

OLS Revenue Snapshot

FY 2010 - Through April 2010

- **Delay in April Filing Deadline Depresses Revenue Collections.** April cash collections fell 8.6% below collections for last April, driven by falling income tax and corporate tax revenues. However, much of the decline may be due to the postponement of the April 15 filing deadline to May 11 for taxpayers in 12 flood-impacted counties. April is the most important month each year for tax revenue receipts, but a clearer picture of final payments will have to wait until May results are in.
- **Gross Income Tax (GIT)** receipts of \$7.9 billion through the end of April are 4.8% below the same period last year. April collections fell by 14.0% below last April, but the decline is due in large part to the impact of the postponed year-end filing deadline from April 15 to May 11. Severe flooding in 12 counties in March prompted the federal Internal Revenue Service to postpone the filing deadline, and New Jersey's Division of Taxation followed suit. Overall collections for wage withholding, quarterly estimated payments, and refund payments are tracking close to expectations. However, the value of final tax payments in April dropped by 22% from last April's levels, and the number of payment checks fell by 31% for the month, consistent with the delayed filing deadline. A full accounting of the annual tax filing season will need to wait for May revenue collections.
- **Sales Tax** receipts after the first nine months total more than \$5.5 billion, down 3.6% from the same period last year (April collections reflect March activity because this tax is subject to a one month payment lag). April collections rose by 8.0% above April of last year, only the second year-over-year growth in the last 24 months. Whether this is the beginning of a trend or just a rebound from the weak results of the previous month remains to be seen.
- **Corporation Business Tax (CBT)** collections through the end of April total nearly \$1.8 billion, 8.9% below the same period last fiscal year. April collections fell 12.8% below last April, driven by a jump in refund payments. In addition, receipts from the much smaller **CBT on banks and financial institutions** dropped significantly in April and are now running 14.8% below the same period in FY 2009. Both of these corporate tax revenue sources may have been impacted by the postponement to a May 11 filing deadline.

Office of Legislative Services
May 17, 2010

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 2010 budget projections.

OLS Revenue Snapshot

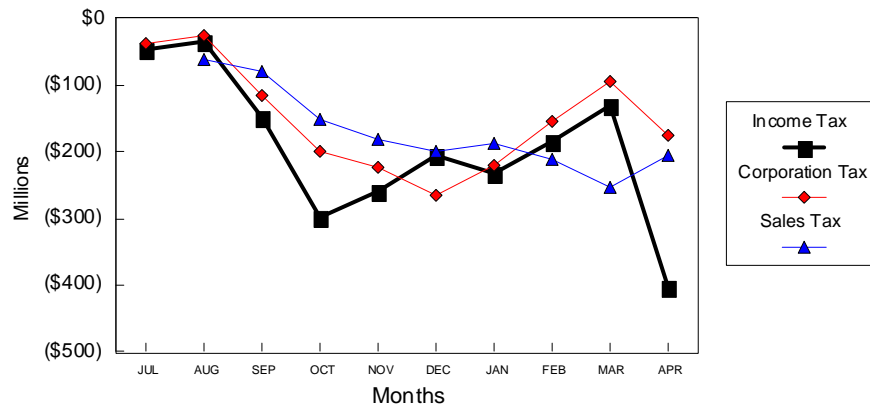
FY 2010 - Through April 2010

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

| REVENUE | FY 2009 Actual Year-To-Date | FY 2010 Actual Year-To-Date | Actual Y-T-D Growth % | Revised Year-End Growth % ** | Revised Year-End \$ Estimate |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------|------------------------------------|------------------------------------|
| INCOME TAX | \$8,343.8 | \$7,941.2 | -4.8% | -0.8% | \$10,393.0 |
| * SALES TAX | \$5,726.5 | \$5,522.2 | -3.6% | -1.0% | \$7,523.0 |
| CORPORATION TAX | \$1,956.5 | \$1,781.5 | -8.9% | -19.7% | \$2,044.0 |
| LOTTERY | \$705.9 | \$753.1 | 6.7% | 3.0% | \$913.8 |
| * MOTOR FUELS | \$394.9 | \$394.6 | -0.1% | -1.9% | \$528.1 |
| TRANSFER INHERITANCE | \$545.7 | \$461.1 | -15.5% | -22.5% | \$506.7 |
| INSURANCE PREMIUM | \$273.3 | \$274.6 | 0.5% | -1.7% | \$423.5 |
| (b) MOTOR VEHICLE FEES | \$249.0 | \$267.5 | 7.4% | 0.7% | \$363.8 |
| CASINO | \$288.5 | \$245.0 | -15.1% | -9.6% | \$297.6 |
| * PETROLEUM PRODUCTS | \$164.6 | \$160.6 | -2.4% | -4.7% | \$212.0 |
| (a) CIGARETTE | \$92.6 | \$70.8 | -23.6% | -7.4% | \$200.2 |
| * REALTY TRANSFER | \$151.6 | \$134.6 | -11.2% | -24.6% | \$146.0 |
| * ALCOHOL EXCISE | \$62.2 | \$61.1 | -1.7% | 13.2% | \$107.0 |
| BANKS & FINANCIAL (CBT) | \$71.3 | \$60.8 | -14.8% | -34.8% | \$94.4 |

**Income Tax
Corporation Tax
and Sales Tax**

**FY10 Over FY09
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2010 year-end revenues as revised by the Governor in March 2010.

FY 2010 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 2010 revised revenue estimates (March 2010) and FY 2009 final year-end figures from the Comprehensive Annual Financial Report. Energy revenues for the sales tax and CBT are not included.

- (a) 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 \$145.0 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).
- (b) The first \$237.0 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.