



State of New Jersey

Department of the Treasury

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October Revenue Collections Fall Under Budget As Weather Disrupts Economy, Tax Payments

TRENTON – New Jersey's October revenue collections were 3.1 percent under budgeted amounts, in part reflecting weather-related disruptions of both the state's normal economic activity and its tax collection efforts. Total collections were 3.4 percent under budgeted amounts for the first four months of the fiscal year.

"We know the severe weather led to relaxation of deadlines for tax payments, hindered travel that generates economic activity and caused power outages that forced some taxpayers to curtail their business operations," State Treasurer Andrew Sidamon-Eristoff said. "Still, we can't be 100 percent certain of the real impact on revenue until we have figures on collections from a month when weather was not a factor. The last two months of revenue collections have both been impacted significantly by multiple disruptions resulting from uncommonly severe weather."

October income tax collections were 2.1 percent below budget forecasts and sales taxes were 3 percent under forecasts. Corporation business taxes were 10.4 percent above forecasts.

"Retail sales are the biggest driver of sales tax collections," said Dr. Charles Steindel, Treasury's chief economist. "Severe weather discouraged shopping both in late September, and in early and late October. Given how long some citizens were without power after the snowstorm, New Jersey is likely to continue to feel weather-related economic effects into November. "

Collections of all major revenue sources are below budgeted amounts for the year to date. Income taxes are 2.6 percent below budget, sales taxes 3 percent and the corporation business tax, 4.5 percent. Collections are still up compared to last year. The income tax has brought in 2 percent more than last year, the sales tax 2.7 percent and the corporation business tax, 7 percent.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2012 - OCTOBER 2011 versus 2010

(\$ Thousands)

OCTOBER		% Change		OCTOBER - YTD		% Change
2010	2011			2010	2011	
\$ 697,520	\$ 710,486	1.9%	Gross Income Tax	\$ 2,403,992	\$ 2,453,085	2.0%
690,470	717,166	3.9%	Sales	1,976,087	2,028,476	2.7%
116,852	111,480	(4.6%)	Corporation Business	495,926	530,781	7.0%
74,501	71,616	(3.9%)	Lottery	286,055	285,935	(0.0%)
45,906	44,072	(4.0%)	Motor Fuels	139,931	137,780	(1.5%)
-	23,164	-	Motor Vehicle Fees (b)	-	23,164	-
59,201	53,813	(9.1%)	Transfer Inheritance	202,071	229,104	13.4%
18,040	19,632	8.8%	Casino Revenue	93,838	78,898	(15.9%)
1,555	539	(65.3%)	Insurance Premium	14,478	12,169	(15.9%)
-	-	-	Cigarette (a)	-	-	-
18,137	17,774	(2.0%)	Petroleum Products Gross Receipts	54,676	60,077	9.9%
328	2,527	670.4%	Corp. Banks & Financial Institutions	45,243	19,049	(57.9%)
56	184	228.6%	Alcoholic Beverage Excise	14,794	20,417	38.0%
9,373	18,349	95.8%	Realty Transfer	44,827	55,164	23.1%
1,705	2,166	27.0%	Tobacco Products Wholesale Sales (a)	5,176	5,904	14.1%
-	-	-	Public Utility	-	-	-
<u>\$ 1,733,644</u>	<u>\$ 1,792,968</u>	3.4%	Total Major Revenues	<u>\$ 5,777,094</u>	<u>\$ 5,940,003</u>	2.8%

(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, \$185.0 million of FY 2012 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

**STATE OF NEW JERSEY
FISCAL YEAR 2012
REVENUE SOURCE
BUDGET VERSUS ACTUAL
MONTH OF OCTOBER 2011
(\$ Thousands)**

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	Actual		
Gross Income	\$ 726,000	\$ 710,486	\$ (15,514)	(2.1%)
Sales	739,200	717,166	(22,034)	(3.0%)
Corporation Business	101,000	111,480	10,480	10.4%
Lottery	76,700	71,616	(5,084)	(6.6%)
Motor Fuels	46,600	44,072	(2,528)	(5.4%)
Motor Vehicle Fees (b)	35,700	23,164	(12,536)	(35.1%)
Transfer Inheritance	62,000	53,813	(8,187)	(13.2%)
Casino Revenue	19,000	19,632	632	3.3%
Insurance Premium	1,600	539	(1,061)	(66.3%)
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	19,000	17,774	(1,226)	(6.5%)
Corp. Banks & Financial Institutions	4,900	2,527	(2,373)	(48.4%)
Alcoholic Beverage Excise	200	184	(16)	(8.0%)
Realty Transfer	16,800	18,349	1,549	9.2%
Tobacco Products Wholesale Sales (a)	1,800	2,166	366	20.3%
Public Utility	-	-	-	-
Total Revenues	\$ 1,850,500	\$ 1,792,968	\$ (57,532)	(3.1%)

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**STATE OF NEW JERSEY
FISCAL YEAR 2012
REVENUE SOURCE
BUDGET VERSUS ACTUAL
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2011
(\$ Thousands)**

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	Actual		
Gross Income	\$ 2,518,000	\$ 2,453,085	\$ (64,915)	(2.6%)
* Sales	2,091,300	2,028,476	(62,824)	(3.0%)
Corporation Business	555,700	530,781	(24,919)	(4.5%)
Lottery	300,800	285,935	(14,865)	(4.9%)
* Motor Fuels	140,700	137,780	(2,920)	(2.1%)
Motor Vehicle Fees (b)	35,700	23,164	(12,536)	(35.1%)
Transfer Inheritance	236,000	229,104	(6,896)	(2.9%)
Casino Revenue	90,300	78,898	(11,402)	(12.6%)
Insurance Premium	(2,800)	12,169	14,969	N/A
Cigarette (a)	-	-	-	-
* Petroleum Products Gross Receipts	57,000	60,077	3,077	5.4%
Corp. Banks & Financial Institutions	46,500	19,049	(27,451)	(59.0%)
* Alcoholic Beverage Excise	15,600	20,417	4,817	30.9%
* Realty Transfer	60,200	55,164	(5,036)	(8.4%)
Tobacco Products Wholesale Sales (a)	5,400	5,904	504	9.3%
Public Utility	-	-	-	-
Total Revenues	\$ 6,150,400	\$ 5,940,003	\$ (210,397)	(3.4%)

*** Revenues are on a one month lag. All other revenues represent four months of cash collections.**

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