

CASH BASIS - UNAUDITED

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



Monthly Revenue

	<u>FY 03</u>	<u>FY 02</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 164.5	\$ 138.4	\$ 26.1
Highway	\$ 18.4	\$ 19.6	\$ (1.2)
Fish & Game	\$ 1.5	\$ 1.2	\$.3

YTD Revenue

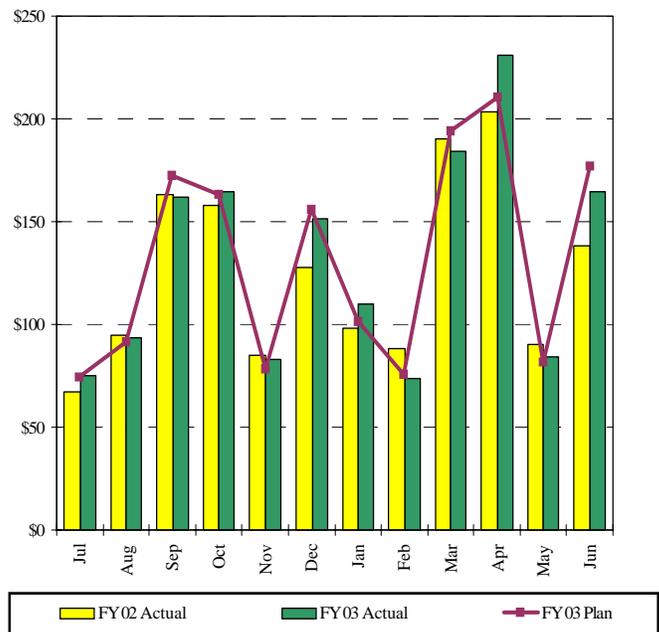
	<u>FY 03</u>	<u>FY 02</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 2,029.5	\$ 1,957.2	\$ 72.3
Highway	\$ 218.7	\$ 211.7	\$ 7.0
Fish & Game	\$ 8.8	\$ 8.4	\$.4

Current Month Analysis

General & Education Funds	<i>FY03 Actuals</i>	<i>FY03 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 30.3	\$ 43.9	\$ (13.6)
Business Enterprise Tax	32.0	20.1	11.9
Subtotal	62.3	64.0	(1.7)
Meals & Rooms Tax	14.4	16.8	(2.4)
Tobacco Tax	8.5	8.4	0.1
Liquor Sales and Distribution	8.9	8.2	0.7
Interest & Dividends Tax	8.2	12.8	(4.6)
Insurance Tax	14.4	13.1	1.3
Communications Tax	5.2	5.8	(0.6)
Real Estate Transfer Tax	9.6	15.2	(5.6)
Estate & Legacy Tax	4.9	4.6	0.3
Court Fines & Fees	1.0	0.9	0.1
Securities Revenue	0.9	0.6	0.3
Utility Tax	0.4	0.5	(0.1)
Board & Care Revenue	1.0	0.9	0.1
Beer Tax	1.1	1.3	(0.2)
Racing Revenue	0.4	0.3	0.1
Other	7.7	4.9	2.8
Transfers from Sweepstakes	10.8	11.0	(0.2)
Tobacco Settlement	-	-	-
Utility Property Tax	4.6	5.1	(0.5)
Property Tax Not Retained Locally	-	-	-
Property Tax Retained Locally	-	-	-
Subtotal	164.3	174.4	(10.1)
Net Medicaid Enhancement Rev	0.2	2.6	(2.4)
Subtotal	164.5	177.0	(12.5)
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-
Total	\$ 164.5	\$ 177.0	\$ (12.5)

Monthly Unrestricted Revenue

Excluding State Property Tax-Local



All funds reported in Millions and on a Cash Basis

This June 2003 Monthly Revenue Focus represents revenue on a **CASH BASIS** and is unaudited. Preliminary accrual reports will be issued during the last week of July and final accrual results will be available at the conclusion of the audit after year-end accounts receivable and other adjustments are analyzed. In doing comparisons to the prior year, note that the fiscal 2002 results represent final audited amounts and are on the accrual basis.

Unrestricted revenue, for the General and Education funds, from traditional taxes ended the year \$21.6 million behind plan. However after taking into account additional Medicaid revenue of \$21.1 million, the total fiscal 2003 unrestricted revenue came in on target with the original estimates. The year to date collections totaled \$2,029.5 million, which exceeded prior year by \$72.3 million.

Business Taxes totaled \$392.8 million for the year, which was \$36.8 million below plan but above prior year \$9.4 million. June collections were stronger than expected, but still came in short of estimates by \$1.7 million. In accordance with Ch 158:20 & 23, Laws of 2001, the Department of Revenue adjusted the 4th quarter General Fund transfer to the Education Fund to \$51.9 million.

The other major categories that fell substantially short of projections were the Meals and Rooms Tax and the Interest and Dividends Tax. **Meals & Rooms Tax** growth for the year slowed due to the economy's impact on consumer spending behaviors. For the year, receipts increased over prior year by \$4.8 million, (2.8%), however collections fell short of plan by \$18.0 million, (9.3%). Due to the lowest interest rates in over 50 years, the **Interest & Dividends Tax** collections drastically fell short of prior year by \$13.9 million and fell short of plan by \$22.6 million.

Minimizing the impact of these shortfalls was the strong fiscal year performance from the Insurance Tax, Real Estate Transfer Tax and Estate & Legacy Tax. Fueled by premium growth associated with private passenger vehicles and medical insurance, the **Insurance Tax** totaled \$82.2 million (\$19.2 mil above plan). Continued strength in the housing market and the effects of Chapter 158:27 Laws of 2001, increased total **Real Estate Transfer Tax** (RET) collections to \$117.0 million (\$14.5 mil above plan). As a result of Chapter 158:27, which repealed the exemption of certain business transaction from the RET, the state received \$6.2 million from the sale of the Seabrook Nuclear Power Plant. (This transaction was recorded in December, although the original plan allocated it to June.) **Estate & Legacy Tax** benefited from a substantial one-time gain in April, which resulted in YTD collections of \$67.9 million (\$13.1 mil above plan).

Due to delays in gaining the necessary state and federal approvals, the Department of Health and Human Services (DHHS) still has not processed the remaining 6% hospital tax and the Fiscal 2003 ProShare transactions. The net unrestricted revenue gain from these transactions is estimated to be \$14.1 million, (\$7.6 mil from the hospital tax and \$6.5 mil from Proshare), and it is anticipated that these transactions will be posted as an accounts receivable.

The increased federal funds associated with the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 is not reflected in this report. The increased federal Medicaid reimbursement rate of 2.95% for grant expenditures effective for the period April 1, 2003 to June 30, 2003 will be recorded as restricted revenue (estimated at \$6.3 mil) and lapsed to the general fund. The separate Flexible Grant will be reflected as Unrestricted Revenue (estimated at \$12.5 mil) when funds become available.

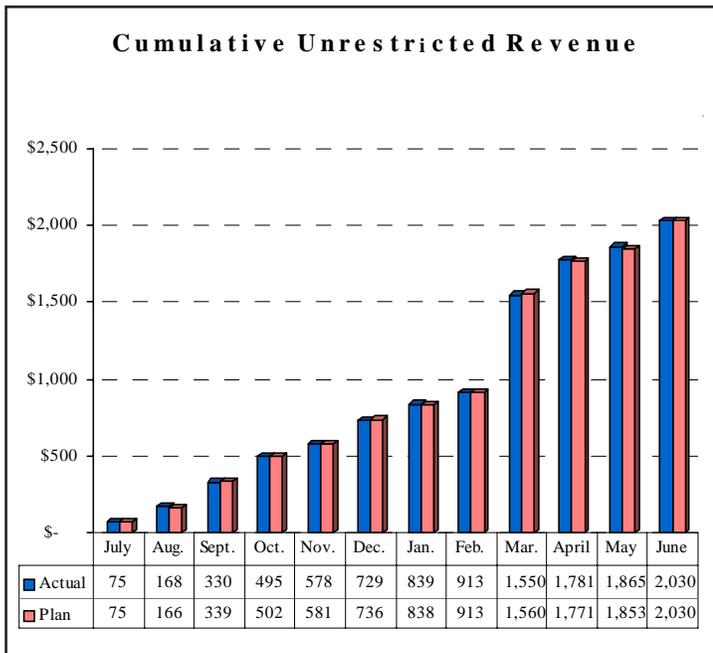
Comparison to FY 02

General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	FY03	FY02	Inc/(Dec)	FY03	FY02	Inc/(Dec)	
	Actuals	Actuals		Actuals	Actuals		
Business Profits Tax	\$ 30.3	\$ 23.3	\$ 7.0	\$ 177.8	\$ 161.2	\$ 16.6	10.3%
Business Enterprise Tax	32.0	26.3	5.7	215.0	222.2	(7.2)	-3.2%
Subtotal	62.3	49.6	12.7	392.8	383.4	9.4	2.5%
Meals & Rooms Tax	14.4	14.4	-	175.4	170.6	4.8	2.8%
Tobacco Tax	8.5	6.6	1.9	93.0	84.3	8.7	10.3%
Liquor Sales and Distribution	8.9	9.0	(0.1)	101.2	96.2	5.0	5.2%
Interest & Dividends Tax	8.2	8.8	(0.6)	56.4	70.3	(13.9)	-19.8%
Insurance Tax	14.4	9.5	4.9	82.2	76.1	6.1	8.0%
Communications Tax	5.2	7.8	(2.6)	63.4	64.7	(1.3)	-2.0%
Real Estate Transfer Tax	9.6	11.7	(2.1)	117.0	99.5	17.5	17.6%
Estate & Legacy Tax	4.9	3.7	1.2	67.9	57.0	10.9	19.1%
Court Fines & Fees	1.0	(1.0)	2.0	24.2	23.2	1.0	4.3%
Securities Revenue	0.9	0.3	0.6	25.8	26.1	(0.3)	-1.1%
Utility Tax	0.4	(0.1)	0.5	6.0	5.5	0.5	9.1%
Board & Care Revenue	1.0	1.4	(0.4)	10.5	10.7	(0.2)	-1.9%
Beer Tax	1.1	1.2	(0.1)	12.2	12.2	-	0.0%
Racing Revenue	0.4	0.4	(0.0)	4.1	4.2	(0.1)	-2.4%
Other	7.7	4.2	3.5	52.8	45.6	7.2	15.8%
Transfers from Sweepstakes	10.8	8.8	2.0	66.6	66.1	0.5	0.8%
Tobacco Settlement	-	-	-	45.3	45.7	(0.4)	-0.9%
Utility Property Tax	4.6	4.4	0.2	18.5	18.2	0.3	1.6%
Property Tax Not Retained Locally	-	-	-	32.7	29.0	3.7	12.8%
Property Tax Retained Locally	-	-	-	453.0	454.1	(1.1)	-0.2%
Subtotal	164.3	140.7	23.6	1,901.0	1,842.7	58.3	3.2%
Net Medicaid Enhancement Rev	0.2	(2.3)	2.5	111.9	98.2	13.7	14.0%
Subtotal	164.5	138.4	26.1	2,012.9	1,940.9	72.0	3.7%
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-	16.6	16.3	0.3	1.8%
Total	\$ 164.5	\$ 138.4	\$ 26.1	\$ 2,029.5	\$ 1,957.2	\$ 72.3	3.7%



Year-to-Date Analysis

General & Education Funds	General		Education		Total		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 140.7	\$ 231.0	\$ 37.1	\$ 36.6	\$ 177.8	\$ 267.6	\$ (89.8)
Business Enterprise Tax	93.6	56.5	121.4	105.5	215.0	162.0	53.0
Subtotal	234.3	287.5	158.5	142.1	392.8	429.6	(36.8)
Meals & Rooms Tax	168.6	185.0	6.8	8.4	175.4	193.4	(18.0)
Tobacco Tax	66.2	60.5	26.8	24.5	93.0	85.0	8.0
Liquor Sales and Distribution	101.2	96.5	-	-	101.2	96.5	4.7
Interest & Dividends Tax	56.4	79.0	-	-	56.4	79.0	(22.6)
Insurance Tax	82.2	63.0	-	-	82.2	63.0	19.2
Communications Tax	63.4	70.9	-	-	63.4	70.9	(7.5)
Real Estate Transfer Tax	78.0	68.7	39.0	33.8	117.0	102.5	14.5
Estate & Legacy Tax	67.9	54.8	-	-	67.9	54.8	13.1
Court Fines & Fees	24.2	24.4	-	-	24.2	24.4	(0.2)
Securities Revenue	25.8	28.5	-	-	25.8	28.5	(2.7)
Utility Tax	6.0	5.5	-	-	6.0	5.5	0.5
Board & Care Revenue	10.5	10.8	-	-	10.5	10.8	(0.3)
Beer Tax	12.2	12.2	-	-	12.2	12.2	-
Racing Revenue	4.1	3.9	-	-	4.1	3.9	0.2
Other	52.8	46.0	-	-	52.8	46.0	6.8
Transfers from Sweepstakes	-	-	66.6	66.0	66.6	66.0	0.6
Tobacco Settlement	5.3	4.4	40.0	40.0	45.3	44.4	0.9
Utility Property Tax	-	-	18.5	20.5	18.5	20.5	(2.0)
Property Tax Not Retained Locally	-	-	32.7	32.7	32.7	32.7	-
Property Tax Retained Locally	-	-	453.0	453.0	453.0	453.0	-
Subtotal	1,059.1	1,101.6	841.9	821.0	1,901.0	1,922.6	(21.6)
Net Medicaid Enhancement Rev	111.9	94.0	-	-	111.9	94.0	17.9
Subtotal	1,171.0	1,195.6	841.9	821.0	2,012.9	2,016.6	(3.7)
Other Medicaid Enhancement Rev to Fund Net Appropriations	16.6	13.4	-	-	16.6	13.4	3.2
Total	\$ 1,187.6	\$ 1,209.0	\$ 841.9	\$ 821.0	\$ 2,029.5	\$ 2,030.0	\$ (0.5)



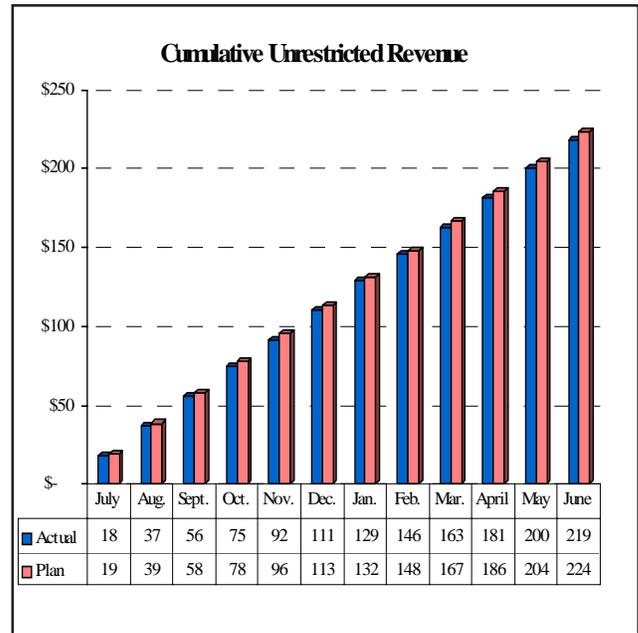
Education Trust Fund Statement of Activity - FY 2003 July 1, 2002 to June 30, 2003	
Description	In Millions
Beginning Cash Balance	\$ (18.5)
Unrestricted Revenue - See above	841.9
Transfers from General Fund Appropriations	83.4
Expenditures Education Grants & Adm Costs	(899.1)
Ending Cash Balance	\$ 7.7



Year-to-Date Analysis

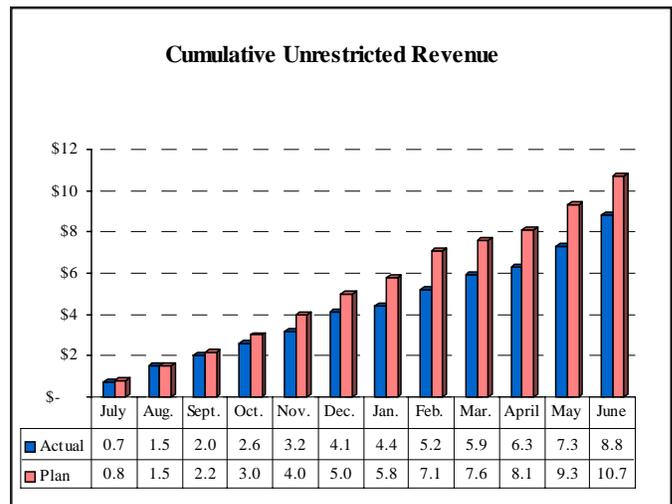
Highway Fund

Revenue Category	FY 03 Actuals	FY 03 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 125.4	\$ 128.0	\$ (2.6)
Miscellaneous	4.7	8.9	(4.2)
Motor Vehicle Fees			
MV Registrations	63.9	61.3	2.6
MV Operators	12.8	14.6	(1.8)
Inspection Station Fees	2.2	2.3	(0.1)
MV Miscellaneous Fees	4.3	4.9	(0.6)
Certificate of Title	5.4	3.5	1.9
Total Fees	88.6	86.6	2.0
Total	\$ 218.7	\$ 223.5	\$ (4.8)



Fish & Game Fund

Revenue Category	FY 03 Actuals	FY 03 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 7.7	\$ 9.1	\$ (1.4)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.4	0.6	(0.2)
Federal Recoveries Indirect Costs	0.6	0.9	(0.3)
Total	\$ 8.8	\$ 10.7	\$ (1.9)



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