



State of New Jersey

Department of the Treasury

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**For Information Contact:
Andrew Pratt
(609) 633-6565**

Revenues Are \$267 Million Below Budget Through May

TRENTON – State Treasurer Andrew P. Sidamon-Eristoff announced that year-to-date earned revenue collections were \$267.1 million, or 1.1 percent, short of March forecasts. Revenue collections for May alone exceeded forecasts by 12.2 percent. Treasurer Sidamon-Eristoff noted that budget forecasts for May were not adjusted to reflect extended deadlines for the filing of tax returns and payments. The deadlines were extended because of flooding in many New Jersey counties.

“May 2010 was unique because a declaration of emergency in 15 counties allowed filers to delay their April tax payments by one month,” Treasurer Sidamon-Eristoff said. “Collections were significantly higher than in a typical May because of the deadline extension.”

Income tax collections totaled \$784.9 million in May, 60 percent higher the figures projected in March. Income tax collections in April, usually the most lucrative month of the year for revenue collections, were 26 percent below forecasts. Taking April and May together, total income tax collections were \$2.41 billion, or 9.9% below projections.

“Taken together, April and May revenue collections show that New Jersey’s economy is still fragile, and that the adjustments we have made to the state budget over the last six months were both necessary and timely,” Sidamon-Eristoff said.

For the year to date, income tax collections are 2.2 percent below revised forecasts, sales taxes are 0.9 percent behind forecasts and corporate business tax collections are underperforming by 5.3 percent.

“The Department of Treasury, working with the governor’s office, took steps to ensure that the state ends fiscal 2010 with its budget in balance,” Sidamon-Eristoff said. “We will continue to monitor state finances and adjust as needed to the realities of a volatile economy.”

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

| MAY | | % Change | | MAY - YTD | | % Change |
|---------------------|---------------------|--------------|--------------------------------------|----------------------|----------------------|---------------|
| 2009 | 2010 | | | 2009 | 2010 | |
| \$ 414,019 | \$ 728,906 | 76.1% | Gross Income Tax | \$ 8,757,865 | \$ 8,670,151 | (1.0%) |
| 615,130 | 611,433 | (0.6%) | Sales | 6,341,668 | 6,133,629 | (3.3%) |
| 85,083 | (19,489) | (122.9%) | Corporation Business | 2,041,597 | 1,762,030 | (13.7%) |
| 75,128 | 81,753 | 8.8% | Lottery | 781,069 | 834,842 | 6.9% |
| 46,554 | 44,496 | (4.4%) | Motor Fuels | 441,424 | 439,136 | (0.5%) |
| 37,862 | 49,925 | 31.9% | Motor Vehicle Fees (b) | 286,906 | 317,381 | 10.6% |
| 40,124 | 54,296 | 35.3% | Transfer Inheritance | 585,805 | 515,423 | (12.0%) |
| 29,048 | 25,749 | (11.4%) | Casino Revenue | 317,579 | 270,758 | (14.7%) |
| 82,442 | 115,765 | 40.4% | Insurance Premium | 355,751 | 390,368 | 9.7% |
| 40,964 | 45,031 | 9.9% | Cigarette (a) | 133,538 | 115,795 | (13.3%) |
| 18,228 | 17,927 | (1.7%) | Petroleum Products Gross Receipts | 182,783 | 178,558 | (2.3%) |
| 14,571 | 37,043 | 154.2% | Corp. Banks & Financial Institutions | 85,861 | 97,795 | 13.9% |
| 16,269 | 13,044 | (19.8%) | Alcoholic Beverage Excise | 78,449 | 74,171 | (5.5%) |
| 15,555 | 11,759 | (24.4%) | Realty Transfer | 167,116 | 146,318 | (12.4%) |
| - | - | - | Savings Institutions | - | (2) | - |
| 1,548 | 1,471 | (5.0%) | Tobacco Products Wholesale Sales (a) | 12,732 | 14,505 | 13.9% |
| 12,205 | 11,639 | (4.6%) | Public Utility | 12,255 | 13,235 | 8.0% |
| \$ 1,544,730 | \$ 1,830,748 | 18.5% | Total Major Revenues | \$ 20,582,398 | \$ 19,974,093 | (3.0%) |

(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, \$237.0 million of FY 2010 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

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

| Revenue Source | MAY | | Variance Over/(Under) Revised Budget | % Variance Over/(Under) Revised Budget |
|--------------------------------------|---------------------|---------------------|---|---|
| | Revised Budget | Earned | | |
| Gross Income | \$ 491,000 | \$ 784,906 | \$ 293,906 | 59.9% |
| Sales | 609,000 | 576,433 | (32,567) | (5.3%) |
| Corporation Business | 83,000 | (19,489) | (102,489) | (123.5%) |
| Lottery | 81,300 | 81,753 | 453 | 0.6% |
| Motor Fuels | 44,000 | 43,196 | (804) | (1.8%) |
| Motor Vehicle Fees (b) | 50,600 | 49,925 | (675) | (1.3%) |
| Transfer Inheritance | 32,300 | 54,296 | 21,996 | 68.1% |
| Casino Revenue | 29,600 | 25,749 | (3,851) | (13.0%) |
| Insurance Premium | 104,500 | 115,765 | 11,265 | 10.8% |
| Cigarette (a) | 46,600 | 45,031 | (1,569) | (3.4%) |
| Petroleum Products Gross Receipts | 19,100 | 20,227 | 1,127 | 5.9% |
| Corp. Banks & Financial Institutions | 2,400 | 37,043 | 34,643 | 1443.5% |
| Alcoholic Beverage Excise | 200 | (4,556) | (4,756) | (2378.0%) |
| Realty Transfer | 8,500 | 12,259 | 3,759 | 44.2% |
| Tobacco Products Wholesale Sales (a) | 1,100 | 1,471 | 371 | 33.7% |
| Public Utility | 7,100 | 11,639 | 4,539 | 63.9% |
| Total | \$ 1,610,300 | \$ 1,835,648 | \$ 225,348 | 14.0% |
| All Other (c) | 236,400 | 236,400 | - | - |
| Total Revenues | \$ 1,846,700 | \$ 2,072,048 | \$ 225,348 | 12.2% |

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(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
REVISED BUDGET VS EARNED
FOR THE ELEVEN MONTHS ENDING MAY 31, 2010
(\$ Thousands)

| Revenue Source | MAY | | Variance | % Variance |
|--------------------------------------|----------------------|----------------------|-----------------------------|-----------------------------|
| | Revised Budget | Earned | Over/(Under) Revised Budget | Over/(Under) Revised Budget |
| Gross Income | \$ 9,294,000 | \$ 9,090,651 | \$ (203,349) | (2.2%) |
| Sales | 6,806,700 | 6,742,629 | (64,071) | (0.9%) |
| Corporation Business | 1,860,600 | 1,762,028 | (98,572) | (5.3%) |
| Lottery | 834,100 | 834,842 | 742 | 0.1% |
| Motor Fuels | 483,800 | 483,136 | (664) | (0.1%) |
| Motor Vehicle Fees (b) | 311,500 | 317,381 | 5,881 | 1.9% |
| Transfer Inheritance | 464,100 | 515,423 | 51,323 | 11.1% |
| Casino Revenue | 277,900 | 270,758 | (7,142) | (2.6%) |
| Insurance Premium | 371,400 | 390,368 | 18,968 | 5.1% |
| Cigarette (a) | 113,500 | 115,795 | 2,295 | 2.0% |
| Petroleum Products Gross Receipts | 195,900 | 197,658 | 1,758 | 0.9% |
| Corp. Banks & Financial Institutions | 76,500 | 97,795 | 21,295 | 27.8% |
| Alcoholic Beverage Excise | 84,300 | 74,371 | (9,929) | (11.8%) |
| Realty Transfer | 143,900 | 154,818 | 10,918 | 7.6% |
| Savings Institutions | - | (2) | (2) | - |
| Tobacco Products Wholesale Sales (a) | 12,200 | 14,505 | 2,305 | 18.9% |
| Public Utility | 12,100 | 13,235 | 1,135 | 9.4% |
| Total | \$ 21,342,500 | \$ 21,075,391 | \$ (267,109) | (1.3%) |
| All Other (c) | 2,864,400 | 2,864,400 | - | - |
| Total Revenues | \$ 24,206,900 | \$ 23,939,791 | \$ (267,109) | (1.1%) |

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