

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 12</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 594.6	\$ 595.8	\$ (1.2)
Highway	\$ 19.0	\$ 20.7	\$ (1.7)
Fish & Game	\$ 0.5	\$ 0.6	\$ (0.1)

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	\$ 48.4	\$ 52.2	\$ (3.8)	-7.3%
Business Enterprise Tax	32.0	31.8	0.2	0.6%
Subtotal Business Taxes	80.4	84.0	(3.6)	-4.3%
Meals & Rentals Tax	17.0	15.9	1.1	6.9%
Tobacco Tax	14.6	18.9	(4.3)	-22.8%
Transfer from Liquor Commission	8.4	8.6	(0.2)	-2.3%
Interest & Dividends Tax	2.6	2.8	(0.2)	-7.1%
Insurance Tax	71.5	73.2	(1.7)	-2.3%
Communications Tax	6.9	6.7	0.2	3.0%
Real Estate Transfer Tax	4.3	4.3	-	0.0%
Court Fines & Fees	1.4	1.3	0.1	7.7%
Securities Revenue	2.0	1.8	0.2	11.1%
Utility Consumption Tax	0.6	0.5	0.1	20.0%
Board & Care Revenue	2.2	1.7	0.5	29.4%
Beer Tax	0.8	0.9	(0.1)	-11.1%
Other	5.1	6.1	(1.0)	-16.4%
Transfer from Lottery Commission	7.8	5.4	2.4	44.4%
Transfer from Racing & Charitable Gaming	0.5	0.3	0.2	66.7%
Tobacco Settlement	-	-	-	
Utility Property Tax	-	-	-	
State Property Tax	363.1	363.1	-	0.0%
Subtotal Traditional Taxes & Transfers	589.2	595.5	(6.3)	-1.1%
Net Medicaid Enhancement Revenue	4.6	-	4.6	100.0%
Recoveries	0.8	0.3	0.5	166.7%
Total Receipts	\$ 594.6	\$ 595.8	\$ (1.2)	-0.2%

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

Analysis

Unrestricted revenue from the General and Education Funds for March totaled \$594.6 million, coming in below the plan by \$1.2 million and above prior year by \$3.0 million. Year to date (YTD) revenues were below plan and prior by \$30.1 million and \$31.1 million, respectively, primarily attributed to the shortfall in Medicaid Enhancement Tax (MET) collections. Accordingly, YTD receipts from traditional taxes (exclusive of MET and Recoveries) were \$3.7 million or 0.2% ahead of plan, largely due to business tax performance, offset by shortfalls in Tobacco Tax and Interest and Dividends Tax.

Business Tax collections for March totaled \$80.4 million, below plan by \$3.6 million and below prior year by \$1.6 million. On a YTD basis, revenue from business taxes remain above both plan and prior year, \$14.9 million (4.5%) and \$28.2 million (8.9%), respectively. The favorable results relate primarily to higher amounts received with returns and extensions. In addition, refunds were lower than the prior year, 55% for the month and 45% YTD. Tax notice receipts declined 76% from last March and the continued decline YTD was 37% year over year. DRA attributes the lower tax notice receipts to the impact on audit results of weaker years now being audited and staff reductions.

Meals and Rentals Tax (M&R) receipts this month (reflecting February agent collections) came in \$1.1 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 8% above prior year and YTD is tracking \$9.5 million or 5% above prior year. M&R has exceeded plan in all months since August.

Tobacco Tax revenue for the month of March was below plan and prior year by \$4.3 million and \$5.0 million, respectively. YTD Tobacco tax revenue is tracking 6.5% below plan and 9.9% below prior year. Approximately \$9.2 million of this shortfall relates to the lower tax rate. (see table on page 4).

The **Transfer from the Liquor Commission** for March was \$0.2 million below plan bringing the YTD shortfall from plan to \$2.6 million. The Liquor Commission cites a decline in cross-border traffic as contributing to the shortfall to plan. They further expect promotional initiatives to improve this performance. As compared to the prior year, Liquor transfers are \$1.3 million above YTD.

Insurance Tax receipts for the month fell short of plan by \$1.7 (2.3%) bringing YTD receipts \$1.3 million (1.5%) below plan. According to the Insurance Dept. this YTD shortfall was the result of \$2.1 million of unanticipated refunds to several companies who amended 2010 returns.

Lottery Transfers of February operations were \$2.4 million above plan and \$3.3 million above the prior year. The Lottery's greater than planned transfer is in part due to increased promotional and marketing activity, but was also helped by the February effect of an extended jackpot run.

Other unrestricted revenue sources are behind plan by \$2.2 million YTD due in part to a consistent monthly shortfall in LCHIP receipts, which has resulted in a cumulative shortfall of \$.5 million. Also contributing to the YTD variance is lower than expected receipts of various licenses and fees, including DHHS Lab fees (\$0.3 million behind plan) and Agriculture license fees (\$0.2 million behind plan due to fee reductions per SB157). The current month is off from plan due to timing of indirect cost reimbursements from agencies planned for March, received in earlier months.

Continued on page 2....

Medicaid Enhancement Tax revenue was above plan by \$4.6 million for the month due to payments received from hospital taxpayers which were originally included in the November 2011 plan. Year to date receipts are still below plan by \$36.5 million.

In March, the state reported, under its collection arrangement with municipalities, \$363.1 million of **State Property Taxes** (see Education Trust Fund analysis). This is a major funding source of Adequate Education Grants which are made to Municipalities and School Districts.

RET Analysis									
(In Millions)									
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4	4.6	4.4
Mo over Mo	(2.0)	2.9	1.1	(0.1)	0.4	(1.2)	0.3	0.3	(0.8)
% Mo over Mo	-21%	42%	17%	-1%	6%	-16%	4%	6%	-16%
YTD change over Prior Year	(2.0)	0.9	2.0	1.9	2.3	1.1	1.4	1.7	0.9
% YTD change	-21%	5%	9%	6%	6%	3%	3%	3%	1%

Business Tax Refund Analysis									
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3	1.5
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5	3.3
FY10	1.6	1.2	2.1	3.6	6.3	5.2	7.2	6.4	3.7
Mo over Mo change	(2.2)	0.7	(0.3)	(3.4)	(0.6)	1.3	(11.0)	(2.2)	(1.8)
YTD change	(2.2)	(1.5)	(1.8)	(5.2)	(5.8)	(4.5)	(15.5)	(17.7)	(19.5)

M&R Analysis						
	March			YTD		
	FY 12	FY 11	Diff	FY 12	FY 11	Diff
Gross Collections	18.2	16.8	1.4	195.0	185.5	9.5
Bldg Aid Debt Svc Transfer	(1.2)	(0.5)	(0.7)	(10.9)	(3.6)	(7.3)
Net Revenue	17.0	16.3	0.7	184.1	181.9	2.2

General & Education Funds Comparison to FY 11

General & Education Funds	Monthly			Year-to-Date			
	FY 12 Actuals	FY 11 Actuals	Inc/(Dec)	FY 12 Actuals	FY 11 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 48.4	\$ 50.1	\$ (1.7)	\$ 209.4	\$ 193.9	\$ 15.5	8.0%
Business Enterprise Tax	32.0	31.9	0.1	136.8	124.1	12.7	10.2%
Subtotal Business Taxes	80.4	82.0	(1.6)	346.2	318.0	28.2	8.9%
Meals & Rentals Tax	17.0	16.3	0.7	184.1	181.9	2.2	1.2%
Tobacco Tax	14.6	19.6	(5.0)	158.5	176.0	(17.5)	-9.9%
Transfer from Liquor Commission	8.4	8.5	(0.1)	95.0	93.7	1.3	1.4%
Interest & Dividends Tax	2.6	2.5	0.1	32.3	36.6	(4.3)	-11.7%
Insurance Tax	71.5	67.7	3.8	83.1	80.3	2.8	3.5%
Communications Tax	6.9	6.7	0.2	59.0	60.6	(1.6)	-2.6%
Real Estate Transfer Tax	4.3	5.1	(0.8)	62.5	61.6	0.9	1.5%
Court Fines & Fees	1.4	1.3	0.1	10.2	10.2	-	0.0%
Securities Revenue	2.0	1.8	0.2	16.3	15.4	0.9	5.8%
Utility Consumption Tax	0.6	0.6	-	4.5	4.6	(0.1)	-2.2%
Board & Care Revenue	2.2	2.5	(0.3)	17.4	15.0	2.4	16.0%
Beer Tax	0.8	0.8	-	9.8	9.8	-	0.0%
Racing & Games of Chance	-	0.2	(0.2)	-	1.7	(1.7)	-100.0%
Other	5.1	6.3	(1.2)	40.6	43.2	(2.6)	-6.0%
Gambling Winnings Tax	-	0.3	(0.3)	-	2.1	(2.1)	-100.0%
Transfer from Lottery Commission	7.8	4.5	3.3	43.7	42.4	1.3	3.1%
Transfer from Racing & Charitable Gaming	0.5	0.1	0.4	2.4	0.8	1.6	200.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	0.7	(0.7)	17.8	17.4	0.4	2.3%
State Property Tax	363.1	363.6	(0.5)	363.1	363.6	(0.5)	-0.1%
Subtotal Traditional Taxes & Transfers	589.2	591.1	(1.9)	1,546.5	1,534.9	11.6	0.8%
Net Medicaid Enhancement Rev	4.6	-	4.6	60.5	92.9	(32.4)	-34.9%
Recoveries	0.8	0.5	0.3	4.6	14.9	(10.3)	-69.1%
Total Receipts	\$ 594.6	\$ 591.6	\$ 3.0	\$ 1,611.6	\$ 1,642.7	\$ (31.1)	-1.9%

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

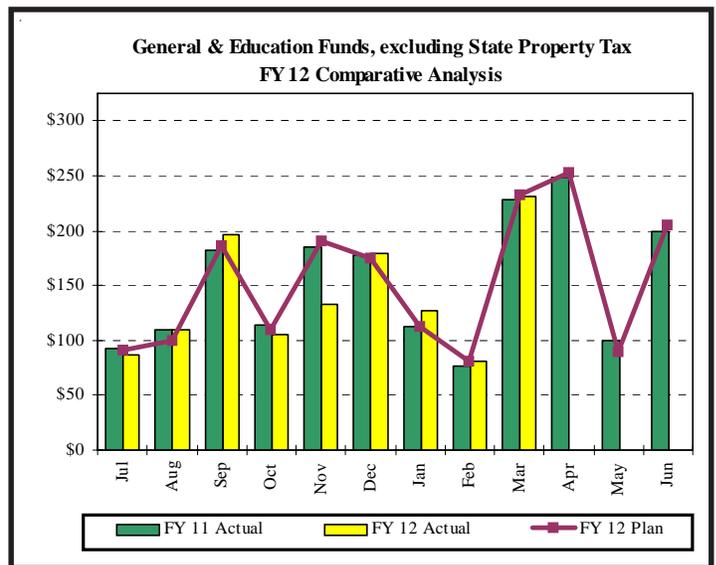
General and Education Funds

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	\$ 173.6	\$ 169.3	\$ 4.3	\$ 35.8	\$ 36.5	\$ (0.7)	\$ 209.4	\$ 205.8	\$ 3.6	1.7%
Business Enterprise Tax	48.5	41.8	6.7	88.3	83.7	4.6	136.8	125.5	11.3	9.0%
Subtotal Business Taxes	222.1	211.1	11.0	124.1	120.2	3.9	346.2	331.3	14.9	4.5%
Meals & Rentals Tax	178.1	171.8	6.3	6.0	5.8	0.2	184.1	177.6	6.5	3.7%
Tobacco Tax	99.9	95.2	4.7	58.6	74.3	(15.7)	158.5	169.5	(11.0)	-6.5%
Transfer from Liquor Commission	95.0	97.6	(2.6)	-	-	-	95.0	97.6	(2.6)	-2.7%
Interest & Dividends Tax	32.3	40.1	(7.8)	-	-	-	32.3	40.1	(7.8)	-19.5%
Insurance Tax	83.1	84.4	(1.3)	-	-	-	83.1	84.4	(1.3)	-1.5%
Communications Tax	59.0	59.8	(0.8)	-	-	-	59.0	59.8	(0.8)	-1.3%
Real Estate Transfer Tax	44.1	39.8	4.3	18.4	19.8	(1.4)	62.5	59.6	2.9	4.9%
Court Fines & Fees	10.2	10.2	-	-	-	-	10.2	10.2	-	0.0%
Securities Revenue	16.3	14.0	2.3	-	-	-	16.3	14.0	2.3	16.4%
Utility Consumption Tax	4.5	4.5	-	-	-	-	4.5	4.5	-	0.0%
Board & Care Revenue	17.4	15.3	2.1	-	-	-	17.4	15.3	2.1	13.7%
Beer Tax	9.8	10.1	(0.3)	-	-	-	9.8	10.1	(0.3)	-3.0%
Other	40.6	42.8	(2.2)	-	-	-	40.6	42.8	(2.2)	-5.1%
Transfer from Lottery Commission	-	-	-	43.7	46.2	(2.5)	43.7	46.2	(2.5)	-5.4%
Transfer from Racing & Charitable Gaming	-	-	-	2.4	2.7	(0.3)	2.4	2.7	(0.3)	-11.1%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	17.8	14.0	3.8	17.8	14.0	3.8	27.1%
State Property Tax	-	-	-	363.1	363.1	-	363.1	363.1	-	0.0%
Subtotal Traditional Taxes & Transfers	912.4	896.7	15.7	634.1	646.1	(12.0)	1,546.5	1,542.8	3.7	0.2%
Net Medicaid Enhancement Rev	60.5	97.0	(36.5)	-	-	-	60.5	97.0	(36.5)	-37.6%
Recoveries	4.6	1.9	2.7	-	-	-	4.6	1.9	2.7	142.1%
Total Receipts	\$ 977.5	\$ 995.6	\$ (18.1)	\$ 634.1	\$ 646.1	\$ (12.0)	\$ 1,611.6	\$ 1,641.7	\$ (30.1)	-1.8%

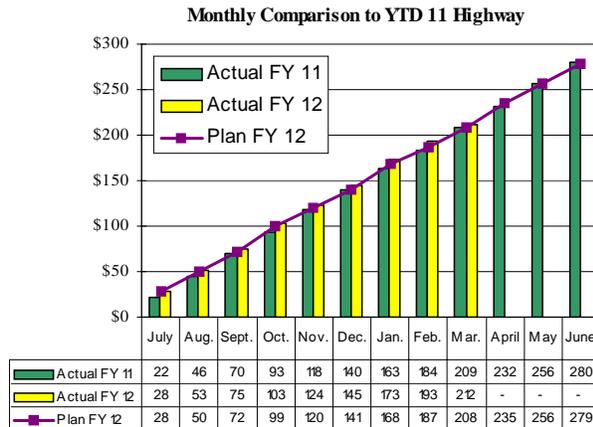
Education Trust Fund Statement of Activity - FY 2012 July 1, 2011 to March 31, 2012	
Description	Amount
Beginning Surplus (Deficit)	\$ -
Unrestricted Revenue - See above	634.1
Expenditures	
Education Grants & Adm Costs	(968.8)
Ending Surplus / (Deficit)	\$ (334.7)

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 \$363.1 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	\$ 93.3	\$ 94.3	\$ (1.0)
Miscellaneous	36.0	32.7	3.3
Motor Vehicle Fees			
MV Registrations	56.1	54.6	1.5
MV Operators	9.4	8.9	0.5
Inspection Station Fees	2.8	2.9	(0.1)
MV Miscellaneous Fees	8.5	8.9	(0.4)
Certificate of Title	5.6	5.4	0.2
Total Fees	82.4	80.7	1.7
Total	\$ 211.7	\$ 207.7	\$ 4.0

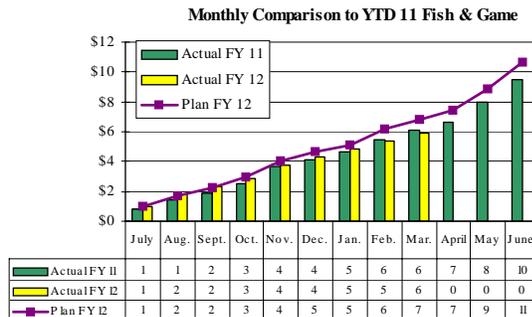


- According to **Road Toll Operations**, actual fuel consumption is down approximately 1.7% over the same period last year, and is tracking slightly below estimates due to economic conditions, weather and more fuel efficient vehicles.

- According to the Department of Transportation, the **Miscellaneous** category is ahead of plan due to earlier receipts of cost reimbursement (revenue) received by the Highway Fund for Federal and Turnpike projects.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 4.7	\$ 5.5	\$ (0.8)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.8	0.6	0.2
Federal Recoveries Indirect Costs	0.3	0.6	(0.3)
Total	\$ 5.9	\$ 6.8	\$ (0.9)



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

Sales of Cigarette Stamps						
Period ended March for each of last five years						
(number of stamps, in thousands)						
<p>The ten month basis analysis is provided to assist in understanding the YTD March cash basis revenue in which cash collections for bonded sales can be delayed for up to 30 days. Accordingly, June to March volume would appear to be 2.6% lower than the same period of the prior year. The nine month basis is provided in anticipation of the accrual basis revenue which will be recognized for fiscal year reporting, and reflects only a .6% reduction in stamp sales.</p>						
Year	10 month basis			9 month basis		
	Sales of Stamps	Volume Change	Percent Change	Sales of Stamps	Volume Change	Percent Change
Five year cumulative>>>		(25,596)	-20.0%		(21,824)	-19.1%
2012***	102,692	(2,706)	-2.6%	92,455	(569)	-0.6%
2011	105,398	(4,170)	-3.8%	93,024	(2,250)	-2.4%
2010*	109,568	(18,041)	-14.1%	95,274	(19,248)	-16.8%
2009**	127,609	(679)	-0.5%	114,522	243	0.2%
2008*	128,289			114,279		
Prepared from data provided by DRA						
Tax rate changes effective-Increases: July 1(*) and October 15(**); Decrease: July 1(***)						

**Department of Administrative Services
Linda M. Hodgdon, Commissioner
State House Annex - Room 120
25 Capitol Street
Concord, New Hampshire 03301-6312
Phone: (603)271-3201 Fax: (603)271-6600
TDD Access: Relay NH 1-800-735-2964**

**Division of Accounting Services
Edgar Carter, Comptroller
State House Annex - Room 310
25 Capitol Street
Concord, New Hampshire 03301-6312
Phone: (603) 271-3181 Fax: (603) 271-6666
TDD Access: Relay NH 1-800-735-2964**