

OLS Revenue Snapshot

FY 2009 - Through April 2009

- **Revenue Collections Plummet in April.** New Jersey's major tax revenues suffered historically sharp declines in April, led by a stunning drop in income tax collections. As has been the case throughout FY2009, nearly all major revenues posted declines in April, but the income tax recorded the worst losses in its history.
- **Gross Income Tax (GIT)** – Ten months into FY2009, receipts of \$8.3 billion are \$1.84 billion, or 18.1% below last year at the same time. April collections fell by an astonishing 38.4% below last April's level, well below the previously worst April in FY2002. For the month, final tax payments due on April 15 and the quarterly estimated payments each fell by 36%, withholding receipts fell by 16%, and refund payments rose by 23%.
- **Sales Tax** receipts total \$5.7 billion, down 8.3% compared to the same nine month period last year. April collections (for March sales activity) were off by 14% from the same month in 2008, the weakest month of the fiscal year. However, some of this weakness is due to the shifting of the Easter holiday period, as Easter occurred in April this year rather than in March. May's revenues will include the Easter period.
- **Corporation Business Tax (CBT)** collections through the end of April total \$1.96 billion, down 22.6% from the same period last fiscal year. April net receipts fell 14.6% below April 2008 levels, as refund payments declined for the first time this fiscal year.
- **OLS and Treasurer Update Revenue Estimates.** Traditionally, the OLS and the Treasurer complete the Legislative Budget Committees' review process with updated revenue estimates in the middle of May. The Treasurer reduced his estimates for FY 2009 by \$1.15 billion since the prior estimates were released in March ([Link to Treasurer's Testimony](#)). The OLS has also significantly reduced the estimates for FY 2009 and is projecting \$130.5 million less than the Treasurer's revised estimates ([Link to OLS Report](#)). The decline in FY 2009 budgeted revenues is unprecedented, as the updated estimates anticipate a drop of more than 14% from FY 2008 levels.

Office of Legislative Services
May 22, 2009

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. The Treasury publicly reports monthly revenues in a different format which compares estimated or accrued earnings with FY 2009 budget projections.

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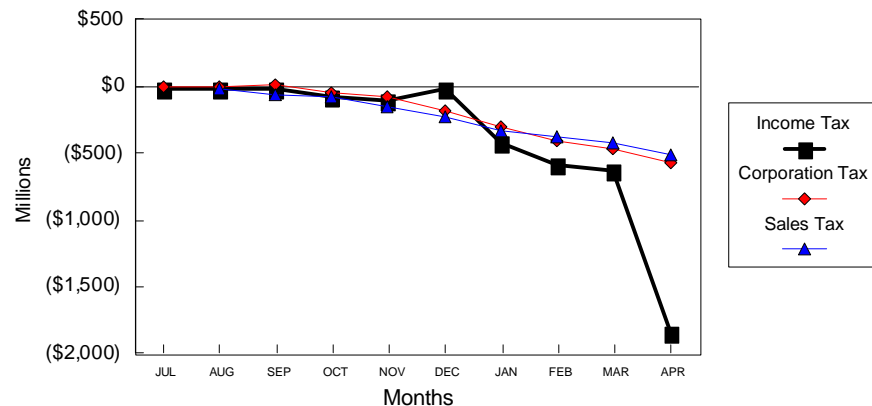
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Selected Year-To-Date Cash Collections (\$ millions)

| REVENUE | FY 2008 Actual Year-To-Date | FY 2009 Actual Year-To-Date | Actual Y-T-D Growth % | Revised Year-End Growth % ** | Revised Year-End \$ Estimate |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------|------------------------------------|------------------------------------|
| INCOME TAX | \$10,187.1 | \$8,343.8 | -18.1% | -10.8% | \$11,249.0 |
| * SALES TAX | \$6,241.8 | \$5,726.5 | -8.3% | -5.6% | \$7,925.0 |
| CORPORATION TAX | \$2,528.7 | \$1,956.5 | -22.6% | -21.7% | \$2,350.0 |
| LOTTERY | \$722.6 | \$705.9 | -2.3% | 0.7% | \$888.0 |
| TRANSFER INHERITANCE | \$575.2 | \$545.7 | -5.1% | -3.8% | \$671.9 |
| * MOTOR FUELS | \$418.0 | \$394.9 | -5.5% | -3.7% | \$542.6 |
| INSURANCE PREMIUM | \$302.4 | \$273.3 | -9.6% | -9.1% | \$466.0 |
| (b) MOTOR VEHICLE FEES | \$166.8 | \$249.0 | 49.3% | -5.1% | \$380.5 |
| CASINO | \$334.9 | \$288.5 | -13.8% | -11.0% | \$365.8 |
| * REALTY TRANSFER | \$252.4 | \$151.6 | -40.0% | -18.9% | \$260.0 |
| (a) CIGARETTE | \$113.0 | \$92.6 | -18.1% | -5.7% | \$236.8 |
| * PETROLEUM PRODUCTS | \$174.6 | \$164.6 | -5.8% | -2.7% | \$224.4 |
| * ALCOHOL EXCISE | \$59.8 | \$62.2 | 4.0% | 0.7% | \$93.8 |
| BANKS & FINANCIAL (CBT) | \$58.9 | \$71.3 | 21.0% | -23.0% | \$54.6 |

**Income Tax
Corporation Tax
and Sales Tax**

**FY09 Over FY08
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2009 year-end revenues as revised by the Governor's Budget Message in March 2009. FY 2009 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent nine months of cash collections. All others represent ten months of cash collections.

** The percentage difference between FY 2009 revised revenue estimates (March 2009) and FY 2008 final year-end figures from the Department of the Treasury. Energy revenues for the sales tax and CBT are not included.

- (a) The first \$370 million in cigarette tax collections are deposited into the Health Care Subsidy Fund (P.L.2006, c.37). Additional amounts, estimated at about \$191.1 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).
- (b) The first \$200.2 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.