

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>		
	FY 19 Actual	FY 19 Plan	Actual vs. Plan
Gen & Educ	\$272.6	\$223.6	\$49.0
Highway	\$16.8	\$16.7	\$0.1
Fish & Game	\$0.7	\$0.4	\$0.3

Unrestricted revenue for the General and Education Funds received during December totaled \$272.6 million, which was above the plan by \$49.0 million (21.9%) and above the prior year by \$34.7 million (14.6%). YTD unrestricted revenue totaled \$1,032.7 million, which was above plan by \$106.3 million (11.5%) and above prior year by \$85.7 million (9.0%).

Business Taxes for December totaled \$175.4 million, which were \$72.7 million (70.8%) above plan and \$59.3 million (51.1%) above prior year. YTD business tax collections are above plan by \$136.5 million (50.1%) and \$103.2 million (33.8%) above the prior year. According to the Dept. of Revenue Administration (DRA), the increase was primarily due to unusually high return and estimated payments for the month. In addition, refunds were significantly higher than in the same month last year. While the anomaly in return and estimated tax payments resulted in a positive variance for the month of December, estimated payments are not an indicator that actual results will exceed plan amounts for the fiscal year.

Current Month

GENERAL & EDUCATION FUNDS	<i>FY 19 Actuals</i>	<i>FY 19 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$108.0	\$61.6	\$46.4
Business Enterprise Tax	67.4	41.1	26.3
Subtotal Business Taxes	175.4	102.7	72.7
Meals & Rentals Tax	25.3	24.5	0.8
Tobacco Tax	14.7	16.8	(2.1)
Transfer from Liquor Commission	17.7	17.9	(0.2)
Interest & Dividends Tax	3.6	6.2	(2.6)
Insurance Tax	1.6	1.4	0.2
Communications Tax	3.5	3.1	0.4
Real Estate Transfer Tax	12.2	12.6	(0.4)
Court Fines & Fees	0.9	1.0	(0.1)
Securities Revenue	0.3	13.1	(12.8)
Utility Consumption Tax	0.4	0.5	(0.1)
Beer Tax	1.0	1.1	(0.1)
Other	3.6	4.4	(0.8)
Transfer from Lottery Commission	6.7	7.0	(0.3)
Tobacco Settlement	-	-	-
Utility Property Tax	5.3	10.5	(5.2)
State Property Tax	-	-	-
Subtotal Traditional Taxes & Transfers	272.2	222.8	49.4
Recoveries	0.4	0.8	(0.4)
Total Receipts	\$272.6	\$223.6	\$49.0

Meals and Rentals Tax (M&R) receipts for December came in above plan by \$0.8 million (3.3%) and above prior year by \$2.1 million (9.1%), and YTD collections were \$2.0 million (1.0%) above plan and \$10.5 million (5.7%) above prior year. According to DRA, December collections (November activity) from taxable meals were up 3.5% and from hotels were up 15.5% from the same month last year.

Tobacco Tax receipts for the month were \$14.7 million, or \$2.1 million (12.5%) below plan and \$0.7 million (4.5%) below December of last year. In addition, YTD collections were \$6.2 million (5.6%) below plan and \$8.1 million (7.2%) below the same YTD period last year. According to DRA, YTD stamp sales were 2% lower than the prior year. In addition, the bond receivable balance is lower than the prior year by 9%.

Transfer from Liquor Commission in December was below plan by \$0.2 million (1.1%) and equal to prior year.

Interest and Dividends Tax (I&D) collections for the month were reported at \$3.6 million, which were \$2.6 million below plan and \$9.0 million below prior year. YTD collections through December were \$24.8 million, or \$0.9 million (3.5%) below plan and \$8.0 million (24.4%) below prior year. DRA has reported that December interest and dividend collections reflect lower estimated payments than the same month of the prior year, mainly due to the national trend of making certain tax prepayments in December 2017 in anticipation of the upcoming federal tax law changes at that time.

Collections for the **Communications Services Tax** for the month were \$3.5 million, which was \$0.4 million (12.9%) above plan and \$0.2 million (6.1%) above December of FY 2018, which resulted in YTD collections being \$0.7 million (3.4%) above plan and \$0.9 million (4.1%) below those in the prior year.

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RET ANALYSIS												
(In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY19	15.6	17.5	17.4	12.9	13.9	12.2						
FY18	15.1	14.6	14.9	13.7	13.0	11.4	14.4	9.0	6.5	9.6	12.5	14.0
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
Mo over Mo	0.5	2.9	2.5	(0.8)	0.9	0.8	(14.4)	(9.0)	(6.5)	(9.6)	(12.5)	(14.0)
% Mo over Mo	3%	20%	17%	-6%	7%	7%	-100%	-100%	-100%	-100%	-100%	-100%
YTD change over Prior Year	0.5	3.4	5.9	5.1	6.0	6.8	(7.6)	(16.6)	(23.1)	(32.7)	(45.2)	(59.2)
% YTD change	3%	11%	13%	9%	8%	8%	-8%	-16%	-21%	-27%	-34%	-40%

M&R ANALYSIS						
	December			YTD		
	FY 19	FY 18	Diff	FY 19	FY 18	Diff
	Gross Collections	26.3	24.2	2.1	199.7	189.4
Bldg Aid Debt Srvc Transfer	(1.0)	(1.0)	-	(6.0)	(6.2)	0.2
Net Revenue	25.3	23.2	2.1	193.7	183.2	10.5

Business Tax Refund Analysis													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	December YTD
FY19	1.7	1.7	6.4	10.1	4.2	8.5							32.6
FY 18	1.8	1.3	8.0	4.2	2.9	5.3	2.9	2.6	5.3	2.8	1.5	1.4	23.5
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	27.8
Mo over Mo change	(0.1)	0.4	(1.6)	5.9	1.3	3.2	(2.9)	(2.6)	(5.3)	(2.8)	(1.5)	(1.4)	9.1
YTD change	(0.1)	0.3	(1.3)	4.6	5.9	9.1	6.2	3.6	(1.7)	(4.5)	(6.0)	(7.4)	

General & Education Funds Comparison to FY 18

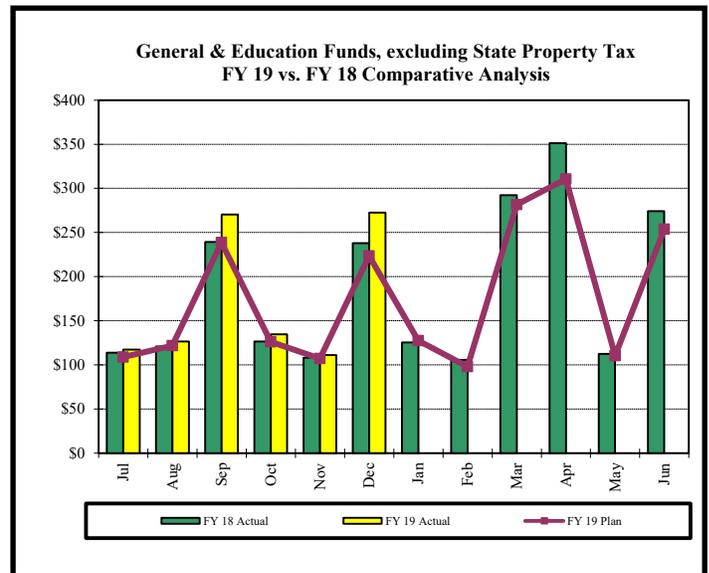
General & Education Funds	Monthly			Year-to-Date			% Change
	FY 19 Actuals	FY 18 Actuals	Inc/(Dec)	FY 19 Actuals	FY 18 Actuals	Inc/(Dec)	
Business Profits Tax	\$108.0	\$71.7	\$36.3	\$245.4	\$188.6	\$56.8	30.1%
Business Enterprise Tax	67.4	\$44.4	23.0	163.4	\$117.0	46.4	39.7%
Subtotal Business Taxes	175.4	116.1	59.3	408.8	305.6	103.2	33.8%
Meals & Rentals Tax	25.3	23.2	2.1	193.7	183.2	10.5	5.7%
Tobacco Tax	14.7	15.4	(0.7)	104.8	112.9	(8.1)	-7.2%
Transfer from Liquor Commission	17.7	17.7	-	76.1	83.1	(7.0)	-8.4%
Interest & Dividends Tax	3.6	12.6	(9.0)	24.8	32.8	(8.0)	-24.4%
Insurance Tax	1.6	1.5	0.1	11.8	11.2	0.6	5.4%
Communications Tax	3.5	3.3	0.2	21.1	22.0	(0.9)	-4.1%
Real Estate Transfer Tax	12.2	11.4	0.8	89.5	82.7	6.8	8.2%
Court Fines & Fees	0.9	1.0	(0.1)	6.4	6.6	(0.2)	-3.0%
Securities Revenue	0.3	12.8	(12.5)	2.4	14.7	(12.3)	-83.7%
Utility Consumption Tax	0.4	0.4	-	3.0	2.8	0.2	7.1%
Beer Tax	1.0	1.1	(0.1)	7.0	7.1	(0.1)	-1.4%
Other	3.6	4.7	(1.1)	22.1	23.8	(1.7)	-7.1%
Transfer from Lottery Commission	6.7	5.4	1.3	41.6	33.8	7.8	23.1%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	5.3	10.8	(5.5)	18.0	22.6	(4.6)	-20.4%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	272.2	237.4	34.8	1,031.1	944.9	86.2	9.1%
Recoveries	0.4	0.5	(0.1)	1.6	2.1	(0.5)	-23.8%
Total Receipts	\$272.6	\$237.9	\$34.7	\$1,032.7	\$947.0	\$85.7	9.0%

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	\$197.9	\$134.9	\$63.0	\$47.5	\$28.5	\$19.0	\$245.4	\$163.4	\$82.0	50.2%
Business Enterprise Tax	48.3	31.7	16.6	115.1	77.2	37.9	163.4	108.9	54.5	50.0%
Subtotal Business Taxes	246.2	166.6	79.6	162.6	105.7	56.9	408.8	272.3	136.5	50.1%
Meals & Rentals Tax	187.8	186.1	1.7	5.9	5.6	0.3	193.7	191.7	2.0	1.0%
Tobacco Tax	61.9	62.2	(0.3)	42.9	48.8	(5.9)	104.8	111.0	(6.2)	-5.6%
Transfer from Liquor Commission	76.1	87.4	(11.3)	-	-	-	76.1	87.4	(11.3)	-12.9%
Interest & Dividends Tax	24.8	25.7	(0.9)	-	-	-	24.8	25.7	(0.9)	-3.5%
Insurance Tax	11.8	10.0	1.8	-	-	-	11.8	10.0	1.8	18.0%
Communications Tax	21.1	20.4	0.7	-	-	-	21.1	20.4	0.7	3.4%
Real Estate Transfer Tax	59.7	61.3	(1.6)	29.8	30.1	(0.3)	89.5	91.4	(1.9)	-2.1%
Court Fines & Fees	6.4	6.7	(0.3)	-	-	-	6.4	6.7	(0.3)	-4.5%
Securities Revenue	2.4	15.3	(12.9)	-	-	-	2.4	15.3	(12.9)	-84.3%
Utility Consumption Tax	3.0	3.0	-	-	-	-	3.0	3.0	-	0.0%
Beer Tax	7.0	7.2	(0.2)	-	-	-	7.0	7.2	(0.2)	-2.8%
Other	22.1	23.2	(1.1)	-	-	-	22.1	23.2	(1.1)	-4.7%
Transfer from Lottery Commission	-	-	-	41.6	36.0	5.6	41.6	36.0	5.6	15.6%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	0.0%
Utility Property Tax	-	-	-	18.0	20.7	(2.7)	18.0	20.7	(2.7)	-13.0%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	730.3	675.1	55.2	300.8	246.9	53.9	1,031.1	922.0	109.1	11.8%
Recoveries	1.6	4.4	(2.8)	-	-	-	1.6	4.4	(2.8)	-63.6%
Total Receipts	\$731.9	\$679.5	\$52.4	\$300.8	\$246.9	\$53.9	\$1,032.7	\$926.4	\$106.3	11.5%

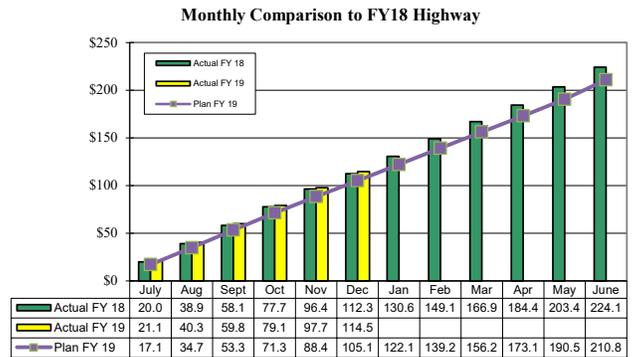
EDUCATION TRUST FUND	
Statement of Activity - FY 2019	
July 1, 2018 to December 31, 2018	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$11.4
Unrestricted Revenue - See above	300.8
Expenditures	
Education Grants & Adm Costs	(417.7)
Ending Surplus (Deficit) - unaudited	\$(105.5)

The beginning surplus of \$11.4 million is on the cash basis. Fiscal 2019 Adequate Education Grant payments of \$548.9 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 2019 budget anticipated a deficit of \$9.6 million, to be covered by a General fund transfer at year end.



Highway Fund

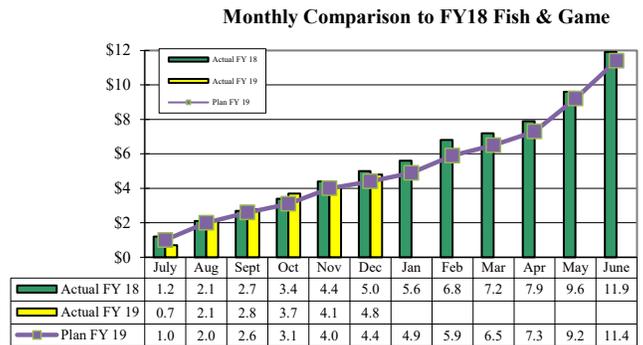
COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 18 Actuals
	FY 19 Actuals	FY 19 Plan	Actual vs. Plan	
Gasoline Road Toll	\$66.0	\$63.4	\$2.6	\$65.4
Miscellaneous	0.3	0.1	0.2	0.1
Motor Vehicle Fees				
MV Registrations	35.7	30.2	5.5	34.5
MV Operators	4.1	3.6	0.5	3.9
Inspection Station Fees	1.6	1.5	0.1	1.6
MV Miscellaneous Fees	3.8	3.7	0.1	3.9
Certificate of Title	3.0	2.6	0.4	2.9
Total Fees	48.2	41.6	6.6	46.8
Total	\$114.5	\$105.1	\$9.4	\$112.3



According to Road Toll Operations, actual fuel consumption is up approximately 0.57% YTD over the same period last year. The Highway Fund Plan for FY 2019 represents revenues included within HB144 (Ch. 155, Laws of 2017) adjusted for the removal of \$ 31.4 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.

Fish & Game Fund

COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 18 Actuals
	FY 19 Actuals	FY 19 Plan	Actual vs. Plan	
Fish and Game Licenses	\$4.2	\$3.6	\$0.6	\$4.2
Fines and Penalties	-	0.1	(0.1)	0.1
Miscellaneous Sales	0.2	0.2	-	0.3
Federal Recoveries	0.4	0.5	(0.1)	0.4
Indirect Costs				
Total	\$4.8	\$4.4	\$0.4	\$5.0



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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
2019	56,881	(1,427)	-2.4%
2018	58,308	(2,124)	-3.5%
2017	60,432	(1,950)	-3.1%
2016	62,382	782	1.3%
2015	61,600	(1,775)	-2.8%

Real Estate Transfer Taxes for December were \$12.2 million, which were below plan by \$0.4 million (3.2%) and \$0.8 million (7.0%) above the same month last year. YTD collections were \$1.9 million (2.1%) below plan and \$6.8 million (8.2%) above the same period in the prior year. According to DRA, the number of transactions reported by the counties for the month of December (November collections) was down 12.2%, and transaction values for the activity reported by the counties were up 5.3% over the same month last year. However, limitations in the availability of inventory have resulted in YTD collections falling behind the planned growth in revenue.

Securities Revenues for December were \$12.8 million (97.7%) below plan due to the timing of the receipt of renewal fee revenues.

For **Utility Property Tax** collections, the variance from plan appears to be due to the timing of the receipt of revenue.



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