

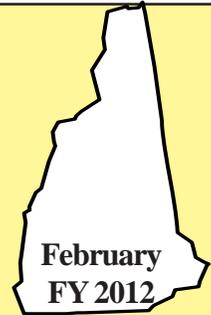
State Of New Hampshire

Monthly Revenue Focus

Department of Administrative Services

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

February
FY 2012



Monthly Revenue Summary

	<i>(for month)</i>		
	<u>FY 12</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 80.2	\$ 81.6	\$ (1.4)
Highway	\$ 19.6	\$ 19.1	\$ 0.5
Fish & Game	\$ 0.6	\$ 1.1	\$ (0.5)

Current Month

General & Education Funds	<i>FY 12</i> <i>Actuals</i>	<i>FY 12</i> <i>Plan</i>	<i>Actual vs.</i> <i>Plan</i>	<i>%</i> <i>Inc/(Dec)</i>
Business Profits Tax	\$ 4.5	\$ 7.2	\$ (2.7)	-37.5%
Business Enterprise Tax	3.7	4.4	(0.7)	-15.9%
Subtotal Business Taxes	8.2	11.6	(3.4)	-29.3%
Meals & Rentals Tax	16.2	15.5	0.7	4.5%
Tobacco Tax	15.1	14.2	0.9	6.3%
Transfer from Liquor Commission	8.4	8.3	0.1	1.2%
Interest & Dividends Tax	0.7	1.1	(0.4)	-36.4%
Insurance Tax	3.3	4.0	(0.7)	-17.5%
Communications Tax	6.4	6.8	(0.4)	-5.9%
Real Estate Transfer Tax	5.4	4.8	0.6	12.5%
Court Fines & Fees	1.1	1.2	(0.1)	-8.3%
Securities Revenue	0.8	0.4	0.4	100.0%
Utility Consumption Tax	0.4	0.5	(0.1)	-20.0%
Board & Care Revenue	2.9	1.7	1.2	70.6%
Beer Tax	0.9	0.9	-	0.0%
Other	5.8	4.9	0.9	18.4%
Transfer from Lottery Commission	4.1	5.4	(1.3)	-24.1%
Transfer from Racing & Charitable Gaming	0.4	0.3	0.1	33.3%
Tobacco Settlement	-	-	-	
Utility Property Tax	-	-	-	
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	80.1	81.6	(1.5)	-1.8%
Net Medicaid Enhancement Revenue	-	-	-	
Recoveries	0.1	-	0.1	100.0%
Total Receipts	\$ 80.2	\$ 81.6	\$ (1.4)	-1.7%

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

Analysis

Unrestricted revenue from the General and Education Funds for February totaled \$80.2 million, coming in below the plan by \$1.4 million and above prior year by \$3.1 million (4%). The contributors to the shortfall comprise business taxes, insurance tax and Lottery transfer. Partially offsetting these are favorable performances of Meals and Rentals, Tobacco, Real Estate Transfer taxes and Board and Care revenue. As compared to the prior year, the month is slightly ahead overall. Year to date (YTD) revenues compared to plan and prior period largely reflect shortfalls in Tobacco Tax, Interest & Dividends Tax and Medicaid Enhancement Tax collections.

Business Tax collections for February totaled \$8.2 million, below plan by \$3.4 million and above prior year by \$1.0 million. On a YTD basis, revenue from business taxes remain above both plan and prior year, \$18.5 million (7.5%) and \$29.8 million (12.6%) higher, respectively. February is traditionally one of the lowest months of the year for Business Taxes, and is not significantly affected by return/extension or estimate payments. However, tax notice payments experienced a significant decline, off 75% from last February. There is now a decline in year to date payments of 30% year over year. DRA attributes the lower notice payments to the impact on audit results of auditing weaker years, significant reductions in audit staff and attention diverted to administration of the Medicaid Enhancement Tax. Refunds are also lower than past experience, 21% for the month and 9.5% year over year.

Meals and Rentals Tax (M&R) receipts this month (reflecting January agent collections) came in \$0.7 million above plan. As can be seen in the chart on page 2, gross revenue receipts for the month, before the effect of Debt Service transfers, were 6% above prior year and YTD is tracking \$8.1 million or 5% above prior year. DRA, attributes some of this to higher January visitor traffic for the primary elections.

February **Tobacco Tax** collections were up \$0.9 million over plan and \$0.4 million over prior year, largely impacted by bonded sales for the prior month exceeding current month, which means \$1.0 million more was collected than was currently sold. Year to date Tobacco tax revenue is still tracking \$6.7 million (4.4%) below the plan and \$12.5 million (8%) below prior year, which reflects in part approximately \$8.3 million less in tax this year as a result of the ten cent per pack reduction in rate as well as the continued decline in state-wide stamp sales. See page 4.

Insurance Tax receipts for the month fell short of plan by \$0.7 (18%) as the result of \$2.1 million of unanticipated refunds to several companies who amended 2010 returns. Amendments reflect the application of the credit allowed by NH RSA 400-A:34-a for their NH Business Enterprise Tax payments which had not been applied on their original returns.

Transfers of **Lottery** net sales in February (for January) were \$1.3 million (24.1%) below plan and \$0.9 million (18%) below prior year. Historically, absent a large jackpot, January is a weak month for lottery sales. Year to date transfers are \$4.9 million (12.0%) below plan. Instant tickets have experienced substantial improvement, but increased prize payouts and advertising costs have absorbed the growth in revenue. Long term, Lottery officials believe the strategy will lead to net sales improvement.

RET Analysis								
(In Millions)								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4
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
Mo over Mo	(2.0)	2.9	1.1	(0.1)	0.4	(1.2)	0.3	0.3
% Mo over Mo	-21%	42%	17%	-1%	6%	-16%	4%	6%
YTD change over Prior Year	(2.0)	0.9	2.0	1.9	2.3	1.1	1.4	1.7
% YTD change	-21%	5%	9%	6%	6%	3%	3%	3%

Business Tax Refund Analysis								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
FY12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3
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
Mo over Mo change	(2.2)	0.7	(0.3)	(3.4)	(0.6)	1.3	(11.0)	(2.2)
YTD change	(2.2)	(1.5)	(1.8)	(5.2)	(5.8)	(4.5)	(15.5)	(17.7)

M&R Analysis						
	February			YTD		
	FY 12	FY 11	Diff	FY 12	FY 11	Diff
Gross Collections	17.4	16.5	0.9	176.8	168.7	8.1
Bldg Aid Debt Srv Transfer	(1.2)	(0.5)	(0.7)	(9.7)	(3.1)	(6.6)
Net Revenue	16.2	16.0	0.2	167.1	165.6	1.5

General & Education Funds Comparison to FY 11

Monthly

Year-to-Date

General & Education Funds	FY 12	FY 11	Inc/(Dec)	FY 12	FY 11	Inc/(Dec)	%
	Actuals	Actuals		Actuals	Actuals		
Business Profits Tax	\$ 4.5	\$ 4.6	\$ (0.1)	\$ 161.0	\$ 143.8	\$ 17.2	12.0%
Business Enterprise Tax	3.7	2.6	1.1	104.8	92.2	12.6	13.7%
Subtotal Business Taxes	8.2	7.2	1.0	265.8	236.0	29.8	12.6%
Meals & Rentals Tax	16.2	16.0	0.2	167.1	165.6	1.5	0.9%
Tobacco Tax	15.1	14.7	0.4	143.9	156.4	(12.5)	-8.0%
Transfer from Liquor Commission	8.4	7.5	0.9	86.6	85.2	1.4	1.6%
Interest & Dividends Tax	0.7	0.8	(0.1)	29.7	34.1	(4.4)	-12.9%
Insurance Tax	3.3	4.8	(1.5)	11.6	12.6	(1.0)	-7.9%
Communications Tax	6.4	5.9	0.5	52.1	53.9	(1.8)	-3.3%
Real Estate Transfer Tax	5.4	5.1	0.3	58.2	56.5	1.7	3.0%
Court Fines & Fees	1.1	1.2	(0.1)	8.8	8.9	(0.1)	-1.1%
Securities Revenue	0.8	0.4	0.4	14.3	13.6	0.7	5.1%
Utility Consumption Tax	0.4	0.5	(0.1)	3.9	4.0	(0.1)	-2.5%
Board & Care Revenue	2.9	1.0	1.9	15.2	12.5	2.7	21.6%
Beer Tax	0.9	0.8	0.1	9.0	9.0	-	0.0%
Racing & Games of Chance	-	0.2	(0.2)	-	1.5	(1.5)	-100.0%
Other	5.8	4.6	1.2	35.5	36.9	(1.4)	-3.8%
Gambling Winnings Tax	-	0.1	(0.1)	-	1.8	(1.8)	-100.0%
Transfer from Lottery Commission	4.1	5.0	(0.9)	35.9	37.9	(2.0)	-5.3%
Transfer from Racing & Charitable Gaming	0.4	0.1	0.3	1.9	0.7	1.2	171.4%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	17.8	16.7	1.1	6.6%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	80.1	75.9	4.2	957.3	943.8	13.5	1.4%
Net Medicaid Enhancement Rev	-	0.1	(0.1)	55.9	92.9	(37.0)	-39.8%
Recoveries	0.1	1.1	(1.0)	3.8	14.4	(10.6)	-73.6%
Total Receipts	\$ 80.2	\$ 77.1	\$ 3.1	\$ 1,017.0	\$ 1,051.1	\$ (34.1)	-3.2%

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

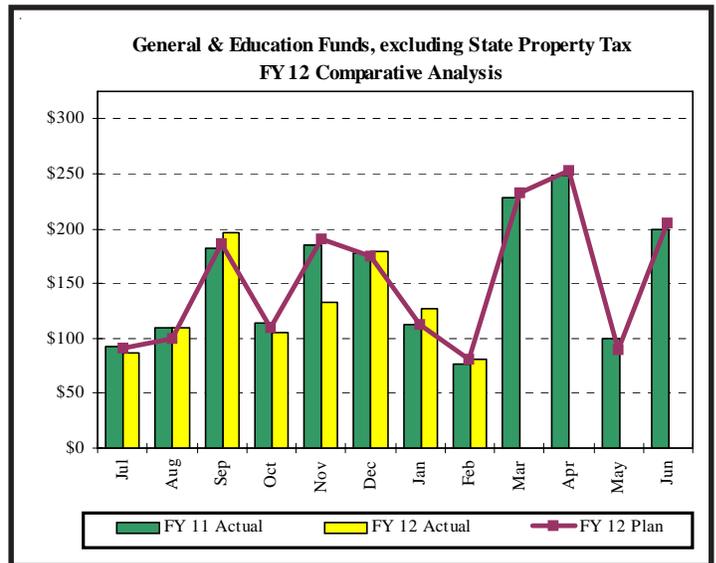
General and Education Funds

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	\$ 133.1	\$ 126.4	\$ 6.7	\$ 27.9	\$ 27.2	\$ 0.7	\$ 161.0	\$ 153.6	\$ 7.4	4.8%
Business Enterprise Tax	36.0	31.2	4.8	68.8	62.5	6.3	104.8	93.7	11.1	11.8%
Subtotal Business Taxes	169.1	157.6	11.5	96.7	89.7	7.0	265.8	247.3	18.5	7.5%
Meals & Rentals Tax	161.6	156.3	5.3	5.5	5.4	0.1	167.1	161.7	5.4	3.3%
Tobacco Tax	91.7	84.6	7.1	52.2	66.0	(13.8)	143.9	150.6	(6.7)	-4.4%
Transfer from Liquor Commission	86.6	89.0	(2.4)	-	-	-	86.6	89.0	(2.4)	-2.7%
Interest & Dividends Tax	29.7	37.3	(7.6)	-	-	-	29.7	37.3	(7.6)	-20.4%
Insurance Tax	11.6	11.2	0.4	-	-	-	11.6	11.2	0.4	3.6%
Communications Tax	52.1	53.1	(1.0)	-	-	-	52.1	53.1	(1.0)	-1.9%
Real Estate Transfer Tax	41.2	36.9	4.3	17.0	18.4	(1.4)	58.2	55.3	2.9	5.2%
Court Fines & Fees	8.8	8.9	(0.1)	-	-	-	8.8	8.9	(0.1)	-1.1%
Securities Revenue	14.3	12.2	2.1	-	-	-	14.3	12.2	2.1	17.2%
Utility Consumption Tax	3.9	4.0	(0.1)	-	-	-	3.9	4.0	(0.1)	-2.5%
Board & Care Revenue	15.2	13.6	1.6	-	-	-	15.2	13.6	1.6	11.8%
Beer Tax	9.0	9.2	(0.2)	-	-	-	9.0	9.2	(0.2)	-2.2%
Other	35.5	36.7	(1.2)	-	-	-	35.5	36.7	(1.2)	-3.3%
Transfer from Lottery Commission	-	-	-	35.9	40.8	(4.9)	35.9	40.8	(4.9)	-12.0%
Transfer from Racing & Charitable Gaming	-	-	-	1.9	2.4	(0.5)	1.9	2.4	(0.5)	-20.8%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	17.8	14.0	3.8	17.8	14.0	3.8	27.1%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	730.3	710.6	19.7	227.0	236.7	(9.7)	957.3	947.3	10.0	1.1%
Net Medicaid Enhancement Rev	55.9	97.0	(41.1)	-	-	-	55.9	97.0	(41.1)	-42.4%
Recoveries	3.8	1.6	2.2	-	-	-	3.8	1.6	2.2	137.5%
Total Receipts	\$ 790.0	\$ 809.2	\$ (19.2)	\$ 227.0	\$ 236.7	\$ (9.7)	\$ 1,017.0	\$ 1,045.9	\$ (28.9)	-2.8%

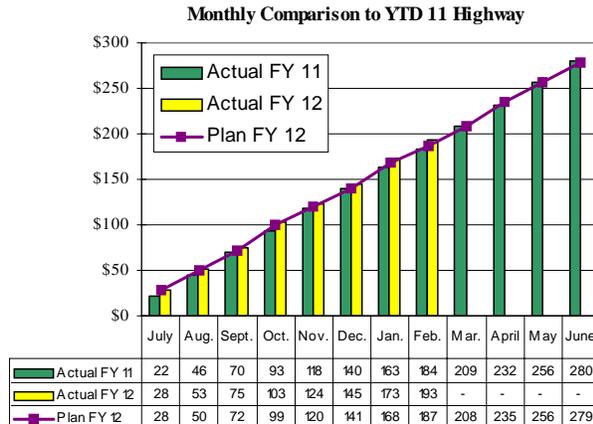
Education Trust Fund Statement of Activity - FY 2012 July 1, 2011 to February 29, 2012	
Description	Amount
Beginning Surplus (Deficit)	\$ -
Unrestricted Revenue - See above	227.0
Expenditures	
Education Grants & Adm Costs	(430.2)
Ending Surplus / (Deficit)	\$ (203.2)

Fiscal 2012 Adequate Education Grant payments of \$593.0 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. The more significant revenues to this fund occur in March and April.



Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 83.7	\$ 84.7	\$ (1.0)
Miscellaneous	36.8	31.7	5.1
Motor Vehicle Fees			
MV Registrations	49.4	47.8	1.6
MV Operators	8.2	7.8	0.4
Inspection Station Fees	2.4	2.5	(0.1)
MV Miscellaneous Fees	7.4	7.7	(0.3)
Certificate of Title	4.8	4.8	-
Total Fees	72.2	70.6	1.6
Total	\$ 192.7	\$ 187.0	\$ 5.7

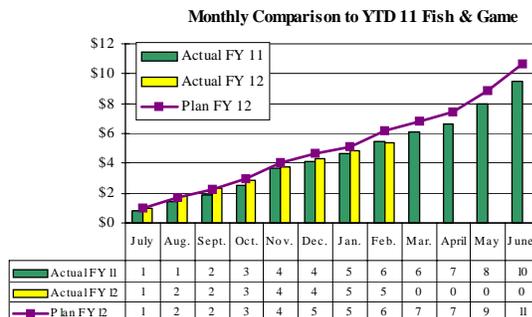


- According to **Road Toll** Operations, actual fuel consumption is down approximately 1.8% over the same period last year, and is tracking slightly below estimates due to economic conditions, weather and more fuel efficient vehicles.

- According to the Department of Transportation, the **Miscellaneous** category is ahead of plan due to earlier project completions resulting in final federal overhead billings and timing of Turnpike cross-billings as a result of increased construction activity.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 4.3	\$ 5.0	\$ (0.7)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.6	0.2
Federal Recoveries Indirect Costs	0.2	0.5	(0.3)
Total	\$ 5.4	\$ 6.2	\$ (0.8)



Sales of Cigarette Stamps

**9 month period ended February 29 for each of last five years
(number of stamps, in thousands)**

Nine Mos. Ended	Sales of Stamps	Volume Change	Percent Change
Cumulative>>>		(24,085)	-20.5%
2012***	93,482	(2,312)	-2.4%
2011	95,795	(3,360)	-3.4%
2010*	99,155	(18,224)	-15.5%
2009**	117,379	(188)	-0.2%
2008*	117,567		

Prepared from data provided by DRA

Cash basis revenue recorded up to 30 days following sale of stamps

Effective Dates-Increases: July 1(*) and October 15(**); -Decrease: July 1(***)

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

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