



State of New Jersey

Department of the Treasury

For Immediate Release
November 23, 2012

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Income Taxes Set Record Pace as October Revenues Rise 6.8 Percent

TRENTON – October income tax collections set a record pace and monthly revenue from major taxes exceeded last year’s by 6.8 percent, even as Superstorm Sandy slowed some revenue streams late in the month, Treasurer Andrew Sidamon-Eristoff reported.

Monthly gross income tax collections exceeded budgeted amounts by 4.2 percent. Fiscal year to date, income tax collections climbed 9.9 percent, or 1.6 percent ahead of budgeted projections. Both the monthly and the year-to-date income tax figures beat previous records, signaling that New Jersey’s economic recovery continued to boost incomes in October, said Dr. Charles Steindel, Chief Economist for the Department of Treasury.

“The strength of the income tax revenue is striking and reflects sustained growth in personal incomes going into the storm,” Steindel said.

The onset of the storm did affect October revenues, even though it came late in the month, both Sidamon-Eristoff and Steindel said.

“Though the impact of the storm will show up more starkly with November revenue figures, revenue to casinos clearly started to trail off as news of the approaching storm was broadcast internationally,” said Sidamon-Eristoff, who noted that the State has relaxed deadlines for taxpayers impacted by Sandy.

Casino and sales taxes rose in September compared to year-earlier figures. In October, those figures were down sharply, suggesting, especially for casinos, some storm-related impact, Steindel said.

“The storm appears to have reduced casino, Lottery, and motor vehicle revenue, and may have interfered with sales and gas tax payments. It will take some time before we have the data needed to gauge the storm’s impact on these revenue streams precisely,” Steindel said.

Corporation business tax collections were down 39.3 percent in October, in part due to an unusual and large refund. Casino revenue fell 17.8 percent, and Lottery sales fell 6.9 percent. Deadlines for payments of some types of tax payments that were due on Oct. 31 – two days after Sandy’s landfall – have been extended. These delays likely had an impact on October collections. Storm-related delays and drops in payments also will have some impact on November collections as well, Steindel said.

For the year-to-date, revenue remained 3.4 percent above year-earlier levels. Relative to targets, revenue collections for the year to date are down \$263.8 million, eight-tenths of 1 percent of the total \$31.8 billion budget.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2013 - OCTOBER 2013 versus 2012
(\$ Thousands)

OCTOBER		% Change		OCTOBER - YTD		% Change
2011	2012			2011	2012	
\$ 710,486	\$ 890,547	25.3%	Gross Income Tax	\$ 2,453,085	\$ 2,697,098	9.9%
717,166	714,735	(0.3%)	Sales	2,028,476	2,021,913	(0.3%)
111,480	67,683	(39.3%)	Corporation Business	530,781	536,428	1.1%
71,616	66,655	(6.9%)	Lottery	285,935	293,144	2.5%
44,072	43,871	(0.5%)	Motor Fuels	137,780	134,226	(2.6%)
23,164	6,069	(73.8%)	Motor Vehicle Fees (b)	23,164	6,069	(73.8%)
53,813	67,251	25.0%	Transfer Inheritance	229,104	204,029	(10.9%)
19,632	16,131	(17.8%)	Casino Revenue	78,898	78,205	(0.9%)
539	(1,203)	(323.2%)	Insurance Premium	12,169	14,125	16.1%
-	-	-	Cigarette (a)	-	-	-
17,774	17,885	0.6%	Petroleum Products Gross Receipts	60,077	52,590	(12.5%)
2,527	555	(78.0%)	Corp. Banks & Financial Institutions	19,049	24,381	28.0%
184	283	53.8%	Alcoholic Beverage Excise	20,417	16,032	(21.5%)
18,349	21,256	15.8%	Realty Transfer	55,164	57,318	3.9%
2,166	2,453	13.3%	Tobacco Products Wholesale Sales (a)	5,904	5,917	0.2%
-	-	-	Public Utility	-	-	-
\$ 1,792,968	\$ 1,914,170	6.8%	Total Major Revenues	\$ 5,940,003	\$ 6,141,474	3.4%

(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, \$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 OCTOBER 2012
(\$ Thousands)**

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 854,800	\$ 890,547	\$ 35,747	4.2%
Sales	739,700	714,735	(24,965)	(3.4%)
Corporation Business	138,400	67,683	(70,717)	(51.1%)
Lottery	81,200	66,655	(14,545)	(17.9%)
Motor Fuels	48,200	43,871	(4,329)	(9.0%)
Motor Vehicle Fees (b)	1,600	6,069	4,469	279.3%
Transfer Inheritance	66,600	67,251	651	1.0%
Casino Revenue	21,500	16,131	(5,369)	(25.0%)
Insurance Premium	1,600	(1,203)	(2,803)	(175.2%)
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	18,700	17,885	(815)	(4.4%)
Corp. Banks & Financial Institutions	8,900	555	(8,345)	(93.8%)
Alcoholic Beverage Excise	200	283	83	41.5%
Realty Transfer	19,700	21,256	1,556	7.9%
Tobacco Products Wholesale Sales (a)	1,900	2,453	553	29.1%
Public Utility	-	-	-	-
Total Revenues	\$ 2,003,000	\$ 1,914,170	\$ (88,830)	(4.4%)

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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
BUDGET VERSUS ACTUAL
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012
(\$ Thousands)**

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 2,653,500	\$ 2,697,098	\$ 43,598	1.6%
* Sales	2,141,000	2,021,913	(119,087)	(5.6%)
Corporation Business	616,700	536,428	(80,272)	(13.0%)
Lottery	315,800	293,144	(22,656)	(7.2%)
* Motor Fuels	147,400	134,226	(13,174)	(8.9%)
Motor Vehicle Fees (b)	1,600	6,069	4,469	279.3%
Transfer Inheritance	240,800	204,029	(36,771)	(15.3%)
Casino Revenue	99,800	78,205	(21,595)	(21.6%)
Insurance Premium	300	14,125	13,825	1279.1%
Cigarette (a)	-	-	-	-
* Petroleum Products Gross Receipts	58,700	52,590	(6,110)	(10.4%)
Corp. Banks & Financial Institutions	35,900	24,381	(11,519)	(32.1%)
* Alcoholic Beverage Excise	19,900	16,032	(3,868)	(19.4%)
* Realty Transfer	68,300	57,318	(10,982)	(16.1%)
Tobacco Products Wholesale Sales (a)	5,600	5,917	317	5.7%
Public Utility	-	-	-	-
Total Revenues	\$ 6,405,300	\$ 6,141,474	\$ (263,826)	(4.1%)

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