



State of New Jersey

Department of the Treasury

For Immediate Release
October 15, 2010

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

First-Quarter Revenues Match Projections in Fiscal 2011 Budget

TRENTON – First-quarter revenues are on track to match the estimates put forth in the fiscal 2011 budget as September income taxes more than offset continuing weak sales tax collections, State Treasurer Andrew P. Sidamon-Eristoff announced.

“While it’s always positive when revenue meets projections, the lingering weakness in sales tax collections is a clear sign that New Jersey cannot afford to abandon the discipline imposed by Governor Christie’s fiscal 2011 budget,” Sidamon-Eristoff said.

Total revenue for the year to date is coming in at 0.2 percent more than projections, or \$5.9 billion. Income tax collections are on pace to be 4.5 percent higher compared to budgeted amounts, while sales taxes are down 2.6 percent and corporation business taxes fell a statistically insignificant 0.2 percent.

“The only long-term solution to our fiscal woes is a vibrant private sector that generates natural growth in tax revenues,” the Treasurer said. “It’s vital that state government stay the course that Governor Christie has set out for revitalizing the New Jersey economy.”

For the month of September, income taxes are on pace to exceed forecasts by 9.3 percent, and corporate business taxes are up nearly 23 percent over the budgeted amounts. Sales taxes are projected to fall 4.9 percent below budget.

“While encouraging, one month of rising revenue doesn’t equal a trend,” Sidamon-Eristoff said. “The struggle to recover from recession is only beginning, and the need for fiscal restraint remains critical.”

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010
(\$ Thousands)

Revenue Source	SEPTEMBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 1,847,000	\$ 1,930,472	\$ 83,472	4.5%
Sales	2,020,300	1,967,617	(52,683)	(2.6%)
Corporation Business	379,800	379,074	(726)	(0.2%)
Lottery	217,900	211,554	(6,346)	(2.9%)
Motor Fuels	149,400	143,825	(5,575)	(3.7%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	160,300	142,870	(17,430)	(10.9%)
Casino Revenue	75,500	75,798	298	0.4%
Insurance Premium	900	12,923	12,023	1335.9%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	58,200	55,839	(2,361)	(4.1%)
Corp. Banks & Financial Institutions	25,100	44,915	19,815	78.9%
Alcoholic Beverage Excise	17,100	14,938	(2,162)	(12.6%)
Realty Transfer	75,700	58,554	(17,146)	(22.6%)
Tobacco Products Wholesale Sales (a)	3,900	3,471	(429)	(11.0%)
Public Utility	-	-	-	-
Total	\$ 5,031,100	\$ 5,041,850	\$ 10,750	0.2%
All Other (c)	865,800	865,800	-	-
Total Revenues	\$ 5,896,900	\$ 5,907,650	\$ 10,750	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, \$238.0 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) Due to the sporadic nature of cash collections, including once a year assessments, OMB accrues to the budgeted target on a monthly basis and adjusts at the time of GBM.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS EARNED
MONTH OF SEPTEMBER 2010
(\$ Thousands)

Revenue Source	SEPTEMBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 895,000	\$ 978,554	\$ 83,554	9.3%
Sales	682,000	648,357	(33,643)	(4.9%)
Corporation Business	270,000	331,313	61,313	22.7%
Lottery	72,400	67,853	(4,547)	(6.3%)
Motor Fuels	49,800	44,591	(5,209)	(10.5%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	49,400	46,228	(3,172)	(6.4%)
Casino Revenue	22,800	20,876	(1,924)	(8.4%)
Insurance Premium	-	3,468	3,468	-
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	19,300	18,543	(757)	(3.9%)
Corp. Banks & Financial Institutions	20,400	31,611	11,211	55.0%
Alcoholic Beverage Excise	200	(1,958)	(2,158)	(1079.0%)
Realty Transfer	23,100	12,068	(11,032)	(47.8%)
Tobacco Products Wholesale Sales (a)	2,300	1,808	(492)	(21.4%)
Public Utility	-	-	-	-
Total	\$ 2,106,700	\$ 2,203,312	\$ 96,612	4.6%
All Other (c)	289,100	289,100	-	-
Total Revenues	\$ 2,395,800	\$ 2,492,412	\$ 96,612	4.0%

(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, \$238.0 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) Due to the sporadic nature of cash collections, including once a year assessments, OMB accrues to the budgeted target on a monthly basis and adjusts at the time of GBM.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2011 - SEPTEMBER 2010 versus 2009
(\$ Thousands)

SEPTEMBER		%		SEPTEMBER - YTD		%
2009	2010			Change	2009	
\$ 1,012,721	\$ 1,046,554	3.3%	Gross Income Tax	\$ 1,650,728 (c)	\$ 1,706,472	3.4%
637,833	630,357	(1.2%)	Sales	1,282,677	1,285,617	0.2%
329,236	331,313	0.6%	Corporation Business	439,486	379,074	(13.7%)
66,879	67,853	1.5%	Lottery	227,160	211,554	(6.9%)
50,743	46,091	(9.2%)	Motor Fuels	93,683	94,025	0.4%
-	-	-	Motor Vehicle Fees (b)	-	-	-
39,658	46,228	16.6%	Transfer Inheritance	134,723	142,870	6.0%
26,388	20,876	(20.9%)	Casino Revenue	85,021	75,798	(10.8%)
475	3,468	630.1%	Insurance Premium	(27,862)	12,923	146.4%
-	-	-	Cigarette (a)	-	-	-
19,507	18,643	(4.4%)	Petroleum Products Gross Receipts	36,770	36,539	(0.6%)
14,006	31,611	125.7%	Corp. Banks & Financial Institutions	16,043	44,915	180.0%
16,893	14,642	(13.3%)	Alcoholic Beverage Excise	16,953	14,738	(13.1%)
23,039	15,968	(30.7%)	Realty Transfer	36,166	35,454	(2.0%)
2,699	1,808	(33.0%)	Tobacco Products Wholesale Sales (a)	3,338	3,471	4.0%
-	-	-	Public Utility	-	-	-
<u>\$ 2,240,077</u>	<u>\$ 2,275,412</u>	1.6%	Total Major Revenues	<u>\$ 3,994,886 (c)</u>	<u>\$ 4,043,450</u>	1.2%

(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, \$238.0 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) For comparative purposes, the 2009 YTD Gross Income Tax has been adjusted. Due to a formula error, \$111.858 million was recorded in June 2009 that should have been recorded in July 2009. The July Gross Income Tax withholding collections are allocated to June and July based on the number of work days that pertain to June versus July. To accurately reflect the correct allocation between June and July 2009, YTD 2009 Gross Income Tax has been increased by \$111.858 million.