

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



March
FY 2007

Monthly Revenue Summary

| | <u>FY 07</u> | <u>Plan</u> | <u>Inc/(Dec)</u> |
|------------------------|-----------------|-----------------|------------------|
| Gen & Educ | \$ 611.2 | \$ 582.0 | \$ 29.2 |
| Highway | \$ 176.2 | \$ 178.3 | \$ (2.1) |
| Fish & Game | \$ 6.7 | \$ 6.5 | \$ 0.2 |

Current Month Analysis

| General & Education Funds | <i>FY07 Actuals</i> | <i>FY07 Plan</i> | <i>Actual vs. Plan</i> |
|--------------------------------------|-------------------------|----------------------|----------------------------|
| Business Profits Tax | \$ 764 | \$ 613 | \$ 151 |
| Business Enterprise Tax | 400 | 334 | 66 |
| Subtotal | 1164 | 947 | 217 |
| Meals & Rooms Tax | 14.6 | 15.6 | (1.0) |
| Tobacco Tax | 11.8 | 11.6 | 0.2 |
| Liquor Sales and Distribution | 9.5 | 9.6 | (0.1) |
| Interest & Dividends Tax | 4.1 | 2.4 | 1.7 |
| Insurance Tax(1) | 462 | 47.6 | (1.4) |
| Communications Tax | 66 | 62 | 0.4 |
| Real Estate Transfer Tax | 7.7 | 9.3 | (1.6) |
| Estate & Legacy Tax | - | 0.4 | (0.4) |
| Court Fines & Fees | 28 | 28 | - |
| Securities Revenue | 27 | 20 | 0.7 |
| Utility Tax | 0.6 | 0.6 | - |
| Board & Care Revenue | 1.6 | 1.2 | 0.4 |
| Beer Tax | 0.7 | 0.8 | (0.1) |
| Racing Revenue | 0.2 | 0.3 | (0.1) |
| Other | 7.8 | 5.8 | 2.0 |
| Transfers from Lottery/Pari-Mutuel | 5.8 | 6.5 | (0.7) |
| Tobacco Settlement | - | - | - |
| Utility Property Tax | - | - | - |
| State Property Tax | 363.3 | 363.0 | 0.3 |
| Subtotal | 6024 | 5804 | 220 |
| Net Medicaid Enhancement Rev | 7.5 | 0.1 | 7.4 |
| Recoveries | 1.3 | 1.5 | (0.2) |
| Total | \$ 611.2 | \$ 582.0 | \$ 29.2 |

Fiscal 2006 amounts are UNAUDITED
All funds reported in Millions and on a Cash Basis

Unrestricted revenue from the General and Education Funds for March totaled \$611.2 million, which was above plan by \$29.2 million and ahead of prior year by \$57.9 million. Year to date (YTD) revenue totaled \$1,696.0 million, which was above plan by \$45.9 million and ahead of prior year by \$76.0 million. These favorable results were attributable to the performance of business taxes, the insurance tax and the interest & dividends tax.

Business taxes (BPT & BET) for March totaled \$116.4 million, which was above plan by \$21.7 million and above prior year by \$26.3 million. On a YTD basis, revenue from business taxes totaled \$397.5 million which was above plan by \$64.1 million (19%) and ahead of prior year by \$40.8 million (11%). According to the Department of Revenue, a significant one-time extension payment was received during the month. Calendar year corporate entities are required to file their returns and pay their tax liability from the previous year by March 15th. Even though the payment is due, many large taxpayers file seven-month extensions and their exact liability won't be known for several months. Next month, non-corporate taxpayer returns are due April 15 along with first quarter, estimated payments.

Insurance Tax revenues for March totaled \$46.2 million, which were \$1.4 million below plan but \$22.5 million above prior year. YTD revenues of \$95.0 million were \$0.1 million below plan but above prior year by \$24.5 million. Revenues are up from the prior year due to Chapter 277:3 'Laws of 2006' which stipulates that the entire premium tax for the previous calendar year will be paid on or before March 15th. Prior to this change, insurance companies were required to make quarterly estimates with final return due in March. With the law change, the June, September and December estimates are now paid in March. As a result, actual collections for March were \$87.2 million. In accordance with accounting standards, approximately \$41 million of these collections will be recorded as deferred revenue and recognized as unrestricted revenue in fiscal 2008 therefore, these receipts are not reflected in this report.

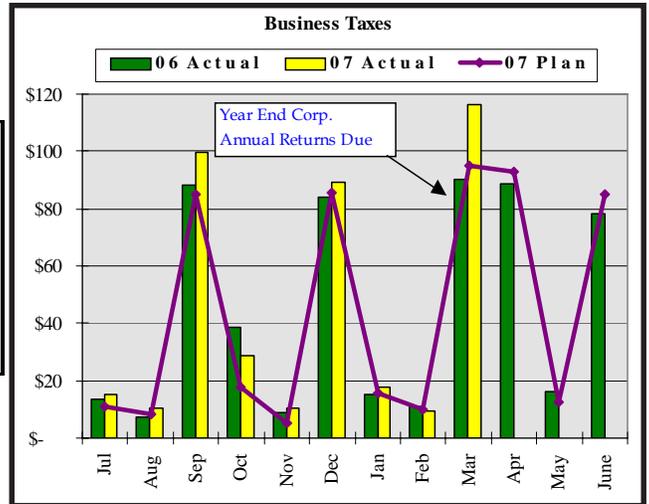
The YTD **Interest & Dividends Tax (I&D)** collections through March, of \$44.8 million, are ahead of plan by \$12.6 million (39%) and ahead of prior year by \$11.7 million (35%). April is the next significant month for I&D collections since annual returns and first quarter estimates are due. April's collections generate approximately 40% of the total revenue for the year.

As can be seen in the table on the next page, the **Real Estate Transfer Tax (RET)** performance has lagged throughout the year consistent with the slow-down in housing. The RET totaled \$7.7 million for the month, which was below plan by \$1.6 million. YTD revenue from RET totaled \$107.1 million which was also below plan by \$30.6 million (22%) and below prior year by \$17.1 million (14%). The **Meals and Rooms Tax** has been tracking below plan all year as well. On a YTD basis, collections are \$6.8 million (4%) below plan although still above prior year by \$5.7 million (4%).

During March, the state recognized \$363.3 million from the **Statewide Property Tax** and processed the final adequacy grant payment of \$141.8 due April 1st.

Net Medicaid Enhancement Revenues, from the six percent hospital tax, generated net revenue of \$7.4 million for the month as outstanding payments were remitted.

| RET Growth Analysis (In Millions) | | | | | | | | | |
|--------------------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| FY07 | 16.5 | 12.3 | 13.5 | 11.7 | 15.2 | 10.6 | 11.0 | 8.6 | 7.7 |
| Plan | 18.2 | 18.5 | 18.6 | 16.5 | 16.3 | 14.3 | 14.7 | 11.3 | 9.3 |
| Month over(under) plan | (1.7) | (6.2) | (5.1) | (4.8) | (1.1) | (3.7) | (3.7) | (2.7) | (1.6) |
| % Month over(under) Plan | -9% | -34% | -27% | -29% | -7% | -26% | -25% | -24% | -17% |
| YTD over(under) Plan | (1.7) | (7.9) | (13.0) | (17.8) | (18.9) | (22.6) | (26.3) | (29.0) | (30.6) |
| % YTD over(under) Plan | -9% | -22% | -24% | -25% | -21% | -22% | -22% | -23% | -22% |
| % YTD over(under) Prior Year | -1% | -14% | -17% | -18% | -13% | -15% | -14% | -15% | -14% |



General & Education Funds Comparison to FY 06

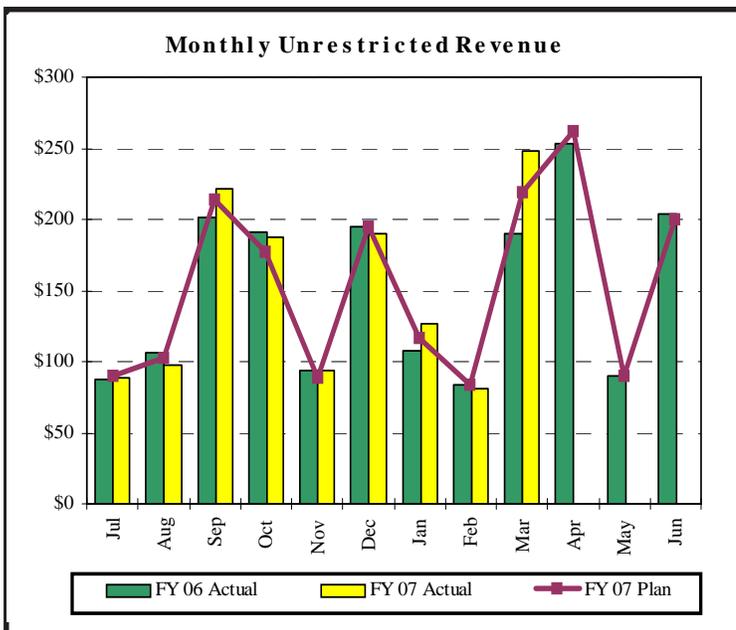
| General & Education Funds | Monthly | | | Year-to-Date | | | % Inc/(Dec) |
|------------------------------------|----------|----------|-----------|--------------|------------|-----------|-------------|
| | FY07 | FY06 | Inc/(Dec) | FY07 | FY06 | Inc/(Dec) | |
| | Actuals | Actuals | | Actuals | Actuals | | |
| Business Profits Tax | \$ 76.4 | \$ 46.2 | \$ 30.2 | \$ 233.4 | \$ 154.2 | \$ 79.2 | 51.4% |
| Business Enterprise Tax | 40.0 | 43.9 | (3.9) | 164.1 | 202.5 | (38.4) | -19.0% |
| Subtotal | 116.4 | 90.1 | 26.3 | 397.5 | 356.7 | 40.8 | 11.4% |
| Meals & Rooms Tax | 14.6 | 14.3 | 0.3 | 161.3 | 155.6 | 5.7 | 3.7% |
| Tobacco Tax | 11.8 | 12.4 | (0.6) | 106.8 | 111.0 | (4.2) | -3.8% |
| Liquor Sales and Distribution | 9.5 | 9.0 | 0.5 | 96.0 | 91.6 | 4.4 | 4.8% |
| Interest & Dividends Tax | 4.1 | 3.1 | 1.0 | 44.8 | 33.1 | 11.7 | 35.3% |
| Insurance Tax (1) | 46.2 | 23.7 | 22.5 | 95.0 | 70.5 | 24.5 | 34.8% |
| Communications Tax | 6.6 | 5.8 | 0.8 | 54.5 | 52.9 | 1.6 | 3.0% |
| Real Estate Transfer Tax | 7.7 | 7.9 | (0.2) | 107.1 | 124.2 | (17.1) | -13.8% |
| Estate & Legacy Tax | - | - | - | 0.6 | 4.2 | (3.6) | -85.7% |
| Court Fines & Fees | 2.8 | 3.3 | (0.5) | 22.8 | 21.7 | 1.1 | 5.1% |
| Securities Revenue | 2.7 | 2.0 | 0.7 | 14.6 | 12.9 | 1.7 | 13.2% |
| Utility Tax | 0.6 | 0.6 | 0.0 | 4.7 | 4.8 | (0.1) | -2.1% |
| Board & Care Revenue | 1.6 | 0.8 | 0.8 | 14.6 | 9.8 | 4.8 | 49.0% |
| Beer Tax | 0.7 | 0.8 | (0.1) | 9.6 | 9.6 | - | 0.0% |
| Racing Revenue | 0.2 | 0.3 | (0.1) | 2.1 | 2.1 | - | 0.0% |
| Other | 7.8 | 5.5 | 2.3 | 42.6 | 39.3 | 3.3 | 8.4% |
| Transfers from Lottery/Pari-Mutuel | 5.8 | 9.6 | (3.8) | 53.9 | 53.8 | 0.1 | 0.2% |
| Tobacco Settlement | - | - | - | 0.4 | 0.5 | (0.1) | -20.0% |
| Utility Property Tax | - | - | - | 11.3 | 10.5 | 0.8 | 7.6% |
| State Property Tax | 363.3 | 363.4 | (0.1) | 363.3 | 363.4 | (0.1) | 0.0% |
| Subtotal | 602.4 | 552.6 | 49.8 | 1,603.5 | 1,528.2 | 75.3 | 4.9% |
| Net Medicaid Enhancement Rev | 7.5 | 0.1 | 7.4 | 82.8 | 73.5 | 9.3 | 12.7% |
| Recoveries | 1.3 | 0.6 | 0.7 | 9.7 | 18.3 | (8.6) | -47.0% |
| Total | \$ 611.2 | \$ 553.3 | \$ 57.9 | \$ 1,696.0 | \$ 1,620.0 | \$ 76.0 | 4.7% |



Year-to-Date Analysis

| General & Education Funds | General | | | Education | | | Total | | |
|------------------------------------|------------|----------|-----------------|-----------|----------|-----------------|------------|------------|-----------------|
| | Actual | Plan | Actual vs. Plan | Actual | Plan | Actual vs. Plan | Actual | Plan | Actual vs. Plan |
| Business Profits Tax | \$ 192.2 | \$ 142.2 | \$ 50.0 | \$ 41.2 | \$ 39.5 | \$ 1.7 | \$ 233.4 | \$ 181.7 | \$ 51.7 |
| Business Enterprise Tax | 54.7 | 39.1 | 15.6 | 109.4 | 112.6 | (3.2) | 164.1 | 151.7 | 12.4 |
| Subtotal | 246.9 | 181.3 | 65.6 | 150.6 | 152.1 | (1.5) | 397.5 | 333.4 | 64.1 |
| Meals & Rooms Tax | 155.7 | 162.2 | (6.5) | 5.6 | 5.9 | (0.3) | 161.3 | 168.1 | (6.8) |
| Tobacco Tax | 49.0 | 54.1 | (5.1) | 57.8 | 54.7 | 3.1 | 106.8 | 108.8 | (2.0) |
| Liquor Sales and Distribution | 96.0 | 98.0 | (2.0) | - | - | - | 96.0 | 98.0 | (2.0) |
| Interest & Dividends Tax | 44.8 | 32.2 | 12.6 | - | - | - | 44.8 | 32.2 | 12.6 |
| Insurance Tax (1) | 95.0 | 95.1 | (0.1) | - | - | - | 95.0 | 95.1 | (0.1) |
| Communications Tax | 54.5 | 55.5 | (1.0) | - | - | - | 54.5 | 55.5 | (1.0) |
| Real Estate Transfer Tax | 71.5 | 92.5 | (21.0) | 35.6 | 45.2 | (9.6) | 107.1 | 137.7 | (30.6) |
| Estate & Legacy Tax | 0.6 | 2.9 | (2.3) | - | - | - | 0.6 | 2.9 | (2.3) |
| Court Fines & Fees | 22.8 | 22.6 | 0.2 | - | - | - | 22.8 | 22.6 | 0.2 |
| Securities Revenue | 14.6 | 13.3 | 1.3 | - | - | - | 14.6 | 13.3 | 1.3 |
| Utility Tax | 4.7 | 5.0 | (0.3) | - | - | - | 4.7 | 5.0 | (0.3) |
| Board & Care Revenue | 14.6 | 9.4 | 5.2 | - | - | - | 14.6 | 9.4 | 5.2 |
| Beer Tax | 9.6 | 9.7 | (0.1) | - | - | - | 9.6 | 9.7 | (0.1) |
| Racing Revenue | 2.1 | 2.6 | (0.5) | - | - | - | 2.1 | 2.6 | (0.5) |
| Other | 42.6 | 40.7 | 1.9 | - | - | - | 42.6 | 40.7 | 1.9 |
| Transfers from Lottery/Pari-Mutuel | - | - | - | 53.9 | 52.0 | 1.9 | 53.9 | 52.0 | 1.9 |
| Tobacco Settlement | - | - | - | 0.4 | - | 0.4 | 0.4 | - | 0.4 |
| Utility Property Tax | - | - | - | 11.3 | 12.0 | (0.7) | 11.3 | 12.0 | (0.7) |
| State Property Tax | - | - | - | 363.3 | 363.0 | 0.3 | 363.3 | 363.0 | 0.3 |
| Subtotal | 925.0 | 877.1 | 47.9 | 678.5 | 684.9 | (6.4) | 1,603.5 | 1,562.0 | 41.5 |
| Net Medicaid Enhancement Rev | 82.8 | 75.4 | 7.4 | - | - | - | 82.8 | 75.4 | 7.4 |
| Recoveries | 9.7 | 12.7 | (3.0) | - | - | - | 9.7 | 12.7 | (3.0) |
| Total | \$ 1,017.5 | \$ 965.2 | \$ 52.3 | \$ 678.5 | \$ 684.9 | \$ (6.4) | \$ 1,696.0 | \$ 1,650.1 | \$ 45.9 |

(1) Excludes Insurance Tax Payments of approximately \$41.0 million. These were recorded as deferred revenue and will be recognized in FY 2008.



Excluding State Property Tax

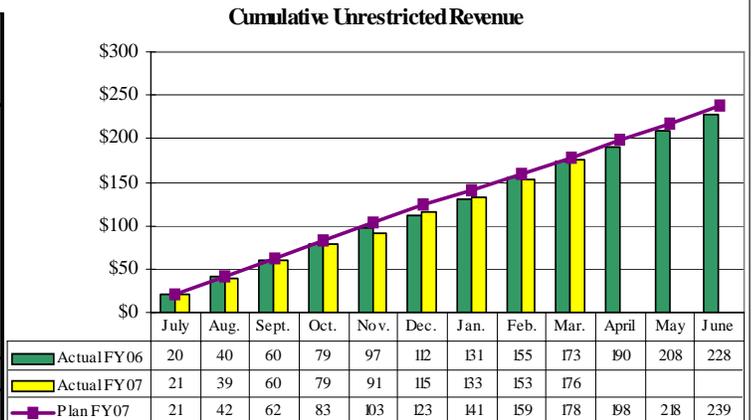
| Education Trust Fund Statement of Activity - FY 2007 July 1, 2006 to March 31, 2007 | |
|---|-------------------|
| Description | In Millions |
| Beginning Surplus (unaudited) | \$ 8.4 |
| Unrestricted Revenue - See above | 678.5 |
| Transfers from General Fund Appropriations (net) | - |
| Expenditures | |
| Education Grants & Adm Costs | (840.5) |
| Ending Surplus (Deficit) | \$ (153.6) |



Year-to-Date Analysis

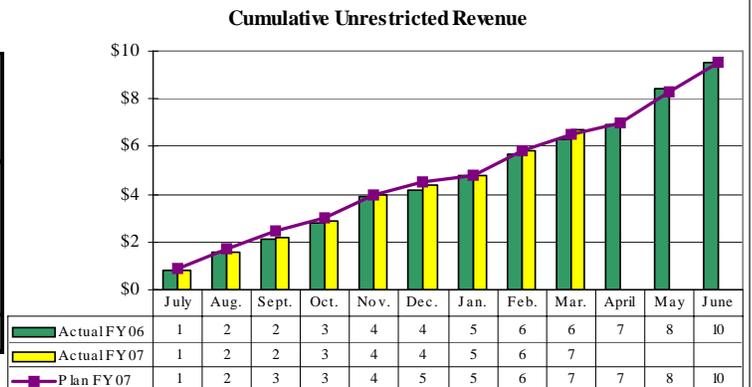
Highway Fund

| <i>Revenue Category</i> | <i>FY 07 Actuals</i> | <i>FY 07 Plan</i> | <i>Actual vs. Plan</i> |
|---------------------------|--------------------------|-----------------------|----------------------------|
| Gasoline Road Toll | \$ 97.3 | \$ 100.9 | \$ (3.6) |
| Miscellaneous | 10.9 | 8.1 | 2.8 |
| Motor Vehicle Fees | | | |
| MV Registrations | 48.7 | 49.0 | (0.3) |
| MV Operators | 9.5 | 9.8 | (0.3) |
| Inspection Station Fees | 2.7 | 3.0 | (0.3) |
| MV Miscellaneous Fees | 3.4 | 3.1 | 0.3 |
| Certificate of Title | 3.7 | 4.4 | (0.7) |
| Total Fees | 68.0 | 69.3 | (1.3) |
| Total | \$ 176.2 | \$ 178.3 | \$ (2.1) |



Fish & Game Fund

| <i>Revenue Category</i> | <i>FY 07 Actuals</i> | <i>FY 07 Plan</i> | <i>Actual vs. Plan</i> |
|-----------------------------------|--------------------------|-----------------------|----------------------------|
| Fish and Game Licenses | \$ 5.5 | \$ 5.6 | \$ (0.1) |
| Fines and Penalties | 0.1 | 0.2 | (0.1) |
| Miscellaneous Sales | 0.4 | 0.2 | 0.2 |
| Federal Recoveries Indirect Costs | 0.7 | 0.5 | 0.2 |
| Total | \$ 6.7 | \$ 6.5 | \$ 0.2 |



Department of Administrative Services
Donald S. Hill, Commissioner
State House Annex - Room 120
25 Capitol Street
Concord, New Hampshire 03301-6312
Phone: (603)271-3201 Fax: (603)271-6600
TDD Access: Relay NH 1-800-735-2964

Division of Accounting Services
Stephen Smith
State House Annex - Room 310
25 Capitol Street
Concord, New Hampshire 03301-6312
Phone: (603) 271-3190 Fax: (603) 271-6666
TDD Access: Relay NH 1-800-735-2964