

OLS Revenue Snapshot

FY 2017 - Through August 2016

- **No Discernable Revenue Trend Early in FY 2017.** Aggregate major revenue collections are 6.7% above the same period last year for the first two months of FY 2017, reflecting an artificial spike caused by an extra gross income tax withholding period. Adjusting for this factor results in a virtual no-growth outcome thus far. The Executive's certified (June 2016) estimates for the major revenues require 3.6% aggregate growth to reach year-end¹ targets. However, the OLS notes that revenue collection data from the summer months are often distorted by accounting adjustments and shifts between the old and new fiscal years. Underlying trends may clarify after important individual and corporate quarterly payments are made in September. For each fiscal year, September typically books more revenue than the months of July and August combined.
- **Gross Income Tax (GIT)** cash receipts through August of \$1.02 billion are running 24.5% above the same period last year. The Executive's certified year-end GIT target assumes growth of 4.3% above FY 2016. Growth through the first two months of FY 2017 is artificially high due to the shift of one additional employer payroll withholding payment into August, compared to the same months last year. Adjusting for this extra payment would reduce the current growth rate to about 6.0% year-to-date. GIT revenues are also benefiting from a \$107 million decline in refund payments, which were unusually elevated in the Summer of 2015, but have returned closer to historical norms so far this year. Next month's **OLS Revenue Snapshot** will include figures for the first quarterly estimated payments of FY 2017.
- **Sales Tax** receipts year-to-date total \$777.7 million, down 2.6% from the same period² last year. The Executive's target assumes 3.0% growth above the FY 2016 total. Sales tax collections have posted either weak growth or declines since May.
- **Corporation Business Tax (CBT)** cash collections of \$109.9 million through the first two months are 14.1% above the same period last fiscal year. About half of the net CBT growth is due to a decrease in refund payments. The Executive's FY 2017 CBT target reflects growth of 5.8% for the year. The upcoming CBT September quarterly payments should be viewed as a more important indicator of growth patterns for FY 2017, as these payments historically account for three times the revenue booked in July and August combined.
- **Transfer Inheritance** revenues of \$122.6 million are down 21.0% compared to last year through August. The Executive's certified year-end target assumes growth of 2.5% above FY 2016.
- **Realty Transfer Fee** collections of \$28.3 million decreased 7.5% year-over-year³ through August. The Executive's certified year-end target requires growth of 6.9% above FY 2016.

¹ The **OLS Revenue Snapshot** displays the growth rates of cash collections necessary to achieve the Executive's FY 2017 year-end targets, as certified in June of 2016, compared to the estimated final FY 2016 totals, as reported by the Treasurer to the Legislative Budget Committees in May of 2016.

² August sales tax collections reflect July economic activity, as this tax is subject to a one-month payment lag.

³ August realty collections reflect July economic activity, as counties remit fee payments to the State with a one-month lag.

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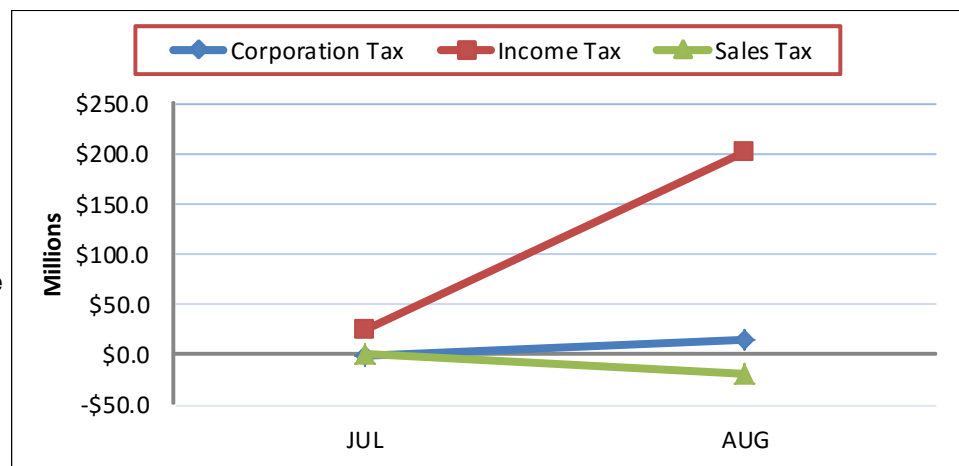
Selected Year-To-Date Cash Collections (\$ millions)

FY 2017 - Through August 2016

REVENUE	FY 2016 Actual Year-To-Date	FY 2017 Actual Year-To-Date	Actual Y-T-D Growth %	Exec. Certif. Year-End Growth % **	Exec. Certif. Year-End \$ Estimate
INCOME TAX	\$818.7	\$1,019.2	24.5%	4.3%	\$13,982.3
* SALES TAX	\$798.6	\$777.7	-2.6%	3.0%	\$9,597.4
CORP. BUS. TAX (CBT)	\$96.4	\$109.9	14.1%	5.8%	\$2,471.0
LOTTERY	\$145.0	\$164.4	13.4%	0.0%	\$965.0
TRANSFER INHERITANCE	\$155.1	\$122.6	-21.0%	2.5%	\$848.5
INSURANCE PREMIUM	\$29.0	(\$5.2)	-118.1%	3.0%	\$688.7
* MOTOR FUELS	\$45.2	\$50.3	11.4%	-1.7%	\$540.0
[a] MOTOR VEHICLE FEES	\$0.0	\$0.0	0.0%	7.6%	\$515.6
* REALTY TRANSFER	\$30.6	\$28.3	-7.5%	6.9%	\$330.4
* PETROLEUM PRODUCTS	\$15.8	\$20.3	28.5%	0.0%	\$218.1
[b] CASINO	\$35.3	\$35.3	0.0%	0.0%	\$199.1
BANKS & FINANCIAL (CBT)	\$5.8	(\$1.2)	-120.6%	3.4%	\$150.0
[c] CIGARETTE	\$0.0	\$0.0	0.0%	-12.3%	\$149.0
* ALCOHOL EXCISE	\$0.1	\$0.0	-142.0%	1.3%	\$110.8
TOTALS:	\$2,175.6	\$2,321.5	6.7%	3.6%	\$30,765.9

**Income Tax
Corporation Tax
and Sales Tax**

**FY17 Over FY16
Actual Year-To-Date
\$ Change**



Sources: Executive's FY2017 year-end estimates certified June 2016. FY2017 Year-To-Date from Treasury monthly reports.

* Revenues represent 1 month of cash collections. All others represent 2 months of cash collections.

** The percentage difference between the FY2017 Executive's certified estimates (June 2016) and estimated FY2016 figures from the Treasurer's report to the Legislature (May 2016). Energy revenues for the Sales tax and CBT are not included.

[a] The first \$201.5 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.

[b] The casino amounts include internet gaming revenues.

[c] 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 \$104.5 million, are dedicated to pay tobacco bond debt service (P.L.2004, c.68).