

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>
Gen & Educ	\$93.1	\$101.2	\$(8.1)
Highway	\$18.0	\$17.4	\$0.6
Fish & Game	\$0.9	\$0.8	\$0.1

Unrestricted revenue for the General and Education Funds received during November totaled \$93.1 million, which was below the plan by \$8.1 million (8.0%) and below the prior year by \$6.7 million (6.7%). YTD unrestricted revenue totaled \$679.8 million, which was above plan by \$23.2 million (3.5%) and above prior year by \$18.5 million (2.8%).

Business Taxes for November totaled \$3.2 million, which were \$4.2 million below plan and \$5.3 million below prior year. YTD business tax collections are still above plan by \$25.2 million (17.2%) and \$6.9 million (4.2%) above the prior year. According to the Dept. of Revenue Administration (DRA), much like in October, the decrease in revenue for the month as compared to the monthly amount in the prior year was driven by a substantial increase in refunds paid. DRA attributes a significant portion of the increase in refunds to recent tax law changes.

Current Month

Meals and Rentals Tax (M&R) receipts for November came in above plan by \$0.7 million (2.6%) and above prior year by \$1.3 million (4.9%), and YTD collections were \$4.5 million (3.0%) above plan and \$7.3 million (5.0%) above prior year. According to DRA, November collections (October activity) from full service restaurants were up 2% and from hotels were up 5% from the same month last year.

Tobacco Tax receipts for the month were \$16.2 million, or \$7.4 million (31.4%) below plan and \$7.5 million (31.6%) below November of last year. YTD collections were \$10.4 million (10.0%) below plan and \$11.0 million (10.5%) below the same YTD period last year. According to the DRA, these negative variances are due to stamp sales being down 4% YTD and to an increase in the bond receivable balance. In future months, DRA expects a portion of the negative variance to be mitigated by collections against the bond receivable balance.

Collections for the **Communications Services Tax** for the month were \$3.9 million, which was \$1.1 million (22.0%) below plan and \$0.5 million (11.4%) below November of FY 2016, which resulted in YTD collections being \$4.6 million (18.2%) below plan and \$2.0 million (8.8%) 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 November were \$12.9 million, which were above plan by \$1.9 million (17.3%) and \$1.5 million (13.2%) above the same month last year. According to DRA, the number of transactions reported by the counties for the month of November (October collections) was down by 1.6% compared to the prior year, but transaction values for the activity reported by the counties were up over the same month last year. YTD collections were \$7.3 million (11.5%) above plan and \$5.0 million (7.6%) above the same period in the prior year.

The positive variances for **Utility Property Tax** collections appear to be early receipt of revenue that was expected to be collected next month.

GENERAL & EDUCATION FUNDS	<i>FY 17 Actuals</i>	<i>FY 17 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$1.9	\$4.5	\$(2.6)
Business Enterprise Tax	1.3	2.9	(1.6)
Subtotal Business Taxes	3.2	7.4	(4.2)
Meals & Rentals Tax	27.7	27.0	0.7
Tobacco Tax	16.2	23.6	(7.4)
Transfer from Liquor Commission	12.7	12.7	-
Interest & Dividends Tax	0.7	0.1	0.6
Insurance Tax	1.6	1.1	0.5
Communications Tax	3.9	5.0	(1.1)
Real Estate Transfer Tax	12.9	11.0	1.9
Court Fines & Fees	1.0	1.1	(0.1)
Securities Revenue	0.4	0.3	0.1
Utility Consumption Tax	0.6	0.5	0.1
Beer Tax	0.9	1.1	(0.2)
Other	3.9	3.7	0.2
Transfer from Lottery Commission	5.7	5.6	0.1
Transfer from Racing & Charitable Gaming	0.2	0.2	-
Tobacco Settlement	-	-	-
Utility Property Tax	1.2	-	1.2
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	92.8	100.4	(7.6)
Recoveries	0.3	0.8	(0.5)
Total Receipts	\$93.1	\$101.2	\$(8.1)

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								
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	(10.6)	(12.8)	(8.1)	(7.3)	(7.6)	(8.7)	(12.5)	
% Mo over Mo	9%	-7%	6%	22%	13%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	
YTD change over Prior Year	1.3	0.2	1.0	3.5	5.0	(5.6)	(18.4)	(26.5)	(33.8)	(41.4)	(50.1)	(62.6)	
% YTD change	9%	1%	2%	6%	8%	-7%	-21%	-27%	-32%	-37%	-42%	-47%	

M&R ANALYSIS						
	November			YTD		
	FY 17	FY 16	Diff	FY 17	FY 16	Diff
	Gross Collections	28.8	27.5	1.3	158.5	151.4
Bldg Aid Debt Srvc Transfer	(1.1)	(1.1)		(5.3)	(5.5)	0.2
Net Revenue	27.7	26.4	1.3	153.2	145.9	7.3

Business Tax Refund Analysis													November
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
FY17	2.4	0.8	1.1	11.3	11.0								26.6
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	15.7
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	22.5
Mo over Mo change		(0.2)	(2.2)	6.7	6.6	(2.9)	(1.5)	(0.8)	(1.9)	(2.2)	(2.5)	(1.1)	10.9
YTD change		(0.2)	(2.4)	4.3	10.9	8.0	6.5	5.7	3.8	1.6	(0.9)	(2.0)	

General & Education Funds Comparison to FY 16

General & Education Funds	Monthly			Year-to-Date			
	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	FY 17 Actuals	FY 16 Actuals	Inc/(Dec)	% Change
Business Profits Tax	\$1.9	\$5.2	\$(3.3)	\$104.5	\$100.4	\$4.1	4.1%
Business Enterprise Tax	1.3	3.3	(2.0)	67.6	64.8	2.8	4.3%
Subtotal Business Taxes	3.2	8.5	(5.3)	172.1	165.2	6.9	4.2%
Meals & Rentals Tax	27.7	26.4	1.3	153.2	145.9	7.3	5.0%
Tobacco Tax	16.2	23.7	(7.5)	93.5	104.5	(11.0)	-10.5%
Transfer from Liquor Commission	12.7	12.4	0.3	64.9	61.9	3.0	4.8%
Interest & Dividends Tax	0.7	(0.6)	1.3	18.9	18.5	0.4	2.2%
Insurance Tax	1.6	1.1	0.5	8.4	7.7	0.7	9.1%
Communications Tax	3.9	4.4	(0.5)	20.7	22.7	(2.0)	-8.8%
Real Estate Transfer Tax	12.9	11.4	1.5	70.6	65.6	5.0	7.6%
Court Fines & Fees	1.0	1.1	(0.1)	5.6	5.7	(0.1)	-1.8%
Securities Revenue	0.4	0.3	0.1	2.1	2.3	(0.2)	-8.7%
Utility Consumption Tax	0.6	0.6	-	2.6	2.6	-	0.0%
Beer Tax	0.9	1.0	(0.1)	6.1	6.1	-	0.0%
Other	3.9	3.2	0.7	19.9	15.7	4.2	26.8%
Transfer from Lottery Commission	5.7	5.0	0.7	24.3	23.7	0.6	2.5%
Transfer from Racing & Charitable Gaming	0.2	0.2	-	1.1	1.0	0.1	10.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	1.2	0.8	0.4	11.4	9.9	1.5	15.2%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	92.8	99.5	(6.7)	675.4	659.0	16.4	2.5%
Recoveries	0.3	0.3	0.0	4.4	2.3	2.1	91.3%
Total Receipts	\$93.1	\$99.8	\$(6.7)	\$679.8	\$661.3	\$18.5	2.8%

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

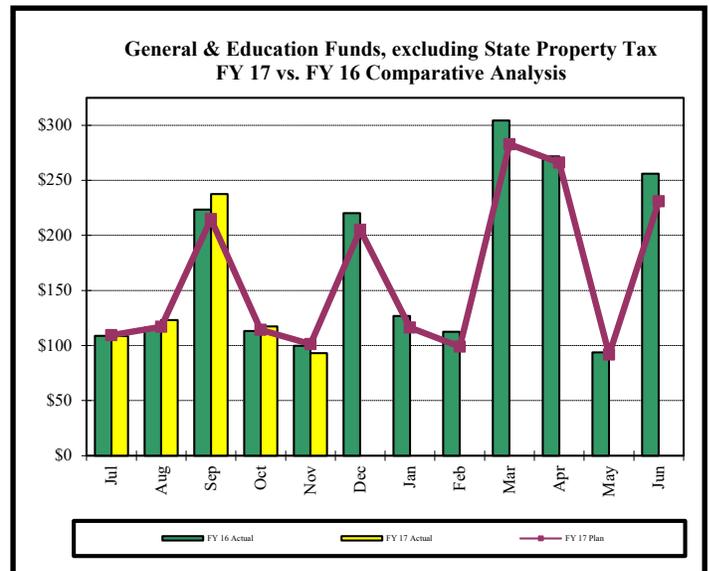
General and Education Funds

YEAR-TO-DATE COMPARISON TO PLAN

General & Education Funds	General			Education			Total			% Change
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$86.1	\$72.8	\$13.3	\$18.4	\$16.3	\$2.1	\$104.5	\$89.1	\$15.4	17.3%
Business Enterprise Tax	22.5	18.1	4.4	45.1	39.7	5.4	67.6	57.8	9.8	17.0%
Subtotal Business Taxes	108.6	90.9	17.7	63.5	56.0	7.5	172.1	146.9	25.2	17.2%
Meals & Rentals Tax	148.8	144.3	4.5	4.4	4.4	-	153.2	148.7	4.5	3.0%
Tobacco Tax	54.8	58.2	(3.4)	38.7	45.7	(7.0)	93.5	103.9	(10.4)	-10.0%
Transfer from Liquor Commission	64.9	64.9	-	-	-	-	64.9	64.9	-	0.0%
Interest & Dividends Tax	18.9	21.0	(2.1)	-	-	-	18.9	21.0	(2.1)	-10.0%
Insurance Tax	8.4	6.4	2.0	-	-	-	8.4	6.4	2.0	31.3%
Communications Tax	20.7	25.3	(4.6)	-	-	-	20.7	25.3	(4.6)	-18.2%
Real Estate Transfer Tax	47.1	43.0	4.1	23.5	20.3	3.2	70.6	63.3	7.3	11.5%
Court Fines & Fees	5.6	5.9	(0.3)	-	-	-	5.6	5.9	(0.3)	-5.1%
Securities Revenue	2.1	2.3	(0.2)	-	-	-	2.1	2.3	(0.2)	-8.7%
Utility Consumption Tax	2.6	2.5	0.1	-	-	-	2.6	2.5	0.1	4.0%
Beer Tax	6.1	6.1	-	-	-	-	6.1	6.1	-	0.0%
Other	19.9	18.4	1.5	-	-	-	19.9	18.4	1.5	8.2%
Transfer from Lottery Commission	-	-	-	24.3	24.9	(0.6)	24.3	24.9	(0.6)	-2.4%
Transfer from Racing & Charitable Gaming	-	-	-	1.1	0.8	0.3	1.1	0.8	0.3	37.5%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	11.4	10.0	1.4	11.4	10.0	1.4	14.0%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	508.5	489.2	19.3	166.9	162.1	4.8	675.4	651.3	24.1	3.7%
Recoveries	4.4	5.3	(0.9)	-	-	-	4.4	5.3	(0.9)	-17.0%
Total Receipts	\$512.9	\$494.5	\$18.4	\$166.9	\$162.1	\$4.8	\$679.8	\$656.6	\$23.2	3.5%

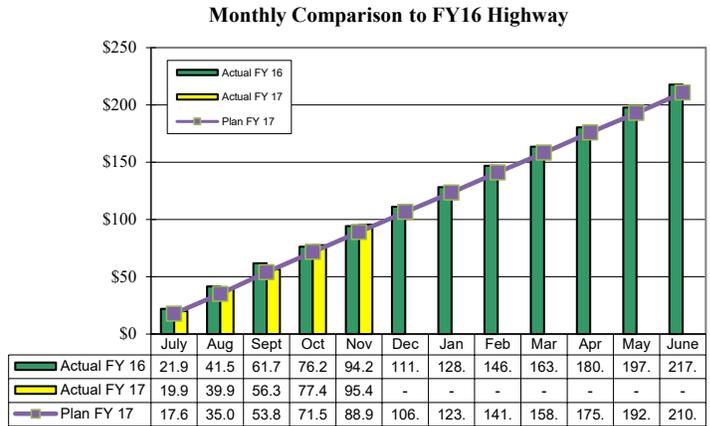
Education Trust Fund Statement of Activity - FY 2017 July 1, 2016 to November 30, 2016	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$-
Unrestricted Revenue - See above	166.9
Expenditures	
Education Grants & Adm Costs	(244.7)
Ending Surplus (Deficit) - unaudited	\$(77.8)

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

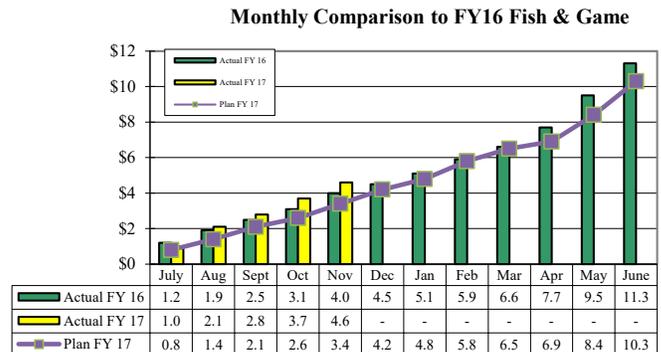
COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Gasoline Road Toll	\$54.4	\$52.6	\$1.8	\$54.0
Miscellaneous	-	0.3	(0.3)	0.6
Motor Vehicle Fees				
MV Registrations	30.1	24.8	5.3	30.5
MV Operators	3.6	3.0	0.6	1.6
Inspection Station Fees	1.4	1.4	-	1.5
MV Miscellaneous Fees	3.5	4.0	(0.5)	3.7
Certificate of Title	2.4	2.8	(0.4)	2.3
Total Fees	41.0	36.0	5.0	39.6
Total	\$95.4	\$88.9	\$6.5	\$94.2



According to Road Toll Operations, actual fuel consumption is up approximately .83% 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	\$3.9	\$2.8	\$1.1	\$3.3
Fines and Penalties	0.1	-	0.1	0.1
Miscellaneous Sales	0.2	0.2	-	0.2
Federal Recoveries Indirect Costs	0.4	0.4	-	0.4
Total	\$4.6	\$3.4	\$1.2	\$4.0



SALES OF CIGARETTE STAMPS

Total sold (calendar month) July through November 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	50,792	(2,260)	-4.3%
2016	53,052	2,011	3.9%
2015	51,041	(3,394)	-6.2%
2014	54,435	2,400	4.6%
2013	52,035	(3,843)	-6.9%

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

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