



# State of New Jersey

Department of the Treasury

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

## **August Tax Revenues Coming In Slightly Under Budget Forecasts**

TRENTON – August revenue is expected to fall 4.2 percent below the forecasts in the Fiscal 2011 Budget, New Jersey Treasurer Andrew Sidamon-Eristoff announced. Revenue for July and August combined is running 2.5 percent below projected levels.

“While collections this early in the fiscal year shouldn’t be viewed as cause for undue alarm, it’s clear New Jersey’s economy is still generating revenue that can only be described as modest,” Sidamon-Eristoff said. “The prudent course is to keep spending restraints in place and continue to look for new and better ways to gain greater efficiencies from government operations.”

Total revenue for the month is on pace to total \$1.79 billion, compared to the budget’s estimate of \$1.87 billion, a difference of just 4.2 percent. Cash collections so far in the year are running 7.6 percent above the first two months of fiscal 2010.

Weak proceeds from the Corporate Business Tax and the Transfer Inheritance Tax were among the biggest factors contributing to the weakness in revenue. For the year to date, anticipated revenues are expected to come in at \$3.4 billion compared to a forecast of \$3.5 billion, a 2.5 percent difference. Income tax revenues for August are projected to match projections while sales taxes are on track to fall 2.9 percent below forecasts.

“The sales tax historically has been the second-biggest revenue generator for the state of New Jersey,” Treasurer Sidamon-Eristoff said. “An increase in New Jersey consumer confidence that boosts retail sales would be the best tonic for what ails our economy and our revenue collection efforts.”

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

Revenue Source	AUGUST		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 577,000	\$ 576,974	\$ (26)	(0.0%)
Sales	664,000	644,979	(19,021)	(2.9%)
Corporation Business	64,000	1,979	(62,021)	(96.9%)
Lottery	75,200	73,424	(1,776)	(2.4%)
Motor Fuels	51,300	50,388	(912)	(1.8%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	51,500	54,589	3,089	6.0%
Casino Revenue	26,800	28,763	1,963	7.3%
Insurance Premium	-	7,133	7,133	-
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	19,400	17,791	(1,609)	(8.3%)
Corp. Banks & Financial Institutions	4,400	5,766	1,366	31.0%
Alcoholic Beverage Excise	16,800	16,740	(60)	(0.4%)
Realty Transfer	27,000	20,898	(6,102)	(22.6%)
Tobacco Products Wholesale Sales (a)	1,600	1,664	64	4.0%
Public Utility	-	-	-	-
<b>Total</b>	<b>\$ 1,579,000</b>	<b>\$ 1,501,088</b>	<b>\$ (77,912)</b>	<b>(4.9%)</b>
All Other (c)	289,100	289,100	-	-
<b>Total Revenues</b>	<b>\$ 1,868,100</b>	<b>\$ 1,790,188</b>	<b>\$ (77,912)</b>	<b>(4.2%)</b>

(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 VS EARNED**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 2010**  
(\$ Thousands)

Revenue Source	AUGUST		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 952,000	\$ 951,918	\$ (82)	(0.0%)
Sales	1,338,300	1,319,260	(19,040)	(1.4%)
Corporation Business	112,000	47,761	(64,239)	(57.4%)
Lottery	145,500	143,701	(1,799)	(1.2%)
Motor Fuels	99,600	99,234	(366)	(0.4%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	110,900	96,642	(14,258)	(12.9%)
Casino Revenue	52,700	54,922	2,222	4.2%
Insurance Premium	900	9,455	8,555	950.6%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	38,900	37,296	(1,604)	(4.1%)
Corp. Banks & Financial Institutions	4,700	13,304	8,604	183.1%
Alcoholic Beverage Excise	16,900	16,896	(4)	-
Realty Transfer	52,600	46,486	(6,114)	(11.6%)
Tobacco Products Wholesale Sales (a)	1,600	1,663	63	3.9%
Public Utility	-	-	-	-
<b>Total</b>	<b>\$ 2,926,600</b>	<b>\$ 2,838,538</b>	<b>\$ (88,062)</b>	<b>(3.0%)</b>
All Other (c)	576,700	576,700	-	-
<b>Total Revenues</b>	<b>\$ 3,503,300</b>	<b>\$ 3,415,238</b>	<b>\$ (88,062)</b>	<b>(2.5%)</b>

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

AUGUST			% Change		AUGUST - YTD		% Change
2009	2010				2009	2010	
\$ 505,748	\$ 605,974	19.8%	Gross Income Tax	\$ 526,149	\$ 659,918	25.4%	
625,617	653,979	4.5%	Sales	644,844	655,260	1.6%	
72,302	1,979	(97.3%)	Corporation Business	110,250	47,761	(56.7%)	
89,190	73,424	(17.7%)	Lottery	160,281	143,701	(10.3%)	
42,239	47,388	12.2%	Motor Fuels	42,940	47,934	11.6%	
-	-	-	Motor Vehicle Fees (b)	-	-	-	
42,127	54,589	29.6%	Transfer Inheritance	95,065	96,642	1.7%	
29,444	28,763	(2.3%)	Casino Revenue	58,633	54,922	(6.3%)	
(29,752)	7,133	124.0%	Insurance Premium	(28,337)	9,455	133.4%	
-	-	-	Cigarette (a)	-	-	-	
17,225	17,891	3.9%	Petroleum Products Gross Receipts	17,263	17,896	3.7%	
3,071	5,766	87.8%	Corp. Banks & Financial Institutions	2,037	13,304	553.1%	
61	40	(34.4%)	Alcoholic Beverage Excise	60	96	60.0%	
13,128	19,498	48.5%	Realty Transfer	13,127	19,486	48.4%	
640	1,664	160.0%	Tobacco Products Wholesale Sales (a)	639	1,663	160.3%	
-	-	-	Public Utility	-	-	-	
<u>\$ 1,411,040</u>	<u>\$ 1,518,088</u>	7.6%	<b>Total Major Revenues</b>	<u>\$ 1,642,951</u>	<u>\$ 1,768,038</u>	7.6%	

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