

ANALYSIS OF THE NEW JERSEY BUDGET

**TAX AND
REVENUE OUTLOOK**

FISCAL YEAR

2013 - 2014

NEW JERSEY STATE LEGISLATURE

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The FY 2013 and FY 2014 Tax and Revenue Outlook

Introduction

The Office of Legislative Services (OLS) has prepared this report to assist the Senate Budget and Appropriations Committee and the Assembly Budget Committee as they develop the FY 2014 appropriations bill. The OLS revenue estimates rely on a review of current State revenue collections, revisions to statutory law, historical revenue collection patterns, and a variety of economic data and forecasts, as well as professional judgment.

The OLS projects that FY 2013 and FY 2014 revenues will be \$637.1 million less than the estimates in the FY 2014 Governor's Budget Recommendation. Specifically:

- For FY 2013, the OLS revenue estimates are \$302.4 million, or 0.9%, below the Executive budget estimates (page 2).
- For FY 2014, the OLS revenue estimates are \$334.7 million, or 1.0%, below the Executive budget estimates (page 3).
- Also for FY 2014, the OLS is skeptical about the Executive's estimate of \$180.0 million in new State revenue from internet gaming. The OLS preliminarily includes the full amount for the purposes of this report, but may reduce its estimate significantly with the May revenue revisions (page 13).

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Fiscal Year 2013 Revenue Estimates

Figure 1
Fiscal Year 2013 Revenue Estimates
(\$ millions)

	<u>Governor's Budget Message</u>			<u>OLS Est.</u> <u>Amount</u>	<u>OLS vs. GBM</u> <u>Difference</u>
	<u>Appropriations</u> <u>Act Certified</u>	<u>Revised</u> <u>Amount</u>	<u>Change</u>		
Gross Income Tax	\$11,767.4	\$12,173.0	\$405.6	\$12,075.0	-\$98.0
Sales Tax*	8,422.8	8,216.0	-206.8	8,216.0	0.0
Corporation Bus. Tax*	2,566.0	2,232.0	-334.0	2,150.0	-82.0
Realty Transfer Fee	240.0	240.0	0.0	218.0	-22.0
Assessm. on \$1 Mil. Property	100.0	100.0	0.0	89.3	-10.7
Petroleum Products Tax	228.0	228.0	0.0	215.0	-13.0
Inheritance Taxes	725.0	680.0	-45.0	640.0	-40.0
Cigarette Tax	271.6	263.0	-8.6	241.3	-21.7
Alcoholic Beverage Excise Tax	112.0	110.0	-2.0	105.0	-5.0
Casino Revenue Fund	284.0	235.4	-48.6	225.4	-10.0
Other Revenues*	7,016.2	6,849.3	-166.9	6,849.3	0.0
Grand Total, All Funds	\$31,733.0	\$31,326.7	-\$406.3	\$31,024.3	-\$302.4

See Appendix for additional detail. Numbers may not add due to rounding.
GBM = Governor's Budget Message. * Sales and corporate energy revenues are in Other Revenues.

Figure 1 presents the FY 2013 revenue certification from the Appropriations Act (June 2012), the Executive's revisions as presented in the February 2013 Governor's Budget Message, and the OLS forecast. Highlights of the revenue estimates include:

Executive

- Revised estimates for total revenues are down by \$406.3 million from the level certified in the FY 2013 Appropriations Act.
- The estimate for the gross income tax is up \$405.6 million.
- The estimate for the sales tax is down \$206.8 million.
- The estimate for the corporation business tax is down \$334.0 million.
- The estimates for all remaining revenues are down by a net \$271.1 million.

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- The total revenue estimate for FY 2013 is **\$302.4 million below** the Executive's revised projection.
- The estimate for the gross income tax is \$98.0 million below the Executive's.
- The estimate for the sales tax is the same as the Executive's.
- The estimate for the corporation business tax is \$82.0 million below the Executive's.
- The estimates for all remaining revenues are \$122.4 million below the Executive's.

Fiscal Year 2014 Revenue Estimates

Figure 2
Fiscal Year 2014 Revenue Estimates
(\$ millions)

	<u>Governor's Budget Message</u>		<u>OLS Estimates</u>		<u>OLS vs. GBM</u>
	<u>Amount</u>	<u>Annual Growth</u>	<u>Amount</u>	<u>Annual Growth</u>	<u>Difference</u>
Gross Income Tax	\$12,969.0	6.5%	\$12,860.0	6.5%	-\$109.0
Sales Tax*	8,606.0	4.7%	8,606.0	4.7%	0.0
Corporation Bus. Tax*	2,388.0	7.0%	2,300.0	7.0%	-88.0
Realty Transfer Fee	285.0	18.8%	261.6	20.0%	-23.4
Assessm. on \$1 Mil. Property	116.0	16.0%	107.2	20.0%	-8.8
Petroleum Products Tax	228.0	0.0%	220.0	2.3%	-8.0
Inheritance Taxes	728.0	7.1%	690.0	7.8%	-38.0
Cigarette Tax	237.0	-9.9%	216.0	-10.5%	-21.0
Alcoholic Beverage Excise Tax	118.5	7.7%	110.0	4.8%	-8.5
Casino Revenue Fund (CRF)	255.8	8.7%	225.8	0.2%	-30.0
CRF New Internet Gaming	180.0		180.0		0.0
Other Revenues*	6,734.8	-1.7%	6,734.7	-1.7%	0.0
Grand Total, All Funds	\$32,846.1	4.8%	\$32,511.3	4.8%	-\$334.7

See Appendix for additional detail. Numbers may not add due to rounding.
GBM = Governor's Budget Message. * Sales and corporate energy revenues are in Other Revenues.

Figure 2 displays the Executive FY 2014 revenue estimates as presented in the February 2013 Governor's Budget Message and the OLS forecast. Highlights of the revenue estimates include:

Executive

- Total revenue estimate is \$1.519 billion above FY 2013, a 4.8% increase.
- The gross income tax estimate is up \$796.0 million, or 6.5%.
- The sales tax estimate is up \$390.0 million, or 4.7%.
- The corporation business tax estimate is up \$156.0 million, or 7.0%.
- The Casino Revenue Fund estimate includes \$180.0 million of new revenues from internet gaming.
- All remaining revenue estimates are down by \$2.7 million from FY 2013.

Office of Legislative Services

- Total revenue estimate for FY 2014 is **\$334.7 million below** the Executive's projection, 4.8% growth from a lower base.
- The gross income tax estimate is \$109.0 million below the Executive's.
- The sales tax estimate is the same as the Executive's.
- The corporation business tax estimate is \$88.0 million below the Executive's.
- The casino internet gaming estimate is accepted for this report, but may be significantly reduced with the May revisions.
- The OLS estimates for all remaining revenues are \$137.7 million below the Executive's.

The Primary Reason for Revenue Differences is FY 2013 Growth

Figure 3
FY 2013: Differing Assumptions of Revenue Growth Acceleration
\$ in Millions

	Growth Through February FY13	Estimated Growth Remainder of FY 2013		Difference Between OLS and Executive in FY 2013
		OLS	Executive	
Gross Income Tax*	6.7%	8.4%	10.4%	-\$98.0
Corporation Business Tax	-4.4%	17.4%	26.1%	-\$82.0
Inheritance Tax	-6.4%	12.5%	31.8%	-\$40.0
Cigarette Tax	-4.6%	-2.5%	6.5%	-\$21.7
Realty Transfer Fee	7.2%	30.4%	60.8%	-\$22.0
Petroleum Products Tax	-7.9%	2.3%	16.5%	-\$13.0
Casino Tax	-11.6%	2.9%	15.9%	-\$10.0
Alcohol Beverage Tax	0.6%	4.9%	15.1%	-\$5.0

* 6.7% rate is adjusted to account for the \$120 million delay in refund payments in February of 2013.

Nearly all of the \$637.1 million combined revenue difference between the Executive and the OLS for FY 2013 and FY 2014 results from differing expectations for growth in the remaining months of FY 2013. The OLS’s growth rate assumptions for the remainder of the current fiscal year yield \$302.4 million less in FY 2013. The OLS has a nearly identical outlook to the Executive for revenue growth rates in FY 2014, but that growth is from a lower base. Consequently, most of the \$334.7 million revenue difference in FY 2014 is due to the lower base estimates in FY 2013.

Figure 3 displays most of the revenues for which the OLS is projecting less than the Executive in FY 2013. **For each of these revenues the OLS assumes that growth for the rest of FY 2013 will be greater than growth so far this year. But the Executive assumes even greater growth acceleration.** Corporation business tax (CBT) revenues declined by 4.4% through the first 8 months

of the fiscal year, but the Executive’s year-end estimate requires growth to surge by 26.1% over the remaining four months. The OLS expects a somewhat less robust turn-around of 17.4% growth for the CBT. Likewise, inheritance, cigarettes, petroleum and casino revenues each declined through the end of February, but the Executive expects an extraordinary reversal for the remaining months of FY 2013. The OLS also expects improvement for these revenues in the coming months, but at somewhat more moderate rates.

The gross income tax (GIT), discussed in greater detail beginning on page 6, grew by an adjusted 6.7% through the end of February. The Executive needs growth to increase to 10.4% for the remaining months of the year to hit the revised target, but the OLS believes this may be difficult to achieve and projects 8.4% growth. The OLS also has doubts about the collection surges projected by the Executive for the realty transfer fee and the alcoholic beverage tax.

Figure 4 displays these same revenues for FY 2014. The Executive and OLS growth rates for FY 2014 are very similar and in some cases identical, such as for the GIT and the CBT. Only in the case of baseline casino revenues does the OLS have a significantly different FY 2014 growth rate assumption – the OLS projects flat baseline revenues while the Executive projects 8.9% growth.

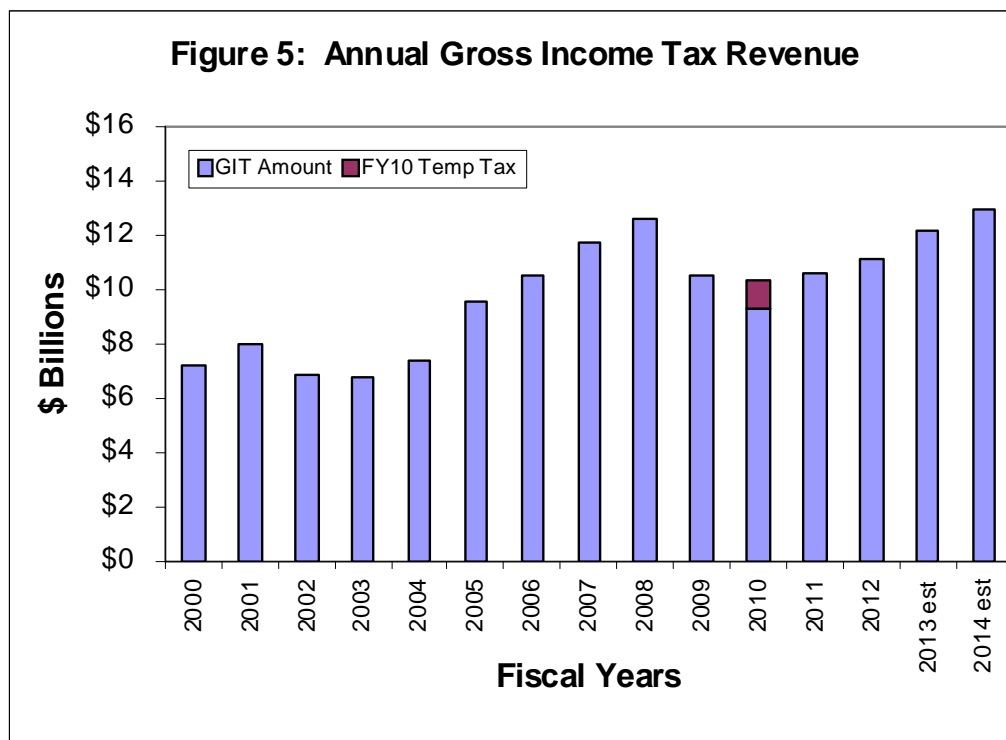
The primary reason for the \$334.7 million revenue difference in FY 2014 between the

Executive and the OLS is the lower OLS revenue forecast in FY 2013. Assuming very similar growth rates, but growing from a lower base, yields the OLS’s lower FY 2014 totals.

These specific revenues will be discussed in more detail on the following pages. To the extent that the \$302.4 million revenue gap in FY 2013 is closed in the coming months, the FY 2014 revenue gap will also be narrowed.

Figure 4			
FY 2014: Similar Growth Rates, Differing Bases from Prior Year			
\$ in Millions			
	OLS Estimated Growth Rate	Executive Estimated Growth Rate	Difference Between OLS and Executive in FY 2014
Gross Income Tax	6.5%	6.5%	-\$109.0
Corporation Business Tax	7.0%	7.0%	-\$88.0
Inheritance Tax	7.8%	7.1%	-\$38.0
Cigarette Tax	-10.5%	-9.9%	-\$21.0
Realty Transfer Fee	20.0%	18.8%	-\$23.4
Petroleum Products Tax	2.3%	0.0%	-\$8.0
Casino Tax	0.0%	8.9%	-\$30.0
Alcohol Beverage Tax	4.8%	7.7%	-\$8.5

The Gross Income Tax



Note: Unless otherwise referenced, all graphs display actual or Executive estimated revenues.

In FY 2014, the Gross Income Tax (GIT) is finally expected to surpass its historic collections peak of \$12.6 billion, reached six years ago in FY 2008. The Great Recession and the stock market collapse caused unprecedented declines in the GIT, but steady revenue growth resumed in FY 2011. The Executive and the OLS agree that the GIT is improving. Indeed, the OLS and the Executive estimate the same FY 2014 growth rate, but the OLS is slightly more cautious for FY 2013, due to current revenue collection patterns.

The Executive has increased its estimate for FY 2013 by \$405.6 million above the amount certified in June, for an FY 2013 total of \$12.173 billion, 9.4% over the prior year. For FY 2014 the Executive estimates \$12.969 billion, up 6.5% from the FY 2013 level. The OLS projects \$12.075 billion in FY 2013,

8.5% growth, or \$98.0 million below the Executive. In FY 2014, the OLS projects the same 6.5% rate as does the Executive, but from a lower base, yielding \$12.860 billion, or \$109 million less than the Executive. The differences in both years are a function of slightly differing views of collections growth for the remaining months of FY 2013.

FY 2013

Through the end of February, the GIT is up 8.6% compared to the same period last year. Growth in December and January was particularly strong, up nearly 20% in each month. Much of this growth is attributable to strong stock market performance in 2012 and to taxpayer reactions to federal tax law changes that increased certain federal tax rates in 2013. Expecting less favorable

federal treatment of certain investment income and higher marginal tax rates in some brackets, taxpayers acted to realize more income in 2012 than they otherwise would have. This income realization in 2012 for federal tax purposes increased New Jersey GIT liabilities. The value of this shift may be on the order of \$150-\$250 million.

Another factor inflating net cash collections through the end of February was a significant delay in the filing and processing of refund returns. Refunds are an important component of the annual revenue stream for the GIT (see the side-box for a discussion of the key components). Due to the protracted federal “fiscal cliff” negotiations, many taxpayers had to wait longer for the publication of federal tax forms and tax software than in past years. Those taxpayers filed their federal returns later than usual, and accordingly also filed their New Jersey returns later. As a result, State tax refund payments lagged \$120.0 million (40%) behind last year in February, effectively boosting GIT net receipts. Adjusting for this refund delay, GIT revenues grew by 6.7% through February, compared to the same period last year.

To reach the Executive’s FY 2013 target for the GIT will require growth of 10.4% between March and the end of the fiscal year. While such growth is possible, the OLS is slightly more cautious. The OLS’s \$12.075 billion estimate for FY 2013 assumes the following growth rates: 4.0% in withholding collections, 10% in quarterly estimated payments, 20% in April and May final tax payments, and 12% in refund payments (making up for the significant refund delay in February). The Executive, which has not shared its component analysis, would need somewhat stronger growth rates than the OLS assumes. However, the \$98.0 million difference between the Executive and the OLS is only 0.8% of the total GIT collection, a relatively small estimating difference.

Fiscal Year 2014

The OLS believes that the Executive’s 6.5% growth rate for FY 2014 GIT revenues is reasonable. The OLS’s \$12.860 billion forecast is \$109 million lower than the Executive’s \$12.969 billion forecast due to the OLS’s lower base in FY 2013.

While underlying growth for FY 2014 will be solid, collections will be adversely affected as the impact of the taxpayer income-shifting behavior from the prior year is reversed. Accordingly, both the Executive and the OLS expect a slowing growth rate in FY 2014. The Executive projects growth to slow from 9.4% in FY 2013 to 6.5% in FY 2014; the OLS from 8.5% in FY 2013 to 6.5% in FY 2014.

The OLS GIT forecast is constructed from an analysis of the four separate components of the GIT cash flow:

- **Withholding:** Paid throughout the year by employers from amounts deducted from workers’ paychecks (including bonuses and some stock options);
- **Estimated Payments:** Generally paid quarterly in April, June, September, and December/January by taxpayers with significant non-wage income, such as capital gains, dividends, and partnership income;
- **Final Year-End Payments:** Due each April, reconciling the prior tax year liability. Also generally paid by taxpayers with significant non-wage income;
- **Refund Payments:** Paid by the State to taxpayers whose April tax filings show tax payments exceeding tax liability.

What Drives GIT Growth?

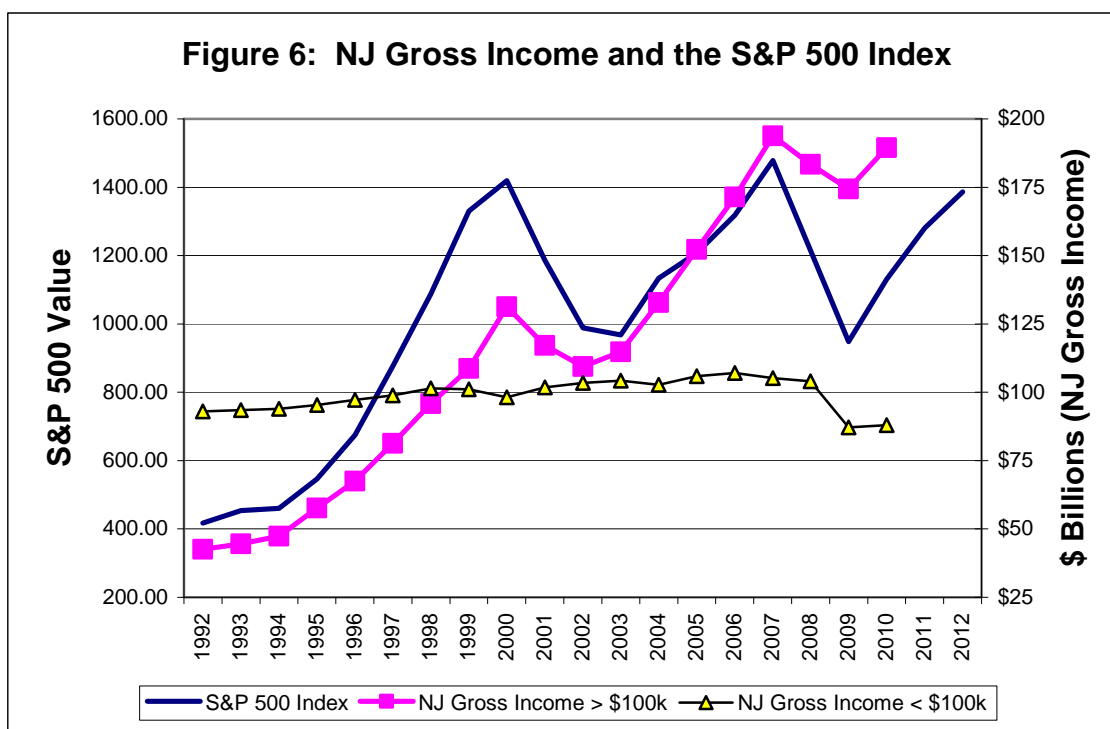
Growth in the GIT is largely dependent on incomes from higher-income filers. Those taxpayers with income in excess of \$100,000 account for only 30% of all returns, but have 68% of gross income and pay 84% of the tax. Taxpayers reporting income in excess of \$200,000 account for only 9% of all returns, but have 40% of gross income and pay 59% of the tax.

Higher-income taxpayers also have significant amounts of non-wage income, which is particularly influenced by gains from the stock market. **Figure 6** displays the similar patterns of growth for the stock market and the total income for taxpayers with gross income greater than \$100,000. The pattern for gross income of filers with less than \$100,000 income is not similar. Historically, stock market performance has been the most important predictor of, as well as a contributor to, New Jersey income growth

and the ensuing GIT revenue performance. It is likely to be so again in FY 2013, as the Standard and Poor's 500 Index gained 13%, the Dow Jones' Industrial average grew by 7% and the NASDAQ rose by 16% in 2012.

In contrast, job growth has a much smaller impact on the GIT. For example, in 2012, employment in New Jersey increased by 66,400. If each of those new employees made \$50,000 (taxable income), it would account for less than one half of one percent of total GIT revenue. Similarly, wage growth for people already employed and earning less than \$100,000 is likely to have contributed no more than 1% growth to the GIT.

The discussion in the side box on the next page illustrates these concepts through the use of taxpayer examples, and how New Jersey's highly graduated income tax system also plays an important role.



The Tax Revenue Impact of Income Growth Depends on Who Earns It

How does an additional \$1 million in taxable income impact State income tax revenue? It depends on who makes this additional income. For example:

- A millionaire who reaps an additional \$1.0 million taxable gain from investments in the stock market would owe the State an additional \$89,700 under the State GIT.
- 20 previously unemployed individuals who get jobs that each pay \$50,000 (taxable) would also collectively gain \$1.0 million. Each taxpayer would owe the State \$805, and the collective tax liability for these 20 employees would be only \$16,100.

So, the State’s coffers would receive more than five times as much from the millionaire with \$1.0 million of additional income than from these 20 new employees. Such is the effect of a highly graduated tax structure.

Another way to think about this is to ask, how many new \$50,000 employees are needed to generate as much State income tax revenue as the millionaire’s additional \$1 million?

- 111 new employees, who each earned newly taxable income of \$50,000, would collectively earn \$5.57 million from their new jobs. The combined tax liability for these 111 new employees would equal \$89,700, the same as the millionaire with a \$1.0 million income gain.

The calculations for these taxpayer examples are displayed in **Figure 7**.

Figure 7
State Tax Revenue from New Taxable Income Can Vary Significantly by Taxpayer

	<u>Example A</u>	<u>Example B</u>	<u>Example C</u>
Number of Taxpayers	1	20	111
Prior Year Taxable Income per Taxpayer	\$1,000,000	\$0	\$0
Current Year Taxable Income per Taxpayer	\$2,000,000	\$50,000	\$50,000
Taxable Income Increase per Taxpayer	\$1,000,000	\$50,000	\$50,000
Taxable Income Increase Total All Taxpayers	\$1,000,000	\$1,000,000	\$5,571,429
Source of Increase	Stock Market Gains	New Employment	New Employment
Effective Tax Rate on Income Increase	8.97%	1.61%	1.61%
Increased State Income Tax Revenue	\$89,700	\$16,100	\$89,700

Note: Taxable income is less than gross income due to various exemptions. Assumes taxpayers are joint filers.

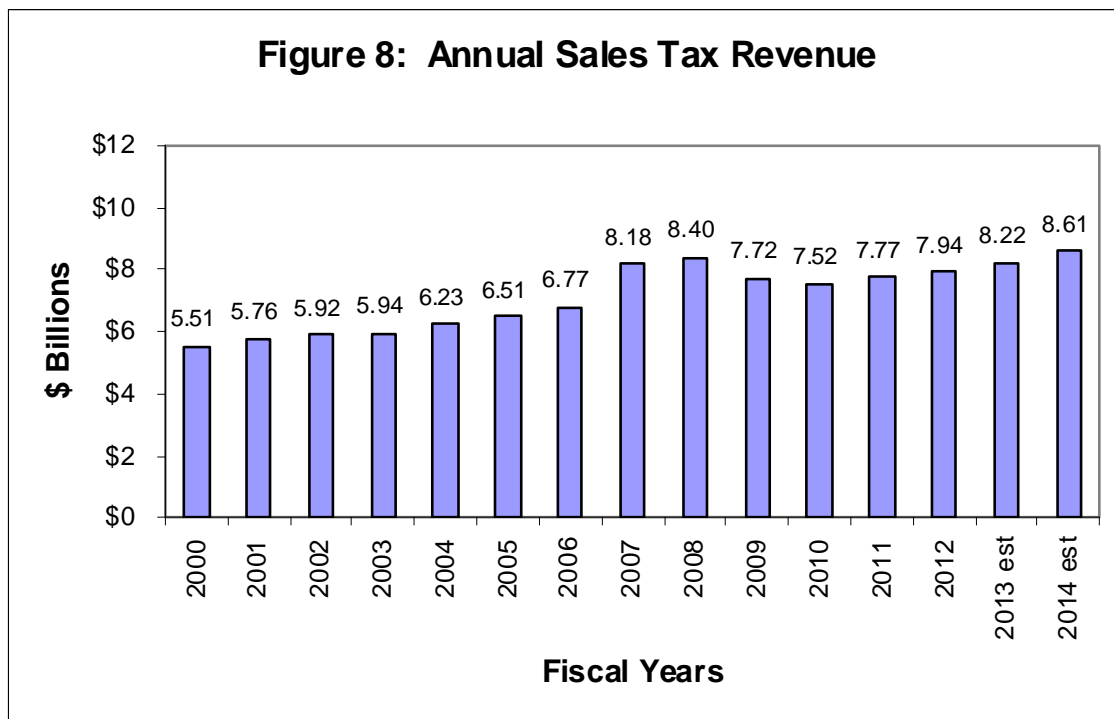
The Sales Tax

The Executive and OLS have the same expectations for sales tax revenues in FY 2013 and FY 2014. After tumbling during the Great Recession, sales tax revenues have been growing by slow to moderate rates from the low point in FY 2010. This improvement is likely to continue, as FY 2014 revenues are projected to exceed the prior sales tax peak reached six years ago in FY 2008, before the Great Recession.

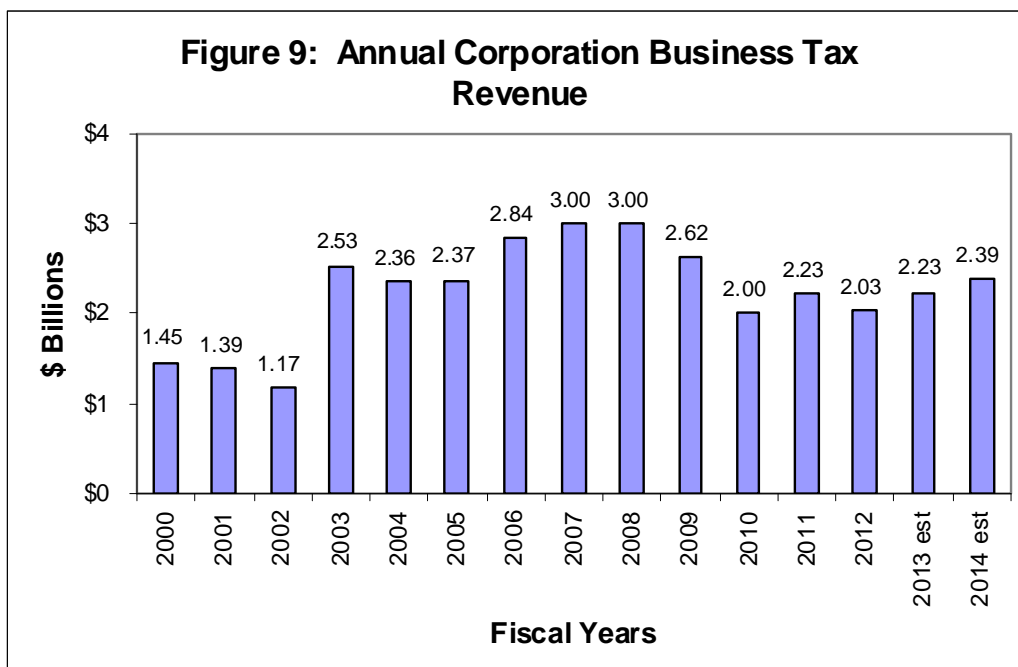
FY 2013 began with flat revenues compared to the prior year during the initial four months. Then Super Storm Sandy weakened sales tax collections briefly. However, growth in January and February collections rebounded well, an encouraging sign for the spring and summer months. Through the end of February, sales tax revenues ran 2.1% ahead of the same period last year. Accordingly, the Executive revised its forecast

for FY 2013 downward by \$206.8 million from amounts certified in June. To reach the Executive’s FY 2013 targets will require 5.5% growth for the remaining months of the year. Given recent economic data and the weakness of last spring’s collections, the OLS believes this rate of growth is attainable and agrees with the revised Executive forecast.

Accordingly, both the Executive and the OLS estimate \$8.216 billion in FY 2013, 3.5% growth over FY 2012, and both estimate \$8.606 billion in FY 2014, 4.7% growth from the current year. The FY 2014 growth rate is close to the long-run average growth rate for the sales tax. That estimate assumes both positive and negative impacts from Super Storm Sandy, as well as including the first year that Amazon.com, Inc. collects New Jersey sales tax.



The Corporation Business Tax



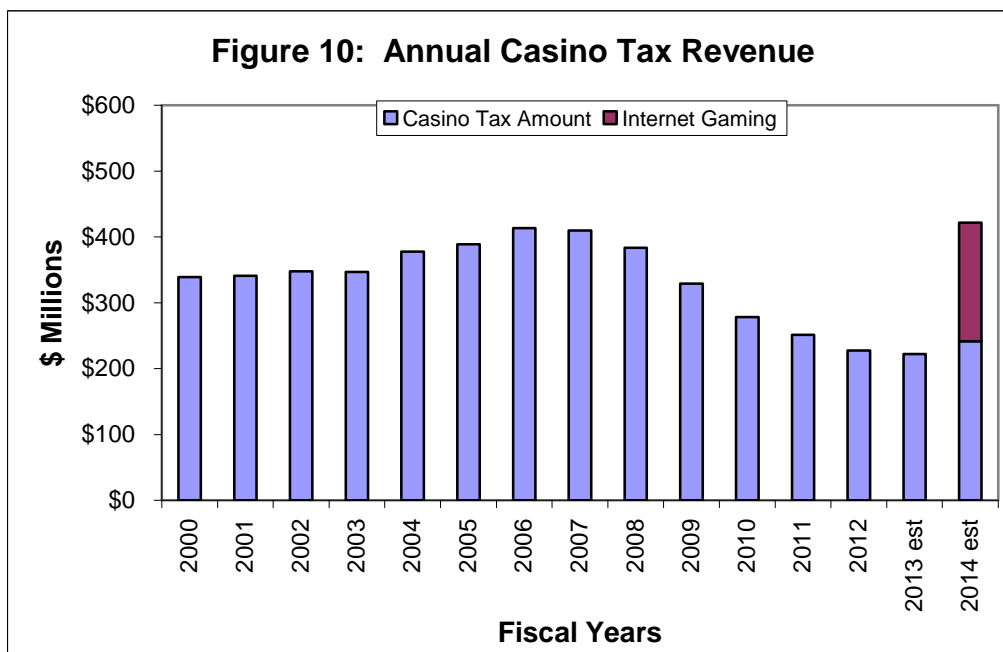
The corporation business tax (CBT) has not performed as well as the GIT or the sales tax. While corporate profits have been rising, that growth has yet to appear in New Jersey’s CBT revenues. FY 2012 collections dropped 8.7% and FY 2013 collections through the end of February are down another 4.4% compared to the same period last year. Due to weak collections, the Executive reduced its FY 2013 revenue estimate by \$334.0 million from the amount certified last June, a 13% reduction.

However, even that reduced revenue estimate anticipates a significant reversal in the current collection trend. Hitting the Executive’s revised CBT target for FY 2013 will require 26.1% growth in the final four months of the year. There are historical and technical reasons to believe that growth this spring is likely (the fourth quarter base collections in FY 2012 were unusually low by

historical standards). However, the OLS does not believe such a sharp reversal, from a 4.4% decline through the first eight months to 26.1% growth in the last four months, is likely.

The OLS estimates \$2.150 billion in FY 2013, \$82.0 million less than the Executive’s estimate of \$2.232 billion. For FY 2014, the OLS agrees that the Executive’s projected growth rate of 7.0% in FY 2014 is achievable. Therefore, the OLS estimates \$2.300 billion in FY 2014, 7.0% growth from a lower base. The OLS estimate is \$88.0 million less than the Executive’s \$2.388 billion estimate for FY 2014. The differences between the OLS and the Executive for both fiscal years are based on a different reading of the current FY 2013 growth potential for the CBT, and the OLS agrees with the Executive’s growth rate assumption for next year.

Casino Tax Revenues



Casino tax collections plummeted 45% from the peak seven years ago – from \$413.3 million in FY 2006 to \$227.2 million in FY 2012. On average, casino revenues fell 9.5% per year during this period. Competition from new casinos in other states is seen as the primary cause of the decline. While the Great Recession may have also harmed Atlantic City’s gambling activity, **Figure 10** suggests that the downward trend started before the economic downturn and persisted during the economic slump in FY 2009 and the recovery.

The revenue decline has continued in FY 2013, exacerbated by a sharp drop of 38% in November following Super Storm Sandy. Overall, casino tax revenues are down 11.6% through the end of February. The Executive assumes a strong upturn of 15.9% growth for the remaining five months of FY 2013, yielding total tax collections of \$221.9 million. The OLS agrees that an upturn will occur, but believes that such strong growth is

unlikely and estimates \$211.9 million in FY 2013, \$10.0 million less than the Executive.¹

For FY 2014, the Executive assumes baseline casino tax revenue will increase to \$241.7 million, or growth of 8.9% from FY 2013. In addition, the Executive indicates that the introduction of internet gaming will yield an estimated \$180 million in additional revenues in FY 2014.

The OLS is hopeful that the annual declines since FY 2006 may end in FY 2014. Stabilization of baseline casino tax revenue would be a significant break from the seven-year decline, and the OLS estimates \$211.7 million in FY 2014, essentially flat with the FY 2013 base, or \$30 million below the Executive’s projection.

¹ The OLS notes that some additional non-tax revenues are also deposited into the Casino Revenue Fund.

Internet Gaming

The OLS believes there is extraordinary uncertainty regarding the \$180 million of additional revenues the Executive anticipates from the legalization of internet gaming in FY 2014. The Executive anticipates internet gaming commencing early in FY 2014, but has not provided any substantive analysis to support the \$180 million revenue amount. At a tax rate of 15%, the \$180 million in new revenue would require the casinos to garner internet gambling earnings in FY 2014 of about \$1.2 billion.

The OLS's review of published reports and its consultation with knowledgeable individuals has not identified any support for the contention that a new internet gaming program within New Jersey could yield earnings of \$1.2 billion during FY 2014. Many important aspects of the undertaking remain unknown, including the type and scope of the internet games, the number of licensed casinos approved to operate such games, the timing and pace of implementation, the projected number of participants registered and approved to play such games within New Jersey, and the possibility of litigation.

According to reports by Moody's Investors Service, Deutsche Bank AG, and Bloomberg Industries, the initial internet gaming market

may range from \$250 million to \$850 million, considerably less than the Executive's anticipation of \$1.2 billion in the first year.

An OLS Fiscal Estimate on internet gaming (Assembly Bill No. 2578 of 2012) indicated an indeterminate State revenue increase. That Fiscal Estimate noted that an analysis by Econsult Corporation, based on international statistics, suggested a generic short-run tax revenue potential for between \$46-\$55 million in New Jersey. This analysis assumed a 20% tax rate rather than the 15% rate under New Jersey's new law.

Notwithstanding these reservations, and only for the purposes of this report, the OLS preliminarily includes the \$180 million Executive projection. Lacking any detailed, independent fiscal analyses, and without any substantive analysis from the Executive supporting the \$180.0 million estimate, the OLS remains skeptical that such a significant FY 2014 revenue receipt will be realized. The OLS will continue to review any new information about internet gaming in New Jersey that may be made available in the coming months. However, a significant downward revision in the \$180 million estimate is possible when the OLS presents revised revenue estimates to the Budget Committees in May.

Other Selected Revenues

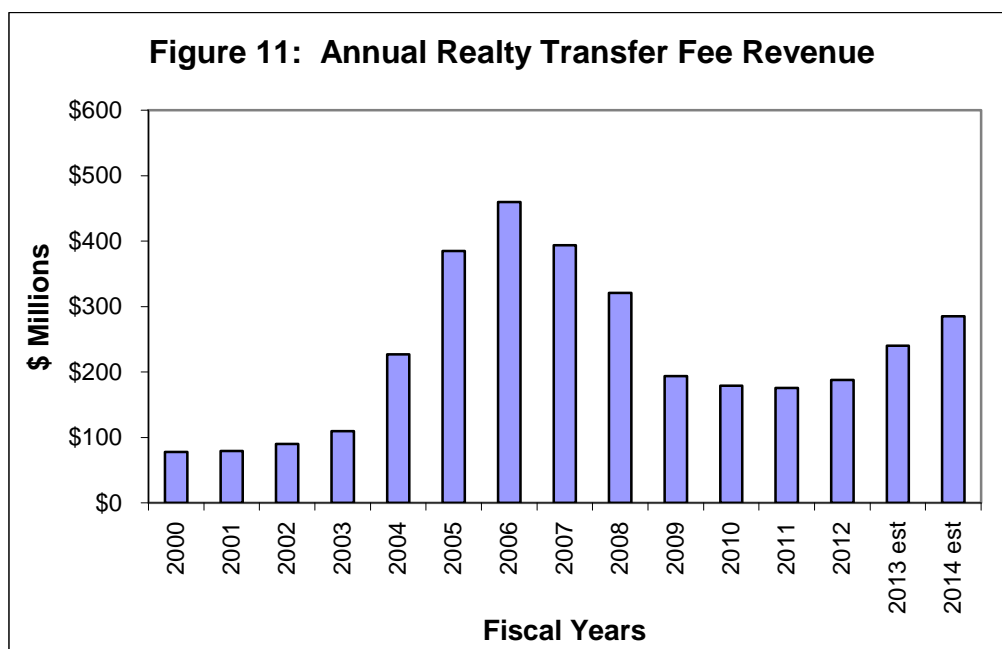
Realty Transfer Fees

Perhaps no revenue is more emblematic of the State’s economic downturn and multiyear revenue collapse than the realty transfer fee. **Figure 11** shows that the fee peaked in FY 2006 at \$459.7 million and then tumbled by 62% through FY 2011. The real estate market appears to have since turned the corner. Realty transfer fee collections mirror this trend, as the revenue source posted its first annual, albeit modest, increase in six years in FY 2012. The upward trajectory has continued at a slightly accelerated clip in FY 2013.

The Executive estimates \$240.0 million in FY 2013 realty transfer fee revenue, or 27.8% over FY 2012, and \$285.0 million in FY 2014, or 18.8% growth. Although the OLS shares the Executive's perspective that fee collections will grow in FY 2013 and FY 2014, it remains somewhat more cautious. FY 2013 year-to-date collections through February are up 7.2%, but it would take an additional 60.8% bounce for the remainder of

the fiscal year to reach the Executive's projection for FY 2013. The OLS thus estimates \$218.0 million in FY 2013 fee revenue and \$261.6 million in FY 2014. The FY 2013 estimate reflects a 16.1% growth rate over FY 2012 and the FY 2014 estimate a 20% growth rate over FY 2013.

The yield of the separate one percent assessment on property sales valued over \$1 million diverges from the growing trend in realty transfer fee collections. The Executive forecasts \$100.0 million in FY 2013 assessment collections and \$116.0 million in FY 2014 collections. The targets reflect a 17.7% growth rate in FY 2013 and a 16.0% growth rate in FY 2014. Through January of the fiscal year, however, actual collections fell 2.1% below FY 2012. Accordingly, the OLS estimates \$89.3 million in FY 2013 assessment revenue and \$107.2 million in FY 2014. The FY 2013 estimate reflects a 5.1% growth rate over FY 2012 and the FY 2014 estimate a 20.0% growth rate over FY 2013.



Inheritance Taxes

The two taxes on inheritance (Estate and Transfer Inheritance) combine to be the State's fourth largest on-budget tax revenue, after the GIT, sales tax, and CBT. Collections through the end of February are running 6.4% below the same period last year, prompting the Executive to revise this revenue source down \$45.0 million from the level certified in June for FY 2013. The Executive now projects \$680.0 million for FY 2013 and \$728.0 million for FY 2014.

However, to reach the Executive's revised FY 2013 target will require growth of 31.8% for the remaining four months of the year. The OLS believes such strong growth is unlikely and is estimating \$640.0 million in FY 2013, \$40.0 million less than the Executive. For FY 2014, the OLS generally agrees with the Executive's growth estimate, but from a lower base. The OLS estimates \$690.0 million in FY 2014, \$38.0 million less than the Executive.

Cigarette Tax

The cigarette tax generates more than \$700 million each fiscal year, but only a portion of this amount appears as budgeted General Fund revenue (see page A7 in the appendix for a detailed display of all cigarette tax allocations). In FY 2012, for example, the State received \$756.1 million in cigarette tax collections. Of that total, \$396.5 million supported the off-budget Health Care Subsidy Fund, \$288.4 million was accounted for on-budget as General Fund revenue, and the remaining \$71.2 million was used off-budget to pay debt service on cigarette tax revenue securitization bonds.

The Executive projects \$263.0 million in FY 2013 on-budget receipts and a decline to \$237.0 million in FY 2014. The Executive

estimate assumes a 1.1 percent rate of decline in total taxed cigarette sales from FY 2012 to FY 2013. Through February 2013, the rate of decline was 4.6 percent, however. The OLS deems it improbable that the revenue source will post the 6.5 percent increase required in the remaining months of FY 2013 to meet the Executive estimate. Consequently, the OLS forecasts \$241.3 million in FY 2013 budgeted cigarette tax revenue and \$216.0 million in FY 2014. The Executive and the OLS both assume that taxed cigarette sales will drop by 3.0 percent in FY 2014.

Petroleum Products Tax

The Executive maintained the petroleum products tax revenue estimate for FY 2013 at the certified level, projecting \$228.0 million this year and estimating the same amount again for FY 2014. However, current collections are down 7.9% through the end of February. To hit the Executive's FY 2013 target will require growth of 16.5% for the remainder of the fiscal year.

Based on the current weak collection pattern, the OLS estimates \$215.0 million in FY 2013, \$13.0 million less than the Executive. For FY 2014 the OLS expects 2.3% growth to resume and estimates \$220.0 million, \$8.0 million less than the Executive.

Alcoholic Beverage Excise Tax

The Executive estimates \$110 million in FY 2013 and \$118.5 million in FY 2014 for the Alcoholic Beverage Excise Tax. Actual collections through the end of February are up only 0.6%, so the OLS estimates a slightly lower amount of \$105 million in FY 2013, growing to \$110 million in FY 2014. In each year the OLS amounts are \$5.0 million and \$8.5 million lower than the Executive amounts respectively.

Other Non-Tax Revenues

There are many non-tax revenues that have important impacts on the annual revenue estimates. The OLS generally accepts the Executive's projections for these revenues, unless there is specific information that warrants a differing outlook. One such important revenue is the State Lottery, for which the Executive includes a \$120.0 million one-time payment anticipated in FY 2013 under a pending new management contract. The OLS has no independent means to evaluate the pending Lottery contract, and for the purposes of this report the OLS accepts the Executive's projections.

Also in FY 2013, the Executive is anticipating \$166.0 million for Affordable Housing and Neighborhood Preservation (Fair Housing), due to a transfer of municipal affordable housing trust fund balances to the General Fund. At present, this transfer has been blocked, pending the outcome of litigation, but the full \$166.0 million is included in the FY 2013 revenue total.

In FY 2014, the Executive is anticipating \$40.0 million from an Environmental Protection Passaic River Settlement and \$60.0 million from unspecified Law and Public Safety settlements. The OLS has been provided no further information on these items, but the revenues are included in the FY 2014 budget proposal.

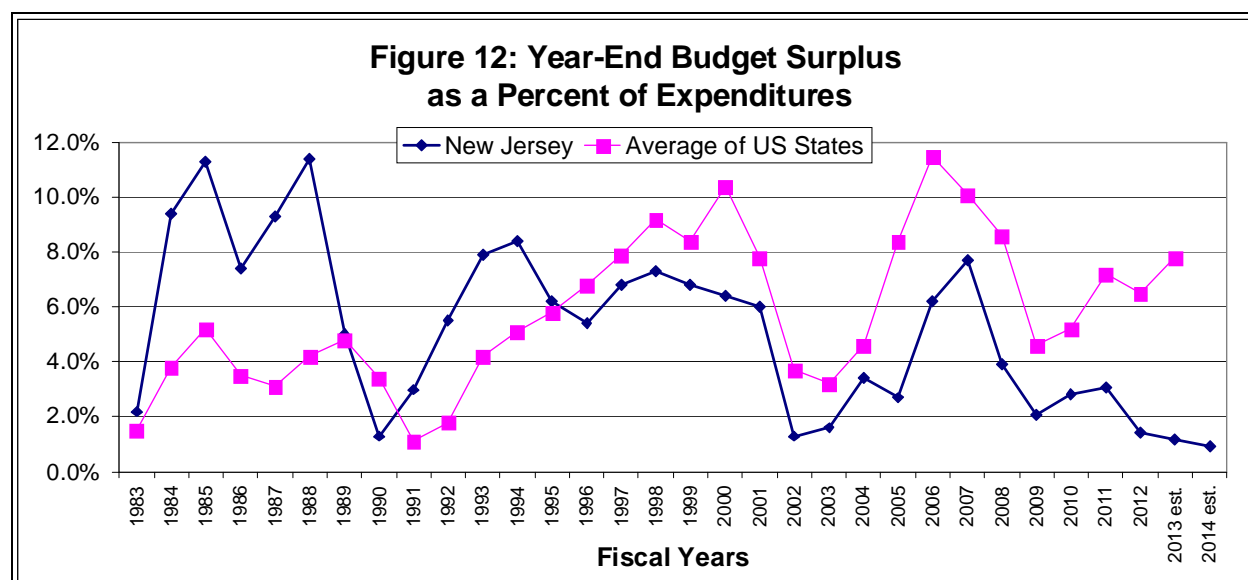
Budgetary Impact of OLS Revenue Estimates

Combined over the two-year period, the OLS revenue estimates are \$637.1 million less than the Executive's – \$302.4 million less in FY 2013 and \$334.7 million less in FY 2014.

The Executive projects an FY 2014 year-end balance of \$300 million, or about 0.9% of budgeted expenditures. As part of its annual analysis, the OLS recalculates the State's year-end budgeted balance based solely on the revenue forecast differences between the Executive and the OLS. **All other things being equal, the lower OLS revenue estimates would produce a year-end deficit of \$337.1 million.** In addition, the OLS is skeptical about the proposed \$180 million internet gaming revenue, and may reduce this amount significantly when revised revenue estimates are presented to the Budget Committees in May. Any reduction in this revenue amount would increase the potential revenue shortfall and further weaken budgetary balances.

The Executive's *projected* 0.9% surplus is low by historical standards for New Jersey. As is shown in **Figure 12**, over the last 31 years the State's *actual* surplus has exceeded 2% of expenditures 25 times. Two of the six years below 2% were during economic recessions (FY 1990 and FY 2002). New Jersey's three most recent years report actual or estimated surpluses below 2% of expenditures. In contrast, the national average of all states' surpluses has exceeded 6% since FY 2011 and is approaching 8% for FY 2013, based on survey data compiled by the National Association of State Budget Officers.

As the State Constitution requires a balanced budget, the actual year-end balance will be determined by numerous spending decisions as well as revenue collections. Decisions on these and other matters will be made by the Executive, both budget committees and the full Legislature during the next three months and throughout the next fiscal year.



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Detailed Fiscal Year 2013 Revenue Estimates				
<i>Millions of \$</i>				
<u>Revenue Source</u>	<u>Appropriations Act (June 2012)</u>	<u>Executive Revised</u>	<u>OLS</u>	<u>Diff: OLS - Executive</u>
Major Taxes:				
Sales Tax, Total	\$8,148.8	\$7,920.0	\$7,920.0	\$0.0
<i>Sales Tax, Base</i>	8,422.8	8,216.0	8,216.0	0.0
<i>Dedicated Transfer to PTRF</i>	-654.0	-636.0	-636.0	0.0
<i>Sales Tax, Energy</i>	380.0	340.0	340.0	0.0
Corporation Business Tax, Total	\$2,666.0	\$2,295.0	\$2,213.0	-\$82.0
<i>Corporation Business Tax, Base</i>	2,566.0	2,232.0	2,150.0	-82.0
<i>Corporation Business Tax, Energy</i>	100.0	63.0	63.0	0.0
Inheritance Taxes	725.0	680.0	640.0	-40.0
Motor Fuels Tax	565.0	545.0	545.0	0.0
Insurance Premiums Tax	575.0	560.0	560.0	0.0
Realty Transfer Fee	240.0	240.0	218.0	-22.0
Motor Vehicle Fees	466.4	466.4	466.4	0.0
Cigarette Tax	271.6	263.0	241.3	-21.7
Petroleum Products Gross Receipts Tax	228.0	228.0	215.0	-13.0
Corporation Business - Banks and Financial	165.0	165.0	165.0	0.0
Alcoholic Beverage Excise Tax	112.0	110.0	105.0	-5.0
Tobacco Products Wholesale Tax	20.4	20.4	20.4	0.0
Public Utilities Excise Tax	14.0	14.0	14.0	0.0
Subtotal, Major Taxes	\$14,197.2	\$13,506.8	\$13,323.1	-\$183.7
Misc. Taxes, Fees and Revenues				
Assessment on Property Sold Over \$1 Million	100.0	100.0	89.3	-10.7
Transitional Energy Facility Assessment	121.5	101.5	101.5	0.0
Public Utility Taxes (State Retention)	110.0	110.0	110.0	0.0
Medicaid Uncomp. Care Reimbursement	410.8	422.5	422.5	0.0
Telephone Assessment	124.0	124.0	124.0	0.0
Hotel Occupancy Tax	95.0	95.0	95.0	0.0
Affordable Housing (Fair Housing)	228.2	194.2	194.2	0.0
Interdepartmental Accounts	667.1	649.9	649.9	0.0
Other	1,036.7	1,040.7	1,040.7	0.0
Subtotal, Misc. Revenues	\$2,893.3	\$2,837.8	\$2,827.1	-\$10.7
Interfund Transfers				
State Lottery Fund	1,095.0	1,095.0	1,095.0	0.0
Unclaimed Personal Property Trust Fund	193.0	193.0	193.0	0.0
State Disability Benefit Fund	38.2	38.2	38.2	0.0
Tobacco Settlement/Securitization	53.3	53.3	53.3	0.0
Enterprise Zone Assistance Fund	100.4	102.2	102.2	0.0
	0.0	0.0	0.0	0.0
Clean Energy Fund	89.0	89.0	89.0	0.0
Other	294.9	292.6	292.6	0.0
Subtotal, Interfund Transfers	\$1,863.8	\$1,863.3	\$1,863.3	\$0.0
TOTAL GENERAL FUND	\$18,954.3	\$18,207.9	\$18,013.5	-\$194.4
Property Tax Relief Fund (Income Tax)	\$11,767.4	\$12,173.0	\$12,075.0	-\$98.0
<i>PTRF Transfer from GF (Sales Tax)</i>	<i>\$671.5</i>	<i>\$654.7</i>	<i>\$654.7</i>	<i>\$0.0</i>
Casino Revenue Fund	\$284.0	\$235.4	\$225.4	-\$10.0
Casino Control Fund	\$55.1	\$55.1	\$55.1	\$0.0
Gubernatorial Elections Fund	\$0.7	\$0.7	\$0.7	\$0.0
GRAND TOTAL, ALL FUNDS	\$31,733.0	\$31,326.8	\$31,024.4	-\$302.4

Detailed Fiscal Year 2014 Revenue Estimates					
<i>Millions of \$</i>					
<u>Revenue Source</u>	<u>February 2012</u>	<u>GBM %</u>	<u>March 2012</u>	<u>OLS %</u>	<u>Diff: OLS -</u>
	<u>Gov's Budget</u>	<u>Change</u>	<u>OLS Original</u>	<u>Change</u>	<u>Executive</u>
Major Taxes:					
Sales Tax, Total	\$8,307.0	4.9%	\$8,307.0	4.9%	\$0.0
<i>Sales Tax, Base</i>	8,606.0	4.7%	8,606.0	4.7%	0.0
<i>Dedicated Transfer to PTRF</i>	-664.0		-664.0		
<i>Sales Tax, Energy</i>	365.0	7.4%	365.0	7.4%	0.0
Corporation Business Tax, Total	\$2,483.0	8.2%	\$2,395.0	8.2%	-\$88.0
<i>Corporation Business Tax, Base</i>	2,388.0	7.0%	2,300.0	7.0%	-88.0
<i>Corporation Business Tax, Energy</i>	95.0	50.8%	95.0	50.8%	0.0
Inheritance Taxes	728.0	7.1%	690.0	7.8%	-38.0
Motor Fuels Tax	556.0	2.0%	556.0	2.0%	0.0
Insurance Premiums Tax	598.0	6.8%	598.0	6.8%	0.0
Realty Transfer Fee	285.0	18.8%	261.6	20.0%	-23.4
Motor Vehicle Fees	433.0	-7.2%	433.0	-7.2%	0.0
Cigarette Tax	237.0	-9.9%	216.0	-10.5%	-21.0
Petroleum Products Gross Receipts Tax	228.0	0.0%	220.0	2.3%	-8.0
Corporation Business - Banks and Financial	185.0	12.1%	185.0	12.1%	0.0
Alcoholic Beverage Excise Tax	118.5	7.7%	110.0	4.8%	-8.5
Tobacco Products Wholesale Tax	20.4	-0.1%	20.4	-0.1%	0.0
Public Utilities Excise Tax	14.0	0.0%	14.0	0.0%	0.0
Subtotal, Major Taxes	\$14,192.9	5.1%	\$14,006.0	5.1%	-\$186.9
Misc. Taxes, Fees and Revenues					
Assessment on Property Sold Over \$1 Million	116.0	16.0%	107.2	20.0%	-8.8
Transitional Energy Facility Assessment	0.0	-100.0%	0.0	-100.0%	0.0
Public Utility Taxes (State Retention)	115.0	4.5%	115.0	4.5%	0.0
Medicaid Uncomp. Care Reimbursement	399.2	-5.5%	399.2	-5.5%	0.0
Telephone Assessment	124.0	0.0%	124.0	0.0%	0.0
Hotel Occupancy Tax	106.0	11.6%	106.0	11.6%	0.0
Affordable Housing (Fair Housing)	28.2	-85.5%	28.2	-85.5%	0.0
Interdepartmental Accounts	765.4	17.8%	765.4	17.8%	0.0
Other	1,118.8	7.5%	1,118.8	7.5%	0.0
Subtotal, Misc. Revenues	\$2,772.6	-2.3%	\$2,763.8	-2.2%	-\$8.8
Interfund Transfers					
State Lottery Fund	1,020.0	-6.8%	1,020.0	-6.8%	0.0
Unclaimed Personal Property Trust Fund	150.2	-22.2%	150.2	-22.2%	0.0
State Disability Benefit Fund	38.2	0.0%	38.2	0.0%	0.0
Tobacco Settlement/Securitization	53.3	0.0%	53.3	0.0%	0.0
Enterprise Zone Assistance Fund	89.6	-12.3%	89.6	-12.3%	0.0
Clean Energy Fund	152.2	71.0%	152.2	71.0%	0.0
Other	234.8	-19.8%	234.8	-19.8%	0.0
Subtotal, Interfund Transfers	\$1,738.3	-6.7%	\$1,738.3	-6.7%	\$0.0
TOTAL GENERAL FUND	\$18,703.8	2.7%	\$18,508.1	2.7%	-\$195.7
Property Tax Relief Fund (Income Tax), Total	\$12,969.0	6.5%	\$12,860.0	6.5%	-\$109.0
<i>PTRF Transfer from GF (Sales Tax)</i>	\$683.0		\$683.0		
Casino Revenue Fund (CRF)	\$255.8	8.7%	\$225.8	0.2%	-\$30.0
<i>CRF Internet Gaming</i>	\$180.0		\$180.0		\$0.0
Casino Control Fund	\$53.8	-2.4%	\$53.8	-2.4%	\$0.0
Gubernatorial Elections Fund	\$0.7	0.0%	\$0.7	0.0%	\$0.0
GRAND TOTAL, ALL FUNDS	\$32,846.1	4.8%	\$32,511.4	4.8%	-\$334.7

Revenues from Taxes on Energy Providers

Energy utilities are subject to the sales and use tax, the corporation business tax (CBT) and the transitional energy facility assessment (TEFA), a tax in the process of being phased out by the end of FY 2013. Telecommunications utilities are subject to the CBT. The revenues are divided into two categories: **municipal use**, which are "off budget" and **State use**, which are "on budget."

Figure A displays public utility revenues from FY 1991 through FY 2014. Collections through FY 1997 were under the old public utility tax system. Since FY 1998, taxes have been collected under the current law. **Figures B through E** display the actual and anticipated revenues from FY 2011 through FY 2014 in greater detail.

From a budgeting perspective, the municipal use tax revenues are credited to the Energy Tax Receipts Property Tax Relief Fund (ETR Fund), and allocated to municipalities under a statutory formula. These amounts, considered **"off-budget,"** are not included in either the anticipated Schedule 1 revenues or the amount of State aid appropriated in the annual appropriations act. This amount has been held at \$788.5 million by annual budget language since FY 2005.

After allocation of \$788.5 million to the ETR Fund, the remaining revenues come "on-budget" for State use in the General Fund. Some of this on-budget State use portion is the TEFA, which was originally scheduled to end in FY 2002. However, TEFA has been extended several times and now runs through FY 2013. The Executive estimates TEFA payments of \$101.5 million in FY 2013 and \$0 in FY 2014.

The portion of energy revenue from the CBT and the sales tax not allocated to the ETR Fund has varied over time, rising from \$72.2 million in FY 2005 to a peak of \$590.7 million in FY 2008, but slipping back to \$149.2 million by FY 2012. Total State use "on-budget" collections from all energy and utility sources are estimated at \$633.5 million in FY 2013 and \$589.0 million in FY 2014.

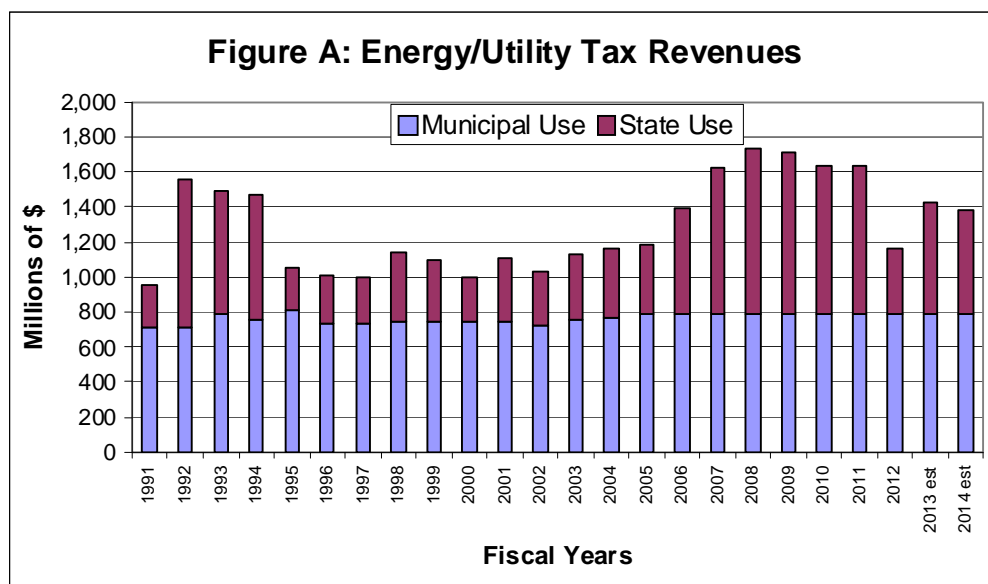


Figure B
Actual Energy/Utility Tax Revenue Fiscal Year 2011
Millions of \$

<u>Revenue Source</u>	<u>On-Budget (State Use)</u>	<u>Off-Budget (Municipal Use)</u>	<u>Total</u>
Sales and Use Tax	\$361.0	\$689.2	\$1,050.2
Corporation Business Tax	\$117.6	\$99.3	\$216.9
Transitional Energy Facilities Assessment (TEFA)	\$243.0		\$243.0
Franchise and Gross Receipts Tax			
Water and Sewer Utilities	\$104.9		\$104.9
Public Utility Excise Tax Water and Sewer Utilities	\$14.8		\$14.8
Total	\$841.3	\$788.5	\$1,629.8

Source: Department of Treasury, March 2012.

Figure C
Actual Energy/Utility Tax Revenue Fiscal Year 2012
Millions of \$

<u>Revenue Source</u>	<u>On-Budget (State Use)</u>	<u>Off-Budget (Municipal Use)</u>	<u>Total</u>
Sales and Use Tax	\$144.4	\$754.7	\$899.1
Corporation Business Tax	\$4.8	\$33.8	\$38.6
Transitional Energy Facilities Assessment (TEFA)	\$111.5		\$111.5
Franchise and Gross Receipts Tax			
Water and Sewer Utilities	\$114.6		\$114.6
Public Utility Excise Tax Water and Sewer Utilities	\$14.0		\$14.0
Total	\$389.2	\$788.5	\$1,177.7

Source: Department of Treasury, March 2013.

Figure D
Anticipated Energy/Utility Tax Revenue Fiscal Year 2013
Millions of \$

<u>Revenue Source</u>	<u>On-Budget (State Use)</u>	<u>Off-Budget (Municipal Use)</u>	<u>Total</u>
Sales and Use Tax	\$340.0	\$747.0	\$1,087.0
Corporation Business Tax	\$63.0	\$41.5	\$104.5
Transitional Energy Facilities Assessment (TEFA)	\$101.5		\$101.5
Franchise and Gross Receipts Tax			
Water and Sewer Utilities	\$115.0		\$115.0
Public Utility Excise Tax Water and Sewer Utilities	\$14.0		\$14.0
Total	\$633.5	\$788.5	\$1,422.0

Source: Department of Treasury, March 2013.

Figure E
Anticipated Energy/Utility Tax Revenue Fiscal Year 2014
Millions of \$

<u>Revenue Source</u>	<u>On-Budget (State Use)</u>	<u>Off-Budget (Municipal Use)</u>	<u>Total</u>
Sales and Use Tax	\$365.0	\$736.2	\$1,101.2
Corporation Business Tax	\$95.0	\$52.3	\$147.3
Transitional Energy Facilities Assessment (TEFA)	\$0.0		\$0.0
Franchise and Gross Receipts Tax			
Water and Sewer Utilities	\$115.0		\$115.0
Public Utility Excise Tax Water and Sewer Utilities	\$14.0		\$14.0
Total	\$589.0	\$788.5	\$1,377.5

Source: Department of Treasury, March 2013.

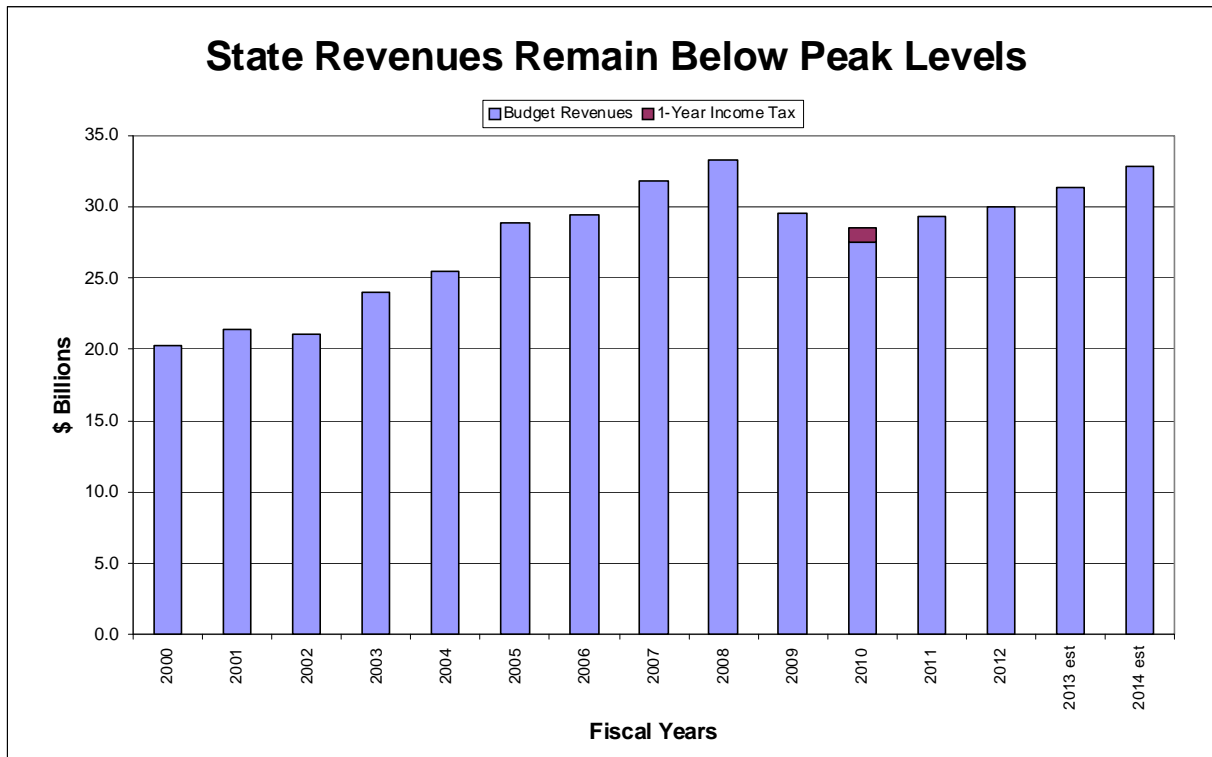
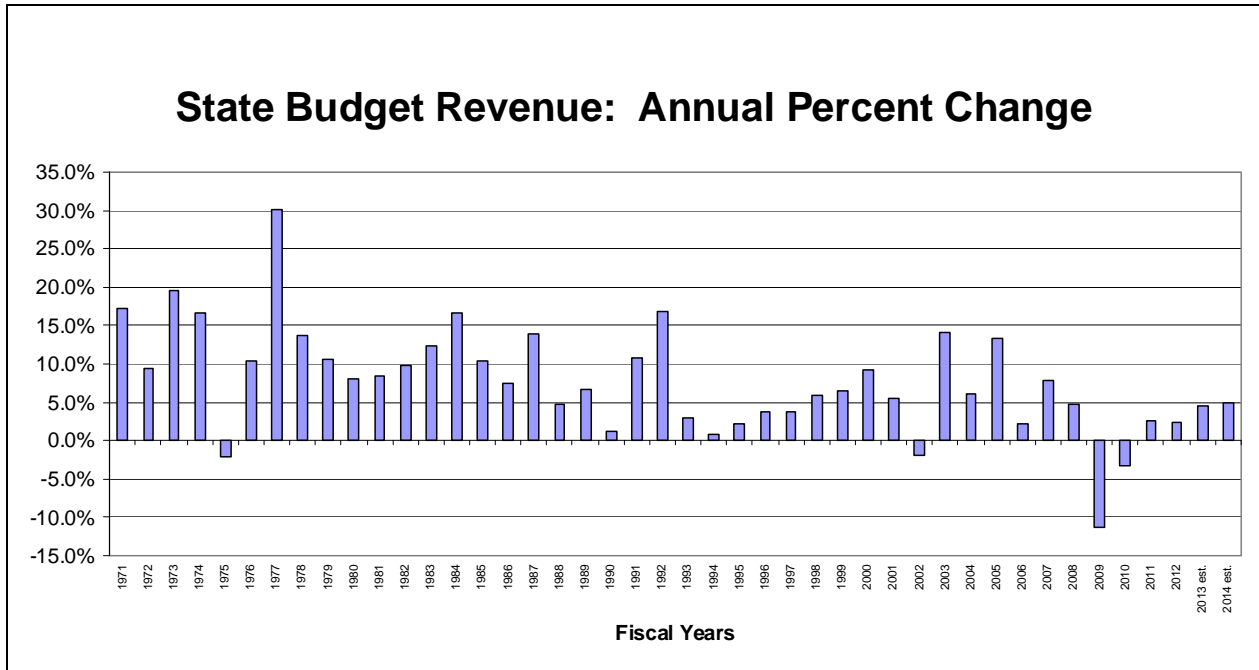
Cigarette Tax Details

Cigarette Tax Estimates and Distributions							
<i>Millions of Dollars</i>							
	<u>Actual</u>	<u>Executive Estimates</u>		<u>OLS Estimates</u>		<u>OLS Difference</u>	
	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>
Total Collections All Sources	\$756.1	\$748.0	\$725.6	\$726.3	\$704.5	-\$21.7	-\$21.1
Less, Health Care Subsidy Fund	-396.5	-396.5	-396.5	-396.5	-396.5	0.0	0.0
Less, Dedication for Debt Service	-71.2	-88.5	-92.0	-88.5	-92.0	0.0	0.0
Total Collections On-Budget	\$288.4	\$263.0	\$237.1	\$241.3	\$216.0	-\$21.7	-\$21.1

Historical Cigarette Tax Rates		
<i>(\$ per pack of 20 cigarettes)</i>		
Date of Change	Tax Rate	Law
1-Jul-48	\$0.03	P.L.1948, c.65, s.101
1-Apr-56	\$0.05	P.L.1956, c.10, s.1
6-Jan-61	\$0.06	P.L.1960, c.158, s.1
1-Jul-62	\$0.07	P.L.1962, c.75, s.1
31-May-63	\$0.08	P.L.1963, c.45, s.1
16-Jun-66	\$0.11	P.L.1966, c.105, s.1
4-Jun-68	\$0.14	P.L.1968, c.51, s.1
16-May-72	\$0.19	P.L.1972, c.24, s.1
June 18, 1982*	\$0.24*	P.L.1982, c.40, s.1*
1-Jul-90	\$0.40	P.L.1990, c.39, s.15
1-Jan-98	\$0.80	P.L.1997, c.264, s.1
1-Jul-02	\$1.50	P.L.2002, c.33, s.1
1-Jul-03	\$2.05	P.L.2003, c.115, s.1
1-Jul-04	\$2.40	P.L.2004, c.67, s.1
15-Jul-06	\$2.58	P.L.2006, c.37, s.1
1-Jul-09	\$2.70	P.L.2009, c.70, s.1

* From June 1982 through June 1990, the cigarette tax included a surtax on the average wholesale price of cigarettes (P.L.1982, c.40, s.1). The surtax was equal to the sales and use tax rate and imposed in lieu of that tax. When the State began to levy the sales and use tax on cigarette sales on July 1, 1990, the surtax was discontinued (P.L.1990, c.39, s.15).

Selected Historical Revenue Charts



OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2014 budget are encouraged to contact:

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