



State of New Jersey

Department of the Treasury

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For Information Contact:
Andrew Pratt
(609) 984-6493

State Revenues Near Budget Forecasts for First 4 Months of Fiscal 2011

TRENTON – State revenue collections were slightly ahead of budget expectations for the first four months of fiscal 2011, New Jersey Treasurer Andrew Sidamon-Eristoff announced. Revenue from all sources came in 2.6 percent above forecasts during the four-month period.

“Collections appear to have stabilized, but they haven’t grown significantly beyond conservative budget forecasts,” Sidamon-Eristoff said. “While it’s somewhat comforting that we’re meeting projections, revenue remains severely constrained from a historical perspective.”

Sales tax collections totaled \$2.56 billion in the four-month period, 1.7 percent below forecasts. Gross income taxes came in at \$2.63 billion, 10.2 percent more than forecasts. The corporation business tax brought in \$496 million, 12.8 percent more than expectations. Revenues from the Lottery remain 2.8 percent below budgeted amounts.

“The continued weakness in big revenue generators such as the Sales Tax and Lottery are cause for concern,” Treasurer Sidamon-Eristoff said. “Regrettably, the state’s economy is a long way from generating the revenue brought in during the peak years of fiscal 2008 and fiscal 2009.”

Cash collections for fiscal 2011 are running only slightly ahead of collections during fiscal 2010, the worst year for revenue collections since fiscal 2006. From July 1 to Oct. 31, the state collected 2.3 percent more than during the first four months of the last fiscal year. Cash collections for October 2010 were 4.8 percent above those in October 2009.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VERSUS EARNED
OCTOBER 2010
(\$ Thousands)

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 545,000	\$ 704,520	\$ 159,520	29.3%
Sales	585,000	593,470	8,470	1.4%
Corporation Business	60,000	116,852	56,852	94.8%
Lottery	76,500	74,501	(1,999)	(2.6%)
Motor Fuels	47,700	43,806	(3,894)	(8.2%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	53,800	59,201	5,401	10.0%
Casino Revenue	21,500	18,040	(3,460)	(16.1%)
Insurance Premium	1,100	1,555	455	41.4%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	17,400	16,237	(1,163)	(6.7%)
Corp. Banks & Financial Institutions	15,500	328	(15,172)	(97.9%)
Alcoholic Beverage Excise	16,100	15,956	(144)	(0.9%)
Realty Transfer	19,700	5,973	(13,727)	(69.7%)
Tobacco Products Wholesale Sales (a)	1,900	1,705	(195)	(10.3%)
Public Utility	-	-	-	-
Total	\$ 1,461,200	\$ 1,652,144	\$ 190,944	13.1%
All Other (c)	289,100	289,100	-	-
Total Revenues	\$ 1,750,300	\$ 1,941,244	\$ 190,944	10.9%

(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, \$238.0 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

(c) Due to the sporadic nature of cash collections, including once a year assessments, OMB accrues to the budgeted target on a monthly basis and adjusts at the time of GBM.

STATE OF NEW JERSEY
REVENUE SOURCE
BUDGET VS EARNED
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2010
(\$ Thousands)

Revenue Source	OCTOBER		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Budget	Earned		
Gross Income	\$ 2,392,000	\$ 2,634,992	\$ 242,992	10.2%
Sales	2,605,300	2,561,087	(44,213)	(1.7%)
Corporation Business	439,800	495,926	56,126	12.8%
Lottery	294,400	286,055	(8,345)	(2.8%)
Motor Fuels	197,100	187,631	(9,469)	(4.8%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	214,100	202,071	(12,029)	(5.6%)
Casino Revenue	97,000	93,838	(3,162)	(3.3%)
Insurance Premium	2,000	14,478	12,478	623.9%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	75,600	72,076	(3,524)	(4.7%)
Corp. Banks & Financial Institutions	40,600	45,243	4,643	11.4%
Alcoholic Beverage Excise	33,200	30,894	(2,306)	(6.9%)
Realty Transfer	95,400	64,527	(30,873)	(32.4%)
Tobacco Products Wholesale Sales (a)	5,800	5,176	(624)	(10.8%)
Public Utility	-	-	-	-
Total	\$ 6,492,300	\$ 6,693,994	\$ 201,694	3.1%
All Other (c)	1,154,900	1,154,900	-	-
Total Revenues	\$ 7,647,200	\$ 7,848,894	\$ 201,694	2.6%

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STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2011 - OCTOBER 2010 versus 2009

(\$ Thousands)

OCTOBER		%		OCTOBER - YTD		%	Projected
2009	2010			Change	2009		
\$ 664,515	\$ 697,520	5.0%	Gross Income Tax	\$ 2,315,243 (c)	\$ 2,403,992	3.8%	(3.8%)
655,723	690,470	5.3%	Sales	1,938,400	1,976,087	1.9%	4.9%
73,376	116,852	59.3%	Corporation Business	512,862	495,926	(3.3%)	7.3%
75,853	74,501	(1.8%)	Lottery	303,013	286,055	(5.6%)	3.2%
46,276	45,906	(0.8%)	Motor Fuels	139,959	139,931	(0.0%)	7.4%
11,649	-	-	Motor Vehicle Fees (b)	11,649	-	-	7.7%
60,154	59,201	(1.6%)	Transfer Inheritance	194,877	202,071	3.7%	4.0%
22,924	18,040	(21.3%)	Casino Revenue	107,945	93,838	(13.1%)	(9.7%)
1,978	1,555	(21.4%)	Insurance Premium	(25,884)	14,478	155.9%	7.2%
-	-	-	Cigarette (a)	-	-	-	-
18,139	18,137	(0.0%)	Petroleum Products Gross Receipts	54,909	54,676	(0.4%)	4.0%
5,860	328	(94.4%)	Corp. Banks & Financial Institutions	21,903	45,243	106.6%	22.2%
357	56	(84.3%)	Alcoholic Beverage Excise	17,310	14,794	(14.5%)	4.2%
16,464	9,373	(43.1%)	Realty Transfer	52,630	44,827	(14.8%)	33.2%
1,371	1,705	24.4%	Tobacco Products Wholesale Sales (a)	4,709	5,176	9.9%	15.8%
-	-	-	Public Utility	-	-	-	-
<u>\$ 1,654,639</u>	<u>\$ 1,733,644</u>	4.8%	Total Major Revenues	<u>\$ 5,649,525 (c)</u>	<u>\$ 5,777,094</u>	2.3%	1.5%

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- (b) Pursuant to P.L. 03-13, \$238.0 million of FY 2011 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.
- (c) For comparative purposes, the 2009 YTD Gross Income Tax has been adjusted. Due to a formula error, \$111.858 million was recorded in June 2009 that should have been recorded in July 2009. The July Gross Income Tax withholding collections are allocated to June and July based on the number of work days that pertain to June versus July. To accurately reflect the correct allocation between June and July 2009, YTD 2009 Gross Income Tax has been increased by \$111.858 million.
- (d) Projected annual growth rate is the change from the FY 2010 certified revenues to the 2011 AA revenues.

STATE OF NEW JERSEY
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Fiscal 2011 - OCTOBER 2010 versus 2009

(\$ Thousands)

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