

State Of New Hampshire

Monthly Revenue Focus

Department of Administrative Services

Vicki V. Quiram, Commissioner

Gerard J. Murphy, Comptroller



Monthly Revenue Summary

Analysis

	<i>(for month)</i>		
	FY 17 Actual	FY 17 Plan	Actual vs. Plan
Gen & Educ	\$108.6	\$109.4	\$(0.8)
Highway	\$19.9	\$17.6	\$2.3
Fish & Game	\$1.0	\$0.8	\$0.2

This July FY 2017 Monthly Revenue Focus report compares the activity for the current month and for the fiscal year to date (YTD) with both the prior year and the Fiscal 2017 Revenue Plan. Hard copies of the plan allocation are included with this month's revenue focus, or the plan card may be found at http://das.nh.gov/accounting/revenue_reports.asp. The Plan represents a monthly allocation of the official revenue estimates as passed in Chapter 275, Laws of 2015 (HB1) plus other revenue adjustments included within Schedule 2 of the Committee of Conference Surplus Statement, and the effects of Chapter 274, Laws of 2015 (SB9) pertaining to reductions in business taxes. The total fiscal 2017 unrestricted revenue plan for General and Education Funds was set at \$2,311.4 million.

Current Month

Unrestricted revenue for the General and Education Funds received for the month of July (and fiscal year to date) totaled \$108.6 million, which was below the plan by \$0.8 million (0.7%) and below the prior year by \$0.2 million (0.2%).

GENERAL & EDUCATION FUNDS	<i>FY 17 Actuals</i>	<i>FY 17 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$13.8	\$8.6	\$5.2
Business Enterprise Tax	9.1	5.7	3.4
Subtotal Business Taxes	22.9	14.3	8.6
Meals & Rentals Tax	28.5	27.5	1.0
Tobacco Tax	14.7	22.7	(8.0)
Transfer from Liquor Commission	14.5	14.5	-
Interest & Dividends Tax	0.7	1.0	(0.3)
Insurance Tax	1.0	1.1	(0.1)
Communications Tax	4.3	5.0	(0.7)
Real Estate Transfer Tax	15.8	14.0	1.8
Court Fines & Fees	1.0	1.2	(0.2)
Securities Revenue	0.1	0.4	(0.3)
Utility Consumption Tax	0.4	0.5	(0.1)
Beer Tax	1.4	1.2	0.2
Other	3.2	3.9	(0.7)
Transfer from Lottery Commission	-	-	-
Transfer from Racing & Charitable Gaming	-	-	-
Tobacco Settlement	-	-	-
Utility Property Tax	-	-	-
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	108.5	107.3	1.2
Recoveries	0.1	2.1	(2.0)
Total Receipts	\$108.6	\$109.4	\$(0.8)

Business Taxes for July totaled \$22.9 million, which were \$8.6 million (60%) above plan and \$6.9 million (43%) above prior year. According to the Dept. of Revenue Administration (DRA), the increase in revenue as compared to the prior year was primarily due to an increase in tax notice revenue.

Meals and Rentals Tax (M&R) receipts for July totaled \$28.5 million, which were above plan by \$1.0 million (3.6%) and above prior year by \$1.6 million (5.9%). According to DRA, July collections (June activity) from full service restaurants and hotels were up 5% and 3% respectively from the same month last year.

Tobacco Tax receipts for the month were \$14.7 million, or \$8.0 million (35%) below plan and \$8.1 million (35%) below prior year. According to DRA, July stamp sales were 9% lower than the same period in the prior year. In addition, July results were lower due to early payments of June bonded sales (which were expected in July but benefited June results), as well as an increase in July bonded sales over prior year (due to be paid in August).

Transfer from Liquor Commission in July was equal to the plan of \$14.5 million but below prior year by \$1.4 million (8.8%).

Collections for the **Interest and Dividends Tax** for the month were \$0.7 million, or \$0.3 million (30%) below plan and \$0.2 million (22%) below prior year. DRA has reported that tax return payments were down 55% for July, as compared to the same period in FY 2016.

Collections for the **Communications Services Tax** for the month were \$4.3 million, or \$0.7 million (14%) below plan and \$0.2 million (4.4%) below prior year. As reported in FY 2016, this revenue continues to experience a downward trend.

Real Estate Transfer Taxes for July were \$15.8 million, which were above plan by \$1.8 million (12.9%) and above the same month last year by \$1.3 million (9%). According to DRA, the number of transactions reported for the month of July (June collections) was up 13.8% over the same period last

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
FY17	15.8											
FY16	14.5	15.2	13.1	11.4	11.4	10.6	12.8	8.1	7.3	7.6	8.7	12.5
FY15	10.2	12.0	11.4	9.7	11.6	13.4	9.0	5.8	5.0	7.9	7.8	9.5
Mo over Mo	1.3	(15.2)	(13.1)	(11.4)	(11.4)	(10.6)	(12.8)	(8.1)	(7.3)	(7.6)	(8.7)	(12.5)
% Mo over Mo	9%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%
YTD change over Prior Year	1.3	(13.9)	(27.0)	(38.4)	(49.8)	(60.4)	(73.2)	(81.3)	(88.6)	(96.2)	(104.9)	(117.4)
% YTD change	9%	-47%	-63%	-71%	-76%	-79%	-82%	-84%	-85%	-86%	-87%	-88%

M&R ANALYSIS						
	July			YTD		
	FY 17	FY 16	Diff	FY 17	FY 16	Diff
Gross Collections	29.6	28.0	1.6	29.6	28.0	1.6
Bldg Aid Debt Srvc Transfer	(1.1)	(1.1)	-	(1.1)	(1.1)	-
Net Revenue	28.5	26.9	1.6	28.5	26.9	1.6

Business Tax Refund Analysis													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July YTD
FY17	2.4												2.4
FY16	2.4	1.0	3.3	4.6	4.4	2.9	1.5	0.8	1.9	2.2	2.5	1.1	2.4
FY15	2.3	1.2	4.9	4.7	9.4	1.3	6.4	1.5	2.8	2.1	1.7	2.6	2.3
Mo over Mo change	-	(1.0)	(3.3)	(4.6)	(4.4)	(2.9)	(1.5)	(0.8)	(1.9)	(2.2)	(2.5)	(1.1)	-
YTD change	-	(1.0)	(4.3)	(8.9)	(13.3)	(16.2)	(17.7)	(18.5)	(20.4)	(22.6)	(25.1)	(26.2)	-

General & Education Funds Comparison to FY 16

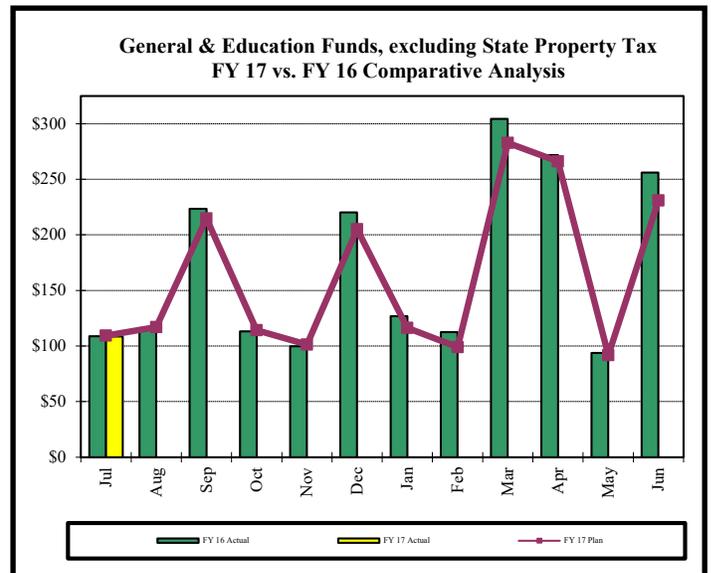
General & Education Funds	Monthly			Year-to-Date			% Change
	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	
Business Profits Tax	\$13.8	\$9.7	\$4.1	\$13.8	\$9.7	\$4.1	42.3%
Business Enterprise Tax	9.1	6.3	2.8	9.1	6.3	2.8	44.4%
Subtotal Business Taxes	22.9	16.0	6.9	22.9	16.0	6.9	43.1%
Meals & Rentals Tax	28.5	26.9	1.6	28.5	26.9	1.6	5.9%
Tobacco Tax	14.7	22.8	(8.1)	14.7	22.8	(8.1)	-35.5%
Transfer from Liquor Commission	14.5	15.9	(1.4)	14.5	15.9	(1.4)	-8.8%
Interest & Dividends Tax	0.7	0.9	(0.2)	0.7	0.9	(0.2)	-22.2%
Insurance Tax	1.0	1.1	(0.1)	1.0	1.1	(0.1)	-9.1%
Communications Tax	4.3	4.5	(0.2)	4.3	4.5	(0.2)	-4.4%
Real Estate Transfer Tax	15.8	14.5	1.3	15.8	14.5	1.3	9.0%
Court Fines & Fees	1.0	1.1	(0.1)	1.0	1.1	(0.1)	-9.1%
Securities Revenue	0.1	0.4	(0.3)	0.1	0.4	(0.3)	-75.0%
Utility Consumption Tax	0.4	0.5	(0.1)	0.4	0.5	(0.1)	-20.0%
Beer Tax	1.4	1.2	0.2	1.4	1.2	0.2	16.7%
Other	3.2	2.9	0.3	3.2	2.9	0.3	10.3%
Transfer from Lottery Commission	-	-	-	-	-	-	-
Transfer from Racing & Charitable Gaming	-	-	-	-	-	-	-
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	0.1	(0.1)	-	0.1	(0.1)	-100.0%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	108.5	108.8	(0.3)	108.5	108.8	(0.3)	-0.3%
Recoveries	0.1	-	0.1	0.1	-	0.1	-
Total Receipts	\$108.6	\$108.8	\$(0.2)	\$108.6	\$108.8	\$(0.2)	-0.2%

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			% Change
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$11.4	\$7.0	\$4.4	\$2.4	\$1.6	\$0.8	\$13.8	\$8.6	\$5.2	60.5%
Business Enterprise Tax	3.0	1.8	1.2	6.1	3.9	2.2	9.1	5.7	3.4	59.6%
Subtotal Business Taxes	14.4	8.8	5.6	8.5	5.5	3.0	22.9	14.3	8.6	60.1%
Meals & Rentals Tax	27.6	26.7	0.9	0.9	0.8	0.1	28.5	27.5	1.0	3.6%
Tobacco Tax	8.7	12.7	(4.0)	6.0	10.0	(4.0)	14.7	22.7	(8.0)	-35.2%
Transfer from Liquor Commission	14.5	14.5	-	-	-	-	14.5	14.5	-	0.0%
Interest & Dividends Tax	0.7	1.0	(0.3)	-	-	-	0.7	1.0	(0.3)	-30.0%
Insurance Tax	1.0	1.1	(0.1)	-	-	-	1.0	1.1	(0.1)	-9.1%
Communications Tax	4.3	5.0	(0.7)	-	-	-	4.3	5.0	(0.7)	-14.0%
Real Estate Transfer Tax	10.5	9.5	1.0	5.3	4.5	0.8	15.8	14.0	1.8	12.9%
Court Fines & Fees	1.0	1.2	(0.2)	-	-	-	1.0	1.2	(0.2)	-16.7%
Securities Revenue	0.1	0.4	(0.3)	-	-	-	0.1	0.4	(0.3)	-75.0%
Utility Consumption Tax	0.4	0.5	(0.1)	-	-	-	0.4	0.5	(0.1)	-20.0%
Beer Tax	1.4	1.2	0.2	-	-	-	1.4	1.2	0.2	16.7%
Other	3.2	3.9	(0.7)	-	-	-	3.2	3.9	(0.7)	-17.9%
Transfer from Lottery Commission	-	-	-	-	-	-	-	-	-	0.0%
Transfer from Racing & Charitable Gaming	-	-	-	-	-	-	-	-	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	0.0%
Utility Property Tax	-	-	-	-	-	-	-	-	-	0.0%
State Property Tax	-	-	-	-	-	-	-	-	-	0.0%
Subtotal Traditional Taxes & Transfers	87.8	86.5	1.3	20.7	20.8	(0.1)	108.5	107.3	1.2	1.1%
Recoveries	0.1	2.1	(2.0)	-	-	-	0.1	2.1	(2.0)	-95.2%
Total Receipts	\$87.9	\$88.6	\$(0.7)	\$20.7	\$20.8	\$(0.1)	\$108.6	\$109.4	\$(0.8)	-0.7%

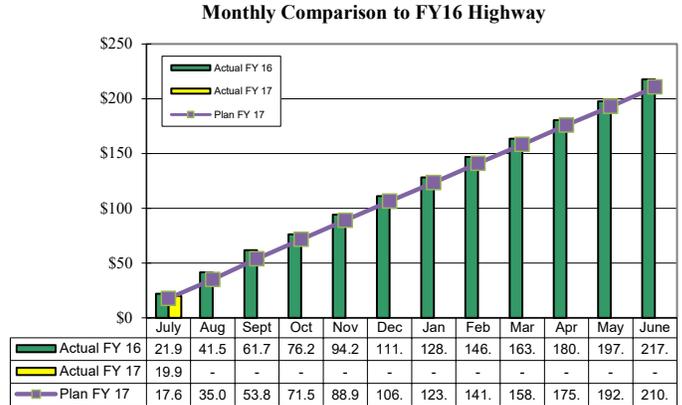
Education Trust Fund Statement of Activity - FY 2017 July 1, 2016 to July 31, 2016	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$-
Unrestricted Revenue - See above	20.7
Expenditures	
Education Grants & Adm Costs	(2.7)
Ending Surplus (Deficit) - unaudited	\$18.0

Fiscal 2017 Adequate Education Grant payments of \$569.4 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 collection. The FY 2017 budget anticipated a deficit of \$85.7 million, to be covered by a General fund transfer at year end.



Highway Fund

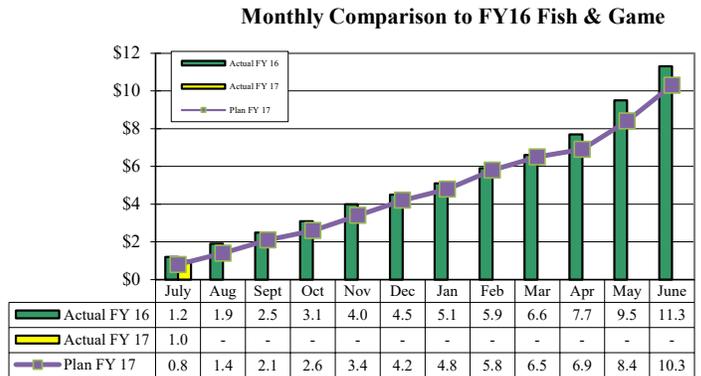
COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Gasoline Road Toll	\$11.0	\$10.3	\$0.7	\$10.8
Miscellaneous	-	-	-	0.4
Motor Vehicle Fees				
MV Registrations	7.5	5.6	1.9	9.0
MV Operators	0.6	0.6	-	0.6
Inspection Station Fees	0.2	0.2	-	0.3
MV Miscellaneous Fees	0.6	0.7	(0.1)	0.8
Certificate of Title	-	0.2	(0.2)	-
Total Fees	8.9	7.3	1.6	10.7
Total	\$19.9	\$17.6	\$2.3	\$21.9



According to Road Toll Operations, actual fuel consumption is up approximately 2.6% YTD over the same period last year. The Highway Fund Plan for FY 2017 represents revenues included within HB1 (Ch. 275, Laws of 2015) adjusted for the removal of \$29.7 million of revenue associated with the cost of collection, which is no longer classified as unrestricted highway fund revenue and is instead classified as restricted revenue, per the Committee of Conference Highway Fund Surplus Statement. Actual collections have also been adjusted for this change.

Fish & Game Fund

COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Fish and Game Licenses	\$0.9	\$0.7	\$0.2	\$1.1
Fines and Penalties	-	-	-	-
Miscellaneous Sales	-	-	-	-
Federal Recoveries Indirect Costs	0.1	0.1	-	0.1
Total	\$1.0	\$0.8	\$0.2	\$1.2



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 year. In addition, the counties reported an increase in revenue of 6.6% over the same period in FY 2016 due to continued rising real estate values.

Other revenues for July of \$3.2 million were \$0.7 million (17.9%) below plan but \$0.3 million (10.3%) above prior year. The variances with the plan were largely due to receipt of statewide post retirement and indirect cost recovery receipts being later than originally anticipated.

Recovery revenue for July was down \$2.0 million as compared to the plan primarily due to a known shortfall caused by differences in the calculation of the FY 2017 plan. This shortfall is reflected entirely in the month of July. Also contributing to the decrease is potential collections being later than originally anticipated.

SALES OF CIGARETTE STAMPS			
Total sold (calendar month) July for each of last five years (number of stamps, in thousands)			
Prepared from data provided by DRA			
	Sales of Stamps	Volume Change	Percent Change
2017	9,659	(946)	-8.9%
2016	10,605	668	6.7%
2015	9,937	(18,683)	-65.3%
2014	28,620	17,963	168.6%
2013	10,657	(2,937)	-21.6%

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