



State of New Jersey

Department of the Treasury

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

State Revenues Below Projections For Third Straight Month

TRENTON – State Treasurer David Rousseau announced today that for the third straight month, revenues fell significantly below budget projections, with December’s collections coming in about \$354 million under target. There were also revenue shortfalls of about \$200 million in November and \$211 million in October. Collections through the first six months of FY09 total \$13.28 billion, which is \$812 million (-5.8 percent) below estimates for the period.

For December, nearly every major revenue source came in below projections. Among the big three, the Gross Income Tax came in \$191.9 million under projections, while the Sales Tax finished \$89 million below targets, and the Corporation Business Tax was \$73 million below budget estimates.

Through the six months ending December 31, Gross Income Tax was \$4.64 billion, which was \$405.6 million (-8 percent) under target. Corporation Business Tax collections came in at \$1.17 billion for the same period, which is \$90.6 million (-7.2 percent) below projections. Sales Tax collections totaled \$4.13 billion, finishing \$248 million (-5.7 percent) under year to date targets.

“The revenue numbers continue to show how deeply the nation’s economic troubles have affected businesses, personal income and consumer spending in New Jersey,” Rousseau said.

Treasurer Rousseau recently estimated that New Jersey’s revenue shortfall for FY09 would reach approximately \$1.7 billion in addition to another \$300 million in updated spending requirements. The estimated shortfall spurred \$812 million in spending reductions announced earlier this month by Gov. Jon S. Corzine. Those reductions came after a line by line review of the budget and touched every part of State government. They included a freeze on pay raises for all State employees for the next 18 months; the shift of \$500 million from the Long Term Debt Reduction Fund; and the use of \$275 million of the State’s Rainy Day Fund.

“We’ve taken the painful but necessary steps to maintain a balanced budget and if further spending reductions are necessary we’ll continue our intense line by line budget review process,” Rousseau said.

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STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2009 - December 2008 VERSUS 2007

(\$ Thousands)

DECEMBER		% Change		DECEMBER - YTD		% Change
2007	2008			2007	2008	
\$ 985,172	\$ 1,070,039	8.6%	Gross Income Tax	\$ 4,122,526	\$ 4,102,309	(0.5%)
659,556	583,993	(11.5%)	Sales	3,494,006	3,265,973	(6.5%)
516,587	410,655	(20.5%)	Corporation Business	1,358,339	1,176,312	(13.4%)
78,150	77,639	(0.7%)	Lottery	430,634	415,910	(3.4%)
41,376	45,375	9.7%	Motor Fuels	236,779	227,832	(3.8%)
24,719	43,885	77.5%	Motor Vehicle Fees (b)	24,719	51,815	109.6%
38,317	54,358	41.9%	Transfer Inheritance	357,899	378,517	5.8%
24,998	23,216	(7.1%)	Casino Revenue	201,719	182,510	(9.5%)
(227)	590	359.9%	Insurance Premium	(7,682)	9,020	217.4%
-	-	-	Cigarette (a)	-	-	-
22,162	19,772	(10.8%)	Petroleum Products Gross Receipts	99,004	94,590	(4.5%)
5,950	24,897	318.4%	Corp. Banks & Financial Institutions	45,293	47,863	5.7%
268	145	(45.9%)	Alcoholic Beverage Excise	29,909	30,089	0.6%
31,671	15,202	(52.0%)	Realty Transfer	162,471	109,231	(32.8%)
1,233	1,783	44.6%	Tobacco Products Wholesale Sales (a)	6,104	6,799	11.4%
-	-	-	Public Utility	-	-	-
<u>\$ 2,429,932</u>	<u>\$ 2,371,549</u>	(2.4%)	Total Major Revenues	<u>\$ 10,561,720</u>	<u>\$ 10,098,770</u>	(4.4%)

(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, \$209.4 million of FY 2009 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS EARNED
MONTH OF DECEMBER 2008
(\$ Thousands)

Revenue Source	DECEMBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 1,104,000	\$ 912,039	\$ (191,961)	(17.4%)
Sales	869,000	779,993	(89,007)	(10.2%)
Corporation Business	484,000	410,655	(73,345)	(15.2%)
Lottery	76,500	77,639	1,139	1.5%
Motor Fuels	50,400	52,675	2,275	4.5%
Motor Vehicle Fees (b)	45,500	43,885	(1,615)	(3.5%)
Transfer Inheritance	44,800	54,358	9,558	21.3%
Casino Revenue	29,400	23,216	(6,184)	(21.0%)
Insurance Premium	200	590	390	195.0%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	20,000	20,272	272	1.4%
Corp. Banks & Financial Institutions	13,300	24,897	11,597	87.2%
Alcoholic Beverage Excise	18,200	18,345	145	0.8%
Realty Transfer	30,200	12,502	(17,698)	(58.6%)
Tobacco Products Wholesale Sales (a)	1,400	1,783	383	27.4%
Public Utility	-	-	-	-
Total	<u>\$ 2,786,900</u>	<u>\$ 2,432,849</u>	<u>\$ (354,051)</u>	<u>(12.7%)</u>
All Other	277,200	277,173	(27)	(0.0%)
Total Revenues	<u>\$ 3,064,100</u>	<u>\$ 2,710,022</u>	<u>\$ (354,078)</u>	<u>(11.6%)</u>

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STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE SIX MONTHS ENDING DECEMBER 31, 2008
(\$ Thousands)

Revenue Source	December		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 5,050,000	\$ 4,644,309	\$ (405,691)	(8.0%)
Sales	4,383,000	4,134,973	(248,027)	(5.7%)
Corporation Business	1,267,000	1,176,312	(90,688)	(7.2%)
Lottery	419,900	415,910	(3,990)	(1.0%)
Motor Fuels	284,200	278,232	(5,968)	(2.1%)
Motor Vehicle Fees (b)	88,700	51,815	(36,885)	(41.6%)
Transfer Inheritance	338,700	378,517	39,817	11.8%
Casino Revenue	201,800	182,510	(19,290)	(9.6%)
Insurance Premium	1,900	9,020	7,120	374.7%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	118,500	114,590	(3,910)	(3.3%)
Corp. Banks & Financial Institutions	35,800	47,863	12,063	33.7%
Alcoholic Beverage Excise	48,900	48,289	(611)	(1.2%)
Realty Transfer	193,100	139,431	(53,669)	(27.8%)
Tobacco Products Wholesale Sales (a)	7,200	6,799	(401)	(5.6%)
Public Utility	-	-	-	-
Total	<u>\$ 12,438,700</u>	<u>\$ 11,628,570</u>	<u>\$ (810,130)</u>	<u>(6.5%)</u>
All Other	<u>1,662,900</u>	<u>1,660,035</u>	<u>(2,865)</u>	<u>(0.2%)</u>
Total Revenues	<u><u>\$ 14,101,600</u></u>	<u><u>\$ 13,288,605</u></u>	<u><u>\$ (812,995)</u></u>	<u><u>(5.8%)</u></u>

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