



State of New Jersey

Department of the Treasury

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Year-to-Date Revenues Are Up 6.4 Percent, Tracking Annual Growth Target

Trenton – New Jersey collected \$6.53 billion in tax revenues from its major taxes for the four months ended in October, 6.4 percent higher than the prior year as cash collections for sales tax continued to run well ahead of their full-year growth target.

For the State's sixteen major taxes as a group, the overall growth of 6.4 percent is running ahead of the 6.3 percent target for full-year revenue growth. For the sales tax, the fiscal year-to-date growth of 9.4 percent in cash collections is more than 4 percent ahead of the full-year revenue target of 5.3 percent.

Income tax collections in October totaled \$880.4 million, \$10 million, or 1.1 percent, below their level in October 2012. The drop was partly caused by a higher level of refund payments this year. A total of \$98.6 million in refunds was paid during October, nearly double the \$50.1 million paid out in October 2012. Total refund payments that month were reduced due to disruptions caused by Superstorm Sandy.

In the aftermath of the storm, State offices were forced to close during the last week of October 2012 and refund checks that had been scheduled to go out were delayed into November.

"Sandy resulted in quite complex changes to state revenues in the latter months of 2012," Treasury Chief Economist Dr. Charles Steindel noted, "complicating comparisons of this year's monthly collections to last year's. The fact is that the storm-induced delay in refunds boosted revenues last October, though that short-lived spur was reversed in November. Looking

through the noise, the ongoing strength in sales tax collections in October is the clearest sign that the state's economy continues to move forward."

"The steady performance of the State's major tax revenues relative to their full-year growth target is an encouraging sign that New Jersey's overall economy is continuing to expand," said State Treasurer Andrew Sidamon-Eristoff.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2014 - OCTOBER 2013 versus 2012

(\$ Thousands)

| OCTOBER | | | % Change | | OCTOBER - YTD | | % Change |
|---------------------|---------------------|---------|-------------|---------------------|---------------------|--------|--------------------------------------|
| 2012 | 2013 | | | | 2012 | 2013 | |
| \$ 890,547 | \$ 880,491 | (1.1%) | | \$ 2,697,098 | \$ 2,825,786 | 4.8% | Gross Income Tax |
| 714,735 | 768,602 | 7.5% | | 2,021,913 | 2,211,285 | 9.4% | Sales |
| 67,683 | 93,095 | 37.5% | | 536,428 | 526,695 | (1.8%) | Corporation Business |
| 66,655 | 71,811 | 7.7% | | 293,144 | 312,017 | 6.4% | Lottery |
| 43,871 | 46,651 | 6.3% | | 134,226 | 128,775 | (4.1%) | Motor Fuels |
| 6,069 | - | - | | 6,069 | - | - | Motor Vehicle Fees (b) |
| 67,251 | 60,022 | (10.7%) | | 204,029 | 226,616 | 11.1% | Transfer Inheritance |
| 16,131 | 15,285 | (5.2%) | | 78,205 | 74,048 | (5.3%) | Casino Revenue |
| (1,203) | 661 | 154.9% | | 14,125 | 18,623 | 31.8% | Insurance Premium |
| - | - | - | | - | - | - | Cigarette (a) |
| 17,885 | 17,756 | (0.7%) | | 52,590 | 62,086 | 18.1% | Petroleum Products Gross Receipts |
| 555 | 18,535 | - | | 24,381 | 54,552 | 123.7% | Corp. Banks & Financial Institutions |
| 283 | 668 | 136.0% | | 16,032 | 16,335 | 1.9% | Alcoholic Beverage Excise |
| 21,256 | 19,908 | (6.3%) | | 57,318 | 68,597 | 19.7% | Realty Transfer |
| 2,453 | 1,839 | (25.0%) | | 5,917 | 6,069 | 2.6% | Tobacco Products Wholesale Sales (a) |
| - | - | - | | - | - | - | Public Utility |
| <u>\$ 1,914,170</u> | <u>\$ 1,995,324</u> | 4.2% | | <u>\$ 6,141,474</u> | <u>\$ 6,531,484</u> | 6.4% | 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, \$244.9 million of FY 2014 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

STATE OF NEW JERSEY
FISCAL YEAR 2014
REVENUE SOURCE
BUDGET VERSUS ACTUAL
MONTH OF OCTOBER 2013
(\$ Thousands)

| Revenue Source | OCTOBER | | Variance Over/(Under) Budget | % Variance Over/(Under) Budget |
|--------------------------------------|---------------------|---------------------|------------------------------------|--------------------------------------|
| | Cash Budget (c) | Actual | | |
| Gross Income | \$ 916,700 | \$ 880,491 | \$ (36,209) | (3.9%) |
| Sales | 765,000 | 768,602 | 3,602 | 0.5% |
| Corporation Business | 100,400 | 93,095 | (7,305) | (7.3%) |
| Lottery | 81,800 | 71,811 | (9,989) | (12.2%) |
| Motor Fuels | 47,700 | 46,651 | (1,049) | (2.2%) |
| Motor Vehicle Fees (b) | - | - | - | - |
| Transfer Inheritance | 67,900 | 60,022 | (7,878) | (11.6%) |
| Casino Revenue | 18,600 | 15,285 | (3,315) | (17.8%) |
| Insurance Premium | 400 | 661 | 261 | 65.3% |
| Cigarette (a) | - | - | - | - |
| Petroleum Products Gross Receipts | 19,400 | 17,756 | (1,644) | (8.5%) |
| Corp. Banks & Financial Institutions | 1,800 | 18,535 | 16,735 | 929.7% |
| Alcoholic Beverage Excise | 300 | 668 | 368 | 122.7% |
| Realty Transfer | 26,200 | 19,908 | (6,292) | (24.0%) |
| Tobacco Products Wholesale Sales (a) | 2,300 | 1,839 | (461) | (20.0%) |
| Public Utility | - | - | - | - |
| Total Revenues | <u>\$ 2,048,500</u> | <u>\$ 1,995,324</u> | <u>\$ (53,176)</u> | (2.6%) |

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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 2014
REVENUE SOURCE
BUDGET VERSUS ACTUAL
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013
(\$ Thousands)**

| Revenue Source | OCTOBER | | Variance Over/(Under) Budget | % Variance Over/(Under) Budget |
|--------------------------------------|---------------------|---------------------|------------------------------------|--------------------------------------|
| | Cash Budget | (c) Actual | | |
| Gross Income | \$ 2,834,100 | \$ 2,825,786 | \$ (8,314) | (0.3%) |
| * Sales | 2,206,200 | 2,211,285 | 5,085 | 0.2% |
| Corporation Business | 591,200 | 526,695 | (64,505) | (10.9%) |
| Lottery | 319,500 | 312,017 | (7,483) | (2.3%) |
| * Motor Fuels | 146,500 | 128,775 | (17,725) | (12.1%) |
| Motor Vehicle Fees (b) | - | - | - | - |
| Transfer Inheritance | 239,200 | 226,616 | (12,584) | (5.3%) |
| Casino Revenue | 74,400 | 74,048 | (352) | (0.5%) |
| Insurance Premium | 16,000 | 18,623 | 2,623 | 16.4% |
| Cigarette (a) | - | - | - | - |
| * Petroleum Products Gross Receipts | 60,300 | 62,086 | 1,786 | 3.0% |
| Corp. Banks & Financial Institutions | 47,200 | 54,552 | 7,352 | 15.6% |
| * Alcoholic Beverage Excise | 21,700 | 16,335 | (5,365) | (24.7%) |
| * Realty Transfer | 84,300 | 68,597 | (15,703) | (18.6%) |
| Tobacco Products Wholesale Sales (a) | 6,100 | 6,069 | (31) | (0.5%) |
| Public Utility | - | - | - | - |
| Total Revenues | <u>\$ 6,646,700</u> | <u>\$ 6,531,484</u> | <u>\$ (115,216)</u> | (1.7%) |

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

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The foregoing cash budget estimates were prepared in June 2013 in connection with the adoption of the Fiscal Year 2014 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.