



State of New Jersey

Department of the Treasury

For Immediate Release:
March 7, 2013

For Information Contact:
Bill Quinn
(609) 984-6493

Strength in State Revenues Continues in February for Third Month in a Row *February Results 9.5 Percent Ahead of Initial Forecasts*

TRENTON – A second month of strong sales tax collections combined with the continued over-performance of the state’s income tax collections made February the third month in a row where the state’s revenues exceeded initial forecasts. Overall, February revenues were \$156 million, or 9.5 percent, ahead of forecasts.

“February was another strong month for state revenues and the steady gains we have been seeing over the past three months add up to a very encouraging trend,” said State Treasurer Andrew Sidamon-Eristoff.

On a year-over-year basis, collections in February were up 6.6 percent for the sales tax and 5.1 percent for the income tax. For July through February of fiscal year 2013, income tax collections were 8.6 percent higher, and sales tax collections were 2.1 percent higher than those receipts over the same period of time last year. Overall, the \$14.89 billion the state has collected during the first 8 months of fiscal year 2013 represents growth of 4.4 percent over the previous year.

February also saw a more than 50 percent year-over-year increase in collections of the realty transfer tax which is paid when real estate transactions are completed. With February’s gain, collections of the tax in fiscal year 2013 are running 7.2 percent higher than their level in the prior fiscal year.

“The ongoing strength in income and sales taxes combined with a growth in realty transfer tax collections could be a sign that a turnaround in the housing market is

starting and reflects an ongoing improvement in the state's economy," said Dr. Charles Steindel, the Department of the Treasury's Chief Economist.

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

(\$ Thousands)

FEBRUARY		%		FEBRUARY - YTD		%
2012	2013			2012	2013	
\$ 668,173	\$ 701,962	5.1%	Gross Income Tax	\$ 6,296,650	\$ 6,836,426	8.6%
577,950	616,008	6.6%	Sales	4,657,283	4,756,469	2.1%
22,210	20,444	(8.0%)	Corporation Business	1,083,926	1,036,535	(4.4%)
82,606	69,386	(16.0%)	Lottery	591,843	596,214	0.7%
35,480	40,168	13.2%	Motor Fuels	304,895	303,724	(0.4%)
44,113	57,213	29.7%	Motor Vehicle Fees (b)	215,648	215,017	(0.3%)
39,852	50,485	26.7%	Transfer Inheritance	434,401	406,557	(6.4%)
19,778	15,308	(22.6%)	Casino Revenue	150,933	133,452	(11.6%)
144,368	190,002	31.6%	Insurance Premium	167,922	217,106	29.3%
-	7,540	-	Cigarette (a)	-	7,540	-
14,457	15,076	4.3%	Petroleum Products Gross Receipts	131,126	120,712	(7.9%)
2,306	(262)	(111.4%)	Corp. Banks & Financial Institutions	44,529	71,157	59.8%
302	249	(17.5%)	Alcoholic Beverage Excise	53,369	53,685	0.6%
13,277	20,005	50.7%	Realty Transfer	115,857	124,173	7.2%
-	-	-	Savings Institutions	(9)	(1)	-
1,086	1,024	(5.7%)	Tobacco Products Wholesale Sales (a)	11,936	12,334	3.3%
-	-	-	Public Utility	-	-	-
<u>\$ 1,665,958</u>	<u>\$ 1,804,608</u>	8.3%	Total Major Revenues	<u>\$ 14,260,309</u>	<u>\$ 14,891,100</u>	4.4%

(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, \$204.9 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 FEBRUARY 2013
(\$ Thousands)

Revenue Source	FEBRUARY		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 559,600	\$ 701,962	\$ 142,362	25.4%
Sales	598,800	616,008	17,208	2.9%
Corporation Business	31,700	20,444	(11,256)	(35.5%)
Lottery	79,300	69,386	(9,914)	(12.5%)
Motor Fuels	36,100	40,168	4,068	11.3%
Motor Vehicle Fees (b)	49,500	57,213	7,713	15.6%
Transfer Inheritance	45,000	50,485	5,485	12.2%
Casino Revenue	23,500	15,308	(8,192)	(34.9%)
Insurance Premium	175,500	190,002	14,502	8.3%
Cigarette (a)	14,000	7,540	(6,460)	(46.1%)
Petroleum Products Gross Receipts	16,300	15,076	(1,224)	(7.5%)
Corp. Banks & Financial Institutions	2,000	(262)	(2,262)	(113.1%)
Alcoholic Beverage Excise	400	249	(151)	(37.8%)
Realty Transfer	15,400	20,005	4,605	29.9%
Tobacco Products Wholesale Sales (a)	1,200	1,024	(176)	(14.7%)
Public Utility	-	-	-	-
Total Revenues	<u>\$ 1,648,300</u>	<u>\$ 1,804,608</u>	<u>\$ 156,308</u>	9.5%

- (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, \$204.9 million of FY 2013 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.
- (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 EIGHT MONTHS ENDED FEBRUARY 28, 2013
(\$ Thousands)**

Revenue Source	FEBRUARY		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 6,492,400	\$ 6,836,426	\$ 344,026	5.3%
* Sales	4,893,000	4,756,469	(136,531)	(2.8%)
Corporation Business	1,254,100	1,036,535	(217,565)	(17.3%)
Lottery	640,700	596,214	(44,486)	(6.9%)
* Motor Fuels	322,600	303,724	(18,876)	(5.9%)
Motor Vehicle Fees (b)	200,800	215,017	14,217	7.1%
Transfer Inheritance	465,700	406,557	(59,143)	(12.7%)
Casino Revenue	185,300	133,452	(51,848)	(28.0%)
Insurance Premium	186,000	217,106	31,106	16.7%
Cigarette (a)	14,000	7,540	(6,460)	(46.1%)
* Petroleum Products Gross Receipts	132,800	120,712	(12,088)	(9.1%)
Corp. Banks & Financial Institutions	80,500	71,157	(9,343)	(11.6%)
* Alcoholic Beverage Excise	60,400	53,685	(6,715)	(11.1%)
* Realty Transfer	145,300	124,173	(21,127)	(14.5%)
Tobacco Products Wholesale Sales (a)	11,600	12,334	734	6.3%
Public Utility	-	-	-	-
Total Revenues	<u>\$ 15,085,200</u>	<u>\$ 14,891,100</u>	<u>\$ (194,100)</u>	<u>(1.3%)</u>

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

(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, \$204.9 million of FY 2013 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(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.

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.