

# OLS Revenue Snapshot

FY 2010 - Through March 2010

- **Revenue Collections Remain Weak; Governor and OLS Revise Revenue Estimates Downward.** Nine months into FY 2010, State tax revenue collections remain below last year's levels. On March 16, the Governor released revised revenue estimates for FY 2010 and initial projections for FY 2011. The Executive projections for FY 2010 dropped \$1.0 billion below the total level certified last June. The OLS reported on the revised revenues to the Senate and Assembly Budget Committees on April 7 and 8. In its [Tax and Revenue Outlook](#) report, the OLS estimated \$81.7 million less than the Executive, primarily due to lower sales tax revenues.
- **Gross Income Tax (GIT)** receipts of \$6.3 billion through the end of March are 2.0% below the same period last year. March collections grew by 10.2% above last March, the fourth month in the last five in which GIT revenues outperformed the same month in FY 2009. Year-to-date revenues from withholding of employee wages are up 2.2% from last year's levels. Estimated payments (from taxpayers with significant sources of non-wage income) are 11.1% below last year's levels. Next up for the GIT is the crucial month of April, when taxpayers file their important year-end returns. This year, the April returns will include a significant amount from the one-year tax changes enacted in 2009. An additional complicating factor for analyzing revenue trends will be the postponement of the filing deadline to May 11 for taxpayers in 11 New Jersey counties impacted by severe floods. Accordingly, a full accounting of the annual tax filing season may need to wait for completed May revenue collections.
- **Sales Tax** receipts after the first eight months total more than \$4.8 billion, down 5.0% from the same period last year. March collections fell 7.9% below March of last year, perhaps due in part to February snow storms that may have adversely impacted consumer behavior (March collections reflect February activity because this tax is subject to a one month payment lag). This tax remains particularly weak, having declined from the same month in the prior year during 22 of the last 23 months. The Governor's revised year-end target requires about 7.9% growth for the remainder of the fiscal year. The OLS estimates \$153.0 million less than the Executive in FY 2010.
- **Corporation Business Tax (CBT)** collections through the end of March total \$1.2 billion, 7.1% below the same period last fiscal year. As with the GIT, the CBT faces an important month of collections in April.

Office of Legislative Services  
April 16, 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.

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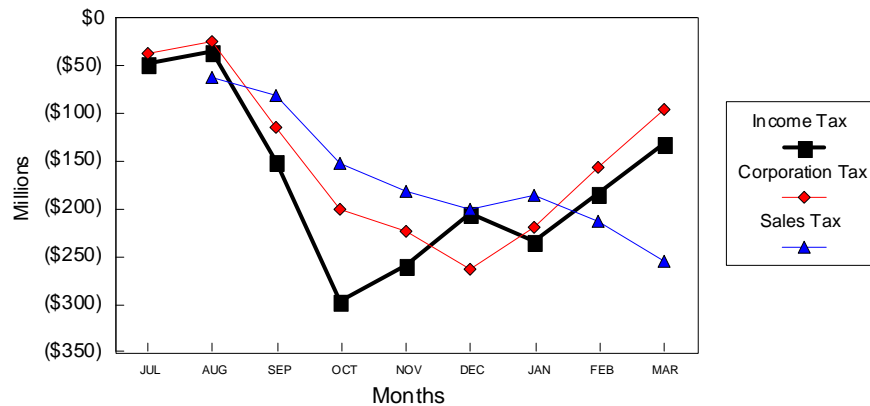
FY 2010 - Through March 2010

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

| REVENUE                 | FY 2009<br>Actual<br>Year-To-Date | FY 2010<br>Actual<br>Year-To-Date | Actual<br>Y-T-D<br>Growth % | Revised<br>Year-End<br>Growth % ** | Revised<br>Year-End<br>\$ Estimate |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------|------------------------------------|------------------------------------|
| INCOME TAX              | \$6,405.6                         | \$6,275.0                         | -2.0%                       | -0.8%                              | \$10,393.0                         |
| * SALES TAX             | \$5,102.2                         | \$4,848.1                         | -5.0%                       | -1.0%                              | \$7,523.0                          |
| CORPORATION TAX         | \$1,335.5                         | \$1,240.2                         | -7.1%                       | -19.7%                             | \$2,044.0                          |
| LOTTERY                 | \$630.2                           | \$672.5                           | 6.7%                        | 3.0%                               | \$913.8                            |
| * MOTOR FUELS           | \$354.3                           | \$345.5                           | -2.5%                       | -1.9%                              | \$528.1                            |
| TRANSFER INHERITANCE    | \$511.6                           | \$419.6                           | -18.0%                      | -22.5%                             | \$506.7                            |
| INSURANCE PREMIUM       | \$271.7                           | \$272.9                           | 0.4%                        | -1.7%                              | \$423.5                            |
| (b) MOTOR VEHICLE FEES  | \$195.9                           | \$214.3                           | 9.4%                        | 0.7%                               | \$363.8                            |
| CASINO                  | \$260.4                           | \$219.4                           | -15.7%                      | -9.6%                              | \$297.6                            |
| * PETROLEUM PRODUCTS    | \$146.0                           | \$141.5                           | -3.0%                       | -4.7%                              | \$212.0                            |
| (a) CIGARETTE           | \$50.7                            | \$21.6                            | -57.4%                      | -7.4%                              | \$200.2                            |
| * REALTY TRANSFER       | \$146.1                           | \$120.4                           | -17.6%                      | -24.6%                             | \$146.0                            |
| * ALCOHOL EXCISE        | \$62.2                            | \$61.0                            | -1.9%                       | 13.2%                              | \$107.0                            |
| BANKS & FINANCIAL (CBT) | \$31.7                            | \$59.4                            | 87.2%                       | -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 eight months of cash collections. All others represent nine 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.