

State Of New Hampshire Monthly Revenue Focus Department of Administrative Services

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



Monthly Revenue Summary

	(for month)		
	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 198.6	\$ 200.5	\$ (1.9)
Highway	\$ 23.4	\$ 23.3	\$ 0.1
Fish & Game	\$ 1.5	\$ 1.5	\$ -

Current Month

General & Education Funds	FY 11 Actuals	FY 11 Plan	Actual vs. Plan	% Inc/(Dec)
Business Profits Tax	\$ 46.9	\$ 48.5	\$ (1.6)	-3.3%
Business Enterprise Tax	30.2	29.2	1.0	3.4%
Subtotal Business Taxes	77.1	77.7	(0.6)	-0.8%
Meals & Rentals Tax	18.7	20.5	(1.8)	-8.8%
Tobacco Tax	21.2	19.9	1.3	6.5%
Transfer from Liquor Commission	12.7	11.1	1.6	14.4%
Interest & Dividends Tax	11.0	11.1	(0.1)	-0.9%
Insurance Tax	0.7	(0.1)	0.8	-800.0%
Communications Tax	5.6	6.4	(0.8)	-12.5%
Real Estate Transfer Tax	6.6	8.4	(1.8)	-21.4%
Court Fines & Fees	1.2	1.2	-	0.0%
Securities Revenue	0.7	0.5	0.2	40.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	3.4	3.2	0.2	6.3%
Beer Tax	1.2	1.2	-	0.0%
Racing & Games of Chance	0.3	0.3	-	0.0%
Other	16.6	13.7	2.9	21.2%
Gambling Winnings Tax	-	0.5	(0.5)	-100.0%
Transfer from Lottery Commission	10.0	13.5	(3.5)	-25.9%
Transfer from Racing & Charitable Gaming	0.2	0.2	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	7.3	7.2	0.1	1.4%
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	195.0	197.0	(2.0)	-1.0%
Net Medicaid Enhancement Revenue	0.1	0.1	(0.0)	0.0%
Recoveries	3.5	3.4	0.1	2.9%
Total Receipts	\$ 198.6	\$ 200.5	\$ (1.9)	-0.9%

Analysis

Unrestricted cash basis revenue for the General and Education Funds for June totaled \$198.6 million which was below plan by \$1.9 million and below prior year by \$11.9 million. Year to date revenue totaled \$2,189.7 million, which was below plan by \$44.4 million, but above prior year by \$15.4 million. As compared to the final FY11 Committee of Conference unrestricted general and education fund revenue estimate of \$2,189.2 million, actual FY11 unrestricted general and education fund receipts on a cash basis are approximately \$.5 million higher.

The revenue basis in this June 2011 Monthly Revenue Focus represents **PRELIMINARY CASH BASIS** results for fiscal 2011 and is unaudited. A preliminary accrual report will be issued during the last week of July. Final revenue results will be available at the conclusion of the audit, after year-end accounts receivable and other adjustments are analyzed.

Business Taxes were lower than plan by just .8% for the month, and finished the year 3.1% lower than plan. Refunds for the year, while greater in total from last year, slowed as the year progressed; the period since January has shown a 35% decline compared to prior year.

Meals and Rooms Tax receipts for June were \$1.8 million short of plan and year to date were \$9.8 million short of plan. As compared to the prior year, year to date receipts are higher by \$5.4 million net of transfers for building aid debt service, which were \$.4 million in 2010, and \$5.0 million in 2011. Prior to the transfer, this tax has a 4.3% increase from prior year on a cash basis.

Tobacco Tax receipts for the month were 6.5% higher than plan and the year to date revenue is approximately 5.2% higher than plan. The year to date receipts appear 3.2% lower when compared to the prior year revenue. However, fiscal year 2010 revenues included floor tax revenue of approximately \$4.7 million; current year results would have been 1.2% lower than the prior year excluding floor tax receipts.

Transfers from Liquor Commission were \$1.6 million above plan for June, but were \$2.9 million below plan for the year. Results were 4.0% higher than prior year. The primary factor in this performance to prior period was a \$22.8 million or 4.5% growth in Net Sales (net of discounts.)

Interest and Dividends Tax (I&D) revenue received in June was only slightly lower than Plan; however, on a year to date basis tax revenue was approximately 14.5% less than Plan. Versus the prior year, both on a month to date and a year to date basis, June revenue was approximately 7% and 8.3%, respectively, lower than the prior year which DRA believes to be partially the result of the continuation of lower interest rates. Reported Interest and Dividends on filed tax returns show a declining proportion of interest earnings to dividends, as compared to returns in prior years. Only 57% of the number of taxpayers filing returns in FY 2010, filed in 2011. Reported tax amounts due on filings in 2011 were 56% lower than amounts reported in the prior year.

	RET Analysis (In Millions)											Cash Basis
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	6.6
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4	4.6	4.4	6.4	7.0	7.3
FY09	11.5	9.9	9.4	8.1	8.8	6.6	6.5	4.1	3.7	5.4	4.6	5.7
Mo over Mo	0.6	(1.4)	(1.0)	(1.4)	(0.5)	-	0.3	0.5	0.7	(0.8)	1.4	(0.7)
% Mo over Mo	7%	-17%	-13%	-17%	-7%	0%	4%	11%	16%	-13%	20%	-10%
YTD change over Prior Year	0.6	(0.8)	(1.8)	(3.2)	(3.7)	(3.7)	(3.4)	(2.9)	(2.2)	(3.0)	(1.6)	(2.3)
% YTD change	7%	-5%	-7%	-10%	-9%	-8%	-6%	-5%	-3%	-4%	-2%	-3%

	Business Tax Refund Analysis											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5	3.3	2.1	2.7	2.2
FY10	1.6	1.2	2.1	3.6	6.3	5.2	7.2	6.4	3.7	6.6	2.8	1.6
FY09	1.3	1.4	1.5	5.3	11.3	3.6	4.7	6.2	3.3	3.2	3.5	3.1
Mo over Mo change	1.8	(0.3)	1.4	1.6	(0.2)	(2.7)	7.8	(2.9)	(0.4)	(4.5)	(0.1)	0.6
YTD change	1.8	1.5	2.9	4.5	4.3	1.6	9.4	6.5	6.1	1.6	1.5	2.1

General & Education Funds Comparison to FY 10

Monthly

Year-to-Date

General & Education Funds	FY 11	FY 10	Inc/(Dec)	%
	Actuals	Actuals		
Business Profits Tax	\$ 46.9	\$ 54.0	\$ (7.1)	1.4%
Business Enterprise Tax	30.2	32.8	(2.6)	6.4%
Subtotal Business Taxes	77.1	86.8	(9.7)	3.3%
Meals & Rentals Tax	18.7	18.8	(0.1)	2.3%
Tobacco Tax	21.2	21.8	(0.6)	-3.2%
Transfer from Liquor Commission	12.7	13.6	(0.9)	4.0%
Interest & Dividends Tax	11.0	11.8	(0.8)	-8.3%
Insurance Tax	0.7	0.6	0.1	-1.5%
Communications Tax	5.6	6.9	(1.3)	-0.5%
Real Estate Transfer Tax	6.6	7.3	(0.7)	-2.7%
Court Fines & Fees	1.2	1.5	(0.3)	2.2%
Securities Revenue	0.7	0.7	-	8.2%
Utility Consumption Tax	0.5	0.5	-	1.7%
Board & Care Revenue	3.4	3.7	(0.3)	0.0%
Beer Tax	1.2	1.2	-	0.0%
Racing & Games of Chance	0.3	0.3	(0.0)	-11.1%
Other	16.6	14.0	2.6	15.1%
Gambling Winnings Tax	-	0.1	(0.1)	10.3%
Transfer from Lottery Commission	10.0	12.0	(2.0)	-4.4%
Transfer from Racing & Charitable Gaming	0.2	0.3	(0.1)	-14.3%
Tobacco Settlement	-	-	-	-5.7%
Utility Property Tax	7.3	4.9	2.4	8.0%
State Property Tax	-	-	-	0.1%
Subtotal Traditional Taxes & Transfers	195.0	206.8	(11.8)	0.8%
Net Medicaid Enhancement Rev	0.1	0.1	(0.0)	-4.8%
Recoveries	3.5	3.6	(0.1)	15.4%
Total Receipts	\$ 198.6	\$ 210.5	\$ (11.9)	0.7%

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

General and Education Funds

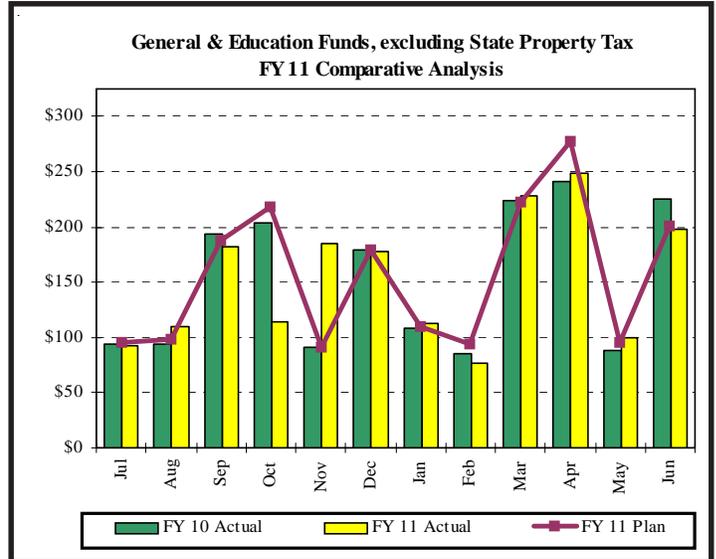
Year-to-Date Comparison to Plan

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	\$ 245.1	\$ 257.9	\$ (12.8)	\$ 51.8	\$ 55.4	\$ (3.6)	\$ 296.9	\$ 313.3	\$ (16.4)	-5.2%
Business Enterprise Tax	66.7	63.2	3.5	124.0	126.5	(2.5)	190.7	189.7	1.0	0.5%
Subtotal Business Taxes	311.8	321.1	(9.3)	175.8	181.9	(6.1)	487.6	503.0	(15.4)	-3.1%
Meals & Rentals Tax	228.8	237.2	(8.4)	6.4	7.8	(1.4)	235.2	245.0	(9.8)	-4.0%
Tobacco Tax	132.4	124.0	8.4	99.7	96.6	3.1	232.1	220.6	11.5	5.2%
Transfer from Liquor Commission	125.0	127.9	(2.9)	-	-	-	125.0	127.9	(2.9)	-2.3%
Interest & Dividends Tax	77.0	90.1	(13.1)	-	-	-	77.0	90.1	(13.1)	-14.5%
Insurance Tax	83.1	80.5	2.6	-	-	-	83.1	80.5	2.6	3.2%
Communications Tax	78.2	75.0	3.2	-	-	-	78.2	75.0	3.2	4.3%
Real Estate Transfer Tax	53.6	59.5	(5.9)	28.6	29.7	(1.1)	82.2	89.2	(7.0)	-7.8%
Court Fines & Fees	13.7	13.2	0.5	-	-	-	13.7	13.2	0.5	3.8%
Securities Revenue	37.0	34.0	3.0	-	-	-	37.0	34.0	3.0	8.8%
Utility Consumption Tax	6.1	6.0	0.1	-	-	-	6.1	6.0	0.1	1.7%
Board & Care Revenue	22.3	20.2	2.1	-	-	-	22.3	20.2	2.1	10.4%
Beer Tax	12.9	12.8	0.1	-	-	-	12.9	12.8	0.1	0.8%
Racing & Games of Chance	2.4	2.9	(0.5)	-	-	-	2.4	2.9	(0.5)	-17.2%
Other	72.3	67.8	4.5	-	-	-	72.3	67.8	4.5	6.6%
Gambling Winnings Tax	3.2	3.4	(0.2)	-	-	-	3.2	3.4	(0.2)	-5.9%
Transfer from Lottery Commission	-	-	-	63.1	77.7	(14.6)	63.1	77.7	(14.6)	-18.8%
Transfer from Racing & Charitable Gaming	-	-	-	1.2	1.3	(0.1)	1.2	1.3	(0.1)	-7.7%
Tobacco Settlement	1.7	4.2	(2.5)	40.0	40.0	-	41.7	44.2	(2.5)	-5.7%
Utility Property Tax	-	-	-	32.3	28.0	4.3	32.3	28.0	4.3	15.4%
State Property Tax	-	-	-	363.6	363.6	-	363.6	363.6	-	0.0%
Subtotal Traditional Taxes & Transfers	1,261.5	1,279.8	(18.3)	810.7	826.6	(15.9)	2,072.2	2,106.4	(34.2)	-1.6%
Net Medicaid Enhancement Rev	93.5	108.5	(15.0)	-	-	-	93.5	108.5	(15.0)	-13.8%
Recoveries	24.0	19.2	4.8	-	-	-	24.0	19.2	4.8	25.0%
Total Receipts	\$ 1,379.0	\$ 1,407.5	\$ (28.5)	\$ 810.7	\$ 826.6	\$ (15.9)	\$ 2,189.7	\$ 2,234.1	\$ (44.4)	-2.0%

* Not reflected in General Fund YTD actuals is \$1.5 million in April from the CCSNH per Chapter 143:17 L'09. This amount has not been included in general fund receipts because it was not in the plan and therefore would make actuals not comparable.

Education Trust Fund Statement of Activity - FY 2011 July 1, 2010 to June 30, 2011	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	810.7
Expenditures	
Education Grants & Adm Costs	(953.3)
Ending Surplus (Deficit) - unaudited	\$ (142.6)

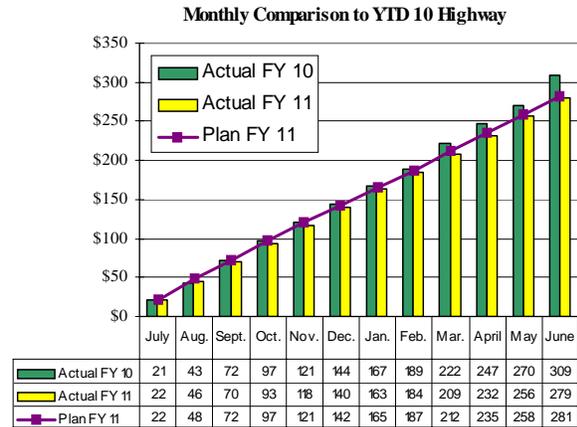
Ending deficit will be affected by year end accrual adjustments, after which any remaining deficit will be funded by the General Fund.



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

Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 11	FY 11	Actual
	Actuals	Plan	vs. Plan
Gasoline Road Toll	\$ 125.2	\$ 126.5	\$ (1.3)
Miscellaneous	21.0	19.8	1.2
Motor Vehicle Fees			
MV Registrations	104.1	103.1	1.0
MV Operators	5.7	6.0	(0.3)
Inspection Station Fees	3.8	3.9	(0.1)
MV Miscellaneous Fees	12.1	13.5	(1.4)
Certificate of Title	7.5	8.3	(0.8)
Total Fees	133.2	134.8	(1.6)
Total	\$ 279.4	\$ 281.1	\$ (1.7)

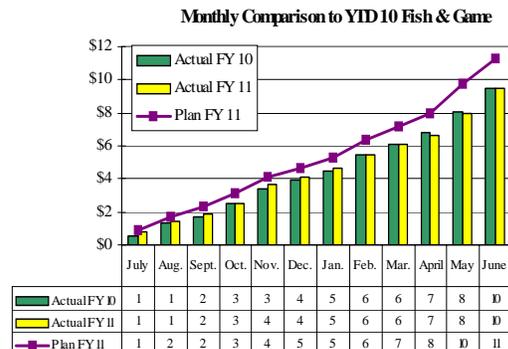


- According to **Road Toll Operations**, actual fuel consumption is up approximately 0.5% over the same period last year, but is tracking below estimates by \$1.3 million. The reason it is tracking below estimates is attributable to the increased price of fuel at the pump which resulted in a reduction in taxable gallons sold.

- \$20.0 million of the State Fiscal Year 2011 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	FY 11	Actual
	Actuals	Plan	vs. Plan
Fish and Game Licenses	\$ 7.9	\$ 9.1	\$ (1.2)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.9	1.3	(0.4)
Federal Recoveries Indirect Costs	0.7	0.8	(0.1)
Total	\$ 9.6	\$ 11.3	\$ (1.7)



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

The **Real Estate Transfer Tax (RET)** collections totaled \$6.6 million for June, which were \$1.8 million below the plan and \$.7 million below prior year, bringing year to date collections to \$82.2 million, below the plan by \$7.0 million and below prior year by \$2.3 million. The RET unfavorable variance to plan was higher in the first six months of the fiscal year (11.7%) than the last six months (3.0%.) According to the Department of Revenue, the shortfall for the year can be attributable to a slower than expected recovery in the real estate market along with the expiration of the First-Time Homebuyers Tax Credit.

Securities year to date collections totaled \$37.0 million, \$3.0 million above plan and \$2.8 above prior year. This result is primarily attributed to an increase in new agent registrations and new renewal mutual fund registrations.

Board and Care Revenue collections on a year to date basis, came in at \$22.3 million, \$2.1 million above plan. These receipts include \$2.0 million in ARRA FMAP revenues.

Other unrestricted revenues comprise approximately two hundred various sources of income including outside fees and internal recoveries under federal programs. June receipts came in ahead of plan by \$2.9 million and year to date receipts came in \$4.5 million ahead of plan. June includes the annual legislated transfer of abandoned property which for the year was \$8.5 million. The increase in revenue for the year was impacted largely by federal recoveries of indirect costs.

Lottery Transfers continued to lag behind plan in June. Transfers totaling \$10.0 million, representing May and estimated June operations were \$3.5 million short of plan, \$2.0 million behind prior year. This brings year to date transfers to \$14.6 million below plan and \$2.9 million below prior year. Some of the contributing factors to this shortfall are a decline in sales of Powerball and Mega Plus, related to the lack of significant jack pots, and a decline in instant ticket sales.

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

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