



State of New Jersey Department of the Treasury

For Immediate Release:
October 18, 2013

For Information Contact:
Bill Quinn or Chris Santarelli
609-633-6565

September Revenues Up 10.1 Percent Over Prior Year as Income and Sales Tax Collections Exceed Annual Growth Targets

Trenton – New Jersey collected \$2.51 billion in tax revenues in September, up 10.1 percent over the same month last year, as cash collections for income, sales tax and the State’s sixteen major taxes as a group all ran ahead of their full-year growth targets during the first quarter of the fiscal year.

Income tax collections for the first three months of the fiscal year totaled \$1.94 billion, up 7.7 percent over the same period in the prior year, exceeding their annual growth target of 6.8 percent, while sales tax collections of \$1.44 billion were 10.4 percent higher than in the first quarter of fiscal 2013, nearly double their annual growth target of 5.3 percent.

Overall, the State’s major taxes as a group brought in \$4.53 billion in revenue during the first quarter of the fiscal year, 7.3 percent above their level for the same period in fiscal 2013 and a full percentage point ahead of their full-year growth target of 6.3 percent.

“At this early point in the fiscal year, monthly cash collections in relation to monthly cash targets provide only a limited indication of broader revenue trends; however, the strong performance we are seeing in collections relative to the growth targets we have set for the full fiscal year is an encouraging sign,” said State Treasurer Andrew Sidamon-Eristoff. “It indicates that the New Jersey economy is continuing to gain momentum.”

Treasury Chief Economist Charles Steindel said the growth in income and sales tax collections was partly due to continued gains in private sector hiring which have put more workers back on payrolls, and paying income tax, and have also helped stimulate higher levels of consumer spending and sales tax collections.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2014 - SEPTEMBER 2013 versus 2012

(\$ Thousands)

| SEPTEMBER | | % Change | | SEPTEMBER - YTD | | % Change |
|---------------------|---------------------|-------------|--------------------------------------|---------------------|---------------------|-------------|
| 2012 | 2013 | | | 2012 | 2013 | |
| \$ 1,026,488 | \$ 1,177,663 | 14.7% | Gross Income Tax | \$ 1,806,551 | \$ 1,945,295 | 7.7% |
| 654,763 | 703,129 | 7.4% | Sales | 1,307,178 | 1,442,683 | 10.4% |
| 350,543 | 334,902 | (4.5%) | Corporation Business | 468,745 | 433,600 | (7.5%) |
| 74,060 | 78,977 | 6.6% | Lottery | 226,489 | 240,206 | 6.1% |
| 52,207 | 44,603 | (14.6%) | Motor Fuels | 90,355 | 82,124 | (9.1%) |
| - | - | - | Motor Vehicle Fees (b) | - | - | - |
| 38,568 | 51,909 | 34.6% | Transfer Inheritance | 136,778 | 166,594 | 21.8% |
| 17,997 | 21,156 | 17.6% | Casino Revenue | 62,074 | 58,763 | (5.3%) |
| 131 | 4,034 | 2979.4% | Insurance Premium | 15,328 | 17,962 | 17.2% |
| - | - | - | Cigarette (a) | - | - | - |
| 17,135 | 23,483 | 37.0% | Petroleum Products Gross Receipts | 34,705 | 44,330 | 27.7% |
| 18,610 | 35,464 | 90.6% | Corp. Banks & Financial Institutions | 23,826 | 36,017 | 51.2% |
| 15,628 | 15,490 | (0.9%) | Alcoholic Beverage Excise | 15,749 | 15,667 | (0.5%) |
| 20,585 | 26,286 | 27.7% | Realty Transfer | 36,062 | 48,689 | 35.0% |
| 1,462 | 2,321 | 58.8% | Tobacco Products Wholesale Sales (a) | 3,464 | 4,230 | 22.1% |
| - | - | - | Public Utility | - | - | - |
| <u>\$ 2,288,177</u> | <u>\$ 2,519,417</u> | 10.1% | Total Major Revenues | <u>\$ 4,227,304</u> | <u>\$ 4,536,160</u> | 7.3% |

(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, \$244.9 million of FY 2014 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

**STATE OF NEW JERSEY
FISCAL YEAR 2014
REVENUE SOURCE
BUDGET VERSUS ACTUAL
MONTH OF SEPTEMBER 2013
(\$ Thousands)**

| Revenue Source | SEPTEMBER | | Variance Over/(Under) Budget | % Variance Over/(Under) Budget |
|--------------------------------------|---------------------|---------------------|------------------------------------|--------------------------------------|
| | Cash Budget | (c) Actual | | |
| Gross Income | \$ 1,153,100 | \$ 1,177,663 | \$ 24,563 | 2.1% |
| Sales | 715,700 | 703,129 | (12,571) | (1.8%) |
| Corporation Business | 365,600 | 334,902 | (30,698) | (8.4%) |
| Lottery | 77,000 | 78,977 | 1,977 | 2.6% |
| Motor Fuels | 53,700 | 44,603 | (9,097) | (16.9%) |
| Motor Vehicle Fees (b) | - | - | - | - |
| Transfer Inheritance | 56,700 | 51,909 | (4,791) | (8.4%) |
| Casino Revenue | 18,600 | 21,156 | 2,556 | 13.7% |
| Insurance Premium | 4,700 | 4,034 | (666) | (14.2%) |
| Cigarette (a) | - | - | - | - |
| Petroleum Products Gross Receipts | 19,900 | 23,483 | 3,583 | 18.0% |
| Corp. Banks & Financial Institutions | 40,300 | 35,464 | (4,836) | (12.0%) |
| Alcoholic Beverage Excise | 21,300 | 15,490 | (5,810) | (27.3%) |
| Realty Transfer | 28,900 | 26,286 | (2,614) | (9.0%) |
| Tobacco Products Wholesale Sales (a) | 1,900 | 2,321 | 421 | 22.2% |
| Public Utility | - | - | - | - |
| Total Revenues | <u>\$ 2,557,400</u> | <u>\$ 2,519,417</u> | <u>\$ (37,983)</u> | (1.5%) |

(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, \$244.9 million of FY 2014 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) Monthly budgets are estimates based on long-term, intra-year revenue collection patterns and fiscal year projections. Because of fluctuations in revenue collections from year to year, one month's collections may differ dramatically from year-earlier figures and budgets without necessarily affecting total revenue collections in a fiscal year.

**STATE OF NEW JERSEY
FISCAL YEAR 2014
REVENUE SOURCE
BUDGET VERSUS ACTUAL
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013
(\$ Thousands)**

| Revenue Source | SEPTEMBER | | Variance Over/(Under) Budget | % Variance Over/(Under) Budget |
|--------------------------------------|---------------------|---------------------|------------------------------------|--------------------------------------|
| | Cash Budget | (c) Actual | | |
| Gross Income | \$ 1,917,400 | \$ 1,945,295 | \$ 27,895 | 1.5% |
| * Sales | 1,441,200 | 1,442,683 | 1,483 | 0.1% |
| Corporation Business | 490,800 | 433,600 | (57,200) | (11.7%) |
| Lottery | 237,700 | 240,206 | 2,506 | 1.1% |
| * Motor Fuels | 98,800 | 82,124 | (16,676) | (16.9%) |
| Motor Vehicle Fees (b) | - | - | - | |
| Transfer Inheritance | 171,300 | 166,594 | (4,706) | (2.7%) |
| Casino Revenue | 55,800 | 58,763 | 2,963 | 5.3% |
| Insurance Premium | 15,600 | 17,962 | 2,362 | 15.1% |
| Cigarette (a) | - | - | - | |
| * Petroleum Products Gross Receipts | 40,900 | 44,330 | 3,430 | 8.4% |
| Corp. Banks & Financial Institutions | 45,400 | 36,017 | (9,383) | (20.7%) |
| * Alcoholic Beverage Excise | 21,400 | 15,667 | (5,733) | (26.8%) |
| * Realty Transfer | 58,100 | 48,689 | (9,411) | (16.2%) |
| Tobacco Products Wholesale Sales (a) | 3,800 | 4,230 | 430 | 11.3% |
| Public Utility | - | - | - | |
| Total Revenues | \$ 4,598,200 | \$ 4,536,160 | \$ (62,040) | (1.3%) |

* Revenues are on a one month lag. All other revenues represent three 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, \$244.9 million of FY 2014 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) Monthly budgets are estimates based on long-term, intra-year revenue collection patterns and fiscal year projections. Because of fluctuations in revenue collections from year to year, one month's collections may differ dramatically from year-earlier figures and budgets without necessarily affecting total revenue collections in a fiscal year.

The foregoing cash budget estimates were prepared in June 2013 in connection with the adoption of the Fiscal Year 2014 budget. Such estimates and the assumptions supporting them were based on information at the time of the projections, are believed to be reasonable, and are not construed as assurances of actual outcomes. All such estimates of future revenues constitute forward-looking statements and may or may not be realized because of a variety of economic and other circumstances.