



State of New Jersey

Department of the Treasury

For Immediate Release:
November 16, 2007

For Information Contact:
Tom Vincz
(609) 633-6565

October Revenue Collections on Target with Monthly, Year-to-Date Projections

TRENTON – Acting State Treasurer Michellene Davis said today that New Jersey’s revenues through the first four months of the fiscal year remain slightly ahead of projections for the FY 2008 budget, but sounded a cautionary note about the continued performance of some major revenue sources.

Led by stronger than anticipated performance in the Gross Income Tax and Corporation Business Tax, revenue collections are \$300.7 million, or 3.5 percent ahead of projections through the first four months of the fiscal year. Of the three major taxes, the GIT – at \$2.9 billion, is \$182.7 million (+6.6 percent) ahead of the year-to-date target; the Sales Tax, at \$2.8 billion, is \$8.4 million (-0.3 percent) under target, and the CBT, at \$760.4 million, is \$75.7 million (+11.1 percent) above its projection.

For October, GIT collections totaled \$808.8 million, which is 12.7 percent above the monthly projection. Sales Tax collections totaled \$635.5 million, which is 1.9 percent below target, while the CBT collections, at \$222 million, are 83.4 percent above the monthly estimate. Acting Treasurer Davis said the October boost in CBT income is largely attributable to enforcement actions.

“With the major revenue collection months still ahead of us, we’re not reading too much into the year to date figures,” said Davis. “We’re pleased to be ahead of projections at this stage, but we’re also mindful that our position is based on partial collection information. We must keep a vigilant watch over the flow of revenues and economic trends as we move deeper into the fiscal year,” she said.

David Rousseau, Budget Fiscal Policy Advisor to the Governor, noted that the revenue figures to date tend to belie the performance of other economic factors. “Many statehouses around the country are seeing mixed revenue pictures, and are wary of trends fueled by slowed consumer spending, tightening credit and higher prices for energy. We should expect to see these trends influence New Jersey revenues and will remain cautious as our fiscal picture comes into clearer focus in the weeks ahead,” he said.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS EARNED
MONTH OF OCTOBER 2007
(\$ Thousands)

Revenue Source	OCTOBER		Variance	% Variance
	Budget	Earned	Over/(Under) Budget	Over/(Under) Budget
Gross Income	\$ 717,000	\$ 807,848	\$ 90,848	12.7%
Sales	647,700	635,483	(12,217)	(1.9%)
Corporation Business	121,000	221,965	100,965	83.4%
Lottery	67,400	70,019	2,619	3.9%
Motor Fuels	48,700	52,072	3,372	6.9%
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	57,900	61,719	3,819	6.6%
Casino Revenue	35,000	32,433	(2,567)	(7.3%)
Insurance Premium	400	491	91	22.8%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	19,400	19,935	535	2.8%
Corp. Banks & Financial Institutions	500	23,511	23,011	4602.2%
Alcoholic Beverage Excise	15,300	15,405	105	-
Realty Transfer	29,800	27,134	(2,666)	(8.9%)
Tobacco Products Wholesale Sales (a)	1,100	1,103	3	0.3%
Public Utility	-	-	-	-
Total	\$ 1,761,200	\$ 1,969,118	\$ 207,918	11.8%
All Other	305,400	304,834	(566)	(0.2%)
Total Revenues	\$ 2,066,600	\$ 2,273,952	\$ 207,352	10.0%

(a) Pursuant to P.L. 06-37, revenue collections of \$370.0 million from the cigarette and tobacco products wholesale sales taxes are deposited in the Health Care Subsidy Fund starting with fiscal year 2007. 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, \$204.3 million of FY 2008 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2007
(\$ Thousands)

Revenue Source	July - October		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 2,754,000	\$ 2,936,750	\$ 182,750	6.6%
Sales	2,817,700	2,809,305	(8,395)	(0.3%)
Corporation Business	684,700	760,409	75,709	11.1%
Lottery	263,100	286,524	23,424	8.9%
Motor Fuels	189,200	195,650	6,450	3.4%
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	217,600	242,724	25,124	11.5%
Casino Revenue	141,900	141,871	(29)	(0.0%)
Insurance Premium	1,600	(12,236)	(13,836)	-
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	86,200	79,072	(7,128)	(8.3%)
Corp. Banks & Financial Institutions	18,700	40,298	21,598	115.5%
Alcoholic Beverage Excise	30,500	30,679	179	0.6%
Realty Transfer	131,000	130,955	(45)	(0.0%)
Tobacco Products Wholesale Sales (a)	3,500	3,766	266	7.6%
Public Utility	-	-	-	-
Total	\$ 7,339,700	\$ 7,645,767	\$ 306,067	4.2%
All Other	1,221,600	1,216,232	(5,368)	(0.4%)
Total Revenues	\$ 8,561,300	\$ 8,861,999	\$ 300,699	3.5%

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