

State Of New Hampshire Monthly Revenue Focus Department of Administrative Services

Linda M. Hodgdon, Commissioner
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Analysis

This June 2011 Monthly Revenue Focus represents **PRELIMINARY ACCRUAL-BASED** revenues for fiscal 2011 and is **UNAUDITED**. Estimated accrual basis revenues are derived using cash basis results, deducting cash collected on prior year receivables (revenue was already included in FY10 results) and adding estimated revenue receivables as of 6/30/11. Final accrual results will be available at the conclusion of the audit, after year-end accounts receivable and other adjustments are analyzed further. When comparing 2011 to the prior year, note that fiscal 2010 revenues represent final audited results.

Fiscal 2011 unrestricted accrual-based revenue for the General and Education Funds totaled \$2,190.1 million which was short of plan (2010 Special Session) by \$44.0 million, approximately \$.9m above the FY11 Committee of Conference estimate of \$2,189.2 million, and below prior year by \$34.6 million.

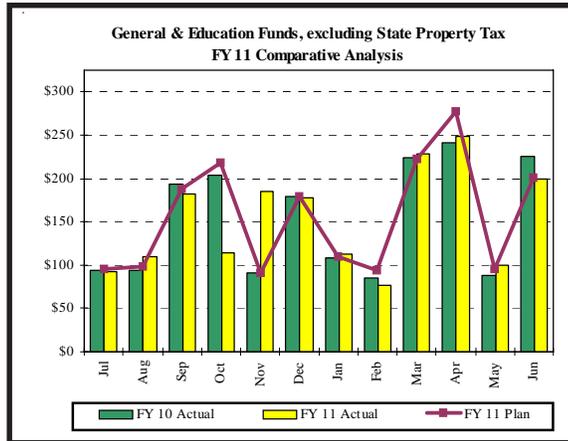
When comparing this report to the previous June **CASH BASIS** report, the accrual results were slightly higher by \$0.4 million. The net impact of the revenue receivable adjustments for FY11 are outlined below:

- Business Taxes – Revenue increase of \$.8 million
- Tobacco Tax – Revenue reduction of (\$5.7 million) (Note: per DRA and based on the actual stamp sales for June and July versus the same periods in the prior year, it appears that stamp sale purchases were delayed until July in anticipation of the reduced tax stamp rate which became effective 7/1/11).
- Insurance Tax – Revenue increase of \$1.8 million
- Communications Tax – Revenue reduction of (\$1.6 million)
- Real Estate Transfer Tax – Revenue reduction of (\$1.7 million)
- Other Revenue – Revenue increase of \$2.8 million (Note: The \$2 million budgeted LCHIP transfer to the General Fund was not recorded in the cash-basis revenue report and an additional \$.7 million of indirect costs/post retirement revenue is reflected in this accrual report)
- Recoveries – Revenue increase of \$3.8 million
- Remaining Revenues – Revenue increase of \$.2 million

Revenue Results Summary – Fiscal Year 2011:

- Business Taxes were below the plan by 3% and below prior year by 4%. However, if the unusual increase in estimated payments that were recorded at the end of FY10 were excluded, business taxes increased by approximately 3% over the prior year on a normalized basis.
- Interest & Dividends taxes were below the plan by 15% and below prior year by 9%.
- Real Estate Transfer taxes were below plan by 10% and below prior year by 5% (see trend analysis on next page)
- Meals and Rentals Tax was below the plan by 4% but above prior year by 1% (or 3% above prior year calculated before the transfers to Building Aid Debt Service)
- Lottery Commission contributed 19% less than plan for the year and 5% less than prior year primarily due to low Powerball and Mega Plus jackpots which has resulted in lower ticket sales and general declines in instant ticket sales.
- Medicaid Enhancement Taxes came in 14% below plan and 5% below prior year due to lower aggregate taxable Net Patient Service Revenue (NPSR) estimated by providers. Note: Consistent with all other tax refunds requested by taxpayers, DRA continues to evaluate and audit the MET refunds requested to date.
- Tobacco Tax was 3% above plan but 7% below prior year due in part to floor tax revenue in fiscal year 2010.
- The Other revenue category ended the year above plan by 11% and above prior year by 18% primarily due to higher federal recoveries of indirect costs.
- The Recoveries category, principally comprised of drug rebates, also exceeded plan and prior year by 45% and 40%, respectively, due to higher rebate payments by manufacturers under changes from the Affordable Care Act.

RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	4.9
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4	4.6	4.4	6.4	7.0	7.3
FY09	11.5	9.9	9.4	8.1	8.8	6.6	6.5	4.1	3.7	5.4	4.6	5.7
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)	(0.5)	-	0.3	0.5	0.7	(0.8)	1.4	(2.4)
% Mo over Mo	7%	-17%	-13%	-17%	-7%	0%	4%	11%	16%	-13%	20%	-33%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)	(3.7)	(3.7)	(3.4)	(2.9)	(2.2)	(3.0)	(1.6)	(4.0)
% YTD change	7%	-5%	-7%	-10%	-9%	-8%	-6%	-5%	-3%	-4%	-2%	-5%



General & Education Funds Comparison to FY 10

Year-to-Date

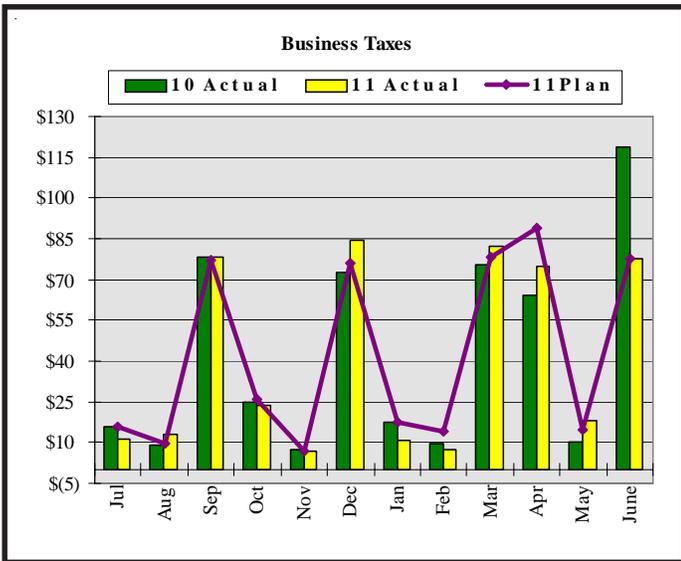
General & Education Funds	FY11	FY10	Inc/(Dec)	%
	Actuals	Actuals		
Business Profits Tax	\$ 296.9	\$ 316.2	\$ (19.3)	-6.1%
Business Enterprise Tax	191.5	193.9	(2.4)	-1.2%
Subtotal	488.4	510.1	(21.7)	-4.3%
Meals & Rentals Tax	235.6	232.5	3.1	1.3%
Tobacco Tax	226.4	243.5	(17.1)	-7.0%
Transfer from Liquor Commission	124.8	120.7	4.1	3.4%
Interest & Dividends Tax	77.0	84.9	(7.9)	-9.3%
Insurance Tax	84.9	86.8	(1.9)	-2.2%
Communications Tax	76.6	81.0	(4.4)	-5.4%
Real Estate Transfer Tax	80.5	84.8	(4.3)	-5.1%
Court Fines & Fees	13.7	13.0	0.7	5.4%
Securities Revenue	37.0	34.2	2.8	8.2%
Utility Consumption Tax	6.0	6.0	-	0.0%
Board & Care Revenue	22.5	22.1	0.4	1.8%
Beer Tax	12.9	13.1	(0.2)	-1.5%
Racing & Games of Chance	2.5	2.7	(0.2)	-7.4%
Other	75.1	63.5	11.6	18.3%
Gambling Winnings Tax	3.2	2.9	0.3	10.3%
Transfers from Lottery Commission	62.9	66.2	(3.3)	-5.0%
Transfers from Racing & Charitable Gaming	1.3	1.4	(0.1)	-7.1%
Tobacco Settlement	41.7	44.2	(2.5)	-5.7%
Utility Property Tax	32.3	29.9	2.4	8.0%
State Property Tax	363.6	363.2	0.4	0.1%
Subtotal Traditional Taxes and Transfers	2,068.9	2,106.7	(37.8)	-1.8%
Net Medicaid Enhancement Revenue	93.4	98.1	(4.7)	-4.8%
Recoveries	27.8	19.9	7.9	39.7%
Total Revenues	\$2,190.1	\$2,224.7	\$ (34.6)	-1.6%

All funds reported are unaudited, dollars in millions.

General and Education Funds

Year-to-Date Comparison to Plan										
General & Education Funds	General			Education			Total			% Inc/Dec
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 247.5	\$ 257.9	\$ (10.4)	\$ 49.4	\$ 55.4	\$ (6.0)	\$ 296.9	\$ 313.3	\$ (16.4)	-5.2%
Business Enterprise Tax	62.6	63.2	(0.6)	128.9	126.5	2.4	191.5	189.7	1.8	0.9%
Subtotal	310.1	321.1	(11.0)	178.3	181.9	(3.6)	488.4	503.0	(14.6)	-2.9%
Meals & Rentals Tax	228.8	237.2	(8.4)	6.8	7.8	(1.0)	235.6	245.0	(9.4)	-3.8%
Tobacco Tax	129.4	124.0	5.4	97.0	96.6	0.4	226.4	220.6	5.8	2.6%
Transfer from Liquor Commission	124.8	127.9	(3.1)	-	-	-	124.8	127.9	(3.1)	-2.4%
Interest & Dividends Tax	77.0	90.1	(13.1)	-	-	-	77.0	90.1	(13.1)	-14.5%
Insurance Tax	84.9	80.5	4.4	-	-	-	84.9	80.5	4.4	5.5%
Communications Tax	76.6	75.0	1.6	-	-	-	76.6	75.0	1.6	2.1%
Real Estate Transfer Tax	52.4	59.5	(7.1)	28.1	29.7	(1.6)	80.5	89.2	(8.7)	-9.8%
Court Fines & Fees	13.7	13.2	0.5	-	-	-	13.7	13.2	0.5	3.8%
Securities Revenue	37.0	34.0	3.0	-	-	-	37.0	34.0	3.0	8.8%
Utility Consumption Tax	6.0	6.0	-	-	-	-	6.0	6.0	-	0.0%
Board & Care Revenue	22.5	20.2	2.3	-	-	-	22.5	20.2	2.3	11.4%
Beer Tax	12.9	12.8	0.1	-	-	-	12.9	12.8	0.1	0.8%
Racing and Games of Chance	2.5	2.9	(0.4)	-	-	-	2.5	2.9	(0.4)	-13.8%
Other	75.1	67.8	7.3	-	-	-	75.1	67.8	7.3	10.8%
Gambling Winnings Tax	3.2	3.4	(0.2)	-	-	-	3.2	3.4	(0.2)	-5.9%
Transfers from Lottery Commission	-	-	-	62.9	77.7	(14.8)	62.9	77.7	(14.8)	-19.0%
Transfers from Racing & Charitable Gaming	-	-	-	1.3	1.3	-	1.3	1.3	-	0.0%
Tobacco Settlement	1.7	4.2	(2.5)	40.0	40.0	-	41.7	44.2	(2.5)	-5.7%
Utility Property Tax	-	-	-	32.3	28.0	4.3	32.3	28.0	4.3	15.4%
State Property Tax	-	-	-	363.6	363.6	-	363.6	363.6	-	0.0%
Subtotal Traditional Taxes and Transfers	1,258.6	1,279.8	(21.2)	810.3	826.6	(16.3)	2,068.9	2,106.4	(37.5)	-1.8%
Net Medicaid Enhancement Rev	93.4	108.5	(15.1)	-	-	-	93.4	108.5	(15.1)	-13.9%
Recoveries	27.8	19.2	8.6	-	-	-	27.8	19.2	8.6	44.8%
Total Revenues	\$ 1,379.8	\$ 1,407.5	\$ (27.7)	\$ 810.3	\$ 826.6	\$ (16.3)	\$ 2,190.1	\$ 2,234.1	\$ (44.0)	-2.0%

* Not reflected in General Fund YTD actuals is \$1.5 million in April from the CCSNH per Chapter 143:17 L'09. This amount has not been included in general fund receipts because it was not in the plan and therefore would make actuals not comparable.



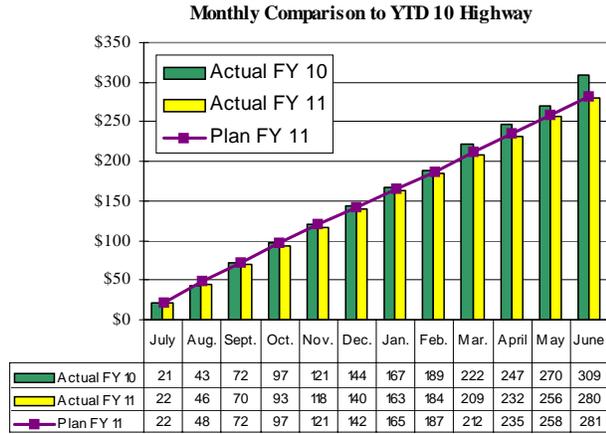
Education Trust Fund Statement of Activity - FY 2011 July 1, 2010 to June 30, 2011	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	810.3
Expenditures	
Education Grants & Adm Costs	(953.3)
Ending Surplus (Deficit) - unaudited	\$ (143.0)

All above amounts are PRELIMINARY and UNAUDITED and are subject to further adjustments for accounts receivable, gaap accruals and other adjustments as year end is finalized and any remaining deficit will be funded by the General Fund.

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Highway Fund

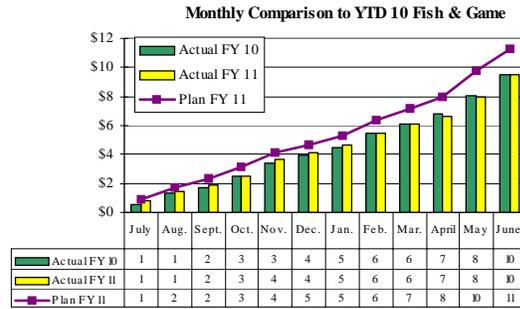
Comparison to Plan			
Revenue Category	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 125.2	\$ 126.5	\$ (1.3)
Miscellaneous	23.1	19.8	3.3
Motor Vehicle Fees			
MV Registrations	102.6	103.1	(0.5)
MV Operators	5.8	6.0	(0.2)
Inspection Station Fees	3.9	3.9	-
MV Miscellaneous Fees	12.1	13.5	(1.4)
Certificate of Title	7.7	8.3	(0.6)
Total Fees	132.1	134.8	(2.7)
Total	\$ 280.4	\$ 281.1	\$ (0.7)



- \$20.0 million of the State Fiscal Year 2011 budgeted revenue related to the **I-95 segment transfer agreement** per CH 144:76 L'09, was not part of the revenue plan and therefore has not been reported above in the miscellaneous revenue category.

Fish & Game Fund

Comparison to Plan			
Revenue Category	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 8.0	\$ 9.1	\$ (1.1)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	1.1	1.3	(0.2)
Federal Recoveries Indirect Costs	0.9	0.8	0.1
Total	\$ 10.1	\$ 11.3	\$ (1.2)



The **State Fish & Game** department reports lower sales of licenses and other revenue generating activity.

All funds reported are unaudited, dollars in millions.

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