

OLS Revenue Snapshot

FY 2012 - Through November 2011

- **Revenues Close to Expectations Following Improved November Receipts.** Major tax revenue collections are growing by about 5.0% overall compared to last year, according to the monthly cash report released by the Treasury. The year-end growth target for these major revenues is also 5.0%, based on FY 2012 Certified levels compared to FY 2011 levels recorded in the State's accounting system¹. November cash collections improved, particularly for the gross income tax, pushing total receipts for the year close to expectations. However, sales tax collections remain a concern.
- **Gross Income Tax (GIT)** cash receipts of \$3.2 billion are 7.6% above the same five month period last year. The Governor's certified year-end target for FY 2012 assumes growth of 4.9% above the amount currently recorded in the FY 2011 accounting system. However, the OLS notes that the current strong growth rate is slightly misleading, due to the timing of certain weekly withholding payments. Adjusting for this factor brings the year-to-date growth rate to about 4.6% overall compared to a similar base last year.

All major components of the GIT are performing close to anticipated levels. Withholding collections are up 6.8%, estimated payments are up 7.0%, other payments are up 2.2%, while refund payments are down 4.2% compared to the same months last year. Any possible storm-related filing delays from early in the Fall should be resolved in these collections and should not impact future months.

- **Sales Tax** receipts through the end of November total \$2.6 billion, up 2.1% from the same period last year (November collections reflect October economic activity because this tax is subject to a one month payment lag). The certified target for FY 2012 requires 5.1% growth from the level currently recorded in the FY 2011 accounting system. Continuing slow growth in the sales tax is the most serious concern among the major revenues, heightening the importance of the annual holiday shopping season to attaining collection targets.
- **Corporation Business Tax (CBT)** cash collections of \$560.7 million are up 4.4% so far this fiscal year. The certified FY 2012 CBT estimate requires 1.8% growth from the level currently recorded in the FY 2011 accounting system. The much smaller **CBT for banks and financial institutions** receipt of \$21.1 million continues to significantly underperform expectations, down 54.5% from the same period last year.

Office of Legislative Services
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¹ Actual FY 2011 revenue amounts should be known soon, when the annual State Audit is released.

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.

OLS Revenue Snapshot

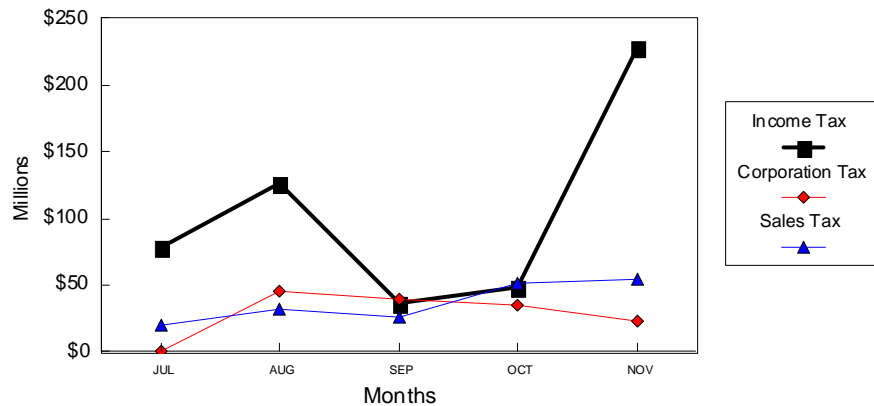
FY 2012 - Through November 2011

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

| REVENUE | FY 2011 Actual Year-To-Date | FY 2012 Actual Year-To-Date | Actual Y-T-D Growth % | Certified Year-End Growth % ** | Certified Year-End \$ Estimate |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| INCOME TAX | \$3,007.9 | \$3,236.4 | 7.6% | 4.9% | \$11,132.0 |
| * SALES TAX | \$2,560.7 | \$2,615.6 | 2.1% | 5.1% | \$8,153.0 |
| CORPORATION TAX | \$537.1 | \$560.7 | 4.4% | 1.8% | \$2,261.0 |
| LOTTERY | \$357.1 | \$354.6 | -0.7% | 10.8% | \$1,030.0 |
| TRANSFER INHERITANCE | \$265.3 | \$287.5 | 8.4% | 3.8% | \$666.9 |
| * MOTOR FUELS | \$185.3 | \$189.6 | 2.3% | 2.1% | \$535.0 |
| INSURANCE PREMIUM | \$21.8 | \$21.8 | -0.2% | 14.2% | \$499.2 |
| (b) MOTOR VEHICLE FEES | \$13.8 | \$72.9 | 426.2% | 7.1% | \$492.7 |
| CASINO | \$116.7 | \$96.5 | -17.3% | -6.5% | \$234.8 |
| * PETROLEUM PRODUCTS | \$74.1 | \$79.8 | 7.7% | 3.0% | \$222.8 |
| (a) CIGARETTE | \$0.0 | \$0.0 | 0.0% | -9.5% | \$205.5 |
| BANKS & FINANCIAL (CBT) | \$46.3 | \$21.1 | -54.5% | 65.4% | \$201.9 |
| * REALTY TRANSFER | \$60.2 | \$71.1 | 18.1% | 8.9% | \$191.1 |
| * ALCOHOL EXCISE | \$29.3 | \$30.7 | 4.6% | -5.1% | \$93.4 |

**Income Tax
Corporation Tax
and Sales Tax**

**FY12 Over FY11
Actual Year-To-Date
\$ Change**



Sources: Executive FY 2012 year-end revenues as certified by the Governor in June 2011.

FY 2012 Year-To-Date actuals are from Treasury monthly reports.

* Revenues represent four months of cash collections. All others represent five months of cash collections.

** The percentage difference between FY 2012 certified revenue estimates (June 2011) and FY 2011 figures from the State Comprehensive Financial System (November 2011). 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 \$185.0 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.