

# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Linda M. Hodgdon, Commissioner  
Edgar R. Carter, Comptroller



#### Monthly Revenue Summary

	<i>(for month)</i>		
	<u>FY 12</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	\$ 178.9	\$ 174.9	\$ 4.0
<b>Highway</b>	\$ 21.0	\$ 20.8	\$ 0.2
<b>Fish &amp; Game</b>	\$ 0.5	\$ 0.7	\$ (0.2)

#### Current Month

<b>General &amp; Education Funds</b>	<i>FY 12</i> <i>Actuals</i>	<i>FY 12</i> <i>Plan</i>	<i>Actual vs.</i> <i>Plan</i>	<i>%</i> <i>Inc/(Dec)</i>
Business Profits Tax	\$ 48.9	\$ 51.8	\$ (2.9)	-5.6%
Business Enterprise Tax	31.7	31.5	0.2	0.6%
Subtotal Business Taxes	80.6	83.3	(2.7)	-3.2%
Meals & Rentals Tax	16.5	15.1	1.4	9.3%
Tobacco Tax	17.9	19.4	(1.5)	-7.7%
Transfer from Liquor Commission	13.8	13.6	0.2	1.5%
Interest & Dividends Tax	2.8	4.6	(1.8)	-39.1%
Insurance Tax	0.9	1.0	(0.1)	-10.0%
Communications Tax	6.3	6.5	(0.2)	-3.1%
Real Estate Transfer Tax	6.1	7.3	(1.2)	-16.4%
Court Fines & Fees	0.9	1.0	(0.1)	-10.0%
Securities Revenue	0.3	0.5	(0.2)	-40.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	2.2	1.8	0.4	22.2%
Beer Tax	0.9	1.0	(0.1)	-10.0%
Other	5.2	5.4	(0.2)	-3.7%
Transfer from Lottery Commission	4.5	5.8	(1.3)	-22.4%
Transfer from Racing & Charitable Gaming	0.3	0.3	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	9.9	7.5	2.4	32.0%
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	169.6	174.6	(5.0)	-2.9%
Net Medicaid Enhancement Revenue	9.2	-	9.2	100.0%
Recoveries	0.1	0.3	(0.2)	-66.7%
Total Receipts	\$ 178.9	\$ 174.9	\$ 4.0	2.3%

All funds reported on a cash basis, dollars in millions.

#### Analysis

The current month performed ahead of plan by \$4.0 million (2.3%) as a result of delayed receipts of Medicaid Enhancement Tax (MET) in December (Note: MET receipts were planned in November) which was partially offset by a shortfall in traditional receipts. The results of traditional receipts, an unfavorable variance to plan of \$5.0 million (2.9%), was driven by a shortfall in Business Taxes and several other revenue categories offset by a \$2.4 million favorable variance in Utility Property Tax revenue. Year to date, receipts from traditional taxes (exclusive of MET) are within 0.2% of plan, at \$1.5 million below plan.

**Business Taxes** were below plan for the current month by \$2.7 million (3.2%) and below prior year by \$4.0 (4.7%) million. On a YTD basis, Business taxes are ahead of both plan and prior year by 4.8% and 6.4%, respectively. According to the Department of Revenue, the favorable YTD variance to prior year of \$13.9 million results from the following: an increase of approximately 7% in estimated tax receipts, an increase in receipts with final returns of approximately 22%, an approximate 21% decrease in refunds issued, all of which was partially offset by a 24% decline in tax notice revenue and a 25% decrease in payments received with Extension requests.

**Meals and Rentals Tax (M&R)** receipts this month, net of Building Aid Debt Service transfers, came in \$1.4 million above plan and \$0.8 million above the prior year. As can be seen in the chart on page 2, gross revenue receipts for the month, before Building Aid Debt Service transfers, were 9% above prior year and YTD is tracking \$5.7 million or 4% above prior year.

**Tobacco Tax** revenue for the month was \$1.5 million below plan and \$2.2 million below last December. Year to date, Tobacco Tax revenue is tracking 7% below plan and 10.5% below prior year. Revenues for the month were not impacted by payments on bonded sales of November, and therefore plan variance is largely attributable to the ten cent per pack reduction in rate effective July 1, 2011, and current stamp sales. Tobacco stamp sales for the month declined 3% from December of the prior year. The table on page 4 illustrates the continued decline in the sales of tobacco stamps, contributing to the revenue decline.

**Interest & Dividends Tax** is below both plan and prior year by \$1.8 million (39.1%) for the month. Comparing YTD revenue to prior year, collections are \$4.0 million (19.0%) below, due to the continued low level of estimated tax payments related to low interest rates, as well as a 38.6% decrease in tax notices for the year and a 47.3% increase in refunds.

**Real Estate Transfer Tax** revenues for the month of December were behind both plan and prior year by \$1.2 million. However, YTD revenue is still ahead of plan and prior year by \$1.8 million (4.2%) and \$1.1 million (2.5%) respectively.

**Utility Property Tax** was above plan for both the month and YTD by \$2.4 million and \$3.4 million, respectively. Favorable variances result from increases in property appraisals, reflecting more accurate methods of assessment. The plan did not anticipate this improvement in values, and the remainder of the year should see continued improvement compared to plan.

**Medicaid Enhancement Tax** revenue was above plan by \$9.2 million for the month due to payments received from hospital taxpayers which were delayed from planned receipt timing of November. Year to date receipts are still below plan by \$41 million.

RET Analysis (In Millions)						
	Jul	Aug	Sep	Oct	Nov	Dec
FY12	7.6	9.8	7.7	6.6	7.0	6.1
FY11	9.6	6.9	6.6	6.7	6.6	7.3
FY10	9.0	8.3	7.6	8.1	7.1	7.3
Mo over Mo	(2.0)	2.9	1.1	(0.1)	0.4	(1.2)
% Mo over Mo	-21%	42%	17%	-1%	6%	-16%
YTD change over Prior Year	(2.0)	0.9	2.0	1.9	2.3	1.1
% YTD change	-21%	5%	9%	6%	6%	3%

Business Tax Refund Analysis						
	Jul	Aug	Sep	Oct	Nov	Dec
FY12	1.2	1.6	3.2	1.8	5.5	3.8
FY11	3.4	0.9	3.5	5.2	6.1	2.5
FY10	1.6	1.2	2.1	3.6	6.3	5.2
Mo over Mo change	(2.2)	0.7	(0.3)	(3.4)	(0.6)	1.3
YTD change	(2.2)	(1.5)	(1.8)	(5.2)	(5.8)	(4.5)

M&R Analysis						
	December			YTD		
	FY 12	FY 11	Diff	FY 12	FY 11	Diff
Gross Collections	17.7	16.2	1.5	139.9	134.2	5.7
Bldg Aid Debt Srv Transfer	(1.2)	(0.5)	(0.7)	(7.3)	(2.2)	(5.1)
Net Revenue	16.5	15.7	0.8	132.6	132.0	0.6

### General & Education Funds Comparison to FY 11

General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	FY 12 Actuals	FY 11 Actuals	Inc/(Dec)	FY 12 Actuals	FY 11 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 48.9	\$ 51.4	\$ (2.5)	\$ 140.5	\$ 132.6	\$ 7.9	6.0%
Business Enterprise Tax	31.7	33.2	(1.5)	91.2	85.2	6.0	7.0%
Subtotal Business Taxes	80.6	84.6	(4.0)	231.7	217.8	13.9	6.4%
Meals & Rentals Tax	16.5	15.7	0.8	132.6	132.0	0.6	0.5%
Tobacco Tax	17.9	20.1	(2.2)	112.2	125.4	(13.2)	-10.5%
Transfer from Liquor Commission	13.8	13.6	0.2	69.8	70.0	(0.2)	-0.3%
Interest & Dividends Tax	2.8	4.6	(1.8)	17.0	21.0	(4.0)	-19.0%
Insurance Tax	0.9	1.0	(0.1)	6.9	6.4	0.5	7.8%
Communications Tax	6.3	6.5	(0.2)	39.2	41.4	(2.2)	-5.3%
Real Estate Transfer Tax	6.1	7.3	(1.2)	44.8	43.7	1.1	2.5%
Court Fines & Fees	0.9	1.1	(0.2)	6.5	6.8	(0.3)	-4.4%
Securities Revenue	0.3	0.5	(0.2)	2.6	2.9	(0.3)	-10.3%
Utility Consumption Tax	0.5	0.5	-	3.0	3.1	(0.1)	-3.2%
Board & Care Revenue	2.2	2.0	0.2	10.5	10.5	-	0.0%
Beer Tax	0.9	1.0	(0.1)	7.0	7.1	(0.1)	-1.4%
Racing & Games of Chance	-	0.2	(0.2)	-	1.1	(1.1)	-100.0%
Other	5.2	5.0	0.2	24.5	26.4	(1.9)	-7.2%
Gambling Winnings Tax	-	0.1	(0.1)	-	1.5	(1.5)	-100.0%
Transfer from Lottery Commission	4.5	4.6	(0.1)	25.1	25.7	(0.6)	-2.3%
Transfer from Racing & Charitable Gaming	0.3	0.1	0.2	1.3	0.5	0.8	160.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	9.9	7.7	2.2	17.4	15.3	2.1	13.7%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	169.6	176.2	(6.6)	752.1	758.6	(6.5)	-0.9%
Net Medicaid Enhancement Rev	9.2	1.3	7.9	55.9	92.8	(36.9)	-39.8%
Recoveries	0.1	0.6	(0.5)	2.2	9.5	(7.3)	-76.8%
Total Receipts	\$ 178.9	\$ 178.1	\$ 0.8	\$ 810.2	\$ 860.9	\$ (50.7)	-5.9%

All funds reported on a cash basis, dollars in millions.

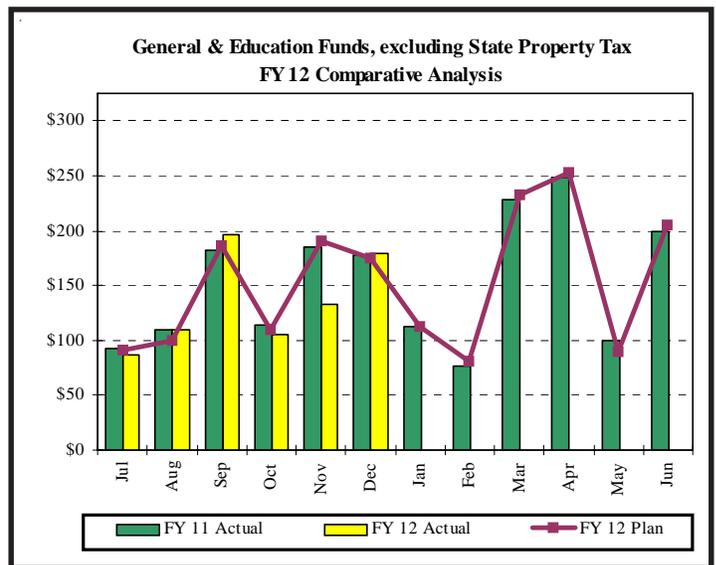
**General and Education Funds**

**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	\$ 115.9	\$ 113.0	\$ 2.9	\$ 24.6	\$ 24.3	\$ 0.3	\$ 140.5	\$ 137.3	\$ 3.2	2.3%
Business Enterprise Tax	30.6	27.9	2.7	60.6	55.9	4.7	91.2	83.8	7.4	8.8%
Subtotal Business Taxes	146.5	140.9	5.6	85.2	80.2	5.0	231.7	221.1	10.6	4.8%
Meals & Rentals Tax	128.2	124.3	3.9	4.4	4.4	-	132.6	128.7	3.9	3.0%
Tobacco Tax	72.9	67.8	5.1	39.3	52.9	(13.6)	112.2	120.7	(8.5)	-7.0%
Transfer from Liquor Commission	69.8	71.9	(2.1)	-	-	-	69.8	71.9	(2.1)	-2.9%
Interest & Dividends Tax	17.0	22.8	(5.8)	-	-	-	17.0	22.8	(5.8)	-25.4%
Insurance Tax	6.9	5.6	1.3	-	-	-	6.9	5.6	1.3	23.2%
Communications Tax	39.2	39.5	(0.3)	-	-	-	39.2	39.5	(0.3)	-0.8%
Real Estate Transfer Tax	32.3	28.7	3.6	12.5	14.3	(1.8)	44.8	43.0	1.8	4.2%
Court Fines & Fees	6.5	6.7	(0.2)	-	-	-	6.5	6.7	(0.2)	-3.0%
Securities Revenue	2.6	3.0	(0.4)	-	-	-	2.6	3.0	(0.4)	-13.3%
Utility Consumption Tax	3.0	3.0	-	-	-	-	3.0	3.0	-	0.0%
Board & Care Revenue	10.5	10.2	0.3	-	-	-	10.5	10.2	0.3	2.9%
Beer Tax	7.0	7.2	(0.2)	-	-	-	7.0	7.2	(0.2)	-2.8%
Other	24.5	26.0	(1.5)	-	-	-	24.5	26.0	(1.5)	-5.8%
Transfer from Lottery Commission	-	-	-	25.1	28.8	(3.7)	25.1	28.8	(3.7)	-12.8%
Transfer from Racing & Charitable Gaming	-	-	-	1.3	1.4	(0.1)	1.3	1.4	(0.1)	-7.1%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	17.4	14.0	3.4	17.4	14.0	3.4	24.3%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	566.9	557.6	9.3	185.2	196.0	(10.8)	752.1	753.6	(1.5)	-0.2%
Net Medicaid Enhancement Rev	55.9	97.0	(41.1)	-	-	-	55.9	97.0	(41.1)	-42.4%
Recoveries	2.2	1.4	0.8	-	-	-	2.2	1.4	0.8	57.1%
Total Receipts	\$ 625.0	\$ 656.0	\$ (31.0)	\$ 185.2	\$ 196.0	\$ (10.8)	\$ 810.2	\$ 852.0	\$ (41.8)	-4.9%

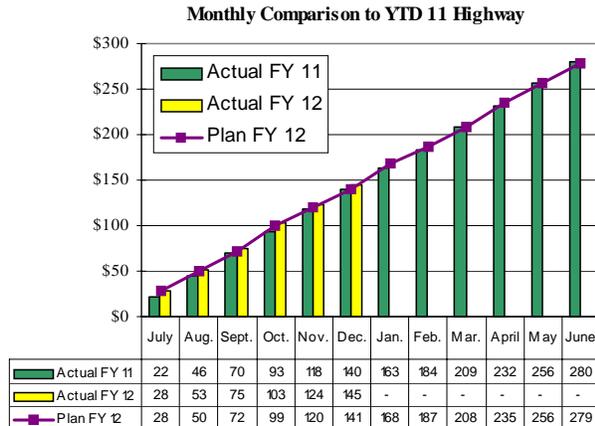
Education Trust Fund Statement of Activity - FY 2012 July 1, 2011 to December 31, 2011	
Description	Amount
Beginning Surplus (Deficit)	\$ -
Unrestricted Revenue - See above	185.2
Expenditures	
Education Grants & Adm Costs	(424.5)
Ending Surplus / (Deficit)	\$ (239.3)

Fiscal 2012 Adequate Education Grant payments of \$593.0 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.0 million of grants through local retention of Statewide Property Tax collections. The more significant revenues to this fund occur in March and April.



## Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 63.4	\$ 63.7	\$ (0.3)
Miscellaneous	26.8	22.9	3.9
<b>Motor Vehicle Fees</b>			
MV Registrations	37.5	36.4	1.1
MV Operators	6.1	6.1	-
Inspection Station Fees	2.0	2.1	(0.1)
MV Miscellaneous Fees	5.5	5.7	(0.2)
Certificate of Title	3.7	3.7	-
<b>Total Fees</b>	<b>54.8</b>	<b>54.0</b>	<b>0.8</b>
<b>Total</b>	<b>\$ 145.0</b>	<b>\$ 140.6</b>	<b>\$ 4.4</b>

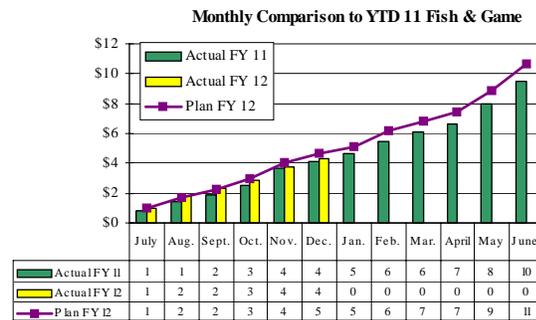


- According to **Road Toll** Operations, actual fuel consumption is down approximately 1.25% over the same period last year, and is tracking slightly below estimates due to economic conditions and more fuel efficient vehicles.

- According to the Department of Transportation, the **Miscellaneous** category is ahead of plan due to earlier project completions resulting in final federal overhead billings. A portion of this is the timing of receipts which were planned later in the fiscal year.

## Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 3.2	\$ 3.7	\$ (0.5)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.5	0.3
Federal Recoveries Indirect Costs	0.2	0.4	(0.2)
<b>Total</b>	<b>\$ 4.3</b>	<b>\$ 4.7</b>	<b>\$ (0.4)</b>



## Sales of Cigarette Stamps

7 month period ended December 31 for each of last five years  
(number of stamps, in thousands)

Seven Mos. Ended	Sales of Stamps	Volume Change	Percent Change
<b>Cumulative&gt;&gt;&gt;</b>		<b>(19,548)</b>	<b>-20.4%</b>
<b>2012***</b>	<b>76,195</b>	<b>(2,162)</b>	<b>-2.8%</b>
<b>2011</b>	<b>78,358</b>	<b>(2,513)</b>	<b>-3.1%</b>
<b>2010*</b>	<b>80,870</b>	<b>(15,378)</b>	<b>-16.0%</b>
<b>2009**</b>	<b>96,248</b>	<b>505</b>	<b>0.5%</b>
<b>2008*</b>	<b>95,743</b>		

Prepared from data provided by DRA

Cash basis revenue recorded up to 30 days following sale of stamps

Change effective: Increase \* July 1; \*\* October 15; Decrease \*\*\* July 1

*All funds reported on a cash basis, dollars in millions.*

**Department of Administrative Services  
Linda M. Hodgdon, 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  
Edgar Carter, Comptroller  
State House Annex - Room 310  
25 Capitol Street  
Concord, New Hampshire 03301-6312  
Phone: (603) 271-3181 Fax: (603) 271-6666  
TDD Access: Relay NH 1-800-735-2964**