

# State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



## Monthly Revenue Summary

	<u>FY07</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	<b>\$ 273.3</b>	<b>\$ 262.5</b>	<b>\$ 10.8</b>
<b>Highway</b>	<b>\$ 20.0</b>	<b>\$ 19.8</b>	<b>\$ 0.2</b>
<b>Fish &amp; Game</b>	<b>\$ 0.7</b>	<b>\$ 0.5</b>	<b>\$ 0.2</b>

## Current Month Analysis

<b>General &amp; Education Funds</b>	<i>FY07 Actuals</i>	<i>FY07 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 51.5	\$ 59.1	\$ (7.6)
Business Enterprise Tax	43.3	33.9	9.4
Subtotal	94.8	93.0	1.8
Meals & Rooms Tax	15.5	15.9	(0.4)
Tobacco Tax	9.4	11.3	(1.9)
Liquor Sales and Distribution	8.6	8.6	-
Interest & Dividends Tax	46.7	29.5	17.2
Insurance Tax (1)	1.5	1.0	0.5
Communications Tax	6.0	6.2	(0.2)
Real Estate Transfer Tax	10.5	11.9	(1.4)
Estate & Legacy Tax	-	0.4	(0.4)
Court Fines & Fees	2.3	2.5	(0.2)
Securities Revenue	14.5	16.4	(1.9)
Utility Tax	0.5	0.5	-
Board & Care Revenue	1.5	1.3	0.2
Beer Tax	0.9	0.9	-
Racing Revenue	0.3	0.3	-
Other	6.3	5.8	0.5
Transfers from Lottery/Pari-Mutuel	7.3	6.5	0.8
Tobacco Settlement	40.1	43.0	(2.9)
Utility Property Tax	4.8	6.0	(1.2)
State Property Tax	-	-	-
Subtotal	271.5	261.0	10.5
Net Medicaid Enhancement Rev	0.1	0.1	0.0
Recoveries	1.7	1.4	0.3
<b>Total</b>	<b>\$ 273.3</b>	<b>\$ 262.5</b>	<b>\$ 10.8</b>

Unrestricted revenue from the General and Education Funds for April totaled \$273.3 million, which was above plan by \$10.8 million and ahead of prior year by \$19.7 million. Year to date (YTD) revenue totaled \$1,969.3 million, which was above plan by \$56.7 million and ahead of prior year by \$95.7 million.

**Business taxes** (BPT & BET) for April totaled \$94.8 million, which was above plan by \$1.8 million and above prior year by \$6.2 million. On a YTD basis, revenue from business taxes totaled \$492.3 million which was above plan by \$65.9 million (15%) and ahead of prior year by \$47.0 million (11%).

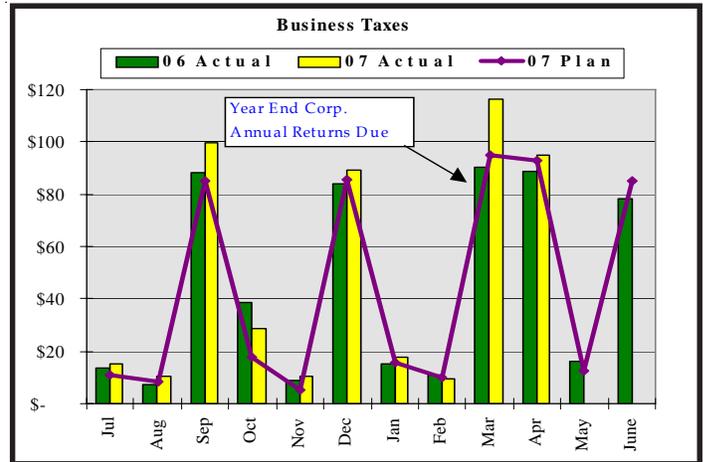
The **Interest & Dividends Tax** (I&D) collections for April totaled \$46.7 million, and were above both plan and prior year by \$17.2 million and \$11.3 million, respectively. The strong receipts this month brings YTD collections above plan by \$29.8 million (48%) and ahead of prior year by \$23.0 million (34%). Final returns and the first quarter estimated payments were due April 15 and according to the Department of Revenue, the number of returns filed as compared to the prior year grew by a rate of approximately 35%. Higher interest rates and dividend activity resulted in many new taxpayers with incomes exceeding exemption thresholds.

The **Real Estate Transfer Tax** (RET) performance continues to lag with collections totaling \$10.5 million for the month, which was below plan by \$1.4 million. YTD revenue from RET totaled \$117.6 million, below plan by \$32.0 million (21%) and below prior year by \$16.0 million (12%).

During April, the state received the annual payment from the nationwide **Tobacco Settlement**, bringing YTD revenue to \$40.5 million, which was behind plan by \$2.5 million. The shortfall is due to some tobacco companies reducing their payments due to a disputed interpretation of a provision in the Master Settlement Agreement (MSA) called the Non-Participating Manufacturer (NPM) adjustment. This adjustment stipulates that payments *may* be reduced if market share of the Participating Manufacturers (PM's) shifts to the NPM's as a result of the PM's obligations under the MSA. The state disagrees with the PM's interpretation of the NPM adjustment and is currently in litigation for the disputed payments.

*Fiscal 2006 amounts are AUDITED  
All funds reported in Millions and on a Cash Basis*

RET Growth Analysis (In Millions)										
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
FY07	16.5	12.3	13.5	11.7	15.2	10.6	11.0	8.6	7.7	10.5
Plan	18.2	18.5	18.6	16.5	16.3	14.3	14.7	11.3	9.3	11.9
Month over(under) plan	(1.7)	(6.2)	(5.1)	(4.8)	(1.1)	(3.7)	(3.7)	(2.7)	(1.6)	(1.4)
% Month over(under) Plan	-9%	-34%	-27%	-29%	-7%	-26%	-25%	-24%	-17%	-12%
YTD over(under) Plan	(1.7)	(7.9)	(13.0)	(17.8)	(18.9)	(22.6)	(26.3)	(29.0)	(30.6)	(32.0)
% YTD over(under) Plan	-9%	-22%	-24%	-25%	-21%	-22%	-22%	-23%	-22%	-21%
% YTD over(under) Prior Year	-1%	-14%	-17%	-18%	-13%	-15%	-14%	-15%	-14%	-12%



**General & Education Funds Comparison to FY 06**

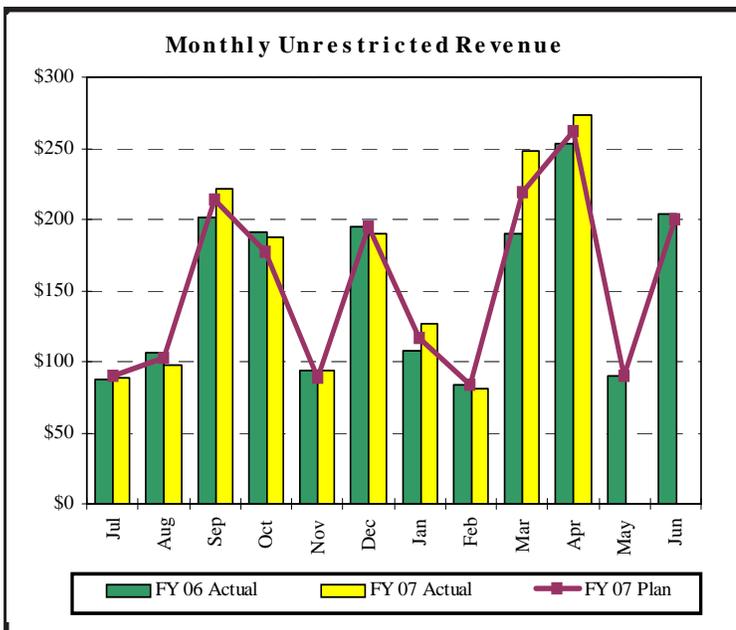
General & Education Funds	Monthly			Year-to-Date			
	FY07	FY06	Inc/(Dec)	FY07	FY06	Inc/(Dec)	%
	Actuals	Actuals		Actuals	Actuals		
Business Profits Tax	\$ 51.5	\$ 43.0	\$ 8.5	\$ 284.9	\$ 197.2	\$ 87.7	44.5%
Business Enterprise Tax	43.3	45.6	(2.3)	207.4	248.1	(40.7)	-16.4%
Subtotal	94.8	88.6	6.2	492.3	445.3	47.0	10.6%
Meals & Rooms Tax	15.5	14.9	0.6	176.8	170.5	6.3	3.7%
Tobacco Tax	9.4	9.6	(0.2)	116.2	120.6	(4.4)	-3.6%
Liquor Sales and Distribution	8.6	8.0	0.6	104.6	99.6	5.0	5.0%
Interest & Dividends Tax	46.7	35.4	11.3	91.5	68.5	23.0	33.6%
Insurance Tax (1)	1.5	0.8	0.7	96.5	71.3	25.2	35.3%
Communications Tax	6.0	5.9	0.1	60.5	58.8	1.7	2.9%
Real Estate Transfer Tax	10.5	9.4	1.1	117.6	133.6	(16.0)	-12.0%
Estate & Legacy Tax	-	-	-	0.6	4.2	(3.6)	-85.7%
Court Fines & Fees	2.3	2.3	-	25.1	24.0	1.1	4.6%
Securities Revenue	14.5	15.7	(1.2)	29.1	28.6	0.5	1.7%
Utility Tax	0.5	0.5	-	5.2	5.3	(0.1)	-1.9%
Board & Care Revenue	1.5	1.1	0.4	16.1	10.9	5.2	47.7%
Beer Tax	0.9	1.0	(0.1)	10.5	10.6	(0.1)	-0.9%
Racing Revenue	0.3	0.2	0.1	2.4	2.3	0.1	4.3%
Other	6.3	5.4	0.9	48.9	44.7	4.2	9.4%
Transfers from Lottery/Pari-Mutuel	7.3	6.8	0.5	61.2	60.6	0.6	1.0%
Tobacco Settlement	40.1	38.5	1.6	40.5	39.0	1.5	3.8%
Utility Property Tax	4.8	4.6	0.2	16.1	15.1	1.0	6.6%
State Property Tax	-	-	-	363.3	363.4	(0.1)	0.0%
Subtotal	271.5	248.7	22.8	1,875.0	1,776.9	98.1	5.5%
Net Medicaid Enhancement Rev	0.1	0.1	0.0	82.9	73.6	9.3	12.6%
Recoveries	1.7	4.8	(3.1)	11.4	23.1	(11.7)	-50.6%
Total	\$ 273.3	\$ 253.6	\$ 19.7	\$ 1,969.3	\$ 1,873.6	\$ 95.7	5.1%



**Year-to-Date Analysis**

General & Education Funds	General			Education			Total		
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 243.7	\$ 201.3	\$ 42.4	\$ 41.2	\$ 39.5	\$ 1.7	\$ 284.9	\$ 240.8	\$ 44.1
Business Enterprise Tax	98.0	73.0	25.0	109.4	112.6	(3.2)	207.4	185.6	21.8
Subtotal	341.7	274.3	67.4	150.6	152.1	(1.5)	492.3	426.4	65.9
Meals & Rooms Tax	170.7	177.6	(6.9)	6.1	6.4	(0.3)	176.8	184.0	(7.2)
Tobacco Tax	52.1	59.7	(7.6)	64.1	60.4	3.7	116.2	120.1	(3.9)
Liquor Sales and Distribution	104.6	106.6	(2.0)	-	-	-	104.6	106.6	(2.0)
Interest & Dividends Tax	91.5	61.7	29.8	-	-	-	91.5	61.7	29.8
Insurance Tax (1)	96.5	96.1	0.4	-	-	-	96.5	96.1	0.4
Communications Tax	60.5	61.7	(1.2)	-	-	-	60.5	61.7	(1.2)
Real Estate Transfer Tax	78.5	100.4	(21.9)	39.1	49.2	(10.1)	117.6	149.6	(32.0)
Estate & Legacy Tax	0.6	3.3	(2.7)	-	-	-	0.6	3.3	(2.7)
Court Fines & Fees	25.1	25.1	-	-	-	-	25.1	25.1	-
Securities Revenue	29.1	29.7	(0.6)	-	-	-	29.1	29.7	(0.6)
Utility Tax	5.2	5.5	(0.3)	-	-	-	5.2	5.5	(0.3)
Board & Care Revenue	16.1	10.7	5.4	-	-	-	16.1	10.7	5.4
Beer Tax	10.5	10.6	(0.1)	-	-	-	10.5	10.6	(0.1)
Racing Revenue	2.4	2.9	(0.5)	-	-	-	2.4	2.9	(0.5)
Other	48.9	46.5	2.4	-	-	-	48.9	46.5	2.4
Transfers from Lottery/Pari-Mutuel	-	-	-	61.2	58.5	2.7	61.2	58.5	2.7
Tobacco Settlement	-	-	-	40.5	43.0	(2.5)	40.5	43.0	(2.5)
Utility Property Tax	-	-	-	16.1	18.0	(1.9)	16.1	18.0	(1.9)
State Property Tax	-	-	-	363.3	363.0	0.3	363.3	363.0	0.3
Subtotal	1,134.0	1,072.4	61.6	741.0	750.6	(9.6)	1,875.0	1,823.0	52.0
Net Medicaid Enhancement Rev	82.9	75.5	7.4	-	-	-	82.9	75.5	7.4
Recoveries	11.4	14.1	(2.7)	-	-	-	11.4	14.1	(2.7)
Total	\$ 1,228.3	\$ 1,162.0	\$ 66.3	\$ 741.0	\$ 750.6	\$ (9.6)	\$ 1,969.3	\$ 1,912.6	\$ 56.7

(1) Excludes Insurance Tax Payments of approximately \$41.0 million. These were recorded as deferred revenue and will be recognized in FY 2008.



Excluding State Property Tax

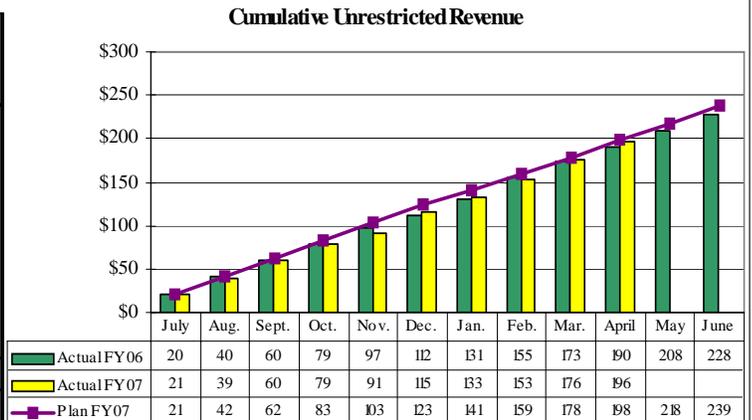
Education Trust Fund Statement of Activity - FY 2007 July 1, 2006 to April 30, 2007	
Description	In Millions
Beginning Surplus	\$ 8.4
Unrestricted Revenue - See above	741.0
Transfers from General Fund Appropriations (net)	-
Expenditures	
Education Grants & Adm Costs	(840.5)
<b>Ending Surplus (Deficit)</b>	<b>\$ (91.1)</b>



## Year-to-Date Analysis

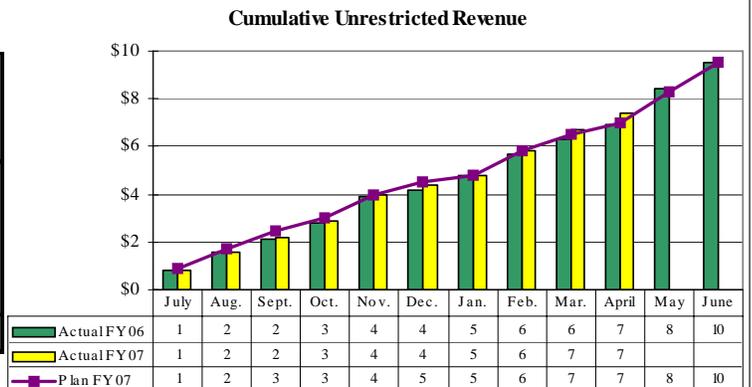
### Highway Fund

<i>Revenue Category</i>	<i>FY 07 Actuals</i>	<i>FY 07 Plan</i>	<i>Actual vs. Plan</i>
Gasoline Road Toll	\$ 108.0	\$ 111.7	\$ (3.7)
Miscellaneous	11.5	8.3	3.2
<b>Motor Vehicle Fees</b>			
MV Registrations	55.4	55.5	(0.1)
MV Operators	10.5	10.9	(0.4)
Inspection Station Fees	3.0	3.3	(0.3)
MV Miscellaneous Fees	3.7	3.5	0.2
Certificate of Title	4.1	4.9	(0.8)
<b>Total Fees</b>	<b>76.7</b>	<b>78.1</b>	<b>(1.4)</b>
<b>Total</b>	<b>\$ 196.2</b>	<b>\$ 198.1</b>	<b>\$ (1.9)</b>



### Fish & Game Fund

<i>Revenue Category</i>	<i>FY 07 Actuals</i>	<i>FY 07 Plan</i>	<i>Actual vs. Plan</i>
Fish and Game Licenses	\$ 5.9	\$ 6.0	\$ (0.1)
Fines and Penalties	0.2	0.2	-
Miscellaneous Sales	0.5	0.3	0.2
Federal Recoveries Indirect Costs	0.8	0.5	0.3
<b>Total</b>	<b>\$ 7.4</b>	<b>\$ 7.0</b>	<b>\$ 0.4</b>



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