



State of New Jersey

Department of the Treasury

For Immediate Release
January 18, 2012

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

Economic Expansion Raises New Jersey Revenues By 3.2 Percent in First Half of Fiscal 2012

TRENTON, N.J. – Growth in New Jersey’s economy boosted revenue collections by 3.2 percent in the first half of the budget year, allowing the state to manage its finances without diverting from the key priorities that the governor’s budget laid out almost a year ago, New Jersey Treasurer Andrew Sidamon-Eristoff announced.

“New Jersey’s progress toward recovery made the first six months of the fiscal year brighter than the first half of last year,” the Treasurer said. “Disciplined, hands-on management of the budget, from conception to passage and implementation, has and will continue to pay big dividends for taxpayers.”

Revenue for the first half of the fiscal year totaled nearly \$9.9 billion, \$305 million more than the first six months of fiscal 2011. Income tax collections totaled \$4.13 billion in the first half, or 3.8 percent above year-earlier collections. The state collected \$3.3 billion in sales taxes, 3.6 percent more than in the year-earlier period.

Going forward, Dr. Charles Steindel, Treasury’s chief economist, noted that December income tax collections were soft for many states and the federal government.

“Revenue for the first half of this fiscal year turned out to be within a few percentage points of the forecasts made by Treasury’s Office of Revenue and Economic Analysis,” Steindel said. “Key indicators do not now suggest that a dramatic change in outlook is warranted for the rest of the fiscal year.”

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

(\$ Thousands)

| DECEMBER | | % Change | | DECEMBER - YTD | | % Change |
|---------------------|---------------------|-------------|--------------------------------------|---------------------|---------------------|-------------|
| 2010 | 2011 | | | 2010 | 2011 | |
| \$ 965,544 | \$ 890,019 | (7.8%) | Gross Income Tax | \$ 3,973,465 | \$ 4,126,369 | 3.8% |
| 613,700 | 671,727 | 9.5% | Sales | 3,174,424 | 3,287,349 | 3.6% |
| 411,995 | 378,104 | (8.2%) | Corporation Business | 949,067 | 938,806 | (1.1%) |
| 79,035 | 83,020 | 5.0% | Lottery | 436,184 | 437,580 | 0.3% |
| 41,173 | 42,245 | 2.6% | Motor Fuels | 226,465 | 231,870 | 2.4% |
| 45,864 | 45,571 | (0.6%) | Motor Vehicle Fees (b) | 59,710 | 118,425 | 98.3% |
| 58,266 | 54,768 | (6.0%) | Transfer Inheritance | 323,577 | 342,233 | 5.8% |
| 13,975 | 12,552 | (10.2%) | Casino Revenue | 130,655 | 109,041 | (16.5%) |
| 3,380 | 492 | (85.4%) | Insurance Premium | 25,220 | 22,296 | (11.6%) |
| - | - | - | Cigarette (a) | - | - | - |
| 17,821 | 17,745 | (0.4%) | Petroleum Products Gross Receipts | 91,880 | 97,508 | 6.1% |
| 29,694 | 24,340 | (18.0%) | Corp. Banks & Financial Institutions | 76,032 | 45,429 | (40.3%) |
| 102 | 35 | (65.7%) | Alcoholic Beverage Excise | 29,425 | 30,693 | 4.3% |
| 12,467 | 13,816 | 10.8% | Realty Transfer | 72,678 | 84,948 | 16.9% |
| 726 | 1,113 | 53.3% | Tobacco Products Wholesale Sales (a) | 7,427 | 8,619 | 16.0% |
| - | - | - | Public Utility | 7 | - | - |
| <u>\$ 2,293,742</u> | <u>\$ 2,235,547</u> | (2.5%) | Total Major Revenues | <u>\$ 9,576,216</u> | <u>\$ 9,881,166</u> | 3.2% |

(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
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011
(\$ Thousands)**

| Revenue Source | DECEMBER | | Variance Over/(Under) Budget | % Variance Over/(Under) Budget |
|--------------------------------------|----------------------|---------------------|------------------------------------|--------------------------------------|
| | Cash Budget | Actual | | |
| Gross Income | \$ 4,250,700 | \$ 4,126,369 | \$ (124,331) | (2.9%) |
| * Sales | 3,339,200 | 3,287,349 | (51,851) | (1.6%) |
| Corporation Business | 1,008,200 | 938,806 | (69,394) | (6.9%) |
| Lottery | 460,300 | 437,580 | (22,720) | (4.9%) |
| * Motor Fuels | 227,400 | 231,870 | 4,470 | 2.0% |
| Motor Vehicle Fees (b) | 129,000 | 118,425 | (10,575) | (8.2%) |
| Transfer Inheritance | 350,300 | 342,233 | (8,067) | (2.3%) |
| Casino Revenue | 125,500 | 109,041 | (16,459) | (13.1%) |
| Insurance Premium | 6,100 | 22,296 | 16,196 | 265.5% |
| Cigarette (a) | - | - | - | - |
| * Petroleum Products Gross Receipts | 93,900 | 97,508 | 3,608 | 3.8% |
| Corp. Banks & Financial Institutions | 85,400 | 45,429 | (39,971) | (46.8%) |
| * Alcoholic Beverage Excise | 30,700 | 30,693 | (7) | (0.0%) |
| * Realty Transfer | 92,100 | 84,948 | (7,152) | (7.8%) |
| Tobacco Products Wholesale Sales (a) | 8,100 | 8,619 | 519 | 6.4% |
| Public Utility | - | - | - | - |
| Total Revenues | <u>\$ 10,206,900</u> | <u>\$ 9,881,166</u> | <u>\$ (325,734)</u> | (3.2%) |

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

(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 DECEMBER 2011
(\$ Thousands)**

| Revenue Source | DECEMBER | | Variance Over/(Under) Budget | % Variance Over/(Under) Budget |
|--------------------------------------|---------------------|---------------------|------------------------------------|--------------------------------------|
| | Cash Budget | Actual | | |
| Gross Income | \$ 1,046,100 | \$ 890,019 | \$ (156,081) | (14.9%) |
| Sales | 628,200 | 671,727 | 43,527 | 6.9% |
| Corporation Business | 414,800 | 378,104 | (36,696) | (8.8%) |
| Lottery | 83,200 | 83,020 | (180) | (0.2%) |
| Motor Fuels | 42,000 | 42,245 | 245 | 0.6% |
| Motor Vehicle Fees (b) | 50,000 | 45,571 | (4,429) | (8.9%) |
| Transfer Inheritance | 57,100 | 54,768 | (2,332) | (4.1%) |
| Casino Revenue | 15,400 | 12,552 | (2,848) | (18.5%) |
| Insurance Premium | 2,600 | 492 | (2,108) | (81.1%) |
| Cigarette (a) | - | - | - | - |
| Petroleum Products Gross Receipts | 18,500 | 17,745 | (755) | (4.1%) |
| Corp. Banks & Financial Institutions | 38,200 | 24,340 | (13,860) | (36.3%) |
| Alcoholic Beverage Excise | 200 | 35 | (165) | (82.5%) |
| Realty Transfer | 16,000 | 13,816 | (2,184) | (13.7%) |
| Tobacco Products Wholesale Sales (a) | 1,300 | 1,113 | (187) | (14.4%) |
| Public Utility | - | - | - | - |
| Total Revenues | <u>\$ 2,413,600</u> | <u>\$ 2,235,547</u> | <u>\$ (178,053)</u> | (7.4%) |

(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.