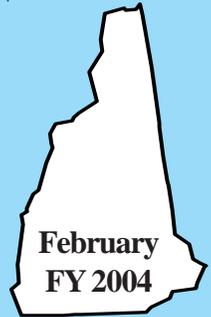


State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



Monthly Revenue Summary

	<u>FY 04</u>	<u>FY 03</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 131.5	\$ 73.9	\$ 57.6
Highway	\$ 18.1	\$ 17.1	\$ 1.0
Fish & Game	\$ 1.1	\$.8	\$.3

Current Month Analysis

General & Education Funds	<i>FY 04 Actuals</i>	<i>FY 04 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 3.8	\$ 2.0	\$ 1.8
Business Enterprise Tax	6.2	3.4	2.8
Subtotal	10.0	5.4	4.6
Meals & Rooms Tax	13.3	12.4	0.9
Tobacco Tax	7.3	6.5	0.8
Liquor Sales and Distribution	7.6	7.6	-
Interest & Dividends Tax	0.7	0.8	(0.1)
Insurance Tax	4.2	6.8	(2.6)
Communications Tax	5.5	5.5	-
Real Estate Transfer Tax	8.5	7.2	1.3
Estate & Legacy Tax	17.6	1.8	15.8
Court Fines & Fees	2.2	2.3	(0.1)
Securities Revenue	0.5	0.5	-
Utility Tax	0.5	0.5	-
Board & Care Revenue	1.4	1.0	0.4
Beer Tax	0.9	0.9	-
Racing Revenue	0.3	0.3	-
Flexible Grant	-	-	-
Other	6.8	5.8	1.0
Transfers from Sweepstakes	7.5	5.8	1.7
Tobacco Settlement	-	-	-
Utility Property Tax	0.6	-	0.6
Property Tax Not Retained Locally	0.3	-	0.3
Property Tax Retained Locally	-	-	-
Subtotal	95.7	71.1	24.6
Net Medicaid Enhancement Rev	21.5	10.2	11.3
Recoveries	1.3	1.1	0.2
Subtotal	118.5	82.4	36.1
Other Medicaid Enhancement Rev to Fund Net Appropriations	13.0	10.1	2.9
Total	\$ 131.5	\$ 92.5	\$ 39.0

Total unrestricted revenue for the General and Education Funds for February was \$131.5 million, which was above plan by \$39.0 million and above prior year by \$57.6 million. Revenue collected year-to-date totaled \$1,017.9 million, which exceeded plan by \$23.5 million, and prior year by \$105.4 million. The majority of the favorable variance is the result of unanticipated estate settlements and the processing of additional Medicaid revenues due to federally approved plan amendments. In addition, strong performance continued for the Meals and Room Tax, Tobacco Tax, and Real Estate Transfer Tax.

Business taxes (BPT & BET) for February totaled \$10.0 million, which were \$4.6 million above plan and \$4.5 million above prior year. Year-to-date revenue from business taxes of \$188.4 million was below plan by \$1.7 million but ahead of prior year by \$5.2 million. While February does not represent a high volume month for business taxes, as can be seen in the chart on page 2, March is the next critical collection month when calendar year businesses file their 2003 annual returns.

Estate and Legacy taxes came in at \$17.6 million or \$15.8 million above plan for the month due to the processing of unexpected large collections from ten or less taxpayers. Year-to-date collections were \$29.9 million, which was \$13.7 million above plan but below prior year by \$6.1 million due to the phase-out of the tax.

During February the Governor secured the necessary federal approval for several **Medicaid** Plan Amendments. As a result, \$11.3 million of additional Net Medicaid Enhancement revenue and \$2.9 million of additional Other Medicaid Enhancement revenue was received over plan. The approvals allowed the state to process the FY 2003 Proshare transaction, which generated net Medicaid revenue to the state of \$8.4 million. Even though this amount was budgeted in FY 2003, it was not recognized last year due to the year-long delay in securing federal approval. Since this amount was not included in FY 2004 budget, the state is reporting a gain over plan. The FY 2004 Proshare transaction is expected to be processed in June and is budgeted at \$12.3 million.

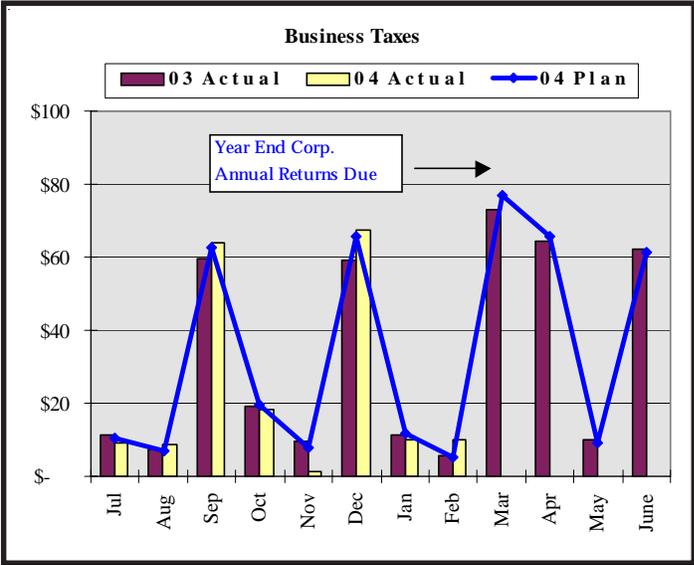
In addition, the federal approval authorized the quarterly **New Hampshire Hospital Disproportionate Share (DSH)** transaction to be processed at an enhanced 175% rate, which generated \$26.0 million of unrestricted revenue (\$13 million Net Medicaid & \$13 million Other Medicaid Enhancement). The February plan assumed \$10.1 million of Net Medicaid Revenue to be processed this month under this activity, therefore a gain of \$2.9 million has been reported.

Sweepstakes Transfers to the Education Trust Fund in February exceeded plan by \$1.7 million and represent net profits from the month January, which included some carryover receipts attributable to the 12/31/03 Powerball Jackpot of \$221.5 million.

Lastly, a monthly shortfall of \$2.6 million was seen from the **Insurance Tax** as a result of timing issues with collections. The final tax returns are due March 15th, and it is anticipated that the shortfall this month will be absorbed when the annual returns are processed next month.

YTD Revenue Summary

	FY 04	FY 03	Inc/(Dec)
Gen & Educ	\$1,017.9	\$ 912.5	\$ 105.4
Highway	\$ 151.6	\$ 145.9	\$ 5.7
Fish & Game	\$ 5.8	\$ 5.2	\$.6



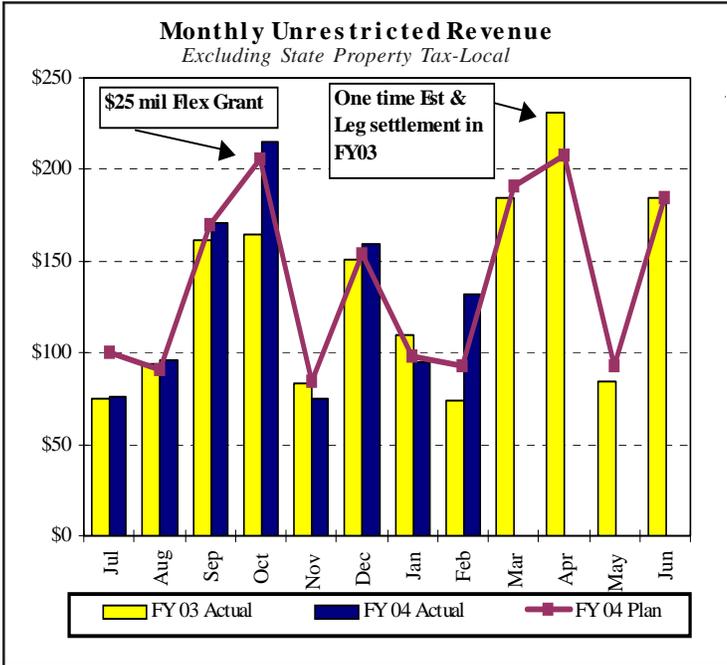
General & Education Funds Comparison to FY 03

General & Education Funds	Monthly			Year-to-Date			
	FY04 Actuals	FY03 Actuals	Inc/(Dec)	FY04 Actuals	FY03 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 3.8	\$ 1.4	\$ 2.4	\$ 70.9	\$ 70.0	\$ 0.9	1.3%
Business Enterprise Tax	6.2	4.1	2.1	117.5	113.2	4.3	3.8%
Subtotal	10.0	5.5	4.5	188.4	183.2	5.2	2.8%
Meals & Rooms Tax	13.3	12.0	1.3	129.5	123.8	5.7	4.6%
Tobacco Tax	7.3	6.5	0.8	66.4	61.9	4.5	7.3%
Liquor Sales and Distribution	7.6	7.1	0.5	74.8	69.9	4.9	7.0%
Interest & Dividends Tax	0.7	0.3	0.4	22.3	26.5	(4.2)	-15.8%
Insurance Tax	4.2	6.2	(2.0)	43.2	43.1	0.1	0.2%
Communications Tax	5.5	5.4	0.1	43.3	41.9	1.4	3.3%
Real Estate Transfer Tax	8.5	6.8	1.7	94.9	85.7	9.2	10.7%
Estate & Legacy Tax	17.6	3.0	14.6	29.9	36.0	(6.1)	-16.9%
Court Fines & Fees	2.2	2.2	-	17.9	18.2	(0.3)	-1.6%
Securities Revenue	0.5	0.4	0.1	9.4	9.4	-	0.0%
Utility Tax	0.5	0.5	-	4.1	4.0	0.1	2.5%
Board & Care Revenue	1.4	1.1	0.3	8.2	6.3	1.9	30.2%
Beer Tax	0.9	0.9	-	8.7	8.6	0.1	1.2%
Racing Revenue	0.3	0.2	0.1	2.6	2.7	(0.1)	-3.7%
Flexible Grant	-	-	-	25.0	-	25.0	100.0%
Other	6.8	3.2	3.6	34.5	33.3	1.2	3.6%
Transfers from Sweepstakes	7.5	5.8	1.7	45.3	39.4	5.9	15.0%
Tobacco Settlement	-	-	-	0.4	11.2	(10.8)	100.0%
Utility Property Tax	0.6	(0.1)	0.7	12.4	9.3	3.1	33.3%
Property Tax Not Retained Locally	0.3	-	0.3	0.3	0.2	0.1	50.0%
Property Tax Retained Locally	-	-	-	-	-	-	-
Subtotal	95.7	67.0	28.7	861.5	814.6	46.9	5.8%
Net Medicaid Enhancement Rev	21.5	3.5	18.0	126.4	87.8	38.6	44.0%
Recoveries	1.3	-	1.3	8.8	-	8.8	100.0%
Subtotal	118.5	70.5	48.0	996.7	902.4	94.3	10.4%
Other Medicaid Enhancement Rev to Fund Net Appropriations	13.0	3.4	9.6	21.2	10.1	11.1	109.9%
Total	\$ 131.5	\$ 73.9	\$ 57.6	\$ 1,017.9	\$ 912.5	\$ 105.4	11.6%



Year-to-Date Analysis

General & Education Funds	General		Education		Total		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 50.7	\$ 78.0	\$ 20.2	\$ 20.2	\$ 70.9	\$ 98.2	\$ (27.3)
Business Enterprise Tax	59.1	33.5	58.4	58.4	117.5	91.9	25.6
Subtotal	109.8	111.5	78.6	78.6	188.4	190.1	(1.7)
Meals & Rooms Tax	124.4	123.5	5.1	4.8	129.5	128.3	1.2
Tobacco Tax	46.6	45.6	19.8	18.6	66.4	64.2	2.2
Liquor Sales and Distribution	74.8	74.6	-	-	74.8	74.6	.2
Interest & Dividends Tax	22.3	27.4	-	-	22.3	27.4	(5.1)
Insurance Tax	43.2	44.7	-	-	43.2	44.7	(1.5)
Communications Tax	43.3	44.3	-	-	43.3	44.3	(1.0)
Real Estate Transfer Tax	63.3	56.0	31.6	28.2	94.9	84.2	10.7
Estate & Legacy Tax	29.9	16.2	-	-	29.9	16.2	13.7
Court Fines & Fees	17.9	18.6	-	-	17.9	18.6	(0.7)
Securities Revenue	9.4	10.0	-	-	9.4	10.0	(0.6)
Utility Tax	4.1	4.1	-	-	4.1	4.1	-
Board & Care Revenue	8.2	6.5	-	-	8.2	6.5	1.7
Beer Tax	8.7	8.9	-	-	8.7	8.9	(0.2)
Racing Revenue	2.6	2.4	-	-	2.6	2.4	0.2
Flexible Grant	25.0	50.0	-	-	25.0	50.0	(25.0)
Other	34.5	35.5	-	-	34.5	35.5	(1.0)
Transfers from Sweepstakes	-	-	45.3	40.6	45.3	40.6	4.7
Tobacco Settlement	-	-	0.4	-	0.4	-	0.4
Utility Property Tax	-	-	12.4	9.6	12.4	9.6	2.8
Property Tax Not Retained Locally	-	-	0.3	-	0.3	-	0.3
Property Tax Retained Locally	-	-	-	-	-	-	-
Subtotal	668.0	679.8	193.5	180.4	861.5	860.2	1.3
Net Medicaid Enhancement Rev	126.4	107.4	-	-	126.4	107.4	19.0
Recoveries	8.8	8.5	-	-	8.8	8.5	0.3
Subtotal	803.2	795.7	193.5	180.4	996.7	976.1	20.6
Other Medicaid Enhancement Rev to Fund Net Appropriations	21.2	18.3	-	-	21.2	18.3	2.9
Total	\$ 824.4	\$ 814.0	\$ 193.5	\$ 180.4	\$ 1,017.9	\$ 994.4	\$ 23.5



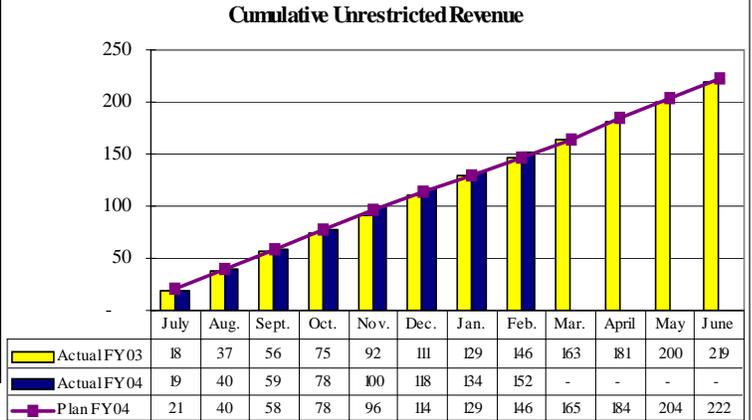
Education Trust Fund Statement of Activity - FY 2004 July 1, 2003 to February 29, 2004	
Description	In Millions
Beginning Balance	\$ 8.0
Unrestricted Revenue - See above	193.5
Transfers from General Fund Appropriations	38.8
Expenditures	
Education Grants & Adm Costs	(323.5)
Ending Balance	\$ (83.2)



Year-to-Date Analysis

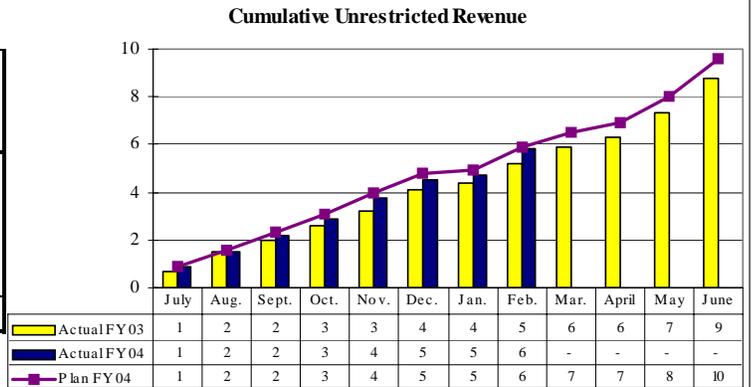
Highway Fund

<i>Revenue Category</i>	<i>FY 04 Actuals</i>	<i>FY 04 Plan</i>	<i>Actual vs. Plan</i>
Gasoline Road Toll	\$ 87.9	\$ 83.4	\$ 4.5
Miscellaneous	4.7	3.7	1.0
Motor Vehicle Fees			
MV Registrations	42.3	41.9	0.4
MV Operators	8.2	10.0	(1.8)
Inspection Station Fees	2.3	1.8	0.5
MV Miscellaneous Fees	2.6	3.3	(0.7)
Certificate of Title	3.6	2.1	1.5
Total Fees	59.0	59.1	(0.1)
Total	\$ 151.6	\$ 146.2	\$ 5.4



Fish & Game Fund

<i>Revenue Category</i>	<i>FY 04 Actuals</i>	<i>FY 04 Plan</i>	<i>Actual vs. Plan</i>
Fish and Game Licenses	\$ 5.2	\$ 5.0	\$ 0.2
Fines and Penalties	.1	.1	-
Miscellaneous Sales	.1	.3	(0.2)
Federal Recoveries Indirect Costs	.4	.5	(0.1)
Total	\$ 5.8	\$ 5.9	\$ (0.1)



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