

OLS Revenue Snapshot

FY 2011 - Through January 2011

- **Revenues Remain Close to Targets; Revised Budget Figures are Due Soon.** As the second half of Fiscal Year 2011 gets underway, overall State revenues remain close to expectations. Some major revenues are below targets and some are above, but unlike the last several fiscal years, no dramatic downward revision is expected when the Executive releases the FY2012 Budget proposal with revised FY2011 revenue estimates. The Governor will deliver his annual Budget Address on February 22. The OLS will report its updated revenue estimates about one month later, at the start of the Legislative Budget Committees' hearings.
- **Gross Income Tax (GIT)** cash receipts of \$5.5 billion are running 0.7% above last year's levels seven months into FY2011. The certified year-end target assumes a 5.6% decline from FY2010, due to the expiration of about \$1.0 billion in temporary tax increases, the impact of which is expected to appear mostly in the Spring of 2011. After a poor December (down 14%), the January collections rebounded somewhat (up 5%). Overall collections are in line with OLS expectations so far this fiscal year. Total withholding receipts from employee wages are up 2.4%, quarterly estimated payments are down 2.0%, and refunds are up 15.8%.
- **Sales Tax** receipts after six months (January collections reflect December activity because this tax is subject to a one month payment lag) total \$3.9 billion, 3.1% ahead of the same period last year. The certified sales tax target requires year-end growth of 4.1%. Growth in January, the largest sales tax month each year thanks to December holiday shopping, was a disappointing 1.3%, the weakest month since September. It is uncertain if January's low growth rate is temporary or a cause for future concerns.
- **Corporation Business Tax (CBT)** collections through the end of January total \$1.05 billion, 8.4% above the same period last fiscal year. Recent CBT growth has been strong, perhaps reflecting reports of robust corporate profits, and is being reported in most other states as well. The certified year-end target for the CBT requires growth of 7.3% over FY2010.
- The weakest revenue collection figures continue to come from the **Realty transfer** tax and **Casino** revenues. Realty revenues, up by 2.3% in January, have raised only \$89.1 million so far this year, and are running 9.5% below the same period last year, reflecting on-going weakness in the State housing market. The certified target requires growth of 28.0% for the year. Casino revenues of \$150.4 million are down 13.3% so far this year, weaker than the certified forecast of a 7.9% decline.

Office of Legislative Services
February 17, 2011

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 2011 budget projections.

OLS Revenue Snapshot

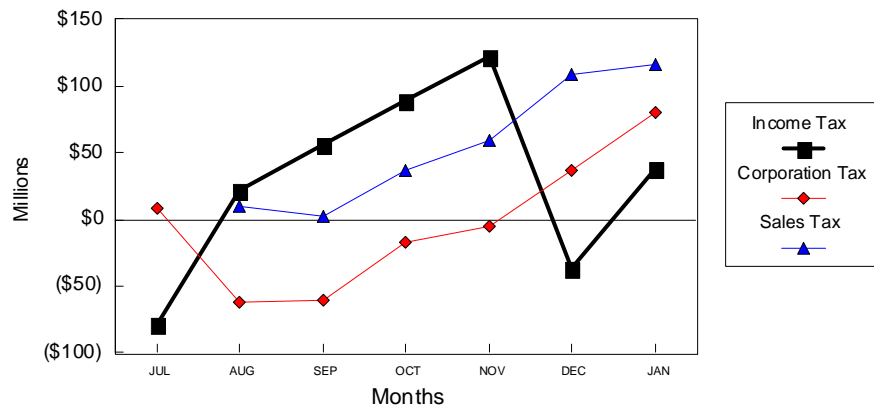
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Selected Year-To-Date Cash Collections (\$ millions)

REVENUE	FY 2010 Actual Year-To-Date	FY 2011 Actual Year-To-Date	Actual Y-T-D Growth %	Certified Year-End Growth % **	Certified Year-End \$ Estimate
INCOME TAX	\$5,464.0	\$5,503.7	0.7%	-5.6%	\$9,855.1
* SALES TAX	\$3,829.3	\$3,947.8	3.1%	4.1%	\$7,829.0
CORPORATION TAX	\$970.2	\$1,051.6	8.4%	7.3%	\$2,145.0
LOTTERY	\$522.1	\$513.8	-1.6%	3.1%	\$953.0
TRANSFER INHERITANCE	\$327.0	\$372.2	13.8%	1.0%	\$587.7
* MOTOR FUELS	\$270.1	\$271.1	0.4%	7.0%	\$572.6
INSURANCE PREMIUM	(\$19.1)	\$22.2	--	-0.7%	\$478.0
(b) MOTOR VEHICLE FEES	\$146.9	\$109.7	-25.3%	5.2%	\$398.5
CASINO	\$173.5	\$150.4	-13.3%	-7.9%	\$256.4
* REALTY TRANSFER	\$98.4	\$89.1	-9.5%	28.0%	\$228.9
* PETROLEUM PRODUCTS	\$109.1	\$110.7	1.5%	4.6%	\$226.2
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-2.9%	\$199.0
BANKS & FINANCIAL (CBT)	\$47.8	\$75.4	57.8%	25.8%	\$164.0
* ALCOHOL EXCISE	\$53.8	\$50.9	-5.5%	6.0%	\$99.0

**Income Tax
Corporation Tax
and Sales Tax**

**FY11 Over FY10
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2011 year-end revenues as certified by the Governor in June 2010.

FY 2011 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent six month of cash collections. All others represent seven months of cash collections.

** The percentage difference between FY 2011 certified revenue estimates (June 2010) and FY 2010 audited year-end figures from the NJ 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 \$238.0 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.