

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Linda M. Hodgdon
Comptroller Edgar R. Carter



Monthly Revenue Summary

	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 109.1	\$ 98.8	\$ 10.3
Highway	\$ 23.3	\$ 25.7	\$ (2.4)
Fish & Game	\$ 0.6	\$ 0.8	\$ (0.2)

Current Month Analysis

General & Education Funds	<i>FY 11 Actuals</i>	<i>FY 11 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$ 7.9	6.1	\$ 1.8	30%
Business Enterprise Tax	5.2	3.8	1.4	36.8%
Subtotal Business Taxes	13.1	9.9	3.2	32.3%
Meals & Rooms Tax	26.2	25.5	0.7	2.7%
Tobacco Tax	22.8	19.0	3.8	20.0%
Transfer from Liquor Commission	13.1	13.0	0.1	0.8%
Interest & Dividends Tax	1.1	0.7	0.4	57.1%
Insurance Tax	1.1	0.9	0.2	22.2%
Communications Tax	6.9	6.6	0.3	4.5%
Real Estate Transfer Tax	6.9	8.3	(1.4)	-16.9%
Court Fines & Fees	1.5	1.1	0.4	36.4%
Securities Revenue	0.4	0.5	(0.1)	-20.0%
Utility Consumption Tax	0.4	0.5	(0.1)	-20.0%
Board & Care Revenue	2.0	1.5	0.5	33.3%
Beer Tax	1.3	1.4	(0.1)	-7.1%
Racing & Games of Chance	0.2	0.2	-	0.0%
Other	3.0	2.8	0.2	7.1%
Gambling Winnings Tax	0.1	0.1	-	0.0%
Transfer from Lottery Commission	5.5	6.4	(0.9)	-14.1%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	
Utility Property Tax	0.5	-	0.5	
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	106.2	98.5	7.7	7.8%
Net Medicaid Enhancement Revenue	0.1	0.3	(0.2)	-66.7%
Recoveries	2.8	-	2.8	
Total Receipts	\$ 109.1	\$ 98.8	\$ 10.3	10.4%

Unrestricted revenue receipts for the General and Education Funds for August totaled \$109.1 million, which was above plan by \$10.3 million or 10.4% and above prior year by \$15.2 million or 16.2%.

Business tax collections were higher than plan by \$3.2 million or 32.3% and \$4.1 million or 45.6% above prior year. These results primarily come from amounts paid with extensions at the time returns are due. This may indicate higher taxes than estimated by those taxpayers, however this isn't known until final returns are filed. Amounts paid with tax notices this month were higher than prior year, contributing to a better FY 11 August. However, these payments in FY 11 July were lower than prior July by approximately the same amount resulting in year to date tax notice receipts being even with last year.

These first months of the fiscal year are traditionally low for receipts, while September quarterly estimates paid should provide a better indication of the business conditions NH taxpayers are experiencing. Since plan amounts during this part of the year are traditionally low, dollar variances which are not significant to larger months' plans can represent large percentage variances.

The **Tobacco Tax** is the largest contributor to performance against plan, coming in \$3.8 million above. This reflects better performance than the prior year, on which plan was based, with stamp sales ahead by 9%. On a year-to-date basis, the Base Tobacco Tax revenue receipts increased \$4.2 million (or 10%) in FY11 compared to FY10; however, this increase was more than offset by the absence of the floor tax revenue received in FY10 (\$4.7 million) in connection with the tax increase at that time.

The **Real Estate Transfer tax** reversed its recent trend coming in \$1.5 million below plan as the real estate market suffers from the termination of federal tax credits.

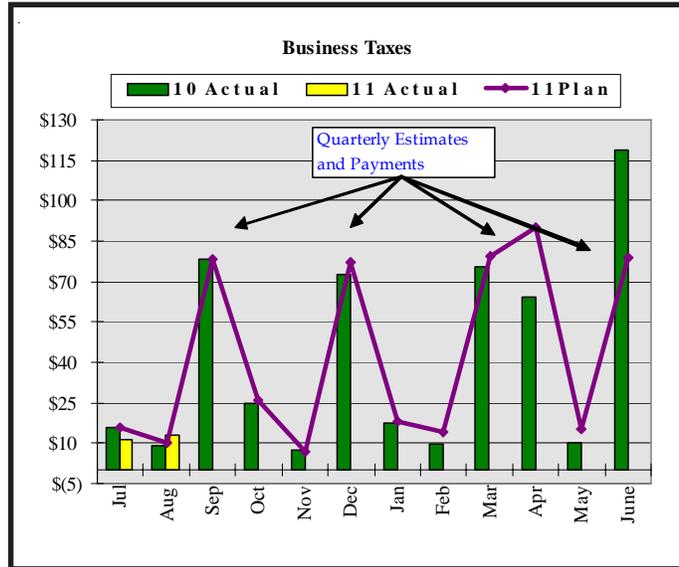
The **Lottery** makes transfers to the Education Trust Fund monthly based on prior month net profit, in some cases using estimates. According to Lottery Commission, sales of instant and major games have been and continue to be lower than same months in prior year and this is consistent with their observations of operations in other states.

Medicaid program **Recoveries** of \$2.8 million received in August had been estimated for September. Accordingly, we expect September receipts to be lower than plan.

*Fiscal 2011 and 2010 amounts are unaudited.
All funds reported on a cash basis, in Millions except for percentage amounts.*

RET Analysis (In Millions)		
	Jul	Aug
FY11	9.6	6.9
FY10	9.0	8.3
FY09	11.5	9.9
Mo over Mo	0.6	(1.4)
% Mo over Mo	7%	-17%
YTD Growth over Prior Year	0.6	(0.8)
% YTD Growth	7%	-5%

Business Tax Refund Analysis		
	Jul	Aug
FY11	3.4	0.9
FY10	1.6	1.2
FY09	1.3	1.4
Mo over Mo	1.8	(0.3)
YTD Growth (decline)	1.8	1.5



General & Education Funds Comparison to FY 10

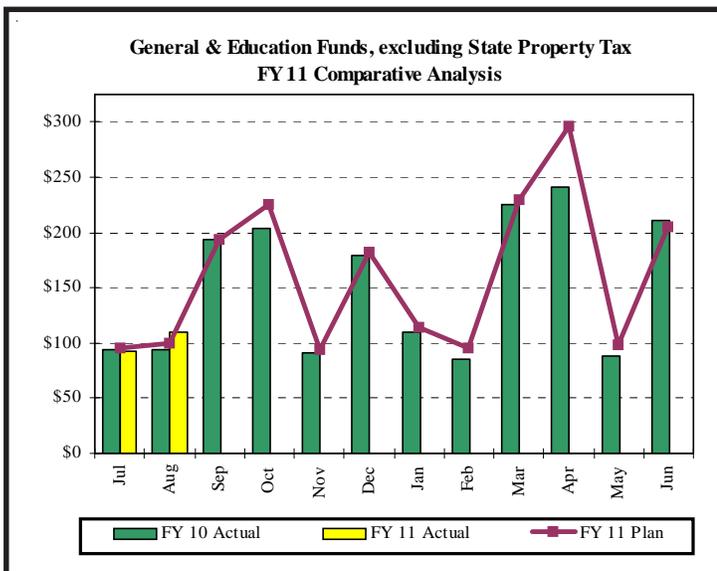
General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	FY 11 Actuals	FY 10 Actuals	Inc/(Dec)	FY 11 Actuals	FY 10 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 7.9	\$ 11.0	\$ (3.1)	\$ 14.9	\$ 15.5	\$ (0.6)	-3.9%
Business Enterprise Tax	5.2	(2.0)	7.2	9.6	9.4	0.2	2.1%
Subtotal Business Taxes	13.1	9.0	4.1	24.5	24.9	(0.4)	-1.6%
Meals & Rooms Tax	26.2	24.8	1.4	48.1	43.9	4.2	9.6%
Tobacco Tax	22.8	22.8	-	44.2	44.7	(0.5)	-1.1%
Transfer from Liquor Commission	13.1	10.1	3.0	23.8	20.9	2.9	13.9%
Interest & Dividends Tax	1.1	0.3	0.8	1.5	0.8	0.7	87.5%
Insurance Tax	1.1	0.8	0.3	1.9	2.1	(0.2)	-9.5%
Communications Tax	6.9	6.7	0.2	15.0	13.0	2.0	15.4%
Real Estate Transfer Tax	6.9	8.3	(1.4)	16.5	17.3	(0.8)	-4.6%
Court Fines & Fees	1.5	1.1	0.4	2.2	2.1	0.1	4.8%
Securities Revenue	0.4	0.4	-	0.9	0.6	0.3	50.0%
Utility Consumption Tax	0.4	0.5	(0.1)	0.9	1.0	(0.1)	-10.0%
Board & Care Revenue	2.0	1.7	0.3	3.4	3.7	(0.3)	-8.1%
Beer Tax	1.3	1.4	(0.1)	2.7	2.6	0.1	3.8%
Racing & Games of Chance	0.2	0.3	(0.1)	0.3	0.4	(0.1)	-25.0%
Other	3.0	0.1	2.9	6.9	3.9	3.0	76.9%
Gambling Winnings Tax	0.1	0.2	(0.1)	0.2	0.2	-	0.0%
Transfer from Lottery Commission	5.5	5.0	0.5	5.5	5.0	0.5	10.0%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	0.5	-	0.5	0.5	-	0.5	-
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	106.2	93.6	12.6	199.1	187.2	11.9	6.4%
Net Medicaid Enhancement Rev	0.1	0.3	(0.2)	0.1	0.3	(0.2)	-66.7%
Recoveries	2.8	-	2.8	2.8	-	2.8	-
Total Receipts	\$ 109.1	\$ 93.9	\$ 15.2	\$ 202.0	\$ 187.5	\$ 14.5	7.7%

Fiscal 2011 and 2010 amounts are unaudited. All funds reported on a cash basis, in Millions except for percentage amounts.



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	\$ 12.3	\$ 13.0	\$ (0.7)	\$ 2.6	\$ 3.0	\$ (0.4)	\$ 14.9	\$ 16.0	\$ (1.1)	-6.9%	
Business Enterprise Tax	3.3	3.3	-	6.3	6.5	(0.2)	9.6	9.8	(0.2)	-2.0%	
Subtotal Business Taxes	15.6	16.3	(0.7)	8.9	9.5	(0.6)	24.5	25.8	(1.3)	-5.0%	
Meals & Rooms Tax	47.5	45.3	2.2	0.6	1.7	(1.1)	48.1	47.0	1.1	2.3%	
Tobacco Tax	25.5	22.8	2.7	18.7	17.7	1.0	44.2	40.5	3.7	9.1%	
Transfer from Liquor Commission	23.8	23.8	-	-	-	-	23.8	23.8	-	0.0%	
Interest & Dividends Tax	1.5	1.0	0.5	-	-	-	1.5	1.0	0.5	50.0%	
Insurance Tax	1.9	1.8	0.1	-	-	-	1.9	1.8	0.1	5.6%	
Communications Tax	15.0	13.0	2.0	-	-	-	15.0	13.0	2.0	15.4%	
Real Estate Transfer Tax	10.9	11.7	(0.8)	5.6	5.7	(0.1)	16.5	17.4	(0.9)	-5.2%	
Court Fines & Fees	2.2	2.1	0.1	-	-	-	2.2	2.1	0.1	4.8%	
Securities Revenue	0.9	1.0	(0.1)	-	-	-	0.9	1.0	(0.1)	-10.0%	
Utility Consumption Tax	0.9	1.0	(0.1)	-	-	-	0.9	1.0	(0.1)	-10.0%	
Board & Care Revenue	3.4	3.3	0.1	-	-	-	3.4	3.3	0.1	3.0%	
Beer Tax	2.7	2.6	0.1	-	-	-	2.7	2.6	0.1	3.8%	
Racing & Games of Chance	0.3	0.4	(0.1)	-	-	-	0.3	0.4	(0.1)	-25.0%	
Other	6.9	5.9	1.0	-	-	-	6.9	5.9	1.0	16.9%	
Gambling Winnings Tax	0.2	0.2	-	-	-	-	0.2	0.2	-	0.0%	
Transfer from Lottery Commission	-	-	-	5.5	6.4	(0.9)	5.5	6.4	(0.9)	-14.1%	
Transfer from Racing & Charitable Gaming	-	-	-	0.1	0.1	-	0.1	0.1	-	0.0%	
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-	
Utility Property Tax	-	-	-	0.5	-	0.5	0.5	-	0.5	-	
State Property Tax	-	-	-	-	-	-	-	-	-	-	
Subtotal Traditional Taxes & Transfers	159.2	152.2	7.0	39.9	41.1	(1.2)	199.1	193.3	5.8	3.0%	
Net Medicaid Enhancement Rev	0.1	0.4	(0.3)	-	-	-	0.1	0.4	(0.3)	-75.0%	
Recoveries	2.8	-	2.8	-	-	-	2.8	-	2.8	-	
Total Receipts	\$ 162.1	\$ 152.6	\$ 9.5	\$ 39.9	\$ 41.1	\$ (1.2)	\$ 202.0	\$ 193.7	\$ 8.3	4.3%	



Education Trust Fund Statement of Activity - FY 2011 July 1, 2010 to August 31, 2010	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	39.9
Expenditures	
Education Grants & Adm Costs	(117.5)
Ending Surplus (Deficit) - unaudited	\$ (77.6)

Fiscal 2011 Adequate Education Grant payments of \$594.0 million are paid 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.

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Highway Fund

Comparison to Plan			
Revenue Category	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 21.3	\$ 22.0	\$ (0.7)
Miscellaneous	2.7	4.1	(1.4)
Motor Vehicle Fees			
MV Registrations	17.0	16.7	0.3
MV Operators	1.0	1.1	(0.1)
Inspection Station Fees	0.6	0.6	-
MV Miscellaneous Fees	1.8	2.1	(0.3)
Certificate of Title	1.2	1.4	(0.2)
Total Fees	21.6	21.9	(0.3)
Total	\$ 45.6	\$ 48.0	\$ (2.4)

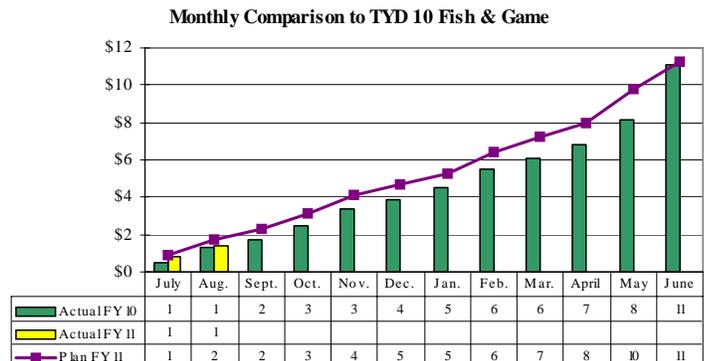


According to **Road Toll** Operations, actual fuel consumption is up approximately 3.0% over the same period last year, but is tracking slightly below the estimate.

According to the Department of Transportation the **Miscellaneous** category is below plan due to the timing of both retro turnpike toll credit transactions and federal indirect billings.

Fish & Game Fund

Comparison to Plan			
Revenue Category	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 1.1	\$ 1.5	\$ (0.4)
Fines and Penalties	-	-	-
Miscellaneous Sales	0.3	0.2	0.1
Federal Recoveries Indirect Costs	-	-	-
Total	\$ 1.4	\$ 1.7	\$ (0.3)



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