

OLS Revenue Snapshot

FY 2016 - Through March 2016

- **March Revenues Bounce Back.** March collections for the major revenues grew by 6.8% above March 2015, reversing a decline in February and drawing year-to-date growth up to 2.4% for the first nine months of FY 2016. The Executive's estimates for the major revenues require 2.8% aggregate growth to reach the year-end¹ targets. Year-to-date, six of the 14 major revenues are outpacing the rates needed to achieve the revised year-end targets, while eight revenues, including each of the "Big Three" tax revenues, are trailing the targets.
- **Gross Income Tax (GIT)** cash receipts of \$8.4 billion are running 2.6% above the same period last year. The Executive's year-end target assumes growth of 3.8% above FY 2015. March net collections were 2.4% above last March, boosted by an extra withholding payment date, but held back by a \$92.0 million increase (+19%) in refund payments. Some refund growth was expected in February and March due to the enhanced Earned Income Tax Credit provided under P.L. 2015, c.73, which the Executive estimated would reduce GIT revenues by \$122 million in FY 2016. Treasury has also indicated that some of the refund surge reflects an acceleration of refund processing. Employer withholding from employee wages is running 3.5% above the same nine months last year, but would be up only 1.4% if not enhanced by the extra withholding payment, which occurred in April last year. Quarterly estimated payments² are up 7.8%. Pending in April and May are the important final taxpayer payments for Tax Year 2015, which have accounted for as much as \$2.0 billion in some years.
- **Sales Tax** receipts year-to-date total \$6.0 billion, up 4.8% from the same period³ last year. March collections rebounded by 7.7% above last March's monthly amount, following a decline in February. The Executive's target assumes 5.0% growth above the FY 2015 total.
- **Corporation Business Tax (CBT)** cash collections of \$1.4 billion through the first nine months are 14.5% below the same period last fiscal year. March's net cash collections were up 2.0% over last March, the first month of year-over-year growth in FY 2016. The Executive's FY 2016 CBT estimate reflects a decline of 12.0% for the year. April collections, which comprised at least one-fifth of the annual total in recent years, will be key to whether the target will be achieved.
- **Transfer Inheritance revenues** of \$610.0 million are up 18.0% compared to last year through March, well ahead of the 4.4% increase anticipated by the year-end target.
- **Realty Transfer Fee collections** of \$214.2 million grew by 13.9% year-on-year⁴ through the end of March. Year-to-date collections are slightly above the 13.6% growth rate needed to reach the FY 2016 year-end target.

Office of Legislative Services
April 19, 2016

¹ The *OLS Revenue Snapshot* displays the growth rates necessary to achieve the FY 2016 year-end revised targets compared to the FY 2015 final totals, using figures reported in the Comprehensive Annual Financial Report (March 2016).

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

⁴ March realty collections reflect February economic activity, as counties remit fee payments to the State with a one-month lag.

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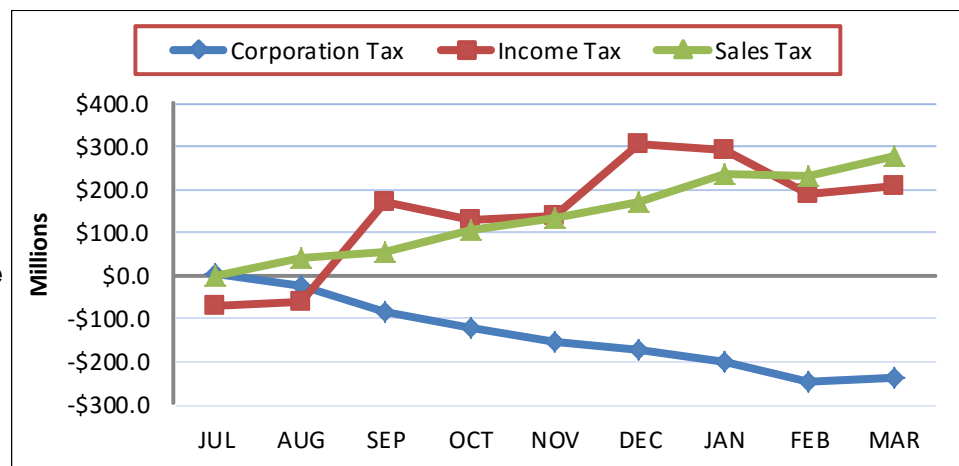
Selected Year-To-Date Cash Collections (\$ millions)

FY 2016 - Through March 2016

REVENUE	FY 2015 Actual Year-To-Date	FY 2016 Actual Year-To-Date	Actual Y-T-D Growth %	Revised Year-End Growth % **	Revised Year-End \$ Estimate
INCOME TAX	\$8,188.1	\$8,396.9	2.6%	3.8%	\$13,758.0
* SALES TAX	\$5,751.8	\$6,028.8	4.8%	5.0%	\$9,315.8
CORPORATION TAX	\$1,669.1	\$1,427.7	-14.5%	-12.0%	\$2,336.0
LOTTERY	\$670.6	\$722.5	7.7%	0.5%	\$965.0
TRANSFER INHERITANCE	\$517.0	\$610.0	18.0%	4.4%	\$828.1
INSURANCE PREMIUM	\$379.2	\$372.0	-1.9%	3.9%	\$668.7
* MOTOR FUELS	\$347.0	\$353.5	1.9%	3.9%	\$556.6
[a] MOTOR VEHICLE FEES	\$231.9	\$290.0	25.1%	9.6%	\$479.1
* REALTY TRANSFER	\$188.0	\$214.2	13.9%	13.6%	\$309.1
* PETROLEUM PRODUCTS	\$142.6	\$143.1	0.3%	1.4%	\$218.1
[b] CASINO	\$147.2	\$148.1	0.6%	-1.6%	\$193.6
[c] CIGARETTE	\$10.0	\$13.3	33.1%	-11.2%	\$163.6
BANKS & FINANCIAL (CBT)	\$110.5	\$73.9	-33.1%	22.1%	\$155.3
* ALCOHOL EXCISE	\$66.4	\$66.1	-0.4%	3.7%	\$109.5
TOTALS:	\$18,419.3	\$18,859.9	2.4%	2.8%	\$30,056.4

**Income Tax
Corporation Tax
and Sales Tax**

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



Sources: Executive FY2016 year-end revenues revised February 2016. FY2016 Year-To-Date from Treasury monthly reports.

* Revenues represent 8 months of cash collections. All others represent 9 months of cash collections.

** The percentage difference between FY2016 revised revenue estimates (Feb. 2016) and final FY2015 figures from the Comprehensive Annual Financial Report (March 2016). Energy revenues for the Sales tax and CBT are not included. FY2016 Income tax reflects the Executive's downward adjustment of \$122 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).