

State Of New Hampshire

Monthly Revenue Focus

Department of Administrative Services
 Charles M. Arlinghaus, Commissioner
 Dana M. Call, Comptroller



Monthly Revenue Summary

Analysis

| | <i>(for month)</i> | | |
|------------------------|---------------------|-------------------|------------------------|
| | <u>FY 18 Actual</u> | <u>FY 18 Plan</u> | <u>Actual vs. Plan</u> |
| Gen & Educ | \$108.3 | \$102.8 | \$5.5 |
| Highway | \$18.7 | \$17.1 | \$1.6 |
| Fish & Game | \$1.0 | \$0.9 | \$0.1 |

Unrestricted revenue for the General and Education Funds received during November totaled \$108.3 million, which was above the plan by \$5.5 million (5.4%) and above the prior year by \$15.2 million (16.3%). YTD unrestricted revenue totaled \$709.1 million, which was above plan by \$11.0 million (1.6%) and above prior year by \$29.3 million (4.3%).

Business Taxes for November totaled \$15.1 million, which were \$5.6 million above plan and \$11.9 million above prior year. YTD business tax collections are still above plan by \$11.7 million (6.6%) and \$17.4 million (10.1%) above the prior year. According to the Dept. of Revenue Administration (DRA), the increase was primarily due to a combination of returns, estimates, extensions and notice payments increasing while refunds were significantly less the same month last year.

Current Month

Meals and Rentals Tax (M&R) receipts for November came in above plan by \$0.2 million (0.7%) and above prior year by \$1.1 million (4.0%), and YTD collections were \$1.0 million (0.6%) below plan and \$6.8 million (4.4%) above prior year. According to DRA, November collections (October activity) from full service restaurants and hotels were both up 5%, respectively, as compared to the same month last year.

Tobacco Tax receipts for the month were \$17.7 million, or \$0.4 million (2.2%) below plan and \$1.5 million (9.3%) above November of last year. YTD collections were \$1.6 million (1.7%) above plan and \$4.0 million (4.3%) above the same YTD period last year. According to DRA, YTD stamp sales were 3% lower than the prior year. In addition, the bond receivable balance is lower than the prior year by 6%.

Transfer from Liquor Commission in November was below plan by \$0.1 million (0.8%) and above prior year by \$0.4 million (3.1%).

Collections for the **Interest and Dividends Tax** for the month were \$0.8 million, or \$0.2 million (33.3%) above plan and \$0.1 million (14.3%) above prior year. YTD collections of \$20.2 million were \$0.8 million (4.1%) above plan and \$1.3 million (6.9%) above prior year.

Collections for the **Communications Services Tax** for the month were equal to the plan of \$3.7 million and \$0.2 million (5.1%) below prior year. YTD collections of \$18.7 million were equal to plan and \$2.0 million (9.7%) below prior year. According to DRA, this revenue continues to be on target.

Real Estate Transfer Taxes for November were \$13.0 million, which were below plan by \$1.4 million (9.7%) and \$0.1 million (0.8%) above the same month last year. YTD collections were \$4.8 million (6.3%) below plan and \$0.7 million (1.0%) above the same period in the prior year. According to DRA, the number of transactions reported by counties for the month of November (October collections) increased 9.4% while transaction values were increased or essentially stayed equal at 0.1% over the same period last 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 18 Actuals</i> | <i>FY 18 Plan</i> | <i>Actual vs. Plan</i> |
|--|----------------------|-------------------|------------------------|
| Business Profits Tax | \$9.3 | \$5.7 | \$3.6 |
| Business Enterprise Tax | 5.8 | 3.8 | 2.0 |
| Subtotal Business Taxes | 15.1 | 9.5 | 5.6 |
| Meals & Rentals Tax | 28.8 | 28.6 | 0.2 |
| Tobacco Tax | 17.7 | 18.1 | (0.4) |
| Transfer from Liquor Commission | 13.1 | 13.2 | (0.1) |
| Interest & Dividends Tax | 0.8 | 0.6 | 0.2 |
| Insurance Tax | 2.4 | 1.2 | 1.2 |
| Communications Tax | 3.7 | 3.7 | - |
| Real Estate Transfer Tax | 13.0 | 14.4 | (1.4) |
| Court Fines & Fees | 1.0 | 1.0 | - |
| Securities Revenue | 0.3 | 0.4 | (0.1) |
| Utility Consumption Tax | 0.5 | 0.5 | - |
| Beer Tax | 1.0 | 1.0 | - |
| Other | 3.7 | 3.9 | (0.2) |
| Transfer from Lottery Commission | 5.8 | 6.2 | (0.4) |
| Tobacco Settlement | - | - | - |
| Utility Property Tax | 1.2 | - | 1.2 |
| State Property Tax | - | - | - |
| Subtotal Traditional Taxes & Transfers | 108.1 | 102.3 | 5.8 |
| Recoveries | 0.2 | 0.5 | (0.3) |
| Total Receipts | \$108.3 | \$102.8 | \$5.5 |

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 |
| FY18 | 15.1 | 14.6 | 14.9 | 13.7 | 13.0 | | | | | | | |
| FY17 | 15.8 | 14.1 | 13.9 | 13.9 | 12.9 | 11.0 | 12.4 | 11.4 | 7.4 | 8.1 | 9.3 | 12.0 |
| 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 |
| Mo over Mo | (0.7) | 0.5 | 1.0 | (0.2) | 0.1 | (11.0) | (12.4) | (11.4) | (7.4) | (8.1) | (9.3) | (12.0) |
| % Mo over Mo | -4% | 4% | 7% | -1% | 1% | -100% | -100% | -100% | -100% | -100% | -100% | -100% |
| YTD change over Prior Year | (0.7) | (0.2) | 0.8 | 0.6 | 0.7 | (10.3) | (22.7) | (34.1) | (41.5) | (49.6) | (58.9) | (70.9) |
| % YTD change | -4% | -1% | 2% | 1% | 1% | -13% | -24% | -32% | -37% | -41% | -45% | -50% |

| M&R ANALYSIS | | | | | | |
|-----------------------------|-------------------|-------|------|-------|-------|-------|
| | November | | | YTD | | |
| | FY 18 | FY 17 | Diff | FY 18 | FY 17 | Diff |
| | Gross Collections | 29.8 | 28.8 | 1.0 | 165.1 | 158.5 |
| Bldg Aid Debt Srvc Transfer | (1.0) | (1.1) | 0.1 | (5.1) | (5.3) | 0.2 |
| Net Revenue | 28.8 | 27.7 | 1.1 | 160.0 | 153.2 | 6.8 |

| BUSINESS TAX REFUND ANALYSIS | | | | | | | | | | | | | November |
|------------------------------|-------|-------|-----|-------|-------|-------|--------|--------|--------|--------|--------|--------|----------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | YTD |
| FY18 | 1.8 | 1.3 | 8.0 | 4.2 | 2.9 | | | | | | | | 18.2 |
| FY 17 | 2.4 | 0.8 | 1.1 | 11.3 | 11.0 | 1.2 | 3.4 | 4.0 | 3.2 | 2.2 | 1.7 | 2.3 | 26.6 |
| FY 16 | 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 |
| Mo over Mo change | (0.6) | 0.5 | 6.9 | (7.1) | (8.1) | (1.2) | (3.4) | (4.0) | (3.2) | (2.2) | (1.7) | (2.3) | (8.4) |
| YTD change | (0.6) | (0.1) | 6.8 | (0.3) | (8.4) | (9.6) | (13.0) | (17.0) | (20.2) | (22.4) | (24.1) | (26.4) | |

General & Education Funds Comparison to FY 17

| General & Education Funds | Monthly | | | Year-to-Date | | | % Change |
|--|---------------|---------------|-----------|---------------|---------------|-----------|----------|
| | FY 18 Actuals | FY 17 Actuals | Inc/(Dec) | FY 18 Actuals | FY 17 Actuals | Inc/(Dec) | |
| Business Profits Tax | \$9.3 | \$1.9 | \$7.4 | \$116.9 | \$104.5 | \$12.4 | 11.9% |
| Business Enterprise Tax | 5.8 | 1.3 | 4.5 | 72.6 | 67.6 | 5.0 | 7.4% |
| Subtotal Business Taxes | 15.1 | 3.2 | 11.9 | 189.5 | 172.1 | 17.4 | 10.1% |
| Meals & Rentals Tax | 28.8 | 27.7 | 1.1 | 160.0 | 153.2 | 6.8 | 4.4% |
| Tobacco Tax | 17.7 | 16.2 | 1.5 | 97.5 | 93.5 | 4.0 | 4.3% |
| Transfer from Liquor Commission | 13.1 | 12.7 | 0.4 | 65.4 | 64.9 | 0.5 | 0.8% |
| Interest & Dividends Tax | 0.8 | 0.7 | 0.1 | 20.2 | 18.9 | 1.3 | 6.9% |
| Insurance Tax | 2.4 | 1.6 | 0.8 | 9.7 | 8.4 | 1.3 | 15.5% |
| Communications Tax | 3.7 | 3.9 | (0.2) | 18.7 | 20.7 | (2.0) | -9.7% |
| Real Estate Transfer Tax | 13.0 | 12.9 | 0.1 | 71.3 | 70.6 | 0.7 | 1.0% |
| Court Fines & Fees | 1.0 | 1.0 | - | 5.6 | 5.6 | - | 0.0% |
| Securities Revenue | 0.3 | 0.4 | (0.1) | 1.9 | 2.1 | (0.2) | -9.5% |
| Utility Consumption Tax | 0.5 | 0.6 | (0.1) | 2.4 | 2.6 | (0.2) | -7.7% |
| Beer Tax | 1.0 | 0.9 | 0.1 | 6.0 | 6.1 | (0.1) | -1.6% |
| Other | 3.7 | 3.9 | (0.2) | 19.1 | 19.9 | (0.8) | -4.0% |
| Transfer from Lottery Commission | 5.8 | 5.7 | 0.1 | 28.4 | 24.3 | 4.1 | 16.9% |
| Transfer from Racing & Charitable Gaming | - | 0.2 | (0.2) | - | 1.1 | (1.1) | -100.0% |
| Tobacco Settlement | - | - | - | - | - | - | - |
| Utility Property Tax | 1.2 | 1.2 | - | 11.8 | 11.4 | 0.4 | 3.5% |
| State Property Tax | - | - | - | - | - | - | - |
| Subtotal Traditional Taxes & Transfers | 108.1 | 92.8 | 15.3 | 707.5 | 675.4 | 32.1 | 4.8% |
| Recoveries | 0.2 | 0.3 | (0.1) | 1.6 | 4.4 | (2.8) | -63.6% |
| Total Receipts | \$108.3 | \$93.1 | \$15.2 | \$709.1 | \$679.8 | \$29.3 | 4.3% |

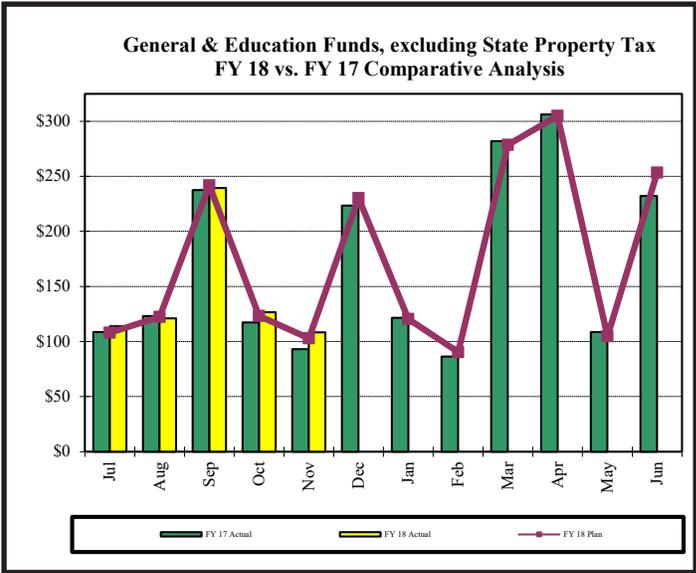
All funds reported on a cash basis, dollars in millions.

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 | \$96.3 | \$89.1 | \$7.2 | \$20.6 | \$18.2 | \$2.4 | \$116.9 | \$107.3 | \$9.6 | 8.9% |
| Business Enterprise Tax | 24.2 | 21.9 | 2.3 | 48.4 | 48.6 | (0.2) | 72.6 | 70.5 | 2.1 | 3.0% |
| Subtotal Business Taxes | 120.5 | 111.0 | 9.5 | 69.0 | 66.8 | 2.2 | 189.5 | 177.8 | 11.7 | 6.6% |
| Meals & Rentals Tax | 155.5 | 156.1 | (0.6) | 4.5 | 4.9 | (0.4) | 160.0 | 161.0 | (1.0) | -0.6% |
| Tobacco Tax | 57.3 | 53.7 | 3.6 | 40.2 | 42.2 | (2.0) | 97.5 | 95.9 | 1.6 | 1.7% |
| Transfer from Liquor Commission | 65.4 | 66.1 | (0.7) | - | - | - | 65.4 | 66.1 | (0.7) | -1.1% |
| Interest & Dividends Tax | 20.2 | 19.4 | 0.8 | - | - | - | 20.2 | 19.4 | 0.8 | 4.1% |
| Insurance Tax | 9.7 | 7.3 | 2.4 | - | - | - | 9.7 | 7.3 | 2.4 | 32.9% |
| Communications Tax | 18.7 | 18.7 | - | - | - | - | 18.7 | 18.7 | - | 0.0% |
| Real Estate Transfer Tax | 47.5 | 51.5 | (4.0) | 23.8 | 24.6 | (0.8) | 71.3 | 76.1 | (4.8) | -6.3% |
| Court Fines & Fees | 5.6 | 5.6 | - | - | - | - | 5.6 | 5.6 | - | 0.0% |
| Securities Revenue | 1.9 | 2.2 | (0.3) | - | - | - | 1.9 | 2.2 | (0.3) | -13.6% |
| Utility Consumption Tax | 2.4 | 2.5 | (0.1) | - | - | - | 2.4 | 2.5 | (0.1) | -4.0% |
| Beer Tax | 6.0 | 6.2 | (0.2) | - | - | - | 6.0 | 6.2 | (0.2) | -3.2% |
| Other | 19.1 | 18.8 | 0.3 | - | - | - | 19.1 | 18.8 | 0.3 | 1.6% |
| Transfer from Lottery Commission | - | - | - | 28.4 | 25.9 | 2.5 | 28.4 | 25.9 | 2.5 | 9.7% |
| Tobacco Settlement | - | - | - | - | - | - | - | - | - | - |
| Utility Property Tax | - | - | - | 11.8 | 10.5 | 1.3 | 11.8 | 10.5 | 1.3 | 12.4% |
| State Property Tax | - | - | - | - | - | - | - | - | - | - |
| Subtotal Traditional Taxes & Transfers | 529.8 | 519.1 | 10.7 | 177.7 | 174.9 | 2.8 | 707.5 | 694.0 | 13.5 | 1.9% |
| Recoveries | 1.6 | 4.1 | (2.5) | - | - | - | 1.6 | 4.1 | (2.5) | -61.0% |
| Total Receipts | 531.4 | 523.2 | 8.2 | 177.7 | 174.9 | 2.8 | 709.1 | 698.1 | 11.0 | 1.6% |

| Education Trust Fund Statement of Activity - FY 2018 July 1, 2017 to November 30, 2017 | |
|--|-----------------|
| Description | Amount |
| Beginning Surplus (Deficit) - unaudited | \$ - |
| Unrestricted Revenue - See above | 177.7 |
| Expenditures | |
| Education Grants & Adm Costs | (245.7) |
| Ending Surplus (Deficit) - unaudited | \$(68.0) |

Fiscal 2018 Adequate Education Grant payments of \$562.5 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 2018 budget anticipated a deficit of \$35.3 million, to be covered by a General fund transfer at year end.

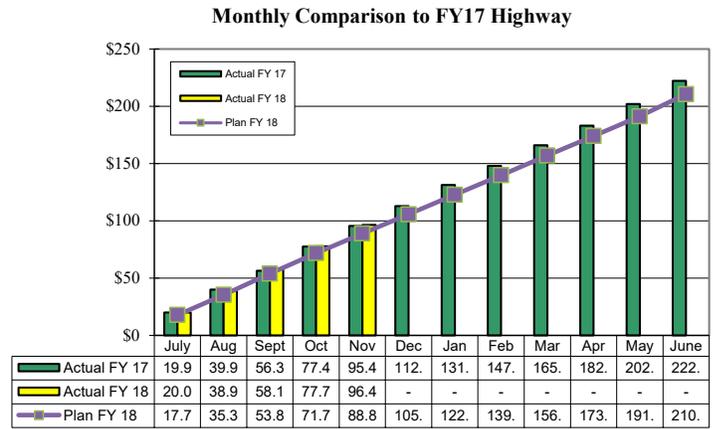


All funds reported on a cash basis, dollars in millions.



Highway Fund

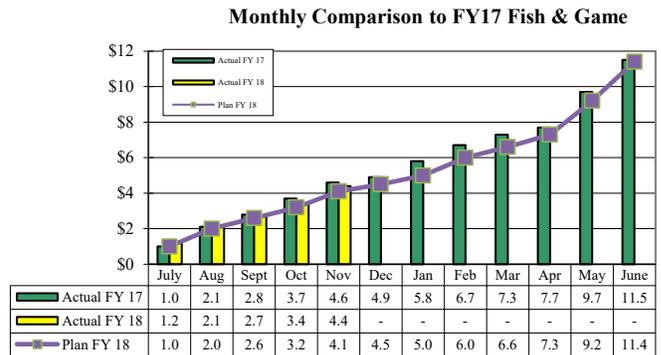
| COMPARISON TO PLAN | | | | |
|---------------------------|---------------|---------------|-----------------|---------------|
| Revenue Category | year-to-date | | | FY 17 Actuals |
| | FY 18 Actuals | FY 18 Plan | Actual vs. Plan | |
| Gasoline Road Toll | \$55.0 | \$53.4 | \$1.6 | \$54.4 |
| Miscellaneous | 0.1 | 0.1 | - | - |
| Motor Vehicle Fees | | | | |
| MV Registrations | 30.6 | 25.2 | 5.4 | 30.1 |
| MV Operators | 3.4 | 3.1 | 0.3 | 3.6 |
| Inspection Station Fees | 1.5 | 1.3 | 0.2 | 1.4 |
| MV Miscellaneous Fees | 3.3 | 3.3 | - | 3.5 |
| Certificate of Title | 2.5 | 2.4 | 0.1 | 2.4 |
| Total Fees | 41.3 | 35.3 | 6.0 | 41.0 |
| Total | \$96.4 | \$88.8 | \$7.6 | \$95.4 |



According to Road Toll Operations, actual fuel consumption is up approximately 1.25% YTD over the same period last year. The Highway Fund Plan for FY 2018 represents revenues included within HB144 (Ch. 155, Laws of 2017) adjusted for the removal of \$30.6 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 17 Actuals |
| | FY 18 Actuals | FY 18 Plan | Actual vs. Plan | |
| Fish and Game Licenses | \$3.8 | \$3.4 | \$0.4 | \$3.9 |
| Fines and Penalties | - | 0.1 | (0.1) | 0.1 |
| Miscellaneous Sales | 0.3 | 0.2 | 0.1 | 0.2 |
| Federal Recoveries Indirect Costs | 0.3 | 0.4 | (0.1) | 0.4 |
| Total | \$4.4 | \$4.1 | \$0.3 | \$4.6 |



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 |
|------|-----------------|---------------|----------------|
| 2018 | 49,505 | (1,287) | -2.5% |
| 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% |

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