



State of New Jersey

Department of the Treasury

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**For Information Contact:
Andrew Pratt
(609) 633-6565**

Revenues Fall \$471 million Below Budget Forecast for Fiscal 2010

TRENTON – State Treasurer Andrew P. Sidamon-Eristoff announced that revenue collections during the month of February will fall \$41.5 million short of projections published in the fiscal 2010 budget that took effect on July 1, 2009. Total revenues for the first eight months of the fiscal year are now running \$471 million, or 2.8 percent, below estimates.

“The recovery has been agonizingly slow in coming, especially for unemployed workers and struggling small business owners,” Treasurer Eristoff said. “For those of us in state and local government, the prolonged economic crisis means we must strive to do more with less, and redouble our efforts at restoring the vitality of New Jersey’s economy.”

Income tax collections totaled \$526 million for the month of February, 12.7 percent higher than budgeted amounts. At the same time, sales tax collections were 9.7 percent lower than expected, and the state collected only \$5.3 million in corporate business taxes, 88 percent under budget targets.

“In this post-recession environment, every state revenue source is volatile and unpredictable,” Treasurer Eristoff said. “The only prudent and ethical course is to make conservative revenue estimates and refuse to let spending exceed those forecasts. In other words, to hope for the best, but prepare for the worst.”

For the first eight months of the year, income tax collections are on track to rise 1.8 percent above budgeted amounts. Sales taxes collections are running 4.8 percent below budgeted amounts for the fiscal year. Corporate business tax collections are running 18.4 percent below budgeted amounts.

See charts below. Figures in the first chart are actual collections for the month of February. Figures in the second and third charts include tax collections by the state plus estimated amounts for taxes due for the period that have not yet been remitted:

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2010 - FEBRUARY 2010 versus 2009

(\$ Thousands)

FEBRUARY		% Change		FEBRUARY - YTD		% Change
2009	2010			2009	2010	
\$ 305,371	\$ 355,402	16.4%	Gross Income Tax	\$ 5,890,685	\$ 5,707,518	(3.1%)
551,525	525,413	(4.7%)	Sales	4,566,516	4,354,691	(4.6%)
(58,871)	5,322	-	Corporation Business	1,131,236	975,550	(13.8%)
72,970	68,820	(5.7%)	Lottery	555,186	590,953	6.4%
43,209	43,329	0.3%	Motor Fuels	316,876	313,443	(1.1%)
44,969	48,268	7.3%	Motor Vehicle Fees (b)	136,185	195,125	43.3%
40,971	39,648	(3.2%)	Transfer Inheritance	465,344	366,681	(21.2%)
26,507	20,829	(21.4%)	Casino Revenue	233,906	194,286	(16.9%)
158,216	179,246	13.3%	Insurance Premium	171,422	160,149	(6.6%)
8,451	-	-	Cigarette (a)	8,451	-	-
17,590	16,730	(4.9%)	Petroleum Products Gross Receipts	132,231	125,807	(4.9%)
(8,181)	4,843	-	Corp. Banks & Financial Institutions	25,676	52,643	105.0%
162	186	14.8%	Alcoholic Beverage Excise	49,584	54,002	8.9%
6,227	4,823	(22.5%)	Realty Transfer	130,009	103,251	(20.6%)
1,382	562	(59.3%)	Tobacco Products Wholesale Sales (a)	9,004	9,479	5.3%
-	-	-	Public Utility	-	-	-
<u>\$ 1,210,498</u>	<u>\$ 1,313,421</u>	8.5%	Total Major Revenues	<u>\$ 13,822,311</u>	<u>\$ 13,203,578</u>	(4.5%)

(a) Pursuant to P.L. 06-37, revenue collections of \$396.5 million from the cigarette and tobacco products wholesale sales tax are deposited in the Health Care Subsidy Fund. 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, \$186.7 million of FY 2010 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS EARNED
MONTH OF FEBRUARY 2010
(\$ Thousands)

Revenue Source	FEBRUARY		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 467,000	\$ 526,402	\$ 59,402	12.7%
Sales	564,000	509,413	(54,587)	(9.7%)
Corporation Business	45,000	5,322	(39,678)	(88.2%)
Lottery	70,800	68,820	(1,980)	(2.8%)
Motor Fuels	39,500	38,129	(1,371)	(3.5%)
Motor Vehicle Fees (b)	40,600	48,268	7,668	18.9%
Transfer Inheritance	48,100	39,648	(8,452)	(17.6%)
Casino Revenue	26,400	20,829	(5,571)	(21.1%)
Insurance Premium	178,800	179,246	446	0.2%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	16,600	15,730	(870)	(5.2%)
Corp. Banks & Financial Institutions	(6,000)	4,843	10,843	180.7%
Alcoholic Beverage Excise	12,300	12,286	(14)	(0.1%)
Realty Transfer	17,000	10,223	(6,777)	(39.9%)
Tobacco Products Wholesale Sales (a)	1,100	562	(538)	(48.9%)
Public Utility	-	-	-	-
Total	\$ 1,521,200	\$ 1,479,721	\$ (41,479)	(2.7%)
All Other	269,400	269,400	-	0.0%
Total Revenues	\$ 1,790,600	\$ 1,749,121	\$ (41,479)	(2.3%)

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STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2010
(\$ Thousands)

Revenue Source	FEBRUARY		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 6,180,000	\$ 6,289,518	\$ 109,518	1.8%
Sales	5,167,000	4,918,691	(248,309)	(4.8%)
Corporation Business	1,196,200	975,550	(220,650)	(18.4%)
Lottery	569,200	590,953	21,753	3.8%
Motor Fuels	365,500	352,943	(12,557)	(3.4%)
Motor Vehicle Fees (b)	176,300	195,125	18,825	10.7%
Transfer Inheritance	447,400	366,681	(80,719)	(18.0%)
Casino Revenue	220,800	194,286	(26,514)	(12.0%)
Insurance Premium	182,500	160,149	(22,351)	(12.2%)
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	149,400	142,407	(6,993)	(4.7%)
Corp. Banks & Financial Institutions	36,600	52,643	16,043	43.8%
Alcoholic Beverage Excise	64,800	66,302	1,502	2.3%
Realty Transfer	142,000	120,251	(21,749)	(15.3%)
Tobacco Products Wholesale Sales (a)	8,700	9,479	779	9.0%
Public Utility	-	-	-	-
Total	\$ 14,906,400	\$ 14,434,978	\$ (471,422)	(3.2%)
All Other	2,155,200	2,155,200	-	0.0%
Total Revenues	\$ 17,061,600	\$ 16,590,178	\$ (471,422)	(2.8%)

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