

For Immediate Release
March 21, 2014



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State of New Jersey Department of the Treasury

Year-Over-Year Gains in Revenue for FY2014 Reach Nearly Five Percent through February

TRENTON – New Jersey continues to see steady revenue gains, now more than halfway through Fiscal Year 2014, as cash collections for the year through February were up 4.7 percent from the same time last year. This year-to-date increase, bolstered by year-over-year growth in gross income tax, sales tax and corporation business tax, equals a gain in revenues of over \$700 million thus far. Collections for the month of February alone were up by over \$9 million from February 2013.

“Without a doubt, weather and an acceleration of the federal (and state) tax filing season compared to last year had an effect on February revenues, but collections for the month still met our revised expectations,” said State Treasurer Andrew Sidamon-Eristoff. “We continue to expect a strong finish for the current fiscal year.”

In the month of February the State collected \$601.8 million in sales tax, \$89.3 million in corporation business tax, and \$639.8 million in gross income tax. Results for February’s gross income tax revenues reflect an acceleration of refund payments in 2014, as the federal (and state) tax filing season began a few days earlier this year than last. Weather also likely played a role in collections for several major revenue sources.

“Although hard to quantify the amounts, the severe winter has likely held down growth in a number of revenues, such as sales tax, motor vehicle fees, casino revenue, and realty transfers,” said Dr. Charles Steindel, the Department of Treasury’s Chief Economist. “Much of this will probably be recouped as the weather improves.”

February saw a more than 15 percent year-over-year increase in collections of the realty transfer tax which is paid when real estate transactions are completed. With the gain, collections of the tax in fiscal year 2014 are running 26.2 percent higher than their level in the prior fiscal year.

The Treasurer will appear at hearings before the legislature in early April to discuss revenues for fiscal year 2014 and the proposed fiscal year 2015 budget.