



State of New Jersey

DEPARTMENT OF THE TREASURY

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For Information Contact:

Will Rijkssen
(609) 633-6565

Fiscal Year 2017 Revenue Growth is on Track

TRENTON – The New Jersey Department of the Treasury announced March revenue collections, showing continued year-over-year growth. Year-to-date collections total \$19.4 billion, a 2.9 percent or \$542 million increase above last year.

Gross Income Tax (GIT) revenues are up for the year and remain on track with projections heading into the crucial tax payments month of April. In particular, GIT withholding has shown increasing strength by increasing by 8.4 percent over last March and by 5.2 percent in the first quarter. Refund processing, which started two weeks later in 2017 in order to utilize tougher anti-fraud measures, has already surpassed last year's refunds with a record-breaking \$1 billion distributed in March.

A shift to monthly reallocation rather than annual allocation of certain Corporation Business Tax (CBT) receipts, as well as the Federal government moving the C-Corp filing deadline from March to April, are responsible for a decline in CBT revenues. However, CBT revenues remain in line with projections after accounting for these changes.

Sales Tax revenues are up for the year and are in line with projections. Based on the strength of home sales, Realty Transfer fees continue to show significant year-over-year increases, up 10.9 percent year-to-date.

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STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal Year 2017 - MARCH 2017 versus 2016
(\$ Thousands)

MARCH		% Change		MARCH YTD		% Change	FY 2017 Projected * Growth Rate
2016	2017			2016	2017		
\$ 779,781	\$ 517,764	(33.6%)	Gross Income Tax (a)	\$ 8,396,875	\$ 8,799,952	4.8%	4.4%
639,643	630,991	(1.4%)	Sales	6,028,759	6,140,023	1.8%	1.0%
301,416	206,782	(31.4%)	Corporation Business (a)	1,427,701	1,186,347	(16.9%)	7.6%
77,199	82,520	6.9%	Lottery	722,471	701,904	(2.8%)	(1.7%)
42,064	36,917	(12.2%)	Motor Fuels	353,489	350,365	(0.9%)	1.4%
75,386	72,462	(3.9%)	Motor Vehicle Fees (b)	289,955	315,569	8.8%	8.6%
66,235	63,258	(4.5%)	Transfer Inheritance	609,976	576,497	(5.5%)	(8.5%)
19,142	17,224	(10.0%)	Casino Revenue	148,127	155,032	4.7%	3.2%
138,992	118,893	(14.5%)	Insurance Premium	372,027	318,508	(14.4%)	3.0%
13,265	18,045	36.0%	Cigarette (c)	13,265	18,045	36.0%	5.5%
19,084	107,897	465.4%	Petroleum Products Gross Receipts (d)	143,103	461,838	222.7%	143.4%
19,450	12,390	(36.3%)	Corp. Banks & Financial Institutions	73,916	73,493	(0.6%)	(3.1%)
10,291	9,970	(3.1%)	Alcoholic Beverage Excise	66,109	66,011	(0.1%)	4.2%
19,688	24,651	25.2%	Realty Transfer	214,168	237,470	10.9%	8.2%
1,750	1,864	6.5%	Tobacco Products Wholesale Sales	15,500	16,383	5.7%	1.2%
-	-	-	Public Utility	-	1	-	3.8%
<u>\$ 2,223,386</u>	<u>\$ 1,921,628</u>	(13.6%)	Total Major Revenues	<u>\$ 18,875,441</u>	<u>\$ 19,417,438</u>	2.9%	4.0%

- (a) March 2017 and March 2017 YTD include a reclassification from Corporation Business Tax to Gross Income Tax relating to partnership fees of \$72.9 million and \$280.1 million respectively. In prior years, this adjustment was made during the year-end closing process.
- (b) Pursuant to P.L. 03-13, \$202.2 million of FY 2017 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.
- (c) 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.
- (d) Approximately \$90.9 million for the month and \$312.5 million YTD is attributable to the recent gas tax increases imposed under P.L. 2016, C.57 which are constitutionally dedicated to the Transportation Trust Fund.

* Projected annual growth rate is the change from the FY 2016 CAFR to the FY 2017 revenue estimates per the FY 2018 Governor's Budget Message.