



State of New Jersey

Department of the Treasury

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October Revenues Continue Downward Trend

TRENTON – State Treasurer David Rousseau reported today that State revenues for the month of October totaled \$2 billion, which is approximately \$211 million below targets for the month. The October collections follow September’s downward pattern, and bring total collections approximately \$257 million under targets for all revenues for the first four months of FY 09.

“The October collections are sobering evidence that the economic downturn is having an across-the-board effect on State revenues,” said Treasurer Rousseau. “Weaknesses in the Gross Income Tax, the Sales Tax and other sources reflect difficult employment conditions, diminished consumer spending and other indicators of a struggling economy,” Rousseau said.

For October, Gross Income Tax collections totaled \$713 million, which is \$115.9 million (-14 percent) below targets for the month. Sales Tax collections, at \$638.2 million, are \$27.7 million (-4 percent) below monthly projections. Corporation Business Tax revenues are also off, totaling \$159.2 million, or \$29.7 million (-15.7 percent) under estimates for October. Notable among other revenues, collections from the State Lottery and Casino Revenues also lag behind projections.

Through the first four months of the fiscal year, revenues total \$8.56 billion, which is \$257.9 million under year-to-date targets. Among the major revenues, the Gross Income Tax is \$152.6 million (-5.6 percent) below target, while the Sales Tax is \$85.3 million (-3 percent) below projections for the period.

After last month’s revenue report, the Treasurer estimated that collection patterns suggested a potential current year shortfall of approximately \$400 million. Now that October figures have been recorded, he estimates that the total shortfall may be up to \$1.2 billion for FY 09.

“We were cautious and conservative with setting our revenue projections for the fiscal year last June, and crafted a budget that contained the largest year to year spending reduction in state history. While the large collections periods from the holiday season and next spring are still ahead of us, revenues to date point to the prospect of making adjustments in the current year in order to maintain a balanced budget,” Rousseau said.

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STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS EARNED
MONTH OF OCTOBER 2008
(\$ Thousands)

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 829,000	\$ 713,014	\$ (115,986)	(14.0%)
Sales	665,000	638,254	(26,746)	(4.0%)
Corporation Business	189,000	159,286	(29,714)	(15.7%)
Lottery	70,500	65,894	(4,606)	(6.5%)
Motor Fuels	47,300	48,106	806	1.7%
Motor Vehicle Fees (b)	10,300	-	(10,300)	-
Transfer Inheritance	62,700	55,007	(7,693)	(12.3%)
Casino Revenue	33,700	29,192	(4,508)	(13.4%)
Insurance Premium	400	700	300	75.0%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	18,500	19,148	648	3.5%
Corp. Banks & Financial Institutions	7,500	3,378	(4,122)	(55.0%)
Alcoholic Beverage Excise	15,300	15,381	81	0.5%
Realty Transfer	28,400	17,511	(10,889)	(38.3%)
Tobacco Products Wholesale Sales (a)	1,400	1,743	343	24.5%
Public Utility	-	-	-	-
Total	\$ 1,979,000	\$ 1,766,614	\$ (212,386)	(10.7%)
All Other	277,200	278,620	1,420	0.5%
Total Revenues	\$ 2,256,200	\$ 2,045,234	\$ (210,966)	(9.4%)

(a) Pursuant to P.L. 06-37, revenue collections of \$370.0 million from the cigarette and tobacco products wholesale sales taxes are deposited in the Health Care Subsidy Fund starting with fiscal year 2007. Pursuant to P.L. 04-69 \$0.0325 per cigarette is dedicated to pay debt service on the Cigarette Securitization Bonds.

(b) Pursuant to P.L. 03-13, \$209.4 million of FY 2009 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2009 - October 2008 VERSUS 2007

(\$ Thousands)

OCTOBER		% Change		OCTOBER - YTD		% Change
2007	2008			2007	2008	
\$ 867,848	\$ 812,014	(6.4%)	Gross Income Tax	\$ 2,569,750	\$ 2,500,410	(2.7%)
729,483	727,254	(0.3%)	Sales	2,161,605	2,090,644	(3.3%)
221,965	159,286	(28.2%)	Corporation Business	760,409	712,713	(6.3)
70,019	65,894	(5.9%)	Lottery	286,524	269,645	(5.9)
49,272	46,606	(5.4%)	Motor Fuels	146,950	139,354	(5.2%)
-	-	-	Motor Vehicle Fees (b)	-	-	-
61,719	55,007	(10.9)	Transfer Inheritance	242,724	266,967	10.0
32,433	29,192	(10.0)	Casino Revenue	141,871	131,505	(7.3)
491	700	42.6	Insurance Premium	(12,236)	3,664	(129.9)
-	-	-	Cigarette (a)	-	-	-
19,435	19,748	1.6%	Petroleum Products Gross Receipts	59,672	58,383	(2.2%)
23,511	3,378	(85.6%)	Corp. Banks & Financial Institutions	40,298	23,279	(42.2)
105	81	(22.9%)	Alcoholic Beverage Excise	15,379	15,701	2.1
30,834	22,511	(27.0)	Realty Transfer	101,155	75,326	(25.5)
1,103	1,743	58.0%	Tobacco Products Wholesale Sales (a)	3,766	4,297	14.1%
-	-	-	Public Utility	-	-	-
<u>\$ 2,108,218</u>	<u>\$ 1,943,414</u>	(7.8%)	Total Major Revenues	<u>\$ 6,517,867</u>	<u>\$ 6,291,888</u>	(3.5%)

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STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2008
(\$ Thousands)

Revenue Source	October		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 3,041,000	\$ 2,888,410	\$ (152,590)	(5.0%)
Sales	2,841,000	2,755,644	(85,356)	(3.0%)
Corporation Business	711,000	712,713	1,713	0.2%
Lottery	274,100	269,645	(4,455)	(1.6%)
Motor Fuels	190,700	186,654	(4,046)	(2.1%)
Motor Vehicle Fees (b)	10,300	-	(10,300)	-
Transfer Inheritance	236,400	266,967	30,567	12.9%
Casino Revenue	138,800	131,505	(7,295)	(5.3%)
Insurance Premium	1,200	3,664	2,464	205.3%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	79,000	76,883	(2,117)	(2.7%)
Corp. Banks & Financial Institutions	20,800	23,279	2,479	11.9%
Alcoholic Beverage Excise	30,700	31,001	301	1.0%
Realty Transfer	130,000	103,726	(26,274)	(20.2%)
Tobacco Products Wholesale Sales (a)	4,500	4,297	(203)	(4.5%)
Public Utility	-	-	-	-
Total	\$ 7,709,500	\$ 7,454,388	\$ (255,112)	(3.3%)
All Other	1,108,600	1,105,760	(2,840)	(0.3%)
Total Revenues	\$ 8,818,100	\$ 8,560,148	\$ (257,952)	(2.9%)

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