

# 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>		
	<u>FY 17 Actual</u>	<u>FY 17 Plan</u>	<u>Actual vs. Plan</u>
<b>Gen &amp; Educ</b>	<b>\$223.5</b>	<b>\$205.1</b>	<b>\$18.4</b>
<b>Highway</b>	<b>\$17.4</b>	<b>\$17.5</b>	<b>\$(0.1)</b>
<b>Fish &amp; Game</b>	<b>\$0.3</b>	<b>\$0.8</b>	<b>\$(0.5)</b>

Unrestricted revenue for the General and Education Funds received during December totaled \$223.5 million, which was above the plan by \$18.4 million (9.0%) and above the prior year by \$5.2 million (2.4%). YTD unrestricted revenue totaled \$903.3 million, which was above plan by \$41.6 million (4.8%) and above prior year by \$23.7 million (2.7%).

As discussed in prior fiscal year Revenue Focus reports, when comparing fiscal year 2017 actual results to the same period in fiscal year 2016, it should be noted that fiscal year 2016 amounts have been adjusted for the tax amnesty program that was in place from December 1, 2015 through February 15, 2016, as set forth in Chapter 276:242, Laws of 2015. Amounts collected through the tax amnesty program are shown as a lump sum, separate from the individual revenue source.

### Current Month

**Business Taxes** for December totaled \$110.0 million, which were \$16.1 million (17.1%) above plan and \$5.0 million (4.8%) above prior year. YTD business tax collections are above plan by \$41.3 million (17.2%) and \$11.9 million (4.4%) above the prior year. According to the Dept. of Revenue Administration (DRA), the increase in monthly revenue as compared to the prior year was largely due to an increase in tax return payments, which were 16% higher as compared to the same month last year, as well as lower refunds, which were down 59% from the same period in the prior year. December is a large month for the collection of estimated payments, and estimates were 2% higher than the same month of the prior year.

**Meals and Rentals Tax (M&R)** receipts for December came in above plan by \$0.6 million (2.9%) and above prior year by \$1.3 million (6.4%), and YTD collections were \$5.1 million (3.0%) above plan and \$8.6 million (5.2%) above prior year. According to DRA, December collections (November activity) from full service restaurants were up 4% and from hotels were up 6% from the same month last year.

**Tobacco Tax** receipts for the month were \$18.6 million, or \$3.4 million (22.4%) above plan and \$3.3 million (21.6%) above December of last year. However, YTD collections were \$7.0 million (5.9%) below plan and \$7.7 million (6.4%) below the same YTD period last year. According to the DRA, stamp sales were up 3% in December as compared to the same month of the prior year, however, the YTD negative variances are primarily due to a 47% increase in the bond receivable balance, as compared to the prior fiscal year. In future months, DRA expects a portion of the negative variance to be mitigated by collections against the bond receivable balance.

**Interest and Dividends Tax (I&D)** collections for the month were reported at \$5.3 million, which were \$1.1 million above plan and \$1.2 million above prior year. YTD collections through December were \$24.2 million, or \$1.0 million (4.0%) below plan, but \$1.6 million (7.1%) above prior year. DRA has reported that December interest and dividend collections reflect higher estimated payments and lower refund activity than the same month of the prior year.

Collections for the **Communications Services Tax** for the month were \$4.1 million, which was \$0.9 million (18.0%) below plan and \$0.3 million (6.8%) below December of FY 2016, which resulted in YTD collections being \$5.5 million (18.2%) below plan and \$2.3 million (8.5%) below those in the prior year. As reported in previous months, this revenue continues to underperform against both plan and prior year.

<b>GENERAL &amp; EDUCATION FUNDS</b>	<i>FY 17 Actuals</i>	<i>FY 17 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$66.5	\$56.6	\$9.9
Business Enterprise Tax	43.5	37.3	6.2
Subtotal Business Taxes	110.0	93.9	16.1
Meals & Rentals Tax	21.5	20.9	0.6
Tobacco Tax	18.6	15.2	3.4
Transfer from Liquor Commission	18.3	18.5	(0.2)
Interest & Dividends Tax	5.3	4.2	1.1
Insurance Tax	1.4	1.1	0.3
Communications Tax	4.1	5.0	(0.9)
Real Estate Transfer Tax	11.0	10.2	0.8
Court Fines & Fees	1.1	1.1	-
Securities Revenue	12.5	11.4	1.1
Utility Consumption Tax	0.4	0.5	(0.1)
Beer Tax	1.0	1.0	-
Other	4.9	4.7	0.2
Transfer from Lottery Commission	4.9	5.8	(0.9)
Transfer from Racing & Charitable Gaming	0.2	0.2	-
Tobacco Settlement	-	-	-
Utility Property Tax	8.2	10.6	(2.4)
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	223.4	204.3	19.1
Recoveries	0.1	0.8	(0.7)
Total Receipts	\$223.5	\$205.1	\$18.4

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	14.1	13.9	13.9	12.9	11.0						
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	(1.1)	0.8	2.5	1.5	0.4	(12.8)	(8.1)	(7.3)	(7.6)	(8.7)	(12.5)
% Mo over Mo	9%	-7%	6%	22%	13%	4%	-100%	-100%	-100%	-100%	-100%	-100%
YTD change over Prior Year	1.3	0.2	1.0	3.5	5.0	5.4	(7.4)	(15.5)	(22.8)	(30.4)	(39.1)	(51.6)
% YTD change	9%	1%	2%	6%	8%	7%	-8%	-16%	-22%	-27%	-32%	-39%

M&R ANALYSIS						
	December			YTD		
	FY 17	FY 16	Diff	FY 17	FY 16	Diff
Gross Collections	22.6	21.3	1.3	181.1	172.7	8.4
Bldg Aid Debt Srvc Transfer	(1.1)	(1.1)		(6.4)	(6.6)	0.2
Net Revenue	21.5	20.2	1.3	174.7	166.1	8.6

Business Tax Refund Analysis													December
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
FY17	2.4	0.8	1.1	11.3	11.0	1.2							27.8
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	18.6
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	23.8
Mo over Mo change		(0.2)	(2.2)	6.7	6.6	(1.7)	(1.5)	(0.8)	(1.9)	(2.2)	(2.5)	(1.1)	9.2
YTD change		(0.2)	(2.4)	4.3	10.9	9.2	7.7	6.9	5.0	2.8	0.3	(0.8)	

## General & Education Funds Comparison to FY 16

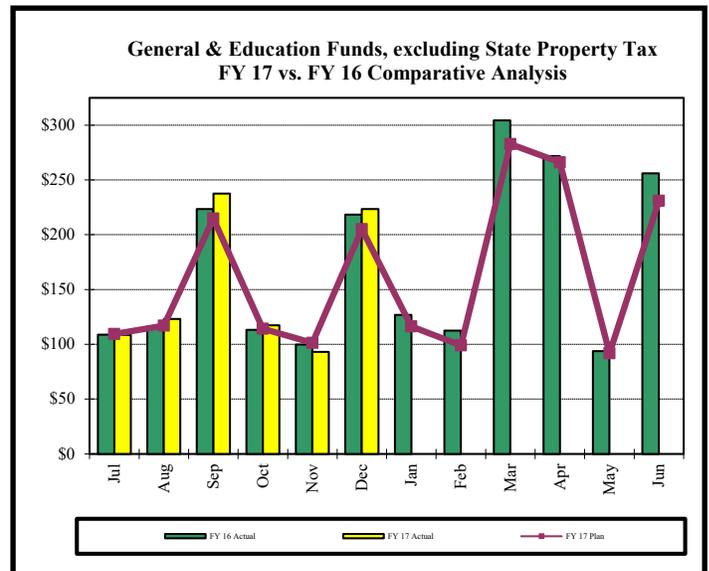
General & Education Funds	Monthly			Year-to-Date			% Change
	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	
Business Profits Tax	\$66.5	\$63.2	\$3.3	\$171.0	\$163.6	\$7.4	4.5%
Business Enterprise Tax	43.5	41.8	1.7	111.1	106.6	4.5	4.2%
Subtotal Business Taxes	110.0	105.0	5.0	282.1	270.2	11.9	4.4%
Meals & Rentals Tax	21.5	20.2	1.3	174.7	166.1	8.6	5.2%
Tobacco Tax	18.6	15.3	3.3	112.1	119.8	(7.7)	-6.4%
Transfer from Liquor Commission	18.3	17.9	0.4	83.2	79.8	3.4	4.3%
Interest & Dividends Tax	5.3	4.1	1.2	24.2	22.6	1.6	7.1%
Insurance Tax	1.4	1.2	0.2	9.8	8.9	0.9	10.1%
Communications Tax	4.1	4.4	(0.3)	24.8	27.1	(2.3)	-8.5%
Real Estate Transfer Tax	11.0	10.6	0.4	81.6	76.2	5.4	7.1%
Court Fines & Fees	1.1	1.0	0.1	6.7	6.7	-	0.0%
Securities Revenue	12.5	12.4	0.1	14.6	14.7	(0.1)	-0.7%
Utility Consumption Tax	0.4	0.4	-	3.0	3.0	-	0.0%
Beer Tax	1.0	1.0	-	7.1	7.1	-	0.0%
Other	4.9	6.1	(1.2)	24.8	21.8	3.0	13.8%
Transfer from Lottery Commission	4.9	5.1	(0.2)	29.2	28.8	0.4	1.4%
Transfer from Racing & Charitable Gaming	0.2	0.2	-	1.3	1.2	0.1	8.3%
Utility Property Tax	8.2	10.3	(2.1)	19.6	20.2	(0.6)	-3.0%
Subtotal Traditional Taxes & Transfers	223.4	215.2	8.2	898.8	874.2	24.6	2.8%
Recoveries	0.1	3.1	(3.0)	4.5	5.4	(0.9)	-16.7%
Subtotal Receipts	\$223.5	\$218.3	\$5.2	\$903.3	\$879.6	\$23.7	2.7%
Tax Amnesty Receipts		1.9	(1.9)		\$1.9	\$(1.9)	100.0%
Total Receipts	\$223.5	\$220.2	\$3.3	\$903.3	\$881.5	\$21.8	2.5%

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	\$140.8	\$119.0	\$21.8	\$30.2	\$26.7	\$3.5	\$171.0	\$145.7	\$25.3	17.4%
Business Enterprise Tax	37.0	29.8	7.2	74.1	65.3	8.8	111.1	95.1	16.0	16.8%
Subtotal Business Taxes	177.8	148.8	29.0	104.3	92.0	12.3	282.1	240.8	41.3	17.2%
Meals & Rentals Tax	169.7	164.6	5.1	5.0	5.0	-	174.7	169.6	5.1	3.0%
Tobacco Tax	65.7	66.7	(1.0)	46.4	52.4	(6.0)	112.1	119.1	(7.0)	-5.9%
Transfer from Liquor Commission	83.2	83.4	(0.2)	-	-	-	83.2	83.4	(0.2)	-0.2%
Interest & Dividends Tax	24.2	25.2	(1.0)	-	-	-	24.2	25.2	(1.0)	-4.0%
Insurance Tax	9.8	7.5	2.3	-	-	-	9.8	7.5	2.3	30.7%
Communications Tax	24.8	30.3	(5.5)	-	-	-	24.8	30.3	(5.5)	-18.2%
Real Estate Transfer Tax	54.4	49.9	4.5	27.2	23.6	3.6	81.6	73.5	8.1	11.0%
Court Fines & Fees	6.7	7.0	(0.3)	-	-	-	6.7	7.0	(0.3)	-4.3%
Securities Revenue	14.6	13.7	0.9	-	-	-	14.6	13.7	0.9	6.6%
Utility Consumption Tax	3.0	3.0	-	-	-	-	3.0	3.0	-	0.0%
Beer Tax	7.1	7.1	-	-	-	-	7.1	7.1	-	0.0%
Other	24.8	23.1	1.7	-	-	-	24.8	23.1	1.7	7.4%
Transfer from Lottery Commission	-	-	-	29.2	30.7	(1.5)	29.2	30.7	(1.5)	-4.9%
Transfer from Racing & Charitable Gaming	-	-	-	1.3	1.0	0.3	1.3	1.0	0.3	30.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	19.6	20.6	(1.0)	19.6	20.6	(1.0)	-4.9%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	665.8	630.3	35.5	233.0	225.3	7.7	898.8	855.6	43.2	5.0%
Recoveries	4.5	6.1	(1.6)	-	-	-	4.5	6.1	(1.6)	-26.2%
Total Receipts	\$670.3	\$636.4	\$33.9	\$233.0	\$225.3	\$7.7	\$903.3	\$861.7	\$41.6	4.8%

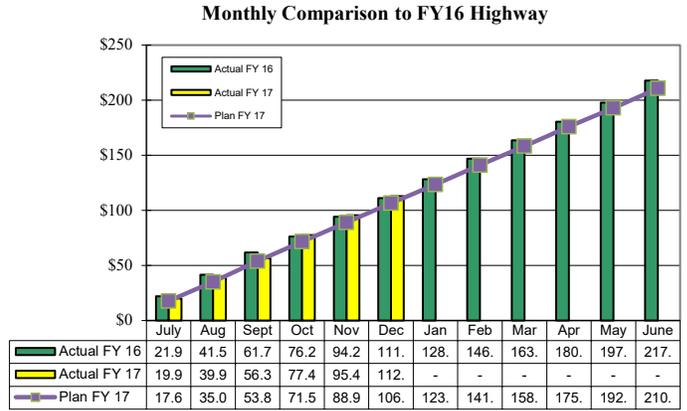
Education Trust Fund Statement of Activity - FY 2017 July 1, 2016 to December 31, 2016	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$-
Unrestricted Revenue - See above	233.0
Expenditures	
Education Grants & Adm Costs	(416.2)
Ending Surplus (Deficit) - unaudited	\$(183.2)

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

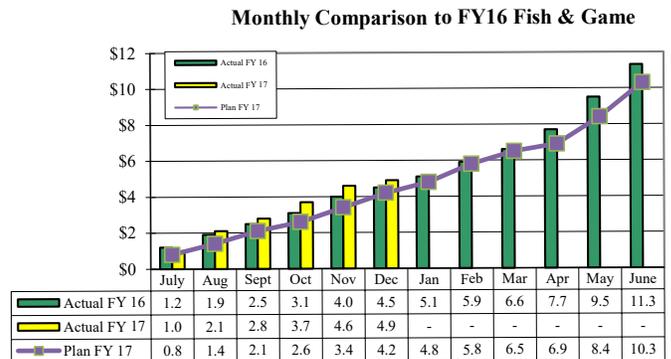
COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Gasoline Road Toll	\$64.6	\$62.6	\$2.0	\$64.3
Miscellaneous	0.1	0.4	(0.3)	0.6
<b>Motor Vehicle Fees</b>				
MV Registrations	35.3	29.9	5.4	34.8
MV Operators	4.1	3.6	0.5	1.9
Inspection Station Fees	1.7	1.7	-	1.9
MV Miscellaneous Fees	4.2	4.8	(0.6)	4.5
Certificate of Title	2.8	3.4	(0.6)	3.0
<b>Total Fees</b>	<b>48.1</b>	<b>43.4</b>	<b>4.7</b>	<b>46.1</b>
<b>Total</b>	<b>\$112.8</b>	<b>\$106.4</b>	<b>\$6.4</b>	<b>\$111.0</b>



According to Road Toll Operations, actual fuel consumption is up approximately .85% 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	\$4.1	\$3.4	\$0.7	\$3.8
Fines and Penalties	0.1	0.1	-	0.1
Miscellaneous Sales	0.3	0.2	0.1	0.2
Federal Recoveries Indirect Costs	0.4	0.5	(0.1)	0.4
<b>Total</b>	<b>\$4.9</b>	<b>\$4.2</b>	<b>\$0.7</b>	<b>\$4.5</b>



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**Real Estate Transfer Taxes** for December were \$11.0 million, which were above plan by \$0.8 million (7.8%) and \$0.4 million (3.8%) above the same month last year. According to DRA, the number of transactions reported by the counties for the month of December (November collections) was up 6.3% compared to the prior year, and transaction values for the activity reported by the counties were up 5.9% over the same month last year. YTD collections were \$8.1 million (11.0%) above plan and \$5.4 million (7.1%) above the same period in the prior year.

**Other** revenue collected for December was \$4.9 million, or \$0.2 million (4.3%) above plan but \$1.2 million (19.7%) below prior year. YTD revenue of \$24.8 million was above plan by \$1.7 million (7.4%), and \$3.0 million (13.8%) above prior year. The YTD increase was primarily due to the timing of receipt of miscellaneous other revenues.

For **Utility Property Tax** collections, the variance from plan appears to be due to the timing of the receipt of revenue which may be collected next month when returns are due.

SALES OF CIGARETTE STAMPS			
Total sold (calendar month) July through December 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	60,432	(1,950)	-3.1%
2016	62,382	782	1.3%
2015	61,600	(1,775)	-2.8%
2014	63,375	2,460	4.0%
2013	60,915	(5,044)	-7.7%

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

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