



State of New Jersey

Department of the Treasury

For Immediate Release
April 15, 2011

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Year-to-Date Revenues Meet Treasury Expectations

TRENTON – Revenue collections through the end of March are meeting Treasury’s revised forecasts as the state enters the critical fourth quarter of fiscal 2011, Treasurer Andrew Sidamon-Eristoff said. Total revenues for the first nine months of the year have come in at 0.7 percent higher than forecasts, which were updated at the time of the Governor’s Budget Address on Feb. 22. For the month of March alone, revenues were 6.7 percent ahead of expectations.

“While the March figures are reassuring, the April and May figures will give a clearer picture of how the state is faring as we adopt a new budget,” Sidamon-Eristoff said. “Because of the April filing deadline for income tax, revenue collections during these two months are much higher than during other months.”

Income taxes, the biggest source of state revenue, are running 2.3 percent above year-to-date expectations. A higher-than-expected number of refunds in April could reduce or reverse the year-to-date gains, Sidamon-Eristoff cautioned. The sales tax, historically the second-biggest source of revenue, is 0.7 percent above forecasts, and the corporation business tax is 7 percent below forecasts.

“It’s cause for some concern that we have been so dependent on the income tax for revenue gains in fiscal 2012,” Sidamon-Eristoff. “A more even, broad-based increase in all types of revenue would be more reassuring.”

For the month of March alone, income tax collections were 62.8 percent higher than estimates, but corporation business tax collections were 34.6 percent below expectations. Sales taxes were 5.5 percent higher than revised forecasts.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE NINE MONTHS ENDED MARCH 31, 2011
(\$ Thousands)

Revenue Source	MARCH		Variance	% Variance
	Budget	Actual	Over/(Under)	Over/(Under)
Gross Income	\$ 6,738,700	\$ 6,891,967	\$ 153,267	2.3%
Sales	5,689,400	5,727,619	38,219	0.7%
Corporation Business	1,319,100	1,226,905	(92,195)	(7.0%)
Lottery	665,600	676,691	11,091	1.7%
Motor Fuels	376,200	391,578	15,378	4.1%
Motor Vehicle Fees (b)	222,800	237,808	15,008	6.7%
Transfer Inheritance	460,200	457,241	(2,959)	(0.6%)
Casino Revenue	193,800	196,782	2,982	1.5%
Insurance Premium	269,900	247,216	(22,684)	(8.4%)
Cigarette (a)	27,600	34,503	6,903	25.0%
Petroleum Products Gross Receipts	162,100	162,331	231	0.1%
Corp. Banks & Financial Institutions	83,700	84,418	718	0.9%
Alcoholic Beverage Excise	60,400	61,017	617	1.0%
Realty Transfer	130,400	132,873	2,473	1.9%
Tobacco Products Wholesale Sales (a)	12,800	12,637	(163)	(1.3%)
Public Utility	-	7	7	-
Total	\$ 16,412,700	\$ 16,541,593	\$ 128,893	0.8%
All Other (c)	2,574,700	2,574,700	-	-
Total Revenues	\$ 18,987,400	\$ 19,116,293	\$ 128,893	0.7%

(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, \$230.8 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) Due to the sporadic nature of cash collections, including once a year assessments, OMB accrues to the budgeted target on a monthly basis and adjusts at the time of GBM.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS ACTUAL
MARCH 2011
(\$ Thousands)

Revenue Source	MARCH		Variance	% Variance
	Budget	Actual	Over/(Under)	Over/(Under)
Gross Income	\$ 244,000	\$ 397,177	\$ 153,177	62.8%
Sales	690,000	728,219	38,219	5.5%
Corporation Business	266,000	173,856	(92,144)	(34.6%)
Lottery	81,000	92,157	11,157	13.8%
Motor Fuels	43,400	58,837	15,437	35.6%
Motor Vehicle Fees (b)	67,000	82,030	15,030	22.4%
Transfer Inheritance	50,500	47,512	(2,988)	(5.9%)
Casino Revenue	18,100	21,055	2,955	16.3%
Insurance Premium	125,200	102,474	(22,726)	(18.2%)
Cigarette (a)	27,600	34,503	6,903	25.0%
Petroleum Products Gross Receipts	19,200	19,418	218	1.1%
Corp. Banks & Financial Institutions	8,200	8,896	696	8.5%
Alcoholic Beverage Excise	-	275	275	-
Realty Transfer	10,500	12,966	2,466	23.5%
Tobacco Products Wholesale Sales (a)	1,500	1,350	(150)	(10.0%)
Public Utility	-	-	-	-
Total	\$ 1,652,200	\$ 1,780,725	\$ 128,525	7.8%
All Other (c)	277,500	277,500	-	-
Total Revenues	\$ 1,929,700	\$ 2,058,225	\$ 128,525	6.7%

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(b) Pursuant to P.L. 03-13, \$230.8 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

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STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2011 - MARCH 2011 versus 2010

(\$ Thousands)

MARCH			%		MARCH - YTD		%
2010	2011	Change			2010	2011	
\$ 567,432	\$ 633,577	11.7%		\$ 6,386,828	(c) \$ 6,629,967	3.8%	Gross Income Tax
493,384	555,219	12.5%		4,848,075	5,037,619	3.9%	Sales
264,647	173,856	(34.3%)		1,240,197	1,226,905	(1.1%)	Corporation Business
81,545	92,157	13.0%		672,498	676,691	0.6%	Lottery
32,090	53,837	67.8%		345,533	348,178	0.8%	Motor Fuels
19,179	82,030	327.7%		214,304	237,808	11.0%	Motor Vehicle Fees (b)
52,869	47,512	(10.1%)		419,550	457,241	9.0%	Transfer Inheritance
25,125	21,055	(16.2%)		219,411	196,782	(10.3%)	Casino Revenue
112,733	102,474	(9.1%)		272,882	247,216	(9.4%)	Insurance Premium
21,614	34,503	59.6%		21,614	34,503	59.6%	Cigarette (a)
15,738	16,518	5.0%		141,545	143,131	1.1%	Petroleum Products Gross Receipts
6,718	8,896	32.4%		59,361	84,418	42.2%	Corp. Banks & Financial Institutions
7,027	9,575	36.3%		61,029	61,017	(0.0%)	Alcoholic Beverage Excise
17,129	16,966	(1.0%)		120,380	122,373	1.7%	Realty Transfer
2,012	1,350	(32.9%)		11,491	12,637	10.0%	Tobacco Products Wholesale Sales (a)
-	-	-		-	7	-	Public Utility
<u>\$ 1,719,242</u>	<u>\$ 1,849,525</u>	7.6%		<u>\$ 15,034,698</u>	(c) <u>\$ 15,516,493</u>	3.2%	Total Major Revenues

- (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, \$230.8 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.
- (c) For comparative purposes, the 2010 YTD Gross Income Tax has been adjusted. Due to a formula error, \$111.858 million was recorded in June 2009 that should have been recorded in July 2009. The July Gross Income Tax withholding collections are allocated to June and July based on the number of work days that pertain to June versus July. To accurately reflect the correct allocation between June and July 2009, YTD 2010 Gross Income Tax has been increased by \$111.858 million.