

# State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



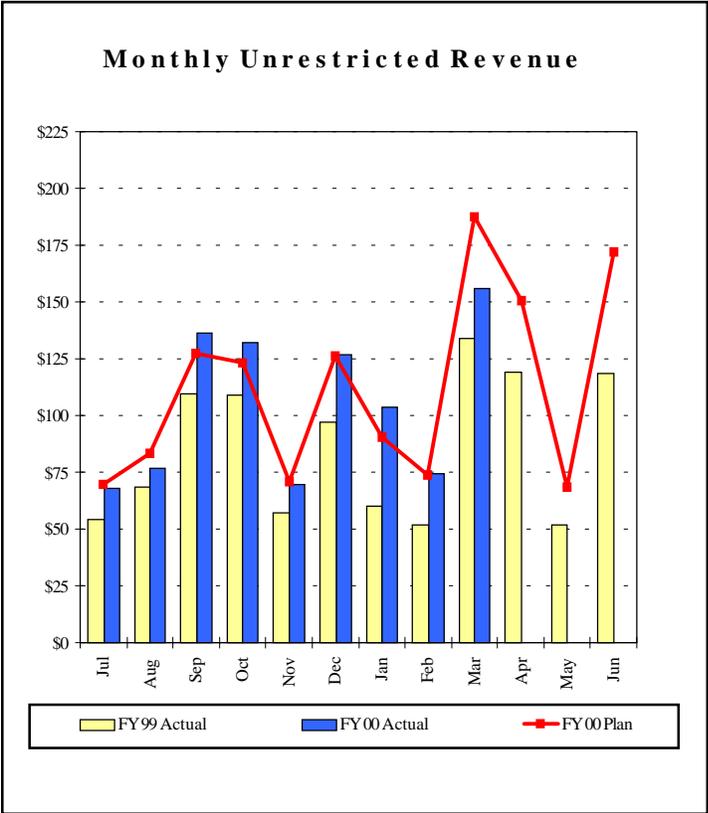
## SUMMARY

Monthly Revenue			
	FY 00	FY 99	Inc/(Dec)
Gen & Educ	\$ 155.8	\$ 133.8	\$ 22.0
Highway	\$ 17.8	\$ 15.8	\$ 2.0
Fish & Game	\$ .5	\$ .4	\$ .1

YTD Revenue			
	FY 00	FY 99	Inc/(Dec)
Gen & Educ	\$ 943.3	\$ 740.8	\$ 202.5
Highway	\$ 146.5	\$ 143.2	\$ 3.3
Fish & Game	\$ 5.5	\$ 5.4	\$ .1

## Current Month Analysis

General & Education Funds	FY00 Actuals	FY00 Plan	Actual vs. Plan
Business Profits Tax	\$ 42.7	\$ 46.0	\$ (3.3)
Business Enterprise Tax	39.2	42.9	(3.7)
Subtotal	81.9	88.9	(7.0)
Meals & Rooms Tax	11.3	11.1	0.2
Tobacco Tax	6.5	7.8	(1.3)
Liquor Sales and Distribution	6.4	5.4	1.0
Interest & Dividends Tax	2.0	1.9	0.1
Insurance Tax	9.2	14.4	(5.2)
Communications Tax	3.9	4.1	(0.2)
Real Estate Transfer Tax	4.8	4.5	0.3
Estate & Legacy Tax	3.8	4.3	(0.5)
Court Fines & Fees	2.4	2.0	0.4
Securities Revenue	3.2	3.1	0.1
Utility Tax	-	-	-
Board & Care Revenue	1.7	1.0	0.7
Beer Tax	0.7	0.8	(0.1)
Racing Revenue	0.3	0.2	0.1
Other	3.5	3.7	(0.2)
Transfers from Sweepstakes	3.9	4.6	(0.7)
Tobacco Settlement	-	-	-
Utility Property Tax	0.3	-	0.3
State Property Tax (see p.2)	4.2	24.1	(19.9)
Subtotal	150.0	181.9	(31.9)
Net Medicaid Enhancement Rev	2.9	-	2.9
Subtotal	152.9	181.9	(29.0)
Other Medicaid Enhancement Rev to Fund Net Appropriations	2.9	-	2.9
Total	\$ 155.8	\$ 181.9	\$ (26.1)



All funds reported in Millions

## March Highlights

Total unrestricted revenue for the General and Education Funds for March totaled \$155.8 million, which was below the plan by \$26.1 million.

Proceeds from March **business taxes** were \$81.9 million and fell short of plan by \$7.0 million. Both March and April are significant collection months for BPT and BET, from calendar year taxpayers, for the following reasons:

- Corporations file their final returns March 15 and all other entities file April 15; and
- First quarter estimated payments are due April 15.

According to the Department of Revenue Administration, forecasting revenue for March and April is difficult due to the mix of BPT collections in relation to BET collections. Also, it is assumed that the collections generated from the rate increases passed last session were not included in estimated payments during the year and therefore are reflected in the taxpayers' final returns. Since the majority of BET collections for non-corporate filers occurs in April, the effects of doubling the BET rate and the increased BPT rate will not be fully understood until the April payments are analyzed.

The state collects an **insurance tax** equal to 2% of premiums on policies that insure risks within the state. Quarterly estimates and final returns are due March 1. February collections exceeded the plan by \$1.4 million while March fell short of the plan by \$5.2 million. Therefore the shortfall over the 2 month period is \$3.8 million. According to the Insurance Department, this was the result of higher than expected credits taken for assessments to the State's Department of Labor and payments not received due to financial difficulties of a major insurer.

Collections in the Education Trust Fund fell short of plan due to "donor communities" funds being held in escrow pending resolution of a dispute over the **statewide property tax**. On March 30, the superior court denied the donor communities claim and directed the Clerk of the Court to forward the funds to the state. The court also stated that if the new statewide property tax is found unconstitutional, then the state would be responsible for refunding the tax. The state anticipates collecting this revenue in April.

Additional **Medicaid enhancement revenues** were received this month, generating a net gain of \$2.9 million of Unrestricted Revenue. However, pursuant to Chapter 225, L'99, the Department of Health and Human Services plans on requesting approval from the joint legislative fiscal committee to expend these funds in connection with the Medicaid program. Chapter 225 authorizes the Department to expend certain revenues that exceeded amounts budgeted.

Finally, as can be seen on the following page, the cash balance in the **Education Trust Fund** was a negative \$44.5 million. As of March 31, grant payments to schools have been fully expended. In April, the state will make the final quarterly transfer of Business Taxes (\$19.125 million) from the General Fund and the state also expects to receive approximately \$23.3 million of national tobacco settlement funds.

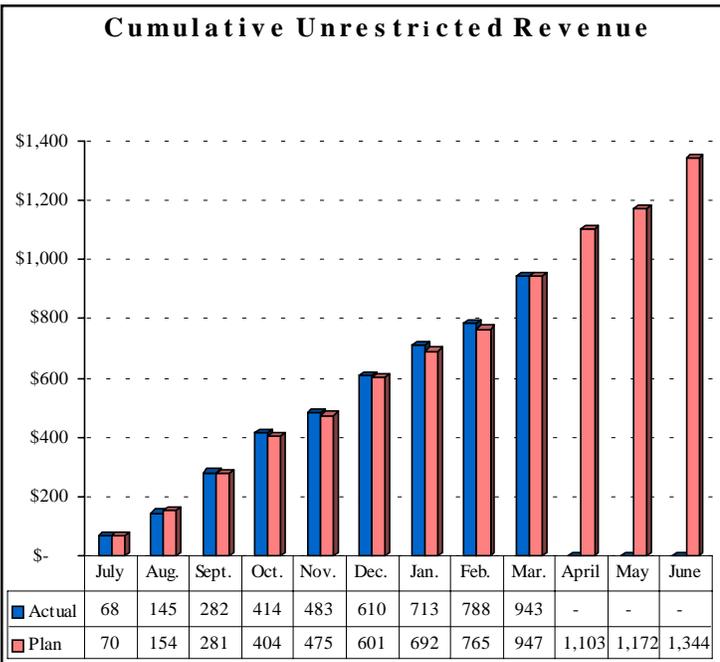
## Comparison to FY 99

General & Education Funds	Monthly			Year-to-Date			
	FY 00	FY 99	Inc/(Dec)	FY 00	FY 99	Inc/(Dec)	% Inc/(Dec)
	Actuals	Actuals		Actuals	Actuals		
Business Profits Tax	\$ 42.7	\$ 56.3	\$ (13.6)	\$ 106.1	\$ 118.5	\$ (12.4)	-10.5%
Business Enterprise Tax	39.2	16.4	22.8	96.2	56.8	39.4	69.4%
Subtotal	81.9	72.7	9.2	202.3	175.3	27.0	15.4%
Meals & Rooms Tax	11.3	9.7	1.6	118.5	105.7	12.8	12.1%
Tobacco Tax	6.5	6.2	0.3	69.9	55.4	14.5	26.2%
Liquor Sales and Distribution	6.4	5.7	0.7	65.1	59.7	5.4	9.0%
Interest & Dividends Tax	2.0	1.8	0.2	30.1	29.2	0.9	3.1%
Insurance Tax	9.2	16.1	(6.9)	45.8	48.9	(3.1)	-6.3%
Communications Tax	3.9	3.8	0.1	35.0	34.3	0.7	2.0%
Real Estate Transfer Tax	4.8	2.7	2.1	62.2	39.3	22.9	58.3%
Estate & Legacy Tax	3.8	4.1	(0.3)	41.8	37.3	4.5	12.1%
Court Fines & Fees	2.4	2.2	0.2	17.9	16.9	1.0	5.9%
Securities Revenue	3.2	1.6	1.6	13.0	10.2	2.8	27.5%
Utility Tax	-	0.4	(0.4)	4.8	5.6	(0.8)	-14.3%
Board & Care Revenue	1.7	1.5	0.2	10.2	7.9	2.3	29.1%
Beer Tax	0.7	0.7	-	9.0	8.7	0.3	3.4%
Racing Revenue	0.3	0.3	-	2.6	2.7	(0.1)	-3.7%
Other	3.5	4.3	(0.8)	35.0	33.0	2.0	6.1%
Transfers from Sweepstakes	3.9	-	3.9	39.7	-	39.7	-
Tobacco Settlement	-	-	-	30.7	-	30.7	-
Utility Property Tax	0.3	-	0.3	25.6	-	25.6	-
State Property Tax	4.2	-	4.2	4.2	-	4.2	-
Subtotal	150.0	133.8	16.2	863.4	670.1	193.3	28.8%
Net Medicaid Enhancement Rev	2.9	-	2.9	69.5	61.4	8.1	13.2%
Subtotal	152.9	133.8	19.1	932.9	731.5	201.4	27.5%
Other Medicaid Enhancement Rev to Fund Net Appropriations	2.9	-	2.9	10.4	9.3	1.1	11.8%
Total	\$ 155.8	\$ 133.8	\$ 22.0	\$ 943.3	\$ 740.8	\$ 202.5	27.3%

## Year-to-Date Analysis

<b>General &amp; Education Funds</b>	<i>Actuals FY 00</i>			<i>Actual vs. Plan</i>		<i>Revenue Estimates for FY 00 *</i>		
	<i>General</i>	<i>Education</i>	<i>Total</i>			<i>Plan</i>	<i>vs. Plan</i>	<i>General</i>
Business Profits Tax	\$ 89.3	\$ 16.8	\$ 106.1	\$ 131.2	\$ (25.1)	\$ 172.0	\$ 22.4	\$ 194.4
Business Enterprise Tax	55.6	40.6	96.2	77.3	18.9	73.1	54.1	127.2
Subtotal	144.9	57.4	202.3	208.5	(6.2)	245.1	76.5	321.6
Meals & Rooms Tax	114.3	4.2	118.5	119.7	(1.2)	146.0	10.0	156.0
Tobacco Tax	51.8	18.1	69.9	75.2	(5.3)	74.8	27.8	102.6
Liquor Sales and Distribution	65.1	-	65.1	61.1	4.0	80.0	-	80.0
Interest & Dividends Tax	30.1	-	30.1	29.1	1.0	66.0	-	66.0
Insurance Tax	45.8	-	45.8	48.9	(3.1)	63.0	-	63.0
Communications Tax	35.0	-	35.0	36.8	(1.8)	49.0	-	49.0
Real Estate Transfer Tax	44.0	18.2	62.2	63.6	(1.4)	59.0	26.1	85.1
Estate & Legacy Tax	41.8	-	41.8	39.1	2.7	52.0	-	52.0
Court Fines & Fees	17.9	-	17.9	16.5	1.4	22.0	-	22.0
Securities Revenue	13.0	-	13.0	12.2	0.8	22.5	-	22.5
Utility Tax	4.8	-	4.8	5.2	(0.4)	10.5	-	10.5
Board & Care Revenue	10.2	-	10.2	8.2	2.0	10.7	-	10.7
Beer Tax	9.0	-	9.0	8.9	0.1	11.7	-	11.7
Racing Revenue	2.6	-	2.6	2.6	-	3.5	-	3.5
Other	33.0	2.0	35.0	30.1	4.9	42.6	-	42.6
Transfers from Sweepstakes	-	39.7	39.7	36.8	2.9	-	56.0	56.0
Tobacco Settlement	0.4	30.3	30.7	30.2	0.5	2.7	56.0	58.7
Utility Property Tax	-	25.6	25.6	21.6	4.0	-	32.4	32.4
State Property Tax <sup>(1)</sup>	-	4.2	4.2	24.1	(19.9)	-	24.1	24.1
Subtotal	663.7	199.7	863.4	878.4	(15.0)	961.1	308.9	1,270.0
Net Medicaid Enhancement Rev	69.5	-	69.5	61.2	8.3	63.7	-	63.7
Subtotal	733.2	199.7	932.9	939.6	(6.7)	1,024.8	308.9	1,333.7
Other Medicaid Enhancement Rev to Fund Net Appropriations	10.4	-	10.4	7.5	2.9	10.0	-	10.0
<b>Total</b>	<b>\$ 743.6</b>	<b>\$ 199.7</b>	<b>\$ 943.3</b>	<b>\$ 947.1</b>	<b>\$ (3.8)</b>	<b>\$ 1,034.8</b>	<b>\$ 308.9</b>	<b>\$ 1,343.7</b>

(1) Represents only that portion of the State property tax collected by municipalities above local State adequacy level



Education Trust Fund Statement of Activity - FY 2000 July 1, 1999 to March 31, 2000 (Cash Basis)	
Description	In Millions
Beginning Balance	\$ 124.2
Revenue - See Page 3	199.7
Transfers from General Fund Appr	39.6
<b>Expenditures</b>	
Includes \$1.0 mil of Hardship Relief	(408.0)
<b>Balance March 31, 2000</b>	<b>\$ (44.5)</b>

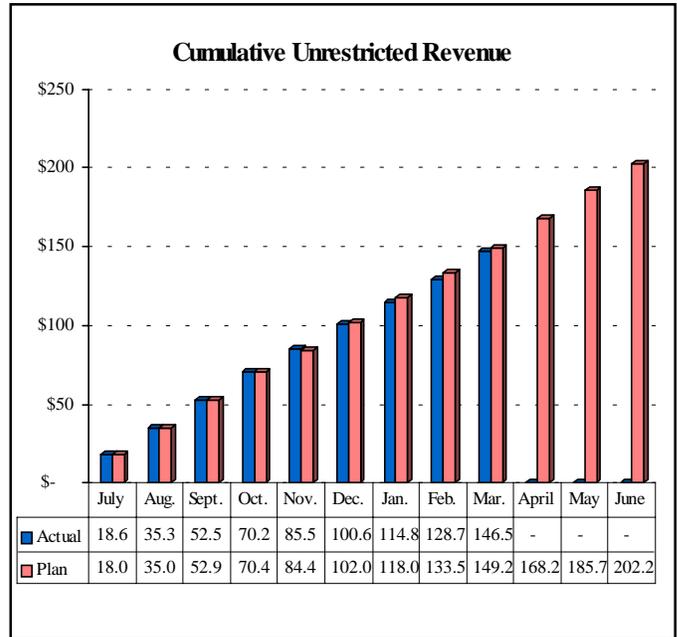
\* FY 2000 Revenue Estimates are comprised of the Legislative Estimate for the General Fund and the current estimate for the Education Fund.

## Year-to-Date Analysis

### Highway Fund

Revenue Category	FY 00 Actuals	FY 00 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 89.1	\$ 92.0	\$ (2.9)
Miscellaneous	5.9	7.6	(1.7)
<b>Motor Vehicle Fees</b>			
MV Registrations	37.4	36.2	1.2
MV Operators	6.1	6.0	0.1
Inspection Station Fees	1.5	1.1	0.4
MV Miscellaneous Fees	4.3	4.4	(0.1)
Certificate of Title	2.2	1.9	0.3
<b>Total Fees</b>	<b>51.5</b>	<b>49.6</b>	<b>1.9</b>
<b>Total</b>	<b>\$ 146.5</b>	<b>\$ 149.2</b>	<b>\$ (2.7)</b>

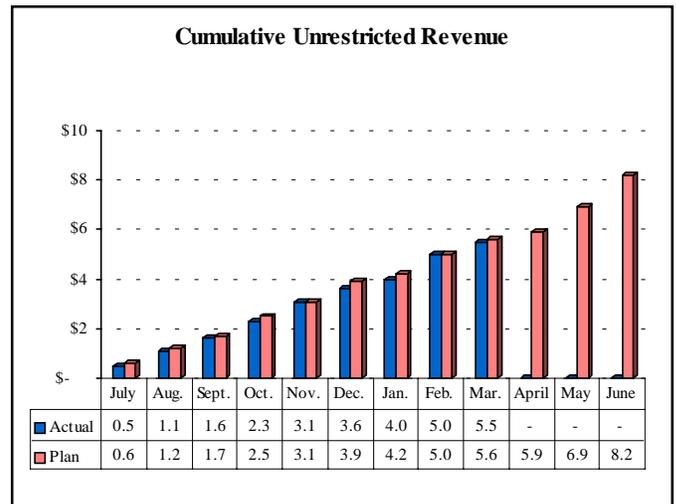
*The FY 00 Legislative Estimate is \$ 202.2. The estimate is 3% above FY 99 actuals.*



### Fish & Game Fund

Revenue Category	FY 00 Actuals	FY 00 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 4.5	\$ 4.6	\$ (0.1)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.4	0.4	-
Federal Recoveries Indirect Costs	0.5	0.5	-
<b>Total</b>	<b>\$ 5.5</b>	<b>\$ 5.6</b>	<b>\$ (0.1)</b>

*The FY 00 Legislative Estimate is \$ 8.2. The estimate is 1% above FY 99 actuals.*



**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  
Thomas E. Martin  
State House Annex - Room 413  
25 Capitol Street  
Concord, New Hampshire 03301-6312  
Phone: (603) 271-6566 Fax: (603) 271-6666  
TDD Access: Relay NH 1-800-735-2964**