

# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Linda M. Hodgdon, Commissioner

Karen L. Benincasa, Comptroller



### Monthly Revenue Summary

### Analysis

	<i>(for month)</i>		
	<u>FY 15</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	\$109.6	\$110.7	\$(1.1)
<b>Highway</b>	\$23.4	\$22.4	\$1.0
<b>Fish &amp; Game</b>	\$0.8	\$0.4	\$0.4

### Current Month

General & Education Funds	<i>FY 15 Actuals</i>	<i>FY 15 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$13.7	\$15.0	\$(1.3)	-8.7%
Business Enterprise Tax	6.6	10.0	(3.4)	-34.0%
Subtotal Business Taxes	20.3	25.0	(4.7)	-18.8%
Meals & Rentals Tax	24.0	22.9	1.1	4.8%
Tobacco Tax	18.1	19.0	(0.9)	-4.7%
Transfer from Liquor Commission	10.7	11.0	(0.3)	-2.7%
Interest & Dividends Tax	1.9	3.4	(1.5)	-44.1%
Insurance Tax	1.6	1.4	0.2	14.3%
Communications Tax	5.2	5.4	(0.2)	-3.7%
Real Estate Transfer Tax	9.7	9.0	0.7	7.8%
Court Fines & Fees	1.3	1.3	-	0.0%
Securities Revenue	0.6	0.4	0.2	50.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Beer Tax	1.1	1.1	-	0.0%
Other	6.2	4.3	1.9	44.2%
Transfer from Lottery Commission	5.2	5.5	(0.3)	-5.5%
Transfer from Racing & Charitable Gaming	0.3	0.2	0.1	50.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	0.1	-	0.1	0.0%
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	106.8	110.4	(3.6)	-3.3%
Recoveries	2.8	0.3	2.5	833.3%
Total Receipts	\$109.6	\$110.7	\$(1.1)	-1.0%

Unrestricted revenue for the General and Education Funds received during October totaled \$109.6 million, which was below the plan by \$1.1 million (1%) and above prior year by \$4.5 million (4%). Year to date (YTD) unrestricted revenue totaled \$530.4 million, which was above plan by \$1.3 million (0.2%) but below prior year by \$10.5 million (2%). Again this month, the YTD total unrestricted revenue is below prior year largely due to the substantial increase in Tobacco tax collections in July of last year due to the August 1, 2013 rate increase. However, Business Taxes remain below the prior year and plan which has been offset by increases in Meals and Rentals as well as variances in other revenue sources.

Business Tax collections for October totaled \$20.3 million, which were \$4.7 million (19%) below plan and \$3.8 million (16%) below prior year. YTD business tax collections were also below plan by \$10.9 million (7%) and \$10.3 million (7%) below the prior year. According to the Dept. of Revenue Administration (DRA), the reduction in revenue as compared to the prior year was primarily the result of a decrease in estimated payments received, a decrease in tax notice revenue received, and an increase in refunds paid.

Net Meals and Rentals Tax (M&R) receipts for October came in above plan by \$1.1 million (5%) and above prior year by \$1.5 million (7%). As can be seen in the chart on page 2, YTD gross revenue receipts, before the effect of Debt Service transfers, were 5% above prior year. According to DRA, October collections (September activity) from full service restaurants and hotels were up 3% and 7% respectively from the same month last year.

Tobacco Tax receipts for the month were \$0.9 million (5%) below plan but were \$4.5 million (33%) above October of last year. As previously discussed, stamp sales increased significantly over October of last year due to the advance purchases made in July of last year in anticipation of the August 1st rate increase. YTD collections were \$4.0 million above plan but \$11.6 million below prior year (See also the YTD Sales of Cigarette Stamps comparison on page 4).

Transfer from Liquor Commission in October was below plan by \$0.3 million (3%) and below prior year by \$1.4 million (12%). The YTD transfer was below plan by \$0.9 million (2%) and below prior year by \$2.1 million (4%). According to the Liquor Commission, gross sales are up YTD 4% over the prior year, however both increases in sales discounts and cost of goods sold YTD have significantly offset the sales volume increases. Additionally, operating expenses are higher which has resulted in unfavorable variances versus plan and prior year.

Interest and Dividend Tax (I&D) collections for October totaled \$1.9 million, which were \$1.5 million (44%) below plan and \$0.9 million (32%) below prior year. YTD interest and dividend tax collections were also below plan by \$5.5 million (24%) and \$1.2 million (7%) below the prior year. According to the DRA, payments for the month related to tax returns and extensions were down and refunds were higher; however, estimates were up slightly as compared to October of the prior year.

October Real Estate Transfer Tax (RET) collections of \$9.7 million were above plan by \$0.7 million (8%) and above prior year by \$0.8 million (9%). On a YTD basis, RET is tracking 6% above plan and 8% above prior year (See RET table on page 2). According to the DRA, both the number (4.6% increase) and the values of the real estate transactions on which the tax was paid were above those from the prior year.

Other revenue collected for the month was \$1.9 million (44%) above the plan amount; while revenue collected YTD was \$4.7 million (39%) above the plan amount. These positive variances are due to earlier than expected recoveries from federal and other programs and are deemed to be timing differences only.

Recovery revenue collected for the month was \$2.8 million above plan and was \$1.8 million above plan on a YTD basis. According to the Department of Health and Human Services, these positive variances are also deemed to be timing differences.

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

RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY15	10.2	12.0	11.4	9.7								
FY14	9.6	11.8	9.8	8.9	9.6	7.6	9.0	6.0	5.4	6.0	7.6	8.9
FY13	8.5	8.2	8.9	8.4	8.0	8.5	10.0	6.3	4.2	5.5	7.2	8.6
Mo over Mo	0.6	0.2	1.6	0.8								
% Mo over Mo	6%	2%	16%	9%								
YTD change over Prior Year	0.6	0.8	2.4	3.2								
% YTD change	6%	4%	8%	8%								

M&R Analysis						
	October			YTD		
	FY 15	FY 14	Diff	FY 15	FY 14	Diff
Gross Collections	25.1	23.7	1.4	115.8	110.4	5.4
Bldg Aid Debt Svc Transfer	(1.1)	(1.2)	0.1	(4.5)	(4.7)	0.2
Net Revenue	24.0	22.5	1.5	111.3	105.7	5.6

Business Tax Refund Analysis													October
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
FY15	2.3	1.2	4.9	4.7									13.1
FY14	2.4	2.0	2.9	4.0	12.3	3.0	3.6	5.0	0.5	3.8	1.6	1.8	11.3
FY13	1.1	1.5	1.5	1.8	2.2	0.9	1.0	4.3	6.7	6.9	4.0	2.3	5.9
Mo over Mo change	(0.1)	(0.8)	2.0	0.7	(12.3)	(3.0)	(3.6)	(5.0)	(0.5)	(3.8)	(1.6)	(1.8)	1.8
YTD change	(0.1)	(0.9)	1.1	1.8	(10.5)	(13.5)	(17.1)	(22.1)	(22.6)	(26.4)	(28.0)	(29.8)	

## General & Education Funds Comparison to FY 14

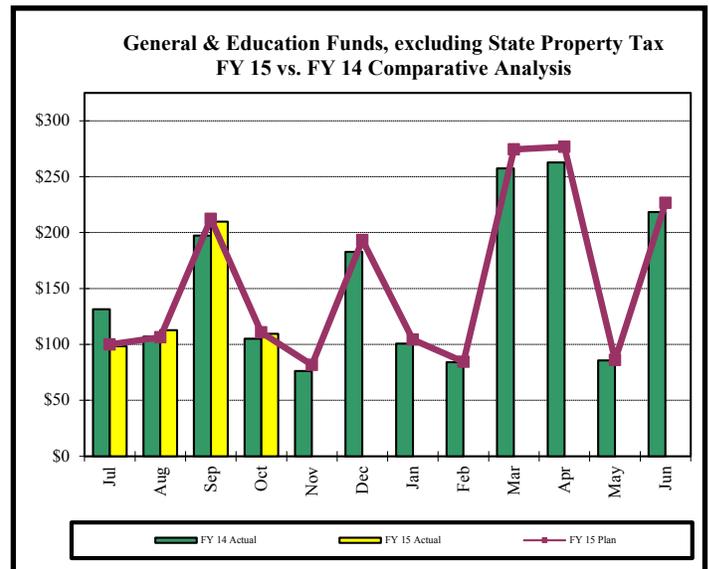
General & Education Funds	Monthly			Year-to-Date			% Inc/ (Dec)
	FY 15 Actuals	FY 14 Actuals	Inc/(Dec)	FY 15 Actuals	FY 14 Actuals	Inc/(Dec)	
Business Profits Tax	\$13.7	\$14.5	\$(0.8)	\$89.0	\$89.2	\$(0.2)	-0.2%
Business Enterprise Tax	6.6	9.6	(3.0)	53.9	64.0	(10.1)	-15.8%
Subtotal Business Taxes	20.3	24.1	(3.8)	142.9	153.2	(10.3)	-6.7%
Meals & Rentals Tax	24.0	22.5	1.5	111.3	105.7	5.6	5.3%
Tobacco Tax	18.1	13.6	4.5	79.3	90.9	(11.6)	-12.8%
Transfer from Liquor Commission	10.7	12.1	(1.4)	49.1	51.2	(2.1)	-4.1%
Interest & Dividends Tax	1.9	2.8	(0.9)	17.3	18.5	(1.2)	-6.5%
Insurance Tax	1.6	1.7	(0.1)	6.1	6.0	0.1	1.7%
Communications Tax	5.2	5.1	0.1	20.1	19.3	0.8	4.1%
Real Estate Transfer Tax	9.7	8.9	0.8	43.3	40.1	3.2	8.0%
Court Fines & Fees	1.3	1.3	-	4.7	4.7	-	0.0%
Securities Revenue	0.6	0.4	0.2	2.0	1.8	0.2	11.1%
Utility Consumption Tax	0.5	0.6	(0.1)	2.0	2.1	(0.1)	-4.8%
Beer Tax	1.1	1.0	0.1	5.0	4.9	0.1	2.0%
Other	6.2	4.1	2.1	16.7	13.3	3.4	25.6%
Transfer from Lottery Commission	5.2	5.8	(0.6)	16.9	18.5	(1.6)	-8.6%
Transfer from Racing & Charitable Gaming	0.3	0.2	0.1	0.7	0.7	-	0.0%
Tobacco Settlement	-	0.2	(0.2)	-	0.2	(0.2)	-100.0%
Utility Property Tax	0.1	0.2	(0.1)	10.0	8.7	1.3	14.9%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	106.8	104.6	2.2	527.4	539.8	(12.4)	-2.3%
Recoveries	2.8	0.5	2.3	3.0	1.1	1.9	172.7%
Total Receipts	\$109.6	\$105.1	\$4.5	\$530.4	\$540.9	\$(10.5)	-1.9%

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	\$73.3	\$76.1	\$(2.8)	\$15.7	\$16.1	\$(0.4)	\$89.0	\$92.2	\$(3.2)	-3.5%
Business Enterprise Tax	16.5	20.3	(3.8)	37.4	41.3	(3.9)	53.9	61.6	(7.7)	-12.5%
Subtotal Business Taxes	89.8	96.4	(6.6)	53.1	57.4	(4.3)	142.9	153.8	(10.9)	-7.1%
Meals & Rentals Tax	107.9	104.4	3.5	3.4	3.4	-	111.3	107.8	3.5	3.2%
Tobacco Tax	50.3	44.3	6.0	29.0	31.0	(2.0)	79.3	75.3	4.0	5.3%
Transfer from Liquor Commission	49.1	50.0	(0.9)	-	-	-	49.1	50.0	(0.9)	-1.8%
Interest & Dividends Tax	17.3	22.8	(5.5)	-	-	-	17.3	22.8	(5.5)	-24.1%
Insurance Tax	6.1	5.0	1.1	-	-	-	6.1	5.0	1.1	22.0%
Communications Tax	20.1	20.6	(0.5)	-	-	-	20.1	20.6	(0.5)	-2.4%
Real Estate Transfer Tax	28.1	25.8	2.3	15.2	14.9	0.3	43.3	40.7	2.6	6.4%
Court Fines & Fees	4.7	4.7	-	-	-	-	4.7	4.7	-	0.0%
Securities Revenue	2.0	1.7	0.3	-	-	-	2.0	1.7	0.3	17.6%
Utility Consumption Tax	2.0	2.0	-	-	-	-	2.0	2.0	-	0.0%
Beer Tax	5.0	5.1	(0.1)	-	-	-	5.0	5.1	(0.1)	-2.0%
Other	16.7	12.0	4.7	-	-	-	16.7	12.0	4.7	39.2%
Transfer from Lottery Commission	-	-	-	16.9	17.2	(0.3)	16.9	17.2	(0.3)	-1.7%
Transfer from Racing & Charitable Gaming	-	-	-	0.7	0.7	-	0.7	0.7	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	10.0	8.5	1.5	10.0	8.5	1.5	17.6%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	399.1	394.8	4.3	128.3	133.1	(4.8)	527.4	527.9	(0.5)	-0.1%
Recoveries	3.0	1.2	1.8	-	-	-	3.0	1.2	1.8	150.0%
Total Receipts	\$402.1	\$396.0	\$6.1	\$128.3	\$133.1	\$(4.8)	\$530.4	\$529.1	\$1.3	0.2%

Education Trust Fund Statement of Activity - FY 2015 July 1, 2014 to October 31, 2014	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	128.3
<b>Expenditures</b>	
Education Grants & Adm Costs	(233.4)
<b>Ending Surplus (Deficit) - unaudited</b>	<b>\$(105.1)</b>

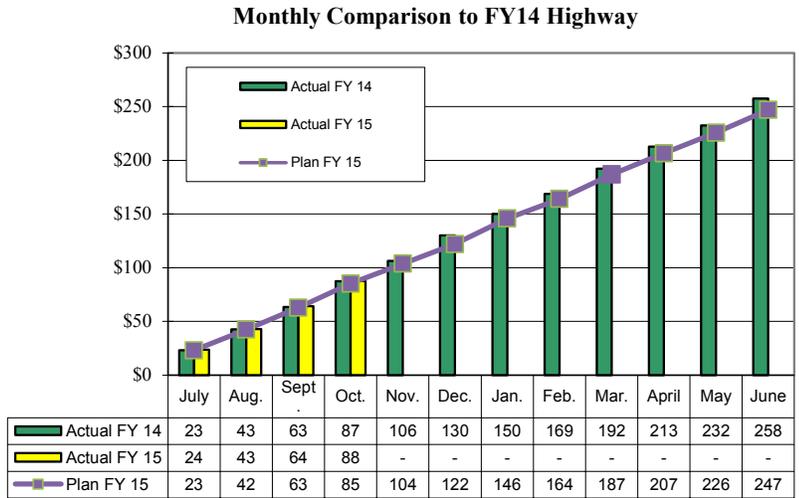


Fiscal 2015 Adequate Education Grant payments of \$572.5 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.6 million of grants through local retention of Statewide Property Tax collection. The FY 2015 budget anticipated a deficit of \$99.2 million, to be covered by a General fund transfer at year end.

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

## Highway Fund

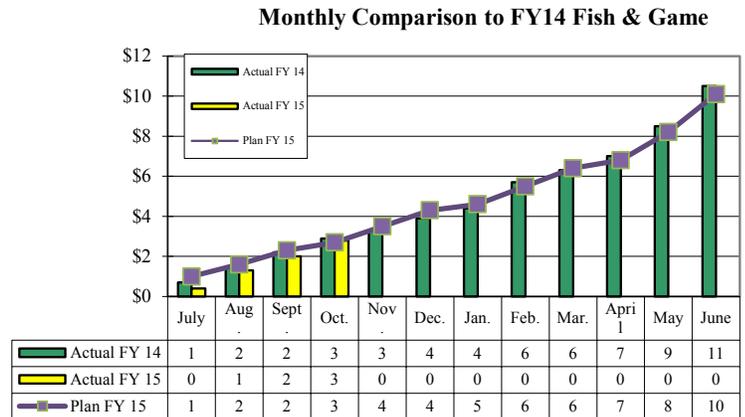
Comparison to Plan			
Revenue Category	year-to-date		
	FY 15 Actuals	FY 15 Plan	Actual vs. Plan
Gasoline Road Toll	\$43.0	\$42.4	\$0.6
Miscellaneous	5.0	5.2	(0.2)
<b>Motor Vehicle Fees</b>			
MV Registrations	27.6	26.0	1.6
MV Operators	4.3	4.0	0.3
Inspection Station Fees	1.4	1.4	-
MV Miscellaneous Fees	3.5	3.8	(0.3)
Certificate of Title	2.8	2.4	0.4
<b>Total Fees</b>	<b>39.6</b>	<b>37.6</b>	<b>2.0</b>
<b>Total</b>	<b>\$87.6</b>	<b>\$85.2</b>	<b>\$2.4</b>



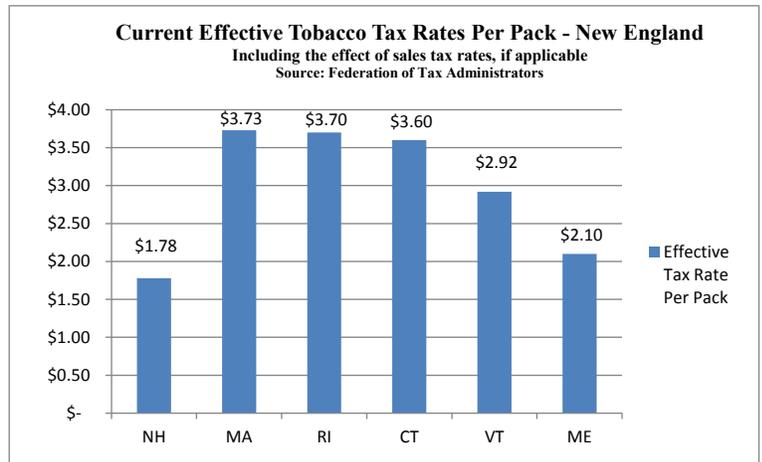
According to Road Toll Operations, actual fuel consumption is up approximately 0.5% YTD over the same period last year.

## Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 15 Actuals	FY 15 Plan	Actual vs. Plan
Fish and Game Licenses	\$2.4	\$2.4	\$-
Fines and Penalties	0.1	-	0.1
Miscellaneous Sales	0.2	0.1	0.1
Federal Recoveries Indirect Costs	0.1	0.2	(0.1)
<b>Total</b>	<b>\$2.8</b>	<b>\$2.7</b>	<b>\$0.1</b>



Sales of Cigarette Stamps			
Total sold (calendar month) July through October for each of last five years (number of stamps, in thousands)			
Prepared from data provided by DRA			
	Sales of Stamps	Volume Change	Percent Change
2015	42,071	(5,299)	-11.2%
2014	47,370	5,145	12.2%
2013	42,225	(3,209)	-7.1%
2012	45,434	732	1.6%
2011	44,702	247	0.6%



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