

ANALYSIS OF THE NEW JERSEY
FISCAL YEAR 2003 - 2004 BUDGET



TAX AND REVENUE OUTLOOK
MAY REVISIONS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

MAY 2003

NEW JERSEY STATE LEGISLATURE

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This report was prepared by the Revenue, Finance and Appropriations Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary authors were David J. Rosen and Martin Poethke.

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THE NEW JERSEY FISCAL YEAR 2003 - 2004
TAX AND REVENUE OUTLOOK:
MAY REVISIONS

Prepared by the

OFFICE OF LEGISLATIVE SERVICES

May, 2003

In early April of this year, the Office of Legislative Services (OLS) presented its *Tax and Revenue Outlook* for fiscal years 2003 and 2004. The OLS's independent revenue forecast is one of a series of OLS analyses of the Governor's fiscal 2004 budget proposal.

It is customary for OLS to report back to the Legislature's budget committees in mid- to late May with an updated revenue forecast, following the receipt of important personal and corporate tax payments in April. The OLS delivered its revised forecast on May 27 and 28, 2003.

Include within are the prepared remarks of David J. Rosen, Chief of the Revenue, Finance and Appropriations Section in OLS, along with several tables comparing the OLS revisions to earlier Executive and OLS estimates.

**REMARKS OF DAVID J. ROSEN
SECTION CHIEF OF THE OFFICE OF LEGISLATIVE SERVICES'
REVENUE, FINANCE AND APPROPRIATIONS SECTION
TO THE ASSEMBLY BUDGET COMMITTEE
AND THE SENATE BUDGET COMMITTEE
MAY 27 AND MAY 28, 2003**

WHEN WE CAME BEFORE YOU EIGHT WEEKS AGO WE PRESENTED THE OLS REVENUE ESTIMATES FOR THE REMAINDER OF THE CURRENT FISCAL YEAR AND FOR THE NEXT FISCAL YEAR. OVER THE TWO YEARS OUR FORECAST WAS \$240 MILLION BELOW THE EXECUTIVE FORECAST. THE MOST SIGNIFICANT DIFFERENCES INVOLVED THE INCOME TAX AND THE CORPORATION BUSINESS TAX; WE ESTIMATED THAT THE FORMER WOULD BE LOWER THAN THE EXECUTIVE ESTIMATE AND THE LATTER WOULD BE HIGHER.

WE WERE CORRECT IN THOSE ASSESSMENTS, BUT THE MAGNITUDE OF THE VARIANCES WERE EVEN GREATER THAN WE ANTICIPATED. IN ADDITION WE HAVE RECEIVED SOME GOOD NEWS FROM WASHINGTON. FORTUNATELY THE NET IMPACT OF THESE DEVELOPMENTS ON REVENUES AVAILABLE FOR THE FY04 BUDGET IS POSITIVE.

IN APRIL, OUR FY03 INCOME TAX FORECAST WAS \$156 MILLION BELOW THE GOVERNOR'S BUDGET AND WE ARE NOT ALTERING THAT FORECAST TODAY. FOR FY04 WE WERE \$214 MILLION BELOW THE BUDGET ESTIMATE AND TODAY WE ARE REDUCING OUR FORECAST BY AN ADDITIONAL \$160 MILLION BECAUSE OF LOWERED EXPECTATIONS FOR INCOME GROWTH. THUS FOR THE INCOME TAX, OVER THE 2 YEARS, OLS

PROJECTS \$530 MILLION LESS REVENUE THAN WAS FORESEEN IN THE GOVERNOR'S FEBRUARY BUDGET MESSAGE.

FORTUNATELY THE CBT IS A VERY DIFFERENT STORY. THE BUDGET LAST JUNE ASSUMED CBT REVENUES FOR THIS YEAR OF \$1.83 BILLION. IN FEBRUARY THE GOVERNOR REVISED THAT NUMBER TO \$1.987 BILLION. ON APRIL 1, WE ESTIMATED \$2.137 BILLION AND SAID AT THAT TIME:

"THE CBT MAY WELL EXCEED THE NUMBER THAT WE ARE FORECASTING TODAY. WE HAVE TOO LITTLE INFORMATION TO MAKE US COMFORTABLE WITH A HIGHER FORECAST, BUT SOME OF THE DATA SUGGEST THAT WE MAY COME BACK TO YOU IN MAY WITH EVEN BETTER NEWS ON THIS REVENUE."

WE HAVE SOME MORE INFORMATION TODAY, AND WE HAVE BETTER NEWS - - ALTHOUGH SERIOUS QUESTIONS REMAIN. IN APRIL ALONE, THE STATE'S CBT COLLECTIONS WERE AN ASTONISHING \$835 MILLION. VERY SUBSTANTIAL PAYMENTS WERE RECEIVED IN MARCH AND MAY AND THE CURRENT BALANCE IN THE CBT ACCOUNT EXCEEDS \$2 BILLION. WE HAVE THE TAX DOLLARS BUT NOT THE TAX DATA. WE DO NOT YET UNDERSTAND WHICH ASPECTS OF THE REVISED CBT ARE GENERATING THE WINDFALL. NEVERTHELESS, ON THE STRENGTH OF CURRENT COLLECTIONS WE HAVE INCREASED OUR CURRENT YEAR ESTIMATE FOR THE CBT BY MORE THAN \$350 MILLION, TO NEARLY \$2.5 BILLION.

WE ARE REASONABLY CONFIDENT THAT THIS LEVEL WILL BE REACHED AND IT IS POSSIBLE THAT WE WILL FIND IN LATE JUNE THAT EVEN THIS NEW FORECAST HAS BEEN TOO CONSERVATIVE.

USING OUR CURRENT FORECAST FOR JUNE COLLECTIONS, OVER THE TWO FISCAL YEARS THE CBT WILL PROVIDE NEARLY \$700 MILLION MORE THAN WAS ANTICIPATED IN THE GOVERNOR'S BUDGET MESSAGE.

IT IS DIFFICULT TO OVERSTATE THE EXTENT TO WHICH THE FY03 BUDGET HAS BENEFITTED FROM THE ENACTMENT OF THE BUSINESS TAX REFORM ACT. THE CHANGES ENACTED LAST JULY HAVE ADDED ABOUT \$1.5 BILLION TO THIS YEAR'S CBT AND ADDED \$150 MILLION TO THE INCOME TAX THROUGH THE PARTNERSHIP FEE AND WITHHOLDING PROVISIONS.

AS I SAID EARLIER WE STILL DO NOT HAVE THE DATA TO UNDERSTAND WHY THE LAW HAS PRODUCED SO MUCH REVENUE. GIVEN THE PATTERNS WE SAW IN APRIL IT IS POSSIBLE THAT JUNE PAYMENTS WILL EXCEED THE FORECASTS WE HAVE MADE TODAY, BUT I WOULDN'T BANK ON IT JUST YET. AND THERE ARE ENORMOUS QUESTIONS FOR NEXT YEAR. WE ARE EXPECTING CBT REVENUE TO DECLINE BECAUSE SOME PORTIONS OF THE BUSINESS TAX REFORM ACT ARE EITHER ONE-SHOTS OR ACCELERATIONS IN THE FIRST YEAR. BEYOND THAT THE POSSIBILITY REMAINS THAT A SUBSTANTIAL WAVE OF REFUNDS WILL BE GENERATED ONCE THE ACCOUNTING DUST

SETTLES. OUR FORECAST FOR FY04 BUILT IN AN ASSUMPTION OF INCREASED REFUNDS, BUT WE DO NOT HAVE THE APPROPRIATE DATA OR ANALYTICAL TOOLS TO FEEL CONFIDENT THAT WE HAVE ANTICIPATED ACCURATELY THE REFUND LEVEL.

FROM A BUDGETARY PERSPECTIVE IT IS PRUDENT TO NOTE TWO LIMITATIONS ON THE USE OF CBT REVENUES - ONE CONSTITUTIONAL AND THE OTHER STATUTORY.

SINCE 1996 THE NEW JERSEY CONSTITUTION HAS REQUIRED THAT 4% OF THE CBT REVENUE BE APPROPRIATED FOR CERTAIN SPECIFIED ENVIRONMENTAL PURPOSES. GIVEN OUR REVISED ESTIMATES, AN ADDITIONAL \$20 MILLION OF THE FY03 WINDFALL WOULD HAVE TO BE APPROPRIATED IN FY04 FOR THESE SPECIFIED PURPOSES.

THERE IS CONSIDERABLY MORE THAN \$20 MILLION AT STAKE WITH RESPECT TO THE CBT EXCESS REVENUE FUND CREATED IN LAST YEAR'S BUSINESS TAX REFORM ACT. UNDER SECTION 32 OF THAT ACT - AND DEPENDING ON HOW ITS STATUTORY LANGUAGE IS INTERPRETED - LITTLE, SOME OR MOST OF THE UNEXPECTED CBT REVENUE THIS YEAR WOULD BE DEPOSITED IN A RESTRICTED RESERVE FUND. THE MONEY IN THE FUND IS INTENDED TO COVER FUTURE CBT REVENUE SHORTFALLS OR, IN THE ABSENCE OF SUCH SHORTFALLS, REFUNDED TO CBT TAXPAYERS IN 2006.

THE GOVERNOR'S BUDGET PROPOSES LANGUAGE WHICH, IF IT IS INCLUDED IN THE APPROPRIATIONS ACT, WOULD SUPERSEDE

THESE PROVISIONS AND MAKE ALL OF THE CBT REVENUE COLLECTED IN FY03 AVAILABLE FOR EXPENDITURE IN FY03 OR FY04. BASED ON OUR CURRENT CBT ESTIMATE FOR FY04 A SIMILAR ISSUE WILL ARISE NEXT SPRING.

AT THE END OF LAST WEEK, THE UNITED STATES CONGRESS REACHED AGREEMENT ON AN ECONOMIC STIMULUS PACKAGE THAT WILL RESULT IN NEW JERSEY RECEIVING \$561 MILLION DURING THE PERIOD COVERED BY OUR FY03 AND FY04 BUDGETS. BASED ON DISCUSSIONS WITH TREASURY OVER THIS PAST WEEKEND, IT IS OUR UNDERSTANDING THAT TREASURY INTENDS TO REFLECT THE \$106 MILLION THAT WILL BE RECEIVED BEFORE JUNE 30 AS FY03 GENERAL FUND REVENUE. THE REMAINING \$455 MILLION WILL BE USED IN FY04 TO REPLACE THE PREVIOUSLY ANTICIPATED MONEY FROM THE INTERGOVERNMENTAL TRANSFER. WHILE DECISIONS ON THE USE OF THESE FUNDS WILL DEPEND UPON LEGISLATIVE ACTION, OUR REVENUE DISPLAY TODAY REFLECTS THE TREASURER'S INTENTIONS. WE ADOPT THIS FORMAT TO REDUCE CONFUSION, NOT TO SUGGEST THE PATH THAT THE LEGISLATURE OUGHT TO FOLLOW.

EIGHT WEEKS AGO WE SAID THAT THE GOVERNOR'S BUDGET HAD A POTENTIAL \$240 MILLION REVENUE PROBLEM. TODAY IT APPEARS THAT FOR THE TWO-YEAR PERIOD, REVENUE WILL BE ABOUT \$240 MILLION MORE THAN THE GOVERNOR ANTICIPATED. WHY WAS THERE A \$480 MILLION SWING IN EIGHT WEEKS?

THE SIMPLE ANSWER IS THE CBT. BASED ON EXTRAORDINARY CBT COLLECTIONS IN APRIL WE ADDED ALMOST \$600 MILLION TO OUR TWO-YEAR FORECAST. THEN THE FEDS CAME THROUGH AND CONTRIBUTED AT LEAST \$106 MILLION - THE OTHER \$455 MILLION IN FEDERAL MONEY IS "NEW MONEY" ONLY IF WE GET THE IGT MONEY AS WELL. THESE TWO DEVELOPMENTS - WORTH MORE THAN \$700 MILLION - MASK THE REALITY THAT OTHER REVENUES HAVE CONTINUED TO WEAKEN AND THAT THE TWO MAJOR STATE REVENUES - THE INCOME AND SALES TAXES - ARE LIKELY TO GENERATE LESS REVENUE IN FY03 THAN THEY DID IN FY02.

IN SUMMARY WE ARE PLEASED TO REPORT THAT THE IMMEDIATE REVENUE SITUATION IS BETTER TODAY THAN IT WAS EIGHT WEEKS AGO. BASED ON DISCUSSIONS WITH THE ADMINISTRATION IT APPEARS THAT OUR REVISED REVENUE ESTIMATES ARE ABOUT \$130 MILLION HIGHER THAN THE REVISED REVENUES THAT THE TREASURER WILL PRESENT LATER TODAY. THIS IS FORECAST DIFFERENCE OF ABOUT ONE-HALF OF ONE PERCENT OF THE PROPOSED FY04 BUDGET.

WHILE THERE IS GOOD NEWS TODAY, I OUGHT TO INCLUDE THREE CAUTIONS. FIRST, THE GOVERNOR'S BUDGET AND OUR REVENUE FORECAST ASSUME THE ENACTMENT DURING THE NEXT FIVE WEEKS OF ABOUT \$600 MILLION IN NEW OR INCREASED TAXES AND FEES. SECOND, OUR FY04 REVENUE FORECASTS FOR THE MAJOR TAXES CONTAIN SUBSTANTIAL UNCERTAINTIES AND THE PROPOSED BUDGET HAS A VERY SLIM

MARGIN FOR ERROR. THIRD, EVEN IF OUR REVENUE FORECAST PROVES ACCURATE, BILLIONS OF DOLLARS OF REVENUE THAT WILL SUPPORT THE FY04 BUDGET WILL NOT RECUR IN FY05.

OLS Revenue Forecasts Compared to the Governor's Budget

Figure 1

\$ in Millions

FY 2003 Revenues

	February 2003 Governor's Budget	Annual % Change	April 2003 OLS	Annual % Change	May 2003 Revised OLS	Annual % Change	OLS to EXEC Feb. to May Difference	OLS to OLS April to May Change
Income Tax	\$6,996	2.3%	\$6,840	0.0%	\$6,840	0.0%	(\$156)	\$0
Sales Tax	\$6,000	0.1%	\$6,000	0.1%	\$5,940	-0.9%	(\$60)	(\$60)
Corporation Tax	\$1,987	69.6%	\$2,137	82.4%	\$2,488	112.4%	\$501	\$351
Tobacco Settlement	\$1,769	390.2%	\$1,769	390.2%	\$1,551	329.8%	(\$218)	(\$218)
Other Revenues	\$6,426	3.5%	\$6,513	4.9%	\$6,624	6.7%	\$198	\$111
Total	\$23,178	12.7%	\$23,258	13.1%	\$23,442	13.9%		\$184
			\$81				\$265	

FY 2004 Revenues

	February 2003 Governor's Budget	Annual % Change	April 2003 OLS	Annual % Change	May 2003 Revised OLS	Annual % Change	OLS to EXEC Feb. to May Difference	OLS to OLS April to May Change
Income Tax	\$7,494	7.1%	\$7,280	6.4%	\$7,120	4.1%	(\$374)	(\$160)
Sales Tax	\$6,334	5.6%	\$6,255	4.3%	\$6,195	4.3%	(\$139)	(\$60)
Corporation Tax	\$1,823	-8.3%	\$1,770	-17.2%	\$2,000	-19.6%	\$177	\$230
Tobacco Settlement	\$1,448	-18.1%	\$1,383	-21.8%	\$1,612	4.0%	\$164	\$229
Other Revenues	\$6,755	5.1%	\$6,844	5.1%	\$6,904	4.2%	\$149	\$60
Total	\$23,853	2.9%	\$23,532	1.2%	\$23,831	1.7%		\$299
			(\$321)				(\$22)	

	OLS April 2003		OLS Revised May 2003
Two Year Revenue Difference From Governor's Budget Message:	(\$241)		\$242

Figure 2

**FY 2003 OLS and Executive
Revenue Comparison**
\$ Millions

	FY 2003 Feb. 2003 Executive	FY 2003 April 2003 OLS	FY 2003 May 2003 OLS	OLS to EXEC Feb. to May Difference	OLS to OLS April to May Change
GENERAL FUND:					
Major Taxes:					
Sales Tax (Base)	\$6,000.0	\$6,000.0	\$5,940.0	(\$60.0)	(\$60.0)
<i>Tax Changes</i>	\$0.0	0.0	0.0	0.0	0.0
Sales Tax Total	\$6,000.0	\$6,000.0	\$5,940.0	(\$60.0)	(\$60.0)
Corporation Business	1,975.0	2,125.0	2,450.0	475.0	325.0
<i>Energy contribution</i>	12.1	12.1	37.9	25.8	25.8
Corp. Tax Total	\$1,987.1	\$2,137.1	\$2,487.9	\$500.8	\$350.8
Motor Fuels	530.0	525.0	530.0	0.0	5.0
Motor Vehicle Fees	281.5	281.5	281.5	0.0	0.0
Transfer Inheritance	420.0	430.0	430.0	10.0	0.0
Cigarette	446.0	480.0	465.0	19.0	(15.0)
Insurance Premiums	348.0	365.0	380.0	32.0	15.0
Petroleum Products Gross Receipts	215.0	220.0	220.0	5.0	0.0
Public Utilities Excise	8.7	8.7	8.7	0.0	0.0
Alcoholic Beverage Excise	82.0	82.0	83.0	1.0	1.0
Corporation Business - Banks & Fin. Inst.	79.0	85.0	130.0	51.0	45.0
Realty Transfer	110.0	110.0	110.0	0.0	0.0
Savings Institutions	19.0	19.0	11.0	(8.0)	(8.0)
Tobacco Products Wholesale	10.0	10.0	10.0	0.0	0.0
Subtotal, Major Taxes	\$10,536.3	\$10,753.3	\$11,087.1	\$550.8	\$333.8
Misc. Taxes, Fees, Revenues:					
Subtotal, Misc. Revenues	2,115.3	2,115.3	2,219.5	104.2	104.2
Interfund Transfers:					
State Lottery Fund	783.0	783.0	766.6	(16.4)	(16.4)
Tobacco Settlement Fund	1,768.6	1,768.6	1,550.6	(218.0)	(218.0)
Unclaimed Personal Property Trust Fund	270.6	270.6	270.6	0.0	0.0
All Other Funds	315.9	315.9	298.2	(17.7)	(17.7)
Subtotal, Interfund Transfers	3,138.1	3,138.1	2,886.0	(252.1)	(252.1)
TOTAL, GENERAL FUND	\$15,789.7	\$16,006.7	\$16,192.6	\$402.9	\$185.9
PROPERTY TAX RELIEF FUND (Income Tax)	\$6,966.0	\$6,840.0	\$6,840.0	(\$126.0)	\$0.0
CASINO REVENUE FUND	357.9	347.9	346.0	(11.9)	(1.9)
CASINO CONTROL FUND	62.7	62.7	62.7	0.0	0.0
GUBERNATORIAL ELECTION FUND	1.5	1.0	1.0	(0.5)	0.0
GRAND TOTAL, ALL FUNDS	\$23,177.8	\$23,258.3	\$23,442.3	\$264.5	\$184.0

Figure 3

**FY 2004 OLS and Executive
Revenue Comparison**
\$ Millions

	FY 2004 Feb. 2003 Executive	FY 2004 April 2003 OLS	FY 2004 May 2003 OLS	OLS to EXEC Feb. to May Difference	OLS to OLS April to May Change
GENERAL FUND:					
Major Taxes:					
Sales Tax (Base)	6,288.8	6,210.0	6,150.0	(138.8)	(60.0)
Tax Changes	45.0	45.0	45.0	0.0	0.0
Sales Tax Total	\$6,333.8	\$6,255.0	\$6,195.0	(\$138.8)	(\$60.0)
Corp. Tax Total	\$1,823.0	\$1,770.0	\$2,000.0	\$177.0	\$230.0
Motor Fuels	544.0	535.0	544.0	0.0	9.0
Motor Vehicle Fees	234.0	234.0	234.0	0.0	0.0
Transfer Inheritance	378.0	400.0	400.0	22.0	0.0
Cigarette	499.0	600.0	585.0	86.0	(15.0)
Insurance Premiums	356.0	380.0	420.0	64.0	40.0
Petroleum Products Gross Receipts	221.0	225.0	225.0	4.0	0.0
Public Utilities Excise	8.7	8.7	8.7	0.0	0.0
Alcoholic Beverage Excise	83.0	83.0	83.0	0.0	0.0
Corporation Business - Banks & Fin. Inst.	79.0	79.0	130.0	51.0	51.0
Realty Transfer	210.0	200.0	200.0	(10.0)	0.0
Savings Institutions	20.0	20.0	5.0	(15.0)	(15.0)
Tobacco Products Wholesale	10.0	13.0	13.0	3.0	0.0
Subtotal, Major Taxes	\$10,799.5	\$10,802.7	\$11,042.7	\$243.2	\$240.0
Misc. Taxes, Fees, Revenues:					
Subtotal, Misc. Revenues	2,269.4	2,269.4	2,279.3	9.9	9.9
Interfund Transfers:					
State Lottery Fund	783.0	783.0	783.0	0.0	0.0
Tobacco Settlement Fund	1,447.9	1,382.9	1,612.0	164.1	229.1
Unclaimed Personal Prop. Trust Fund	172.4	172.4	172.4	0.0	0.0
All Other Funds	310.9	310.9	309.3	(1.6)	(1.6)
Subtotal, Interfund Transfers	2,714.2	2,649.2	2,876.7	162.5	227.5
TOTAL, GENERAL FUND	\$15,783.1	\$15,721.3	\$16,198.7	\$415.6	\$477.4
PROPERTY TAX RELIEF FUND (Income Tax)	\$7,493.8	\$7,280.0	\$7,120.0	(\$373.8)	(\$160.0)
CASINO REVENUE FUND	512.2	467.2	448.7	(63.5)	(18.5)
CASINO CONTROL FUND	62.7	62.7	62.7	0.0	0.0
GUBERNATORIAL ELECTION FUND	1.5	1.0	1.0	(0.5)	0.0
GRAND TOTAL, ALL FUNDS	\$23,853.3	\$23,532.2	\$23,831.1	(\$22.2)	\$298.9

FY 2003 OLS and Executive Revenue Comparison

Figure 4

\$ Millions

	FY 2003 May 2003 Executive	FY 2003 May 2003 OLS	Difference
GENERAL FUND:			
Major Taxes:			
Sales Tax (Base)	\$5,945.0	\$5,940.0	(\$5.0)
<i>Tax Changes</i>	0.0	0.0	0.0
Sales Tax Total	\$5,945.0	\$5,940.0	(\$5.0)
Corporation Business	2,410.0	2,450.0	40.0
<i>Energy contribution</i>	37.9	37.9	0.0
Corp. Tax Total	\$2,447.9	\$2,487.9	\$40.0
Motor Fuels	530.0	530.0	0.0
Motor Vehicle Fees	281.5	281.5	0.0
Transfer Inheritance	420.0	430.0	10.0
Cigarette	458.0	465.0	7.0
Insurance Premiums	380.0	380.0	0.0
Petroleum Products Gross Receipts	215.0	220.0	5.0
Public Utilities Excise	8.7	8.7	0.0
Alcoholic Beverage Excise	82.0	83.0	1.0
Corporation Business - Banks & Fin. Inst.	125.0	130.0	5.0
Realty Transfer	110.0	110.0	0.0
Savings Institutions	11.0	11.0	0.0
Tobacco Products Wholesale	11.0	10.0	(1.0)
Subtotal, Major Taxes	\$11,025.1	\$11,087.1	\$62.0
Misc. Taxes, Fees, Revenues:			
Subtotal, Misc. Revenues	2,219.5	2,219.5	0.0
Interfund Transfers:			
State Lottery Fund	766.6	766.6	0.0
Tobacco Settlement Fund	1,550.6	1,550.6	0.0
Unclaimed Personal Property Trust Fund	270.6	270.6	0.0
All Other Funds	298.2	298.2	0.0
Subtotal, Interfund Transfers	2,886.0	2,886.0	0.0
TOTAL, GENERAL FUND	\$16,130.6	\$16,192.6	\$62.0
PROPERTY TAX RELIEF FUND (Income Tax)	\$6,800.0	\$6,840.0	\$40.0
CASINO REVENUE FUND	346.0	346.0	0.0
CASINO CONTROL FUND	62.7	62.7	0.0
GUBERNATORIAL ELECTION FUND	1.5	1.0	(0.5)
GRAND TOTAL, ALL FUNDS	\$23,340.8	\$23,442.3	\$101.5

FY 2004 OLS and Executive Revenue Comparison

Figure 5

\$ Millions

	FY 2004 May 2003 Executive	FY 2004 May 2003 OLS	Difference
GENERAL FUND:			
Major Taxes:			
Sales Tax (Base)	6,165.0	6,150.0	(15.0)
<i>Tax Changes</i>	45.0	45.0	0.0
Sales Tax Total	\$6,210.0	\$6,195.0	(\$15.0)
Corp. Tax Total	\$1,922.0	\$2,000.0	\$78.0
Motor Fuels	544.0	544.0	0.0
Motor Vehicle Fees	234.0	234.0	0.0
Transfer Inheritance	433.0	400.0	(33.0)
Cigarette	580.0	585.0	5.0
Insurance Premiums	420.0	420.0	0.0
Petroleum Products Gross Receipts	221.0	225.0	4.0
Public Utilities Excise	8.7	8.7	0.0
Alcoholic Beverage Excise	83.0	83.0	0.0
Corporation Business - Banks & Fin. Inst.	131.0	130.0	(1.0)
Realty Transfer	201.0	200.0	(1.0)
Savings Institutions	5.0	5.0	0.0
Tobacco Products Wholesale	11.0	13.0	2.0
 Subtotal, Major Taxes	 \$11,003.7	 \$11,042.7	 \$39.0
Misc. Taxes, Fees, Revenues:			
Subtotal, Misc. Revenues	2,279.3	2,279.3	0.0
Interfund Transfers:			
State Lottery Fund	783.0	783.0	0.0
Tobacco Settlement Fund	1,612.0	1,612.0	0.0
Unclaimed Personal Prop. Trust Fund	172.4	172.4	0.0
All Other Funds	309.3	309.3	0.0
Subtotal, Interfund Transfers	2,876.7	2,876.7	0.0
 TOTAL, GENERAL FUND	 \$16,159.7	 \$16,198.7	 \$39.0
 PROPERTY TAX RELIEF FUND (Income Tax)	 \$7,130.0	 \$7,120.0	 (\$10.0)
CASINO REVENUE FUND	448.7	448.7	0.0
CASINO CONTROL FUND	62.7	62.7	0.0
GUBERNATORIAL ELECTION FUND	1.5	1.0	(0.5)
 GRAND TOTAL, ALL FUNDS	 \$23,802.6	 \$23,831.1	 \$28.5

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2004 budget are encouraged to contact:

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