

OLS Revenue Snapshot

FY 2017 - Through May 2017

- **FY 2017 Revenues Meeting Expectations.** Through eleven months of FY 2017, overall major revenue collections are nominally 4.5% above the same period in FY 2016. However, adjusted for a short-term timing shift of certain income tax collections, the underlying aggregate growth rate is approximately 3.8%. The Executive's downwardly revised FY 2017 estimates for major revenues require 3.8% aggregate growth to reach the year-end¹ targets.
- **Gross Income Tax (GIT).** Net collections of \$12.0 billion through the end of May were up \$832 million, or 7.4%, over last year. May's monthly receipts of \$874.0 million were up \$163 million over last May, or 22.9%, enhanced by a short-term timing shift in weekly wage withholding receipts, worth about \$180 million, and the transfer of \$21.1 million in out-of-state partnership withholding receipts from the corporation business tax. Absent these two factors, May collections were down 5.3% from last year. Year-to-date, the transfer of partnership withholding receipts from the CBT on a monthly basis rather than in a single year-end adjustment, has boosted GIT collections by \$418.2 million. Overall, the components which comprise total GIT collections demonstrated mixed results after eleven months. On the positive side, underlying withholding receipts were up 4.9%, while lower refund payments (0.9% below last year) boosted net revenues. On the other hand, estimated payments were down 3.0%, while final payments displayed 1.2% growth. All these factors considered, the underlying GIT trend reflects 2.1% growth. The Executive's revised FY 2017 target assumes 3.6% growth above FY 2016.
- **Sales Tax** receipts year-to-date totaled \$7.7 billion, up 2.1% from the same ten-month period² last year. Sales tax collections in May rose by 3.9% year-over-year. This was the fourth month impacted by the tax rate reduction under P.L.2016, c.57. The Executive's revised target assumes 1.0% growth above FY 2016.
- **Corporation Business Tax** cash collections of \$1.72 billion through the first eleven months were 14.9% below the same period last fiscal year. The CBT's year-to-date decline is due to the accelerated transfer of out-of-state partnership withholding receipts to the GIT. After adjusting the CBT total upward for this \$418.2 million transfer, underlying CBT receipts were up 5.7% on a comparable basis. The Executive's revised FY 2017 CBT target assumes a 4.0% decline for the year.
- **Petroleum Products Tax** collections¹ of \$670.0 million were up 274.3%, propelled by the first six months of higher tax rates under P.L.2016, c.57. Approximately \$482.3 million of these receipts are attributable to the tax rate increases. State voters constitutionally dedicated the revenues to the Transportation Trust Fund.
- **Transfer Inheritance** revenues of \$684.6 million were down 4.8% compared to last year through May. The revised year-end target assumes a decline of 2.2% from the FY 2016 level.
- **Realty Transfer Fee** collections were close to expectations through May at \$287.7 million, a 10.4% increase year-over-year.³ The Executive's revised year-end target requires growth of 12.0% above FY 2016.

¹ The *OLS Revenue Snapshot* displays the growth rates of cash collections necessary to achieve the Executive's FY 2017 revised year-end targets compared to the audited FY 2016 totals, as reported in the NJ Comprehensive Annual Financial Report (March 2017). The *Snapshot* display includes the full \$877.7 million target for the petroleum products tax, while Treasury's monthly report excludes from the year-end target \$334.6 million allocated to the Petroleum Products Gross Receipts – Capital Reserves.

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

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

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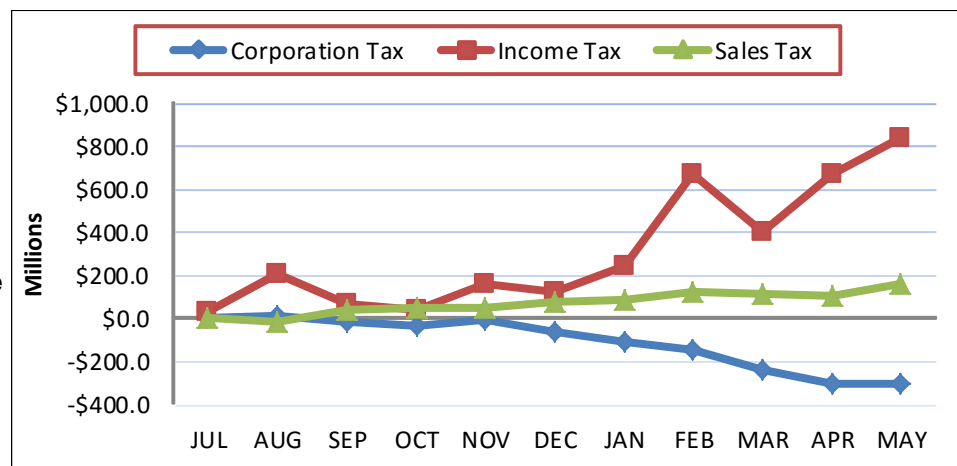
Selected Year-To-Date Cash Collections (\$ millions)

FY 2017 - Through May 2017

REVENUE	FY 2016 Actual Year-To-Date	FY 2017 Actual Year-To-Date	Actual Y-T-D Growth %	Exec. Rev. Year-End Growth % **	Exec. Rev. Year-End \$ Estimate
INCOME TAX	\$11,178.4	\$12,010.5	7.4%	3.6%	\$13,838.3
* SALES TAX	\$7,559.0	\$7,718.0	2.1%	1.0%	\$9,294.7
CORP. BUS. TAX (CBT)	\$2,021.9	\$1,719.9	-14.9%	-4.0%	\$2,203.4
LOTTERY	\$883.9	\$860.6	-2.6%	-1.7%	\$970.0
[a]* PETROLEUM PRODUCTS	\$179.0	\$670.0	274.3%	308.7%	\$877.7
TRANSFER INHERITANCE	\$719.2	\$684.6	-4.8%	-2.2%	\$752.4
* MOTOR FUELS	\$446.7	\$429.9	-3.8%	-2.3%	\$541.7
INSURANCE PREMIUM	\$556.1	\$497.3	-10.6%	-11.2%	\$530.5
[b] MOTOR VEHICLE FEES	\$409.2	\$442.3	8.1%	8.6%	\$514.2
* REALTY TRANSFER	\$260.5	\$287.7	10.4%	12.0%	\$351.2
[c] CASINO	\$184.1	\$191.5	4.0%	4.4%	\$209.9
BANKS & FINANCIAL (CBT)	\$118.7	\$127.1	7.1%	5.1%	\$187.3
[d] CIGARETTE	\$118.0	\$118.2	0.2%	1.9%	\$170.7
* ALCOHOL EXCISE	\$81.8	\$82.2	0.5%	-0.4%	\$105.4
TOTALS:	\$24,716.6	\$25,839.7	4.5%	3.8%	\$30,547.3

**Income Tax
Corporation Tax
and Sales Tax**

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



Sources: Executive's FY17 May 2017 revised estimates. FY17 Year-To-Date from the Treasury Monthly reports.

* Revenues represent 10 months of cash collections. All others represent 11 months of cash collections.

** The percentage difference between the FY2017 Executive's revised estimates (May 2017) and final FY2016 figures from the Comprehensive Annual Financial Report (March 2017). Energy revenues for the Sales tax and CBT are not included.

[a] The petroleum products year-end estimate reflects the full \$877.7 million target. Treasury's monthly report excludes from the year-end target \$334.6 million allocated to the Petroleum Products Gross Receipts - Capital Reserves.

[b] The first \$202.2 million in motor vehicle fee collections are dedicated to the NJ Motor Vehicle Commission.

[c] The casino amounts include internet gaming revenues.

[d] 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).