



State of New Jersey

Department of the Treasury

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Super Storm Sandy Affects State Finances, Slows Spending

TRENTON – Super Storm Sandy kept shoppers, casino gamblers and commuters at home, which reduced revenue for November. Collections also were affected when the State granted relief from tax payment deadlines to those New Jerseyans in need after the storm. Despite the drop, income taxes reached a record level in the five months that ended on November 30 after collections surged in October.

“Sandy left its mark on the State’s finances in November,” Treasurer Andrew Sidamon-Eristoff said. “Fortunately, year-to-date income tax collections remain strong, and spending on the recovery is expected to create opportunities that should be positive for some types of revenue in the second half of the fiscal year.”

Income tax revenue was 11 percent below projections for the month. However, even with the drop due to Super Storm Sandy, income taxes reached a record level in the five months that ended on November 30 after collections surged in October. Sales taxes, New Jersey’s second-biggest revenue generator, remained flat while casino revenue was clearly affected by the storm, falling 38 percent, and motor fuel taxes dropped nearly 13 percent. Lottery sales rose 23 percent as Power Ball ticket sales surged ahead of a Nov. 28 drawing for \$587 million.

“Sandy and its aftereffects depressed many revenue components, most notably sales, income, gasoline, casino, and realty transfer taxes,” Treasury Chief Economist Charles Steindel said. “What’s reassuring is that even a storm like Sandy couldn’t prevent income tax revenue from reaching a five-month record high.”

The State allowed taxpayers affected to delay payments until November 14th. In addition, the Division of Taxation has granted longer extensions of filings on a case-by-case basis to taxpayers who suffered unavoidable delays due to destruction of property and other storm-related impediments.

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

(\$ Thousands)

NOVEMBER		% Change		NOVEMBER - YTD		% Change
2011	2012			2011	2012	
\$ 783,265	\$ 594,624	(24.1%)	Gross Income Tax	\$ 3,236,350	\$ 3,291,722	1.7%
587,146	583,964	(0.5%)	Sales	2,615,622	2,605,877	(0.4%)
29,921	58,547	95.7%	Corporation Business	560,702	594,975	6.1%
68,625	84,599	23.3%	Lottery	354,560	377,743	6.5%
51,845	45,320	(12.6%)	Motor Fuels	189,625	179,546	(5.3%)
49,690	40,489	(18.5%)	Motor Vehicle Fees (b)	72,854	46,558	(36.1%)
58,361	42,700	(26.8%)	Transfer Inheritance	287,465	246,729	(14.2%)
17,591	10,913	(38.0%)	Casino Revenue	96,489	89,118	(7.6%)
9,635	7,323	(24.0%)	Insurance Premium	21,804	21,448	(1.6%)
-	-	-	Cigarette (a)	-	-	-
19,686	17,729	(9.9%)	Petroleum Products Gross Receipts	79,763	70,319	(11.8%)
2,040	1,772	(13.1%)	Corp. Banks & Financial Institutions	21,089	26,153	24.0%
10,241	15,217	48.6%	Alcoholic Beverage Excise	30,658	31,249	1.9%
15,968	15,131	(5.2%)	Realty Transfer	71,132	72,449	1.9%
1,602	1,584	(1.1%)	Tobacco Products Wholesale Sales (a)	7,506	7,501	(0.1%)
-	-	-	Public Utility	-	-	-
<u>\$ 1,705,616</u>	<u>\$ 1,519,912</u>	(10.9%)	Total Major Revenues	<u>\$ 7,645,619</u>	<u>\$ 7,661,386</u>	0.2%

(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 NOVEMBER 2012
(\$ Thousands)**

Revenue Source	NOVEMBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 669,800	\$ 594,624	\$ (75,176)	(11.2%)
Sales	644,200	583,964	(60,236)	(9.4%)
Corporation Business	58,100	58,547	447	0.8%
Lottery	78,800	84,599	5,799	7.4%
Motor Fuels	50,200	45,320	(4,880)	(9.7%)
Motor Vehicle Fees (b)	48,700	40,489	(8,211)	(16.9%)
Transfer Inheritance	62,400	42,700	(19,700)	(31.6%)
Casino Revenue	22,400	10,913	(11,487)	(51.3%)
Insurance Premium	8,800	7,323	(1,477)	(16.8%)
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	19,800	17,729	(2,071)	(10.5%)
Corp. Banks & Financial Institutions	3,700	1,772	(1,928)	(52.1%)
Alcoholic Beverage Excise	15,900	15,217	(683)	(4.3%)
Realty Transfer	19,200	15,131	(4,069)	(21.2%)
Tobacco Products Wholesale Sales (a)	1,600	1,584	(16)	(1.0%)
Public Utility	-	-	-	-
Total Revenues	<u>\$ 1,703,600</u>	<u>\$ 1,519,912</u>	<u>\$ (183,688)</u>	(10.8%)

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(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.

(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 FIVE MONTHS ENDED NOVEMBER 30, 2012
(\$ Thousands)**

Revenue Source	NOVEMBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 3,323,300	\$ 3,291,722	\$ (31,578)	(1.0%)
* Sales	2,785,200	2,605,877	(179,323)	(6.4%)
Corporation Business	674,800	594,975	(79,825)	(11.8%)
Lottery	394,600	377,743	(16,857)	(4.3%)
* Motor Fuels	197,600	179,546	(18,054)	(9.1%)
Motor Vehicle Fees (b)	50,300	46,558	(3,742)	(7.4%)
Transfer Inheritance	303,200	246,729	(56,471)	(18.6%)
Casino Revenue	122,200	89,118	(33,082)	(27.1%)
Insurance Premium	9,100	21,448	12,348	1279.1%
Cigarette (a)	-	-	-	-
* Petroleum Products Gross Receipts	78,500	70,319	(8,181)	(10.4%)
Corp. Banks & Financial Institutions	43,300	26,153	(17,147)	(39.6%)
* Alcoholic Beverage Excise	35,800	31,249	(4,551)	(12.7%)
* Realty Transfer	87,500	72,449	(15,051)	(17.2%)
Tobacco Products Wholesale Sales (a)	7,200	7,501	301	4.2%
Public Utility	-	-	-	-
Total Revenues	<u>\$ 8,112,600</u>	<u>\$ 7,661,386</u>	<u>\$ (451,214)</u>	<u>(5.6%)</u>

* Revenues are on a one month lag. All other revenues represent five 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.