

# State Of New Hampshire Monthly Revenue Focus

## Department of Administrative Services

Commissioner Linda M. Hodgdon



### Monthly Revenue Summary

	<u>FY 09</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	<b>\$ 206.9</b>	<b>\$ 221.6</b>	<b>\$ (14.7)</b>
<b>Highway</b>	<b>\$ 22.9</b>	<b>\$ 22.9</b>	<b>\$ -</b>
<b>Fish &amp; Game</b>	<b>\$ 0.8</b>	<b>\$ 0.5</b>	<b>\$ 0.3</b>

### Current Month Analysis

<b>General &amp; Education Funds</b>	<i>FY09 Actuals</i>	<i>FY09 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 11.2	\$ 19.1	\$ (7.9)
Business Enterprise Tax	15.8	18.6	(2.8)
Subtotal	27.0	37.7	(10.7)
Meals & Rooms Tax	18.5	20.3	(1.8)
Tobacco Tax	20.1	16.6	3.5
Liquor Sales and Distribution	12.7	12.8	(0.1)
Interest & Dividends Tax	3.8	3.1	0.7
Insurance Tax	1.2	1.1	0.1
Communications Tax	7.8	6.9	0.9
Real Estate Transfer Tax	8.1	12.9	(4.8)
Estate & Legacy Tax	-	-	-
Court Fines & Fees	2.7	2.9	(0.2)
Securities Revenue	0.5	0.5	-
Utility Tax	0.6	0.5	0.1
Board & Care Revenue	1.6	1.7	(0.1)
Beer Tax	1.1	1.0	0.1
Racing Revenue	0.2	0.2	-
Other	4.2	4.2	-
Transfers from Lottery	5.9	7.3	(1.4)
Transfers from Pari-Mutuel	0.3	0.1	0.2
Tobacco Settlement	-	-	-
Utility Property Tax	-	-	-
State Property Tax	-	-	-
Subtotal	116.3	129.8	(13.5)
Net Medicaid Enhancement Rev	87.8	90.6	(2.8)
Recoveries	2.8	1.2	1.6
Total	\$ 206.9	\$ 221.6	\$ (14.7)

Unrestricted revenue for the General and Education Funds received during October totaled \$206.9 million, which was below the plan by \$14.7 million and below prior year by \$22.6 million. Year to date unrestricted revenue totaled \$601.8 million, which was also below plan by \$71.5 million and prior year by \$32.4 million. Weakness from Business taxes and the Real Estate Transfer Tax are the main contributors to these shortfalls.

**Business Tax** collections for October totaled \$27.0 million, which were \$10.7 million below plan and \$24.7 million below prior year. Year to date business tax collections were also below both plan and prior year by \$47.6 million and \$31.9 million, respectively. According to the Department of Revenue, October receipts from taxpayer estimates came in less than forecast. Audit and compliance revenue for the month was \$4.9 million and \$10.3 million year to date. Refunds approved during the month were approximately \$8.2 million of which approximately \$2.8 million have not been paid. Refunds approved year to date were approximately \$12.4 million. As can be seen on the business tax chart on page 2, December is the next significant collection month as calendar year businesses file their 4<sup>th</sup> quarter estimated payments.

The **Meals & Rooms Tax (M&R)** generated \$18.5 million for October, which was \$1.8 million below plan and \$1.3 million below prior year. On a year to date basis M&R is tracking \$5.5 million (6%) below plan and \$0.8 million (1%) below prior year.

The **Tobacco Tax** totaled \$20.1 million this month, which was \$3.5 million above plan and \$6.2 million above prior year. Year to date, the Tobacco Tax is \$1.5 million above plan and \$4.9 million above prior year. During the month, the Commissioner of the Department of Revenue certified that the \$50 million threshold as stipulated in Chapter 296:17, Laws of 2008 was not met for the period July 1, 2008 through September 30, 2008, therefore, effective October 15<sup>th</sup>, the tax on a package of cigarettes increased 25 cents to \$1.33 per pack. See table on page 2 for the revised Tobacco Tax plan numbers.

**Liquor Sales** for October came in at \$12.7 million, slightly under plan and bringing year to date revenue to \$2.5 million under plan but \$2.0 million above prior year. During the month, the Liquor Commission implemented discounts for certain liquor licensees pursuant to Chapter 296:12, Laws of 2008. The Liquor Commission is currently analyzing the impact of these discounts and will adjust its 2009 gross profit estimate on liquor sales in November. See table on page 2 for the revised Liquor Sales plan numbers.

The **Real Estate Transfer Tax (RET)** continues to significantly lag. Collections for October totaled \$8.1 million, \$4.8 million below plan and \$1.5 million below prior year. Year to date, RET is tracking \$18.5 million (32%) behind plan and \$10.3 million (21%) behind prior year. See chart on page 2 for more information.

Proceeds from **Lottery** continued to track below estimates. Year to date transfers of \$17.7 million were \$4.2 million below plan and \$4.3 below prior year. The fiscal 2009 plan was developed assuming two large Powerball jackpots during the year. Through October, no large jackpots have occurred.

**Net Medicaid Enhancement Revenues**, from the six percent hospital tax, generated net revenue of \$87.8 million for the month, which was \$2.8 million below plan. Currently, one hospital remains outstanding with payment expected later this year.

*Fiscal 2008 amounts are UNAUDITED  
All funds reported in Millions and on a Cash Basis*

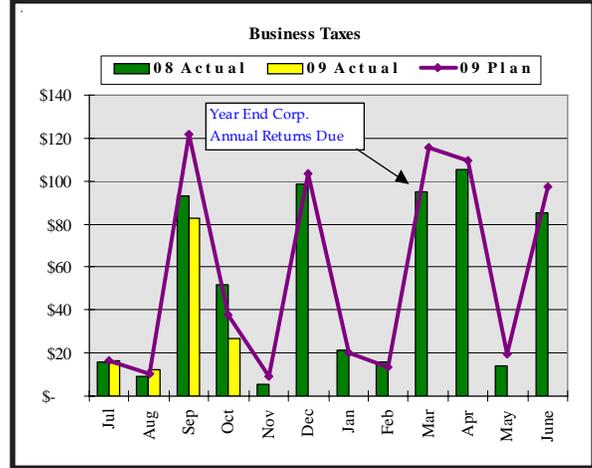


# NH Revenue Focus - October FY 2009

## RET Growth Analysis

(In Millions)

	Jul	Aug	Sep	Oct
FY 09	11.5	9.9	9.4	8.1
FY 08	12.9	13.2	13.5	9.6
FY 07	16.5	12.3	13.5	11.7
FY 09 Plan	15.2	14.5	14.8	12.9
Month over(under) plan	(3.7)	(4.6)	(5.4)	(4.8)
% Month over(under) Plan	-24%	-32%	-36%	-37%
YTD over(under) Plan	(3.7)	(8.3)	(13.7)	(18.5)
% YTD over(under) Plan	-24%	-28%	-31%	-32%
% YTD over(under) Prior Year	-11%	-18%	-22%	-21%



## Revised FY 2009 Plan Estimates due to Chapter 296, Laws of 2008

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Tobacco Tax - General Fund	5.6	6.0	5.6	6.6	5.1	7.1	2.4	4.0	4.6	4.4	4.6	6.3	62.3
Tobacco Tax - Education Fund	10.7	11.4	10.7	10.0	10.0	11.2	13.1	9.5	10.7	10.3	10.7	14.3	132.6
Tobacco Tax Total	16.3	17.4	16.3	16.6	15.1	18.3	15.5	13.5	15.3	14.7	15.3	20.6	194.9
Liquor Sales and Distribution	12.9	14.9	11.5	12.8	14.7	15.7	12.8	10.1	10.5	11.5	12.7	13.5	153.6

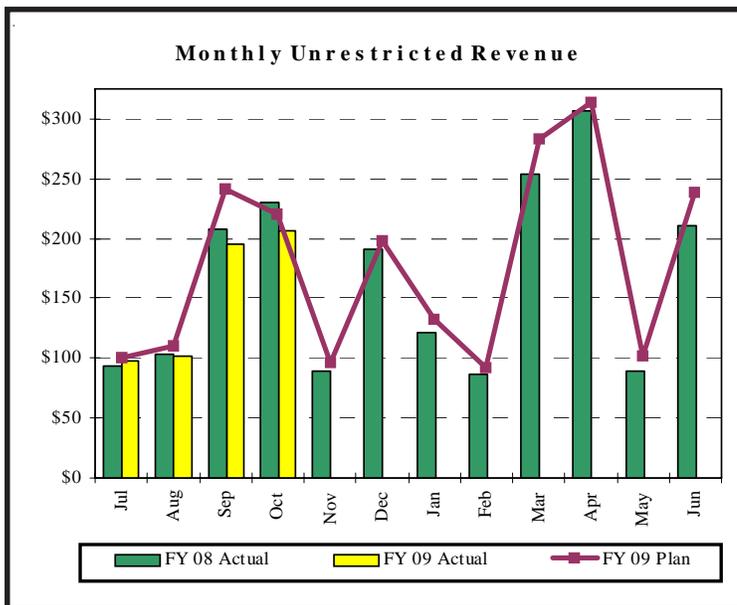
## General & Education Funds Comparison to FY 08

General & Education Funds	Monthly			Year-to-Date			
	FY09 Actuals	FY08 Actuals	Inc/(Dec)	FY09 Actuals	FY08 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 11.2	\$ 36.5	\$ (25.3)	\$ 80.5	\$ 104.3	\$ (23.8)	-22.8%
Business Enterprise Tax	15.8	15.2	0.6	57.8	65.9	(8.1)	-12.3%
Subtotal	27.0	51.7	(24.7)	138.3	170.2	(31.9)	-18.7%
Meals & Rooms Tax	18.5	19.8	(1.3)	86.4	87.2	(0.8)	-0.9%
Tobacco Tax	20.1	13.9	6.2	68.1	63.2	4.9	7.8%
Liquor Sales and Distribution	12.7	11.7	1.0	49.6	47.6	2.0	4.2%
Interest & Dividends Tax	3.8	3.7	0.1	26.1	22.0	4.1	18.6%
Insurance Tax	1.2	1.0	0.2	4.3	3.8	0.5	13.2%
Communications Tax	7.8	7.3	0.5	27.7	26.4	1.3	4.9%
Real Estate Transfer Tax	8.1	9.6	(1.5)	38.9	49.2	(10.3)	-20.9%
Estate & Legacy Tax	-	-	-	-	0.1	(0.1)	-100.0%
Court Fines & Fees	2.7	2.5	0.2	10.1	10.8	(0.7)	-6.5%
Securities Revenue	0.5	0.7	(0.2)	2.1	2.2	(0.1)	-4.5%
Utility Tax	0.6	0.6	-	2.1	2.0	0.1	5.0%
Board & Care Revenue	1.6	2.0	(0.4)	7.0	6.6	0.4	6.1%
Beer Tax	1.1	0.9	0.2	4.9	4.9	-	0.0%
Racing Revenue	0.2	0.2	-	0.9	1.1	(0.2)	-18.2%
Other	4.2	4.5	(0.3)	14.0	16.0	(2.0)	-12.5%
Transfers from Lottery	5.9	8.1	(2.2)	17.7	22.0	(4.3)	-19.5%
Transfers from Pari-Mutuel	0.3	-	0.3	0.3	0.2	0.1	50.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	0.2	(0.2)	7.5	5.2	2.3	44.2%
State Property Tax	-	-	-	-	-	-	-
Subtotal	116.3	138.4	(22.1)	506.0	540.7	(34.7)	-6.4%
Net Medicaid Enhancement Rev	87.8	88.4	(0.6)	89.7	88.7	1.0	1.1%
Recoveries	2.8	2.7	0.1	6.1	4.8	1.3	27.1%
Total	\$ 206.9	\$ 229.5	\$ (22.6)	\$ 601.8	\$ 634.2	\$ (32.4)	-5.1%



**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	\$ 68.3	\$ 88.4	\$ (20.1)	\$ 12.2	\$ 17.0	\$ (4.8)	\$ 80.5	\$ 105.4	\$ (24.9)
Business Enterprise Tax	29.8	33.0	(3.2)	28.0	47.5	(19.5)	57.8	80.5	(22.7)
Subtotal	98.1	121.4	(23.3)	40.2	64.5	(24.3)	138.3	185.9	(47.6)
Meals & Rooms Tax	83.6	88.6	(5.0)	2.8	3.3	(0.5)	86.4	91.9	(5.5)
Tobacco Tax	27.6	23.8	3.8	40.5	42.8	(2.3)	68.1	66.6	1.5
Liquor Sales and Distribution	49.6	52.1	(2.5)	-	-	-	49.6	52.1	(2.5)
Interest & Dividends Tax	26.1	23.4	2.7	-	-	-	26.1	23.4	2.7
Insurance Tax	4.3	3.6	0.7	-	-	-	4.3	3.6	0.7
Communications Tax	27.7	27.6	0.1	-	-	-	27.7	27.6	0.1
Real Estate Transfer Tax	25.9	38.3	(12.4)	13.0	19.1	(6.1)	38.9	57.4	(18.5)
Estate & Legacy Tax	-	-	-	-	-	-	-	-	-
Court Fines & Fees	10.1	11.3	(1.2)	-	-	-	10.1	11.3	(1.2)
Securities Revenue	2.1	1.9	0.2	-	-	-	2.1	1.9	0.2
Utility Tax	2.1	2.2	(0.1)	-	-	-	2.1	2.2	(0.1)
Board & Care Revenue	7.0	5.2	1.8	-	-	-	7.0	5.2	1.8
Beer Tax	4.9	4.9	-	-	-	-	4.9	4.9	-
Racing Revenue	0.9	1.1	(0.2)	-	-	-	0.9	1.1	(0.2)
Other	14.0	15.2	(1.2)	-	-	-	14.0	15.2	(1.2)
Transfers from Lottery	-	-	-	17.7	21.9	(4.2)	17.7	21.9	(4.2)
Transfers from Pari-Mutuel	-	-	-	0.3	0.3	-	0.3	0.3	-
Tobacco Settlement	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.5	5.1	2.4	7.5	5.1	2.4
State Property Tax	-	-	-	-	-	-	-	-	-
Subtotal	384.0	420.6	(36.6)	122.0	157.0	(35.0)	506.0	577.6	(71.6)
Net Medicaid Enhancement Rev	89.7	90.9	(1.2)	-	-	-	89.7	90.9	(1.2)
Recoveries	6.1	4.8	1.3	-	-	-	6.1	4.8	1.3
Total	\$ 479.8	\$ 516.3	\$ (36.5)	\$ 122.0	\$ 157.0	\$ (35.0)	\$ 601.8	\$ 673.3	\$ (71.5)



Education Trust Fund Statement of Activity - FY 2009 July 1, 2008 to October 31, 2008	
Description	In Millions
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	122.0
Expenditures	
Education Grants & Adm Costs	(214.5)
<b>Ending Surplus (Deficit)</b>	<b>\$ (92.5)</b>

Fiscal 2009 Adequate Education Grant payments of \$527.4 million are paid 20% September 1, 20% November 1, 30% January 1 and 30% April 1. An additional \$363.0 million of grants are retained locally through the Statewide Property Tax.

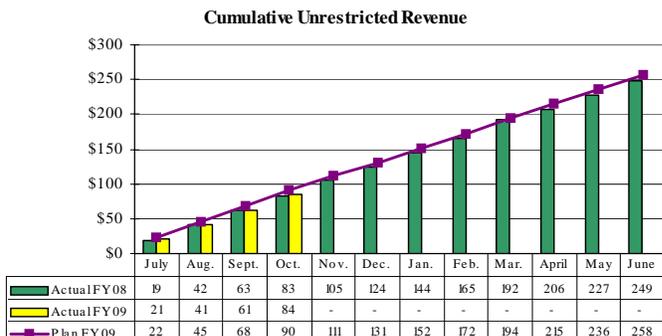
Excluding State Property Tax



# Year-to-Date Analysis

## Highway Fund

Revenue Category	FY 09 Actuals	FY 09 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 44.9	\$ 48.2	\$ (3.3)
Miscellaneous	4.6	5.6	(1.0)
<b>Motor Vehicle Fees</b>			
MV Registrations	25.6	27.3	(1.7)
MV Operators	4.5	4.6	(0.1)
Inspection Station Fees	1.3	1.3	-
MV Miscellaneous Fees	1.4	1.5	(0.1)
Certificate of Title	1.7	1.9	(0.2)
<b>Total Fees</b>	<b>34.5</b>	<b>36.6</b>	<b>(2.1)</b>
<b>Total</b>	<b>\$ 84.0</b>	<b>\$ 90.4</b>	<b>\$ (6.4)</b>

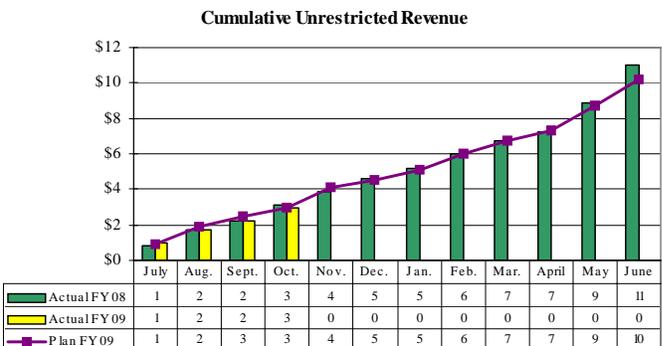


**Gasoline Road Toll** is tracking \$3.3 million below plan year to date. According to Road Toll Operations, fuel consumption is below estimates and is tracking 4.7% below the same period last fiscal year.

According to the Department of Transportation effective October 1, 2008, the Department increased the federal indirect cost reimbursement rate from 3% to 10%. In October, the Department received \$1.5M in indirect cost reimbursements in the **miscellaneous** category.

## Fish & Game Fund

Revenue Category	FY 09 Actuals	FY 09 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 2.4	\$ 2.6	\$ (0.2)
Fines and Penalties	-	-	-
Miscellaneous Sales	0.4	0.1	0.3
Federal Recoveries Indirect Costs	0.2	0.3	(0.1)
<b>Total</b>	<b>\$ 3.0</b>	<b>\$ 3.0</b>	<b>\$ 0.0</b>



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