

OLS Revenue Snapshot

FY 2011 - Through October 2010

- **October Revenue Results are Mixed.** Four months into FY 2011, overall revenues remain generally close to targets, with some benchmarks exceeded and others not attained. Collections continue to fluctuate upward and downward without a distinct overall pattern.
- **Gross Income Tax (GIT)** receipts of \$2.4 billion are running 3.8% above last year's levels after four months of FY2011. The certified year-end target assumes a 5.5% decline from FY2010, due to the expiration of about \$1.0 billion in temporary tax increases, with most of the impact evident the Spring of 2011, when final tax payments are made in April. Withholding receipts from employee wages are up 4.2% so far this fiscal year, quarterly estimated payments are up 2.7%, and refunds are down 1.0%. While the GIT thus appears to be slightly out-performing expectations so far this fiscal year, it is premature to conclude that the GIT target will be exceeded.
- **Sales Tax** receipts after the first three months (October collections reflect September activity because this tax is subject to a one month payment lag) total \$1.98 billion, 1.9% ahead of the same period last year. This revenue has grown in two of three months in FY 2011, but declined in the other month. Stronger collections are needed by year's end in order to meet the certified sales tax target growth of 3.9%.
- **Corporation Business Tax (CBT)** collections through the end of October total \$495.9 million, 3.3% below the same period last fiscal year. The most important months for the CBT are the four quarterly payment periods (September, December/January, April, and June). This September's collections were even with last September's, an encouraging sign that growth may return in the near future. Nevertheless, total revenues remain down from last year and improvement will be needed to achieve the certified year-end target for the CBT, which anticipates growth of 7.3% over the entire year.
- **Realty Transfer** tax revenues of \$44.8 million are running 14.8% below the same period last year. After some improvement at the end of FY 2010 and the start of FY 2011, the Realty revenues have declined again during the last two months, suggesting continued weakness in the important housing market.

**Office of Legislative Services
November 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 2011 budget projections.

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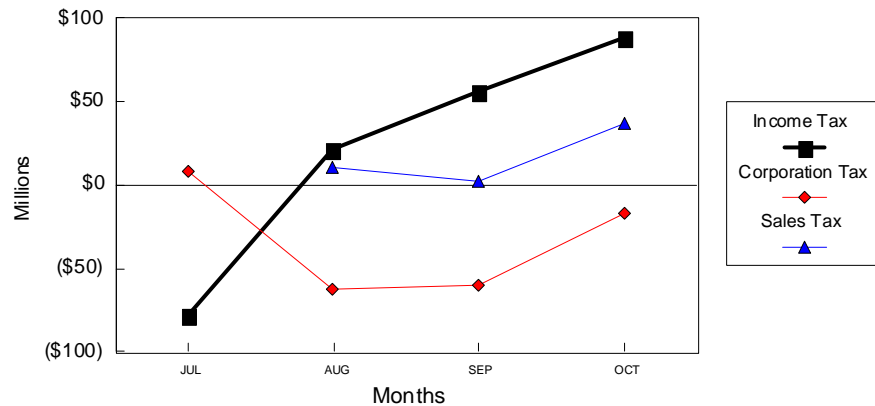
FY 2011 - Through October 2010

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	\$2,315.2	\$2,404.0	3.8%	-5.5%	\$9,855.1
* SALES TAX	\$1,938.4	\$1,976.1	1.9%	3.9%	\$7,829.0
CORPORATION TAX	\$512.9	\$495.9	-3.3%	7.3%	\$2,145.0
LOTTERY	\$303.0	\$286.1	-5.6%	3.2%	\$953.0
TRANSFER INHERITANCE	\$194.9	\$202.1	3.7%	1.0%	\$587.7
* MOTOR FUELS	\$140.0	\$139.9	0.0%	7.1%	\$572.6
INSURANCE PREMIUM	(\$25.9)	\$14.5	--	-0.6%	\$478.0
(b) MOTOR VEHICLE FEES	\$11.6	\$0.0	-100.0%	108.1%	\$398.5
CASINO	\$107.9	\$93.8	-13.1%	-7.8%	\$256.4
* REALTY TRANSFER	\$52.6	\$44.8	-14.8%	27.9%	\$228.9
* PETROLEUM PRODUCTS	\$54.9	\$54.7	-0.4%	4.6%	\$226.2
(a) CIGARETTE	\$0.0	\$0.0	0.0%	-2.8%	\$199.0
BANKS & FINANCIAL (CBT)	\$21.9	\$45.2	106.6%	25.8%	\$164.0
* ALCOHOL EXCISE	\$17.3	\$14.8	-14.5%	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 three month of cash collections. All others represent four months of cash collections.

** The percentage difference between FY 2011 revised revenue estimates (June 2010) and FY 2010 preliminary year-end figures from the NJ Comprehensive Financial System. 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.