



State of New Jersey

Department of the Treasury

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For Information

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Led by Strengthening Income Tax Collections, Revenues Exceed Projections in December

TRENTON – Income tax collections were up nearly 20 percent in December and set a new record for the first half of the fiscal year as they continued to exceed budgeted expectations. Income tax collections were \$1.06 billion in December, up 19.8 percent over the prior year, and for the first six months of the fiscal year they totaled \$4.35 billion, up 5.6 percent over the same period in 2011, and 2.3 percent higher than their projected level.

The continued strength in the income tax, along with gains in Lottery revenues and increased collections of the realty transfer tax, helped the State post a 1.5 percent gain in its overall collections of its major tax revenues for the six months ending December 31st, compared with the previous year.

Overall, State tax revenues in December totaled \$2.36 billion, 1.1 percent more than the projected amount, as the strength in income tax collections was accompanied by gains in revenues from other major taxes.

Sales tax collections were \$651.9 million, up 10.4 percent over their level in November, while casino and realty transfer tax collections were both up year-over-year by 3.6 percent and 2.7 percent, respectively.

“The growth we continue to see in income tax collections, the largest and most important revenue source for the State, is an encouraging sign that the fundamental strengths of the New Jersey economy are driving the recovery forward,” said State Treasurer Andrew Sidamon-Eristoff. “The resilience in sales tax revenues in December was also impressive, especially given that impacts from Superstorm Sandy continued to disrupt normal shopping patterns in many parts of the state during the early part of the month.”

Dr. Charles Steindel, the Chief Economist for the New Jersey Treasury Department said, “The improvement in casino tax collections showed that Atlantic City is starting to get back on its feet after the revenue losses it suffered in October and November as a result of Sandy. The gains we have seen over the first half of the fiscal year in collections of the realty transfer tax are also a sign that the state’s real estate market continues to firm and more transactions are getting done as buyers take advantage of the historically low cost mortgages that are still available today.”

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2013 - DECEMBER 2012 versus 2011

(\$ Thousands)

DECEMBER		% Change		DECEMBER - YTD		% Change
2011	2012			2011	2012	
\$ 890,019	\$ 1,066,081	19.8%	Gross Income Tax	\$ 4,126,369	\$ 4,357,803	5.6%
671,727	651,953	(2.9%)	Sales	3,287,349	3,257,830	(0.9%)
378,104	337,074	(10.9%)	Corporation Business	938,806	932,049	(0.7%)
83,020	73,909	(11.0%)	Lottery	437,580	451,652	3.2%
42,245	39,802	(5.8%)	Motor Fuels	231,870	219,348	(5.4%)
45,571	48,179	5.7%	Motor Vehicle Fees (b)	118,425	94,737	(20.0%)
54,768	53,773	(1.8%)	Transfer Inheritance	342,233	300,502	(12.2%)
12,552	13,002	3.6%	Casino Revenue	109,041	102,120	(6.3%)
492	5,065	929.5%	Insurance Premium	22,296	26,513	18.9%
-	-	-	Cigarette (a)	-	-	-
17,745	17,478	(1.5%)	Petroleum Products Gross Receipts	97,508	87,797	(10.0%)
24,340	44,944	84.7%	Corp. Banks & Financial Institutions	45,429	71,097	56.5%
35	111	217.1%	Alcoholic Beverage Excise	30,693	31,360	2.2%
13,816	14,195	2.7%	Realty Transfer	84,948	86,644	2.0%
1,113	1,858	66.9%	Tobacco Products Wholesale Sales (a)	8,619	9,359	8.6%
-	-	-	Public Utility	-	-	-
<u>\$ 2,235,547</u>	<u>\$ 2,367,424</u>	5.9%	Total Major Revenues	<u>\$ 9,881,166</u>	<u>\$ 10,028,810</u>	1.5%

(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, \$213.6 million of FY 2013 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

**STATE OF NEW JERSEY
FISCAL YEAR 2013
REVENUE SOURCE
BUDGET VERSUS ACTUAL
MONTH OF DECEMBER 2012
(\$ Thousands)**

Revenue Source	<u>DECEMBER</u>		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 934,500	\$ 1,066,081	\$ 131,581	14.1%
Sales	661,300	651,953	(9,347)	(1.4%)
Corporation Business	422,500	337,074	(85,426)	(20.2%)
Lottery	85,200	73,909	(11,291)	(13.3%)
Motor Fuels	43,200	39,802	(3,398)	(7.9%)
Motor Vehicle Fees (b)	47,800	48,179	379	0.8%
Transfer Inheritance	62,000	53,773	(8,227)	(13.3%)
Casino Revenue	16,400	13,002	(3,398)	(20.7%)
Insurance Premium	2,800	5,065	2,265	80.9%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	18,100	17,478	(622)	(3.4%)
Corp. Banks & Financial Institutions	27,200	44,944	17,744	65.2%
Alcoholic Beverage Excise	200	111	(89)	(44.5%)
Realty Transfer	20,000	14,195	(5,805)	(29.0%)
Tobacco Products Wholesale Sales (a)	900	1,858	958	106.4%
Public Utility	-	-	-	-
Total Revenues	<u>\$ 2,342,100</u>	<u>\$ 2,367,424</u>	<u>\$ 25,324</u>	1.1%

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(c) Monthly budgets are estimates based on long-term, intra-year revenue collection patterns and fiscal year projections. Because of fluctuations in revenue collections from year to year, one month's collections may differ dramatically from year-earlier figures and budgets without necessarily affecting total revenue collections in a fiscal year.

**STATE OF NEW JERSEY
FISCAL YEAR 2013
REVENUE SOURCE
BUDGET VERSUS ACTUAL
FOR THE SIX MONTHS ENDED DECEMBER 31, 2012
(\$ Thousands)**

Revenue Source	DECEMBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget (c)	Actual		
Gross Income	\$ 4,257,800	\$ 4,357,803	\$ 100,003	2.3%
* Sales	3,446,500	3,257,830	(188,670)	(5.5%)
Corporation Business	1,097,300	932,049	(165,251)	(15.1%)
Lottery	479,800	451,652	(28,148)	(5.9%)
* Motor Fuels	240,800	219,348	(21,452)	(8.9%)
Motor Vehicle Fees (b)	98,100	94,737	(3,363)	(3.4%)
Transfer Inheritance	365,200	300,502	(64,698)	(17.7%)
Casino Revenue	138,600	102,120	(36,480)	(26.3%)
Insurance Premium	11,900	26,513	14,613	122.8%
Cigarette (a)	-	-	-	-
* Petroleum Products Gross Receipts	96,600	87,797	(8,803)	(9.1%)
Corp. Banks & Financial Institutions	70,500	71,097	597	0.8%
* Alcoholic Beverage Excise	36,000	31,360	(4,640)	(12.9%)
* Realty Transfer	107,500	86,644	(20,856)	(19.4%)
Tobacco Products Wholesale Sales (a)	8,100	9,359	1,259	15.5%
Public Utility	-	-	-	-
Total Revenues	<u>\$ 10,454,700</u>	<u>\$ 10,028,810</u>	<u>\$ (425,890)</u>	(4.1%)

* Revenues are on a one month lag. All other revenues represent six months of cash collections.

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The foregoing estimates were prepared in May 2012 in connection with the preparation of the Fiscal Year 2013 budget. Such estimates and the assumptions supporting them were based on information at the time of the projections, are believed to be reasonable, and are not construed as assurances of actual outcomes. All such estimates of future revenues constitute forward-looking statements and may or may not be realized because of a variety of economic and other circumstances.