

# State Of New Hampshire Monthly Revenue Focus

## Department of Administrative Services

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



### Monthly Revenue Summary

### Analysis

(for month)

	<u>FY 13</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	\$ 192.6	\$ 198.3	\$ (5.7)
<b>Highway</b>	\$ 22.1	\$ 22.3	\$ (0.2)
<b>Fish &amp; Game</b>	\$ 0.6	\$ 0.5	\$ 0.1

Unrestricted revenue for the General and Education Funds received during September totaled \$192.6 million, which was below the plan by \$5.7 million (3%) and below prior year by \$3.6 million (2%). Year to date (YTD) unrestricted revenue totaled \$398.8 million, which was also below plan by \$2.8 million (1%) but above prior year by \$7.0 million (2%).

**Business Tax** collections for September totaled \$84.8 million, which were \$5.6 million (6%) below plan and \$4.7 million (5%) below prior year. YTD business tax collections were also below plan by \$1.6 million (1%) and approximately equal to the prior year. According to the Dept. of Revenue Administration (DRA), third quarter estimated payments by calendar year corporations were due during September, and came in \$6.7 million (8%) below September of last year.

**Net Meals and Rentals Tax (M&R)** receipts for September came in above plan by \$2.3 million (9%) and above prior year by \$1.8 million (7%). As can be seen in the chart on page 2, YTD gross revenue receipts, before the effect of Debt Service transfers, were 6% above prior year which, according to DRA, reflects more favorable visitation and hospitality climates this year over last.

**Interest and Dividends** taxes were on plan for the month, and YTD were running ahead of plan and prior year by 5% and 10%, respectively. According to DRA, the favorable YTD results are due to a combination of higher tax notice collections and lower refunds issued compared to prior year.

The **Communications Tax** collections for the month were \$1.0 million below plan bringing YTD revenue to \$2.4 million below plan and \$1.7 million below prior year. According to DRA, these results primarily reflect the effects of Chapter 279, Laws of 2012 which excluded charges of Internet Access from the tax.

September **Real Estate Transfer Tax (RET)** collections, of \$8.9 million, were above plan by \$1.3 million and above prior year by \$1.2 million. On a YTD basis, RET is tracking 4% above plan and 2% above prior year. (See RET table on page 2). Each of the past two months' reported county transactions, were the highest of those reported since June of 2010.

The transfer from the **Lottery Commission** was \$0.7 million higher than planned, resulting in YTD transfers \$0.4 million (3%) ahead of plan, and \$2.0 million (19%) ahead of last year primarily due to increased sales in Instant and Powerball tickets.

### Current Month

General & Education Funds	<i>FY 13</i> Actuals	<i>FY 13</i> Plan	Actual vs. Plan	% Inc/(Dec)
Business Profits Tax	\$ 50.1	\$ 56.3	\$ (6.2)	-11.0%
Business Enterprise Tax	34.7	34.1	0.6	1.8%
Subtotal Business Taxes	84.8	90.4	(5.6)	-6.2%
Meals & Rentals Tax	28.0	25.7	2.3	8.9%
Tobacco Tax	17.0	21.0	(4.0)	-19.0%
Transfer from Liquor Commission	10.6	10.4	0.2	1.9%
Interest & Dividends Tax	13.1	13.1	-	0.0%
Insurance Tax	1.5	1.5	-	0.0%
Communications Tax	5.9	6.9	(1.0)	-14.5%
Real Estate Transfer Tax	8.9	7.6	1.3	17.1%
Court Fines & Fees	1.1	1.2	(0.1)	-8.3%
Securities Revenue	0.4	0.6	(0.2)	-33.3%
Utility Consumption Tax	0.6	0.5	0.1	20.0%
Board & Care Revenue	1.4	1.6	(0.2)	-12.5%
Beer Tax	1.5	1.4	0.1	7.1%
Other	2.4	2.3	0.1	4.3%
Transfer from Lottery Commission	7.2	6.5	0.7	10.8%
Transfer from Racing & Charitable Gaming	0.5	0.2	0.3	150.0%
Tobacco Settlement	-	-	-	
Utility Property Tax	7.3	6.7	0.6	9.0%
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	192.2	197.6	(5.4)	-2.7%
Net Medicaid Enhancement Revenue	-	-	-	
Recoveries	0.4	0.7	(0.3)	-42.9%
Total Receipts	\$ 192.6	\$ 198.3	\$ (5.7)	-2.9%

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

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RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	8.5	8.2	8.9									
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									
% Mo over Mo	12%	-16%	16%									
YTD change over Prior Year	0.9	(0.7)	0.5									
% YTD change	12%	-4%	2%									

Business Tax Refund Analysis												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	1.1	1.5	1.5									
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)									
YTD change	(0.1)	(0.2)	(1.9)									

M&R Analysis						
	September			YTD		
	FY 13	FY 12	Diff	FY 13	FY 12	Diff
Gross Collections	29.2	27.4	1.8	82.0	77.6	4.4
Bldg Aid Debt Svc Transfer	(1.2)	(1.2)	-	(3.6)	(3.6)	-
Net Revenue	28.0	26.2	1.8	78.4	74.0	4.4

## General & Education Funds Comparison to FY 12

General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 50.1	\$ 54.3	\$ (4.2)	\$ 69.2	\$ 71.3	\$ (2.1)	-2.9%
Business Enterprise Tax	34.7	35.2	(0.5)	48.0	46.3	1.7	3.7%
Subtotal Business Taxes	84.8	89.5	(4.7)	117.2	117.6	(0.4)	-0.3%
Meals & Rentals Tax	28.0	26.2	1.8	78.4	74.0	4.4	5.9%
Tobacco Tax	17.0	19.8	(2.8)	55.7	61.1	(5.4)	-8.8%
Transfer from Liquor Commission	10.6	10.5	0.1	35.9	34.3	1.6	4.7%
Interest & Dividends Tax	13.1	12.5	0.6	14.9	13.6	1.3	9.6%
Insurance Tax	1.5	1.5	-	4.0	3.8	0.2	5.3%
Communications Tax	5.9	6.7	(0.8)	18.5	20.2	(1.7)	-8.4%
Real Estate Transfer Tax	8.9	7.7	1.2	25.6	25.1	0.5	2.0%
Court Fines & Fees	1.1	1.2	(0.1)	3.5	3.5	-	0.0%
Securities Revenue	0.4	0.5	(0.1)	1.1	1.3	(0.2)	-15.4%
Utility Consumption Tax	0.6	0.5	0.1	1.5	1.4	0.1	7.1%
Board & Care Revenue	1.4	1.7	(0.3)	6.3	4.5	1.8	40.0%
Beer Tax	1.5	1.4	0.1	4.1	4.0	0.1	2.5%
Other	2.4	2.7	(0.3)	10.9	8.1	2.8	34.6%
Transfer from Lottery Commission	7.2	5.3	1.9	12.4	10.4	2.0	19.2%
Transfer from Racing & Charitable Gaming	0.5	0.3	0.2	0.5	0.5	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	7.3	7.6	(0.3)	7.5	7.5	-	0.0%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	192.2	195.6	(3.4)	398.0	390.9	7.1	1.8%
Net Medicaid Enhancement Rev	-	-	-	-	-	-	-
Recoveries	0.4	0.6	(0.2)	0.8	0.9	(0.1)	-11.1%
Total Receipts	\$ 192.6	\$ 196.2	\$ (3.6)	\$ 398.8	\$ 391.8	\$ 7.0	1.8%

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

## General and Education Funds

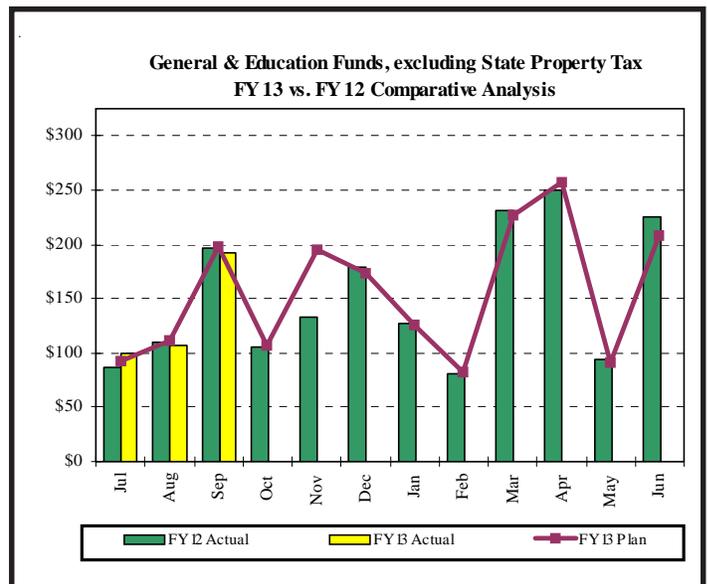
### Year-to-Date Comparison to Plan

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	\$ 57.1	\$ 60.9	\$ (3.8)	\$ 12.1	\$ 13.0	\$ (0.9)	\$ 69.2	\$ 73.9	\$ (4.7)	-6.4%
Business Enterprise Tax	16.0	15.0	1.0	32.0	29.9	2.1	48.0	44.9	3.1	6.9%
Subtotal Business Taxes	73.1	75.9	(2.8)	44.1	42.9	1.2	117.2	118.8	(1.6)	-1.3%
Meals & Rentals Tax	75.8	70.5	5.3	2.6	2.3	0.3	78.4	72.8	5.6	7.7%
Tobacco Tax	34.9	35.9	(1.0)	20.8	26.6	(5.8)	55.7	62.5	(6.8)	-10.9%
Transfer from Liquor Commission	35.9	36.4	(0.5)	-	-	-	35.9	36.4	(0.5)	-1.4%
Interest & Dividends Tax	14.9	14.2	0.7	-	-	-	14.9	14.2	0.7	4.9%
Insurance Tax	4.0	3.8	0.2	-	-	-	4.0	3.8	0.2	5.3%
Communications Tax	18.5	20.9	(2.4)	-	-	-	18.5	20.9	(2.4)	-11.5%
Real Estate Transfer Tax	17.1	16.5	0.6	8.5	8.2	0.3	25.6	24.7	0.9	3.6%
Court Fines & Fees	3.5	3.5	-	-	-	-	3.5	3.5	-	0.0%
Securities Revenue	1.1	1.6	(0.5)	-	-	-	1.1	1.6	(0.5)	-31.3%
Utility Consumption Tax	1.5	1.5	-	-	-	-	1.5	1.5	-	0.0%
Board & Care Revenue	6.3	5.0	1.3	-	-	-	6.3	5.0	1.3	26.0%
Beer Tax	4.1	4.2	(0.1)	-	-	-	4.1	4.2	(0.1)	-2.4%
Other	10.9	11.0	(0.1)	-	-	-	10.9	11.0	(0.1)	-0.9%
Transfer from Lottery Commission	-	-	-	12.4	12.0	0.4	12.4	12.0	0.4	3.3%
Transfer from Racing & Charitable Gaming	-	-	-	0.5	0.8	(0.3)	0.5	0.8	(0.3)	-37.5%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.5	6.7	0.8	7.5	6.7	0.8	11.9%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	301.6	300.9	0.7	96.4	99.5	(3.1)	398.0	400.4	(2.4)	-0.6%
Net Medicaid Enhancement Rev	-	-	-	-	-	-	-	-	-	-
Recoveries	0.8	1.2	(0.4)	-	-	-	0.8	1.2	(0.4)	-33.3%
<b>Total Receipts</b>	<b>\$ 302.4</b>	<b>\$ 302.1</b>	<b>\$ 0.3</b>	<b>\$ 96.4</b>	<b>\$ 99.5</b>	<b>\$ (3.1)</b>	<b>\$ 398.8</b>	<b>\$ 401.6</b>	<b>\$ (2.8)</b>	<b>-0.7%</b>

\* 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 September 30, 2012	
Description	Amount
<b>Beginning Surplus (Deficit) - unaudited</b>	\$ -
<b>Unrestricted Revenue - See above</b>	96.4
<b>Expenditures</b>	
<b>Education Grants &amp; Adm Costs</b>	(122.5)
<b>Ending Surplus (Deficit) - unaudited</b>	<b>\$ (26.1)</b>

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.

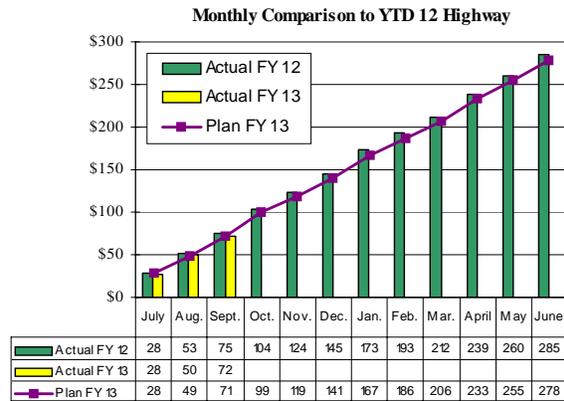


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## Highway Fund

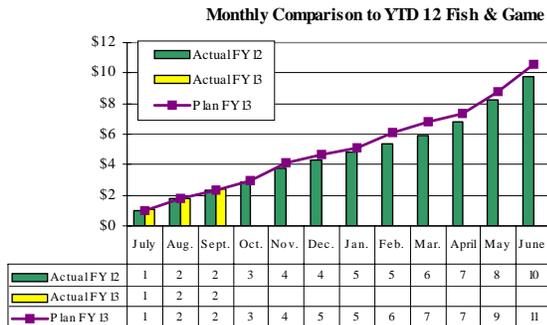
Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 32.6	\$ 32.5	\$ 0.1
Miscellaneous	11.5	10.9	0.6
<b>Motor Vehicle Fees</b>			
MV Registrations	19.2	19.2	-
MV Operators	3.2	3.0	0.2
Inspection Station Fees	1.0	1.0	-
MV Miscellaneous Fees	2.7	2.8	(0.1)
Certificate of Title	1.9	1.8	0.1
<b>Total Fees</b>	<b>28.0</b>	<b>27.8</b>	<b>0.2</b>
<b>Total</b>	<b>\$ 72.1</b>	<b>\$ 71.2</b>	<b>\$ 0.9</b>



YTD Highway Fund revenues came in 1% 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	\$ 1.9	\$ 2.0	\$ (0.1)
Fines and Penalties	-	-	-
Miscellaneous Sales	0.1	0.1	-
Federal Recoveries Indirect Costs	0.4	0.2	0.2
<b>Total</b>	<b>\$ 2.4</b>	<b>\$ 2.3</b>	<b>\$ 0.1</b>



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

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The **Tobacco Tax** came in at \$17.0 million for the month, which was below plan by \$4.0 million and below the prior year by \$2.8 million. On a YTD basis, Tobacco Tax is tracking \$6.8 million (11%) below plan and \$5.4 million (9%) below the prior year. Per DRA, stamp sales decreased 11% from September of 2011, and the remainder of the decline year to year is attributable to lower accounts receivable collections. Also note: The rate reduction of \$.10 per pack, effective July 1, 2011 had a YTD impact of approximately \$3.0 million. The adjacent chart demonstrates an 8.7% decline in stamp sales for the period June through September of each year (inclusion of June is intended to mitigate the effect of July 1 tax changes.)

### Sales of Cigarette Stamps

Total sold June through September 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	41,831	(3,997)	-8.7%
2012	45,828	(1,105)	-2.4%
2011	46,933	(1,223)	-2.5%
2010	48,156	(10,264)	-17.6%
2009	58,420	1,548	2.7%
2008	56,871		

\*Analysis period intended to smooth the effects of July 1 tax adjustments  
Stamp counts include all days through the end of the month. Cash collections can be delayed one day.

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