

OLS Revenue Snapshot

FY 2016 - Through May 2016

- **Monthly Revenues Fall Again in May.** Aggregate major revenue collections in May fell below last May by 7.3%, the third decline in the last four months. Total major revenues are down 0.2% for the first 11 months of FY 2016. The Executive's revised (May 2016) estimates for the major revenues require 1.5% aggregate growth to reach year-end¹ targets. Nine of the 14 major revenues are lagging the rates needed to achieve the revised targets, including each of the State's three largest tax revenues, while five revenues are ahead of the target rates.
- **Gross Income Tax (GIT)** cash receipts through May of \$11.18 billion are running 1.5% *below* the same period last year. May net GIT collections were 2.8% below last May, pulled down by a decline in final tax payments from filers completing their Tax Year 2015 returns. Overall, April and May final payments yielded only \$1.83 billion, 2.6% below the same two months last year. Refund payments moderated in May, but the year-to-date total remains 25.0% above last year, a further drag on net collections. Employer withholding from employee wages is running only 1.7% above the same eleven months last year. The Executive's revised year-end GIT target assumes growth of 1.2% above FY 2015.
- **Sales Tax** receipts year-to-date total \$7.56 billion, up 4.4% from the same period² last year. May collections fell 1.3% below last May, halting a strong two-month trend of growth in excess of 7.0%. The Executive's target assumes 5.0% growth above the FY 2015 total.
- **Corporation Business Tax (CBT)** cash collections of \$2.02 billion through the first eleven months are 14.3% below the same period last fiscal year. More than one-third of the net CBT decline is due to a \$127.6 million increase in refund payments compared to last year. May's net cash collections were down 62.9% from last May, largely offsetting slight growth in April. The Executive's FY 2016 CBT target estimate reflects a decrease of 12.0% for the year.
- **Transfer Inheritance** revenues of \$719.2 million are down 0.3% compared to last year through May, posting a second consecutive sharp monthly decline from a very strong base last April and May. For the first time in FY 2016, total collections are now behind the 4.4% increase anticipated by the year-end target.
- **Realty Transfer Fee** collections of \$260.5 million grew by 14.7% year-over-year³ through the end of May. Year-to-date collections remain slightly above the 13.6% growth rate needed to reach the FY 2016 year-end target.

¹ The *OLS Revenue Snapshot* displays the growth rates of cash collections necessary to achieve the Executive's FY 2016 year-end revised targets (May 2016) compared to the audited final FY 2015 totals, as reported in the Comprehensive Annual Financial Report (March 2016).

² May sales tax collections reflect April economic activity, as this tax is subject to a one-month payment lag.

³ May realty collections reflect April economic activity, as counties remit fee payments to the State with a one-month lag.

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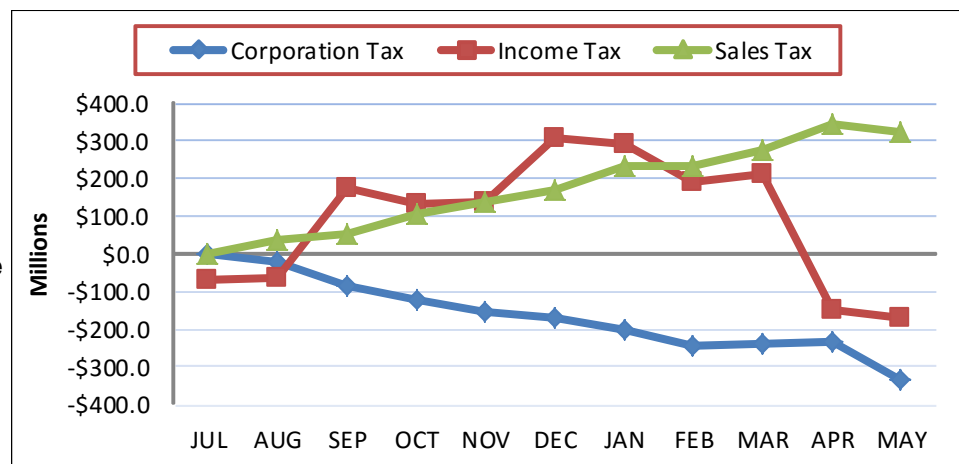
Selected Year-To-Date Cash Collections (\$ millions)

FY 2016 - Through May 2016

REVENUE	FY 2015 Actual Year-To-Date	FY 2016 Actual Year-To-Date	Actual Y-T-D Growth %	Exec. Revised Year-End Growth % **	Exec. Revised Year-End \$ Estimate
INCOME TAX	\$11,348.9	\$11,178.4	-1.5%	1.2%	\$13,408.0
* SALES TAX	\$7,238.3	\$7,559.0	4.4%	5.0%	\$9,315.8
CORPORATION TAX	\$2,358.4	\$2,021.9	-14.3%	-12.0%	\$2,336.0
LOTTERY	\$826.7	\$883.9	6.9%	0.5%	\$965.0
TRANSFER INHERITANCE	\$721.4	\$719.2	-0.3%	4.4%	\$828.1
INSURANCE PREMIUM	\$557.1	\$556.1	-0.2%	3.9%	\$668.7
* MOTOR FUELS	\$433.6	\$446.7	3.0%	2.6%	\$549.5
[a] MOTOR VEHICLE FEES	\$358.5	\$409.2	14.1%	9.6%	\$479.1
* REALTY TRANSFER	\$227.0	\$260.5	14.7%	13.6%	\$309.1
* PETROLEUM PRODUCTS	\$178.7	\$179.0	0.2%	1.4%	\$218.1
[b] CASINO	\$182.7	\$184.1	0.8%	1.2%	\$199.2
[c] CIGARETTE	\$118.8	\$118.0	-0.7%	-7.8%	\$170.0
BANKS & FINANCIAL (CBT)	\$137.5	\$118.7	-13.7%	14.0%	\$145.0
* ALCOHOL EXCISE	\$82.4	\$81.8	-0.7%	3.7%	\$109.5
TOTALS:	\$24,769.9	\$24,716.6	-0.2%	1.5%	\$29,701.0

**Income Tax
Corporation Tax
and Sales Tax**

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



Sources: Executive's FY2016 year-end estimates revised May 2016. FY2016 Year-To-Date from Treasury monthly reports.

* Revenues represent 10 months of cash collections. All others represent 11 months of cash collections.

** The percentage difference between the FY2016 Executive's revised estimates (May 2016) and final FY2015 figures from the Comprehensive Annual Financial Report (March 2016). Energy revenues for the Sales tax and CBT are not included.

[a] The first \$222.1 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).