

State Of New Hampshire

Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner
Edgar R. Carter, Comptroller



Monthly Revenue Summary

	<i>(for month)</i>		
	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 77.1	\$ 93.4	\$ (16.3)
Highway	\$ 21.2	\$ 21.4	\$ (0.2)
Fish & Game	\$ 0.8	\$ 1.1	\$ (0.3)

Analysis

On a shortfall of unrestricted revenues to plan of \$16.3 million, or 17.5% for the month, year to date unrestricted revenues are now lower than plan by \$23.0 million or 2.1%. As compared to the prior year, year to date revenues are still ahead by \$3.5 million or .3%. The major revenue category of year to date shortfall to plan is the Medicaid Enhancement Tax. As explained in November, this tax is lower than plan due to lower Net Patient Service Revenues (NPSR) estimated by hospitals, on which the 5.5% tax is assessed. These taxes may still be subject to adjustment when final taxpayer NPSR for the year is known.

For **Business Taxes**, the Dept. of Revenue Administration has observed that on only slightly fewer estimated payments received, the average dollars per estimate has decreased by 20%. Similarly, on 12% fewer extensions, the average amount of taxes received per filing dropped from \$39 thousand per filing to under \$10 thousand per filing. These declines demonstrate lower average taxes being paid per business taxpayer filing. This trend is further supported by an increase in year to date refunds of \$6.5 million, or 19% over the same prior year period. Also, the amounts received on tax notices are seen to be declining. Audits are now being conducted on comparatively lower taxable income periods, having the result of lower assessments for underpayments.

Meals and rentals taxes, remitted in February for the January tax period, are lower than plan by \$2.0 million or 11.1%. It is assumed that visitation and dining out were negatively impacted by bad weather, higher fuel costs, and economic conditions.

Tobacco tax receipts are lower than plan for the second straight month. This period is historically a low period of stamp sales. Year to date receipts remain ahead of plan by \$7.0 million or 4.7%.

February and March are high months of **Insurance** tax receipts, with typically 6% of the total collected in February. The amount collected in February 2011 was just over plan.

The **Real Estate Transfer tax** was on plan for the month and above the prior year by \$0.5 million or 10.9%. However, it continues to be below year to date plan by \$5.6 million, or 9.0%, and behind the same period last year by \$2.9 million or 4.9%.

Lottery transfers in February for January operations were lower than plan by \$1.5 million or 22.7%, resulting in year to date transfers being lower than plan by \$8.3 million or 17.7%. Analysis of game sales indicate that the largest game decline is Powerball, for which spikes in sales experienced in the prior year have not been repeated, most likely due to the occurrence of fewer significant Jackpots. The mix of Instant game volumes has changed such that \$1, \$2 and \$3 game sales remain relatively flat while \$5 games appear to have replaced prior sales of \$10, \$20 and \$30 denominations. Resultantly, Instant games are lower overall by 2.4%.

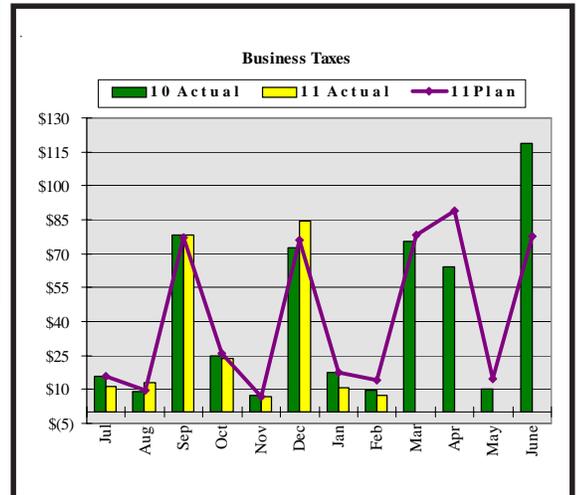
The category of **"Other"** unrestricted revenues is comprised primarily of indirect costs recovered from federal programs, in addition to numerous other small sources. While lower than plan and prior year for the current month, this category is still ahead of plan and prior year on a year to date basis, reflecting revenues being collected earlier than in the past fiscal year. Similarly, **Recoveries** are ahead of plan with this revenue source somewhat unpredictable.

Current Month Analysis

General & Education Funds	<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	\$ 4.6	\$ 8.5	\$ (3.9)	-45.9%
Business Enterprise Tax	2.6	5.4	(2.8)	-51.9%
Subtotal Business Taxes	7.2	13.9	(6.7)	-48.2%
Meals & Rentals Tax	16.0	18.0	(2.0)	-11.1%
Tobacco Tax	14.7	15.8	(1.1)	-7.0%
Transfer from Liquor Commission	7.5	7.5	-	0.0%
Interest & Dividends Tax	0.8	1.4	(0.6)	-42.9%
Insurance Tax	4.8	4.6	0.2	4.3%
Communications Tax	5.9	7.0	(1.1)	-15.7%
Real Estate Transfer Tax	5.1	5.1	-	0.0%
Court Fines & Fees	1.2	1.1	0.1	9.1%
Securities Revenue	0.4	0.5	(0.1)	-20.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	1.0	1.4	(0.4)	-28.6%
Beer Tax	0.8	0.9	(0.1)	-11.1%
Racing & Games of Chance	0.2	0.5	(0.3)	-60.0%
Other	4.6	6.0	(1.4)	-23.3%
Gambling Winnings Tax	0.1	0.1	-	0.0%
Transfer from Lottery Commission	5.0	6.5	(1.5)	-23.1%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	-	-	-	-
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	75.9	90.9	(15.0)	-16.5%
Net Medicaid Enhancement Revenue	0.1	(0.1)	0.2	-200.0%
Recoveries	1.1	2.6	(1.5)	-57.7%
Total Receipts	\$ 77.1	\$ 93.4	\$ (16.3)	-17.5%

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

RET Analysis (In Millions)								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4	4.6
FY09	11.5	9.9	9.4	8.1	8.8	6.6	6.5	4.1
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)	(0.5)	-	0.3	0.5
% Mo over Mo	7%	-17%	-13%	-17%	-7%	0%	4%	11%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)	(3.7)	(3.7)	(3.4)	(2.9)
% YTD change	7%	-5%	-7%	-10%	-9%	-8%	-6%	-5%



Business Tax Refund Analysis								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5
FY10	1.6	1.2	2.1	3.6	6.3	5.2	7.2	6.4
FY09	1.3	1.4	1.5	5.3	11.3	3.6	4.7	6.2
Mo over Mo change	1.8	(0.3)	1.4	1.6	(0.2)	(2.7)	7.8	(2.9)
YTD change	1.8	1.5	2.9	4.5	4.3	1.6	9.4	6.5

General & Education Funds Comparison to FY 10

General & Education Funds	Monthly			Year-to-Date			
	FY 11	FY 10	Inc/(Dec)	FY 11	FY 10	Inc/(Dec)	%
	Actuals	Actuals		Actuals	Actuals		
Business Profits Tax	\$ 4.6	\$ 5.9	\$ (1.3)	\$ 143.8	\$ 146.4	\$ (2.6)	-1.8%
Business Enterprise Tax	2.6	3.7	(1.1)	92.2	89.3	2.9	3.2%
Subtotal Business Taxes	7.2	9.6	(2.4)	236.0	235.7	0.3	0.1%
Meals & Rentals Tax	16.0	16.4	(0.4)	165.6	160.7	4.9	3.0%
Tobacco Tax	14.7	16.5	(1.8)	156.4	162.2	(5.8)	-3.6%
Transfer from Liquor Commission	7.5	7.1	0.4	85.2	80.7	4.5	5.6%
Interest & Dividends Tax	0.8	0.9	(0.1)	34.1	39.7	(5.6)	-14.1%
Insurance Tax	4.8	5.0	(0.2)	12.6	12.4	0.2	1.6%
Communications Tax	5.9	6.8	(0.9)	53.9	50.8	3.1	6.1%
Real Estate Transfer Tax	5.1	4.6	0.5	56.5	59.4	(2.9)	-4.9%
Court Fines & Fees	1.2	0.8	0.4	8.9	8.5	0.4	4.7%
Securities Revenue	0.4	0.5	(0.1)	13.6	11.8	1.8	15.3%
Utility Consumption Tax	0.5	0.5	-	4.0	4.0	-	0.0%
Board & Care Revenue	1.0	1.4	(0.4)	12.5	13.5	(1.0)	-7.4%
Beer Tax	0.8	0.8	-	9.0	8.8	0.2	2.3%
Racing & Games of Chance	0.2	0.1	0.1	1.5	1.5	-	0.0%
Other	4.6	6.0	(1.4)	36.9	31.7	5.2	16.4%
Gambling Winnings Tax	0.1	0.1	-	1.8	1.1	0.7	63.6%
Transfer from Lottery Commission	5.0	5.3	(0.3)	37.9	38.9	(1.0)	-2.6%
Transfer from Racing & Charitable Gaming	0.1	0.1	(0.0)	0.7	0.8	(0.1)	-12.5%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	16.7	15.8	0.9	5.7%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	75.9	82.5	(6.6)	943.8	938.0	5.8	0.6%
Net Medicaid Enhancement Rev	0.1	(0.1)	0.2	92.9	97.9	(5.0)	-5.1%
Recoveries	1.1	2.8	(1.7)	14.4	11.7	2.7	23.1%
Total Receipts	\$ 77.1	\$ 85.2	\$ (8.1)	\$ 1,051.1	\$ 1,047.6	\$ 3.5	0.3%

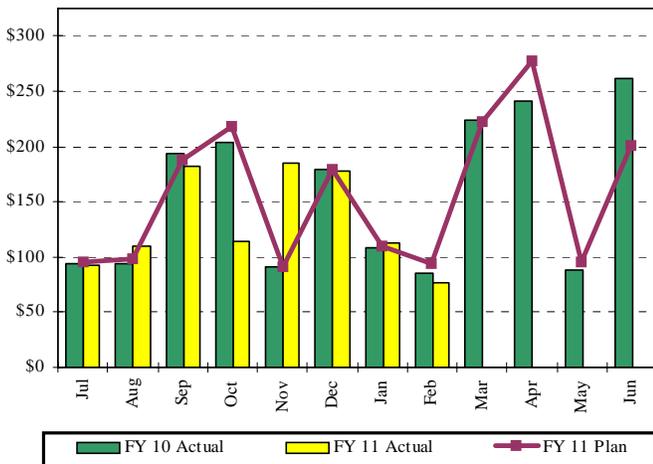
All funds reported on a cash basis, dollars in millions.

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	\$ 118.8	\$ 124.1	\$ (5.3)	\$ 25.0	\$ 27.1	\$ (2.1)	\$ 143.8	\$ 151.2	\$ (7.4)	-4.9%
Business Enterprise Tax	32.4	30.7	1.7	59.8	61.2	(1.4)	92.2	91.9	0.3	0.3%
Subtotal Business Taxes	151.2	154.8	(3.6)	84.8	88.3	(3.5)	236.0	243.1	(7.1)	-2.9%
Meals & Rentals Tax	162.2	163.9	(1.7)	3.4	5.6	(2.2)	165.6	169.5	(3.9)	-2.3%
Tobacco Tax	86.2	84.1	2.1	70.2	65.3	4.9	156.4	149.4	7.0	4.7%
Transfer from Liquor Commission	85.2	87.6	(2.4)	-	-	-	85.2	87.6	(2.4)	-2.7%
Interest & Dividends Tax	34.1	37.0	(2.9)	-	-	-	34.1	37.0	(2.9)	-7.8%
Insurance Tax	12.6	11.9	0.7	-	-	-	12.6	11.9	0.7	5.9%
Communications Tax	53.9	50.4	3.5	-	-	-	53.9	50.4	3.5	6.9%
Real Estate Transfer Tax	36.9	41.3	(4.4)	19.6	20.8	(1.2)	56.5	62.1	(5.6)	-9.0%
Court Fines & Fees	8.9	8.6	0.3	-	-	-	8.9	8.6	0.3	3.5%
Securities Revenue	13.6	12.5	1.1	-	-	-	13.6	12.5	1.1	8.8%
Utility Consumption Tax	4.0	4.0	-	-	-	-	4.0	4.0	-	0.0%
Board & Care Revenue	12.5	12.3	0.2	-	-	-	12.5	12.3	0.2	1.6%
Beer Tax	9.0	8.9	0.1	-	-	-	9.0	8.9	0.1	1.1%
Racing & Games of Chance	1.5	1.9	(0.4)	-	-	-	1.5	1.9	(0.4)	-21.1%
Other	36.9	34.2	2.7	-	-	-	36.9	34.2	2.7	7.9%
Gambling Winnings Tax	1.8	0.8	1.0	-	-	-	1.8	0.8	1.0	125.0%
Transfer from Lottery Commission	-	-	-	37.9	46.2	(8.3)	37.9	46.2	(8.3)	-18.0%
Transfer from Racing & Charitable Gaming	-	-	-	0.7	0.7	-	0.7	0.7	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	16.7	14.0	2.7	16.7	14.0	2.7	19.3%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	710.5	714.2	(3.7)	233.3	240.9	(7.6)	943.8	955.1	(11.3)	-1.2%
Net Medicaid Enhancement Rev	92.9	108.2	(15.3)	-	-	-	92.9	108.2	(15.3)	-14.1%
Recoveries	14.4	10.8	3.6	-	-	-	14.4	10.8	3.6	33.3%
Total Receipts	\$ 817.8	\$ 833.2	\$ (15.4)	\$ 233.3	\$ 240.9	\$ (7.6)	\$ 1,051.1	\$ 1,074.1	\$ (23.0)	-2.1%

General & Education Funds, excluding State Property Tax
FY 11 Comparative Analysis



**Education Trust Fund
Statement of Activity - FY 2011
July 1, 2010 to February 28, 2011**

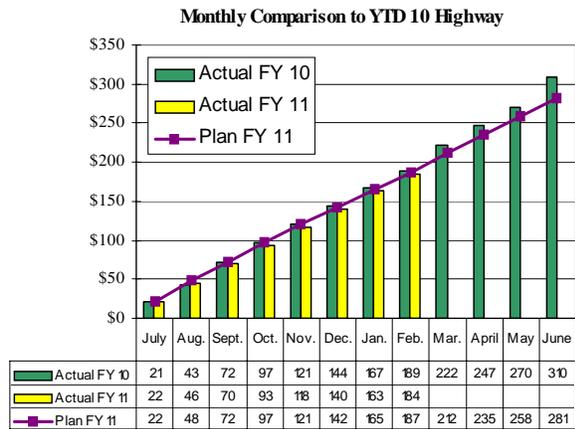
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	233.3
Expenditures	
Education Grants & Adm Costs	(418.9)
Ending Surplus (Deficit) - unaudited	\$ (185.6)

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.

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

Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 86.0	\$ 86.1	\$ (0.1)
Miscellaneous	13.1	13.7	(0.6)
Motor Vehicle Fees			
MV Registrations	66.6	66.1	0.5
MV Operators	3.5	4.0	(0.5)
Inspection Station Fees	2.4	2.5	(0.1)
MV Miscellaneous Fees	7.7	9.0	(1.3)
Certificate of Title	4.7	5.3	(0.6)
Total Fees	84.9	86.9	(2.0)
Total	\$ 184.0	\$ 186.7	\$ (2.7)

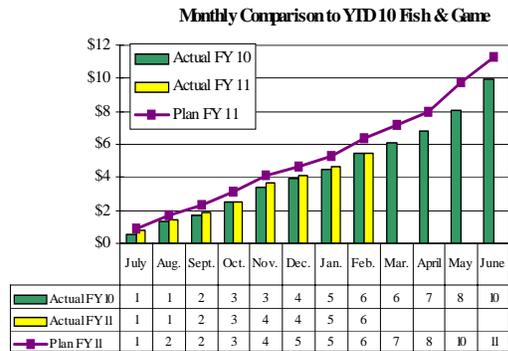


- According to **Road Toll** Operations, actual fuel consumption is up approximately 1.9% over the same period last year. We will continue to watch this closely with the steep gas prices.

- \$15.0 million, of the State Fiscal Year 2011 \$20 million budgeted, revenue related to the **I-95 segment transfer agreement** per CH 144:76 L'09 was not part of the revenue plan and therefore has not been reported above in the miscellaneous revenue category.

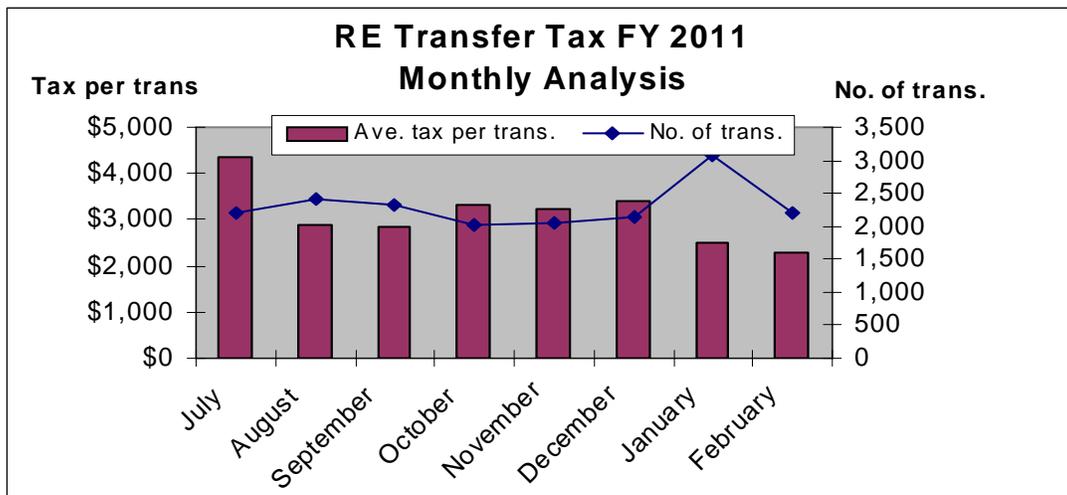
Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 4.1	\$ 5.1	\$ (1.0)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.8	-
Federal Recoveries Indirect Costs	0.5	0.4	0.1
Total	\$ 5.5	\$ 6.4	\$ (0.9)



The **State Fish & Game** department reports lower sales of licenses and other revenue generating activity.

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



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