



State of New Jersey

Department of the Treasury

For Immediate Release:
July 1, 2013

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Revenues Outpaced Projections for the Sixth Consecutive Month as Income Tax Collections Set a New Record in May

Trenton – New Jersey revenues in May exceeded projections for the sixth consecutive month as collections of the State’s income and sales taxes showed continued strength.

Collections of the income tax totaled \$805 million, their highest level on record for the month of May, and more than 10 percent above the previous record of \$728.9 million set in May 2010. On a year-over-year basis, income tax collections were up by 14.9 percent and, on a monthly basis, they beat the revised projected target by 11.6 percent.

Sales tax collections, at \$626 million, were up 2.8 percent on a year-over-year basis and were 1.6 percent ahead of their revised target for the month.

For the eleven months ended May 31, income, sales and corporation business tax collections were all ahead of revised projections as were total revenues for the State’s 16 major revenues sources as a group.

“The report reflects ongoing improvement in the economic conditions of state residents,” said Dr. Charles Steindel, chief economist for the New Jersey Treasury Department. “Income tax collections continue to grow rapidly, even after the receipt of large final payments in April, and sales tax receipts remain on an upward track.”

Revenues for the Transfer Inheritance Tax and the Realty Transfer Tax were both slightly below targets through the end of May, with Transfer Inheritance collections 2.8 percent below revised projections and the Realty Transfer Tax lagging its revised projected level by 2 percent. However, the lower than expected collections of these and other more narrowly targeted taxes were offset by the continuing strength in the State's most broadly based taxes.

"As we close out the books on fiscal year 2013, the same macro trends we have noted throughout the past twelve months are continuing to shape our overall results," said State Treasurer Andrew Sidamon-Eristoff.

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

(\$ Thousands)

| MAY | | % Change | | MAY - YTD | | % Change |
|---------------------|---------------------|-------------|--------------------------------------|----------------------|----------------------|-------------|
| 2012 | 2013 | | | 2012 | 2013 | |
| \$ 700,831 | \$ 805,394 | 14.9% | Gross Income Tax | \$ 9,254,270 | \$ 10,449,885 | 12.9% |
| 608,991 | 626,266 | 2.8% | Sales | 6,533,241 | 6,734,412 | 3.1% |
| 118,442 | 110,208 | (7.0%) | Corporation Business | 1,905,140 | 1,900,894 | (0.2%) |
| 78,234 | 98,540 | 26.0% | Lottery | 853,010 | 863,800 | 1.3% |
| 52,121 | 41,788 | (19.8%) | Motor Fuels | 446,368 | 425,882 | (4.6%) |
| 68,582 | 56,566 | (17.5%) | Motor Vehicle Fees (b) | 399,258 | 394,487 | (1.2%) |
| 60,142 | 53,621 | (10.8%) | Transfer Inheritance | 590,763 | 546,925 | (7.4%) |
| 18,898 | 21,442 | 13.5% | Casino Revenue | 211,104 | 195,728 | (7.3%) |
| 131,428 | 176,028 | 33.9% | Insurance Premium | 437,779 | 508,643 | 16.2% |
| 120,629 | 58,002 | (51.9%) | Cigarette (a) | 226,087 | 181,274 | (19.8%) |
| 18,970 | 17,936 | (5.5%) | Petroleum Products Gross Receipts | 185,573 | 172,722 | (6.9%) |
| 1,957 | 1,904 | (2.7%) | Corp. Banks & Financial Institutions | 57,602 | 111,601 | 93.7% |
| 14,768 | 15,198 | 2.9% | Alcoholic Beverage Excise | 79,373 | 79,789 | 0.5% |
| 14,643 | 18,156 | 24.0% | Realty Transfer | 153,113 | 174,421 | 13.9% |
| 1,896 | 1,803 | (4.9%) | Tobacco Products Wholesale Sales (a) | 17,010 | 17,219 | 1.2% |
| 14,373 | 5,895 | (59.0%) | Public Utility | 14,373 | 15,431 | 7.4% |
| <u>\$ 2,024,905</u> | <u>\$ 2,108,747</u> | 4.1% | Total Major Revenues | <u>\$ 21,364,064</u> | <u>\$ 22,773,113</u> | 6.6% |

(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, \$209.0 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
TMT BUDGET VERSUS ACTUAL
MONTH OF MAY 2013
(\$ Thousands)

| Revenue Source | MAY | | Variance Over/(Under) TMT Budget | % Variance Over/(Under) TMT Budget |
|--------------------------------------|---------------------|---------------------|---|---|
| | TMT | (c) | | |
| | Cash Budget | | | |
| Gross Income | \$ 721,700 | \$ 805,394 | \$ 83,694 | 11.6% |
| Sales | 616,300 | 626,266 | 9,966 | 1.6% |
| Corporation Business | 107,800 | 110,208 | 2,408 | 2.2% |
| Lottery | 85,300 | 98,540 | 13,240 | 15.5% |
| Motor Fuels | 52,400 | 41,788 | (10,612) | (20.3%) |
| Motor Vehicle Fees (b) | 53,000 | 56,566 | 3,566 | 6.7% |
| Transfer Inheritance | 69,500 | 53,621 | (15,879) | (22.8%) |
| Casino Revenue | 19,000 | 21,442 | 2,442 | 12.9% |
| Insurance Premium | 129,800 | 176,028 | 46,228 | 35.6% |
| Cigarette (a) | 72,800 | 58,002 | (14,798) | (20.3%) |
| Petroleum Products Gross Receipts | 21,900 | 17,936 | (3,964) | (18.1%) |
| Corp. Banks & Financial Institutions | 20,000 | 1,904 | (18,096) | (90.5%) |
| Alcoholic Beverage Excise | 17,800 | 15,198 | (2,602) | (14.6%) |
| Realty Transfer | 21,600 | 18,156 | (3,444) | (15.9%) |
| Tobacco Products Wholesale Sales (a) | 1,500 | 1,803 | 303 | 20.2% |
| Public Utility | 4,500 | 5,895 | 1,395 | 31.0% |
| Total Revenues | <u>\$ 2,014,900</u> | <u>\$ 2,108,747</u> | <u>\$ 93,847</u> | 4.7% |

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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
TMT BUDGET VERSUS ACTUAL
FOR THE ELEVEN MONTHS ENDED MAY 31, 2013
(\$ Thousands)**

| Revenue Source | MAY | | Variance Over/(Under) TMT Budget | % Variance Over/(Under) TMT Budget |
|--------------------------------------|----------------------|----------------------|---|---|
| | TMT Cash Budget | (c) Actual | | |
| Gross Income | \$ 10,366,200 | \$ 10,449,885 | \$ 83,685 | 0.8% |
| * Sales | 6,724,400 | 6,734,412 | 10,012 | 0.1% |
| Corporation Business | 1,898,500 | 1,900,894 | 2,394 | 0.1% |
| Lottery | 850,600 | 863,800 | 13,200 | 1.6% |
| * Motor Fuels | 436,500 | 425,882 | (10,618) | (2.4%) |
| Motor Vehicle Fees (b) | 390,900 | 394,487 | 3,587 | 0.9% |
| Transfer Inheritance | 562,800 | 546,925 | (15,875) | (2.8%) |
| Casino Revenue | 193,300 | 195,728 | 2,428 | 1.3% |
| Insurance Premium | 462,400 | 508,643 | 46,243 | 10.0% |
| Cigarette (a) | 196,100 | 181,274 | (14,826) | (7.6%) |
| * Petroleum Products Gross Receipts | 176,700 | 172,722 | (3,978) | (2.3%) |
| Corp. Banks & Financial Institutions | 129,700 | 111,602 | (18,098) | (14.0%) |
| * Alcoholic Beverage Excise | 82,400 | 79,789 | (2,611) | (3.2%) |
| * Realty Transfer | 177,900 | 174,421 | (3,479) | (2.0%) |
| Tobacco Products Wholesale Sales (a) | 16,900 | 17,219 | 319 | 1.9% |
| Public Utility | 14,000 | 15,431 | 1,431 | 10.2% |
| Total Revenues | <u>\$ 22,679,300</u> | <u>\$ 22,773,113</u> | <u>\$ 93,813</u> | 0.4% |

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

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