

State Of New Hampshire

Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner
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Monthly Revenue Summary

Analysis

	<i>(for month)</i>		
	<u>FY 14</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 262.7	\$ 284.3	\$ (21.6)
Highway	\$ 20.4	\$ 24.7	\$ (4.3)
Fish & Game	\$ 0.7	\$ 0.4	\$ 0.3

Current Month

General & Education Funds	<i>FY14</i> <i>Actuals</i>	<i>FY14</i> <i>Plan</i>	<i>Actual vs.</i> <i>Plan</i>	<i>%</i> <i>Inc/(Dec)</i>
Business Profits Tax	\$ 52.4	\$ 58.9	\$ (6.5)	-11%
Business Enterprise Tax	35.0	39.9	(4.9)	-12.3%
Subtotal Business Taxes	87.4	98.8	(11.4)	-11.5%
Meals & Rentals Tax	19.5	19.1	0.4	2.1%
Tobacco Tax	16.9	17.3	(0.4)	-2.3%
Transfer from Liquor Commission	9.2	10.2	(1.0)	-9.8%
Interest & Dividends Tax	31.8	41.0	(9.2)	-22.4%
Insurance Tax	1.4	1.3	0.1	7.7%
Communications Tax	4.8	5.4	(0.6)	-11.1%
Real Estate Transfer Tax	6.0	5.8	0.2	3.4%
Court Fines & Fees	1.2	1.1	0.1	9.1%
Securities Revenue	19.9	16.5	3.4	20.6%
Utility Consumption Tax	0.6	0.5	0.1	20.0%
Board & Care Revenue	-	-	-	0.0%
Beer Tax	0.9	1.0	(0.1)	-10.0%
Other	6.7	6.4	0.3	4.7%
Transfer from Lottery Commission	6.2	6.0	0.2	3.3%
Transfer from Racing & Charitable Gaming	0.2	0.3	(0.1)	-33.3%
Tobacco Settlement	42.2	44.9	(2.7)	-6.0%
Utility Property Tax	6.9	8.2	(1.3)	-15.9%
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	261.8	283.8	(22.0)	-7.8%
Net Medicaid Enhancement Revenue	-	-	-	0.0%
Recoveries	0.9	0.5	0.4	80.0%
Total Receipts	\$ 262.7	\$ 284.3	\$ (21.6)	-7.6%

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

Total unrestricted revenue of the General and Education Funds for April totaled \$262.7 million, \$21.6 million below plan and bringing the year to date (YTD) revenue total to \$1,940.6 million, \$3.9 million above plan. Excluding MtBE Settlements, additional Tobacco Settlement payments received in April of last year, and Board & Care Revenue now budgeted as restricted revenue, results were \$12.5 million below prior year for the month but \$26.1 million above prior year YTD.

Business Tax collections for April totaled \$87.4 million, below the plan and prior year by \$11.4 million and \$5.1 million, respectively. The Dept. of Revenue (DRA) reports that monies received this month with estimated payments were \$9.3 million (16%) below April of last year. Tax notice payments received increased \$2.1 million and refunds issued were \$3.1 million lower than prior year. On a YTD basis, revenue from business taxes are below plan by \$7.1 million (1.5%) but slightly above prior year by \$0.4 million. As compared to prior year, DRA reports that although YTD receipts from returns, extensions and estimates are up \$12.0 million (3%), YTD refunds issued were also higher by \$11.6 million (41.5%). *

Transfers from the Liquor Commission for the month were \$1.0 million (10%) below both plan and the prior year. YTD transfers were \$2.6 million (2%) above plan and \$3.6 million (3%) above prior year.

Interest & Dividends Tax (I&D) collections came in below both plan and prior year for the month by \$9.2 million (22%) and \$8.8 million (22%), respectively. DRA reports that monies received this month with returns and extensions were 23% below April of last year and estimate payments 6% below last year. The number of I&D documents processed by DRA for the month were 15% lower than April of last year. On a YTD basis, I&D is 17% below plan and 15% below prior year. *

Real Estate Transfer Tax revenue for April was 9% above the prior year; however, DRA reports that reported county transactions (units) for April (March transactions) were down 1% which indicates the values on property transferred appears to have increased.

Securities Revenue for the month came in \$3.4 million above plan and slightly above prior year. The Secretary of State's Office states that these favorable results may be attributed to timing (early receipt of May planned revenue) but will be analyzing the filings received.

During April, the state received its annual payment from the nationwide **Tobacco Settlement** which totaled \$42.2 million, \$2.7 million below plan which was due in part to the new settlements reached last year that resulted in \$20.8 of additional tobacco settlement payments received in April of last year. The Dept. of Justice is analyzing the settlement payments received.

*Note: Please see chart on page 4 for a list of tax law changes that are anticipated by DRA to have an impact on FY14 & FY15 revenues. DRA is currently reviewing current month documents received from taxpayers.

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RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY 14	9.6	11.8	9.8	8.9	9.6	7.6	9.0	6.0	5.4	6.0		
FY 13	8.5	8.2	8.9	8.4	8.0	8.5	10.0	6.3	4.2	5.5	7.2	9.7
FY 12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3	5.7	6.5	7.3
Mo over Mo	1.1	3.6	0.9	0.5	1.6	(0.9)	(1.0)	(0.3)	1.2	0.5		
% Mo over Mo	13%	44%	10%	6%	20%	-11%	-10%	-5%	29%	9%		
YTD change over Prior Year	1.1	4.7	5.6	6.1	7.7	6.8	5.8	5.5	6.7	7.2		
% YTD change	13%	28%	22%	18%	18%	13%	10%	8%	9%	9%		

Business Tax Refund Analysis													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	April YTD
FY 14	2.4	2.0	2.9	4.0	12.3	3.0	3.6	5.0	0.5	3.8			39.5
FY 13	1.1	1.5	1.5	1.8	2.2	0.9	1.0	4.3	6.7	6.9	4.0	2.3	27.9
FY 12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3	1.5	1.2	3.5	4.1	25.1
Mo over Mo change	1.3	0.5	1.4	2.2	10.1	2.1	2.6	0.7	(6.2)	(3.1)			
YTD change	1.3	1.8	3.2	5.4	15.5	17.6	20.2	20.9	14.7	11.6			

M&R Analysis						
	April			YTD		
	FY 14	FY 13	Diff	FY 14	FY 13	Diff
Gross Collections	20.7	20.0	0.7	231.7	221.2	10.5
Bldg Aid Debt Svc Transfer	(1.2)	(1.2)	-	(11.7)	(12.0)	0.3
Net Revenue	19.5	18.8	0.7	220.0	209.2	10.8

General & Education Funds Comparison to FY 13

General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	FY 14 Actuals	FY 13 Actuals	Inc/(Dec)	FY 14 Actuals	FY 13 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 52.4	\$ 53.7	\$ (1.3)	\$ 268.5	\$ 265.6	\$ 2.9	1.1%
Business Enterprise Tax	35.0	38.8	(3.8)	185.1	187.6	(2.5)	-1.3%
Subtotal Business Taxes	87.4	92.5	(5.1)	453.6	453.2	0.4	0.1%
Meals & Rentals Tax	19.5	18.8	0.7	220.0	209.2	10.8	5.2%
Tobacco Tax	16.9	16.5	0.4	179.4	169.4	10.0	5.9%
Transfer from Liquor Commission	9.2	10.2	(1.0)	113.5	109.9	3.6	3.3%
Interest & Dividends Tax	31.8	40.6	(8.8)	68.2	80.2	(12.0)	-15.0%
Insurance Tax	1.4	1.4	-	94.8	93.7	1.1	1.2%
Communications Tax	4.8	3.9	0.9	48.9	51.7	(2.8)	-5.4%
Real Estate Transfer Tax	6.0	5.5	0.5	83.7	76.5	7.2	9.4%
Court Fines & Fees	1.2	1.2	(0.0)	11.2	10.8	0.4	3.7%
Securities Revenue	19.9	19.6	0.3	38.4	35.8	2.6	7.3%
Utility Consumption Tax	0.6	0.6	0.0	5.2	5.1	0.1	2.0%
Board & Care Revenue	-	2.6	(2.6)	-	22.7	(22.7)	-100.0%
Beer Tax	0.9	0.9	0.0	10.6	10.7	(0.1)	-0.9%
Other	6.7	6.2	0.5	45.9	46.0	(0.1)	-0.2%
Transfer from Lottery Commission	6.2	6.1	0.1	56.1	54.2	1.9	3.5%
Transfer from Racing & Charitable Gaming	0.2	0.3	(0.1)	2.3	2.5	(0.2)	-8.0%
Tobacco Settlement	42.2	63.2	(21.0)	42.3	63.2	(20.9)	-33.1%
Utility Property Tax	6.9	8.1	(1.2)	27.0	25.1	1.9	7.6%
State Property Tax	-	-	-	363.6	363.7	(0.1)	0.0%
Subtotal Traditional Taxes & Transfers	261.8	298.2	(36.4)	1,864.7	1,883.6	(18.9)	-1.0%
Net Medicaid Enhancement Rev	-	-	-	72.2	70.8	1.4	2.0%
Recoveries	0.9	0.4	0.5	3.7	3.6	0.1	2.8%
Total Receipts	\$ 262.7	\$ 298.6	\$ (35.9)	\$ 1,940.6	\$ 1,958.0	\$ (17.4)	-0.9%
MtBE Settlement	-	6.4	(6.4)	-	6.4	(6.4)	-100.0%
Total Receipts	\$ 262.7	\$ 305.0	\$ (42.3)	\$ 1,940.6	\$ 1,964.4	\$ (23.8)	-1.2%

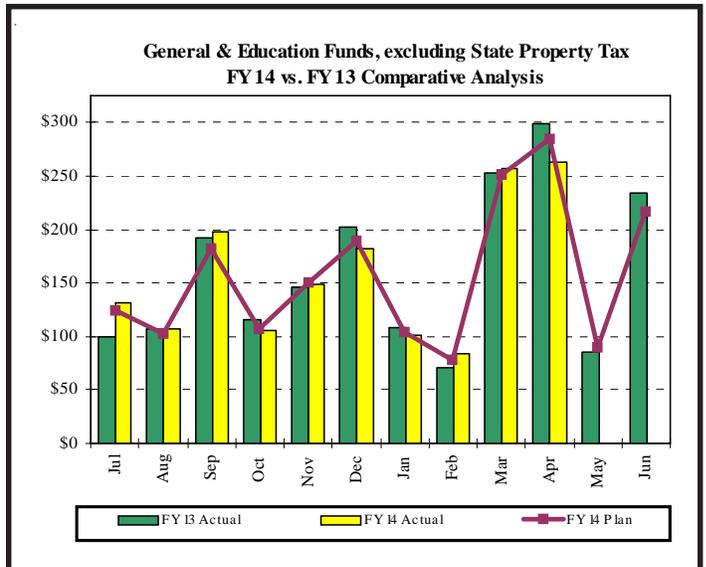
All funds reported on a cash basis, dollars in millions.

General and Education Funds

Year-to-Date Comparison to Plan										
General & Education Funds	General			Education			Total			%
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 221.2	\$ 226.7	\$ (5.5)	\$ 47.3	\$ 49.1	\$ (1.8)	\$ 268.5	\$ 275.8	\$ (7.3)	-2.6%
Business Enterprise Tax	66.1	61.6	4.5	119.0	123.3	(4.3)	185.1	184.9	0.2	0.1%
Subtotal Business Taxes	287.3	288.3	(1.0)	166.3	172.4	(6.1)	453.6	460.7	(7.1)	-1.5%
Meals & Rentals Tax	213.6	205.5	8.1	6.4	6.8	(0.4)	220.0	212.3	7.7	3.6%
Tobacco Tax	108.1	105.7	2.4	71.3	72.3	(1.0)	179.4	178.0	1.4	0.8%
Transfer from Liquor Commission	113.5	110.9	2.6	-	-	-	113.5	110.9	2.6	2.3%
Interest & Dividends Tax	68.2	81.8	(13.6)	-	-	-	68.2	81.8	(13.6)	-16.6%
Insurance Tax	94.8	86.2	8.6	-	-	-	94.8	86.2	8.6	10.0%
Communications Tax	48.9	52.0	(3.1)	-	-	-	48.9	52.0	(3.1)	-6.0%
Real Estate Transfer Tax	54.6	53.8	0.8	29.1	26.5	2.6	83.7	80.3	3.4	4.2%
Court Fines & Fees	11.2	10.6	0.6	-	-	-	11.2	10.6	0.6	5.7%
Securities Revenue	38.4	32.8	5.6	-	-	-	38.4	32.8	5.6	17.1%
Utility Consumption Tax	5.2	5.0	0.2	-	-	-	5.2	5.0	0.2	4.0%
Board & Care Revenue	-	-	-	-	-	-	-	-	-	-
Beer Tax	10.6	11.1	(0.5)	-	-	-	10.6	11.1	(0.5)	-4.5%
Other	45.9	44.2	1.7	-	-	-	45.9	44.2	1.7	3.8%
Transfer from Lottery Commission	-	-	-	56.1	56.7	(0.6)	56.1	56.7	(0.6)	-1.1%
Transfer from Racing & Charitable Gaming	-	-	-	2.3	2.7	(0.4)	2.3	2.7	(0.4)	-14.8%
Tobacco Settlement	2.3	4.9	(2.6)	40.0	40.0	-	42.3	44.9	(2.6)	-5.8%
Utility Property Tax	-	-	-	27.0	27.0	-	27.0	27.0	-	0.0%
State Property Tax	-	-	-	363.6	363.6	-	363.6	363.6	-	0.0%
Subtotal Traditional Taxes & Transfers	1,102.6	1,092.8	9.8	762.1	768.0	(5.9)	1,864.7	1,860.8	3.9	0.2%
Net Medicaid Enhancement Rev	72.2	72.2	-	-	-	-	72.2	72.2	-	0.0%
Recoveries	3.7	3.7	-	-	-	-	3.7	3.7	-	0.0%
Total Receipts	\$ 1,178.5	\$ 1,168.7	\$ 9.8	\$ 762.1	\$ 768.0	\$ (5.9)	\$ 1,940.6	\$ 1,936.7	\$ 3.9	0.2%

Education Trust Fund Statement of Activity - FY 2014 July 1, 2013 to April 30, 2014	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	762.1
Expenditures	
Education Grants & Adm Costs	(946.9)
Ending Surplus (Deficit) - unaudited	\$ (184.8)

Fiscal 2014 Adequate Education Grant payments of \$572.5 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.6 million of grants through local retention of Statewide Property Tax collection. The FY 2014 budget anticipated a deficit of \$105.5 million, to be covered by a General fund transfer at year end.





Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 14 Actuals	FY 14 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 104.2	\$ 102.9	\$ 1.3
Miscellaneous	15.4	15.6	(0.2)
Motor Vehicle Fees			
MV Registrations	64.5	61.3	3.2
MV Operators	10.1	9.4	0.7
Inspection Station Fees	3.1	3.1	-
MV Miscellaneous Fees	8.7	9.4	(0.7)
Certificate of Title	6.6	6.2	0.4
Total Fees	93.0	89.4	3.6
Total	\$ 212.6	\$ 207.9	\$ 4.7

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 14 Actuals	FY 14 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 5.5	\$ 5.8	\$ (0.3)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.6	0.3	0.3
Federal Recoveries Indirect Costs	0.8	0.6	0.2
Total	\$ 7.0	\$ 6.8	\$ 0.2

Highway Fund: According to Road Toll Operations, actual fuel consumptions is up approximately 1.4% YTD over the same period last year.

NOTE: YTD actual revenue is below YTD FY13 revenue by approximately \$26.4 million (11.0%), primarily a result of a budget change made in FY14. Federal overhead recoveries and internal indirect cost (from the Turnpike fund to the Highway Fund) are no longer reported as miscellaneous Highway fund revenue. They now are recorded as other restricted revenue within DOT's budget.

SUMMARY OF TAX LAW CHANGES THAT ARE ANTICIPATED BY DRA TO HAVE AN IMPACT ON FY14 & FY15 REVENUES

GENERAL AND EDUCATION FUNDS	Effective Date of Law Change
BUSINESS TAXES:	
2011 Legislative Changes:	
> BPT - Net Operating Loss Increase (Ch. 224:363, L'11; Ch. 71, L'12);	Taxable periods beginning on or after January 1, 2013
> BPT Reasonable Compensation Burden of Proof (Ch. 207, L'11)	Effective June 14, 2011 and applicable for taxable periods ending on or after December 31, 2010
> BET Carry Forward Changes (Ch. 225, L'11)	Effective July 1, 2014 and applicable for taxable periods ending on or after July 1, 2014
2012 Legislative Changes:	
> Education Tax Credit (Ch. 287, L'12)	Effective June 27, 2012 with the first program year beginning January 1, 2013
> BET Threshold Filing Changes (Ch. 279, L'12)	Taxable periods ending on or after 12/31/13
> BET Threshold Filing Changes (Ch. 279, L'12) Section 10 RE: Expense Deductions	Effective June 21, 2012 for property placed in service on or after January 1, 2012
2013 Legislative Changes:	
> R&D Tax Credit Increase (Ch 5, L'13)	Effective May 20, 2013
> BET Tips (Ch 144:124, L'13)	Effective May 20, 2013 and applicable for taxable periods beginning on or after January 1, 2013
> BPT Compensation Safe Harbor (Ch 71, L'13)	Effective July 1, 2013
INTEREST AND DIVIDENDS TAX:	
2012 Legislative Changes	
> Interest and Dividends Tax (Ch. 286:3 through 286:8, L'12)	Effective June 27, 2012 and applicable to taxable periods ending on or after December 31, 2013

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Utility Property Tax revenues were below plan due to early receipts last month which were projected to be collected this month. YTD receipts are equal to plan and \$1.9 million above prior year.

Last fiscal year, **MTBE Settlement** agreements were reached with several oil companies, and most of the agreements included a provision whereby 10% of the net proceeds received by the state shall be allocated to the State of NH to reimburse the state for costs related to the lawsuit. This resulted in \$6.4 million of revenue recorded in April of last year in accordance with the provision.

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