the year-end[1] targets.

- **Gross Income Tax (GIT)** cash receipts of $8.8 billion through March are up 4.8%, about $403 million above the same nine months last year. Year-to-date withholding receipts are up 3.5%, individual estimated payments are down 2.3%, and refund payments are up 5.3% from the same period last year. The increase in March refund payments offsets approximately $400 million in February taxpayer refunds delayed by the Division of Taxation. Moreover, GIT collections have been enhanced by a gain of $280.1 million from out-of-state partnership withholding payments transferred from the corporation business tax to the GIT on a monthly basis, rather than in a single year-end transfer. **After adjusting the GIT total downward by $280.1 million, the underlying GIT trend reflects 1.5% growth compared to last year.** The Executive's revised FY 2017 target assumes 4.4% growth above the FY 2016 total.

- **Sales Tax** receipts year-to-date total $6.14 billion, up 1.8% from the same eight-month period[2] last year. Sales tax collections in March declined by 1.4% year-over-year. This is the second month impacted by the tax rate reduction under P.L.2016, c.57. The Executive's revised FY 2017 target assumes 1.0% growth above the FY 2016 total.

- **Corporation Business Tax (CBT)** cash collections of $1.2 billion through the first nine months are 16.9% below the same period last fiscal year. However, the CBT's year-to-date decline is due to the accelerated transfer of out-of-state partnership withholding payments to the GIT, as noted in the discussion above. **After adjusting the CBT total upward for this $280.1 million transfer, underlying CBT receipts are up 2.7% so far this fiscal year on a comparable basis.** The Executive's revised FY 2017 CBT target assumes growth of 7.6% for the year.

- **Petroleum Products Tax** collections[1] of $461.8 million are up 222.7%, propelled by the first four months of higher tax rates under P.L.2016, c.57. About $312.5 million of these receipts are attributable to the tax rate increases. State voters constitutionally dedicated the revenues to the Transportation Trust Fund.

- **Transfer Inheritance** revenues of $576.5 million are down 5.5% compared to last year through March. The revised year-end target assumes a decline of 8.5% from the FY 2016 level.

- **Insurance Premiums Tax** revenues of $318.5 million are down 14.4% through the end of March, which include the first of two annual payments. The second and final payment is due in June. The Executive's revised FY 2017 target assumes growth of 3.0%.

- **Realty Transfer Fee** collections are exceeding expectations through March at $237.5 million, a 10.9% increase year-over-year.[3] The Executive's revised year-end target requires growth of 8.2% above FY 2016.

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[1] The ***OLS Revenue Snapshot*** displays the growth rates of cash collections necessary to achieve the Executive's FY 2017 revised year-end targets compared to the audited FY 2016 totals, as reported in the NJ Comprehensive Annual Financial Report (March 2017). The ***Snapshot*** display includes the full $939.0 million target for the petroleum products tax, while Treasury's monthly report excludes from the year-end target $416.2 million allocated to the Petroleum Products Gross Receipts – Capital Reserves.

[2] March sales tax collections reflect February economic activity, as this tax is subject to a one-month payment lag.

[3] March realty collections reflect February economic activity, as counties remit fee payments to the State with a one-month lag.

OLS Revenue Snapshot

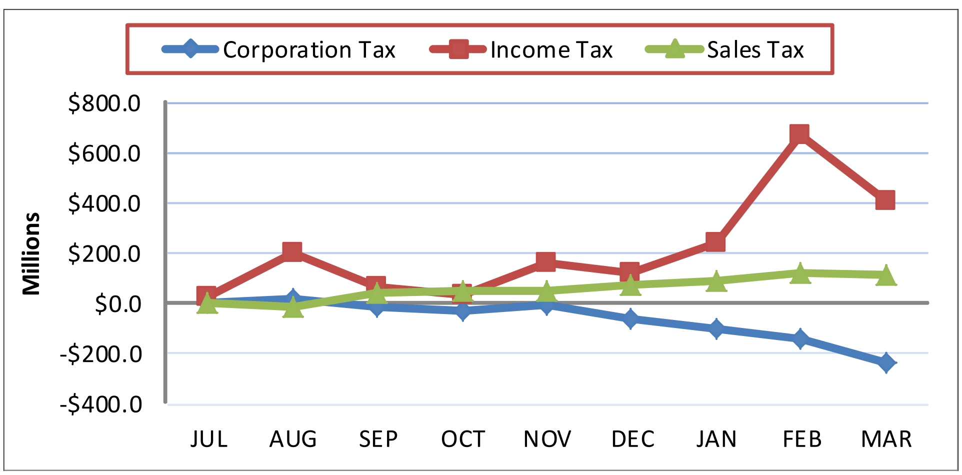
Selected Year-To-Date Cash Collections ($ millions)

FY 2017 - Through March 2017

	REVENUE	FY 2016 Actual Year-To-Date	FY 2017 Actual Year-To-Date	Actual Y-T-D Growth %	Exec. Rev. Year-End Growth % **	Exec. Rev. Year-End $ Estimate
	INCOME TAX	$8,396.9	$8,800.0	4.8%	4.4%	$13,940.3
*	SALES TAX	$6,028.8	$6,140.0	1.8%	1.0%	$9,294.7
	CORP. BUS. TAX (CBT)	$1,427.7	$1,186.3	-16.9%	7.6%	$2,471.0
	LOTTERY	$722.5	$701.9	-2.8%	-1.7%	$970.0
[a]*	PETROLEUM PRODUCTS	$143.1	$461.8	222.7%	337.3%	$939.0
	TRANSFER INHERITANCE	$610.0	$576.5	-5.5%	-8.5%	$703.9
	INSURANCE PREMIUM	$372.0	$318.5	-14.4%	3.0%	$615.5
*	MOTOR FUELS	$353.5	$350.4	-0.9%	1.4%	$562.0
[b]	MOTOR VEHICLE FEES	$290.0	$315.6	8.8%	8.6%	$514.2
*	REALTY TRANSFER	$214.2	$237.5	10.9%	8.2%	$339.3
[c]	CASINO	$148.1	$155.0	4.7%	3.8%	$208.6
[d]	CIGARETTE	$13.3	$18.0	36.0%	5.5%	$176.6
	BANKS & FINANCIAL (CBT)	$73.9	$73.5	-0.6%	-3.1%	$172.7
*	ALCOHOL EXCISE	$66.1	$66.0	-0.1%	4.2%	$110.3
	TOTALS:	**$18,859.9**	**$19,401.1**	**2.9%**	**5.4%**	**$31,018.1**

Income Tax Corporation Tax and Sales Tax

FY17 Over FY16 Actual Year-To-Date $ Change



Sources: Executive's FY17 revised amounts. FY17 Year-To-Date from the Treasury Monthly reports.
* Revenues represent 8 months of cash collections. All others represent 9 months of cash collections.
** The percentage difference between the FY2017 Executive's revised estimates (Feb. 2017) and final FY2016 figures from the Governor's Budget Message (Feb. 2017). Energy revenues for the Sales tax and CBT are not included.

[a] The petroleum products year-end estimate reflects the full $939.0 million target. Treasury's monthly report excludes from the year-end target $416.2 million allocated to the Petroleum Products Gross Receipts - Capital Reserves.
[b] The first $202.2 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.
[c] The casino amounts include internet gaming revenues.
[d] 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 $104.5 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).