

# State Of New Hampshire

## Monthly Revenue Focus

### Department of Administrative Services

Vicki V. Quiram, Commissioner

Gerard J. Murphy, Comptroller



Monthly Revenue Summary	Analysis
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	(for month)		
	FY 17 Actual	FY 17 Plan	Actual vs. Plan
<b>Gen &amp; Educ</b>	\$121.4	\$116.3	\$5.1
<b>Highway</b>	\$18.4	\$17.0	\$1.4
<b>Fish &amp; Game</b>	\$0.9	\$0.6	\$0.3

### Current Month

GENERAL & EDUCATION FUNDS	FY 17 Actuals	FY 17 Plan	Actual vs. Plan
Business Profits Tax	\$14.8	\$13.5	\$1.3
Business Enterprise Tax	9.6	9.2	0.4
Subtotal Business Taxes	24.4	22.7	1.7
Meals & Rentals Tax	23.8	22.9	0.9
Tobacco Tax	17.4	13.0	4.4
Transfer from Liquor Commission	5.5	6.2	(0.7)
Interest & Dividends Tax	13.0	14.9	(1.9)
Insurance Tax	2.5	2.0	0.5
Communications Tax	3.8	4.4	(0.6)
Real Estate Transfer Tax	12.4	11.2	1.2
Court Fines & Fees	1.1	1.1	0.0
Securities Revenue	0.3	0.3	0.0
Utility Consumption Tax	0.5	0.5	0.0
Beer Tax	1.1	1.1	0.0
Other	6.7	5.8	0.9
Transfer from Lottery Commission	7.2	7.5	(0.3)
Transfer from Racing & Charitable Gaming	0.2	0.2	0.0
Tobacco Settlement	-	-	-
Utility Property Tax	1.0	1.7	(0.7)
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	120.9	115.5	5.4
Recoveries	0.5	0.8	(0.3)
<b>Total Receipts</b>	<b>\$121.4</b>	<b>\$116.3</b>	<b>\$5.1</b>

Unrestricted revenue for the General and Education Funds received during January totaled \$121.4 million, which was above the plan by \$5.1 million (4.4%) but below the prior year by \$2.5 million (2.0%). YTD unrestricted revenue totaled \$1,024.7 million, which was above plan by \$46.7 million (4.8%) and above prior year by \$21.2 million (2.1%).

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 January 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.

**Business Taxes** for January totaled \$24.4 million, which were \$1.7 million (7.5%) above plan but \$0.6 million (2.4%) below prior year. YTD business tax collections are above plan by \$43.0 million (16.3%) and \$11.3 million (3.8%) 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 as well as a tax notice payments, which were both significantly higher as compared to the same month in the prior year, offset by an increase in tax refunds. The variances in tax returns and notices were likely attributable to the tax amnesty program last year, which affected the timing of tax payments.

**Meals and Rentals Tax (M&R)** receipts for January came in above plan by \$0.9 million (3.9%) and above prior year by \$1.6 million (7.2%), and YTD collections were \$6.0 million (3.1%) above plan and \$10.2 million (5.4%) above prior year. According to DRA, January collections (December activity) from full service restaurants were up 2% and from hotels were up 8% from the same month last year.

**Tobacco Tax** receipts for the month were \$17.4 million, or \$4.4 million (33.8%) above plan and \$4.3 million (32.8%) above January of last year. However, YTD collections were \$2.6 million (2.0%) below plan and \$3.4 million (2.6%) below the same YTD period last year. According to the DRA, stamp sales were down 2% in January as compared to the same month of the prior year, however, the positive variance for the month was mainly due to collections against the December bond receivable balance.

The **Transfer from the Liquor Commission** total revenue for January came in at \$8.8 million, of which \$3.3 million was transferred to the alcohol abuse prevention and treatment fund, as set forth in Chapter 276:138, Laws of 2015, representing 1.7% of prior year gross profit. The transfer to the general fund of \$5.5 million was \$0.7 million below the plan of \$6.2 million. The current month actual was \$4.2 million lower than prior year due to the January 2016 inclusion of \$3.8 million of one-time proceeds from the sale of the former State Liquor store in Salem. On a YTD basis, the transfer from the Liquor Commission of \$88.7 million was \$0.9 million (1.0%) below plan and \$0.8 million (0.9%) below prior year.

**Interest and Dividends Tax (I&D)** collections for the month were reported at \$13.0 million, which were \$1.9 million (12.8%) below plan and \$1.6 million (11.0%) below prior year. YTD collections through January were \$37.2 million, or \$2.9 million (7.2%) below plan, but equal to the prior year. DRA has reported that January interest and dividend collections reflect higher estimated payments but lower tax notice payments than the same month of the prior year. These variances were also likely attributable to the tax amnesty program last year, which affected the timing of tax payments.

Collections for the **Communications Services Tax** for the month were \$3.8 million, which was \$0.6 million (13.6%) below plan and \$0.2 million (5.0%) below

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

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	12.4					
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	(0.4)	(8.1)	(7.3)	(7.6)	(8.7)	(12.5)
% Mo over Mo	9%	-7%	6%	22%	13%	4%	-3%	-100%	-100%	-100%	-100%	-100%
YTD change over Prior Year	1.3	0.2	1.0	3.5	5.0	5.4	5.0	(3.1)	(10.4)	(18.0)	(26.7)	(39.2)
% YTD change	9%	1%	2%	6%	8%	7%	6%	-3%	-10%	-16%	-22%	-29%

M&R ANALYSIS						
	January			YTD		
	FY 17	FY 16	Diff	FY 17	FY 16	Diff
Gross Collections	24.9	23.3	1.6	205.9	196.0	9.9
Bldg Aid Debt Srvc Transfer	(1.1)	(1.1)	-	(7.4)	(7.7)	0.3
Net Revenue	23.8	22.2	1.6	198.5	188.3	10.2

Business Tax Refund Analysis													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	January YTD
FY17	2.4	0.8	1.1	11.3	11.0	1.2	3.4						31.2
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	20.1
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	30.2
Mo over Mo change		(0.2)	(2.2)	6.7	6.6	(1.7)	1.9	(0.8)	(1.9)	(2.2)	(2.5)	(1.1)	11.1
YTD change		(0.2)	(2.4)	4.3	10.9	9.2	11.1	10.3	8.4	6.2	3.7	2.6	

## General & Education Funds Comparison to FY 16

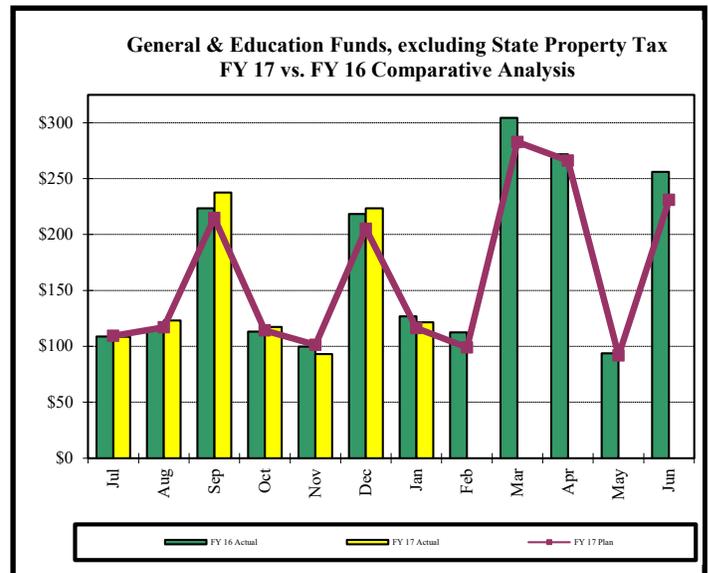
General & Education Funds	Monthly			Year-to-Date			% Change
	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	
Business Profits Tax	\$14.8	\$14.6	\$0.2	\$185.8	\$178.2	\$7.6	4.3%
Business Enterprise Tax	9.6	10.4	(0.8)	120.7	117.0	3.7	3.2%
Subtotal Business Taxes	24.4	25.0	(0.6)	306.5	295.2	11.3	3.8%
Meals & Rentals Tax	23.8	22.2	1.6	198.5	188.3	10.2	5.4%
Tobacco Tax	17.4	13.1	4.3	129.5	132.9	(3.4)	-2.6%
Transfer from Liquor Commission	5.5	9.7	(4.2)	88.7	89.5	(0.8)	-0.9%
Interest & Dividends Tax	13.0	14.6	(1.6)	37.2	37.2	-	0.0%
Insurance Tax	2.5	2.3	0.2	12.3	11.2	1.1	9.8%
Communications Tax	3.8	4.0	(0.2)	28.6	31.1	(2.5)	-8.0%
Real Estate Transfer Tax	12.4	12.8	(0.4)	94.0	89.0	5.0	5.6%
Court Fines & Fees	1.1	1.1	-	7.8	7.8	-	0.0%
Securities Revenue	0.3	0.4	(0.1)	14.9	15.1	(0.2)	-1.3%
Utility Consumption Tax	0.5	0.5	-	3.5	3.5	-	0.0%
Beer Tax	1.1	1.1	-	8.2	8.2	-	0.0%
Other	6.7	6.5	0.2	31.5	28.3	3.2	11.3%
Transfer from Lottery Commission	7.2	7.2	-	36.4	36.0	0.4	1.1%
Transfer from Racing & Charitable Gaming	0.2	0.3	(0.1)	1.5	1.5	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	1.0	2.4	(1.4)	20.6	22.6	(2.0)	-8.8%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	120.9	123.2	(2.3)	1,019.7	997.4	22.3	2.2%
Recoveries	0.5	0.7	(0.2)	5.0	6.1	(1.1)	-18.0%
Subtotal Receipts	\$121.4	\$123.9	\$(2.5)	\$1,024.7	\$1,003.5	\$21.2	2.1%
Tax Amnesty Receipts		2.9	(2.9)		\$4.8	\$(4.8)	100.0%
Total Receipts	\$121.4	\$126.8	\$(5.4)	\$1,024.7	\$1,008.3	\$16.4	1.6%

*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			% Change
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$153.0	\$130.0	\$23.0	\$32.8	\$29.2	\$3.6	\$185.8	\$159.2	\$26.6	16.7%
Business Enterprise Tax	40.2	32.7	7.5	80.5	71.6	8.9	120.7	104.3	16.4	15.7%
Subtotal Business Taxes	193.2	162.7	30.5	113.3	100.8	12.5	306.5	263.5	43.0	16.3%
Meals & Rentals Tax	192.8	186.8	6.0	5.7	5.7	0.0	198.5	192.5	6.0	3.1%
Tobacco Tax	75.9	74.0	1.9	53.6	58.1	(4.5)	129.5	132.1	(2.6)	-2.0%
Transfer from Liquor Commission	88.7	89.6	(0.9)	-	-	-	88.7	89.6	(0.9)	-1.0%
Interest & Dividends Tax	37.2	40.1	(2.9)	-	-	-	37.2	40.1	(2.9)	-7.2%
Insurance Tax	12.3	9.5	2.8	-	-	-	12.3	9.5	2.8	29.5%
Communications Tax	28.6	34.7	(6.1)	-	-	-	28.6	34.7	(6.1)	-17.6%
Real Estate Transfer Tax	62.7	57.5	5.2	31.3	27.2	4.1	94.0	84.7	9.3	11.0%
Court Fines & Fees	7.8	8.1	(0.3)	-	-	-	7.8	8.1	(0.3)	-3.7%
Securities Revenue	14.9	14.0	0.9	-	-	-	14.9	14.0	0.9	6.4%
Utility Consumption Tax	3.5	3.5	0.0	-	-	-	3.5	3.5	0.0	0.0%
Beer Tax	8.2	8.2	0.0	-	-	-	8.2	8.2	0.0	0.0%
Other	31.5	28.9	2.6	-	-	-	31.5	28.9	2.6	9.0%
Transfer from Lottery Commission	-	-	-	36.4	38.2	(1.8)	36.4	38.2	(1.8)	-4.7%
Transfer from Racing & Charitable Gaming	-	-	-	1.5	1.2	0.3	1.5	1.2	0.3	25.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	20.6	22.3	(1.7)	20.6	22.3	(1.7)	-7.6%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	757.3	717.6	39.7	262.4	253.5	8.9	1,019.7	971.1	48.6	5.0%
Recoveries	5.0	6.9	(1.9)	-	-	-	5.0	6.9	(1.9)	-27.5%
Total Receipts	\$762.3	\$724.5	\$37.8	\$262.4	\$253.5	\$8.9	\$1,024.7	\$978.0	\$46.7	4.8%

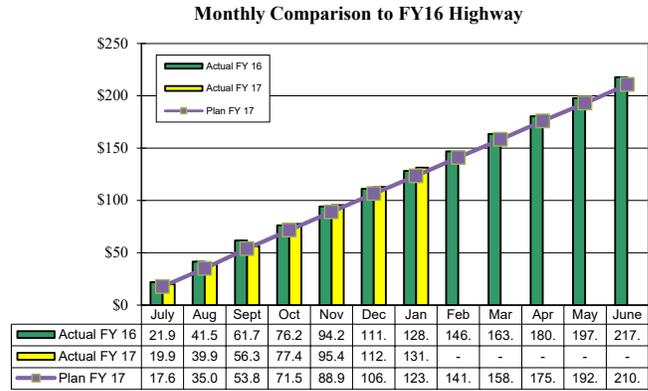
Education Trust Fund Statement of Activity - FY 2017 July 1, 2016 to January 31, 2017	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$-
Unrestricted Revenue - See above	262.4
<b>Expenditures</b>	
Education Grants & Adm Costs	(416.3)
<b>Ending Surplus (Deficit) - unaudited</b>	<b>\$(153.9)</b>

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

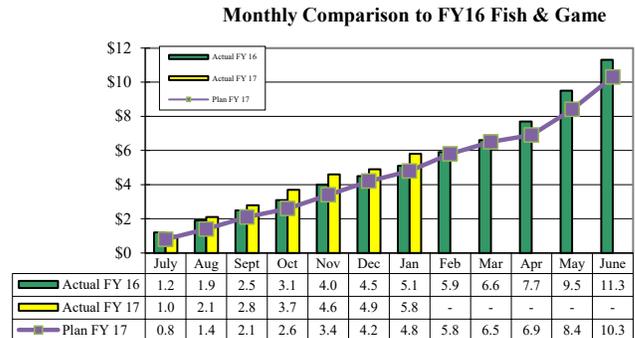
COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Gasoline Road Toll	\$75.1	\$72.8	\$2.3	\$74.6
Miscellaneous	0.1	0.5	(0.4)	0.6
<b>Motor Vehicle Fees</b>				
MV Registrations	41.0	34.6	6.4	40.2
MV Operators	4.8	4.2	0.6	2.2
Inspection Station Fees	1.9	1.9	0.0	2.0
MV Miscellaneous Fees	4.8	5.5	(0.7)	5.1
Certificate of Title	3.5	3.9	(0.4)	3.5
<b>Total Fees</b>	<b>56.0</b>	<b>50.1</b>	<b>5.9</b>	<b>53.0</b>
<b>Total</b>	<b>\$131.2</b>	<b>\$123.4</b>	<b>\$7.8</b>	<b>\$128.2</b>



According to Road Toll Operations, actual fuel consumption is up approximately .95% 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	\$4.9	\$4.0	\$0.9	\$4.3
Fines and Penalties	0.1	0.1	0.0	0.1
Miscellaneous Sales	0.3	0.2	0.1	0.2
Federal Recoveries Indirect Costs	0.5	0.5	0.0	0.5
<b>Total</b>	<b>\$5.8</b>	<b>\$4.8</b>	<b>\$1.0</b>	<b>\$5.1</b>



### SALES OF CIGARETTE STAMPS

Total sold (calendar month) July through January 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	68,801	(2,120)	-3.0%
2016	70,921	1,387	2.0%
2015	69,534	(981)	-1.4%
2014	70,515	866	1.2%
2013	69,649	(4,173)	-5.7%

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January of FY 2016, which resulted in YTD collections being \$6.1 million (17.6%) below plan and \$2.5 million (8.0%) below those in the prior year. As reported in previous months, this revenue continues to underperform against both plan and prior year.

**Real Estate Transfer Taxes** for January were \$12.4 million, which were above plan by \$1.2 million (10.7%) but \$0.4 million (3.1%) below the same month last year. According to DRA, the number of transactions reported by the counties for the month of January (December collections) was down 6% compared to the prior year, however transaction values for the activity reported by the counties were up 1% over the same month last year. YTD collections were \$9.3 million (11.0%) above plan and \$5.0 million (5.6%) above the same period in the prior year.

**Other** revenue collected for January was \$6.7 million, or \$0.9 million (15.5%) above plan and \$0.2 million (3.1%) above prior year. YTD revenue of \$31.5 million was above plan by \$2.6 million (9.0%), and \$3.2 million (11.3%) 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 and the utilization of credits.

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

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