

**For Immediate Release:** March 14, 2016

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## Fiscal Year 2016 Revenues Surpass \$16.65 Billion through February; Refund Distribution Outpaces 2015

**TRENTON** – Revenues for New Jersey's 16 largest revenue sources through February now total more than \$16.65 billion for Fiscal Year 2016. The month of February typically contributes only a small portion of total revenues to the State.

Income tax monthly collections appear to decline from February 2015, however this is caused primarily by an increase in refund processing. Withholding and final tax payments remain strong. The Division of Taxation processed approximately 673,000 tax refunds in February this year, a 16 percent increase compared to the same period in Fiscal Year 2015. Approximately \$134 million more in refunds were distributed to taxpayers compared to February last year. The average refund is 25 percent higher than a year ago.

The increase in average Gross Income Tax refund size is attributable, at least in part, to Governor Christie's expansion of the Earned Income Tax Credit (EITC) program. In July 2015, the Legislature enacted Governor Christie's proposal to increase the State EITC by 50 percent. Additionally, there was an extra day of refund distribution compared to February 2015, on account of 2016 being a leap year.

Corporation Business Tax refunds exceeded collections in February. February is typically a very small month for Corporation Business Tax collections, and this February the Division of Taxation distributed \$39 million more in refunds than last year. Year-to-date, Corporation Business Tax refunds are running \$115 million ahead of Fiscal Year 2015.

Sales Tax revenues, which are reported on a one month lag, appeared to slow in January despite strong job creation and the lowest unemployed rate in many years. Depressed collections can be attributed to a severe snow storm that closed most State retail stores and retail traffic for a full weekend late in the month of January.

Reflecting the continued recovery in New Jersey's housing market and a drop in foreclosures, Realty Transfer Tax revenues, generated from home sales, showed year-over-year growth of 38 percent in February, the largest monthly growth of Fiscal Year 2016 thus far. The year-to-date revenue growth from the Realty Transfer Tax is now 14.6 percent.

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## STATE OF NEW JERSEY MONTH AND YEAR-TO-DATE CASH COLLECTIONS Fiscal Year 2016 - FEBRUARY 2016 versus 2015

(\$ Thousands)

%   FY 2016 Projected *	Change Growth Rate	2.6% 3.8%		(18.0%) $(12.0%)$														
VID	2016	7,617,094	5,389,116	1,126,285		645,272	645,272 311,425	645,272 311,425 214,569	645,272 311,425 214,569 543,741	645,272 311,425 214,569 543,741 128,985	645,272 311,425 214,569 543,741 128,985 233,035	645,272 311,425 214,569 543,741 128,985 233,035 -	645,272 311,425 214,569 543,741 128,985 233,035 - 124,019	645,272 311,425 214,569 543,741 128,985 233,035 233,035 - 124,019 54,466	645,272 311,425 214,569 543,741 128,985 233,035 233,035 - 54,466 54,466 55,818	645,272 311,425 214,569 543,741 128,985 233,035 233,035 233,035 54,466 54,466 55,818 194,480	645,272 311,425 214,569 543,741 128,985 233,035 233,035 233,035 233,035 233,035 54,466 54,466 55,818 194,480 13,750	645,272 311,425 543,741 128,985 233,035 233,035 54,466 55,818 194,480 13,750 -
FEBRUARY YTD	2015	7,426,775 \$	5,158,070	1,373,690	591,421		310,133	310,133 174,029	310,133 174,029 467,582	310,133 174,029 467,582 132,218	310,133 174,029 467,582 132,218 274,821	310,133 174,029 467,582 132,218 274,821	310,133 174,029 467,582 132,218 274,821 -	310,133 174,029 467,582 132,218 274,821 - 128,027 76,843	310,133 174,029 467,582 132,218 274,821 - 128,027 76,843 55,900	310,133 174,029 467,582 132,218 274,821 - 128,027 76,843 55,900 169,728	310,133 174,029 467,582 132,218 274,821 - 128,027 76,843 55,900 169,728 14,235	310,133 174,029 467,582 132,218 274,821 - 128,027 76,843 55,900 169,728 14,235
		(15.8%) Gross Income Tax \$	iles	(117.6%) Corporation Business	Lottery		(4.9%) Motor Fuels	Motor Fuels Motor Vehicle Fees (a)	Motor Fuels Motor Vehicle Fees (a) Transfer Inheritance	<ul> <li>4.9%) Motor Fuels</li> <li>5.0% Motor Vehicle Fees (a)</li> <li>0.2%) Transfer Inheritance</li> <li>4.6% Casino Revenue</li> </ul>	<ul> <li>(4.9%) Motor Fuels</li> <li>5.0% Motor Vchicle Fees (a)</li> <li>(10.2%) Transfer Inheritance</li> <li>4.6% Casino Revenue</li> <li>(23.1%) Insurance Premium</li> </ul>	Motor Fuels Motor Vehicle Fees (a) Transfer Inheritance Casino Revenue Insurance Premium Cigarette (b)	<ul> <li>4.9%) Motor Fuels</li> <li>5.0% Motor Vehicle Fees (a)</li> <li>5.2%) Transfer Inheritance</li> <li>4.6% Casino Revenue</li> <li>3.1%) Insurance Premium</li> <li>Cigarette (b)</li> <li>5.8% Petroleum Products Gross Receipts</li> </ul>	Motor Fuels Motor Vehicle Fees (a) Transfer Inheritance Casino Revenue Insurance Premium Cigarette (b) Petroleum Products Gross Receipts Corp. Banks & Financial Institutions	Motor Fuels Motor Vehicle Fees (a) Transfer Inheritance Casino Revenue Insurance Premium Cigarette (b) Petroleum Products Gross Receipts Corp. Banks & Financial Institutions Alcoholic Beverage Excise	<ul> <li>(4.9%) Motor Fuels</li> <li>5.0% Motor Vehicle Fees (a)</li> <li>5.0% Motor Vehicle Fees (a)</li> <li>10.2%) Transfer Inheritance</li> <li>4.6% Casino Revenue</li> <li>23.1% Insurance Premium</li> <li>- Cigarette (b)</li> <li>5.8% Petroleum Products Gross Receipts</li> <li>9.8%) Alcoholic Beverage Excise</li> <li>38.1% Realty Transfer</li> </ul>	Motor Fuels Motor Vehicle Fees (a) Transfer Inheritance Casino Revenue Insurance Premium Cigarette (b) Petroleum Products Gross Receipts Corp. Banks & Financial Institutions Alcoholic Beverage Excise Realty Transfer Tobacco Products Wholesale Sales	Motor Fuels Motor Vehicle Fees (a) Transfer Inheritance Casino Revenue Insurance Premium Cigarette (b) Petroleum Products Gross Receipts Corp. Banks & Financial Institutions Alcoholic Beverage Excise Realty Transfer Tobacco Products Wholesale Sales Public Utility
%	Change	(15.8%) Gro	(0.4%) Sales	(117.6%) Corj	(13.2%) Lott		(4.9%) Mot	(4.9%) Mot 5.0% Mot	(4.9%) Mot 5.0% Mot (10.2%) Tran	(4.9%) Mot 5.0% Mot (10.2%) Tran 4.6% Casi	(4.9%) Mot 5.0% Mot (10.2%) Tran 4.6% Casi (23.1%) Insu	(4.9%) Mot 5.0% Mot (10.2%) Tran 4.6% Casi (23.1%) Insu - Ciga	<ul> <li>(4.9%) Mot</li> <li>5.0% Mot</li> <li>5.0% Casi</li> <li>4.6% Casi</li> <li>4.6% Casi</li> <li>(23.1%) Insu</li> <li>5.8% Petro</li> </ul>	<ul> <li>(4.9%) Mot</li> <li>5.0% Mot</li> <li>5.0% Itan</li> <li>4.6% Casi</li> <li>4.6% Casi</li> <li>4.6% Casi</li> <li>2.3.1% Insu</li> <li>5.8% Petro</li> <li>111.1% Corp</li> </ul>	<ul> <li>(4.9%) Mot</li> <li>5.0% Mot</li> <li>5.0% Casi</li> <li>4.6% Casi</li> <li>4.6% Casi</li> <li>(23.1%) Insu</li> <li>(23.1%) Insu</li> <li>5.8% Petro</li> <li>111.1% Corr</li> <li>(99.8%) Alcc</li> </ul>			
KY	2016	532,646	605,475	(6, 784)	70,838	38,733		53,413	53,413 55,615	53,413 55,615 15,004	53,413 55,615 15,004 187,833	53,413 55,615 15,004 187,833 -	53,413 55,615 15,004 187,833 - 17,659	53,413 55,615 15,004 187,833 - 17,659 249	53,413 55,615 15,004 187,833 - 17,659 249 6	53,413 55,615 15,004 187,833 - 17,659 249 6 6 27,768	53,413 55,615 15,004 187,833 - 17,659 249 6 6 27,768 1,556	53,413 55,615 15,004 187,833 - 17,659 249 6 6 27,768 1,556 -
<u>rebkuaky</u>	2015	632,617 \$	607,622	38,459	81,648	40,716		50,876	50,876 61,938	50,876 61,938 14,344	50,876 61,938 14,344 244,130	50,876 61,938 14,344 244,130 -	50,876 61,938 14,344 244,130 - 16,689	50,876 61,938 14,344 244,130 - 16,689 (2,247)	50,876 61,938 14,344 244,130 - 16,689 (2,247) 2,681	50,876 61,938 14,344 244,130 - 16,689 (2,247) 2,681 20,105	50,876 61,938 14,344 244,130 - 16,689 (2,247) 2,681 2,681 1,514	50,876 61,938 14,344 244,130 - 16,689 (2,247) 2,681 2,681 1,514 1,514

(a) Pursuant to P.L. 03-13, \$222.1 million of FY 2016 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission. (b) 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. \* Projected annual growth rate is the change from the FY 2015 CAFR to the FY 2016 revenue estimates per the FY 2017 Governor's Budget Message.