

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner
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Monthly Revenue Summary

	<i>(for month)</i>		
	FY 13	Plan	Inc/(Dec)
Gen & Educ	\$ 71.1	\$ 81.8	\$ (10.7)
Highway	\$ 22.1	\$ 19.2	\$ 2.9
Fish & Game	\$ 0.8	\$ 1.0	\$ (0.2)

Current Month

General & Education Funds	FY 13 Actuals	FY 13 Plan	Actual vs. Plan	% Inc/(Dec)
Business Profits Tax	\$ 2.3	\$ 4.7	\$ (2.4)	-51.1%
Business Enterprise Tax	1.6	3.6	(2.0)	-55.6%
Subtotal Business Taxes	3.9	8.3	(4.4)	-53.0%
Meals & Rentals Tax	16.5	15.9	0.6	3.8%
Tobacco Tax	13.2	15.4	(2.2)	-14.3%
Transfer from Liquor Commission	7.7	8.7	(1.0)	-11.5%
Interest & Dividends Tax	(0.6)	0.7	(1.3)	-185.7%
Insurance Tax	4.1	4.0	0.1	2.5%
Communications Tax	2.5	6.6	(4.1)	-62.1%
Real Estate Transfer Tax	6.3	5.3	1.0	18.9%
Court Fines & Fees	1.0	1.1	(0.1)	-9.1%
Securities Revenue	0.4	0.4	-	0.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	2.1	1.7	0.4	23.5%
Beer Tax	0.9	0.9	-	0.0%
Other	4.8	5.3	(0.5)	-9.4%
Transfer from Lottery Commission	6.6	6.5	0.1	1.5%
Transfer from Racing & Charitable Gaming	0.4	0.3	0.1	33.3%
Tobacco Settlement	-	-	-	
Utility Property Tax	0.3	-	0.3	100.0%
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	70.6	81.6	(11.0)	-13.5%
Net Medicaid Enhancement Revenue	-	-	-	
Recoveries	0.5	0.2	0.3	150.0%
Total Receipts	\$ 71.1	\$ 81.8	\$ (10.7)	-13.1%

Analysis

Unrestricted revenue from the General and Education Funds for February totaled \$71.1 million, below both the plan and prior year by \$10.7 million (13%) and \$9.1 million (11%), respectively. Year to date (YTD) revenue totaled \$1,043.3 million, which was below plan by \$41.1 million (4%) but above prior year by \$26.3 million (3%). Although YTD receipts from traditional taxes (excluding Medicaid Enhancement Revenue and Recoveries) were \$6.8 million (1%) below plan, results are \$12.6 million (1%) above prior year.

Business Tax collections for February totaled \$3.9 million, which was short of plan by \$4.4 million and below prior year by \$4.3 million. According to the Dept. of Revenue (DRA), these results were largely due to refunds issued of \$4.3 million during the month which were \$3.0 higher than prior year. Of the \$12.7 million backlog in business tax refund requests reported last month, DRA indicates that \$8.4 million of requests remain outstanding. YTD revenue from business taxes were below both plan and prior year by \$5.9 million and \$3.1 million, respectively. The plan for February is reflective of it being the lowest month for income related taxes, as the largest number of payors are on a calendar year, and have no payments due. Collections on tax notices continue to be substantially lower than prior years, due to the reduction of staff and audit activity.

Meals and Rentals Tax (M&R) receipts this month, net of Building Aid Debt Service transfers, came in \$0.6 million above plan and \$0.3 million above the prior year. As can be seen in the chart on page 2, gross revenue receipts for the month, before Building Aid Debt Service transfers, were 2% above prior year and YTD is tracking \$6.7 million or 4% above prior year. DRA attributes the higher tax revenues to better northern state operations and generally improved conditions for visitation and hospitality commerce.

Tobacco Tax revenue for the month of February was \$2.2 million below plan and \$1.9 million below last February. YTD Tobacco tax revenue is still tracking 7% below plan, and 5% below prior year due to declining package sales, evidenced by the stamp sales history in the chart on page four. February alone experienced a 16% reduction in stamp sales over the prior year. The estimated YTD impact of the rate reduction, effective July 1, 2011 is approximately \$7.8 million.

Interest and Dividends Tax (I&D) results for February were (\$0.6) million, below both plan and prior year by \$1.3 million. According to the Dept. of Revenue (DRA), these results were largely due to refunds issued of \$1.3 million which were \$1.2 million higher than this month last year. DRA indicates that the \$0.9 million refund request backlog reported last month has been eliminated and the department is now current with I&D refund processing. On a YTD basis, I&D is \$2.5 million (8%) above plan and \$5.3 million (18%) above prior year.

Communications Tax receipts were \$2.5 million for the month, \$4.1 million lower than plan, and YTD revenues are now \$40.7 million, which is lower than plan by \$13.2 million. DRA believes that legislative changes are largely responsible for the decline in taxes collected, in addition to declines in the tax base associated with land line use and slower growth in cell phone usage. Per DRA, the tax law changes have enabled service providers to eliminate certain services from taxable base. However, the extent to which these changes have impacted the current shortfall are not yet measurable. While taxes are collected monthly, the basis of payments are reported following the close of a quarter, and DRA does not yet have sufficient data with which to make this determination.

The **Real Estate Transaction tax (RET)**, comprised of county remittances of mostly residential transactions for the prior month, plus direct remittances of recently closed commercial and holding company transactions, was \$6.3 million, 19% higher than plan for the month, and 17% higher than prior year. YTD tax collections are now \$9.5 million (17%) higher than plan, and \$8.6 million (15%) higher than last year. County transactions reported for January were 20% higher than the prior four years' January average. See RET comparison on page 2.

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

Continued on page 4

RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	8.5	8.2	8.9	8.4	8.0	8.5	10.0	6.3				
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3	5.7	6.5	7.9
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	6.4
Mo over Mo	0.9	(1.6)	1.2	1.8	1.0	2.4	2.0	0.9				
% Mo over Mo	12%	-16%	16%	27%	14%	39%	25%	17%				
YTD change over Prior Year	0.9	(0.7)	0.5	2.3	3.3	5.7	7.7	8.6				
% YTD change	12%	-4%	2%	7%	9%	13%	15%	15%				

Business Tax Refund Analysis												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	1.1	1.5	1.5	1.8	2.2	0.9	1.0	4.3				
FY12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3	1.5	1.2	3.5	4.1
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
Mo over Mo change	(0.1)	(0.1)	(1.7)	-	(3.3)	(2.9)	(3.0)	3.0				
YTD change	(0.1)	(0.2)	(1.9)	(1.9)	(5.2)	(8.1)	(11.1)	(8.1)				

M&R Analysis						
	February			YTD		
	FY 13	FY 12	Diff	FY 13	FY 12	Diff
Gross Collections	17.7	17.4	0.3	183.5	176.8	6.7
Bldg Aid Debt Srvc Transfer	(1.2)	(1.2)	-	(9.6)	(9.7)	0.1
Net Revenue	16.5	16.2	0.3	173.9	167.1	6.8

General & Education Funds Comparison to FY 12

General & Education Funds	Monthly			Year-to-Date			
	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 2.3	\$ 4.5	\$ (2.2)	\$ 154.2	\$ 161.0	\$ (6.8)	-4.2%
Business Enterprise Tax	1.6	3.7	(2.1)	108.5	104.8	3.7	3.5%
Subtotal Business Taxes	3.9	8.2	(4.3)	262.7	265.8	(3.1)	-1.2%
Meals & Rentals Tax	16.5	16.2	0.3	173.9	167.1	6.8	4.1%
Tobacco Tax	13.2	15.1	(1.9)	137.3	143.9	(6.6)	-4.6%
Transfer from Liquor Commission	7.7	8.4	(0.7)	89.2	86.6	2.6	3.0%
Interest & Dividends Tax	(0.6)	0.7	(1.3)	35.0	29.7	5.3	17.8%
Insurance Tax	4.1	3.3	0.8	14.6	11.6	3.0	25.9%
Communications Tax	2.5	6.4	(3.9)	40.7	52.1	(11.4)	-21.9%
Real Estate Transfer Tax	6.3	5.4	0.9	66.8	58.2	8.6	14.8%
Court Fines & Fees	1.0	1.1	(0.1)	8.6	8.8	(0.2)	-2.3%
Securities Revenue	0.4	0.8	(0.4)	13.9	14.3	(0.4)	-2.8%
Utility Consumption Tax	0.5	0.4	0.1	4.0	3.9	0.1	2.6%
Board & Care Revenue	2.1	2.9	(0.8)	18.0	15.2	2.8	18.4%
Beer Tax	0.9	0.9	-	9.0	9.0	-	0.0%
Other	4.8	5.8	(1.0)	35.0	35.5	(0.5)	-1.4%
Transfer from Lottery Commission	6.6	4.1	2.5	42.7	35.9	6.8	18.9%
Transfer from Racing & Charitable Gaming	0.4	0.4	-	1.8	1.9	(0.1)	-5.3%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	0.3	-	0.3	16.7	17.8	(1.1)	-6.2%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	70.6	80.1	(9.5)	969.9	957.3	12.6	1.3%
Net Medicaid Enhancement Rev	-	-	-	70.8	55.9	14.9	26.7%
Recoveries	0.5	0.1	0.4	2.6	3.8	(1.2)	-31.6%
Total Receipts	\$ 71.1	\$ 80.2	\$ (9.1)	\$ 1,043.3	\$ 1,017.0	\$ 26.3	2.6%

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

General and Education Funds

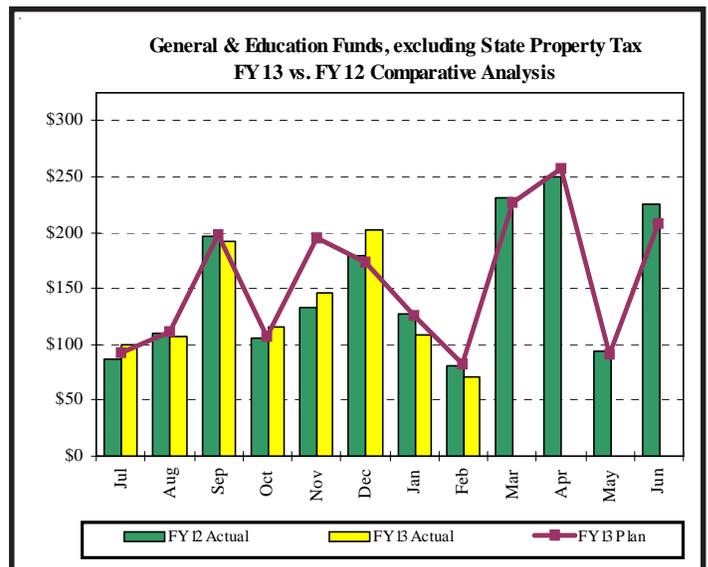
Year-to-Date Comparison to Plan

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	\$ 127.1	\$ 137.7	\$ (10.6)	\$ 27.1	\$ 29.3	\$ (2.2)	\$ 154.2	\$ 167.0	\$ (12.8)	-7.7%
Business Enterprise Tax	37.0	33.9	3.1	71.5	67.7	3.8	108.5	101.6	6.9	6.8%
Subtotal Business Taxes	164.1	171.6	(7.5)	98.6	97.0	1.6	262.7	268.6	(5.9)	-2.2%
Meals & Rentals Tax	168.3	159.0	9.3	5.6	5.3	0.3	173.9	164.3	9.6	5.8%
Tobacco Tax	77.4	82.2	(4.8)	59.9	64.6	(4.7)	137.3	146.8	(9.5)	-6.5%
Transfer from Liquor Commission	89.2	94.1	(4.9)	-	-	-	89.2	94.1	(4.9)	-5.2%
Interest & Dividends Tax	35.0	32.5	2.5	-	-	-	35.0	32.5	2.5	7.7%
Insurance Tax	14.6	13.1	1.5	-	-	-	14.6	13.1	1.5	11.5%
Communications Tax	40.7	53.9	(13.2)	-	-	-	40.7	53.9	(13.2)	-24.5%
Real Estate Transfer Tax	44.3	38.3	6.0	22.5	19.0	3.5	66.8	57.3	9.5	16.6%
Court Fines & Fees	8.6	8.8	(0.2)	-	-	-	8.6	8.8	(0.2)	-2.3%
Securities Revenue	13.9	12.6	1.3	-	-	-	13.9	12.6	1.3	10.3%
Utility Consumption Tax	4.0	4.0	-	-	-	-	4.0	4.0	-	0.0%
Board & Care Revenue	18.0	13.7	4.3	-	-	-	18.0	13.7	4.3	31.4%
Beer Tax	9.0	9.3	(0.3)	-	-	-	9.0	9.3	(0.3)	-3.2%
Other	35.0	36.6	(1.6)	-	-	-	35.0	36.6	(1.6)	-4.4%
Transfer from Lottery Commission	-	-	-	42.7	43.0	(0.3)	42.7	43.0	(0.3)	-0.7%
Transfer from Racing & Charitable Gaming	-	-	-	1.8	2.7	(0.9)	1.8	2.7	(0.9)	-33.3%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	16.7	15.4	1.3	16.7	15.4	1.3	8.4%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	722.1	729.7	(7.6)	247.8	247.0	0.8	969.9	976.7	(6.8)	-0.7%
Net Medicaid Enhancement Rev	70.8	104.8	(34.0)	-	-	-	70.8	104.8	(34.0)	-32.4%
Recoveries	2.6	2.9	(0.3)	-	-	-	2.6	2.9	(0.3)	-10.3%
Total Receipts	\$ 795.5	\$ 837.4	\$ (41.9)	\$ 247.8	\$ 247.0	\$ 0.8	\$ 1,043.3	\$ 1,084.4	\$ (41.1)	-3.8%

Note: The above amounts do not reflect \$11.9 million of Medicaid Enhancement Tax collected year-to-date, and \$1.0 million of Interest & Dividends revenue delayed due to system implementation issues, which were both attributable to FY 12 and not included in the FY 13 plan.

Education Trust Fund Statement of Activity - FY 2013 July 1, 2012 to February 28, 2013	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	247.8
Expenditures	
Education Grants & Adm Costs	(418.5)
Ending Surplus (Deficit) - unaudited	\$ (170.7)

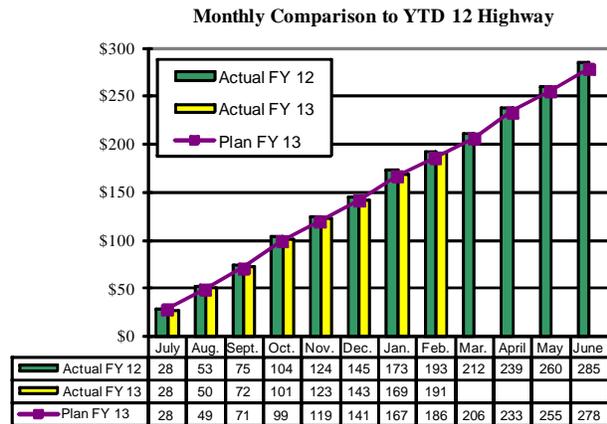
Fiscal 2013 Adequate Education Grant payments of \$578.7 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.1 million of grants through local retention of Statewide Property Tax collections. The FY 2013 budget anticipated a deficit of \$130.5 million, to be covered by a General fund transfer at year end.



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

Highway Fund

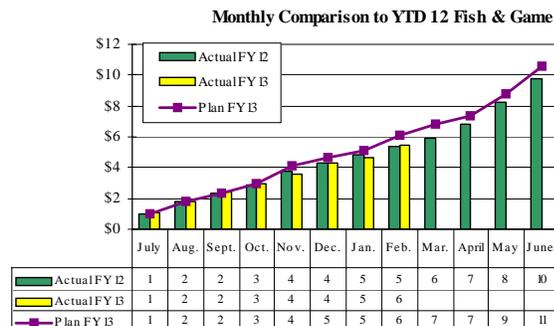
Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 84.0	\$ 84.5	\$ (0.5)
Miscellaneous	35.2	30.7	4.5
Motor Vehicle Fees			
MV Registrations	49.4	48.0	1.4
MV Operators	8.3	7.9	0.4
Inspection Station Fees	2.5	2.4	0.1
MV Miscellaneous Fees	7.0	7.7	(0.7)
Certificate of Title	4.9	4.7	0.2
Total Fees	72.1	70.7	1.4
Total	\$ 191.3	\$ 185.9	\$ 5.4



According to Road Toll Operations, actual fuel consumption is down approximately 0.1% over the same period last year, and is tracking slightly below estimates due to economic conditions and more fuel efficient vehicles. YTD Highway Fund revenues are 3% above plan and according to the Department of Transportation, the **Miscellaneous** category benefited from higher than anticipated receipts of cost reimbursement (revenue) for Federal projects.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 4.4	\$ 5.1	\$ (0.7)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.4	0.4	-
Federal Recoveries Indirect Costs	0.6	0.5	0.1
Total	\$ 5.5	\$ 6.1	\$ (0.6)



The year to date revenues are below plan due to the lower number of licenses being sold.

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

Continued from page 1

Board and Care revenue is ahead of plan due to higher than expected cost-based rates.

Other revenue is comprised of numerous license fees and miscellaneous transfers. Monthly amounts can vary widely, and due to their nature are difficult to predict. Revenue for the month of \$4.8 million is lower than plan by 9% and brings YTD revenue to \$35.0 million which is lower than plan by \$1.6 million or 4%. The cumulative shortfall is due largely to recoveries of indirect costs from federal programs being lower than expected as a result of lower federal program revenues.

Sales of Cigarette Stamps

Total sold June through February for each of last six years *
(number of stamps, in thousands)

Prepared from data provided by DRA

Year	Sales of Stamps	Volume Change	Percent Change
2013	88,076	(5,407)	-5.8%
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		

*Analysis period intended to smooth the effects of July rate changes
Stamp counts include all days through the end of the month, while cash collections are one day after.

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