

# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Linda M. Hodgdon, Commissioner  
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## Monthly Revenue Summary

## Analysis

(for month)

	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	\$ 178.1	\$ 179.0	\$ (0.9)
<b>Highway</b>	\$ 21.9	\$ 21.1	\$ 0.8
<b>Fish &amp; Game</b>	\$ 0.4	\$ 0.6	\$ (0.2)

**Unrestricted revenue** receipts for the month came in only slightly below plan and prior year. While receipt of Securities revenue of \$9.3 million was delayed (see below), this shortfall was largely offset by strong tax collections for the month. Year to date receipts are lower than plan, primarily due to lower than planned Medicaid Enhancement tax, as discussed in the November focus. Year to date receipts are ahead of prior year as a result of several revenue categories.

**Business taxes** are ahead of plan by 11.2% for the month, bringing the year to date total ahead of plan for the first time this fiscal year, up 3.0%. This represents an increase for the month over prior year by 16.4%, and year to date ahead of prior year by 4.5%. December is the last significant estimated payment month prior to March and April final due dates.

While **Business Tax** refunds are lower than December of the prior year, year to date refunds are higher by \$1.6 million. Also, based on unprocessed refunds at the end of December reported by DRA, January refunds are expected to be higher than prior year.

**Meals and Rentals** tax fell short of plan for only the second time this fiscal year, while continuing to exceed prior year to date collections.

**Tobacco taxes** are ahead of plan for the month and continuing favorable performance year to date, attributable in part to higher tax collections on Other Tobacco Products. Results as compared to December 2010, are lower because the month includes one less business day for which deposits are included. The Department of Revenue Administration (DRA) is reporting higher stamp sales to bonded customers who are able to pay on 30 day terms, thus slowing collections somewhat.

The **Liquor Commission** transferred profits slightly below expectation for the month, bringing year to date results approximately 2.8% lower than plan. This is attributed to delays in implementing planned sales stimulus and savings strategies. As compared to prior year, sales were negatively affected in the final week of the month by weather and timing of the holiday, though compared to prior year, performance remains ahead by 2.3% for the month and 4.3% year to date.

**Interest and Dividends** tax for the month continues to lag plan, bringing the year to date total to 8.7% below plan. As compared to prior year, December was slightly ahead for the month but still behind year to date.

**Securities Revenue** represents fees associated with corporate filings which, while due at the end of the calendar year, are collected by a national repository service and transferred to the State as a single amount at the end of the month. Due to the State's closing schedule, the month end transfer was not processed until January. December results would have been higher by \$9.3 million, if the transfers were received and processed by month end.

**Lottery** transfers, which for December results from November operations, continue to lag behind plan and prior year. Instant scratch tickets account for more than 70% of Lottery sales. Total Instant ticket sales this fiscal year are lower than prior year by 2.7%, with the largest dollar shortfall in the higher denominations of \$20 and \$30 tickets. While Instant tickets account for roughly a third of the decline in total games sales, Powerball is the largest dollar factor affecting lower operating transfers this year. Powerball tickets sales for FY 2011 are \$7.0 million lower than prior year, representing a decline from 17% to 12% of total game sales. A chart of historic Powerball sales levels and corresponding Jackpot (projected payout) levels can be found on page 4 in this report.

## Current Month Analysis

<b>General &amp; Education Funds</b>	<i>FY 11</i> <i>Actuals</i>	<i>FY 11</i> <i>Plan</i>	<i>Actual vs.</i> <i>Plan</i>	<i>%</i> <i>Inc/(Dec)</i>
Business Profits Tax	\$ 51.4	\$ 47.1	\$ 4.3	9.1%
Business Enterprise Tax	33.2	29.0	4.2	14.5%
Subtotal Business Taxes	84.6	76.1	8.5	11.2%
Meals & Rentals Tax	15.7	17.5	(1.8)	-10.3%
Tobacco Tax	20.1	18.6	1.5	8.1%
Transfer from Liquor Commission	13.6	14.3	(0.7)	-4.9%
Interest & Dividends Tax	4.6	5.3	(0.7)	-13.2%
Insurance Tax	1.0	0.8	0.2	25.0%
Communications Tax	6.5	5.8	0.7	12.1%
Real Estate Transfer Tax	7.3	7.5	(0.2)	-2.7%
Court Fines & Fees	1.1	1.2	(0.1)	-8.3%
Securities Revenue	0.5	9.1	(8.6)	-94.5%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	2.0	2.0	-	0.0%
Beer Tax	1.0	1.0	-	0.0%
Racing & Games of Chance	0.2	0.2	-	0.0%
Other	5.0	5.2	(0.2)	-3.8%
Gambling Winnings Tax	0.1	0.1	-	0.0%
Transfer from Lottery Commission	4.6	6.0	(1.4)	-23.3%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	7.7	7.5	0.2	2.7%
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	176.2	178.8	(2.6)	-1.5%
Net Medicaid Enhancement Revenue	1.3	0.2	1.1	550.0%
Recoveries	0.6	-	0.6	-
Total Receipts	\$ 178.1	\$ 179.0	\$ (0.9)	-0.5%

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

**RET Analysis**

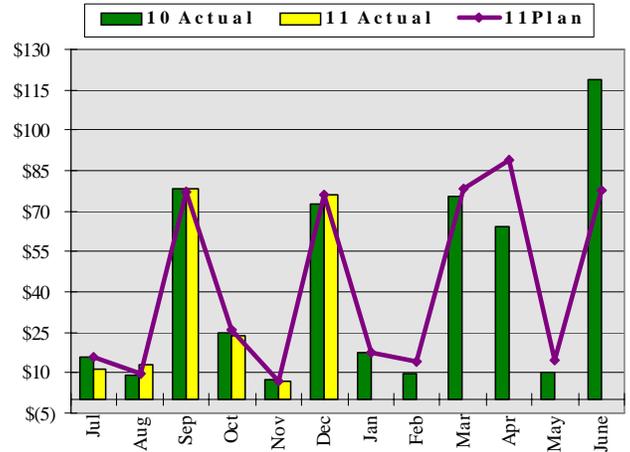
(In Millions)

	Jul	Aug	Sep	Oct	Nov	Dec
FY11	9.6	6.9	6.6	6.7	6.6	7.3
FY10	9.0	8.3	7.6	8.1	7.1	7.3
FY09	11.5	9.9	9.4	8.1	8.8	6.6
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)	(0.5)	-
% Mo over Mo	7%	-17%	-13%	-17%	-7%	0%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)	(3.7)	(3.7)
% YTD change	7%	-5%	-7%	-10%	-9%	-8%

**Business Tax Refund Analysis**

	Jul	Aug	Sep	Oct	Nov	Dec
FY11	3.4	0.9	3.5	5.2	6.1	2.5
FY10	1.6	1.2	2.1	3.6	6.3	5.2
FY09	1.3	1.4	1.5	5.3	11.3	3.6
Mo over Mo change	1.8	(0.3)	1.4	1.6	(0.2)	(2.7)
YTD change	1.8	1.5	2.9	4.5	4.3	1.6

**Business Taxes**



**General & Education Funds Comparison to FY 10**

**Monthly**

General & Education Funds	FY 11		FY 10
	Actuals	Actuals	Inc/(Dec)
Business Profits Tax	\$ 51.4	\$ 45.1	\$ 6.3
Business Enterprise Tax	33.2	27.6	5.6
Subtotal Business Taxes	84.6	72.7	11.9
Meals & Rentals Tax	15.7	15.7	0.0
Tobacco Tax	20.1	22.3	(2.2)
Transfer from Liquor Commission	13.6	13.3	0.3
Interest & Dividends Tax	4.6	4.2	0.4
Insurance Tax	1.0	1.0	-
Communications Tax	6.5	6.3	0.2
Real Estate Transfer Tax	7.3	7.3	0.0
Court Fines & Fees	1.1	1.2	(0.1)
Securities Revenue	0.5	9.1	(8.6)
Utility Consumption Tax	0.5	0.5	-
Board & Care Revenue	2.0	2.2	(0.2)
Beer Tax	1.0	0.9	0.1
Racing & Games of Chance	0.2	0.2	-
Other	5.0	8.5	(3.5)
Gambling Winnings Tax	0.1	0.4	(0.3)
Transfer from Lottery Commission	4.6	5.0	(0.4)
Transfer from Racing & Charitable Gaming	0.1	0.2	(0.1)
Tobacco Settlement	-	-	-
Utility Property Tax	7.7	7.3	0.4
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	176.2	178.3	(2.1)
Net Medicaid Enhancement Rev	1.3	0.1	1.2
Recoveries	0.6	-	0.6
Total Receipts	\$ 178.1	\$ 178.4	\$ (0.3)

**Year-to-Date**

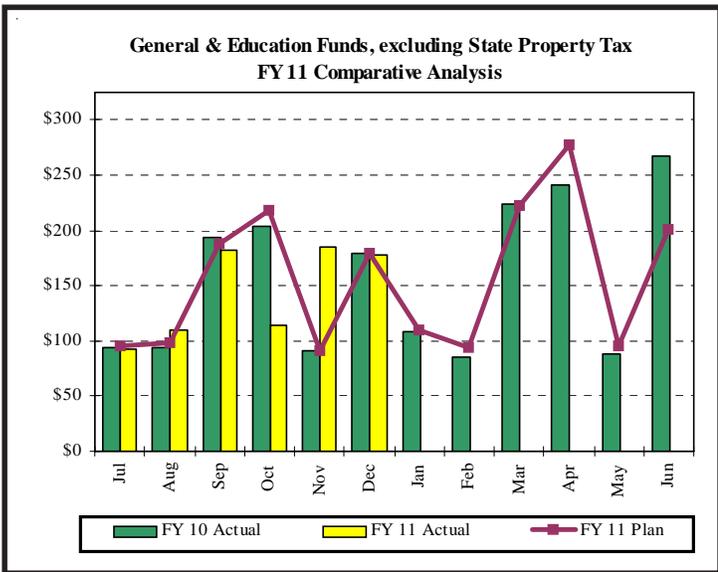
FY 11	FY 10		%
	Actuals	Actuals	
\$ 132.6	\$ 129.5	\$ 3.1	2.4%
85.2	78.9	6.3	8.0%
217.8	208.4	9.4	4.5%
132.0	127.2	4.8	3.8%
125.4	127.5	(2.1)	-1.6%
70.0	67.1	2.9	4.3%
21.0	23.9	(2.9)	-12.1%
6.4	6.0	0.4	6.7%
41.4	37.1	4.3	11.6%
43.7	47.4	(3.7)	-7.8%
6.8	6.6	0.2	3.0%
2.9	10.9	(8.0)	-73.4%
3.1	3.0	0.1	3.3%
10.5	10.8	(0.3)	-2.8%
7.1	6.9	0.2	2.9%
1.1	1.3	(0.2)	-15.4%
26.4	20.4	6.0	29.4%
1.5	0.9	0.6	66.7%
25.7	28.6	(2.9)	-10.1%
0.5	0.6	(0.1)	-16.7%
-	-	-	-
15.3	14.0	1.3	9.3%
-	-	-	-
758.6	748.6	10.0	1.3%
92.8	97.9	(5.1)	-5.2%
9.5	7.5	2.0	26.7%
\$ 860.9	\$ 854.0	\$ 6.9	0.8%

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	\$ 109.3	\$ 108.2	\$ 1.1	\$ 23.3	\$ 23.6	\$ (0.3)	\$ 132.6	\$ 131.8	\$ 0.8	0.6%
Business Enterprise Tax	29.5	26.6	2.9	55.7	53.1	2.6	85.2	79.7	5.5	6.9%
Subtotal Business Taxes	138.8	134.8	4.0	79.0	76.7	2.3	217.8	211.5	6.3	3.0%
Meals & Rentals Tax	129.4	128.1	1.3	2.6	4.6	(2.0)	132.0	132.7	(0.7)	-0.5%
Tobacco Tax	70.9	64.8	6.1	54.5	50.4	4.1	125.4	115.2	10.2	8.9%
Transfer from Liquor Commission	70.0	72.0	(2.0)	-	-	-	70.0	72.0	(2.0)	-2.8%
Interest & Dividends Tax	21.0	23.0	(2.0)	-	-	-	21.0	23.0	(2.0)	-8.7%
Insurance Tax	6.4	5.2	1.2	-	-	-	6.4	5.2	1.2	23.1%
Communications Tax	41.4	37.0	4.4	-	-	-	41.4	37.0	4.4	11.9%
Real Estate Transfer Tax	28.6	32.8	(4.2)	15.1	16.7	(1.6)	43.7	49.5	(5.8)	-11.7%
Court Fines & Fees	6.8	6.5	0.3	-	-	-	6.8	6.5	0.3	4.6%
Securities Revenue	2.9	11.6	(8.7)	-	-	-	2.9	11.6	(8.7)	-75.0%
Utility Consumption Tax	3.1	3.0	0.1	-	-	-	3.1	3.0	0.1	3.3%
Board & Care Revenue	10.5	9.7	0.8	-	-	-	10.5	9.7	0.8	8.2%
Beer Tax	7.1	6.9	0.2	-	-	-	7.1	6.9	0.2	2.9%
Racing & Games of Chance	1.1	1.2	(0.1)	-	-	-	1.1	1.2	(0.1)	-8.3%
Other	26.4	21.7	4.7	-	-	-	26.4	21.7	4.7	21.7%
Gambling Winnings Tax	1.5	0.6	0.9	-	-	-	1.5	0.6	0.9	150.0%
Transfer from Lottery Commission	-	-	-	25.7	33.2	(7.5)	25.7	33.2	(7.5)	-22.6%
Transfer from Racing & Charitable Gaming	-	-	-	0.5	0.5	-	0.5	0.5	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	15.3	14.0	1.3	15.3	14.0	1.3	9.3%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	565.9	558.9	7.0	192.7	196.1	(3.4)	758.6	755.0	3.6	0.5%
Net Medicaid Enhancement Rev	92.8	108.2	(15.4)	-	-	-	92.8	108.2	(15.4)	-14.2%
Recoveries	9.5	7.0	2.5	-	-	-	9.5	7.0	2.5	35.7%
<b>Total Receipts</b>	<b>\$ 668.2</b>	<b>\$ 674.1</b>	<b>\$ (5.9)</b>	<b>\$ 192.7</b>	<b>\$ 196.1</b>	<b>\$ (3.4)</b>	<b>\$ 860.9</b>	<b>\$ 870.2</b>	<b>\$ (9.3)</b>	<b>-1.1%</b>



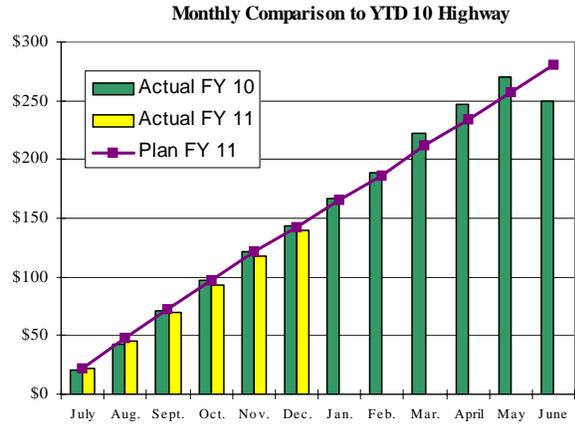
Education Trust Fund Statement of Activity - FY 2011 July 1, 2010 to December 31, 2010	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	192.7
<b>Expenditures</b>	
Education Grants & Adm Costs	(238.6)
<b>Ending Surplus (Deficit) - unaudited</b>	<b>\$ (45.9)</b>

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



## Highway Fund

Revenue Category	Comparison to Plan		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 64.2	\$ 65.3	\$ (1.1)
Miscellaneous	11.3	11.3	-
<b>Motor Vehicle Fees</b>			
MV Registrations	50.0	50.0	-
MV Operators	2.6	3.1	(0.5)
Inspection Station Fees	2.0	1.9	0.1
MV Miscellaneous Fees	5.7	6.8	(1.1)
Certificate of Title	3.7	4.0	(0.3)
<b>Total Fees</b>	<b>64.0</b>	<b>65.8</b>	<b>(1.8)</b>
<b>Total</b>	<b>\$ 139.5</b>	<b>\$ 142.4</b>	<b>\$ (2.9)</b>

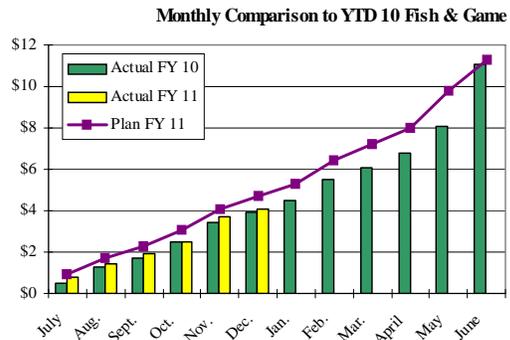


According to **Road Toll** Operations, actual fuel consumption is up approximately 1.5% over the same period last year, but is tracking slightly below the estimate.

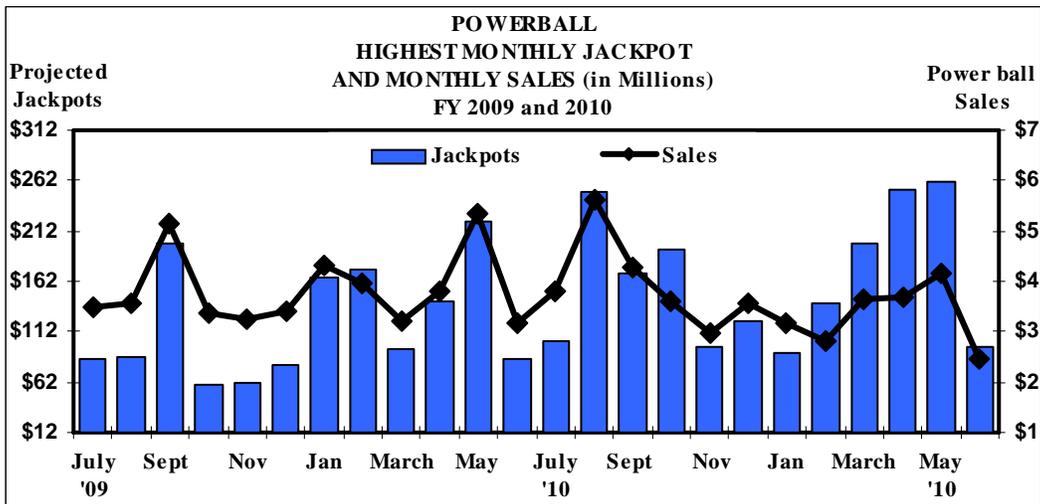
According to the Department of Safety, **Motor Vehicle Miscellaneous** fees are down due to Court Fines tracking below estimate.

## Fish & Game Fund

Revenue Category	Comparison to Plan		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 2.8	\$ 3.6	\$ (0.8)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.6	0.2
Federal Recoveries Indirect Costs	0.4	0.4	-
<b>Total</b>	<b>\$ 4.1</b>	<b>\$ 4.7</b>	<b>\$ (0.6)</b>



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



(See discussion on page 1)

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