

**STATE OF NEW HAMPSHIRE
INTRODUCTION TO
NEW HAMPSHIRE TAXES**

JANUARY 2013



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Office of Legislative Budget Assistant
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STATE OF NEW HAMPSHIRE
HOUSE AND SENATE WAYS & MEANS COMMITTEES
INTRODUCTION TO NEW HAMPSHIRE TAXES
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FINANCIAL INFORMATION

Surplus Statement General and Education Funds (In Millions)

	FY 2010	FY 2011			FY 2012		
	Total	General	Education	Total	General	Education	Total
Undesignated Fund Balance, July 1	\$ -	\$ 65.7	\$ -	\$ 65.7	\$ 17.7	\$ -	\$ 17.7
Additions:							
Unrestricted Revenue	2,224.7	1,383.7	809.5	2,193.2	1,376.6	813.2	2,189.8
Executive Order & Special Session Revenue	28.1	1.5		1.5			-
Total Additions	2,252.8	1,385.2	809.5	2,194.7	1,376.6	813.2	2,189.8
Deductions:							
Appropriations Net of Estimated Revenues	(2,237.2)	(1,423.0)	(938.3)	(2,361.3)	(1,320.1)	(956.4)	(2,276.5)
Less Lapses	44.4	97.1	4.8	101.9	39.5	0.7	40.2
Total Net Appropriations	(2,192.8)	(1,325.9)	(933.5)	(2,259.4)	(1,280.6)	(955.7)	(2,236.3)
GAAP and Other Adjustments	(7.3)	14.6		14.6	40.1	2.5	42.6
ARRA Stabilization	-			-			-
Current Year Balance	52.7	73.9	(124.0)	(50.1)	136.1	(140.0)	(3.9)
Fund Balance Transfers (To)/From:							
Rainy Day Fund							
Liquor Commission	6.5	2.1		2.1			
Highway Fund	6.5						
Education Trust Fund		(124.0)	124.0		(140.0)	140.0	
Undesignated Fund Balance, June 30,	\$ 65.7	\$ 17.7	\$ -	\$ 17.7	\$ 13.8	\$ -	\$ 13.8
Reserved for Rainy Day Account	9.3	9.3		9.3	9.3		9.3
Total Equity	\$ 75.0	\$ 27.0	\$ -	\$ 27.0	\$ 23.1	\$ -	\$ 23.1

The fiscal year 2012-13 biennial budget, as adopted, assumed a near zero beginning unassigned general fund equity balance. The actual beginning fiscal year 2012 unassigned fund balance was \$27.0 million (\$17.7 million other and \$9.3 million Revenue Stabilization).

Appropriations net of estimated revenues exceeded plan by \$22.0 million. The plan, \$2,254.5 million, included \$7.3 million in net reductions under House Bills 1 and 2, that was not achieved. In addition, final lapses of \$40.2 million were \$3.0 million lower than the plan of \$43.2 million, resulting in total net appropriations \$25.0 million higher than estimated. Closing adjustments, made in accordance with generally accepted accounting principles (GAAP) to bring budgetary accounting basis to the modified accrual reporting basis, totaled \$42.6 million and were \$34.6 million more favorable than plan. These are reflective of lower adjustments for year-end liabilities in fiscal year 2012, primarily related to the reversal of a higher than normal payroll accrual in fiscal year 2011 that reduced payroll accruals at June 30, 2012 by \$12 million. The fluctuation between years results from 27 pay periods occurring in fiscal year 2012.

Non-recurring year-end accruals totaling \$14 million related to payables for a Medicaid plan amendment and State retirement contributions were made on a GAAP basis in fiscal year 2011 but paid and reversed in fiscal year 2012. The General Fund portion of year-end Medicaid liabilities was approximately \$10 million lower than in fiscal year 2011. June 30, 2012 unassigned fund equity (surplus), exclusive of the \$9.3 million Revenue Stabilization Account, totaled \$13.8 million, for total Unassigned General Fund equity of \$23.1 million compared to an estimated \$13.6 million deficit. This represents a net favorable variance at June 30, 2012 of \$36.7 million when compared to the budget as adopted.

**TITLE I
THE STATE AND ITS GOVERNMENT**

**CHAPTER 9
BUDGET AND APPROPRIATIONS; REVOLVING FUNDS**

Deficit Control

Section 9:13-e

9:13-e Revenue Stabilization Reserve Account. –

I. Notwithstanding the definition of "budget" in RSA 9:1, for purposes of this section the term "budget" means the operating budget in effect for the appropriate fiscal biennium.

II. There is hereby established within the general fund general ledger a revenue stabilization reserve account. At the close of the fiscal biennium ending June 30, 2001, and at the close of each fiscal biennium thereafter, any surplus, as determined by the official audit performed pursuant to RSA 21-I:8, II(a) shall be transferred by the comptroller to a special nonlapsing revenue stabilization reserve account; provided, however, that in any single fiscal year the total of such transfer shall not exceed 1/2 of the total potential maximum balance allowable under paragraph V. The comptroller is hereby directed to establish the revenue stabilization reserve account in which to deposit any money received from a general fund operating budget surplus. The state treasurer shall invest funds in this account as authorized by RSA 6:8. The interest so earned shall be deposited as unrestricted general fund revenue.

III. In the event of a general fund operating budget deficit at the close of any fiscal biennium as determined by the official audit performed pursuant to RSA 21-I:8, II(a), the comptroller shall notify the fiscal committee of the general court and the governor of such deficit and request that sufficient funds, to the extent available, be transferred from the revenue stabilization reserve account to eliminate such deficit. Such transfer may be made only when both of the following conditions have been met:

(a) A general fund operating budget deficit occurred for the most recently completed fiscal biennium; and

(b) Unrestricted general fund revenues in the most recently completed fiscal biennium were less than the budget forecast.

The amount of said transfer shall not exceed a sum equal to the lower of the amount of the deficit in subparagraph (a) or the revenue shortfall in subparagraph (b). Upon receipt of approval from both the fiscal committee and the governor, the comptroller shall immediately transfer the sums so approved to the general fund surplus account.

IV. No available balance in the revenue stabilization reserve account shall be utilized for any purpose other than those authorized by paragraphs II and III, without the specific approval of 2/3 of each house of the general court and the governor.

V. If, after the requirements of paragraphs II-IV have been met and the balance remaining in the revenue stabilization reserve account is in excess of an amount equal to 10 percent of the actual general fund unrestricted revenues for the most recently completed fiscal year, then such excess shall be transferred, without further action, to the general fund surplus account.

Source. 1986, 18:3. 1987, 416:3. 1992, 289:2. 1993, 358:73. 1998, 109:1, 2. 2001, 158:41, eff. July 5, 2001. 2012, 247:1, eff. Aug. 17, 2012.

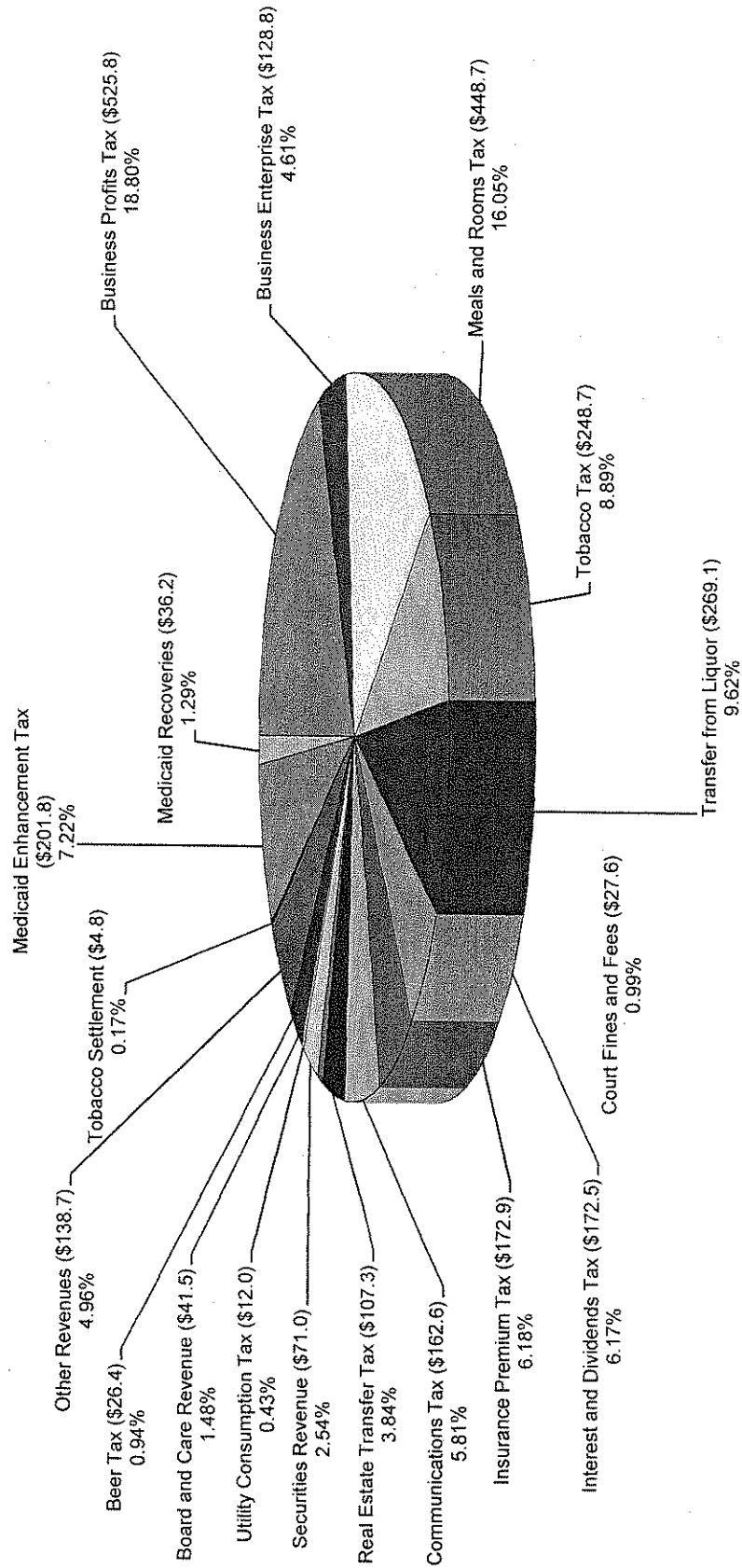
ASSORTED ACRONYMS & TERMS

1	Revenue Related	
2	BET	Business Enterprise Tax
3	BPT	Business Profits Tax
4	DSH	Disproportionate share or uncompensated care. This is the federal program that provides funds to hospitals for uncompensated care costs & used as the match for federal funds received through the DSH program
5	I & D	Interest & dividends tax
6	LLC	Limited Liability Company
7	Medicaid Enhancement / Hospital Tax	5.5% tax on hospital net patient services which is given back to hospitals for uncompensated care costs & used as the match for federal funds for provider payments and funds received through the DSH program.
8	MV	Motor Vehicle
9	MQIP	The Medicaid Quality Incentive Program provides supplemental rate payments to nursing homes. The program is funded through amounts collected by the Nursing Facility Quality Assessment along with a federal match received through the Medicaid program.
10	Nursing Facility Quality Assessment / Bed Tax	5.5% tax on nursing home net patient services collected by DRA. DRA transfers funds collected to DHHS which then obtains matching Medicaid funds in order to fund the MQIP program.
11	Rainy Day Fund	Revenue Stabilization Reserve Account
12	RET	Real Estate Transfer Tax
13	Road Toll	Gas Tax
14	SWPT	Statewide property tax
15	Turnpike Toll	Tolls paid for using the turnpike system
16	Utility Property Tax	Statewide property tax on utilities
17	Utility Tax	Consumption tax on energy based on kilowatt use
18		
19	Agency Related	
20	DOE	Department of Education
21	DOT	Department of Transportation
22	DRA	Department of Revenue Administration
23	HHS	Department of Health and Human Services
24	LBAO	Legislative Budget Assistant Office
25	OIT	Department of Information Technology
26	SWEEPS	Now Lottery Commission, was Sweepstakes
27	DAS	Department of Administrative Services
28	Pari-Mutual Commission	Now Racing & Charitable Gaming Commission
29	DOS	Department of Safety

ASSORTED ACRONYMS & TERMS

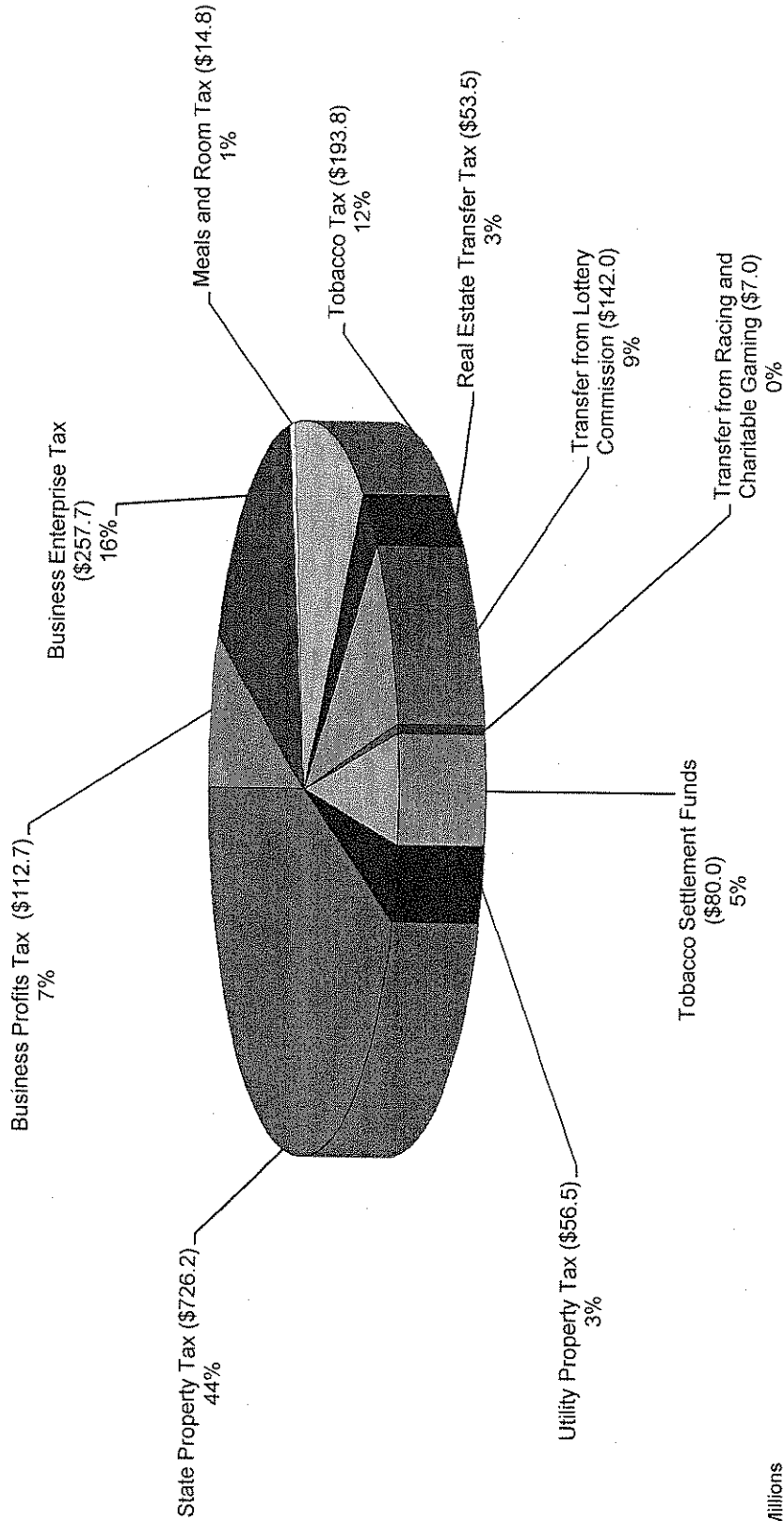
1	Computer Related	
2	Affinity System	Application used by New Hampshire agencies for preparing the State's operating buget.
3	Lawson	Reporting module attached to NH First.
4	MMIS	Medicaid management information system (Medicaid claims processing system).
5	New Heights	New welfare eligibility computer system.
6	NH First	New Hampshire's ERP system.
7	NHBRIDGES	New Hampshire's child welfare computer system.
8	NHIFS	New Hampshire integrated financial system in place prior to the implementation of NH First.
9		
10	Health and Human Services Related	
11	CMS	Centers for Medicare and Medicaid services.
12	Pro-Share	Nursing home / county related. Proshare provides additional federal funds to county nursing homes based on the difference between the rates paid through the Medicaid program and the amount that Medicare would reimburse (Medicare Upper Payment Limit).
13	TANF	Temporary assistance for needy families
14		
15	Other	
16	ETF	Education trust fund
17	FEMA	Federal emergency management agency
18	FN	Fiscal note
19	Green Sheet	Detail spreadsheet (colored green) passed out to accompany House Resolutions on revenue estimates.
20	HB 2	Historically the bill containing RSA references necessary to implement the budget
21	HB 25	Historically the capital budget bill
22	LSR	Legislative service request
23	RSA	New Hampshire Revised Statutes Annotated
24		
25		
26		

CHAPTER 223, L'11 - THE OPERATING BUDGET
BIENNIAL 12/13 - GENERAL FUND UNRESTRICTED REVENUE ESTIMATES
TOTAL GENERAL FUND UNRESTRICTED REVENUES: \$2,796.5



Amounts in Millions
 LBAC
 December 6, 2012

**CHAPTER 223, L'11 - THE OPERATING BUDGET
 BIENNIAL 12/13 - EDUCATION TRUST FUND REVENUE ESTIMATES
 TOTAL EDUCATION TRUST FUND REVENUES: \$1644.1**



Amounts in Millions
 LBAG
 December 6, 2012

CHAPTER 223
 HB 1-A – FINAL VERSION
 - Page 837 -

1	223:23 Estimates of Unrestricted Revenue.		
2	GENERAL FUND	<u>FY 2012</u>	<u>FY 2013</u>
3	BUSINESS PROFITS TAX	\$259,045,000	\$266,777,000
4	BUSINESS ENTERPRISE TAX	<u>63,482,000</u>	<u>65,352,000</u>
5	SUBTOTAL BUSINESS TAXES	322,527,000	332,129,000
6	MEALS AND ROOMS TAX	221,903,000	226,841,000
7	TOBACCO TAX	125,630,000	123,101,000
8	TRANSFER FROM LIQUOR COMMISSION	131,400,000	137,700,000
9	INTEREST AND DIVIDENDS TAX	85,400,000	87,100,000
10	INSURANCE	86,100,000	86,800,000
11	COMMUNICATIONS TAX	80,200,000	82,400,000
12	REAL ESTATE TRANSFER TAX	53,096,000	54,163,000
13	COURT FINES & FEES	13,800,000	13,800,000
14	SECURITIES REVENUE	35,100,000	35,900,000
15	UTILITY CONSUMPTION TAX	6,000,000	6,000,000
16	BOARD AND CARE REVENUE	20,500,000	21,000,000
17	BEER TAX	13,200,000	13,200,000
18	RACING & CHARITABLE GAMING	0	0
19	OTHER REVENUES	69,300,000	69,400,000
20	GAMBLING WINNINGS TAX	0	0
21	TOBACCO SETTLEMENT	<u>2,400,000</u>	<u>2,400,000</u>
22	SUBTOTAL	1,266,556,000	1,291,934,000
23	MEDICAID ENHANCEMENT TAX	97,000,000	104,800,000
24	MEDICAID RECOVERIES	<u>17,800,000</u>	<u>18,400,000</u>
25	TOTAL GENERAL FUND	<u>1,381,356,000</u>	<u>1,415,134,000</u>
26			
27	EDUCATION FUND	<u>FY 2012</u>	<u>FY 2013</u>
28	BUSINESS PROFITS TAX	55,510,000	57,167,000
29	BUSINESS ENTERPRISE TAX	<u>126,963,000</u>	<u>130,704,000</u>
30	SUBTOTAL BUSINESS TAXES	182,473,000	187,871,000
31	MEALS AND ROOMS TAX	7,297,000	7,459,000
32	TOBACCO TAX	97,870,000	95,899,000
33	REAL ESTATE TRANSFER TAX	26,504,000	27,037,000
34	TRANSFER FROM LOTTERY COMMISSION	70,000,000	72,000,000
35	TRANSFER FROM RACING		
36	& CHARITABLE GAMING	3,500,000	3,500,000

CHAPTER 223
HB 1-A – FINAL VERSION
- Page 838 -

1	TOBACCO SETTLEMENT	40,000,000	40,000,000
2	UTILITY PROPERTY TAX	28,200,000	28,300,000
3	STATEWIDE PROPERTY TAX	<u>363,100,000</u>	<u>363,100,000</u>
4	TOTAL EDUCATION FUND	818,944,000	825,166,000
5			
6	HIGHWAY FUND	<u>FY 2012</u>	<u>FY2013</u>
7	GASOLINE ROAD TOLL	124,500,000	124,500,000
8	MOTOR VEHICLE FEES	108,300,000	108,300,000
9	MISCELLANEOUS	<u>44,600,000</u>	<u>43,600,000</u>
10	TOTAL HIGHWAY FUND	<u>277,400,000</u>	<u>276,400,000</u>
11			
12	FISH AND GAME FUND	<u>FY 2012</u>	<u>FY2013</u>
13	FISH AND GAME LICENSES	8,960,000	8,960,000
14	FINES AND MISCELLANEOUS	<u>1,875,000</u>	<u>1,875,000</u>
15	TOTAL FISH AND GAME FUND	<u>10,835,000</u>	<u>10,835,000</u>

16 223:24 Effective Date. This act shall take effect July 1, 2011.

17 Approved: Enacted in accordance with Article 44, Part II, of N.H. Constitution, without signature of
18 the governor, June 29, 2011.

19 Effective Date: July 1, 2011

State of New Hampshire Monthly Revenue Plan for FY 2013

	General Fund (in Millions)												Total		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	General Fund	Education Fund	Grand Total
Business Profits Tax(1)	7.7	6.8	46.4	12.7	4.7	41.8	13.7	3.9	41.3	38.5	7.4	39.9	\$ 264.8	\$ 57.2	\$ 322.0
Business Enterprise Tax	1.9	1.7	11.4	3.1	1.2	10.2	3.2	1.2	10.3	9.4	1.9	9.9	65.4	130.7	196.1
Subtotal	9.6	8.5	57.8	15.8	5.9	52.0	16.9	5.1	51.6	47.9	9.3	49.8	330.2	187.9	518.1
Meals & Rooms Tax	20.2	25.4	24.9	20.2	19.8	15.7	17.4	15.4	16.1	16.7	15.6	19.4	226.8	7.5	234.3
Tobacco Tax	10.2	13.1	12.6	8.5	8.4	9.9	10.2	9.3	6.8	10.0	10.9	13.2	123.1	95.9	219.0
Transfer from Liquor Commission (5)	11.8	14.2	10.4	13.0	11.6	15.7	8.7	8.7	8.7	10.9	11.5	13.8	139.0	-	139.0
Interest & Dividends Tax	0.2	0.9	13.1	2.2	0.1	2.8	12.5	0.7	2.6	38.0	0.2	13.8	87.1	-	87.1
Insurance Tax	1.0	1.3	1.5	1.3	1.0	1.0	2.0	4.0	72.7	1.5	(1.0)	0.5	86.8	-	86.8
Communications Tax	7.1	6.9	6.9	6.4	6.8	6.5	6.7	6.6	7.2	7.1	7.0	7.2	82.4	-	82.4
Real Estate Transfer Tax	5.0	6.4	5.1	4.4	4.6	4.0	5.3	3.5	2.8	3.7	4.3	5.1	54.2	27.0	81.2
Court Fines & Fees	1.1	1.2	1.2	1.1	1.0	1.0	1.1	1.1	1.4	1.1	1.3	1.2	13.8	-	13.8
Securities Revenue	0.5	0.5	0.6	0.6	0.3	0.5	9.2	0.4	1.9	18.4	2.2	0.8	35.9	-	35.9
Utility Consumption Tax	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	6.0	-	6.0
Board & Care Revenue	1.7	1.7	1.6	1.7	1.8	1.9	1.6	1.7	1.8	1.8	1.8	1.9	21.0	-	21.0
Beer Tax	1.4	1.4	1.4	1.1	1.0	1.0	1.1	0.9	0.8	1.0	0.9	1.2	13.2	-	13.2
Other (2)	3.5	5.2	2.3	4.3	5.3	5.3	5.4	5.3	5.9	7.0	5.1	19.3	73.9	-	73.9
Transfer from Lottery Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	72.0	72.0
Transfer from Racing & Charitable Gaming (4)	-	-	-	-	-	-	-	-	-	-	-	-	-	3.8	3.8
Tobacco Settlement	-	-	-	-	-	-	-	-	-	2.4	-	-	2.4	40.0	42.4
Utility Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	28.3	28.3
State Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	363.1	363.1
Subtotal	73.8	87.2	139.9	81.1	68.1	117.8	98.6	63.2	180.8	168.0	69.6	147.7	1,295.8	825.5	2,121.3
Net Medicaid Enhancement Revenue	-	-	-	-	104.8	-	-	-	-	-	-	-	104.8	-	104.8
Recoveries (3)	0.1	0.4	0.7	0.3	0.4	0.3	0.5	0.2	0.2	0.2	0.3	0.2	3.8	-	3.8
Total General Fund	73.9	87.6	140.6	81.4	173.3	118.1	99.1	63.4	181.0	168.2	69.9	147.9	1,404.4	825.5	2,229.9
Total Education Fund (see next page)	17.9	23.9	57.7	25.6	21.9	54.7	26.9	18.4	408.5	88.5	21.4	60.1			
Grand Total	91.8	111.5	198.3	107.0	195.2	172.8	126.0	81.8	589.5	256.7	91.3	208.0			
Cumulative Gen and Educ YTD	91.8	203.3	401.6	508.6	703.8	876.6	1,002.6	1,084.4	1,673.9	1,930.6	2,021.9	2,229.9			

Note A - The Plan for FY 2013 represents revenues included within HB1 plus revenue adjustments included within Schedule 2 of the Committee of Conference Surplus Statement as follows:
 (1) - HB1 estimate less \$2.0 million for BPT reasonable compensation per SB125(HB557)
 (2) - HB1 estimate plus \$4.5 million of miscellaneous net revenue adjustments
 (3) - HB1 estimate less \$14.6 million for drug rebates now budgeted as restricted pharmacy services revenue
 (4) - HB1 estimate plus \$0.3 million per Committee of Conference Surplus Statement for Education Fund
 (5) - HB1 estimate plus \$1.4 million for Chesterfield and Manchester Liquor stores per HB25

Note B - This plan card does not reflect the potential impacts of the following legislation from the 2012 session:
 Ch.14 (HB1302); Ch.71 (HB242); Ch.154 (SB307);
 Ch.279 (HB1418); Ch.286 (SB326); Ch.287 (SB372)

Prepared by: Administrative Services



State of New Hampshire Monthly Revenue Plan for FY 2013

(In Millions)

Education Trust Fund

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Business Profits Tax (1)	1.7	1.4	9.9	2.7	1.0	8.9	2.9	0.8	8.9	8.2	1.6	9.2	\$ 57.2
Business Enterprise Tax	3.9	3.3	22.7	6.1	2.4	20.5	6.4	2.4	20.7	18.7	3.7	19.9	130.7
Subtotal	5.6	4.7	32.6	8.8	3.4	29.4	9.3	3.2	29.6	26.9	5.3	29.1	187.9
Meals & Rooms Tax	0.7	0.8	0.8	0.7	0.7	0.5	0.6	0.5	0.5	0.6	0.5	0.6	7.5
Tobacco Tax	8.8	9.4	8.4	8.2	8.7	8.3	6.7	6.1	8.1	6.7	7.7	8.8	95.9
Real Estate Transfer Tax	2.5	3.2	2.5	2.1	2.3	2.0	2.6	1.8	1.4	1.9	2.1	2.6	27.0
Transfers from Lottery	-	5.5	6.5	5.5	6.5	5.5	7.0	6.5	5.5	5.5	5.5	12.5	72.0
Transfer from Racing & Charitable Gaming (4)	0.3	0.3	0.2	0.3	0.3	0.3	0.7	0.3	0.3	0.2	0.3	0.3	3.8
Tobacco Settlement	-	-	-	-	-	-	-	-	-	40.0	-	-	40.0
Utility Property Tax	-	-	6.7	-	-	8.7	-	-	-	6.7	-	6.2	28.3
State Property Tax	-	-	-	-	-	-	-	-	363.1	-	-	-	363.1
Total	\$ 17.9	\$ 23.9	\$ 57.7	\$ 25.6	\$ 21.9	\$ 54.7	\$ 26.9	\$ 18.4	\$ 408.5	\$ 88.5	\$ 21.4	\$ 60.1	\$ 825.5
Cumulative Total YTD	\$ 17.9	\$ 41.8	\$ 99.5	\$ 125.1	\$ 147.0	\$ 201.7	\$ 228.6	\$ 247.0	\$ 655.5	\$ 744.0	\$ 765.4	\$ 825.5	

Note A - The Plan for FY 2013 represents revenues included within HB1 plus revenue adjustments included within Schedule 2 of the Committee of Conference Surplus Statement as follows:

(1) - HB1 estimate less \$2.0 million for BPT reasonable compensation per SB125(HB557)

(2) - HB1 estimate plus \$4.5 million of miscellaneous net revenue adjustments

(3) - HB1 estimate less \$14.6 million for drug rebates now budgeted as restricted pharmacy services revenue

(4) - HB1 estimate plus \$0.3 million per Committee of Conference Surplus Statement for Education Fund

(5) - HB1 estimate plus \$1.4 million for Chesterfield and Manchester Liquor stores per HB25

Note B - This plan card does not reflect the potential impacts of the following legislation from the 2012 session:

Ch.14 (HB1302), Ch.71 (HB242); Ch.154 (SB307);

Ch.279 (HB1418); Ch.286 (SB326); Ch.287 (SB372)

Prepared by: Administrative Services

HR 11 – AS INTRODUCED

2011 SESSION

11-1071
09/01

HOUSE RESOLUTION *11*

A RESOLUTION affirming revenue estimates for fiscal years 2011, 2012, and 2013.

SPONSORS: Rep. Bettencourt, Rock 4; Rep. Stepanek, Hills 6; Rep. Weyler, Rock 8

COMMITTEE:

ANALYSIS

This house resolution affirms revenue estimates for fiscal years 2011, 2012, and 2013.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

A RESOLUTION affirming revenue estimates for fiscal years 2011, 2012, and 2013.

Whereas, the House Ways and Means Committee has considered what the unrestricted revenue estimates should be for fiscal years 2011, 2012, 2013 and has presented those estimates to the House of Representatives; and

Whereas, the House Ways and Means Committee strongly supports the Liquor Commission's capital budget request to renovate the Hooksett North and South stores which is estimated by the Commission to generate approximately \$4,400,000 in additional revenue above the estimates affirmed below; and

Whereas, the House Ways and Means Committee strongly believes the repeal of the gambling winnings tax will have a significant positive impact on the revenue estimates affirmed below; now, therefore, be it

Resolved by the House of Representatives:

I. That the House shall not adopt an operating budget for the state effective during the upcoming biennium that spends more than the total of these estimates, which total is \$4,423,600,000.00, less the sum of \$1,606,000.00 resulting from the estimated consequences of the reduction or elimination for the upcoming biennium of the taxes and fees listed below, for a total maximum state budget combined general fund and education trust fund spending of \$4,421,994,000.00 in the upcoming biennium; and

That the following taxes and fees shall be reduced or eliminated, resulting in the estimated net reduction in the available state general fund and education trust fund revenues available during the upcoming biennium referenced above.

II. That the House wishes to go on record as affirming the following revenue estimates for fiscal years 2011, 2012, and 2013.

Committee estimates are based on current rates.

	FY 2011	FY 2012	FY 2013
GEN'L & EDUCATION			
TRUST FUND:			
(Dollars in Millions)	Official Estimate	Committee Estimate	Committee Estimate
Business Profits Tax	\$313.300	\$308.317	\$314.555
Business Enterprise Tax	<u>189.700</u>	<u>186.683</u>	<u>190.445</u>
SUBTOTAL	503.000	495.000	505.000
Meals & Rooms Tax	245.000	234.000	229.200
Tobacco Tax	220.600	228.000	221.000
Liquor Sales	127.900	126.800	130.300
			135.000

HR 11 – AS INTRODUCED

- Page 2 -

	FY 2011		FY 2012	FY 2013	
1					
2	Interest & Dividends Tax	90.100	83.700	85.400	87.100
3	Insurance Tax	80.500	80.500	86.100	86.800
4	Communications Tax	75.000	79.400	80.200	81.000
5	Real Estate Transfer Tax	89.200	78.000	79.600	81.200
6	Court Fines & Fees	13.200	13.600	13.600	13.600
7	Securities Revenue	34.000	34.300	35.100	35.900
8	Utility Consumption Tax	6.000	6.000	6.000	6.000
9	Board & Care Revenue	20.200	20.200	20.500	21.000
10	Beer Tax	12.800	13.100	13.100	13.100
11	Racing & Games of Chance	2.900	2.300	2.300	2.400
12	Other	67.800	68.700	69.100	68.700
13	Gambling Winnings Tax	3.400	3.400	3.400	3.400
14	Tobacco Settlement Funds	<u>44.200</u>	<u>42.200</u>	<u>42.400</u>	<u>42.400</u>
15	SUBTOTAL	\$1,635.800	\$1,609.200	\$1,622.300	\$1,646.300
16	Medicaid Enhancement Tax	108.500	91.400	97.000	104.800
17	Medicaid Recoveries	19.200	22.100	17.400	18.300
18	Lottery Transfers to Education	77.700	66.200	66.200	67.500
19	Bingo Lucky 7 Transfers to Education	1.300	1.300	0.900	0.900
20	Utility Property Tax	28.000	28.000	28.000	28.000
21	<u>Statewide Property Tax</u>	<u>363.600</u>	<u>363.000</u>	<u>363.000</u>	<u>363.000</u>
22	TOTAL GEN'L & ED				
23	TRUST FUNDS	\$2,234.100	\$2,181.200	\$2,194.800	\$2,228.800
24					
25					
26	HIGHWAY FUNDS:	Official	Committee	Committee	Committee
27	<u>(Dollars in Millions)</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
28	Road Toll	\$126.500	\$124.500	\$124.500	\$124.500
29	Motor Vehicle Fees	134.800	129.500	108.300	108.300
30	Miscellaneous	<u>19.800</u>	<u>40.800</u>	<u>24.500</u>	<u>23.500</u>
31	TOTAL HIGHWAY FUNDS	\$281.100	\$294.800	\$257.300	\$256.300
32					
33	FISH & GAME FUNDS:				
34	<u>(Dollars in Millions)</u>				
35	Fish & Game Licenses	\$9.100	\$8.200	\$8.200	\$8.200
36	Fines & Miscellaneous	<u>2.200</u>	<u>2.200</u>	<u>1.900</u>	<u>1.900</u>
37	TOTAL FISH & GAME FUNDS	\$11.300	\$10.400	\$10.100	\$10.100
38					

	FY 2012	FY 2013
1		
2		
3	LESS TAX OR FEE REDUCTIONS (GEN'L & EDUCATION TRUST FUNDS):	
4	<u>(Dollars in Millions)</u>	
5	Repeal Meals and Rooms \$5 renewal fee	\$0.030 \$0.000
6	Reduce inspection sticker fee by 30 percent	\$0.350 \$0.350
7	Repeal condominium and land sales application fee	\$0.070 \$0.070
8	Repeal 10 percent tax on gambling winnings	* *
9		
10	*The repeal of 10 percent tax on gambling winnings is estimated to be revenue neutral based upon	
11	information from Lottery Commission.	
12	Reduce pet store license fee increase	\$0.003 \$0.003
13	Reduce marriage license fees from \$50 to \$45	\$0.015 \$0.015
14	Repeal fee increase for initial copies of vital records	<u>\$0.350</u> <u>\$0.350</u>
15	TOTAL TAX OR FEE REDUCTIONS (GEN'L & ED TRUST FUNDS)	\$0.818 \$0.788

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner
Edgar R. Carter, Comptroller



Monthly Revenue Summary

Analysis

(for month)

	FY 13	Plan	Inc/(Dec)
Gen & Educ	\$ 146.3	\$ 195.2	\$ (48.9)
Highway	\$ 21.2	\$ 19.7	\$ 1.5
Fish & Game	\$ 0.6	\$ 1.1	\$ (0.5)

Unrestricted revenue for the General and Education Funds received during November totaled \$146.3 million, which was below plan by \$48.9 million, due principally to lower than expected Medicaid Enhancement Tax (MET). However, November MET receipts were above prior year by \$10.1 million. YTD unrestricted revenue totaled \$661.0 million, which was below plan by \$42.8 million but above prior year by \$29.7 million. However, YTD receipts from traditional taxes (exclusive of MET and Recoveries) were 1% above plan and 3.5% above prior year.

Business Taxes came in below plan and prior year for the month by \$1.8 million and \$1.7 million, respectively. According to Dept. of Revenue (DRA), tax notices revenue was below prior year by \$6.7 million (91%), partially due to unusually high notices in FY2011. However, refunds for November were also \$3.3 million (60%) less than November last year, partially offsetting this impact. On a YTD basis, Business Taxes are \$0.8 million above plan and \$2.4 million (1.6%) above prior year.

Current Month

Meals and Rentals Tax (M&R) receipts, net of the transfer to Building Aid Debt Service, this month came in \$0.2 million above plan but slightly below the prior year. As can be seen in the chart on page 2, YTD gross revenue receipts, before transfers, is tracking \$5.4 million or 4% above prior year.

Tobacco Tax collections for the month were slightly above plan and prior year bringing YTD revenue to \$4.6 million (4.8%) below plan and \$2.6 million (2.8%) below last year. Stamp sales for the period June – November (see page 4 chart) are 5.4% lower than last year. The estimated YTD impact of the rate reduction, effective July 1, 2011 is approximately 5.0 million.

Transfers of profit from the State Liquor Commission for the month was only lower than plan by \$0.5 million. However, YTD results are behind plan by \$3.2 million (5.2%), while ahead of prior year's profits by \$1.8 million or 3.2%.

Interest & Dividends Tax (I&D) receipts for November were \$1.0 million above plan. As compared to prior year, monthly receipts were \$2.7 million higher due to lower refunds issued and higher estimated payments. YTD revenues are tracking \$4.9 million (34.5%) above prior year.

The Communications Tax collections for November were \$2.1 million below plan and \$1.8 million below prior year. Year to date, the Communications Tax is \$6.1 million (18%) below plan and \$4.9 million (15%) below prior year. According to DRA, these results largely reflect the effects of Chapter 279, Laws of 2012 which eliminated charges for Internet Access from the tax.

Real Estate Transfer Tax revenues, reflecting transactions occurring through the prior month, have now exceeded plan and prior year for three consecutive months, exceeding plan \$1.1 million and prior year \$1.0 million. DRA noted that the number of transactions reported by counties for the month of October were 23% higher than last year, and are also tracking 13% above the same prior YTD transaction period of July - October. YTD collections were \$3.9 million above plan and \$3.3 million above prior year.

Continued on page 4

General & Education Funds	FY 13 Actuals	FY 13 Plan	Actual vs Plan	% Inc/(Dec)
Business Profits Tax	\$ 4.3	\$ 5.7	\$ (1.4)	-24.6%
Business Enterprise Tax	3.2	3.6	(0.4)	-11.1%
Subtotal Business Taxes	7.5	9.3	(1.8)	-19.4%
Meals & Rentals Tax	20.7	20.5	0.2	1.0%
Tobacco Tax	17.4	17.1	0.3	1.8%
Transfer from Liquor Commission	11.1	11.6	(0.5)	-4.3%
Interest & Dividends Tax	1.1	0.1	1.0	1000.0%
Insurance Tax	1.4	1.0	0.4	40.0%
Communications Tax	4.7	6.8	(2.1)	-30.9%
Real Estate Transfer Tax	8.0	6.9	1.1	15.9%
Court Fines & Fees	1.1	1.0	0.1	10.0%
Securities Revenue	0.4	0.3	0.1	33.3%
Utility Consumption Tax	0.6	0.5	0.1	20.0%
Board & Care Revenue	2.5	1.8	0.7	38.9%
Beer Tax	1.0	1.0	-	0.0%
Other	4.9	5.3	(0.4)	-7.5%
Transfer from Lottery Commission	6.3	6.5	(0.2)	-3.1%
Transfer from Racing & Charitable Gaming	0.3	0.3	-	0.0%
Tobacco Settlement	-	-	-	-
Utility Property Tax	-	-	-	-
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	89.0	90.0	(1.0)	-1.1%
Net Medicaid Enhancement Revenue	56.8	104.8	(48.0)	-45.8%
Recoveries	0.5	0.4	0.1	25.0%
Total Receipts	\$ 146.3	\$ 195.2	\$ (48.9)	-25.1%

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

NH Revenue Focus - November FY 2013

RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	8.5	8.2	8.9	8.4	8.0							
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3	5.7	6.5	7.9
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	6.4
Mo over Mo	0.9	(1.6)	1.2	1.8	1.0							
% Mo over Mo	12%	-16%	16%	27%	14%							
YTD change over Prior Year	0.9	(0.7)	0.5	2.3	3.3							
% YTD change	12%	-4%	2%	7%	9%							

Business Tax Refund Analysis												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	1.1	1.5	1.5	1.8	2.2							
FY12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3	1.5	1.2	3.5	4.1
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5	3.3	2.1	2.7	2.2
Mo over Mo change	(0.1)	(0.1)	(1.7)	-	(3.3)							
YTD change	(0.1)	(0.2)	(1.9)	(1.9)	(5.2)							

M&R Analysis						
	November			YTD		
	FY 13	FY 12	Diff	FY 13	FY 12	Diff
Gross Collections	21.9	22.0	(0.1)	127.6	122.2	5.4
Bldg Aid Debt Svc Transfer	(1.2)	(1.2)	-	(6.0)	(6.1)	0.1
Net Revenue	20.7	20.8	(0.1)	121.6	116.1	5.5

General & Education Funds Comparison to FY 12

General & Education Funds	Monthly			Year-to-Date			
	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 4.3	\$ 5.5	\$ (1.2)	\$ 90.2	\$ 91.6	\$ (1.4)	-1.5%
Business Enterprise Tax	3.2	3.7	(0.5)	63.3	59.5	3.8	6.4%
Subtotal Business Taxes	7.5	9.2	(1.7)	153.5	151.1	2.4	1.6%
Meals & Rentals Tax	20.7	20.8	(0.1)	121.6	116.1	5.5	4.7%
Tobacco Tax	17.4	16.8	0.6	91.7	94.3	(2.6)	-2.8%
Transfer from Liquor Commission	11.1	11.6	(0.5)	57.8	56.0	1.8	3.2%
Interest & Dividends Tax	1.1	(1.6)	2.7	19.1	14.2	4.9	34.5%
Insurance Tax	1.4	0.8	0.6	7.3	6.0	1.3	21.7%
Communications Tax	4.7	6.5	(1.8)	28.0	32.9	(4.9)	-14.9%
Real Estate Transfer Tax	8.0	7.0	1.0	42.0	38.7	3.3	8.5%
Court Fines & Fees	1.1	1.1	-	5.7	5.6	0.1	1.8%
Securities Revenue	0.4	0.5	(0.1)	2.0	2.3	(0.3)	-13.0%
Utility Consumption Tax	0.6	0.5	0.1	2.6	2.5	0.1	4.0%
Board & Care Revenue	2.5	2.1	0.4	11.8	8.3	3.5	42.2%
Beer Tax	1.0	0.9	0.1	6.1	6.1	-	0.0%
Other	4.9	5.2	(0.3)	20.5	19.3	1.2	6.2%
Transfer from Lottery Commission	6.3	4.6	1.7	24.5	20.6	3.9	18.9%
Transfer from Racing & Charitable Gaming	0.3	0.3	-	1.0	1.0	-	0.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.5	7.5	-	0.0%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	89.0	86.3	2.7	602.7	582.5	20.2	3.5%
Net Medicaid Enhancement Rev	56.8	46.7	10.1	56.8	46.7	10.1	21.6%
Recoveries	0.5	0.4	0.1	1.5	2.1	(0.6)	-28.6%
Total Receipts	\$ 146.3	\$ 133.4	\$ 12.9	\$ 661.0	\$ 631.3	\$ 29.7	4.7%

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



General and Education Funds

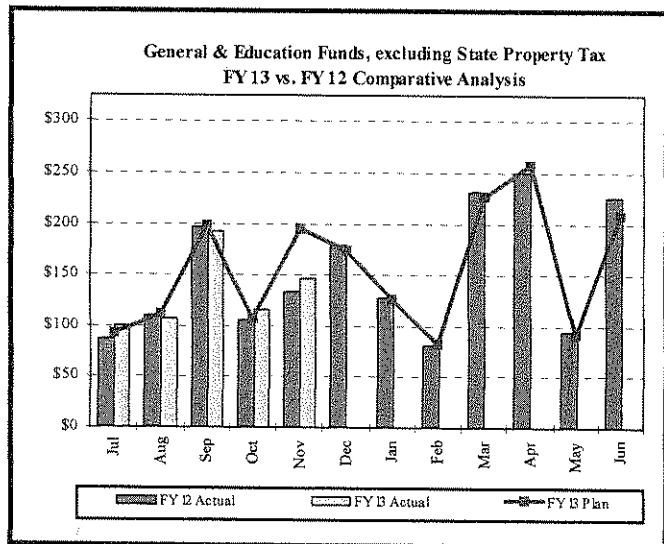
Year-to-Date Comparison to Plan

General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 74.4	\$ 78.3	\$ (3.9)	\$ 15.8	\$ 16.7	\$ (0.9)	\$ 90.2	\$ 95.0	\$ (4.8)	-5.1%
Business Enterprise Tax	21.6	19.3	2.3	41.7	38.4	3.3	63.3	57.7	5.6	9.7%
Subtotal Business Taxes	96.0	97.6	(1.6)	57.5	55.1	2.4	153.5	152.7	0.8	0.5%
Meals & Rentals Tax	117.6	110.5	7.1	4.0	3.7	0.3	121.6	114.2	7.4	6.5%
Tobacco Tax	57.6	52.8	4.8	34.1	43.5	(9.4)	91.7	96.3	(4.6)	-4.8%
Transfer from Liquor Commission	57.8	61.0	(3.2)	-	-	-	57.8	61.0	(3.2)	-5.2%
Interest & Dividends Tax	19.1	16.5	2.6	-	-	-	19.1	16.5	2.6	15.8%
Insurance Tax	7.3	6.1	1.2	-	-	-	7.3	6.1	1.2	19.7%
Communications Tax	28.0	34.1	(6.1)	-	-	-	28.0	34.1	(6.1)	-17.9%
Real Estate Transfer Tax	28.0	25.5	2.5	14.0	12.6	1.4	42.0	38.1	3.9	10.2%
Court Fines & Fees	5.7	5.6	0.1	-	-	-	5.7	5.6	0.1	1.8%
Securities Revenue	2.0	2.5	(0.5)	-	-	-	2.0	2.5	(0.5)	-20.0%
Utility Consumption Tax	2.6	2.5	0.1	-	-	-	2.6	2.5	0.1	4.0%
Board & Care Revenue	11.8	8.5	3.3	-	-	-	11.8	8.5	3.3	38.8%
Beer Tax	6.1	6.3	(0.2)	-	-	-	6.1	6.3	(0.2)	-3.2%
Other	20.5	20.6	(0.1)	-	-	-	20.5	20.6	(0.1)	-0.5%
Transfer from Lottery Commission	-	-	-	24.5	24.0	0.5	24.5	24.0	0.5	2.1%
Transfer from Racing & Charitable Gaming	-	-	-	1.0	1.4	(0.4)	1.0	1.4	(0.4)	-28.6%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.5	6.7	0.8	7.5	6.7	0.8	11.9%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	460.1	450.1	10.0	142.6	147.0	(4.4)	602.7	597.1	5.6	0.9%
Net Medicaid Enhancement Rev	56.8	104.8	(48.0)	-	-	-	56.8	104.8	(48.0)	-45.8%
Recoveries	1.5	1.9	(0.4)	-	-	-	1.5	1.9	(0.4)	-21.1%
Total Receipts	\$ 518.4	\$ 556.8	\$ (38.4)	\$ 142.6	\$ 147.0	\$ (4.4)	\$ 661.0	\$ 703.8	\$ (42.8)	-6.1%

* The above amounts do not reflect \$11.9 million of Medicaid Enhancement Tax collected year-to-date, and \$1.0 million of Interest & Dividends revenue delayed due to system implementation issues, which were both attributable to FY 12 and not included in the FY 13 plan.

Education Trust Fund Statement of Activity - FY 2013 July 1, 2012 to November 30, 2012	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	142.6
Expenditures	
Education Grants & Adm Costs	(242.4)
Ending Surplus (Deficit) - unaudited	\$ (99.8)

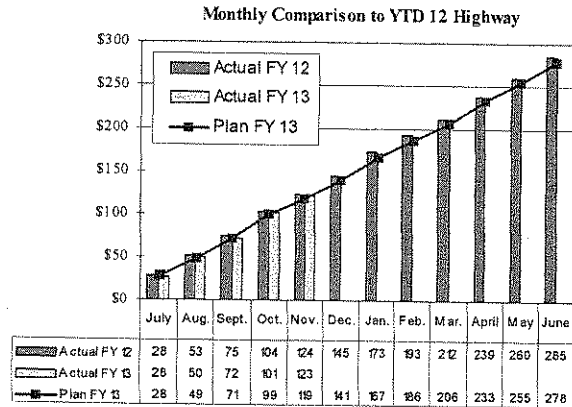
Fiscal 2013 Adequate Education Grant payments of \$578.7 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.1 million of grants through local retention of Statewide Property Tax collections. The FY 2013 budget anticipated a deficit of \$130.5 million, to be covered by a General fund transfer at year end.



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

Highway Fund

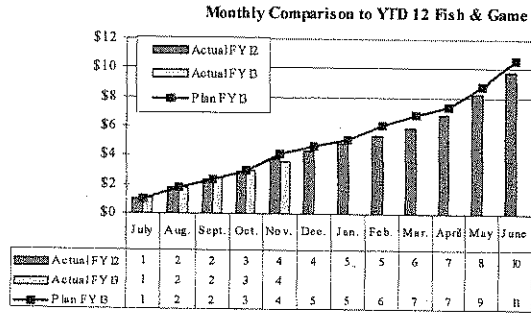
Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 53.5	\$ 53.5	\$ -
Miscellaneous	22.1	19.8	2.3
Motor Vehicle Fees			
MV Registrations	32.2	31.2	1.0
MV Operators	5.3	4.9	0.4
Inspection Station Fees	1.7	1.7	-
MV Miscellaneous Fees	4.5	4.8	(0.3)
Certificate of Title	3.2	3.1	0.1
Total Fees	46.9	45.7	1.2
Total	\$ 122.5	\$ 119.0	\$ 3.5



YTD Highway Fund revenues came in 3% above plan and according to the Department of Transportation, the Miscellaneous category benefited from higher than anticipated receipts of cost reimbursement (revenue) for Federal projects. According to the Department of Safety, the number of motor vehicle registrations are trending 2% higher than what was forecast this fiscal year.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 2.9	\$ 3.4	\$ (0.5)
Fines and Penalties	-	0.1	(0.1)
Miscellaneous Sales	0.3	0.3	-
Federal Recoveries Indirect Costs	0.4	0.3	0.1
Total	\$ 3.6	\$ 4.1	\$ (0.5)



The year to date revenues dropped off from plan this month due to the lower number of licenses being sold.

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

Continued from page 1

Board and Care revenue is ahead of plan due to unexpected increases in cost-based rates.

Medicaid Enhancement Tax receipts are lower than plan due to the reporting by hospitals of significantly lower than expected net patient service revenues and, additionally, some have not paid the tax. Total MET receipts during FY2013 have been \$165.4 million. Approximately \$2.9 million relate to prior tax years and the remaining \$162.5 million relates to the current year. Of the current year receipts, \$108.6 million was recorded as restricted revenue as budgeted with the Department of Health and Human Services and the remaining amount of approximately \$54 million is recorded as unrestricted revenue.

Sales of Cigarette Stamps

Total sold June through November for each of last six years *

(number of stamps, in thousands)

Prepared from data provided by DRA

Year	Sales of Stamps	Volume Change	Percent Change
2013	62,534	(3,581)	-5.4%
2012	66,115	(1,855)	-2.7%
2011	67,970	(2,119)	-3.0%
2010	70,090	(12,232)	-14.9%
2009	82,321	(1,737)	-2.1%
2008	84,059		

*Analysis period intended to smooth the effects of July 1 tax adjustments
Stamp counts include all days through the end of the month. Cash collections can be delayed one day.

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Phone: (603) 271-3181 Fax: (603) 271-6666
TDD Access: Relay NH 1-800-735-2964

Current Month Revenue Report Collections

1	General Fund Revenue	Revenue on Current Month Revenue Report Reflect Collections From:
2	Business Profits Tax	Current month
3	Business Enterprise Tax	Current month
4	Meals and Rooms Tax	Prior month
5	Tobacco Tax	Current month
6	Liquor Sales and Distribution	Current month
7	Interest and Dividends Tax	Current month
8	Insurance Tax	Current month
9	Communications Tax	Current month
10	Real Estate Transfer Tax	Prior month
11	Court Fines and Fees	Current month
12	Securities Revenue	Current month
13	Utility Tax	Current month
14	Board and Care Revenue	Current month
15	Beer Tax	Current month
16	Other	Current month
17	Tobacco Settlement	Current month
18	Medicaid Recoveries	Current month
19	Medicaid Enhancement Tax	Current month
20	Education Trust Fund Revenue	
21	Business Profits Tax	Current month
22	Business Enterprise Tax	Current month
23	Meals and Rooms Tax	Prior month
24	Tobacco Tax	Prior month
25	Real Estate Transfer Tax	Current month
26	Transfer from Lottery	Prior month
27	Transfer from Racing & Charitable	Prior month
28	Tobacco Settlement	Current month
29	Utility Property Tax	Current month
30	State Property Tax	Current month
31	Highway Fund	
32	Gasoline Road Toll	Prior month
33	Miscellaneous	Current month
34	Motor Vehicle Fees	Current month
35	Fish and Game Fund	
36	Fish and Game Licenses	Prior month
37	Fines and Penalties	Current month
38	Miscellaneous Sales	Current month
39	Federal Recoveries of Indirect Costs	Current month

STATE OF NEW HAMPSHIRE
 SCHEDULE OF UNRESTRICTED REVENUE - GAAP BASIS
 GENERAL FUND
 FOR THE LAST TEN FISCAL YEARS
 (Expressed in Thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Beer Tax.....	\$ 12,865	\$ 12,900	\$ 13,065	\$ 12,695	\$ 12,720	\$ 12,728	\$ 12,805	\$ 12,413	\$ 12,445	\$ 12,281
Board and Care Revenue.....	24,487	22,519	22,072	21,338	19,937	18,354	13,261	15,583	12,384	11,197
Business Profits Tax.....	256,552	248,537	258,633	251,925	317,439	287,423	264,027	196,647	131,585	137,757
Business Enterprise Tax.....	68,459	63,003	71,744	61,889	77,710	79,291	75,190	114,110	118,538	96,574
Estate and Legacy Tax.....	7	92	48	(4)	214	617	3,224	11,659	26,971	59,074
Insurance Tax.....	84,990	84,902	86,804	94,144	95,876	97,909	90,462	88,706	86,246	82,161
Securities Revenue.....	37,591	37,025	34,231	34,680	34,700	32,964	30,064	27,904	26,344	25,778
Interest and Dividends Tax.....	83,536	76,597	84,866	97,126	118,693	108,086	80,543	67,896	55,630	55,129
Liquor.....	127,590	125,718	120,718	146,000	133,052	124,742	120,644	112,555	106,676	98,996
Meals and Rentals Tax.....	231,776	228,898	228,291	203,603	206,726	202,595	193,788	186,486	178,480	168,722
Dog Racing.....		329	334	385	525	703	559	1,112	1,515	1,572
Horse Racing.....		1,005	1,184	1,633	2,440	2,398	2,313	2,401	2,474	2,459
Gambling Winning Tax.....		3,188	2,933							
Games of Chance.....		1,136	1,181							
Real Estate Transfer Tax.....	52,792	53,987	55,994	53,539	77,690	91,704	106,161	107,821	95,162	78,859
Telephone/Communications Tax.....	79,320	76,500	80,965	80,243	80,932	72,986	70,496	70,039	65,781	62,522
Tobacco Tax.....	136,094	129,849	130,521	59,257	57,060	65,337	69,892	73,159	71,471	67,066
Tobacco Settlement.....	2,510	1,692	4,221	12,821	8,404			2,441	1,816	5,862
Utilities Tax.....	5,929	5,955	5,976	6,535	6,285	5,757	6,385	6,265	5,121	7,078
Courts Fines and Fees.....	13,853	13,737	13,022	29,295	31,300	30,452	29,500	25,517	24,673	22,114
Flexible Grant.....									25,000	25,000
Other:										
Corporate Returns.....	575	754	712	647	682	678	744	733	748	750
Interstate Vehicle Registrations...		2,157	1,132	1,231	1,362	167	2,411	2,334	2,253	2,310
Corporate Filing Fees.....	3,056	3,251	3,016	3,271	3,346	3,414	3,716	3,231	2,947	3,346
Interest on Surplus Funds.....	(41)	10	(545)	404	5,352	7,776	4,868	1,712	174	75
Reimbursement of Indirect Costs.....	9,836	10,800	8,340	7,214	6,858	6,822	6,265	6,724	6,671	5,675
Miscellaneous.....	63,682	59,444	78,862	74,031	71,412	69,612	44,092	44,878	44,258	40,409
Subtotal.....	1,295,479	1,263,985	1,308,320	1,253,902	1,370,715	1,322,515	1,231,410	1,182,326	1,105,363	1,072,766
Net Medicaid Enhancement										
Revenues (MER).....	74,832	93,440	98,136	99,626	93,111	83,257	73,617	147,209	149,831	116,979
Recoveries.....	6,309	27,758	19,854	21,827	20,108	15,875	24,462	22,989	20,374	
Subtotal.....	1,376,620	1,385,183	1,426,310	1,375,355	1,483,934	1,421,647	1,329,489	1,352,524	1,275,568	1,189,745
Other MER Transferred to/(from)										
Uncompensated Care Pool.....								39,062	35,143	16,594
Total Unrestricted Revenue.....	\$ 1,376,620	\$ 1,385,183	\$ 1,426,310	\$ 1,375,355	\$ 1,483,934	\$ 1,421,647	\$ 1,329,489	\$ 1,391,586	\$ 1,310,711	\$ 1,206,339

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
 SCHEDULE OF UNDESIGNATED/ASSIGNED FUND BALANCE
 EDUCATION FUND
 FOR THE LAST TEN FISCAL YEARS
 (Expressed in Thousands)

	Fiscal Year Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Balance July 1.....	\$	\$	\$	\$	\$	\$ 8,357	\$	\$	\$	\$
Additions										
Unrestricted Revenue										
Statewide Property Tax (2).....	363,121	363,647	363,166	363,653	363,066	363,335	363,392	350,368	443,350	452,997
Statewide Property Tax.....				-	58	-	-	20,934	29,844	32,666
Utility Property Tax.....	33,067	32,319	29,929	28,972	24,196	21,847	20,881	20,102	20,160	18,834
BPT Increase.....	55,309	49,264	57,590	53,894	67,961	57,755	56,578	50,748	41,000	37,100
BET Increase.....	135,815	129,401	122,157	123,389	154,990	174,208	150,380	130,600	116,900	121,400
Meals & Rentals.....	7,559	6,643	4,235	6,107	7,632	7,218	7,138	7,153	6,875	6,701
Real Estate Tax Increase.....	29,196	27,975	28,832	27,736	38,616	45,663	52,545	51,960	47,515	39,426
Tobacco Tax Increase.....	78,843	96,805	113,004	128,796	109,260	78,283	80,902	28,214	28,582	26,977
Tobacco Settlement.....	40,000	40,000	40,000	40,000	40,000	40,781	38,961	40,000	40,000	40,000
Transfers from Lottery.....	66,768	62,206	66,222	68,149	75,553	80,548	81,987	70,263	73,745	66,569
Transfers from Racing & Charitable Gaming.....	3,495	1,254	1,362	1,470	1,457					
Total Revenue.....	813,173	809,514	826,497	842,166	882,789	869,638	852,764	770,342	847,971	842,670
General Fund										
Budgeted Appropriations.....								61,378	62,590	83,420
Total Additions.....	813,173	809,514	826,497	842,166	882,789	869,638	852,764	831,720	910,561	926,090
Deductions										
Appropriations										
Adequate Education Grant (1)....	578,204	482,725	336,852	526,707	527,295	472,383	473,534	441,610	451,640	443,873
Adequate Education Grant (2)....	363,121	363,647	363,166	363,653	363,066	363,335	363,392	350,368	443,350	452,997
Total Grants.....	941,325	846,372	700,018	890,360	890,361	835,718	836,926	791,978	894,990	896,870
DRA-Property Tax Relief.....	1,246	3,300	5,210	5,390	5,700	3,800	2,900	(1,800)	7,700	5,000
DOE-Charter Schools.....	5,185	6,407	4,830	2,378	1,780	400				
DOE-Kindergarten Aid.....	1,952	3,678	3,678			2,004				2,625
DOE-Fiscal Disparity Grants.....	4,266	51,187	39,760							
DOE-Education Transition Aid.....	-	43,491	43,657							
Total Appropriations.....	953,974	954,435	797,153	898,128	897,841	841,922	839,826	790,178	902,690	904,495
Less Lapses.....	(717)	(20,898)	(2,146)	(3,024)	270	(4,508)	4,581	19,042		
Net Appropriations.....	953,257	933,537	795,007	895,104	898,111	837,414	844,407	809,220	902,690	904,495
Current Year Balance.....	(140,084)	(124,023)	31,490	(52,938)	(15,322)	32,224	8,357	22,500	7,871	21,595
End of Year										
Transfers From(To)										
General Fund.....										
FY 2000.....										
FY 2001.....										
FY 2002.....										
FY 2003.....										(16,580)
FY 2003.....										(5,015)
FY 2004.....										
FY 2005.....									(7,871)	
FY 2005.....								(22,500)		
FY 2007.....						(40,581)				
FY 2008.....					15,322					
FY 2009.....				52,938						
FY 2010.....			(31,490)							
FY 2011.....		124,023								
FY 2012.....	140,084									
Balance June 30.....	\$	\$	\$	\$	\$	\$	\$ 8,357	\$	\$	\$

(1) State Education Grant Disbursed by State
 (2) State Education Grant Retained Locally by Cities & Towns

See accompanying Independent Auditors' Report

REVENUE COLLECTIONS BY MONTHLY PERCENTAGE FY 2007 - FY2012

Gen/ETF						
Combined Business Taxes (BPT and BET)						
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
(\$ in Millions)						
July						
Monthly	\$15.1	\$11.4	\$15.9	\$16.6	\$16.0	\$15.2
%	2.9%	2.3%	3.2%	3.4%	2.6%	2.5%
Y.T.D.	\$15.1	\$11.4	\$15.9	\$16.6	\$16.0	\$15.2
%	2.9%	2.3%	3.2%	3.4%	2.6%	2.5%
August						
Monthly	\$13.0	\$13.1	\$9.0	\$11.9	\$9.3	\$10.4
%	2.5%	2.7%	1.8%	2.4%	1.5%	1.7%
Y.T.D.	\$28.1	\$24.5	\$24.9	\$28.5	\$25.3	\$25.6
%	5.5%	5.0%	4.9%	5.8%	4.1%	4.3%
September						
Monthly	\$89.5	\$78.0	\$78.5	\$82.8	\$93.2	\$99.9
%	17.5%	16.0%	15.6%	16.9%	15.2%	16.6%
Y.T.D.	\$117.6	\$102.5	\$103.4	\$111.3	\$118.5	\$125.5
%	23.0%	21.0%	20.5%	22.7%	19.3%	20.9%
October						
Monthly	\$24.3	\$23.8	\$25.0	\$27.0	\$51.7	\$28.5
%	4.7%	4.9%	5.0%	5.5%	8.4%	4.7%
Y.T.D.	\$141.9	\$126.3	\$128.4	\$138.3	\$170.2	\$154.0
%	27.7%	25.9%	25.5%	28.2%	27.7%	25.6%
November						
Monthly	\$9.2	\$6.9	\$7.3	-\$1.7	\$5.2	\$10.6
%	1.8%	1.4%	1.4%	-0.3%	0.8%	1.8%
Y.T.D.	\$151.1	\$133.2	\$135.7	\$136.6	\$175.4	\$164.6
%	29.5%	27.3%	26.9%	27.8%	28.6%	27.4%
December						
Monthly	\$80.6	\$84.6	\$72.7	\$83.5	\$98.8	\$89.2
%	15.7%	17.3%	14.4%	17.0%	16.1%	14.8%
Y.T.D.	\$231.7	\$217.8	\$208.4	\$220.1	\$274.2	\$253.8
%	45.2%	44.6%	41.3%	44.8%	44.7%	42.2%
January						
Monthly	\$25.9	\$11.0	\$17.7	\$15.3	\$21.6	\$17.8
%	5.1%	2.3%	3.5%	3.1%	3.5%	3.0%
Y.T.D.	\$257.6	\$228.8	\$226.1	\$235.4	\$295.8	\$271.6
%	50.3%	46.8%	44.8%	47.9%	48.2%	45.2%
February						
Monthly	\$8.2	\$7.2	\$9.6	\$13.0	\$16.0	\$9.5
%	1.6%	1.5%	1.9%	2.6%	2.6%	1.6%
Y.T.D.	\$265.8	\$236.0	\$235.7	\$248.4	\$311.8	\$281.1
%	51.9%	48.3%	46.7%	50.6%	50.8%	46.7%
March						
Monthly	\$80.4	\$82.0	\$75.4	\$79.3	\$95.1	\$116.4
%	15.7%	16.8%	15.0%	16.1%	15.5%	250.0%
Y.T.D.	\$346.2	\$318.0	\$311.1	\$327.7	\$406.9	\$397.5
%	67.6%	65.1%	61.7%	66.7%	66.3%	66.1%
April						
Monthly	\$74.0	\$74.7	\$64.0	\$83.7	\$105.1	\$94.8
%	14.4%	15.3%	12.7%	17.0%	17.1%	15.8%
Y.T.D.	\$420.2	\$392.7	\$375.1	\$411.4	\$512.0	\$492.3
%	82.0%	80.4%	74.4%	83.8%	83.5%	81.9%
May						
Monthly	\$14.5	\$17.8	\$10.2	\$9.4	\$13.9	\$23.4
%	2.8%	3.6%	2.0%	1.9%	2.3%	3.9%
Y.T.D.	\$434.7	\$410.5	\$385.3	\$420.8	\$525.9	\$515.7
%	84.9%	84.0%	76.4%	85.7%	85.7%	85.7%
June						
Monthly	\$77.6	\$77.9	\$118.9	\$70.3	\$87.5	\$85.7
%	15.1%	16.0%	23.6%	14.3%	14.3%	14.3%
Y.T.D.	\$512.3	\$488.4	\$504.2	\$491.1	\$613.4	\$601.4
%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

REVENUE COLLECTIONS BY MONTHLY PERCENTAGE FY 2007 - FY2012

Gen/ETF						
Real Estate Transfer Tax						
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
(\$ in Millions)						
July						
Monthly	\$7.6	\$9.6	\$9.0	\$11.5	\$12.9	\$16.5
%	9.2%	11.9%	10.7%	14.2%	11.0%	11.7%
Y.T.D.	\$7.6	\$9.6	\$9.0	\$11.5	\$12.9	\$16.5
%	9.2%	11.9%	10.7%	14.2%	11.0%	11.7%
August						
Monthly	\$9.8	\$6.9	\$8.3	\$9.9	\$13.2	\$12.3
%	11.9%	8.6%	9.8%	12.2%	11.2%	8.7%
Y.T.D.	\$17.4	\$16.5	\$17.3	\$21.4	\$26.1	\$28.8
%	21.1%	20.5%	20.5%	26.4%	22.2%	20.4%
September						
Monthly	\$7.7	\$6.6	\$7.6	\$9.4	\$13.5	\$13.5
%	9.3%	8.2%	9.0%	11.6%	11.5%	9.6%
Y.T.D.	\$25.1	\$23.1	\$24.9	\$30.8	\$39.6	\$42.3
%	30.4%	28.7%	29.5%	37.9%	33.7%	30.0%
October						
Monthly	\$6.6	\$6.7	\$8.1	\$8.1	\$9.6	\$11.7
%	8.0%	8.3%	9.6%	10.0%	8.2%	8.3%
Y.T.D.	\$31.7	\$29.8	\$33.0	\$38.9	\$49.2	\$54.0
%	38.4%	37.0%	39.1%	47.9%	41.8%	38.3%
November						
Monthly	\$7.0	\$6.6	\$7.1	\$8.8	\$11.4	\$15.2
%	8.5%	8.2%	8.4%	10.8%	9.7%	10.8%
Y.T.D.	\$38.7	\$36.4	\$40.1	\$47.7	\$60.6	\$69.2
%	46.9%	45.2%	47.5%	58.7%	51.5%	49.1%
December						
Monthly	\$6.1	\$7.3	\$7.3	\$6.6	\$8.6	\$10.6
%	7.4%	9.1%	8.6%	8.1%	7.3%	7.5%
Y.T.D.	\$44.8	\$43.7	\$47.4	\$54.3	\$69.2	\$79.8
%	54.2%	54.3%	56.1%	66.9%	58.8%	56.6%
January						
Monthly	\$8.0	\$7.7	\$7.4	\$6.5	\$8.7	\$11.0
%	9.7%	9.6%	8.8%	8.0%	7.4%	7.8%
Y.T.D.	\$52.8	\$51.4	\$54.8	\$60.8	\$77.9	\$90.8
%	63.9%	63.9%	64.9%	74.9%	66.2%	64.4%
February						
Monthly	\$5.4	\$5.1	\$4.6	\$4.1	\$6.7	\$8.6
%	6.5%	6.3%	5.4%	5.0%	5.7%	6.1%
Y.T.D.	\$58.2	\$56.5	\$59.4	\$64.9	\$84.6	\$99.4
%	70.5%	70.2%	70.3%	79.9%	71.9%	70.5%
March						
Monthly	\$4.3	\$5.1	\$4.4	\$3.7	\$5.8	\$7.7
%	5.2%	6.3%	5.2%	4.6%	4.9%	5.5%
Y.T.D.	\$62.5	\$61.6	\$63.8	\$68.6	\$90.4	\$107.1
%	75.7%	76.5%	75.5%	84.5%	76.9%	76.0%
April						
Monthly	\$5.7	\$5.6	\$6.4	\$5.4	\$7.1	\$10.5
%	6.9%	7.0%	7.6%	6.7%	6.0%	7.4%
Y.T.D.	\$68.2	\$67.2	\$70.2	\$74.0	\$97.5	\$117.6
%	82.6%	83.5%	83.1%	91.1%	82.9%	83.4%
May						
Monthly	\$6.5	\$8.4	\$7.0	\$4.6	\$9.2	\$9.9
%	7.9%	10.4%	8.3%	5.7%	7.8%	7.0%
Y.T.D.	\$74.7	\$75.6	\$77.2	\$78.6	\$106.7	\$127.5
%	90.4%	93.9%	91.4%	96.8%	90.7%	90.4%
June						
Monthly	\$7.9	\$4.9	\$7.3	\$2.6	\$10.9	\$13.5
%	9.6%	6.1%	8.6%	3.2%	9.3%	9.6%
Y.T.D.	\$82.6	\$80.5	\$84.5	\$81.2	\$117.6	\$141.0
%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

REVENUE COLLECTIONS BY MONTHLY PERCENTAGE FY 2007 - FY2012

Lottery/Bingo/Lucky 7						
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
(\$ in Millions)						
July						
Monthly	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Y.T.D.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
August						
Monthly	\$5.1	\$5.5	\$5.1	\$5.3	\$5.9	\$5.9
%	7.6%	8.7%	7.6%	7.6%	7.7%	7.4%
Y.T.D.	\$5.1	\$5.5	\$5.1	\$5.3	\$5.9	\$5.9
%	7.6%	8.7%	7.6%	7.6%	7.7%	7.4%
September						
Monthly	\$5.3	\$5.0	\$6.9	\$6.5	\$8.0	\$6.1
%	7.9%	7.9%	10.2%	9.3%	10.4%	7.6%
Y.T.D.	\$10.4	\$10.5	\$12.0	\$11.8	\$13.9	\$12.0
%	15.5%	16.7%	17.8%	17.0%	18.1%	15.0%
October						
Monthly	\$5.6	\$4.8	\$5.6	\$5.9	\$8.1	\$8.4
%	8.3%	7.6%	8.3%	8.5%	10.5%	10.5%
Y.T.D.	\$16.0	\$15.3	\$17.6	\$17.7	\$22.0	\$20.4
%	23.8%	24.3%	26.1%	25.4%	28.6%	25.5%
November						
Monthly	\$4.6	\$5.8	\$6.4	\$5.2	\$5.9	\$5.5
%	6.8%	9.2%	9.5%	7.5%	7.7%	6.9%
Y.T.D.	\$20.6	\$21.1	\$24.0	\$22.9	\$27.9	\$25.9
%	30.6%	33.5%	35.6%	32.9%	36.2%	32.4%
December						
Monthly	\$4.5	\$4.6	\$5.2	\$6.3	\$5.1	\$5.7
%	6.7%	7.3%	7.7%	9.1%	6.6%	7.1%
Y.T.D.	\$25.1	\$25.7	\$29.2	\$29.2	\$33.0	\$31.6
%	37.3%	40.9%	43.3%	42.0%	42.9%	39.5%
January						
Monthly	\$6.7	\$7.2	\$5.1	\$5.0	\$7.1	\$8.8
%	10.0%	11.4%	7.6%	7.2%	9.2%	11.0%
Y.T.D.	\$31.8	\$32.9	\$34.3	\$34.2	\$40.1	\$40.4
%	47.3%	52.3%	50.9%	49.1%	52.1%	50.6%
February						
Monthly	\$4.1	\$5.0	\$5.4	\$7.1	\$5.7	\$7.7
%	6.1%	7.9%	8.0%	10.2%	7.4%	9.6%
Y.T.D.	\$35.9	\$37.9	\$39.7	\$41.3	\$45.8	\$48.1
%	53.3%	60.3%	58.9%	59.3%	59.5%	60.2%
March						
Monthly	\$7.8	\$4.5	\$4.0	\$4.5	\$5.3	\$5.8
%	11.6%	7.2%	5.9%	6.5%	6.9%	7.3%
Y.T.D.	\$43.7	\$42.4	\$43.7	\$45.8	\$51.1	\$53.9
%	64.9%	67.4%	64.8%	65.8%	66.4%	67.5%
April						
Monthly	\$6.5	\$5.7	\$5.5	\$4.0	\$8.0	\$7.3
%	9.7%	9.1%	8.2%	5.7%	10.4%	9.1%
Y.T.D.	\$50.2	\$48.1	\$49.2	\$49.8	\$59.1	\$61.2
%	74.6%	76.5%	73.0%	71.6%	76.8%	76.6%
May						
Monthly	\$5.1	\$5.0	\$5.9	\$5.5	\$6.0	\$7.0
%	7.6%	7.9%	8.8%	7.9%	7.8%	8.8%
Y.T.D.	\$55.3	\$53.1	\$55.1	\$55.3	\$65.1	\$68.2
%	82.2%	84.4%	81.8%	79.5%	84.5%	85.4%
June						
Monthly	\$12.0	\$9.8	\$12.3	\$14.3	\$11.9	\$11.7
%	17.8%	15.6%	18.2%	20.5%	15.5%	14.6%
Y.T.D.	\$67.3	\$62.9	\$67.4	\$69.6	\$77.0	\$79.9
%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

REVENUE COLLECTIONS BY MONTHLY PERCENTAGE FY 2007 - FY2012

Gen Fd						
Gambling Winnings Tax						
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
(\$ in Millions)						
July						
Monthly	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
%	0.0%	3.1%	0.0%			
Y.T.D.	\$0.0	\$0.1	\$0.0			
%	0.0%	3.1%	0.0%			
August						
Monthly	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0
%	0.0%	3.1%	6.9%			
Y.T.D.	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0
%	0.0%	3.1%	6.9%			
September						
Monthly	\$0.0	\$0.9	\$0.2	\$0.0	\$0.0	\$0.0
%	0.0%	28.3%	6.9%			
Y.T.D.	\$0.0	\$1.0	\$0.4	\$0.0	\$0.0	\$0.0
%	0.0%	31.4%	13.8%			
October						
Monthly	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
%	0.0%	3.1%	0.0%			
Y.T.D.	\$0.0	\$1.1	\$0.4	\$0.0	\$0.0	\$0.0
%	0.0%	34.6%	13.8%			
November						
Monthly	\$0.0	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0
%	0.0%	7.5%	3.4%			
Y.T.D.	\$0.0	\$1.3	\$0.5	\$0.0	\$0.0	\$0.0
%	0.0%	42.1%	17.2%			
December						
Monthly	\$0.0	\$0.1	\$0.4	\$0.0	\$0.0	\$0.0
%	0.0%	4.4%	13.8%			
Y.T.D.	\$0.0	\$1.5	\$0.9	\$0.0	\$0.0	\$0.0
%	0.0%	46.5%	31.0%			
January						
Monthly	\$0.0	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0
%	0.0%	6.3%	3.4%			
Y.T.D.	\$0.0	\$1.7	\$1.0	\$0.0	\$0.0	\$0.0
%	0.0%	52.8%	34.5%			
February						
Monthly	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0
%	0.0%	3.1%	3.4%			
Y.T.D.	\$0.0	\$1.8	\$1.1	\$0.0	\$0.0	\$0.0
%	0.0%	56.0%	37.9%			
March						
Monthly	\$0.0	\$0.3	\$0.7	\$0.0	\$0.0	\$0.0
%	0.0%	9.4%	24.1%			
Y.T.D.	\$0.0	\$2.1	\$1.8	\$0.0	\$0.0	\$0.0
%	0.0%	65.4%	62.1%			
April						
Monthly	\$0.0	\$1.0	\$0.8	\$0.0	\$0.0	\$0.0
%	0.0%	31.4%	27.6%			
Y.T.D.	\$0.0	\$3.1	\$2.6	\$0.0	\$0.0	\$0.0
%	0.0%	96.9%	89.7%			
May						
Monthly	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0
%	0.0%	3.1%	6.9%			
Y.T.D.	\$0.0	\$3.2	\$2.8	\$0.0	\$0.0	\$0.0
%	0.0%	100.0%	96.6%			
June						
Monthly	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
%	0.0%	0.0%	3.4%			
Y.T.D.	\$0.0	\$3.2	\$2.9	\$0.0	\$0.0	\$0.0
%	0.0%	100.0%	100.0%	100.0%		

REVENUE COLLECTIONS BY MONTHLY PERCENTAGE FY 2007 - FY2012

Gen/ETF Other	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
(\$ in Millions)						
(includes Estate and Legacy)						
July						
Monthly	\$3.0	\$3.9	\$3.8	\$2.9	\$2.6	\$2.4
%	3.9%	5.2%	6.0%	3.4%	3.3%	2.8%
Y.T.D.	\$3.0	\$3.9	\$3.8	\$2.9	\$2.6	\$2.4
%	3.9%	5.2%	6.0%	3.4%	3.3%	2.8%
August						
Monthly	\$2.4	\$3.0	\$0.1	\$3.8	\$4.4	\$3.9
%	3.1%	4.0%	0.2%	4.4%	5.6%	4.5%
Y.T.D.	\$5.4	\$6.9	\$3.9	\$6.7	\$7.0	\$6.3
%	7.0%	9.2%	6.1%	7.8%	9.0%	7.3%
September						
Monthly	\$2.7	\$2.8	\$1.6	\$3.1	\$4.6	\$3.5
%	3.5%	3.7%	2.5%	3.6%	5.9%	4.1%
Y.T.D.	\$8.1	\$9.7	\$5.5	\$9.8	\$11.6	\$9.8
%	10.5%	12.9%	8.7%	11.5%	14.9%	11.4%
October						
Monthly	\$6.0	\$6.3	\$2.5	\$4.2	\$4.5	\$4.0
%	7.8%	8.4%	3.9%	4.9%	5.8%	4.7%
Y.T.D.	\$14.1	\$16.0	\$8.0	\$14.0	\$16.1	\$13.8
%	18.3%	21.3%	12.6%	16.4%	20.6%	16.0%
November						
Monthly	\$5.2	\$5.4	\$3.9	\$3.5	\$5.4	\$4.9
%	6.7%	7.2%	6.1%	4.1%	6.9%	5.7%
Y.T.D.	\$19.3	\$21.4	\$11.9	\$17.5	\$21.5	\$18.7
%	25.0%	28.5%	18.7%	20.5%	27.6%	21.7%
December						
Monthly	\$5.2	\$5.0	\$8.5	\$6.2	\$4.4	\$3.8
%	6.7%	6.7%	13.4%	7.3%	5.6%	4.4%
Y.T.D.	\$24.5	\$26.4	\$20.4	\$23.7	\$25.9	\$22.5
%	31.7%	35.2%	32.1%	27.8%	33.2%	26.2%
January						
Monthly	\$5.2	\$5.9	\$5.3	\$5.4	\$7.3	\$5.6
%	6.7%	7.9%	8.3%	6.3%	9.4%	6.5%
Y.T.D.	\$29.7	\$32.3	\$25.7	\$29.1	\$33.2	\$28.1
%	38.5%	43.0%	40.5%	34.1%	42.6%	32.7%
February						
Monthly	\$5.8	\$4.6	\$6.0	\$8.5	\$2.4	\$7.3
%	7.5%	6.1%	9.4%	10.0%	3.1%	8.5%
Y.T.D.	\$35.5	\$36.9	\$31.7	\$37.6	\$35.6	\$35.4
%	46.0%	49.1%	49.9%	44.0%	45.6%	41.2%
March						
Monthly	\$5.1	\$6.3	\$6.9	\$6.3	\$7.8	\$7.8
%	6.6%	8.4%	10.9%	7.4%	10.0%	9.1%
Y.T.D.	\$40.6	\$43.2	\$38.6	\$43.9	\$43.4	\$43.2
%	52.6%	57.5%	60.8%	61.4%	55.6%	50.2%
April						
Monthly	\$6.9	\$6.5	\$4.9	\$6.4	\$9.7	\$6.3
%	8.9%	8.7%	7.7%	7.5%	12.4%	7.3%
Y.T.D.	\$47.5	\$49.7	\$43.5	\$50.3	\$53.1	\$49.5
%	61.5%	66.2%	68.5%	58.9%	68.1%	57.6%
May						
Monthly	\$4.6	\$6.0	\$5.3	\$3.6	\$6.7	\$4.2
%	6.0%	8.0%	8.3%	4.2%	8.6%	4.9%
Y.T.D.	\$52.1	\$55.7	\$48.8	\$53.9	\$59.8	\$53.7
%	67.5%	74.2%	76.9%	63.1%	76.7%	62.4%
June						
Monthly	\$25.1	\$19.4	\$14.7	\$31.5	\$18.2	\$32.3
%	32.5%	25.8%	23.1%	36.9%	23.3%	37.6%
Y.T.D.	\$77.2	\$75.1	\$63.5	\$85.4	\$78.0	\$86.0
%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

REVENUE COLLECTIONS BY MONTHLY PERCENTAGE FY 2007 - FY2012

Grand Total						
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
(\$ in Millions)						
July						
Monthly	\$86.3	\$92.9	\$93.6	\$98.3	\$93.9	\$88.2
%	4.0%	4.2%	4.2%	4.4%	4.0%	3.9%
Y.T.D.	\$86.3	\$92.9	\$93.6	\$98.3	\$93.9	\$88.2
%	4.0%	4.2%	4.2%	4.4%	4.0%	3.9%
August						
Monthly	\$109.3	\$109.1	\$93.9	\$100.6	\$103.2	\$97.0
%	5.0%	5.0%	4.2%	4.5%	4.4%	4.2%
Y.T.D.	\$195.6	\$201.9	\$187.5	\$198.9	\$197.1	\$185.2
%	9.0%	9.2%	8.5%	9.0%	8.4%	8.1%
September						
Monthly	\$196.2	\$181.9	\$193.4	\$194.9	\$207.6	\$221.6
%	9.0%	8.3%	8.7%	8.8%	8.8%	9.7%
Y.T.D.	\$391.8	\$383.8	\$380.9	\$394.9	\$404.7	\$406.8
%	18.0%	17.5%	17.2%	17.8%	17.2%	17.8%
October						
Monthly	\$106.1	\$113.5	\$204.3	\$206.9	\$229.5	\$187.9
%	4.9%	5.2%	9.2%	9.3%	9.8%	8.2%
Y.T.D.	\$497.9	\$497.3	\$585.2	\$601.8	\$634.2	\$594.7
%	22.8%	22.7%	26.4%	27.1%	27.0%	26.0%
November						
Monthly	\$133.4	\$185.4	\$90.4	\$71.0	\$89.1	\$93.4
%	6.1%	8.5%	4.1%	3.2%	3.8%	4.1%
Y.T.D.	\$631.3	\$682.7	\$675.6	\$672.8	\$723.3	\$688.1
%	29.0%	31.2%	30.5%	30.3%	30.8%	30.1%
December						
Monthly	\$178.9	\$178.1	\$178.4	\$181.8	\$190.4	\$189.4
%	8.2%	8.1%	8.1%	8.2%	8.1%	8.3%
Y.T.D.	\$810.2	\$860.9	\$854.0	\$854.6	\$913.7	\$877.5
%	37.2%	39.3%	38.5%	38.5%	38.9%	38.4%
January						
Monthly	\$126.6	\$113.1	\$108.4	\$118.2	\$121.1	\$126.3
%	5.8%	5.2%	4.9%	5.3%	5.2%	5.5%
Y.T.D.	\$936.8	\$974.0	\$962.4	\$972.8	\$1,034.8	\$1,003.8
%	43.0%	44.5%	43.4%	43.9%	44.1%	43.9%
February						
Monthly	\$80.2	\$77.1	\$85.2	\$107.3	\$86.7	\$81.0
%	3.7%	3.5%	3.8%	4.8%	3.7%	3.5%
Y.T.D.	\$1,017.0	\$1,051.1	\$1,047.6	\$1,080.1	\$1,121.5	\$1,084.8
%	46.6%	48.0%	47.3%	48.7%	47.8%	47.4%
March						
Monthly	\$594.6	\$591.6	\$587.6	\$595.4	\$617.3	\$611.2
%	27.3%	27.0%	26.5%	26.9%	26.3%	26.7%
Y.T.D.	\$1,611.6	\$1,642.7	\$1,635.2	\$1,675.5	\$1,738.8	\$1,696.0
%	73.9%	75.0%	73.8%	75.6%	74.1%	74.1%
April						
Monthly	\$250.5	\$248.2	\$240.8	\$264.8	\$306.3	\$273.3
%	11.5%	11.3%	10.9%	11.9%	13.1%	11.9%
Y.T.D.	\$1,862.1	\$1,890.9	\$1,876.0	\$1,940.3	\$2,045.1	\$1,969.3
%	85.4%	86.3%	84.7%	87.5%	87.2%	86.1%
May						
Monthly	\$93.5	\$100.2	\$87.8	\$77.8	\$89.9	\$100.6
%	4.3%	4.6%	4.0%	3.5%	3.8%	4.4%
Y.T.D.	\$1,955.6	\$1,991.1	\$1,963.8	\$2,018.1	\$2,135.0	\$2,069.9
%	89.7%	90.9%	88.6%	91.0%	91.0%	90.5%
June						
Monthly	\$224.7	\$199.0	\$252.2	\$199.4	\$211.3	\$218.2
%	10.3%	9.1%	11.4%	9.0%	9.0%	9.5%
Y.T.D.	\$2,180.3	\$2,190.1	\$2,216.0	\$2,217.5	\$2,346.3	\$2,288.1
%	100.0%	98.8%	100.0%	100.0%	100.0%	100.0%

New Hampshire
General & Education Trust Funds
Unrestricted Revenue Tax Rates

Description	RSA	General	Education Trust	Total
Business Profits Tax	77-A:2	7.00%	1.50%	8.50%
Business Enterprise Tax	77-E:2	0.25%	0.50%	0.75%
Meals & Rooms Tax	78-A:6	9%-M & R	9%-Rental Cars	9.00%
Tobacco Tax	78:7	\$1.00 / pack	\$.68 / pack	\$1.68 / pack
Liquor Sales & Distribution	176:16	1		
Interest & Dividends Tax	77:1	5.00%		
Insurance Tax	400-A:32	1.25%		
Communications Tax	82-A:3	7.00%		
Real Estate Transfer Tax	78-B:1	\$5.00 / \$1,000	\$2.50 / \$1,000	\$7.50 / \$1,000
Estate & Legacy Tax	86/87/89	2		
Court Fines & Fees		3		
Securities Revenue	421-B:11	4		
Utility Consumption Tax	83-E:2	\$.00055 / kw		
Board & Care Revenue		5		
Beer Tax	178:26	\$.30 / gallon		
Dog & Horse Racing		6		
Other		Various		
Transfers from Lottery/Racing & Charitable			7	
Tobacco Settlement		8	8	
Utility Property Tax	83-F:2		\$6.60 / \$1,000	
State Property Tax	76:3		\$363,000,000	
Net Medicaid Enhancement Revenue	84-A	9		
Recoveries		10		

1 Net profits are swept daily into the general fund per RSA 176:16.

2 Estate & Legacy Tax: The 18% Legacy tax has been repealed, the Estate tax is tied to the Federal Tax & is a sliding scale, it too is being phased out.

3 Court Fines & Fees: All fines & fees collected by the court system.

4 Securities Revenue: Broker dealers & investment advisor registration & license fees.

5 Board & Care: Payments to reimburse the State for health & mental care provided at NH Hospital and Glenclyff.

6 Dog & Horse Racing: tax ranging from 1% to 1.25%, + one-quarter of the breakage.

7 Transfers from Lottery/Racing & Charitable Gaming: Lottery/Bingo sales net of expenses.

8 Tobacco Settlement: Revenue from master settlement agreement with tobacco companies. First \$40M to Education Trust Fund and amounts in excess of \$40M to General Fund

9 Medicaid Enhancement: 5.5% hospital tax on net patient services.

10 Recoveries: Drug rebate & third party recoveries by the State.

**TITLE V
TAXATION**

**CHAPTER 77-A
BUSINESS PROFITS TAX**

Section 77-A:2

77-A:2 Imposition of Tax. – A tax is imposed at the rate of 8.5 percent upon the taxable business profits of every business organization.

Source. 1970, 5:1. 1971, 515:14. 1977, 593:1. 1993, 350:8, 9. 1999, 17:19. 2001, 158:19, eff. July 1, 2001.

BUSINESS PROFITS TAX

RSA 77-A; First enacted in 1970

Corp returns due 3/15 or 15th day, 3rd month; prop & part returns due 4/15 or 15th day, 4th month.

Qtrly payments are due the 15th of the 4th, 6th, 9th, & 12th month after end of year.

DATE	EFFECTIVE	LEGISLATION	TAX RATE	FILING THRESHOLD	QTRLY EST/OTHER
01-01-70	01-01-70	L 1970, CH 5:1	6%	\$3,000 GBI	None
07-01-71	07-01-71	L 1971, CH 515:14	7%		None
07-01-75	76-77 BIENNIUM	L 1973, CH 579:1	7%	\$6,000 GBI	None
07-01-77	78-79 BIENNIUM	L 1977, CH 593:1	8%		None
08-24-79	80-81 BIENNIUM	L 1979, CH 446:4	8%		25%; 25%; 25%; 25%
07-01-81	82-83 BIENNIUM	L 1981, CH 461:1	9.08%	\$12,000 GBI	25%; 25%; 25%; 25%
07-01-81	82-83 BIENNIUM	L 1981, CH 568:65, II	\$250 min tax		
07-01-81	82-83 BIENNIUM	L 1982, CH 42:70	Repeal min tax		
07-01-83	FY 1984	L 1983, CH 469:42	9.56%		
07-01-84	FY 1985	L 1983, CH 469:42	9.08%		
06-30-86	86-87 BIENNIUM	L 1985, CH 408:1	8.25%-blend		
06-30-88	88-89 BIENNIUM	L 1985, CH 408:1	8%-no blend		
04-01-90	FY 1990	L 1990, CH 3:71	8%		30%; 30%; 20%; 20%
03-28-91	FY 1991	L 1991, CH 5:1	8%		35%; 35%; 15%; 15%
05-27-91	92-93 BIENNIUM	L 1991, CH 163:17	8%		30%; 30%; 20%; 20%
07-01-93	FY 1994	L 1993, CH 350:8	7.5%	\$50,000 GBI	25%; 25%; 25%; 25%
07-01-93	FY 1995	L 1993, CH 350:9	7.0%		
07-01-99	07-01-99	L 1999, CH 17:19	8.00%		
07-01-99	07-01-99	L 1999, CH 346:2		Changed from 1.5 to 2.0 wgt sale for apport.	
07-01-01	07-01-01	L 2001, CH 158:19	8.50%	1.5% to ETF	
07-01-01	07-01-01	L 2001, CH 158:72		Use IRS code in effect 12/31/00	
07-01-02	07-01-02	L 2002, CH 211:1		NOL threshold raised, carry fwd 10 yrs	
07-18-03	07/01/03	L, 2003, 301:3		Allows for Crop Zone tax credit	
05-24-04	05-24-04	L 2004, CH143:2,3,8:III		Allows for exclusion of organizations based on election of qualified investment company status	
05-24-04	05-24-04	L, 2004, 143:4, 8:IV		Altered language regarding additions and deductions relative to holdings in a qualified investment company.	
06-29-07	07-01-07	L 2007, 263:127		Altered definition of "business activity".	
06-29-07	07-01-07	L, 2007, 263:121		Repealed Crop Zone tax credit and replaced with Economic Revitalization Zone tax credit.	
07-02-07	07-01-07	L, 2007, 271:1		Allows for Research and Development tax credit	
06-18-07	08-17-07	L, 2007, 146:1, I - III		Repealed: 77-A:4, IV; V; and VI; relative to various deductions.	
02-22-08	04-22-08	L 2008, 2:1, 2		Altered definition of "water's edge combined group."	
06-09-08	06-09-08	L, 2008, 172:2		Allows application of unused portion of Coos County Job Creation tax credit to BPT.	
06-29-07	07-01-11	L, 2007, 263:123, II		Repeals Revitalization Zone tax credit (eff. 07-01-11)	
07-02-07	07-01-13	L, 2007, 271:6, I		Repeals Research and Development tax credit (eff. 07-01-13)	
07-20-09	07-01-10	L, 2009, 144:273		Inserted provision relative to returns, declarations, and combined reporting requiring any business realizing a gain or loss to file a return	
07-20-10	01-01-10	L, 2010, 324:2		Inserted provision regarding additions and deductions relative to fair and reasonable compensation for personal services of a proprietorship or partnership, effective on or after January 1, 2010.	
07-20-10	01-01-11	L, 2010, 324:2		Inserted provision regarding additions and deductions to include a record-keeping safe harbor, effective January 1, 2011.	
07-08-10	07-08-10	L, 2010, 286:1		Inserted provision relative to special rules for exchanges of like-kind property under IRS code section 1031.	
07-20-10	07-20-10	L, 2010, 324:4		Established a study committee to study safe harbors and taxation of investment organizations.	

6-25-11	6-25-11	L'2011, 207:2-5		Modified standards and burden of proof with respect to the BPT deduction for reasonable compensation attributable to owners of partnerships, limited liability companies and sole proprietorships.
6-29-11	7-1-13	L'2011, 224:363		NOL threshold raised from \$1M to \$10M.
6-29-11	7-1-14	L'2011, 225:1		Extended the carryforward periods for the BET credit against the BPT from 5 years to 10 years.
5-23-12	1-1-13	L'2012, 71:1		Makes NOL threshold increase to \$10M (L'11, 224:363) effective January 1, 2013, rather than July 1, 2013.
6-5-12	7-1-15	L'2012, 116:1		Extended the repeal date of the Research and Development tax credit to July 1, 2015.
6-18-12	7-1-12	L'2012, 253:1		Clarified that a taxpayer may apply the BET credit against the BPT on a quarterly basis when making estimated payments.
6-21-12	6-21-12	L'2012, 279:10		Increased allowable expense deductions against the BPT permitted under US Internal Revenue Code section 179 from \$20,000 to \$25,000.
6-27-12	1-1-13	L'2012, 287:4		Established an education tax credit against the BPT contributions made to scholarship organizations.

**TITLE V
TAXATION**

**CHAPTER 77-E
BUSINESS ENTERPRISE TAX**

Section 77-E:2

77-E:2 Imposition of Tax. – A tax is imposed at the rate of 3/4 of one percent upon the taxable enterprise value tax base of every business enterprise.

Source. 1993, 350:19. 1999, 17:21; 303:1. 2001, 158:21, eff. July 1, 2001.

BUSINESS ENTERPRISE TAX

RSA 77-E; First enacted; Chapter 350:19, Laws of 1993; effective 7/1/93

Corp returns due 3/15 or 15th day, 3rd month; proprietorship and partnership returns due 4/15 or 15th day, 4th month.

Non-profit corps due 15th day of 5th month.

DATE	EFFECTIVE	LEGISLATION	TAX RATE	FILING THRESHOLD	QTRLY EST PAYMENTS
07-01-93	07-01-93	L 1993, CH 350:19	0.25% (.0025)	\$100,000 TGR	None
07-01-96	01-01-96	L 1996, CH 235:3	0.25% (.0025)		Requires Qtrly Payments
07-01-99	07-01-99	L 1999, CH 17:21	0.50% (.0050)		.25% to Ed Trust Fund
07-01-99	07-01-99	L 1999, CH 303:1			2/3 Maj to change rate
07-01-01	07-01-01	L 2001, CH 158:21	0.75% (.0075)	\$150,000 TGR	.50% to Ed Trust Fund

TGR = Total Gross Receipts = Total compensation, interest expense, and dividends paid in excess of \$50,000.

06-29-07	07-01-07	L 2007, CH 263:122, 263:123			Allows the economic revitalization zone tax credit (RSA 162-N:6) to be allowed against the BET (repealed as of 07/01/2011)
07-02-07	07-01-07	L 2007, CH 271:2, 271:6			Allows unused portion of Reasearch and Development Tax Credit awarded under RSA 77-A:5 XIII to be applied to the BET (repealed as of 07/01/2013)
06-09-08	06-09-08	L2008, CH 172:3			Allows Coos County Job Creation Tax Credit (RSA 162-Q:1) to be applied to the BET (granted through 12/31/2013 and renewable through 12/31/2017)
06-21-12	12-31-13	L'2012, CH 279:1			Increased BET filing threshold from \$150,000 to \$200,000, increased the BET tax base from \$75,000 to \$100,000, and increases the requirement for an estimated payment from a total BET liability of \$200 or more to \$260 or more.

**TITLE V
TAXATION**

**CHAPTER 78-A
TAX ON MEALS AND ROOMS**

Section 78-A:6

78-A:6 Imposition of Tax. –

- I. A tax of 9 percent of the rent is imposed upon each occupancy.
- II. A tax is imposed on taxable meals based upon the charge therefor as follows:
 - (a) Four cents for a charge between \$.36 and \$.37 inclusive;
 - (b) Five cents for a charge between \$.38 and \$.50 inclusive;
 - (c) Six cents for a charge between \$.51 and \$.62 inclusive;
 - (d) Seven cents for a charge between \$.63 and \$.75 inclusive;
 - (e) Eight cents for a charge between \$.76 and \$.87 inclusive;
 - (f) Nine cents for a charge between \$.88 and \$1.00 inclusive;
 - (g) Nine percent of the charge for taxable meals over \$1.00, provided that fractions of cents shall be rounded up to the next whole cent.
- II-a. A tax of 9 percent is imposed upon the gross rental receipts of each rental.
- III. The operator shall collect the taxes imposed by this section and shall pay them over to the state as provided in this chapter.

Source. 1967, 213:1. 1969, 287:14. 1977, 330:1. 1981, 568:150. 1983, 226:1. 1999, 17:27; 163:8. 2009, 144:4, eff. July 1, 2009.

MEALS & ROOMS TAX

RSA 78-A; First enacted in 1967

Tax due 15th day of each month covering prior month's tax collections

DATE	EFFECTIVE	LEGISLATION	TAX RATE	FILING THRESHOLD	OPER. COMMISSION
01-07-67	01-07-67	L 1967, CH 213:1	5%	Sales > \$.25	1%
07-01-69	07-01-69	L 1969, CH 287:14	5%	Sales > \$.16	3%
07-01-77	07-01-77	L 1977, CH 330:1	6%	Sales > \$.16	3%
10-01-81	10-01-81	L 1981, CH 568:150	7%	Sales > \$.14	0%
07-01-82	07-01-82	L 1982, CH 42:93	7%	Sales > \$.14	3%
07-01-83	07-01-83	L 1983, CH 226:1	7%	Sales > \$.36	3%
04-01-90	04-01-90	L 1990, CH 8:1	8%	Sales > \$.36	3%
07-01-91	92-93 BIENNIIUM	L 1991, CH 354:12	8%	Sales > \$.36	3%
07-01-93	94-95 BIENNIIUM	L 1993, CH 350:36	8%	Sales > \$.36	3%
07-01-95	96-97 BIENNIIUM	L 1995, CH 96:1	8%	Sales > \$.36	3%
07-01-97	98-99 BIENNIIUM	L 1997, CH 163:8	8%	Sales > \$.36	3%
07-01-95	96-97 BIENNIIUM	L 1995, CH 96:1	8%	Sales > \$.36	3%
07-01-97	98-99 BIENNIIUM	L 1997, CH 130:1	8%	Sales > \$.36	3%
07-01-99	07-01-99	L 1999, CH 163:8	8%	Rate made permanent	3%
07-01-99	07-01-99	L 1999, CH 17:24-31	8%	Adds rental cars to tax	3%
05-01-02	05-01-02	L 2002, CH 232:17		Gratuity status clarified	3%
07/01/09	07-01-09	L, 2009, CH 144:5		Added campsites to tax	3%
07-01-09	07-01-09	L, 2009, CH 144:4	9%	Changed tax to 9%	3%
07-01-09	01-01-10	L, 2009, CH 144:269-272		Inserted provision requiring rooms and meals operators to file a \$5,000 surety bond	3%
07-01-09	01-01-10	L, 2009, CH 144:271		Altered language relative to penalties requiring non-renewal of a license if the operator owes unpaid taxes, interest, or penalties	3%
05-03-10	05-03-10	L, 2010, CH 6:1		Deleted campsites from tax	3%
07-17-10	07-17-10	L, 2010, CH 48:2		Inserted provision relative to penalties establishing license information as public records	3%
05-18-10	05-18-10	L, 2010, CH 58:1		Repeated provision requiring rooms and meals operators to file a \$5,000 surety bond	3%

**TITLE V
TAXATION**

**CHAPTER 78
TOBACCO TAX**

Section 78:7

[RSA 78:7 effective until August 1, 2013 if contingency in 2011, 224:381 is met on or before July 15, 2013; see also RSA 78:7 set out below.]

78:7 Tax Imposed. –

A tax upon the retail consumer is hereby imposed at the rate of \$1.68 for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in which such products usually are sold at retail. The word "package" as used in this section shall not include individual cigarettes. No tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States.

Source. 1939, 167:5; 180:1. RL 79:5. 1947, 238:4. RSA 78:7. 1955, 256:1. 1965, 132:1. 1967, 159:1. 1970, 5:10. 1971, 475:1. 1973, 530:3; 544:9. 1975, 466:3. 1981, 210:11. 1983, 469:103. 1985, 396:1. 1986, 75:1. 1989, 336:1. 1990, 5:1. 1997, 351:57. 1999, 183:1. 2003, 152:6. 2005, 177:56. 2007, 263:6. 2008, 296:15. 2009, 144:2. 2011, 224:377, eff. July 1, 2011.

**TITLE V
TAXATION**

**CHAPTER 78
TOBACCO TAX**

Section 78:7

[RSA 78:7 effective August 1, 2013 if the contingency in 2011, 224:381 is met on or before July 15, 2013; see also RSA 78:7 set out above.]

78:7 Tax Imposed. –

A tax upon the retail consumer is hereby imposed at the rate of \$1.78 for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in which such products usually are sold at retail. The word "package" as used in this section shall not include individual cigarettes. No tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States.

Source. 1939, 167:5; 180:1. RL 79:5. 1947, 238:4. RSA 78:7. 1955, 256:1. 1965, 132:1. 1967, 159:1. 1970, 5:10. 1971, 475:1. 1973, 530:3; 544:9. 1975, 466:3. 1981, 210:11. 1983, 469:103. 1985, 396:1. 1986, 75:1. 1989, 336:1. 1990, 5:1. 1997, 351:57. 1999, 183:1. 2003, 152:6. 2005, 177:56. 2007, 263:6. 2008, 296:15. 2009, 144:2. 2011, 224:377, eff. July 1, 2011; 224:379, eff. as provided by 2011, 224:381.

1 224:378 Tobacco Products Other Than Cigarettes; Tax Rate Reduced. Amend RSA 78:7-c to read
2 as follows:

3 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer
4 is hereby imposed on tobacco products other than cigarettes at a rate of ~~[65.03]~~ 48 percent of the
5 wholesale sales price. The tax under this section may be rounded to the nearest cent if the
6 commissioner determines that the amount of tax would not thereby be made materially
7 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is
8 prohibited by the Constitution of the United States. No such tax shall be imposed on premium
9 cigars.

10 224:379 Tobacco Tax Rate; Contingent Version. Amend RSA 78:7 to read as follows:

11 78:7 Tax Imposed. A tax upon the retail consumer is hereby imposed at the rate of ~~[\$1.68]~~ \$1.78
12 for each package containing 20 cigarettes or at a rate proportional to such rate for packages
13 containing more or less than 20 cigarettes, on all cigarettes sold at retail in this state. The payment
14 of the tax shall be evidenced by affixing stamps to the smallest packages containing the cigarettes in
15 which such products usually are sold at retail. The word "package" as used in this section shall not
16 include individual cigarettes. No tax is imposed on any transactions, the taxation of which by this
17 state is prohibited by the Constitution of the United States.

18 224:380 Tobacco Products Other Than Cigarettes; Tax Rate; Contingent Version. Amend RSA
19 78:7-c to read as follows:

20 78:7-c Tax Imposed on Tobacco Products Other Than Cigarettes. A tax upon the retail consumer
21 is hereby imposed on tobacco products other than cigarettes at a rate of ~~[48]~~ 65.03 percent of the
22 wholesale sales price. The tax under this section may be rounded to the nearest cent if the
23 commissioner determines that the amount of tax would not thereby be made materially
24 disproportionate. No such tax is imposed on any transactions, the taxation of which by this state is
25 prohibited by the Constitution of the United States. No such tax shall be imposed on premium
26 cigars.

27 ★ 224:381 Contingency; Reporting of Tobacco Revenue. On or before July 15, 2013, the
28 department of revenue administration shall report to the speaker of the house of representatives, the
29 senate president, the fiscal committee of the general court, the secretary of state, and the director of
30 the office of legislative services, the amount of tobacco tax revenue received, as reported in the
31 department's daily cash basis revenue report, for the period of July 1, 2011 through June 30, 2013.
32 If the department reports that the amount of tobacco tax revenue received for the period was below
33 the amounts received for the period of July 1, 2009 through June 30, 2011, then sections 379 and 380
34 of this act shall take effect on August 1, 2013. If the department reports that the amount of tobacco
35 tax revenue received for the period was equal to or above the amount received for the period of July
36 1, 2009 through June 30, 2011, then sections 379 and 380 of this act shall not take effect.

TOBACCO TAX

RSA 78:7; First enacted in 1939

DATE	EFFECTIVE	LEGISLATION	TAX RATE	BASIS
Pre-1965			15%	Val of usual sell. Price of all Tob products
		L 1965, CH 132	21%	Val of usual sell. Price of all Tob products
06-02-67	07-01-67	L 1967, CH 159:1	30%	Val of usual sell. Price of all Tob products
07-01-70	07-01-70	L 1970, CH 5:10	34%	Val of usual sell. Price of all Tob products
07-01-71	07-07-71	L 1971, CH 475:1	42%	Val of usual sell. Price of all Tob products
06-23-75	07-01-75	L 1975, CH 466:3	\$.12	Per pack 20 cigarettes only
06-30-83	07-01-83	L 1983, CH 469:103	\$.17	Per pack 20 cigarettes only
06-26-85	08-25-85	L 1985, CH 396:1	\$.17	Contingent plan if VT increases their tax
05-12-86	07-11-86	L 1986, CH 75:1	\$.17	\$.21 per pack of 25 cigarettes
06-02-89	07-01-89	L 1989, CH 336:1	\$.21	\$.265 per pack of 25 cigarettes
02-20-90	02-20-90	L 1990, CH 5:1	\$.25	\$.3125 per pack of 25 cigarettes
06-20-91	07-01-91	L 1991, CH 292:3	\$.25	Added smokeless tobacco tax
05-17-93	01-01-94	L 1993, CH 114:1	\$.25	Restricted licenses valid for 2 yrs.
07-01-97	07-01-97	L 1997, CH 351:57	\$.37	Per pack 20 cigarettes
07-01-99	07-01-99	L 1999, CH 17:23		Excess of \$.37 to Ed Trust Fund
07-06-99	07-06-99	L 1999, CH 183:1	\$.52	Per pack 20 cigarettes
07-01-03	07-01-03	L 2003, CH 319:43		Eliminate tax stamp discount
07-01-05	07-01-05	L 2005, CH 177:56	\$.80	Per pack 20 cigarettes
07-01-07	07-01-07	L 2007, CH 263:6	\$ 1.08	Per pack 20 cigarettes
06-27-08	10-15-08	L 2008, CH 296:15	\$ 1.33	Per pack 20 cigarettes
07-01-09	07-01-09	L 2009, CH 144:2	\$ 1.78	Per pack 20 cigarettes (excess of \$1 to ETF)
07-01-11	07-01-11	L 2011, CH 224:377	\$ 1.68	Per pack 20 cigarettes (excess of \$1 to ETF). Rate would revert back to \$1.78 if total revenue from the tax in FY12-13 is below the FY10-11 level.

**TITLE XIII
ALCOHOLIC BEVERAGES**

**CHAPTER 176
THE LIQUOR COMMISSION**

Section 176:16

176:16 Funds. –

I. Except as provided in paragraph II, the state treasurer shall credit all gross revenue derived by the commission from the sale of liquor, or from license fees, and interest received on such moneys, to a special fund, to be known as the liquor commission fund, from which the treasurer shall pay all expenses of the commission incident to the administration of this title. Any balance left in such fund after such expenses are paid shall be deposited in the general fund on a daily basis.

II. Notwithstanding any provision of law, or the designation of the funds allocated by the state to the liquor commission as the liquor commission fund, the general court shall retain budgeting authority and control over the liquor commission.

III. Fifty percent of the amount by which the current year gross profits exceed fiscal year 2001 actual gross profit, but not more than 5 percent of the current year gross profits derived by the commission from the sale of liquor and other revenues, shall be deposited into the alcohol abuse prevention and treatment fund established by RSA 176-A:1.

IV. Notwithstanding any other provision of law, if the expenditure of additional funds over budget estimates is necessary for the proper funding of retirement and health benefits for commission employees, the commission may request, with prior approval of the fiscal committee of the general court, that the governor and council authorize the transfer of funds from the liquor commission fund.

V. The commission may transfer funds totaling up to 5 percent of the operating budget in any fiscal year for any specific purposes to funds for other purposes within and among the appropriations for the operation of the commission. The commission shall report annually 60 days after the close of each fiscal year to the fiscal committee of the general court all transfers accomplished under the provisions of this section. The provisions of this section shall not be subject to RSA 9:16-a, RSA 9:17-a, and RSA 9:17-c.

Source. 1990, 255:1. 1996, 275:11. 2000, 328:2, eff. July 1, 2001. 2009, 144:122, eff. July 1, 2009. 2012, 247:21, eff. Aug. 17, 2012.

**TITLE V
TAXATION**

**CHAPTER 77
TAXATION OF INCOMES**

Section 77:3

77:3 Who Taxable. –

I. Taxable income is that income received from interest and dividends during the tax year prior to the assessment date by:

(a) Individuals who are inhabitants or residents of this state for any part of the taxable year whose gross interest and dividend income from all sources, including income from a qualified investment company pursuant to RSA 77:4, V, exceeds \$2,400 during that taxable period.

(b) Partnerships, limited liability companies, and associations, the beneficial interest in which is not represented by transferable shares, whose gross interest and dividend income from all sources exceeds \$2,400 during the taxable year, but not including a qualified investment company as defined in RSA 77-A:1, XXI, or a trust comprising a part of an employee benefit plan, as defined in the Employee Retirement Income Security Act of 1974, section 3.

(c) Executors deriving their appointment from a court of this state whose gross interest and dividend income from all sources exceeds \$2,400 during the taxable year.

II. No person shall be subject to tax under RSA 77 solely due to its holding an ownership interest in a qualified investment company as defined in RSA 77-A:1, XXI.

Source. 1923, 65:2. PL 65:2. 1931, 35:1. RL 78:2. RSA 77:3. 1981, 314:1. 1982, 42:65. 1991, 67:7. 1993, 313:2. 1995, 188:2. 2004, 143:1. 2009, 144:276. 2010, Sp. Sess., 1:50, eff. July 1, 2010. 2012, 286:3, eff. June 27, 2012.

INTEREST & DIVIDENDS TAX

RSA 77; First enacted in 1923

Tax due April 15th or 15th day of 4th month past year end

DATE	EFFECTIVE	LEGISLATION	TAX RATE	Exemptions
1923	1923	L' 1923, CH 65:1	Variable	NH Banks exempt, already taxed under RSA 84
1955	01-01-56	L' 1955, CH 309:1	4.25%	
06-21-77	07-01-77	L' 1977, CH 251:1		VT Banks added to exemption
07-01-77	07-01-77	L' 1977, CH 561:1	5%	Also added \$600 exempt-elderly, blind, & disabl.
09-01-81	09-01-81	L' 1981, CH 314:6		Exempt \$1,200, add'l \$1,200 spse, eld, bld, etc
1983	12-31-83	L' 1983, CH 469:93		Estimates required
01-01-95	01-01-95	L' 1995, CH 188:2		Exemption increased to \$2,400, Indiv & spouse
01-01-95	01-01-95	L' 1995, CH 188:3		NH & VT Banks NOT exempt anymore
04-26-02	01-01-04	L' 2002, CH 45:1		\$500 threshold for filing estimated taxes
05-27-03	07-01-03	L' 2003, CH 64:1		College savings plans tax exempt
07-01-09	07-01-09	L' 2009, CH 144:275-277		Requires certain partnerships, limited liability companies, and associations to pay interest and dividends tax on accumulated profits.
06-10-10	07-01-10	L' 2010 Special Session, CH 1:50-54		Repealed interest and dividends tax on certain partnerships, limited liability companies, and associations for taxable periods ending on or after December 31, 2010
06-27-12	12-31-13	L' 2012, CH 286:5		Eliminates the taxation of trusts under the interest and dividends tax.

**TITLE XXXVII
INSURANCE**

**CHAPTER 400-A
INSURANCE DEPARTMENT**

Section 400-A:32

400-A:32 Premium Tax; Collection, Minimum, Penalty, and Prepayments. –

I. (a) Every insurer shall pay to the insurance commissioner a tax upon such net premiums, for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less estimated payments made in accordance with RSA 400-A:32, II, as follows:

(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, RSA 416-A:2, and RSA 401:1-a, I and II;

(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, RSA 416-A:2, and RSA 401:1-a, I and II;

(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, RSA 416-A:2, and RSA 401:1-a, I and II; and

(4) A tax of 2 percent for all lines of business written pursuant to RSA 401:1, IV, including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

(b) Provided, however, that every authorized insurer shall pay to the insurance commissioner a minimum annual premium tax of no less than \$200.

II. (a) For the calendar year ending December 31, 2006, on or before March 15, June 15, September 15, and December 15, every authorized insurer required to pay a tax in accordance with RSA 400-A:32, I shall pay to the insurance commissioner an amount equal to 1/4 of the previous calendar year's tax paid pursuant to said paragraph; provided, however, any authorized insurer having an estimated liability of \$100 or less for each quarter shall make payment in full on March 15. These payments shall be considered as a partial payment of the tax upon the business done in the state during the calendar year in which the payment was received.

(b) For the calendar year ending December 31, 2007, and for every year thereafter, on or before March 15 of each year every authorized insurer required to pay a tax in accordance with RSA 400-A:32, I shall make payment in full to the insurance commissioner of an amount equal to 100 percent of the previous calendar year's taxes paid pursuant to said paragraph. The payments shall be considered as a partial payment of the tax upon the business done in the state during the calendar year in which the payment was received.

III. The taxes imposed in paragraphs I and II of this section shall be promptly forwarded by the commissioner to the state treasurer for deposit to the general fund.

IV. Any insurer failing to file the report required by RSA 400-A:31 or failing to remit the proper tax within the time for filing shall pay a penalty equal to 10 percent on the amount of the tax due. If the tax or the estimated tax is not paid when due, the commissioner may suspend or revoke the insurer's certificate of authority.

V. If the insurer liable for the taxes imposed in paragraphs I and II of this section is a member of a unitary business within the meaning of RSA 77-A:1, XIV, then the entire amount of the taxes due under this chapter by the individual member of such unitary business shall be allowed as a credit pursuant to RSA 77-A:5, III, against such individual member's portion of the total tax liability of the unitary business under RSA 77-A. In the event that the individual member's credit exceeds such member's portion of the total tax liability of the unitary business, the excess of such credit shall be allowed as a credit against any other individual member's tax liability under RSA 77-A, provided such other member is also subject to the tax imposed by this chapter. The commissioner of revenue administration shall adopt rules, in accordance with RSA 541-A, to determine an individual member's portion of the total tax liability based upon each member's activity within New Hampshire.

Source. 1971, 244:1. 1985, 343:3. 1991, 354:17. 1999, 271:1. 2002, 207:2, eff. July 15, 2002. 2006, 277:2, 3, eff. Aug. 14, 2006. 2010, Sp. Sess., 1:109, eff. June 10, 2010; Sp. Sess., 1:121, eff. July 1, 2010.

INSURANCE PREMIUM TAX

RSA 400-A:32; First enacted; Chapter 244:1, Laws of 1971; effective 7/1/93
Annual returns due 3/15

DATE	EFFECTIVE	LEGISLATION	TAX RATE	FILING THRESHOLD	QTRLY EST PAYMENTS
07-01-71	07-01-93	L 1971, CH 244:1	2.00% on net premiums	None	None
07-01-85	01-01-96	L 1985, CH 343:3	2.00% on net premiums	None	Requires Qtrly Payments
07-01-91	07-01-91	L 1991, CH 354:17	2.00% tax credit vs BPT	None	Requires Qtrly Payments
07-01-99	01-01-00	L 1999, CH 271:1	2.00% on net premiums	\$100 Qtrly.	Requires Qtrly Payments
07-01-02	07-15-02	L 2002, CH 207:2	2.00% or \$200 min tax due	\$100 Qtrly.	Requires Qtrly Payments
08-14-06	07-01-07	L 2006, CH 277:2	1.75% or \$200 min tax due	\$100	Prepay Annual Returns
08-14-06	01-01-09	L 2006, CH 277:2	1.50% or \$200 min tax due	\$100	Prepay Annual Returns
08-14-06	01-01-10	L 2006, CH 277:2	1.25% or \$200 min tax due	\$100	Prepay Annual Returns
08-14-06	01-01-11	L 2006, CH 277:2	1.00% or \$200 min tax due	\$100	Prepay Annual Returns
06-10-10	07-01-10	L, 2010 Sp. Sess. CH 1:109	1.25% or \$200 min tax due	\$100	Prepay Annual Returns

**TITLE V
TAXATION**

**CHAPTER 82-A
COMMUNICATIONS SERVICES TAX**

Section 82-A:3

82-A:3 Imposition of Tax; Intrastate Communications Services. – A tax is imposed upon intrastate communications services furnished to a person in this state and purchased at retail from a retailer by such person, at the rate of 7 percent of the gross charge therefor. However, such tax is not imposed on any communications services to the extent a tax on such services may not, under the Constitution and statutes of the United States, be made the subject of taxation by the state.

Source. 1990, 9:8. 2001, 158:25. 2003, 319:39, eff. July 1, 2003.

COMMUNICATION SERVICES TAX

RSA 82-A; First enacted; Chapter 9:8, Laws of 1990, effective 4/1/90

Taxes due the 15th day of each month covering the prior month's sales.

DATE	EFFECTIVE	LEGISLATION	TAX RATE			FILING THRESH	QTRLY EST PAYMENTS
			STATED	SURTAX	Comb Rate		
04-01-90	04-01-90	L 1990, CH 9:8	3%	66 2/3%	5%	+ \$10K of sales	90% est tax for cur month
07-01-91	92-93 BIENNIIUM	L 1991, CH 354:13	3%	100%	6%	+ \$10K of sales	90% est tax for cur month
07-01-93	94-95 BIENNIIUM	L 1993, CH 350:37	5.5%	0%	5.5%	+ \$10K of sales	90% est tax for cur month
07-01-95	96-97 BIENNIIUM	L 1995, CH 96:2	5.5%	0%	5.5%	+ \$10K of sales	90% est tax for cur month
07-01-97	98-99 BIENNIIUM	L 1997, CH 130:2	5.5%	0%	5.5%	+ \$10K of sales	90% est tax for cur month
07-01-99	00-01 BIENNIIUM	L 1999, CH 163:6	5.5%	0%	5.5%	+ \$10K of sales	90% est tax for cur month
07-01-01	02-03 BIENNIIUM	L 2001, CH 158:1,25, &26	7.0%	0%	7.0%	+ \$10K of sales	90% est tax for cur month
07-01-02	07-01-02	L 2002, CH 219:2					Cell phones tax at home
07-01-03	07-01-03	L 2003, CH 319:39	7.0%	0%	7.0%	+ \$10K of sales	service address
07-01-03	07-01-07	L 2007, CH 263:79					Rate made permanent
06-21-12	06-21-12	L'2012, CH279:5					Removed \$12 exemption
							Excludes internet access from the communication services tax.

**TITLE V
TAXATION**

**CHAPTER 77
TAXATION OF INCOMES**

Taxation of Gambling Winnings

Section 77:38-50

77:38 to 77:50 Repealed. – [Repealed 2011, 47:1, II, eff. May 23, 2011.]

Taxation Of Gambling Winnings

RSA 77:39 First enacted in 2009 by Chapter 144:249

Returns and payments must be filed by April 15th for winnings from the prior year.

DATE	EFFECTIVE	LEGISLATION	TAX RATE	FILING THRESHOLD
07-01-09	07-01-09	L 2009, CH 144:249	10%	Tied to federal income tax withholdings on gambling, which currently taxes winnings of more than \$5,000
05-09-11	05-23-11	L 2011, CH 47		Gambling Winnings Tax repealed.

**TITLE V
TAXATION**

**CHAPTER 78-B
TAX ON TRANSFER OF REAL PROPERTY**

Section 78-B:1

78-B:1 Transfer Tax. –

I. (a) A tax is imposed upon the sale, granting and transfer of real estate and any interest therein including transfers by operation of law. Each sale, grant and transfer of real estate, and each sale, grant and transfer of an interest in real estate shall be presumed taxable unless it is specifically exempt from taxation under RSA 78-B:2.

(b) The rate of the tax is \$.75 per \$100, or fractional part thereof, of the price or consideration for such sale, grant, or transfer; except that where the price or consideration is \$4,000 or less there shall be a minimum tax of \$20. The tax imposed shall be computed to the nearest whole dollar.

II. [Repealed.]

III. This section shall be construed in all respects so as to meet all constitutional requirements. If any provision or clause of this section is held invalid, such invalidity shall not affect other provisions of the section.

IV. For the purposes of this chapter, manufactured housing, as defined by RSA 674:31, shall be deemed real estate at such time as it is placed on a site and tied into required utilities.

Source. 1967, 320:1. 1969, 48:1. 1972, 53:1. 1977, 495:1; 600:75. 1983, 230:7. 1989, 197:1; 416:1, 3. 1991, 362:2. 1999, 17:32, 33, eff. July 1, 1999.

REAL ESTATE TRANSFER TAX

RSA 78-B; First enacted in 1967-tax \$.10/\$1,000 assessed to buyer.

Tax paid when transfer is recorded a the county register of deeds office, which affixes the transfer tax stamps to the document. 4% (% set in 1967) from the gross tax is kept by the county.

DATE	EFFECTIVE	LEGISLATION	TAX RATE	ASSESSED ?	MINIMUM
01-02-68	01-02-68	L 1967, CH 320:1	\$0.10/\$100	Buyer only	None
06-30-72	07-01-72	L 1972, CH 53:1	\$0.15/\$100	Buyer only	None
09-12-77	09-12-77	L 1977, CH 495:1	\$0.25/\$100	Buyer only	\$10 if \$4,000 or less
07-01-81	82-83 BIENNIUM	L 1981, CH 568:152,1	\$0.25/\$100	Buyer & Seller	\$10 if \$4,000 or less
07-01-83	84-85 BIENNIUM	L 1983, CH 469:97	\$0.50/\$100	Buyer & Seller	\$20 if \$2,000 or less
07-01-85	86-87 BIENNIUM	L 1985, CH 407:1	\$0.375/\$100	Buyer & Seller	\$15 if \$4,000 or less
07-01-87	88-89 BIENNIUM	L 1987, CH 308:1	\$0.35/\$100	Buyer & Seller	\$14 if \$4,000 or less
07-01-89	07-01-89	L 1989, CH 416:1	Permanent tax rate changed from \$0.25 to \$0.35.		
	90-91 BIENNIUM	L 1989, CH 416:2	\$0.475/\$100	Buyer & Seller	\$19 if \$4,000 or less
04-01-90	04-01-90	L 1990, CH 2	\$0.525/\$100	Buyer & Seller	\$21 if \$4,000 or less
07-01-91	92-93 BIENNIUM	L 1991, CH 354:11	\$0.525/\$100	Buyer & Seller	\$21 if \$4,000 or less
07-01-93	94-95 BIENNIUM	L 1993, CH 350:38	\$0.50/\$100	Buyer & Seller	\$20 if \$4,000 or less
07-01-95	96-97 BIENNIUM	L 1995, CH 96:3	\$0.50/\$100	Buyer & Seller	\$20 if \$4,000 or less
07-01-97	98-99 BIENNIUM	L 1997, CH 130:3	\$0.50/\$100	Buyer & Seller	\$20 if \$4,000 or less
07-01-99	07-01-99	L 1999, CH 17:33	\$0.75/\$100	Buyer & Seller	Rate made permanent, \$.25 to Ed Trust Fund
07-01-01	07-01-01	L 2001, CH 158:24			Non contract. trsf. loophole closed
03-25-02	03-25-02	L 2002, CH 11:1			Exempt Conn headwaters land tract
06-27-08	07-01-08	L 2008, CH 294:7		Buyer & Seller	\$25 LCHIP surcharge for recording each deed, mortgage, mortgage discharge or plan.

**TITLE V
TAXATION**

**CHAPTER 87
TAXATION OF TRANSFERS OF CERTAIN ESTATES**

Section 87:1

87:1 Tax Imposed. –

I. An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving an estate which is subject to an estate tax under the provisions of the United States Internal Revenue Code of 1986, as amended, and who has property within this state.

II. The amount of the New Hampshire estate tax shall be equal to the maximum federal estate tax credit allowable for state death taxes with respect to property subject to this state's jurisdiction to impose a tax.

III. If only a portion of a decedent's estate is located in this state, such maximum tax credit shall be determined by multiplying the entire amount of the credit allowable by the percentage which the gross value of the portion of the decedent's estate located in this state bears to the gross value of the entire estate.

IV. This tax shall be imposed in every case in which the credit for state death taxes paid is available as a credit on the decedent's federal estate tax return.

Source. 1931, 125:1. RL 88:1. RSA 87:1. 1955, 72:1. 1967, 110:1. 1995, 246:1. 2002, 232:3, eff. Jan. 1, 2003.

ESTATE & LEGACY TAXES

INHERITANCE, LEGACIES & SUCCESSIONS TAX

RSA 86; First enacted in 1905

Tax due 9 months from date of death

DATE	EFFECTIVE	LEGISLATION	TAX RATE
1905	1905		8.5%
04-21-65	04-21-65	L 1965, CH 65:1	10.00%
04-22-70	04-22-70	L 1970, CH 5:4	15.00%
07-02-91	07-02-91	L 1991, CH 353:1	18.00%
07-01-01	01-01-03	L 2001, CH 158:65	Repealed
05-17-02	01-01-03	L 2002, CH 232:14	Technical Corrections & repeals nonresident decedents

ESTATE TAX

RSA 87; First enacted in 1931

Tax due 9 months from date of death

DATE	EFFECTIVE	LEGISLATION	TAX RATE
1931	1931	L 1931, CH 125:1	Fed credit taken for state death taxes paid. Feds phasing this out.
05-17-02	01-01-03	L 2002, CH 232:1	Technical Corrections still collect this tax even though legacy tax repealed.

NON-RESIDENT PERSONAL PROPERTY TRANSFER TAX

RSA 89; First enacted in 1921

Tax due 9 months from date of death

DATE	EFFECTIVE	LEGISLATION	TAX RATE
1921	1921	L 1921, CH 70	2% of non-res decedent's estate owning tangible pers prop in NH.
07-01-02	01-01-03	L 2002, CH 232:14,III	Repealed

**TITLE XXXVIII
SECURITIES**

**CHAPTER 421-B
SECURITIES**

Registration of Securities

Section 421-B:11

421-B:11 Registration Requirement and Notice Filing of Securities. –

I. It is unlawful for any person to offer or sell any security in this state unless it is registered under this chapter, the security or transaction is exempted under RSA 421-B:17, or it is a federal covered security for which the fee has been paid and documents have been filed as required by paragraph I-a of this section.

I-a. With respect to notice filings of covered securities, the following requirements shall apply:

(a) Prior to the offer or sale of any class or portfolio of covered securities under section 18(b)(2) of the Securities Act of 1933, a notice shall be filed which includes:

(1) A consent to service of process on Form U-2 signed by the issuer;

(2) A Form N-1A, prospectus, or amendment that contains a complete description of the offering;

and

(3) The fee required for each class in RSA 421-B:31.

All mutual funds doing business in this state offering multiple classes of shares shall submit a notice filing for each class individually, and pay the fee set forth in RSA 421-B:31. All mutual funds doing business in this state offering securities through a combined prospectus shall submit a notice filing for each portfolio and each class thereof contained in the combined prospectus and pay fees set forth in RSA 421-B:31. Annual renewals of notice filings shall be made for each class of mutual fund shares not later than May 1 of each year and shall include (i) the fee set forth in RSA 421-B:31 and (ii) a current prospectus.

(b) Prior to the offer or sale of covered securities under section 18(b)(3) of the Securities Act of 1933, a notice shall be filed which includes:

(1) The name, address, and telephone number of the issuer, and the type of securities to be sold;

(2) A consent to service of process on Form U-2 signed by the issuer;

(3) Any document filed with the Securities and Exchange Commission; and

(4) The fee required in RSA 421-B:31, I(k) and RSA 421-B:31, II (g).

(c) Prior to the offer or sale of covered securities under section 18(b)(4)(A) of the Securities Act of 1933, a notice shall be filed which includes:

(1) The name, address, and telephone number of the issuer, and the type of securities to be sold;

(2) A consent to service of process on Form U-2 signed by the issuer;

(3) The most recent 10-K and 10-Q reports filed with the Securities and Exchange Commission;

(4) The name of a registered broker-dealer who will effect transactions in this state; and

(5) The fee required in RSA 421-B:31, I(h).

(d) Prior to the offer or sale of covered securities under section 18(b)(4)(C) of the Securities Act of 1933, a notice shall be filed which includes:

(1) The name, address, and telephone number of the issuer, and the type of securities to be sold;

(2) A consent to service of process on Form U-2 signed by the issuer;

(3) A copy of the prospectus;

(4) The name of a registered broker-dealer who will effect transactions in this state; and

(5) The fee required in RSA 421-B:31, I(k) and 421-B:31, II(g).

(e)(1) No later than 15 days after the first sale in this state of covered securities under section 18(b)(4)(D) of the Securities Act of 1933, a notice shall be filed which includes:

- (A) The name, address, and telephone number of the issuer and the type of securities to be sold;
- (B) A consent to service of process on Form U-2 signed by the issuer;
- (C) A complete Form D, including pages 1-8, filed with the Securities and Exchange Commission;
- (D) The name of any registered broker-dealer who will effect transactions in this state;
- (E) The fee pursuant to RSA 421-B:31, I(h); and
- (F) A statement indicating the date on which the first sale in this state of covered securities under section 18(b)(4)(D) of the Securities Act of 1933 occurred.

(2) Notwithstanding the exemption in RSA 421-B:17, II(a)(2) and the exclusions from the computation of sales in RSA 421-B:17, II(a)(3), any offering filed as a covered security under section 18 (b)(4)(D) of the Securities Act of 1933 with the United States Securities and Exchange Commission or any other state must be notice filed in this state pursuant to RSA 421-B:11, I-a(e)(1).

I-b. (a) Whenever it appears to the secretary of state that a particular security or transaction offered or sold in this state has not been preempted by federal law or regulation from the registration requirements of this section, the secretary of state may issue an order requiring any person who claims the benefit of federal preemption with respect to the security or transaction to prove that the registration requirement of this section has been preempted. The order shall be calculated to give reasonable notice of the time and place for the hearing, which shall be held within 10 days of the issuance of the order, and shall state the reasons for the entry of the order.

(b) All hearings shall be conducted in accordance with this chapter. After the hearing, the secretary of state shall enter an order making such disposition of the matter as the facts require. If the person claiming the benefit of federal preemption fails to appear at a hearing of which he has been duly notified, such person shall be deemed in default, and the proceeding may be determined against him upon consideration of the order, the allegations of which may be deemed to be true. The secretary of state may adopt rules of procedure concerning all proceedings conducted pursuant to this section.

(c) In any judicial or administrative proceeding under this chapter, the burden of proving an exemption, preemption or an exception from a definition is upon the person claiming it.

(d) Qualification for any of the notice filing provisions of RSA 421-B:11, I-a is predicated upon compliance with federal law, and associated regulations, cited in each provision.

II. (a) Before the secretary of state may accept (1) articles of incorporation for a new corporation under RSA 293-A or an application for a certificate of authority for a foreign corporation under RSA 293-A, (2) a certificate of limited partnership for a new limited partnership or an application for registration of a foreign limited partnership under RSA 304-B, (3) a certificate of formation for a new limited liability company or an application for registration as a foreign limited liability company under RSA 304-C, or (4) an application for registration of a registered limited liability partnership or a notice of registration of a foreign registered limited liability partnership under RSA 304-A, the following requirements shall be met:

(1) Along with a \$50 filing fee, a statement shall be filed with the secretary of state that the capital stock of the corporation, memberships, or the interests of the limited partnership, registered limited liability partnership, foreign registered limited liability partnership, or limited liability company have been registered, or when offered will be registered, under this chapter or are exempted, or when offered will be exempted, under this chapter, or are or will be offered in a transaction exempted from registration under this chapter, or are not securities under this chapter, or are federal covered securities under this chapter; and, in the case of a New Hampshire corporation, limited partnership, registered limited liability partnership, or limited liability company, that the articles of incorporation or certificate of limited partnership state whether the capital stock, memberships, or interests in the limited partnership, registered limited liability partnership or limited liability company will be sold or offered for sale within the meaning of this chapter.

(2) The statement shall be signed by the incorporators of a corporation to be formed, by an executive officer of an existing corporation, by the general partners or intended general partners if a limited partnership, by one or more members or managers authorized to do so if a limited liability

company, or by one or more partners authorized to do so if a registered limited liability partnership or foreign registered limited liability partnership.

(b) Notwithstanding any provision of law to the contrary, the statement filed pursuant to this paragraph shall not by itself constitute a registration, or a notice of exemption from registration, of securities within the meaning of sections 448 and 461(i)(3) of the United States Internal Revenue Code and the regulations promulgated thereunder.

Source. 1981, 214:1. 1994, 388:8. 1996, 212:14. 1997, 112:10, 11, 21, 22; 120:40; 296:15, 24. 1998, 250:1. 2001, 260:14. 2003, 156:5, eff. Aug. 16, 2003. 2006, 245:13, 27, 28, eff. July 1, 2006. 2007, 104:4, eff. July 1, 2007.

**TITLE V
TAXATION**

**CHAPTER 83-E
ELECTRICITY CONSUMPTION TAX**

Section 83-E:2

83-E:2 Imposition of Tax. – A tax is imposed on the consumption in this state of electrical energy at the rate of \$.00055 per kilowatt hour.

Source. 1997, 347:4.

UTILITY CONSUMPTION/ELECTRIC POWER/FRANCHISE TAX (GAS & ELECTRIC)

RSA 83-C; First enacted in 1931-Franchise Tax

RSA 83-E; First enacted in FY 2003 Electricity Consumption Tax

Tax due Monthly

DATE	EFFECTIVE	LEGISLATION	TAX RATE	OTHER
07-01-83	07-01-83	L 1983, CH 469:98	1%	Tax applied to Gross Receipts
07-01-91	07-01-91	L 1991, CH 354:4		Removed Elect from statute (nuclear tax)
04-16-93	05-01-93	L 1993, CH 49:2		Reinserted Elect to statute
07-01-93	07-01-93	L 1993, CH 350:20		Credit vs BET allowed
06-24-97	06-30-02	L 1997, CH 347:5		Tax repealed, sooner if elect restruct plan approved
06-24-97	06-30-02	L 1997, CH 347:4	\$.00055/kwh	Elect consumption tax imposed; part of restruct plan
06-30-02	06-30-02	L 2002, CH 402:3		Tax would have been repealed 6/30/02, this repeals the repeal

**TITLE XIII
ALCOHOLIC BEVERAGES**

**CHAPTER 178
LIQUOR LICENSES AND FEES**

Section 178:26

178:26 Additional Fees. –

I. In addition to the annual license fees provided in this chapter, a fee of \$.30 for each gallon of beverage sold or transferred for retail sale or to the public shall be required for licenses issued to wholesale distributors, beverage manufacturers, and brew pubs; provided, however, that if beverage container mandatory deposit legislation is enacted, such fee shall be \$.18 per gallon as of the effective date of such legislation. For failure to pay any part of the fees provided or under this section when due, 10 percent of such fees shall be added and collected by the commission from the licensee.

II. [Repealed.]

III. Each wholesale distributor, beverage manufacturer, or brew pub shall on or before the tenth day of each month pay the license fees as provided by paragraph I covering sales or transfers made during the preceding calendar month.

Source. 2003, 231:13, eff. July 1, 2003. 2006, 54:1, eff. April 24, 2006.

BEER TAX

RSA 178:26; First enacted in 1935

EFFECTIVE	LEGISLATION	TAX RATE	OTHER
06-30-35		\$2/Barrel or \$.0645/Gal	
07-01-39		\$3/Barrel or \$.0645/Gal	
07-01-65		\$ 12/Gal	
07-01-75		\$ 15/Gal	
10-01-81		\$ 18/Gal	
09-01-83	L 1983, CH 469:114	\$ 30/Gal	Revert to \$.18 if bottle bill, 1/15 to DOT litter clean up
04-01-90	L 1990, CH 4:1	\$ 35/Gal	For the period 4/1/90 - 06/30/91
07-01-90	L 1990, CH 255:1	\$ 30/Gal	Supercedes 4:1
07-01-03	L 2003, CH 231:13	\$ 30/Gal	Revert to \$.18 if bottle bill, 10% late payment fee incorporated, 1/15 to DOT litter clean up
04-24-06	L 2006, CH 54:1	\$ 30/Gal	Repealed 1/15 to DOT litter clean up.

**TITLE V
TAXATION**

**CHAPTER 83-F
UTILITY PROPERTY TAX**

Section 83-F:2

83-F:2 Tax Imposed. – For taxable periods beginning April 1, 1999, a tax is imposed upon the value of utility property at the rate of \$6.60 on each \$1000 of such value, to be assessed annually as of April 1, and every year thereafter, and paid in accordance with this chapter.

Source. 1999, 17:35, eff. April 29, 1999.

**TITLE V
TAXATION**

**CHAPTER 76
APPORTIONMENT, ASSESSMENT AND ABATEMENT OF TAXES**

Assessment

Section 76:3

76:3 Education Tax. – Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the education tax rate at a level sufficient to generate revenue of \$363,000,000 when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

Source. 1878, 23:5. GL 13:2. PS 14:2. PL 13:2. RL 20:2. 1999, 17:14; 338:2. 2001, 158:18. 2003, 241:2. 2004, 195:2, 3. 2005, 257:2. 2008, 173:15, eff. July 1, 2009.

STATEWIDE PROPERTY TAX-NON UTILITY

RSA 76:3; First enacted; Chapter 17:14, Laws of 1999; effective 4/1/99

DATE	EFFECTIVE	LEGISLATION	TAX RATE
04-01-99	04-01-99	L 1999, CH 17:14	\$6.60/\$1,000
04-01-02	04-01-02	L 2001, CH 158:18	\$5.80/\$1,000
04-01-03	04-01-03	L 2003, CH 241:2	\$4.92/\$1,000
07-01-04	07-01-04	L 2004, CH 200:1	\$3.33/\$1,000
07-01-05	07-01-05	L 2005, CH 257:2	Rate floats to generate \$363 million.
02-10-06	02-10-06	L 2006, CH 6:1	Eliminates donor towns.

STATEWIDE PROPERTY TAX-UTILITY

RSA 83-F:2; First enacted; Chapter 17:35, Laws of 1999; effective 4/1/99

DATE	EFFECTIVE	LEGISLATION	TAX RATE
04-01-99	04-01-99	L 1999, CH 17:35	\$6.60/\$1,000

**TITLE XV
EDUCATION**

**CHAPTER 198
SCHOOL MONEY**

Adequate Education; Education Trust Fund

Section 198:39

198:39 Education Trust Fund Created and Invested. –

I. The state treasurer shall establish an education trust fund in the treasury. Moneys in such fund shall not be used for any purpose other than to distribute adequate education grants to municipalities' school districts and to approved charter schools pursuant to RSA 198:42, to provide low and moderate income homeowners property tax relief under RSA 198:56-198:61, and to fund kindergarten programs as may be determined by the general court. The state treasurer shall deposit into this fund immediately upon receipt:

(a) Funds certified to the state treasurer by the commissioner of revenue administration pursuant to RSA 77-A:20-a, relative to business profits taxes.

(b) Funds certified to the state treasurer by the commissioner of revenue administration pursuant to RSA 77-E:14, relative to business enterprise tax.

(c) Funds collected and paid over to the state treasurer by the commissioner of revenue administration pursuant to RSA 78-A:26, III relative to the tax on motor vehicle rentals.

(d) Funds collected and paid over to the state treasurer by the department of revenue administration pursuant to RSA 78:32, relative to tobacco taxes.

(e) Funds certified to the state treasurer by the commissioner of revenue administration pursuant to RSA 78-B:13, relative to real estate transfer taxes.

(f) Funds collected and paid over to the state treasurer by the department of revenue administration pursuant to RSA 83-F:7, I, relative to the utility property tax.

(g) [Repealed.]

(h) All moneys due the fund in accordance with RSA 284:21-j, relative to sweepstakes and the lottery.

(i) Tobacco settlement funds in the amount of \$40,000,000 annually.

(j) The school portion of any revenue sharing funds distributed pursuant to RSA 31-A:4 which were apportioned to school districts in the property tax rate calculations in 1998.

(k) Any other moneys appropriated from the general fund.

II. The education trust fund shall be nonlapsing. The state treasurer shall invest that part of the fund which is not needed for immediate distribution in short-term interest-bearing investments. The income from these investments shall be returned to the fund.

Source. 1999, 17:41; 338:8. 2004, 97:3; 200:4. 2005, 257:4, 15. 2006, 301:2. 2007, 272:2, eff. July 3, 2007. 2011, 258:9, IV, eff. July 1, 2011.

**TITLE V
TAXATION**

**CHAPTER 77-A
BUSINESS PROFITS TAX**

Section 77-A:20-a

77-A:20-a Distribution of Funds. –

I. The commissioner shall determine the additional amounts of revenue produced by an increase of 1.5 percent in the rate of tax imposed by RSA 77-A:2 for each fiscal year and shall certify such amounts to the state treasurer by October 1 of that year for deposit in the education trust fund established by RSA 198:39.

II. The commissioner shall make quarterly estimates of the amount of additional revenues that will be produced by the increase in tax rate for the next fiscal year and shall certify such amounts to the state treasurer for deposit in the education trust fund established by RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of each year.

Source. 1999, 17:20. 2001, 158:20, eff. July 1, 2001.

**TITLE V
TAXATION**

**CHAPTER 77-E
BUSINESS ENTERPRISE TAX**

Section 77-E:14

77-E:14 Distribution of Funds. –

I. The commissioner shall determine the additional amounts of revenue produced by an increase of .50 percent in the rate of tax imposed by RSA 77-E:2 for each fiscal year and shall certify such amounts to the state treasurer by October 1 of that year for deposit in the education trust fund established by RSA 198:39.

II. The commissioner shall make quarterly estimates of the amount of additional revenues that will be produced by the increase in tax rate for the next fiscal year and shall certify such amounts to the state treasurer for deposit in the education trust fund established by RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of each year.

Source. 1999, 17:22. 2001, 158:23, eff. July 1, 2001.

**TITLE V
TAXATION**

**CHAPTER 78-A
TAX ON MEALS AND ROOMS**

Section 78-A:26

78-A:26 Disposition of Revenue. –

I. Beginning on July 1, 1995, and for each fiscal year thereafter, the department shall pay over all revenue, except revenues identified in paragraph III of this section, collected under this chapter to the state treasurer. On or before October 1 of each year, the department shall determine the cost of administration of this chapter for the fiscal year ending on the preceding June 30, and it shall notify the state treasurer of these costs by a report certified by them as to correctness. After deducting the cost of administration of the chapter from the total income, the state treasurer shall distribute the net income as follows:

(a) Sixty percent to the general fund, less:

(1) The amount necessary to provide payments of principal and interest on the bonds and notes authorized under RSA 198:15-a, II for the fiscal years ending June 30, 2009, June 30, 2010, and June 30, 2011; and

(2) An amount equal to 3.15 percent of net income distributed under this subparagraph which shall be credited to the department of resources and development, division of travel and tourism development.

(b) Forty percent to the unincorporated towns, unorganized places, towns, and cities. The amount to be distributed to each such town, place, or city shall be determined by multiplying the amount to be distributed by a fraction, the numerator of which shall be the population of the unincorporated town, unorganized place, town or city and the denominator of which shall be the population of the state. The population figures shall be based on the latest resident population figures furnished by the office of energy and planning.

II. For fiscal year 1995, instead of the 40 percent distribution in subparagraph I(b), 75 percent of each city's or town's 1976 distribution under RSA 78-A:23 shall be distributed under the provisions of subparagraph I(b), plus an amount equal to 75 percent of any increase in the revenue received from the meals and rooms tax for the fiscal year ending on the preceding June 30, not to exceed \$2,000,000. For fiscal year 1996, the amount to be distributed shall be equal to the prior year's distribution, plus an amount equal to 75 percent of any increase in the revenue received from the meals and rooms tax for the fiscal year ending on the preceding June 30, not to exceed \$3,000,000. For fiscal year 1997 and each year thereafter, the amount to be distributed shall be equal to the prior year's distribution plus an amount equal to 75 percent of any increase in the income received from the meals and rooms tax for the fiscal year ending on the preceding June 30, not to exceed \$5,000,000, until such time as the total amount distributed annually is equal to the amount indicated in subparagraph I(b).

III. Beginning on July 1, 1999, and for each fiscal year thereafter, the department shall pay over all revenue collected pursuant to RSA 78-A:6, II-a to the state treasurer for deposit in the education trust fund established by RSA 198:39.

Source. 1993, 352:1. 1999, 17:30, 31. 2003, 319:9. 2004, 257:44. 2009, 144:6, eff. June 30, 2009.

**TITLE V
TAXATION**

**CHAPTER 78
TOBACCO TAX**

Protection of Revenue of the State

Section 78:32

78:32 Distribution of Funds. –

I. The commissioner shall determine the additional amount of revenue produced by any additional tax in excess of \$1.00 for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all tobacco products sold at retail in this state imposed by RSA 78:7 and shall certify such amount to the state treasurer by October 1 of each year for deposit in the education trust fund established by RSA 198:39.

II. The commissioner shall make quarterly estimates of the amount of additional revenues that will be produced by such increase in tax rate for the next fiscal year and shall certify such amount to the state treasurer for deposit in the education trust fund established by RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of each year.

Source. 1999, 17:23. 2009, 144:257, eff. July 1, 2009.

**TITLE V
TAXATION**

**CHAPTER 78-B
TAX ON TRANSFER OF REAL PROPERTY**

Section 78-B:13

78-B:13 Distribution of Funds. –

I. The commissioner shall determine the additional amounts of revenue produced by an increase of \$.25 per \$100 in the rate of tax imposed by RSA 78-B:1 for each fiscal year and shall certify such amounts to the state treasurer by October 1 of that year for deposit in the education trust fund established by RSA 198:39.

II. The commissioner shall make quarterly estimates of the amount of additional revenues that will be produced by the increase in tax rate for the next fiscal year and shall certify such amounts to the state treasurer for deposit in the education trust fund established by RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of each year.

Source. 1999, 17:34, eff. April 29, 1999.

**TITLE V
TAXATION**

**CHAPTER 83-F
UTILITY PROPERTY TAX**

Section 83-F:7

83-F:7 Administration. –

I. The commissioner shall collect the taxes, interest, additions to tax and penalties imposed under this chapter and shall pay over to the state treasurer for deposit in the education trust fund established by RSA 198:39 the amount of the funds collected.

II. The commissioner is authorized to contract for the services of utility appraisers as needed for the proper administration of this chapter. Such contract expenses shall be deemed an expense of administration.

III. The commissioner shall adopt rules, pursuant to RSA 541-A, relative to:

- (a) The administration of the tax imposed under RSA 83-F:2;
- (b) The valuation of utility property required under RSA 83-F:3; and
- (c) The recovery of any tax, interest on tax, or penalties imposed by this chapter.

IV. The commissioner may institute actions in the name of the state to recover any tax, interest on tax, additions to tax or the penalties imposed by this chapter.

V. In the collection of the tax imposed by this chapter, the commissioner may use all of the powers granted to tax collectors under RSA 80 for the collection of taxes. The commissioner shall also have all of the duties imposed upon the tax collectors by RSA 80 that are applicable to the commissioner. The provisions of RSA 80:26 shall apply to the sale of land for the payment of taxes due under this chapter, and the state treasurer is authorized to purchase the land for the state. If the state purchases the land, the state treasurer shall certify the purchase to the governor, and the governor shall draw a warrant for the purchase price out of any money in the treasury not otherwise appropriated.

Source. 1999, 17:35; 303:7, eff. July 16, 1999.

**TITLE XV
EDUCATION**

**CHAPTER 198
SCHOOL MONEY**

Local Control and Alternative Kindergarten Programs

Section 198:46

198:46 Excess Education Tax Payment. – [Repealed 2011, 258:9, II, eff. July 1, 2011.]

**TITLE XXIV
GAMES, AMUSEMENTS, AND ATHLETIC EXHIBITIONS**

**CHAPTER 284
HORSE AND DOG RACING**

Lottery

Section 284:21-j

284:21-j Establishment. –

I. The state treasurer shall credit all moneys received from the lottery commission and all moneys received from the racing and charitable gaming commission under RSA 284, RSA 287-D, and RSA 287-E, and interest received on such moneys, to a special fund from which the treasurer shall pay all expenses of the commission incident to the administration of this subdivision and all administration and enforcement expenses of the racing and charitable gaming commission under RSA 284, RSA 287-D, and RSA 287-E. Any balance left in such fund after such expenses are paid shall be deposited in the education trust fund established under RSA 198:39.

II. Notwithstanding any other provision of law, if the expenditure of additional funds over budget estimates is necessary for the proper functioning of the lottery commission, the commission may request, with prior approval of the legislative fiscal committee, that the governor and council authorize the transfer of funds from the sweepstakes fund for expenses related to retirement and health benefits.

Source. 1963, 52:1. 1965, 239:15. 1967, 421:1. 1973, 148:1. 1981, 444:3. 1983, 417:3. 1985, 244:9. 1987, 201:1. 1989, 414:2. 1997, 137:1. 1999, 17:45. 2002, 224:1. 2004, 97:6; 257:8. 2006, 311:4. 2008, 25:1, eff. July 11, 2008. 2011, 224:87, eff. July 1, 2011.

**TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES**

**CHAPTER 31-A
RETURN OF REVENUE TO CITIES AND TOWNS**

Section 31-A:4

[RSA 31-A:4 suspended for the biennium ending June 30, 2013 as provided by 2011, 224:2.]

31-A:4 Determination of Amounts Returnable. –

The state treasurer shall distribute to the cities and towns each year the amount appropriated by the general court according to an equalized formula calculated by taking for each city and town the amount of local property taxes assessed, including current distributions of state revenues to local governments, exclusive of educational funds; dividing that sum by the local equalized valuation as determined by the department of revenue administration; and multiplying the result by the local population to produce an equalizing factor for each city and town. Such equalizing factors shall be added together to produce a total state sum. Each local equalizing factor shall be divided by the total state sum to produce for each city and town a normalized factor. Each such normalized factor shall be multiplied by the total amount to be distributed to the cities and towns to produce the annual share of each city or town. Under no circumstances shall the amount appropriated under this section be less than \$47,300,000 annually. Provided, however, that no city or town shall receive under the provisions of this section an amount less than the sum of:

I. Its 1978 distribution under RSA 31-A plus its share under the equalized formula of an annual increase of 5 percent in the previous year's aggregate distribution, through the year 1981, excluding revenue derived from RSA 77-A:20. The amount of money which is removed from the formula for deposit in the education trust fund shall not affect the remaining municipal revenue sharing distribution. The same amount distributed to each municipality in fiscal year 1998, excluding the amount apportioned to the school district in the 1998 property tax calculations, shall be distributed to each municipality in fiscal year 1999 and each year thereafter until the legislature revises the formula or provides additional appropriations that will affect the distribution amount.

II. Its 1982 distribution under the interest and dividends tax.

III. Its 1982 distribution under the savings bank tax.

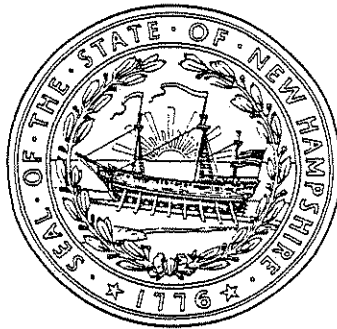
IV. [Repealed.]

Source. 1970, 5:16. 1971, 557:73. 1977, 593:6. 1981, 568:122, I. 1983, 469:51. 1993, 352:2, 3, eff. July 1, 1994. 1999, 17:10, eff. April 29, 1999.

NEW ISSUE – Book Entry Only

**Ratings: Fitch: AA+
Moody's: Aa1
Standard & Poor's: AA
See Ratings herein**

In the opinion of Edwards Wildman Palmer LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, however such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "Tax Exemption" and Appendix A herein.



**\$90,000,000
STATE OF NEW HAMPSHIRE
GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
2012 SERIES B**

Dated: Date of Delivery

Due: as shown on the inside cover hereof

The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 or any integral multiple thereof. See *The Bonds--Book-Entry Only System* herein.

Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2013 until maturity or redemption prior to maturity. The Bonds are subject to redemption prior to maturity as provided herein.

The Bonds are offered subject to the final approving opinion of Edwards Wildman Palmer LLP, Boston, Massachusetts, Bond Counsel, and to certain other conditions referred to in the Notice of Sale. Public Resources Advisory Group has acted as Financial Advisor to the State with respect to the Bonds. Delivery of the Bonds to DTC or its custodial agent is expected on or about November 28, 2012.

November 14, 2012

complete such returns by the end of November, 2012 as expected, it is possible that finalization of the State's audited financial statements and CAFR could be delayed. See "FINANCIAL STATEMENTS – Fiscal Year 2012."

Revenue Stabilization Reserve Account

Legislation was enacted in 1986 to establish a Revenue Stabilization Reserve Account (or "Rainy Day Fund") within the General Fund as of July 1, 1987. Pursuant to RSA 9:13-e, in the event of a General Fund undesignated deficit at the close of a fiscal biennium and a shortfall in revenue (as compared with the official budget), the Comptroller shall notify the Fiscal Committee and the Governor of such deficit and request to transfer from the Revenue Stabilization Reserve Account, to the extent available, an amount equal to the lesser of the deficit or the revenue shortfall. No monies in the Revenue Stabilization Reserve Account (except for interest earnings, which are deposited as unrestricted General Fund revenue) can be used for any purpose other than deficit reduction or elimination except by specific appropriation approved by two-thirds of each house of the Legislature and by the Governor.

Chapter 158:41 of the Laws of 2001 amended RSA 9:13-e regarding funding the Revenue Stabilization Reserve Account. At the close of each fiscal biennium, any surplus, as determined by the official audit, shall be transferred by the comptroller to the Revenue Stabilization Reserve Account, provided, however, that in any single fiscal year the total of such transfers shall not exceed one half of the total potential maximum balance allowable for the Revenue Stabilization Reserve Account. The maximum amount in the account is equal to 10% of General Fund unrestricted revenue for the most recently completed fiscal year.

Pursuant to Chapter 177:53 of the Laws of 2005, the biennial transfer of surplus from the General Fund to the Revenue Stabilization Reserve Account, if any, was suspended for the biennium ending June 30, 2005. Chapter 35:1 of the Laws of 2006 directed that any undesignated General Fund surplus from the fiscal year ending June 30, 2005 in excess of \$30.5 million be transferred to the Revenue Stabilization Reserve Account. During fiscal year 2006, \$51.7 million was transferred to the Revenue Stabilization Reserve Account, for a balance of \$69.0 million at June 30, 2006.

Chapter 263:110 of the Laws of 2007 directed that any surplus in excess of \$20.0 million for the close of the fiscal biennium ending June 30, 2007 shall remain in the General Fund and shall not be deposited in the Revenue Stabilization Reserve Account. Therefore, at the end of fiscal year 2007, \$20.0 million was transferred to the Revenue Stabilization Reserve Account, bringing the balance to \$89.0 million at June 30, 2007. The balance of the fiscal year 2007 surplus, \$27.3 million and the carry forward surplus of \$34.4 million, remained in the General Fund. The balance in the Revenue Stabilization Reserve Account at June 30, 2008 remained at \$89.0 million.

Chapter 143 of the Laws of 2009, the operating budget for fiscal years 2010-2011, assumed \$69 million would be drawn from the Revenue Stabilization Reserve Account at June 30, 2009 leaving a balance of \$20 million at June 30, 2009. The actual draw on the Revenue Stabilization Reserve Account at June 30, 2009 was \$79.7 million leaving a balance of \$9.3 million. The balance remained at \$9.3 million at June 30, 2010. See "STATE FINANCES – Results of Operations-Fiscal Year 2009 and – Operating Budget Fiscal Years 2010 and 2011" below.

Chapter 223, Laws of 2011, the operating budget for fiscal years 2012-2013, assumed \$8.8 million would be drawn from the Revenue Stabilization Reserve Account at June 30, 2011. As reported in the audited financial statements, the draw was not necessary and the audited balance in the fiscal stabilization account at June 30, 2011 remained at the prior year balance of \$9.3 million. Chapter 224:206, Laws of 2011, directed that any budget surplus at June 30, 2011 shall not be deposited in the Revenue Stabilization Reserve Account and shall remain in the General Fund.

State Revenues

The State derives most of its revenues from a combination of specialized taxes, user charges and the operation of a statewide liquor sales and distribution system. The State of New Hampshire is the only state that imposes neither a personal income tax on earned income nor a statewide general sales or use tax.

Unrestricted revenues may be appropriated by the Legislature for any State purpose, including the payment of debt service on outstanding bonds of the State, without constitutional limitations (or program limitations, as in the case of federal grants).

The following are the principal sources of unrestricted revenues of the State. Except as otherwise noted below, such revenues are credited to the General Fund:

Meals and Rooms Tax. Effective July 1, 2009, a tax is imposed equal to 9% of the charges for (i) hotel, motel and other public accommodations, (ii) meals served in restaurants, cafes and other eating establishments, and (iii) rental cars. Prior to July 1, 2009, the meals and rooms tax rate was at 8%. Effective July 1, 2009, this tax was extended to cover campsites, however, Chapter 6 of the Laws of 2010 repealed the extension of the meals and rooms tax to campsites effective May 3, 2010. Chapter 144 of the Laws of 2009 designated the amount necessary to pay debt service on general obligation bonds issued to fund school building aid grants to come from the meals and rooms tax. The amount of the annual debt service on bonds issued for this purpose totaled \$365,000 in fiscal year 2010, \$5.1 million in fiscal year 2011, \$14.6 million in fiscal year 2012 and is budgeted at \$14.4 million in fiscal year 2013. In addition 3.15% of net meals and rooms tax collections was designated for travel and tourism development, however, Chapter 224 of the Laws of 2011 suspends the distribution of meals and rooms taxes to the Division of Resources and Economic Development for travel and tourism development for the biennium ending June 30, 2013. Beginning in fiscal year 1995 a portion of the revenue derived from the meals and rooms tax is distributed to the cities, towns and certain unincorporated subdivisions of the State, eventually increasing to 40% of such revenue annually. For fiscal years 1997 and thereafter, the amount to be distributed is the sum of the prior year's distribution plus an amount equal to 75% of any increase in the income received from the tax for the preceding fiscal year, not to exceed \$5 million. Chapter 224 of the Laws of 2011 effectively extends the cap on such distributions instituted by Chapter 144 of the Laws of 2009 by limiting the meals and rooms tax distributions to cities and towns in each of fiscal years 2012 and 2013 to no more than the fiscal year 2009 distribution of \$58.8 million. The following table shows for each fiscal year, the amount of meals and rooms tax distributed (for fiscal year 2013, the amount to be distributed) and the percentage of previous year's tax collections for fiscal years 2008 through 2013:

<u>Fiscal Year</u>	<u>Amount Distributed</u>	<u>% of Previous Years Total Meals and Rooms Tax Collection</u>
2008	\$55,513,020	27.4%
2009	58,805,057	28.5
2010	58,805,057	28.9
2011	58,805,057	25.3
2012	58,805,057	24.5
2013	58,805,057	25.3

Business Profits Tax (BPT). The business profits tax rate was increased to 8.5% for tax years ending on or after July 1, 2001. Previously, the rate had been 8% for tax years ending on or after July 1, 1999 and 7% prior to that time. The increases (1.5%) have been dedicated to the Education Trust Fund. The tax is imposed on the taxable business profits of business organizations deriving gross business profits from activities in the State, or both in and outside of the State. Business profits subject to the tax but derived from activities conducted outside the State are adjusted by the State's apportionment formula to allocate to the State a fair and equitable proportion of such business profits.

Business Enterprise Tax (BET). Effective July 1, 1993, the State established a business enterprise tax. The rate is currently .75% for tax years ending on or after July 1, 2001 and previously had been .50% for tax years ending on or after July 1, 1999 and .25% prior to that time. The increases (.50%) have been dedicated to the Education Trust Fund. The tax is assessed on wages paid to employees, interest paid on debt and dividends paid to shareholders. Businesses with less than \$150,000 in gross receipts and an enterprise value base of less than \$75,000 are exempt from the business enterprise tax. Every business enterprise is required to make quarterly estimated tax payments due on the fifteenth day of the fourth, sixth, ninth and twelfth months of its taxable year. The business enterprise tax may be used as a credit against the business profits tax under RSA 77-A:5. Any unused portion of the credit may be carried forward and allowed against the business profits tax for five (5) taxable periods from the taxable period in which the business profits tax was paid.

Several pieces of legislation enacted in the 2011 and 2012 legislative sessions are projected to significantly reduce business tax revenue starting in fiscal year 2014:

- Chapter 224:363 Laws of 2011 increases the Net Operating Loss that may be generated in a tax year from \$1 million to \$10 million effective July 1, 2013 and is estimated to result in \$20 million annual revenue reduction in fiscal years 2014 and 2015.
- Chapter 225, Laws of 2011 changed the carry-forward periods for the BET credit against the BPT from 5 to 10 taxable periods applicable for taxable periods ending on or after July 1, 2014 and is estimated to result in \$8 million annual revenue reduction in fiscal year 2015.
- Chapter 287, Laws of 2012 established the Education Tax Credit against BPT and BET to be used starting in 2014 for the 2013 tax period and is estimated to result in \$2 million annual revenue reduction in fiscal years 2014 and 2015.
- Chapter 279, Laws of 2012 increased the BET filing thresholds effective for taxable periods ending on or after December 31, 2013 and is estimated to result in \$3 million annual revenue reduction in fiscal years 2014 and 2015.
- Chapter 116 Laws of 2012 changed the prospective repeal date for the Research and Development Tax Credit from July 1, 2013 to July 1, 2015 and is estimated to result in \$1 million annual revenue reduction in fiscal years 2014 and 2015.

Board and Care Revenue. These revenues are payments primarily from health insurers and the federal government to reimburse the State for costs of health and mental care services and board provided at State institutions, including the New Hampshire Hospital.

Liquor Sales and Distribution. The State Liquor Commission is comprised of three members appointed by the Governor with the consent of the Council. The Commission makes all liquor purchases directly from the manufacturers and importers and operates State liquor stores in cities and towns that accept the provisions of the local option law. The Commission is authorized to lease and equip stores, warehouses and other merchandising facilities for liquor sales, to supervise the construction of State-owned liquor stores at various locations in the State, and to sell liquor at retail and to restaurants, hotels and other organizations. Revenues from the State Liquor Commission are credited to the Enterprise Fund for accounting purposes and the cash flow from operations is unrestricted and deposited into the State's pooled bank accounts.

Chapter 328 of the Laws of 2000 requires fifty percent of any current year's gross profits from liquor sales that exceed fiscal year 2001 actual gross profits be deposited into the alcohol abuse prevention and treatment fund established by RSA 176-A:1. This amount is limited to no more than 5 percent of the current year gross profits derived from the sale of liquor and other revenues. This law became effective July 1, 2001 and a General Fund appropriation of \$3.3 million was recorded in fiscal year 2002. Chapter 319 of the Laws of 2003 suspended this allocation for the biennium ending June 30, 2005. Chapter 177 of the Laws of 2005 suspended this allocation for the biennium ending June 30, 2007. Chapter 263 of the Laws of 2007 suspended this allocation for the biennium ending June 30, 2009, and Chapter 144 of the Laws of 2009 suspended this allocation for the biennium ending June 30, 2011, providing that all gross revenue derived by the liquor commission from the sale of liquor, or from license fees, shall be deposited into the General Fund of the State.

Chapter 296 of the Laws of 2008 reduced the discounts offered to certain wine licensees. Chapter 144:254 of the Laws of 2009, which proposed a repeal of the reductions as stated in Chapter 296 was itself repealed, thereby maintaining the discount reductions offered in Chapter 296:31 and 32 of the Laws of 2008. Discounts for holders of off-premises retail licenses with annual purchases of less than \$350,000 continue to receive the discount of 15% less than the regular retail price at New Hampshire Liquor and Wine Outlets and 20% less than the regular F.O.B. price at the warehouse. Holders of off-premises retail licenses with annual purchases exceeding \$350,000 shall receive a discount of 15% less than the regular F.O.B. price at the warehouse.

Tobacco Tax. Effective July 6, 1999, the cigarette tax rate increased by 15 cents to a rate of 52 cents per package of 20 cigarettes. The increase was dedicated for the Education Trust Fund. Effective July 1, 2005, the tax was increased to 80 cents per pack, and effective July 1, 2007 the tax was increased to \$1.08 per pack. Smokeless and loose tobacco is generally taxed at a rate proportionate to the cigarette tax, but was not subject to the tax increase effective July 1, 2007. Effective July 1, 2008, the definition of a cigarette was changed to include any roll of tobacco wrapped in any substance containing tobacco, weighing not more than 3 lbs. per thousand, which would include the taxation of some little cigars. Effective October 15, 2008, the rate increased to \$1.33 per package of 20 cigarettes. Effective July 1, 2009, the tax rate increased by 45 cents to \$1.78 per package of 20 cigarettes. Chapter 144:257 of the Laws of 2009 provides that the revenue produced in excess of \$1.00 per pack shall be deposited in the Education Trust Fund. Pursuant to Chapter 224:377-381 of the Laws of 2011, effective July 1, 2011, the tobacco tax rate for each pack containing 20 cigarettes was decreased from \$1.78 to \$1.68 per pack, the rate for each pack containing 25 cigarettes was decreased from \$2.23 to \$2.10 per pack, and the rate for all other tobacco products, except premium cigars, was decreased from 65.03% to 48.0% of the wholesale price.

The new law has a contingency provision that requires the Department of Revenue Administration (DRA) to report, on or before July 15, 2013, the amount of tobacco tax revenue received for the period of July 1, 2011 through June 30, 2013. If the DRA reports that the amount of tobacco tax revenue received for the period was below the amounts received for the period of July 1, 2009 through June 30, 2011, then, effective August 1, 2013, the tax rate for each pack containing 20 cigarettes shall increase back to \$1.78 per pack, the tax rate for each pack containing 25 cigarettes shall increase back to \$2.23 per pack, and the tax rate for all other tobacco products, excluding premium cigars, shall increase back to 65.03% of the wholesale sales price. If, however, the DRA reports that the amount of tobacco tax revenue received was equal to or greater than the amount received for the prior period, then the tobacco tax rates shall remain at the decreased rates. Tobacco tax revenue totaled \$470.1 million for the period July 1, 2009 through June 30, 2011. To meet or exceed revenue from that period, fiscal year 2013 revenue will need to be at least \$255.2 million. Preliminary unaudited fiscal year 2012 tobacco tax revenue of \$214.9 million was \$8.6 million, or 3.8% short of the fiscal year 2012 budget estimate and \$11.5 million below prior year. Tobacco taxes for the four months ended October 31, 2012 are \$4.9 million (6.2%) below plan and \$3.2 million (4.1%) less than in the prior year.

Medicaid Enhancement Tax (MET) Revenues. Effective July 1, 1993, the State lowered the MET rate from 8% to 6%, and effective July 1, 2007, the State lowered such tax to 5.5%. Previously, the tax was assessed against the gross patient services revenue of hospitals operating in the State. "Gross patient services revenue" was defined as the amount that a hospital records at the hospital's established rates for patient services, regardless of whether full payment of such amounts is expected or paid. As of July 1, 2005, the tax is assessed against net patient services revenue, which means the "gross charges of the hospital, less any deducted amount for bad debts, charity care and payor discounts." As of July 1, 2011, Chapter 224 of the Laws of 2011 amended the definition of "hospital" under RSA 84-A:1, III to mean general hospitals and special hospitals for rehabilitation required to be licensed under RSA 151 that provide inpatient and outpatient hospital services, but not including government facilities. The definition of "net patient services revenue" under RSA 84-A:1, IV-a was amended to include revenues received from the State's uncompensated care account and revenues received from all payers of inpatient and outpatient patient care. A portion of the revenue collected pursuant to the tax is placed in the Uncompensated Care Fund to fund medical care for the Medicaid population. The tax is due on October 15 but no interest or penalties are assessed if the tax is received by the State on or before October 31. A final tax return is then due to be filed the following July.

From inception of the tax until June 30, 2010, hospitals often received payment from the State to reimburse for the provision of uncompensated care in the amount that they paid to the State in MET. The source of uncompensated care reimbursements to hospitals was approximately one-half of the MET receipts and the balance was federal disproportionate share hospital (DSH) Medicaid funds. The other half of the tax paid by the hospitals was credited as General Fund unrestricted revenue. In fiscal year 2011, the uncompensated care payments were made under a redesigned calculation formula, however one-half of the total tax paid by hospitals continued to be used to match federal dollars and, in the aggregate, hospitals received uncompensated care payments equal to the total tax received by the State. The operating budget for fiscal years 2012 and 2013, Chapters 223 and 224 of the Laws of 2011, leaves the tax rate at 5.5% of net patient services revenue but significantly decreases the State's commitment to reimburse hospitals for uncompensated care. Certain hospitals have challenged a number of legislative and agency actions since 2005 that have reduced the reimbursement rates for certain Medicaid services

and related payments. If the plaintiffs were to prevail on all claims, the cost to the State could be in excess of \$100 million. See LITIGATION – *Dartmouth Hitchcock, et al v. Toumpas*.

Since enactment of the operating budget for fiscal years 2012 and 2013, between the middle of June 2011 and the end of November 2011, the DRA received amended returns of MET from 20 of the 28 hospital taxpayers for fiscal periods ending 2008 through 2011, which requested refunds or credits totaling \$89 million. Soon after receipt, the DRA denied \$20 million of requests as being outside the statute of limitations period. The appeal period for these denials has expired and no hospital has appealed.

The DRA has reviewed records for many of the taxpayers making the remaining \$69 million of requests, and has issued determinations. On a case by case basis, these have resulted in refunds for some and assessment of additional taxes for others, the net result of which did not result in a material amount. Many hospitals have appealed the determinations with the DRA's Hearings Bureau. Such cases are currently in the administrative appeals process. The Hearing Officer's decision may be further appealed to the Superior Court. See also MEDICAID PROGRAM.

Medicaid Enhancement Tax Estimates and Uses For Fiscal Years 2011-2013

	FY 2011 (Actual)	FY 2012 (Actual Unaudited)	FY 2013 (Budgeted)
Medicaid Enhancement Tax Revenues	\$187,696,000	\$175,300,000	\$213,400,000
To hospitals for uncompensated care	\$94,952,000	\$24,600,000	\$26,700,000
To General Fund	\$92,744,000	\$74,800,000	\$104,800,000
To medical providers	\$0	\$75,900,000	\$81,900,000

Fiscal year 2012 MET payments from hospitals were due in October 2011. The unaudited fiscal year 2012 MET collections result in a shortfall of \$22.2 million from the \$197.5 million estimated when the budget was adopted. When making the October 2011 MET payments, some hospitals used a definition of net patient services revenue that varied from the definition used in previous years and excluded certain hospital services. However, during this same time frame the State adjusted some Medicaid reimbursements made to hospitals for these services. The payment adjustments totaled approximately \$13 million in general funds, of which \$7.7 million was charged to fiscal year 2011 and \$5.3 million was charged to fiscal year 2012. In January 2012, the State received confirmation from the U.S. Department of Health and Human Services, Centers for Medicaid & Medicare Services (CMS) that it could apply the definition of net patient services revenue used in previous years with respect to these services. The State then received amended reports of net patient services revenue generated by most hospitals. The hospitals' 2012 MET tax returns, and payment for any additional MET liability, were due in July 2012. Twenty-seven of the 28 hospitals filed MET returns for tax period ending June 30, 2012. The State received a total of \$175.3 million in MET payments for the tax period (not net of refunds or tax notice payments from prior periods). In July of 2012, some hospitals filed additional credit/refund requests for fiscal year 2012 MET totaling approximately \$20 million. Denying the use of previously denied credit carryovers adjusts this number to approximately \$12.5 million. Tax notices for fiscal year 2012 have been issued in the amount of \$13.3 million.

Fiscal year 2013 MET payments from hospitals were due on October 15, 2012, but no interest or penalties are assessed if the tax is received by the State on or before October 31, 2012. In addition, DRA has granted to some hospitals an extension to file without penalty by December 2012. The State cannot quantify the dollar value of the MET payments that are the subject of such extensions. The Department of Health and Human Services estimated receipt of \$213.7 million in MET payments for fiscal year 2013. The State has received \$162.5 million in fiscal year 2013 MET payments through November 5, 2012. A final MET return is then due to be filed on July 10, 2013. If the required return shows an additional amount of tax to be due, such additional amount is due and payable at the time the return is due. As discussed above, fiscal year 2012 MET revenue underperformed and there continues to be uncertainty for fiscal year 2013 as a result of litigation with the hospitals that pay the tax. While the State believes the MET will be paid at some future date, the timing of collections is not certain. See LITIGATION.

Insurance Tax. Prior to fiscal year 2008, the State imposed a tax on licensed insurance companies equal to 2% of net premiums written in the State (5% of taxable underwriting profit in the case of ocean marine insurance companies). Chapter 277 of the Laws of 2006, reduced such tax to 1.75% effective July 1, 2007, 1.5% effective January 1, 2009, and 1.25% effective January 1, 2010, and would have reduced it to 1% effective January 1, 2011 but for Chapter 1 of the Laws of 2010 Special Session which repealed the provision bringing the tax to 1%. The tax rate remains at 1.25%. This applies to all lines of insurance except accident and health insurance (RSA 401:1, IV), and insurers licensed as Health Service Corporations (RSA 420-A), Health Maintenance Organizations (RSA 420-B), and Delta Dental Plan OfNH, Inc (RSA 420-F) which remains at 2%. Prior to 2011, ocean marine insurance was taxed on an underwriting profit basis. The purpose of the legislation was to stimulate economic growth by retaining current domestic insurers and recruiting other insurance companies to incorporate in the State. Effective for calendar year 2007, the new legislation also changed the collection of the tax from quarterly to annually on or before March 15 of each year. Under an insurance retaliatory statute, the State collects the greater of premium tax calculated by the effective New Hampshire premium tax rate or premium tax calculated by the effective tax rate of the state of which each insurer is domiciled. As of December 31, 2010, companies of 35 states having a higher premium tax rate in their domiciliary states were licensed in the State. Premium tax on unlicensed companies ranges from 2% to 4% of premiums written.

Interest and Dividends Tax. A tax of 5% is imposed on income in excess of \$2,400 received from interest and dividends on stocks, bonds and other types of investments. Chapter 163 of the Laws of 1998 allows for a deduction from taxable interest and dividend income any amount equal to any cash distributions made to a qualified investment capital corporation.

Chapter 144 of the Laws of 2009 amended the interest and dividends tax to treat distributions from limited liability companies, partnerships and associations as dividends subject to the tax to the same extent that distributions to corporate shareholders are taxable as dividends. This change was effective for calendar tax years beginning on or after January 1, 2009. A distribution that is a return of capital is not subject to taxation. This change in the tax was estimated to generate an additional \$15 million in each of fiscal years 2010 and 2011. However, Chapter 1, Laws of the 2010 Special Session, repealed the inclusion of distributions from limited liability companies, partnerships and association as dividends subject to the interest and dividends tax effective January 1, 2010, leaving such distributions received during the 2009 tax year subject to the tax.

Estate and Legacy Tax. The State imposes an estate tax equal to the maximum amount of the credit for state taxes allowed under the federal estate tax. For decedents dying after December 31, 2004, Congress terminated the federal credit for state death taxes. Accordingly, the State's estate tax is not anticipated to raise material revenue in the future. In addition to this estate tax, the State had imposed a legacies and succession tax and a transfer tax on personal property of nonresident decedents, but these taxes were repealed for decedents dying after December 31, 2003.

Communications Tax. For the 2002-03 biennium, the communications tax was increased to a 7% aggregate tax applicable to the gross charges collected for most retail communication services. The 7% tax rate was made permanent pursuant to Chapter 319 of the Laws of 2003. Chapter 279 Laws of 2012 amended RSA 82-A to exclude internet access from the definition of communication services effective June 21, 2012. The State estimates this will result in a shortfall of at least \$6 million in communication services tax revenue for fiscal year 2013.

Real Estate Transfer Tax. The real estate transfer tax was first enacted in 1967. Chapter 17 of the Laws of 1999 increased the permanent tax rate assessed on the sale, granting, and transfer of real estate and any interest in real estate from \$.50 per \$100 to \$.75 per \$100, or fractional part thereof, of the price or consideration effective July 1, 1999. The increase has been dedicated to the Education Trust Fund. This rate is assessed on both the buyer and the seller for the combined tax rate of \$1.50 per \$100. Where the price or consideration is \$4,000 or less, there is a minimum tax of \$20 assessed on both the buyer and seller. Pursuant to Chapter 179 of the Laws of 2011, the buyer and seller must each file a separate Declaration of Consideration (Form CD-57) with the Department of Revenue Administration. Chapter 158 of the Laws of 2001 removed the exception from the tax on transfer of real property for transfers of the title pursuant to a merger, consolidation or other reorganization qualifying as a tax-free reorganization. It also removed the exception of the transfer of title from one business entity to another, the ownership interest of which may be the same. These changes were effective for transfers occurring on or after July 1, 2001.

Effective July 1, 2008, an additional \$25 fee was legislated to be assessed for the recording of each deed, mortgage, mortgage discharge, or plan. This assessment is recorded with the LCHIP stamp. Chapter 144 of the Laws of 2009 requires that 50% of the revenue received from the \$25 LCHIP stamp in fiscal year 2011 be credited to the General Fund. Chapter 224:3, Laws of 2011, provides that \$120,000 in each of fiscal years 2012 and 2013 are credited to the LCHIP administrative fund. The balance of all recording surcharge fees collected shall be credited to the General Fund.

Court Fines and Fees. The Unified Court System was established during the 1984-1985 biennium. All fines and fees collected by the various components of the court system are credited to the General Fund. Effective July 1, 2009, pursuant to Chapter 144 of the Laws of 2009, motor vehicle fines collected at the court are credited as unrestricted revenue to the Highway Fund, while fines collected through the plea by mail program are credited as restricted Highway Fund revenue.

Statewide Education Property Tax. The State imposes an education property tax at the rate on each \$1,000 of the equalized value of real estate to raise \$363.0 million. The statewide education property tax was established in 1999 in response to litigation challenging the State's method of financing public schools. See "SCHOOL FUNDING" and "LITIGATION" herein. Since 1999, when the tax rate was established at \$6.60 per \$1,000, the State has periodically reduced the tax rate as real property valuations have risen. In addition, for fiscal years after June 30, 2004, the law requires the Commissioner of the Department of Revenue Administration to set the education property tax rate at a level sufficient to generate \$363.0 million.

Utility Property Tax. Chapter 17 of the Laws of 1999 also established a statewide tax on utility property. A tax is imposed upon the value of utility property at the rate of \$6.60 on each \$1,000 of such value. During fiscal year 2000, utilities were required to make both payments for the 1999 tax year as well as estimated payments on tax year 2000 liabilities. The proceeds from this tax have been dedicated to the Education Trust Fund.

Electric Consumption Tax. The franchise tax on electric utilities was replaced in fiscal year 2001 with a tax on electricity consumption. A tax is imposed on the consumption of electricity at the rate of \$.00055 per kilowatt hour. Consumers who are customers of municipal providers are exempt from the tax.

Beer Tax. The State Liquor Commission charges permit and license fees for the sale of beer through manufacturers, wholesalers and retailers plus a tax on beer sold by such manufacturers and wholesalers for resale and by manufacturers at retail at the rate of 30 cents per gallon. If a mandatory beverage container deposit requirement is enacted, the current statute requires the beer tax to be reduced to 18 cents per gallon.

Securities Revenue. Broker dealers and investment advisors are required to pay various registration, license or annual fees to conduct business in the State. Additionally, fees are charged for registrations of securities and mutual funds to be offered in the State.

Racing and Charitable Gaming Revenue. The operation of greyhound, harness and thoroughbred racing in the State is conducted under the supervision of the New Hampshire Racing and Charitable Gaming Commission as are Bingo and Lucky 7, games of chance. On games of chance, the State receives a blended rate between 3% and 10% of revenues in addition to fixed fees on Bingo and Lucky 7. The State now imposes a tax ranging from 1% to 1.25% of the contributions plus one-quarter of the breakage of all harness and thoroughbred racing pari-mutuel pools. For greyhound racing pari-mutuel pools, the tax is 1.5% of contributions plus one-quarter of the breakage.

Tax on Gambling Winnings. Effective July 1, 2009, a tax of 10% is imposed on gambling winnings of New Hampshire residents from anywhere derived and gambling winnings of nonresidents derived from New Hampshire entities. Effective May 23, 2011, Chapter 47 of the Laws of 2011, the tax on gambling winnings was repealed. The repeal was not applied retroactively and, therefore, those taxpayers who reported and paid gambling winnings tax for gambling winnings received between July 1, 2009 and December 31, 2010 are not entitled to a refund based upon the repeal. Taxable gambling winnings received between January 1, 2011 and May 22, 2011 must have been reported and the tax due paid by April of 2012.

Other. This revenue category includes over 200 individual types of fees, fines, assessments, taxes and income. These revenues are reported in the following nine broad subcategories: reimbursement of indirect costs; interest on surplus funds; corporate filing fees; interstate vehicle registration fees; corporate record fees; agricultural fees; non-highway motor vehicle fees and fines; and miscellaneous.

The State also derives substantial revenues from federal grant programs and certain independent divisions or activities of State government which operate in whole or in part from revenues collected from users. In some cases these revenues are restricted by statute for use by specific agencies. The following are the principal sources of restricted revenues derived by the State:

Lottery Receipts. The State conducts daily and weekly lotteries and instant games throughout the State through tickets sold by or on behalf of the Lottery Commission in State liquor stores, at horse and dog tracks and at authorized retail outlets in the State. In addition, the State together with the states of Maine and Vermont operates a tri-state lotto. Beginning November 1995, the State became a participant in the multistate Powerball lottery. Revenues are initially recorded in the Lottery Enterprise Fund and are netted with expenses and transferred monthly to the Education Trust Fund.

Turnpike System Tolls. The State collects tolls and charges for the use of the Turnpike System. Toll revenues are credited to the Turnpike System Enterprise Fund with the restriction that these revenues be used to pay expenses of operation and maintenance of the Turnpike System and debt service on bonds or notes issued for Turnpike System purposes.

Fuel Tax. The State imposes a tax upon the sale of each gallon of motor fuel sold in the State at the rate of 18 cents per gallon for motor vehicle and marine fuels, 4 cents per gallon for aviation fuel, and 2 cents per gallon for aviation jet fuel. The proceeds from the aviation and aviation jet fuel tax are credited to the General Fund. The proceeds of the motor vehicle gasoline tax are credited to the Highway Fund and, while not pledged, are required to be used first for the payment of principal of and interest on bonds or notes of the State issued for highway purposes. Prior to July 1, 2007, 2.64 cents of the 18 cent motor vehicle fuel tax was allocated to a separate account in the Highway Fund, the Highway and Bridge Betterment Account. Effective July 1, 2007, the amount allocated to the separate Highway and Bridge Betterment Account was reduced to 1.76 cents. Effective July 1, 2009, the amount allocated to Highway and Bridge Betterment returned to 2.64 cents.

Motor Vehicle Surcharge. Chapter 144:244 of the Laws of 2009, established new motor vehicle surcharges on the registration fees of all classes of vehicles to be credited to the Highway Fund. These surcharges, which were effective for the 2010-2011 biennium only, were estimated to generate \$40.9 million in fiscal year 2010 and \$44.7 million in fiscal year 2011. The portion of revenue actually attributable to the surcharge is not identifiable. In fiscal year 2009, \$73.3 million was credited as registration fees. In fiscal years 2010 and 2011, registration revenues, including the surcharge, totaled \$113.5 million and \$103.9 million, respectively. The surcharges were repealed effective July 1, 2011. Registration fee revenue (unaudited) for fiscal year 2012 is \$76.1 million.

Federal Receipts. The State receives funds from the federal government which represent reimbursement to the State for expenditures for various health, welfare, transportation and educational programs and distribution of various restricted or categorical grants-in-aid. Federal grants-in-aid and reimbursements are normally conditioned to some degree on matching resources by the State. The largest categories of federal grants and reimbursements are made for the purposes of providing medical assistance payments for the indigent and medically needy, temporary assistance for needy families, and transportation and highway construction programs.

In addition to the taxes and activities described above, there are various taxes the revenues from which are available only to political subdivisions of the State. Such taxes are either collected by the political subdivisions directly or are collected by the State and distributed to the political subdivisions. Such taxes include a real and personal property tax, a resident tax, and a forest conservation tax based on the stumpage value of timber lands.

Federal Sequestration. Certain federal funding received by the State could be adversely affected by implementation of certain provisions of the federal Budget Control Act of 2011 (the "Budget Control Act"), which was signed into law by the President on August 2, 2011. The Joint Select Committee on Deficit Reduction failed to reach an agreement on the deficit reduction actions as required by the Budget Control Act and, as a result,

sequestration—a unique budgetary feature of the Budget Control Act—has been triggered. If no legislative action is taken by Congress, sequestration would be implemented beginning on January 2, 2013 and would result in automatic cuts to federal spending in designated agencies and programs of \$1.2 trillion. These federal spending cuts would be spread evenly over fiscal years 2013 through 2021. On September 14, 2012, the federal Office of Management and Budget (OMB) released a report that provided preliminary estimates as to how the sequestration would be carried out. The State is in the process of reviewing this report to determine what impact, if any, these recommendations would have on the State.

Sequestration, if implemented, could adversely affect the availability of certain federal funds received annually by the State. Some of the largest sources of federal revenues for the State, however, such as Medicaid reimbursements and federal aid to highways, are generally exempt from sequestration. Exclusive of Medicaid and federal highway dollars, the State has budgeted approximately \$500 million in federal funds for fiscal year 2013. The OMB report referenced above did include a potential 7.6% reduction in direct pay subsidies for Build America Bonds. If implemented, the result in the remainder of State fiscal year 2013 would be a reduction in subsidies payable to the State with respect to the general obligation bonds of approximately \$80,500.

The State cannot predict at this time whether sequestration will, in fact, be implemented, and if not, whether any alternative federal budgetary actions might also result in reductions to federal grant awards, including direct pay subsidies. Even if sequestration is not implemented as currently written, the State may face reduced federal grant awards in future years as a result of overall efforts to control federal spending.

Expenditures

Expenditures are charges against appropriations for the expenses related to specific programs of individual departments and related subunits of the State government. Expenditures are accounted for by specific classes of expenses, such as personnel, supplies and equipment, within those programs. Statewide expenditures are grouped into the six categories described below.

General Government includes the legislative branch, office of the Governor and executive staff departments.

Administration of Justice and Public Protection includes the judicial branch, correctional and state police activities and those expenses relating to regulatory boards established to protect persons and property.

Resource Protection and Development includes the operation of State parks, the promotion of economic development, environmental protection and the management of wildlife resources.

Transportation includes design, construction and maintenance of highways and bridges, the operation of the Turnpike System and the Public Works Department and management of other transportation activities.

Health & Social Services includes programs for individuals who are physically, mentally and/or economically unable to provide essential needs for themselves. Programs include those for institutional and community-based care and mental health, programs for troubled youth, programs for the elderly and programs to support economically disadvantaged and chemically dependent individuals.

Education includes management and administration of statewide primary and secondary education and support of public post-secondary educational institutions, both academic and technical. See also "SCHOOL FUNDING."

Results of Operations

Fiscal Year 2008

The combined General and Education Trust Fund balance, including the Revenue Stabilization Account (Rainy Day Fund) at June 30, 2008 was \$106.2 million. The Rainy Day Fund balance remained at \$89.0 million at