

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Linda M. Hodgdon
Comptroller Edgar R. Carter



Monthly Revenue Summary

Analysis (dollars in millions)

	<u>FY 11</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 181.9	\$ 188.1	\$ (6.2)
Highway	\$ 23.9	\$ 24.4	\$ (0.5)
Fish & Game	\$ 0.5	\$ 0.6	\$ (0.1)

Total unrestricted revenue receipts

Total receipts for September were \$181.9, which is short of plan by \$6.2 or 3.3%. This brings year to date September unrestricted revenue receipts ahead of plan by \$2.1 or .6%. As compared to prior year the month is lower by \$11.5 or 5.9%, for the reasons discussed below. Year to date, September receipts are ahead of September FY 2010 by \$3.0 or .8% but roughly equivalent to the same period last year.

Tax receipts

Business tax receipts for September were \$1.1 or 1.4% ahead of plan. This is the second month these tax receipts have been ahead of plan for the month. On a year to date basis, Business tax receipts are roughly the same as plan. Last year, business tax receipts were roughly equivalent for this month and the same three month period last year.

Meals and rooms tax receipts are slightly short of plan on a single month basis but still ahead on a year to date basis (\$.9 or 1.2%). As compared to the prior year the month is the same, however year to date is well ahead by \$4.2 or 6.0%. The favorable weather and local NASCAR events have improved visitation travel beyond plan.

Tobacco tax receipts are only slightly ahead of plan for the month, but \$3.8 or 6.3% year to date, reflective of less dramatic declines in units sales than expected. This also is perhaps reflective of the favorable visitor conditions. However, as compared to prior year, the decline is seen in September by \$2.8 or 12.1%, and \$3.3 or 4.9% for the three month period. This reflects the added impact of last year's \$4.7 non-recurring floor tax.

Interest and dividends tax receipts are slightly behind plan both for the month (\$1.3 or 9.4%) and year to date (\$.8 or 5.4%). We also see a larger shortfall over the same month (\$3.5 or 21.7%) and YTD period (\$2.8 or 16.6%) in FY2010. These results reflect taxpayers' reliance on lower prior year liabilities in making estimated payments. Larger payments are expected in April, as taxpayers must pay their balance due.

Communications tax for the month and year to date is ahead of plan and prior year as a result of audit revenues received in excess of \$2.0.

Real Estate transfer tax is showing a continued shortfall to plan and prior year, as transactions continue to lag previous periods.

Enterprises

Transfers from the Liquor Commission are behind plan on a month (\$1.1 or 9.8%) and year to date (\$1.1 or 3.1%) basis. Results of operations at the SLC were below expectation for the month, partly due to timing of certain expenses. The month is also under FY2010, while year to date this year is still ahead by \$1.5 or 4.5%. Management reports that SLC weekly sales of late are lagging behind prior year periods, specifically in the retail sector, with similar pricing and promotions.

Transfer from Lottery is based on results of the prior month. A Powerball jackpot of \$250 million in August last year resulted in strong FY2010 sales which have not repeated in FY2011. As a result, September's transfer is lower than plan and prior year. Year to date results reflect continued slowing of sales in many product lines. Management says this trend is consistent with trends they are aware of within the industry nationally.

Other

Recoveries in September were short of plan as amounts expected for this month came in August. YTD receipts are roughly equivalent to plan.

Current Month Analysis

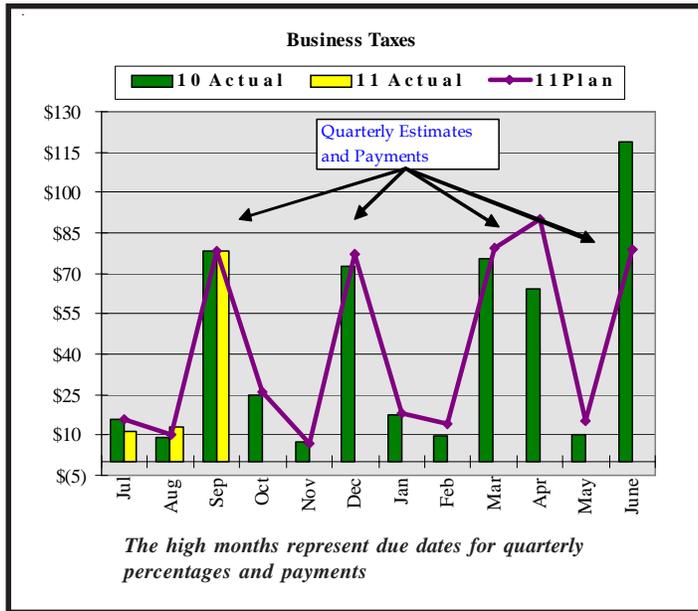
General & Education Funds	<i>FY 11 Actuals</i>	<i>FY 11 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$ 47.8	48.3	\$ (0.5)	-1%
Business Enterprise Tax	30.2	28.6	1.6	5.6%
Subtotal Business Taxes	78.0	76.9	1.1	1.4%
Meals & Rooms Tax	26.3	26.5	(0.2)	-0.8%
Tobacco Tax	20.3	20.2	0.1	0.5%
Transfer from Liquor Commission	10.1	11.2	(1.1)	-9.8%
Interest & Dividends Tax	12.6	13.9	(1.3)	-9.4%
Insurance Tax	1.3	0.9	0.4	44.4%
Communications Tax	6.5	5.2	1.3	25.0%
Real Estate Transfer Tax	6.6	8.1	(1.5)	-18.5%
Court Fines & Fees	1.3	1.1	0.2	18.2%
Securities Revenue	0.6	0.5	0.1	20.0%
Utility Consumption Tax	0.6	0.5	0.1	20.0%
Board & Care Revenue	1.3	1.5	(0.2)	-13.3%
Beer Tax	1.3	1.3	-	0.0%
Racing & Games of Chance	0.2	0.2	-	0.0%
Other	2.8	3.2	(0.4)	-12.5%
Gambling Winnings Tax	0.9	0.1	0.8	800.0%
Transfer from Lottery Commission	5.0	7.4	(2.4)	-32.4%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	5.8	6.5	(0.7)	-10.8%
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	181.6	185.3	(3.7)	-2.0%
Net Medicaid Enhancement Revenue	-	0.1	(0.1)	-100.0%
Recoveries	0.3	2.7	(2.4)	-88.9%
Total Receipts	\$ 181.9	\$ 188.1	\$ (6.2)	-3.3%

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	Sep
FY11	9.6	6.9	6.6
FY10	9.0	8.3	7.6
FY09	11.5	9.9	9.4
Mo over Mo	0.6	(1.4)	(1.0)
% Mo over Mo	7%	-17%	-13%
YTD Growth over Prior Year	0.6	(0.8)	(1.8)
% YTD Growth	7%	-5%	-7%

Business Tax Refund Analysis			
	Jul	Aug	Sep
FY11	3.4	0.9	3.5
FY10	1.6	1.2	2.1
FY09	1.3	1.4	1.5
Mo over Mo	1.8	(0.3)	1.4
YTD Growth (decline)	1.8	1.5	2.9



General & Education Funds Comparison to FY 10

General & Education Funds	Monthly			Year-to-Date			% Inc/(Decrease)
	FY 11 Actuals	FY 10 Actuals	Inc/(Dec)	FY 11 Actuals	FY 10 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 47.8	\$ 48.8	\$ (1.0)	\$ 62.7	\$ 64.3	\$ (1.6)	-2.5%
Business Enterprise Tax	30.2	29.7	0.5	39.8	39.1	0.7	1.8%
Subtotal Business Taxes	78.0	78.5	(0.5)	102.5	103.4	(0.9)	-0.9%
Meals & Rooms Tax	26.3	26.3	-	74.4	70.2	4.2	6.0%
Tobacco Tax	20.3	23.1	(2.8)	64.5	67.8	(3.3)	-4.9%
Transfer from Liquor Commission	10.1	11.4	(1.3)	33.9	32.3	1.6	5.0%
Interest & Dividends Tax	12.6	16.1	(3.5)	14.1	16.9	(2.8)	-16.6%
Insurance Tax	1.3	1.3	-	3.2	3.4	(0.2)	-5.9%
Communications Tax	6.5	5.3	1.2	21.5	18.3	3.2	17.5%
Real Estate Transfer Tax	6.6	7.6	(1.0)	23.1	24.9	(1.8)	-7.2%
Court Fines & Fees	1.3	1.3	-	3.5	3.4	0.1	2.9%
Securities Revenue	0.6	0.4	0.2	1.5	1.0	0.5	50.0%
Utility Consumption Tax	0.6	0.5	0.1	1.5	1.5	-	0.0%
Board & Care Revenue	1.3	1.7	(0.4)	4.7	5.4	(0.7)	-13.0%
Beer Tax	1.3	1.3	-	4.0	3.9	0.1	2.6%
Racing & Games of Chance	0.2	0.2	-	0.5	0.6	(0.1)	-16.7%
Other	2.8	1.6	1.2	9.7	5.5	4.2	76.4%
Gambling Winnings Tax	0.9	0.2	0.7	1.1	0.4	0.7	175.0%
Transfer from Lottery Commission	5.0	6.8	(1.8)	10.5	11.8	(1.3)	-11.0%
Transfer from Racing & Charitable Gaming	0.1	0.1	-	0.2	0.2	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	5.8	6.7	(0.9)	6.3	6.7	(0.4)	-6.0%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	181.6	190.4	(8.8)	380.7	377.6	3.1	0.8%
Net Medicaid Enhancement Rev	-	0.1	(0.1)	0.1	0.4	(0.3)	-75.0%
Recoveries	0.3	2.9	(2.6)	3.1	2.9	0.2	6.9%
Total Receipts	\$ 181.9	\$ 193.4	\$ (11.5)	\$ 383.9	\$ 380.9	\$ 3.0	0.8%

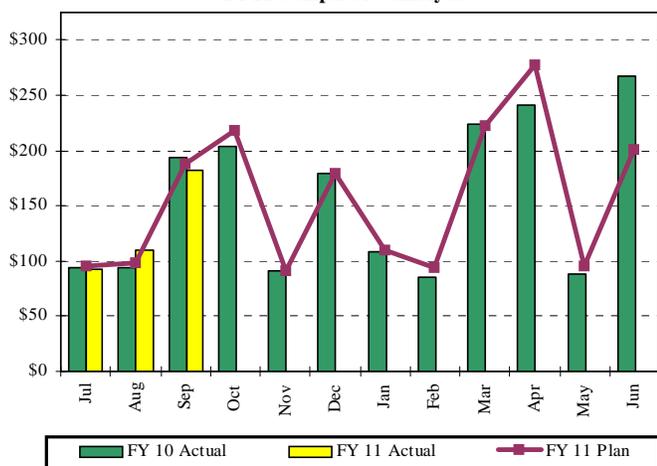
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General and Education Funds

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	\$ 51.7	\$ 52.8	\$ (1.1)	\$ 11.0	\$ 11.5	\$ (0.5)	\$ 62.7	\$ 64.3	\$ (1.6)	-2.5%
Business Enterprise Tax	13.4	12.8	0.6	26.4	25.6	0.8	39.8	38.4	1.4	3.6%
Subtotal Business Taxes	65.1	65.6	(0.5)	37.4	37.1	0.3	102.5	102.7	(0.2)	-0.2%
Meals & Rooms Tax	73.5	70.9	2.6	0.9	2.6	(1.7)	74.4	73.5	0.9	1.2%
Tobacco Tax	36.2	34.1	2.1	28.3	26.6	1.7	64.5	60.7	3.8	6.3%
Transfer from Liquor Commission	33.9	35.0	(1.1)	-	-	-	33.9	35.0	(1.1)	-3.1%
Interest & Dividends Tax	14.1	14.9	(0.8)	-	-	-	14.1	14.9	(0.8)	-5.4%
Insurance Tax	3.2	2.7	0.5	-	-	-	3.2	2.7	0.5	18.5%
Communications Tax	21.5	18.2	3.3	-	-	-	21.5	18.2	3.3	18.1%
Real Estate Transfer Tax	15.2	17.1	(1.9)	7.9	8.4	(0.5)	23.1	25.5	(2.4)	-9.4%
Court Fines & Fees	3.5	3.2	0.3	-	-	-	3.5	3.2	0.3	9.4%
Securities Revenue	1.5	1.5	-	-	-	-	1.5	1.5	-	0.0%
Utility Consumption Tax	1.5	1.5	-	-	-	-	1.5	1.5	-	0.0%
Board & Care Revenue	4.7	4.8	(0.1)	-	-	-	4.7	4.8	(0.1)	-2.1%
Beer Tax	4.0	3.9	0.1	-	-	-	4.0	3.9	0.1	2.6%
Racing & Games of Chance	0.5	0.6	(0.1)	-	-	-	0.5	0.6	(0.1)	-16.7%
Other	9.7	9.1	0.6	-	-	-	9.7	9.1	0.6	6.6%
Gambling Winnings Tax	1.1	0.3	0.8	-	-	-	1.1	0.3	0.8	266.7%
Transfer from Lottery Commission	-	-	-	10.5	13.8	(3.3)	10.5	13.8	(3.3)	-23.9%
Transfer from Racing & Charitable Gaming	-	-	-	0.2	0.2	-	0.2	0.2	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	6.3	6.5	(0.2)	6.3	6.5	(0.2)	-3.1%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	289.2	283.4	5.8	91.5	95.2	(3.7)	380.7	378.6	2.1	0.6%
Net Medicaid Enhancement Rev	0.1	0.5	(0.4)	-	-	-	0.1	0.5	(0.4)	-80.0%
Recoveries	3.1	2.7	0.4	-	-	-	3.1	2.7	0.4	14.8%
Total Receipts	\$ 292.4	\$ 286.6	\$ 5.8	\$ 91.5	\$ 95.2	\$ (3.7)	\$ 383.9	\$ 381.8	\$ 2.1	0.6%

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



Education Trust Fund Statement of Activity - FY 2011 July 1, 2010 to September 30, 2010

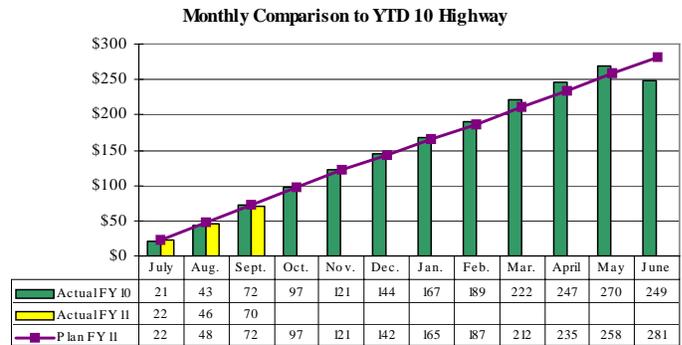
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	91.5
Expenditures	
Education Grants & Adm Costs	(119.7)
Ending Surplus (Deficit) - unaudited	\$ (28.2)

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.



Highway Fund

Comparison to Plan			
Revenue Category	FY 11 Actuals	FY 11 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 32.8	\$ 33.4	\$ (0.6)
Miscellaneous	4.0	5.7	(1.7)
Motor Vehicle Fees			
MV Registrations	25.5	25.3	0.2
MV Operators	1.4	1.7	(0.3)
Inspection Station Fees	1.0	1.0	-
MV Miscellaneous Fees	2.9	3.2	(0.3)
Certificate of Title	1.9	2.1	(0.2)
Total Fees	32.7	33.3	(0.6)
Total	\$ 69.5	\$ 72.4	\$ (2.9)

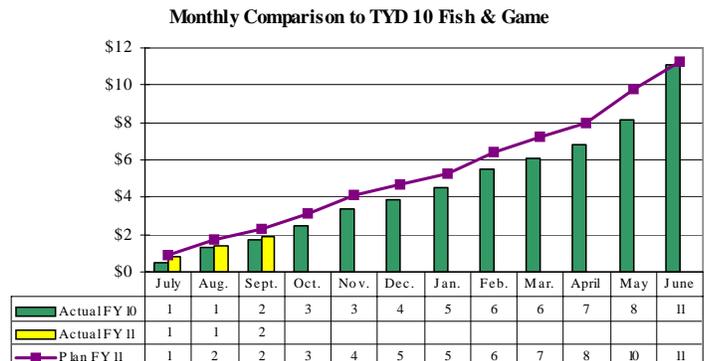


According to **Road Toll** Operations, actual fuel consumption is up approximately 1.4% over the same period last year, but is tracking slightly below the estimate.

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	\$ 1.6	\$ 1.9	\$ (0.3)
Fines and Penalties	-	-	-
Miscellaneous Sales	0.3	0.3	-
Federal Recoveries Indirect Costs	-	0.1	(0.1)
Total	\$ 1.9	\$ 2.3	\$ (0.4)



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