



TREASURY NEWS RELEASE

NEW JERSEY DEPARTMENT OF THE TREASURY

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March Revenue Collections Decline, Overall Revenues on Target through Three Quarters

TRENTON - The Department of the Treasury on Friday reported that March revenue collections for the major taxes declined by 12.8 percent from last March. This decline was largely anticipated and is included in the Treasurer's recently revised revenue targets for FY 2018. Year-to-date, total revenues are up \$1.327 billion, or 7.1 percent.

The Gross Income Tax (GIT) was down \$102.7 million, or 19.8 percent, due to approximately \$180 million in withholding payments that shifted into a prior month because of the timing of payment due dates. Year-to-date, the GIT, which supports the Property Tax Relief Fund (PTRF), is up \$1.032 billion, or 11.7 percent through the end of March. The Treasurer revised the GIT year-end target upward by \$598.1 million, reflecting the improved overall performance so far this year. The GIT accounts for 78 percent of total FY 2018 growth in the major revenues.

Meanwhile, in the General Fund, the sales tax was down 1.9 percent in March, but with 1.5 percent growth year-to-date this tax is on target with Treasury's revised estimate. The corporation business tax declined sharply, off 38.7 percent for the month and is now down 8.6 percent for the year. Some of this weakness may be due to corporate tax behavior in response to the changing federal tax rates under the Tax Cut and Jobs Act.

A number of other General Fund revenues such as the estate tax, the realty tax, and motor fuels and petroleum taxes were also down in March, reinforcing a key point of Treasurer Muoio's recent testimony before the legislature's budget committees on April 10 and 11. The state faces a difficult structural imbalance between the revenues supporting the General Fund and the revenues supporting the dedicated PTRF. This long term trend has only accelerated in recent years and is apparent in the year-to-date collections pattern through the end of March.

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STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal Year 2018 - MARCH 2018 versus 2017
(\$ Thousands)

	March		% Change	MARCH YTD		% Change	FY 2018 GBM * Growth Rate
	2017	2018		2017	2018		
\$ 517,764	\$ 415,092	(19.8%)	\$ 8,799,952	\$ 9,831,462	11.7%	7.3%	
630,991	618,847	(1.9%)	6,140,023	6,232,774	1.5%	1.0%	
206,782	126,714	(38.7%)	1,186,347	1,084,629	(8.6%)	2.7%	
36,917	31,497	(14.7%)	350,365	327,496	(6.5%)	(5.6%)	
72,462	65,636	(9.4%)	315,569	294,399	(6.7%)	(4.1%)	
35,122	32,843	(6.5%)	262,306	271,945	3.7%	5.9%	
28,136	22,413	(20.3%)	314,191	193,998	(38.3%)	(40.3%)	
17,224	15,994	(7.1%)	155,032	150,230	(3.1%)	3.0%	
118,893	146,033	22.8%	318,508	342,663	7.6%	(8.7%)	
18,045	-	-	18,045	-	-	(22.1%)	
107,897	95,275	(11.7%)	461,838	926,461	100.6%	65.1%	
12,390	(1,715)	(113.8%)	73,493	50,650	(31.1%)	(15.0%)	
9,970	10,494	5.3%	66,011	67,886	2.8%	0.0%	
24,651	23,882	(3.1%)	237,470	256,005	7.8%	10.5%	
1,864	796	(57.3%)	16,383	11,921	(27.2%)	(7.4%)	
-	-	-	-	-	-	5.0%	
\$ 1,839,108	\$ 1,603,801	(12.8%)	\$ 18,715,534	\$ 20,042,519	7.1%	5.0%	
Memo:							
\$ 82,520	\$ 92,062	11.6%	\$ 701,904	\$ 735,301	4.8%		

(a) Pursuant to P.L. 03-13, \$221.1 million of FY 2018 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.

(c) Fiscal Year 2018 amounts represent the recent gas tax increases imposed under P.L. 2016, C.57 which are constitutionally dedicated.

(d) Pursuant to P.L. 17-98, Fiscal Year 2018 Lottery revenues are dedicated to the pension funds and are no longer included in the State cash collections.

* Projected annual growth rate is the change from the FY 2017 CAFR to the 2018 revenue estimates per the 2019 Governor's Budget Message.