



# State of New Jersey

Department of the Treasury

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For Information Contact:  
Tom Vincz  
(609) 633-6565

## **October Revenue Collections Fall \$222 million Short of Projections** *Administration Continues to Identify Solutions to Close Widening FY 2010 Problem*

TRENTON – State Treasurer David Rousseau reported today that October revenue collections fell \$222 million, or 11.6 percent, below targets for the month, bringing fiscal year to date revenues more than \$400 million, or 5.1 percent, under projections.

“The state and national economies continue to reel from the effects of high unemployment, and weak job and income growth. While we have made unprecedented cuts in year to year budget spending and have closed \$12 billion in shortfalls over the last two fiscal years, more must be done to keep our budget in balance in the face of chronically sluggish revenue performance,” Rousseau said.

The Corzine Administration in October identified more than \$225 million to close a developing shortfall in the FY 2010 budget. Earlier this month, following a preliminary review of October revenue trends, Governor Corzine ordered the cabinet to identify another \$400 million in budget reductions by December 1. Treasurer Rousseau said that due to continuing declines in the revenue picture, and a concurrent increase in anticipated spending needs to, in part, meet pressing human needs in a struggling economy, the State faces more difficult spending decisions in the weeks and months ahead.

Revenues for the month of October totaled \$1.69 billion, which is \$221.2 million, or 11.6 percent, below projections. Among the big three taxes, the Gross Income Tax fell \$55.4 million (-9 percent) below target totaling \$2.5 billion, while the Sales Tax, at \$520.7 million was \$79.2 million (-13.2 percent) below target, and the Corporation Business Tax, at \$73.3 million, was \$71 million (-49 percent) below projections for October. Through the first four months of the fiscal year, revenues are \$412.7 million below year to date projections.

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“We have taken immediate steps that would fully offset our revenue problem, finding cuts and efficiencies in spending on State operations. But when additional spending pressures are taken into account, additional reductions will be required, and will have to be made from throughout the budget. We are prepared to take these steps and work with the new administration to maintain balance and the surplus in the FY 2010 budget,” Rousseau said.

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**STATE OF NEW JERSEY**  
**REVENUE SOURCE**  
**BUDGET VERSUS EARNED**  
**MONTH OF OCTOBER 2009**  
(\$ Thousands)

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 619,000	\$ 563,515	\$ (55,485)	(9.0%)
Sales	600,000	520,723	(79,277)	(13.2%)
Corporation Business	145,000	73,376	(71,624)	(49.4%)
Lottery	71,500	75,853	4,353	6.1%
Motor Fuels	46,000	45,076	(924)	(2.0%)
Motor Vehicle Fees (b)	21,200	11,649	(9,551)	(45.1%)
Transfer Inheritance	58,300	60,154	1,854	3.2%
Casino Revenue	27,300	22,924	(4,376)	(16.0%)
Insurance Premium	700	1,978	1,278	182.6%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	17,400	16,539	(861)	(4.9%)
Corp. Banks & Financial Institutions	11,700	5,860	(5,840)	(49.9%)
Alcoholic Beverage Excise	15,800	16,057	257	1.6%
Realty Transfer	17,000	13,264	(3,736)	(22.0%)
Tobacco Products Wholesale Sales (a)	1,400	1,371	(29)	(2.1%)
Public Utility	-	-	-	-
<b>Total</b>	<b>\$ 1,652,300</b>	<b>\$ 1,428,339</b>	<b>\$ (223,961)</b>	<b>(13.6%)</b>
All Other	269,400	271,150	1,750	0.6%
<b>Total Revenues</b>	<b>\$ 1,921,700</b>	<b>\$ 1,699,489</b>	<b>\$ (222,211)</b>	<b>(11.6%)</b>

(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, \$186.7 million of FY 2010 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

**STATE OF NEW JERSEY**  
**REVENUE SOURCE**  
**BUDGET VS EARNED**  
**FOR THE FOUR MONTHS ENDING OCTOBER 31, 2009**  
**(\$ Thousands)**

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 2,668,000	\$ 2,545,385	\$ (122,615)	(4.6%)
Sales	2,620,000	2,538,400	(81,600)	(3.1%)
Corporation Business	630,200	512,862	(117,338)	(18.6%)
Lottery	278,600	303,013	24,413	8.8%
Motor Fuels	188,200	185,959	(2,241)	(1.2%)
Motor Vehicle Fees (b)	21,200	11,649	(9,551)	(45.1%)
Transfer Inheritance	241,400	194,877	(46,523)	(19.3%)
Casino Revenue	117,800	107,945	(9,855)	(8.4%)
Insurance Premium	(3,000)	(25,884)	(22,884)	(762.8%)
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	76,000	72,309	(3,691)	(4.9%)
Corp. Banks & Financial Institutions	31,400	21,903	(9,497)	(30.2%)
Alcoholic Beverage Excise	32,300	33,110	810	2.5%
Realty Transfer	79,400	69,630	(9,770)	(12.3%)
Tobacco Products Wholesale Sales (a)	4,000	4,709	709	17.7%
Public Utility	-	-	-	-
<b>Total</b>	<b>\$ 6,985,500</b>	<b>\$ 6,575,867</b>	<b>\$ (409,633)</b>	<b>(5.9%)</b>
All Other	1,077,600	1,074,558	(3,042)	(0.3%)
<b>Total Revenues</b>	<b>\$ 8,063,100</b>	<b>\$ 7,650,425</b>	<b>\$ (412,675)</b>	<b>(5.1%)</b>

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**STATE OF NEW JERSEY**  
**MONTH AND YEAR-TO-DATE CASH COLLECTIONS**  
**Fiscal 2010 - October 2009 VERSUS 2008**

(\$ Thousands)

OCTOBER				OCTOBER - YTD		
2008	2009	% Change		2008	2009	% Change
\$ 812,014	\$ 664,515	(18.2%)	Gross Income Tax	\$ 2,500,410	\$ 2,203,385	(11.9%)
727,254	655,723	(9.8%)	Sales	2,090,644	1,938,400	(7.3%)
159,286	73,376	(53.9%)	Corporation Business	712,713	512,862	(28.0%)
65,894	75,853	15.1%	Lottery	269,645	303,013	12.4%
46,606	46,276	(0.7%)	Motor Fuels	139,354	139,959	0.4%
-	11,649	-	Motor Vehicle Fees (b)	-	11,649	-
55,007	60,154	9.4%	Transfer Inheritance	266,967	194,877	(27.0%)
29,192	22,924	(21.5%)	Casino Revenue	131,505	107,945	(17.9%)
700	1,978	182.6%	Insurance Premium	3,664	(25,884)	(806.4%)
-	-	-	Cigarette (a)	-	-	-
19,748	18,139	(8.1%)	Petroleum Products Gross Receipts	58,383	54,909	(6.0%)
3,378	5,860	73.5%	Corp. Banks & Financial Institutions	23,279	21,903	(5.9%)
81	357	340.7%	Alcoholic Beverage Excise	15,701	17,310	10.2%
22,511	16,464	(26.9%)	Realty Transfer	75,326	52,630	(30.1%)
1,743	1,371	(21.3%)	Tobacco Products Wholesale Sales (a)	4,297	4,709	9.6%
-	-	-	Public Utility	-	-	-
<u>\$ 1,943,414</u>	<u>\$ 1,654,639</u>	(14.9%)	<b>Total Major Revenues</b>	<u>\$ 6,291,888</u>	<u>\$ 5,537,667</u>	(12.0%)

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