

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

JANUARY 27, 2009



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**STATE OF NEW HAMPSHIRE
HOUSE WAYS & MEANS COMMITTEE
INTRODUCTION TO NEW HAMPSHIRE TAXES
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FINANCIAL INFORMATION

SURPLUS

Surplus Statement
General and Education Funds
(In Millions)

	FY 2006	FY 2007			FY 2008		
	Total	General	Education	Total	General	Education	Total
Undesignated Fund Balance, July 1	\$ 82.2	\$ 26.0	\$ 8.4	\$ 34.4	\$ 61.7	\$ -	\$ 61.7
Additions:							
Unrestricted Revenue	2,182.3	1,421.6	869.6	2,291.2	1,483.9	882.8	2,366.7
Transfers of Appropriation from General Fund	-						
Total Additions	2,182.3	1,421.6	869.6	2,291.2	1,483.9	882.8	2,366.7
Deductions:							
Appropriations Net of Estimated Revenues	(2,222.1)	(1,432.6)	(843.1)	(2,275.7)	(1,575.8)	(897.1)	(2,472.9)
Less Lapses	29.4	41.6	4.5	46.1	61.6	(0.3)	61.3
Total Net Appropriations	(2,192.7)	(1,391.0)	(838.6)	(2,229.6)	(1,514.2)	(897.4)	(2,411.6)
GAAP and Other Adjustments	14.3	(15.5)	1.2	(14.3)	7.9	(0.7)	7.2
Current Year Balance	3.9	15.1	32.2	47.3	(22.4)	(15.3)	(37.7)
Fund Balance Transfers (To)/From:							
Rainy Day Fund	(51.7)	(20.0)		(20.0)			
Health Care Fund							
Highway Fund					(6.8)		(6.8)
Education Trust Fund		40.6	(40.6)		(15.3)	15.3	
Undesignated Fund Balance, June 30,	\$ 34.4	\$ 61.7	\$ -	\$ 61.7	\$ 17.2	\$ (0.0)	\$ 17.2
Reserved for Rainy Day Account	69.0	89.0		89.0	89.0		89.0
Total Equity	\$ 103.4	\$ 150.7	\$ -	\$ 150.7	\$ 106.2	\$ (0.0)	\$ 106.2

The combined General and Education Fund balance, including the Revenue Stabilization Account (Rainy Day Fund) at June 30, 2008 was \$106.2 million. The Rainy Day Balance remained at \$89.0 million at June 30, 2008. The combined General and Education Fund activity for fiscal year 2008 resulted in an aggregate operating deficit of \$37.7 million (including a \$15.3 million deficit in the Education Fund). With a \$61.7 million surplus carry forward from 2007, and a \$6.8 million budgeted transfer from the General Fund to the Highway Fund, the fiscal year 2008 operating deficit of \$37.7 million brought the combined General and Education Funds surplus down to \$17.2 million.

In response to the revenue shortfalls explained on the next page, the Governor issued three executive orders during fiscal year 2008 to reduce spending:

- Executive Order 2008-1, issued on February 22, 2008, reduced expenditures by approximately \$3.4 million by freezing vacant positions, equipment, and out of state travel.
- Executive Order 2008-2, issued on February 22, 2008, targeted savings of approximately \$46.4 million, which included \$44.4 million of appropriation reductions plus a \$2.0 million payment from the University System in lieu of reduction in appropriation. This order targeted cuts across all State agencies, with approximately \$22.5 million coming from the Department of Health and Human Services. The actual fiscal year 2008 savings realized by this order totaled approximately \$40.9 million.
- Executive Order 2008-5, issued on April 29, 2008, froze state purchases except those considered an emergency.

General and Education Fund total net appropriations for fiscal year 2008, including budget reductions and lapses, were \$2,411.6 million, \$182.0 million (8%) above the prior year primarily due to increases in education grants, health and social services and aid to cities & towns. Lapses for fiscal 2008 for the General and Education Funds were \$61.3 million as compared to \$46.1 million for fiscal year 2007. Salaries and benefit lapses accounted for slightly over half of this increase as a result of the hiring freezes and employee health benefit savings. Fiscal 2008 lapses attributable to the Executive Orders and other targeted savings initiatives totaled approximately \$35.3 million for fiscal 2008.

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, I(h) 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, I(h), the comptroller shall notify the fiscal committee 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.

Threshold Calculation

2008 Rev. 1,484
x 10%
\$ 148.4 MIL. ÷ 2 = \$74.2 MIL

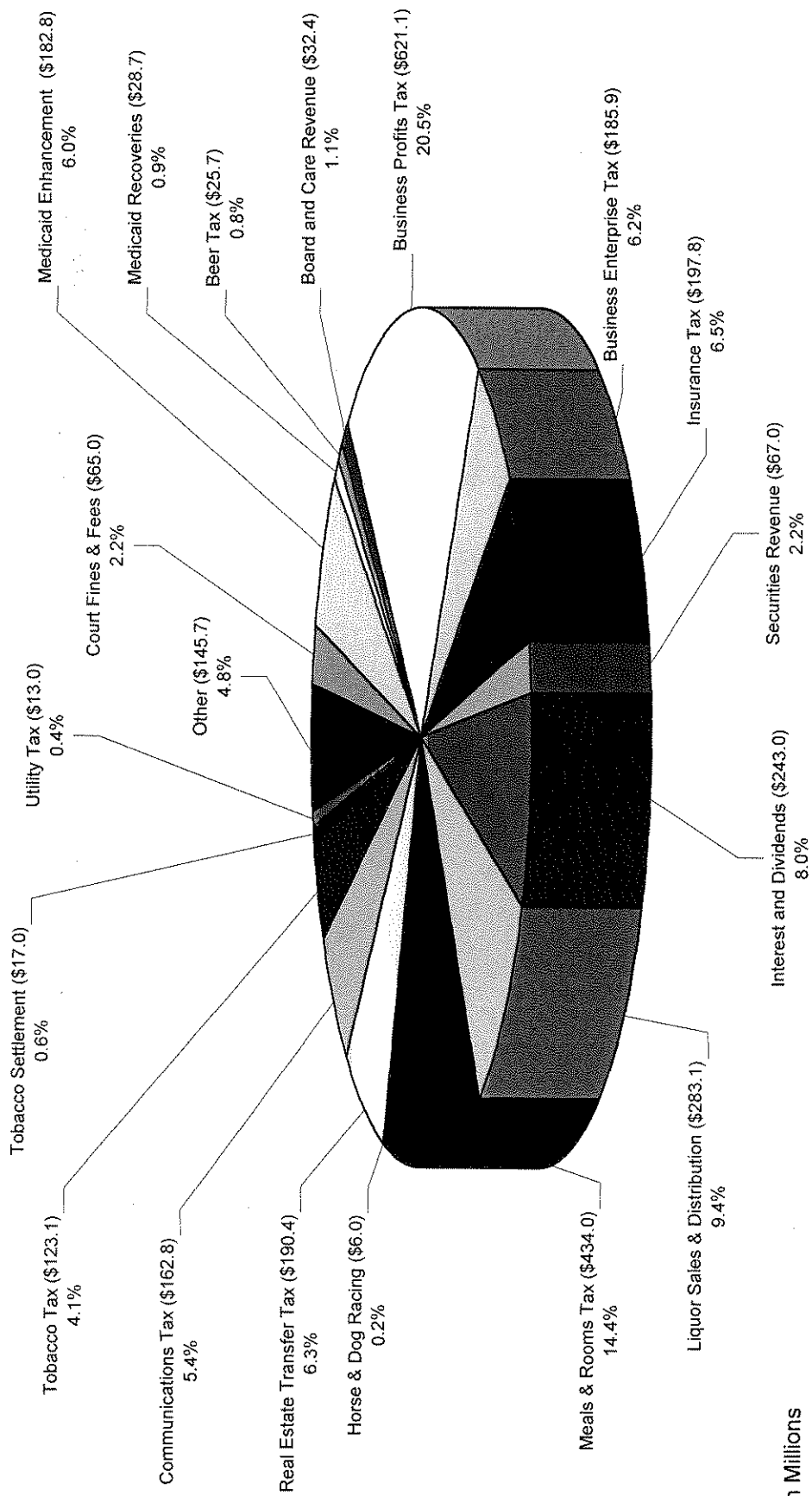
H13-2, L2007

263:110 Revenue Stabilization Reserve Account. Notwithstanding RSA 9:13-e, any budget surplus in excess of \$20,000,000, for the close of the fiscal biennium ending June 30, 2007, shall not be deposited in the revenue stabilization reserve account but shall remain in the general fund

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 DHS program
5	I & D	Interest & dividends tax
6	Medical Enhancement / Hospital Tax	6% tax on hospital net patient services which is given back to hospitals for uncompensated care costs & used as the match for federal funds received through the DSH program.
7	MV	Motor Vehicle
8	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.
9	Nursing Facility Quality Assesment / Bed Tax	6% 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.
10	Rainy Day Fund	Revenue Stabilization Account
11	RET	Real Estate Transfer Tax
12	Road Toll	Gas Tax
13	SWPT	Statewide property tax
14	Turnpike Toll	Tolls paid for using the turnpike system
15	Utility Property Tax	Statewide property tax on utilities
16	Utility Tax	Consumption tax on energy based on kilowatt use
17		
18	Agency Related	
19	DOE	Department of Education
20	DOT	Department of Transportation
21	DRA	Department of Revenue Administration
22	HHS	Department of Health and Human Services
23	LBAO	Legislative Budget Assistant Office
24	OIT	Department of Information Technology
25	SWEEPS	Now Lottery Commission, was Sweepstakes

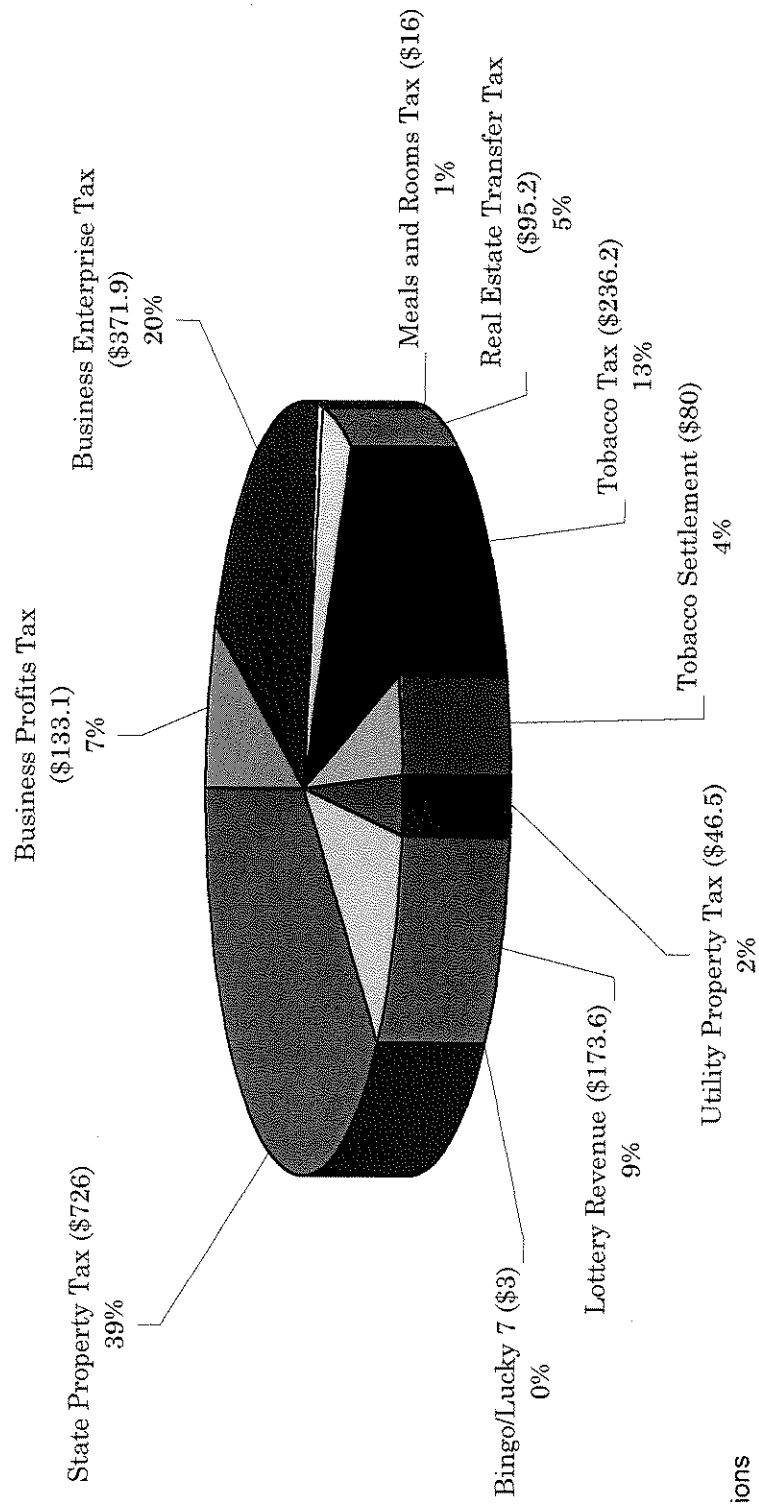
ASSORTED ACRONYMS & TERMS		
1	Computer Related	
2	ERP	Enterprise resource planning system (proposed statewide computer system).
3	MMIS	Medicaid management information system (Medicaid claims processing system).
4	New Heights	New welfare eligibility computer system.
5	NH First	New Hampshire's ERP project.
6	NHBRIDGES	New Hampshire's child welfare computer system.
7	NHIFS	New Hampshire integrated financial system.
8		
9	Health and Human Services Related	
10	CMS	Centers for Medicare and Medicaid services.
11	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).
12	TANF	Temporary assistance for needy families
13		
14	Other	
15	ETF	Education trust fund
16	FEMA	Federal emergency management agency
17	FN	Fiscal note
18	Green Sheet	Detail spreadsheet (colored green) passed out to accompany House resolutions.
19	HB 2	Bill that has the RSA references to implement the budget
20	HB 25	Capital budget bill
21	LSR	Legislative service request
22	RSA	New Hampshire Revised Statutes Annotated
23		
24		
25		

CHAPTER 262, L'07 - THE OPERATING BUDGET
BIENNIAL 08/09 - GENERAL FUND UNRESTRICTED REVENUES
TOTAL GENERAL FUND UNRESTRICTED REVENUES: \$3,024.5



Amounts in Millions
 LBAO
 August 14, 2007

**CHAPTER 262, L'07 - THE OPERATING BUDGET
 BIENNIAL 08/09 - EDUCATION TRUST FUND REVENUES
 TOTAL EDUCATION TRUST FUND REVENUES \$1,881.5**



Amounts in Millions
 LBAO
 August 14, 2007

CHAPTER 262
HB 1-A - FINAL VERSION
- Page 561 -

OPERATING
BUDGET
182

1 mutuel commission to fund one internal auditor III position at labor grade 23 and one supervisor II
2 position at labor grade 21 within the pari-mutuel commission. The governor is authorized to draw a
3 warrant for said sums out of any money in the treasury not otherwise appropriated.

4 262:28 Estimates of Unrestricted Revenue.

	<u>FY 2008</u>	<u>FY 2009</u>
5 → <u>GENERAL FUND</u>		
6 Business Profits Tax	\$ 301,100,000	\$ 320,000,000
7 Business Enterprise Tax	<u>90,800,000</u>	<u>95,100,000</u>
8 Subtotal for the Business Taxes	\$ 391,900,000	\$ 415,100,000
9 Meals and Rooms Tax	212,200,000	221,800,000
10 Tobacco Tax	62,800,000	60,300,000
11 Real Estate Transfer Tax	93,300,000	97,100,000
12 Liquor Sales & Distribution	137,000,000	146,100,000
13 Interest and Dividends	117,000,000	126,000,000
14 Insurance Tax	99,500,000	98,300,000
15 Communications Tax	79,900,000	82,900,000
16 Other	70,650,000	75,050,000
17 Tobacco Settlement	7,700,000	9,300,000
18 Securities Revenue	33,000,000	34,000,000
19 Court Fines and Fees	32,100,000	32,900,000
20 Board and Care	16,000,000	16,400,000
21 Beer Tax	12,800,000	12,900,000
22 Utility Consumption Tax	6,400,000	6,600,000
23 Racing	<u>3,000,000</u>	<u>3,000,000</u>
24 Subtotal	\$ 1,375,250,000	\$ 1,437,750,000
25 Medicaid Enhancement Revenue	91,000,000	91,800,000
26 Medicaid Recoveries	<u>14,100,000</u>	<u>14,600,000</u>
27 Total	<u>\$ 1,480,350,000</u>	<u>\$ 1,544,150,000</u>
28 → <u>HIGHWAY FUND</u>	<u>FY 2008</u>	<u>FY 2009</u>
29 Gasoline Road Toll	\$ 137,900,000	\$ 139,900,000
30 Motor Vehicle Fees	102,300,000	103,900,000
31 Miscellaneous	<u>13,600,000</u>	<u>13,700,000</u>
32 Total	<u>\$ 253,800,000</u>	<u>\$ 257,500,000</u>
33 → <u>FISH AND GAME FUND</u>	<u>FY 2008</u>	<u>FY 2009</u>
34 Fish and Game Licenses	\$ 8,300,000	\$ 8,300,000
35 Fines and Penalties	144,500	144,500
36 Miscellaneous	1,180,500	880,500

1	Indirect Costs	<u>875,000</u>	<u>875,000</u>
2	Total	<u>\$ 10,500,000</u>	<u>\$ 10,200,000</u>
	<u>EDUCATION TRUST FUND</u>	<u>FY 2008</u>	<u>FY 2009</u>
4	Business Profits Tax	64,500,000	68,600,000
5	Business Enterprise Tax	181,600,000	190,300,000
6	Meals and Rooms Tax	7,800,000	8,200,000
7	Real Estate Transfer Tax	46,700,000	48,500,000
8	Tobacco Tax	120,600,000	115,600,000
9	Tobacco Settlement	40,000,000	40,000,000
10	Utility Property Tax	22,900,000	23,600,000
11	Lottery Revenue	85,800,000	87,800,000
12	Bingo/Lucky 7	1,500,000	1,500,000
13	State Property Tax	<u>363,000,000</u>	<u>363,000,000</u>
14	Total	<u>\$ 934,400,000</u>	<u>\$ 947,100,000</u>

15 262:29 Effective Date.

16 I. Section 18 of this act shall take effect June 30, 2007.

17 II. The remainder of this act shall take effect July 1, 2007.

18 Approved: June 29, 2007

19 Effective: I. Section 18 shall take effect June 30, 2007.

20 II. Remainder shall take effect July 1, 2007.



State of New Hampshire Monthly Revenue Plan for FY 2009

September 1, 2008

	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	4.9	3.9	60.5	19.1	0.6	53.1	6.0	4.1	53.8	59.7	6.0	48.3	\$ 320.0	\$ 688.6	\$ 388.6
Business Enterprise Tax	11.5	6.4	(3.5)	18.6	8.3	(14.2)	13.9	9.2	(2.6)	50.0	13.6	(16.1)	95.1	190.3	285.4
Subtotal	16.4	10.3	57.0	37.7	8.9	38.9	19.9	13.3	51.2	109.7	19.6	32.2	415.1	258.9	674.0
Meals & Rooms Tax	20.3	24.0	24.7	19.6	19.2	15.2	17.1	15.2	15.9	16.2	15.7	18.7	221.8	8.2	230.0
Tobacco Tax (1)	5.6	6.0	5.6	5.2	4.5	4.8	4.7	4.0	4.6	4.4	4.6	6.3	60.3	115.6	175.9
Liquor Sales and Distribution	12.9	14.9	11.5	12.8	13.4	14.6	11.9	9.4	9.7	10.7	11.8	12.5	146.1	-	146.1
Interest & Dividends Tax	0.6	0.9	18.8	3.1	0.3	5.4	19.0	1.2	4.5	52.3	0.3	19.6	126.0	-	126.0
Insurance Tax	0.9	0.7	0.9	1.1	0.8	0.8	2.4	5.9	85.1	1.1	(0.7)	(0.7)	98.3	-	98.3
Communications Tax	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	82.9	-	82.9
Real Estate Transfer Tax	10.1	9.7	9.9	8.6	9.1	7.5	7.7	5.9	5.0	6.5	7.8	9.3	97.1	48.5	145.6
Court Fines & Fees	2.6	2.9	2.9	2.9	2.4	2.5	2.7	2.6	3.0	2.7	2.7	3.0	32.9	-	32.9
Securities Revenue	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.5	2.4	16.4	2.3	0.7	34.0	-	34.0
Utility Tax	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.5	6.6	-	6.6
Board & Care Revenue	0.9	1.3	1.3	1.7	1.0	1.4	1.5	1.2	1.5	1.3	1.9	1.4	16.4	-	16.4
Beer Tax	1.3	1.3	1.3	1.0	1.1	1.0	1.1	0.9	0.8	0.9	0.9	1.3	12.9	-	12.9
Racing Revenue	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	3.0	-	3.0
Other	2.4	4.5	4.1	4.2	4.9	4.3	6.2	5.1	6.9	7.1	4.6	20.7	75.0	-	75.0
Transfers from Lottery	-	-	-	-	-	-	-	-	-	-	-	-	-	87.8	87.8
Transfers from Pari-Mutuel	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5	1.5
Tobacco Settlement	-	-	-	-	-	-	-	-	-	9.3	-	-	9.3	40.0	49.3
Utility Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	23.6	23.6
State Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	363.0	363.0
Subtotal	82.2	84.8	146.2	106.0	73.6	104.6	110.8	72.9	198.3	246.3	79.2	132.8	1,437.7	947.1	2,384.8
Net Medicaid Enhancement Revenue	0.1	0.1	0.1	90.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	91.8	-	91.8
Recoveries	1.1	1.2	1.3	1.2	1.2	1.3	1.2	1.2	1.2	1.3	1.2	1.2	14.6	-	14.6
Total General Fund	83.4	86.1	147.6	197.8	74.9	106.0	112.1	74.2	199.6	247.7	80.5	134.2	1,544.1	947.1	2,491.2
Total Education Fund (see next page)	16.5	24.5	93.6	22.4	21.4	91.9	20.9	18.5	446.7	65.9	20.8	104.0	-	-	-
Grand Total	99.9	110.6	241.2	220.2	96.3	197.9	133.0	92.7	646.3	313.6	101.3	238.2	-	-	-
Cumulative Gen and Educ YTD	99.9	210.5	451.7	671.9	768.2	966.1	1,099.1	1,191.8	1,838.1	2,151.7	2,253.0	2,491.2	-	-	-

GENERAL
FUND
2009
MONTHLY
PLAN

(1) Pursuant to Chapter 296:17, Laws of 2008, \$50M of the total Tobacco Tax estimate has been allocated to the July - September period.

Prepared by: Administrative Services



State of New Hampshire Monthly Revenue Plan for FY 2009

September 1, 2008

Education Trust Fund (in Millions)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Business Profits Tax	-	-	17.0	-	-	17.0	-	-	17.0	-	-	17.6	\$ 68.6
Business Enterprise Tax	-	-	47.5	-	-	47.6	-	-	47.6	-	-	47.6	190.3
Subtotal	-	-	64.5	-	-	64.6	-	-	64.6	-	-	65.2	258.9
Meals & Rooms Tax	0.7	0.9	1.0	0.7	0.9	0.6	0.6	0.5	0.4	0.6	0.6	0.7	8.2
Tobacco Tax (1)	10.7	11.4	10.7	10.0	8.6	9.3	8.9	7.6	8.8	8.4	8.8	12.4	115.6
Real Estate Transfer Tax	5.1	4.8	4.9	4.3	4.5	3.8	3.9	3.0	2.5	3.2	3.9	4.6	48.5
Transfers from Lottery	-	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.4	7.4	14.6	87.8
Transfers from Pari-Mutuel	-	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.3	1.5
Tobacco Settlement	-	-	-	-	-	-	-	-	-	40.0	-	-	40.0
Utility Property Tax	-	-	5.1	-	-	6.1	-	-	-	6.2	-	6.2	23.6
State Property Tax	-	-	-	-	-	-	-	-	363.0	-	-	-	363.0
Total	\$ 16.5	\$ 24.5	\$ 93.6	\$ 22.4	\$ 21.4	\$ 91.9	\$ 20.9	\$ 18.5	\$ 446.7	\$ 65.9	\$ 20.8	\$ 104.0	\$ 947.1
Cumulative Total YTD	\$ 16.5	\$ 41.0	\$ 134.6	\$ 157.0	\$ 178.4	\$ 270.3	\$ 291.2	\$ 309.7	\$ 756.4	\$ 822.3	\$ 843.1	\$ 947.1	

(1) Pursuant to Chapter 296:17, Laws of 2008, \$50M of the total Tobacco Tax estimate has been allocated to the July - September period.

ETF
2009
MONTHLY
PLAN

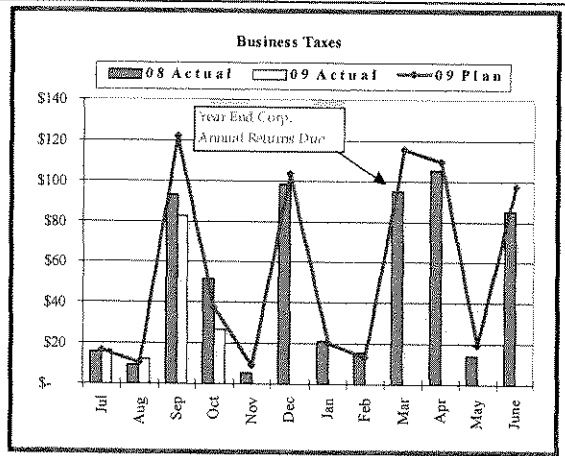
Prepared by: Administrative Services

10/08 PLAN CHANGES

2 NH Revenue Focus - October FY 2009

RET Growth Analysis
(In Millions)

	Jul	Aug	Sep	Oct
FY 09	11.5	9.9	9.4	8.1
FY 08	12.9	13.2	13.5	9.6
FY 07	16.5	12.3	13.5	11.7
FY 09 Plan	15.2	14.5	14.8	12.9
Month over(under) plan	(3.7)	(4.6)	(5.4)	(4.8)
% Month over(under) Plan	-24%	-32%	-36%	-37%
YTD over(under) Plan	(3.7)	(8.3)	(13.7)	(18.5)
% YTD over(under) Plan	-24%	-28%	-31%	-32%
% YTD over(under) Prior Year	-11%	-18%	-22%	-21%



Revised FY 2009 Plan Estimates due to Chapter 296, Laws of 2008

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Tobacco Tax - General Fund	5.6	6.0	5.6	6.6	5.1	7.1	2.4	4.0	4.6	4.4	4.6	6.3	62.3
Tobacco Tax - Education Fund	10.7	11.4	10.7	10.0	10.0	11.2	13.1	9.5	10.7	10.3	10.7	14.3	132.6
Tobacco Tax Total	16.3	17.4	16.3	16.6	15.1	18.3	15.5	13.5	15.3	14.7	15.3	20.6	194.9
Liquor Sales and Distribution	12.9	14.9	11.5	12.8	14.7	15.7	12.8	10.1	10.5	11.5	12.7	13.5	153.6

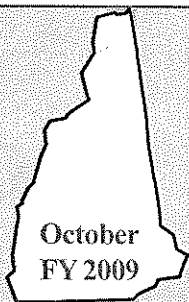
General & Education Funds Comparison to FY 08

General & Education Funds	Monthly			Year-to-Date			
	FY09 Actuals	FY08 Actuals	Inc/(Dec)	FY09 Actuals	FY08 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 11.2	\$ 36.5	\$ (25.3)	\$ 80.5	\$ 104.3	\$ (23.8)	-22.8%
Business Enterprise Tax	15.8	15.2	0.6	57.8	65.9	(8.1)	-12.3%
Subtotal	27.0	51.7	(24.7)	138.3	170.2	(31.9)	-18.7%
Meals & Rooms Tax	18.5	19.8	(1.3)	86.4	87.2	(0.8)	-0.9%
Tobacco Tax	20.1	13.9	6.2	68.1	63.2	4.9	7.8%
Liquor Sales and Distribution	12.7	11.7	1.0	49.6	47.6	2.0	4.2%
Interest & Dividends Tax	3.8	3.7	0.1	26.1	22.0	4.1	18.6%
Insurance Tax	1.2	1.0	0.2	4.3	3.8	0.5	13.2%
Communications Tax	7.8	7.3	0.5	27.7	26.4	1.3	4.9%
Real Estate Transfer Tax	8.1	9.6	(1.5)	38.9	49.2	(10.3)	-20.9%
Estate & Legacy Tax	-	-	-	-	0.1	(0.1)	-100.0%
Court Fines & Fees	2.7	2.5	0.2	10.1	10.8	(0.7)	-6.5%
Securities Revenue	0.5	0.7	(0.2)	2.1	2.2	(0.1)	-4.5%
Utility Tax	0.6	0.6	-	2.1	2.0	0.1	5.0%
Board & Care Revenue	1.6	2.0	(0.4)	7.0	6.6	0.4	6.1%
Beer Tax	1.1	0.9	0.2	4.9	4.9	-	0.0%
Racing Revenue	0.2	0.2	-	0.9	1.1	(0.2)	-18.2%
Other	4.2	4.5	(0.3)	14.0	16.0	(2.0)	-12.5%
Transfers from Lottery	5.9	8.1	(2.2)	17.7	22.0	(4.3)	-19.5%
Transfers from Pari-Mutuel	0.3	-	0.3	0.3	0.2	0.1	50.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	-	0.2	(0.2)	7.5	5.2	2.3	44.2%
State Property Tax	-	-	-	-	-	-	-
Subtotal	116.3	138.4	(22.1)	506.0	540.7	(34.7)	-6.4%
Net Medicaid Enhancement Rev	87.8	88.4	(0.6)	89.7	88.7	1.0	1.1%
Recoveries	2.8	2.7	0.1	6.1	4.8	1.3	27.1%
Total	\$ 206.9	\$ 229.5	\$ (22.6)	\$ 601.8	\$ 634.2	\$ (32.4)	-5.1%

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Linda M. Hodgdon



Monthly Revenue Summary

	FY 09	Plan	Inc/(Dec)
Gen & Educ	\$ 206.9	\$ 221.6	\$ (14.7)
Highway	\$ 22.9	\$ 22.9	\$ -
Fish & Game	\$ 0.8	\$ 0.5	\$ 0.3

Current Month Analysis

General & Education Funds	FY09 Actuals	FY09 Plan	Actual vs. Plan
Business Profits Tax	\$ 11.2	\$ 19.1	\$ (7.9)
Business Enterprise Tax	15.8	18.6	(2.8)
Subtotal	27.0	37.7	(10.7)
Meals & Rooms Tax	18.5	20.3	(1.8)
Tobacco Tax	20.1	16.6	3.5
Liquor Sales and Distribution	12.7	12.8	(0.1)
Interest & Dividends Tax	3.8	3.1	0.7
Insurance Tax	1.2	1.1	0.1
Communications Tax	7.8	6.9	0.9
Real Estate Transfer Tax	8.1	12.9	(4.8)
Estate & Legacy Tax	-	-	-
Court Fines & Fees	2.7	2.9	(0.2)
Securities Revenue	0.5	0.5	-
Utility Tax	0.6	0.5	0.1
Board & Care Revenue	1.6	1.7	(0.1)
Beer Tax	1.1	1.0	0.1
Racing Revenue	0.2	0.2	-
Other	4.2	4.2	-
Transfers from Lottery	5.9	7.3	(1.4)
Transfers from Pari-Mutuel	0.3	0.1	0.2
Tobacco Settlement	-	-	-
Utility Property Tax	-	-	-
State Property Tax	-	-	-
Subtotal	116.3	129.8	(13.5)
Net Medicaid Enhancement Rev	87.8	90.6	(2.8)
Recoveries	2.8	1.2	1.6
Total	\$ 206.9	\$ 221.6	\$ (14.7)

Unrestricted revenue for the General and Education Funds received during October totaled \$206.9 million, which was below the plan by \$14.7 million and below prior year by \$22.6 million. Year to date unrestricted revenue totaled \$601.8 million, which was also below plan by \$71.5 million and prior year by \$32.4 million. Weakness from Business taxes and the Real Estate Transfer Tax are the main contributors to these shortfalls.

Business Tax collections for October totaled \$27.0 million, which were \$10.7 million below plan and \$24.7 million below prior year. Year to date business tax collections were also below both plan and prior year by \$47.6 million and \$31.9 million, respectively. According to the Department of Revenue, October receipts from taxpayer estimates came in less than forecast. Audit and compliance revenue for the month was \$4.9 million and \$10.3 million year to date. Refunds approved during the month were approximately \$8.2 million of which approximately \$2.8 million have not been paid. Refunds approved year to date were approximately \$12.4 million. As can be seen on the business tax chart on page 2, December is the next significant collection month as calendar year businesses file their 4th quarter estimated payments.

The Meals & Rooms Tax (M&R) generated \$18.5 million for October, which was \$1.8 million below plan and \$1.3 million below prior year. On a year to date basis M&R is tracking \$5.5 million (6%) below plan and \$0.8 million (1%) below prior year.

The Tobacco Tax totaled \$20.1 million this month, which was \$3.5 million above plan and \$6.2 million above prior year. Year to date, the Tobacco Tax is \$1.5 million above plan and \$4.9 million above prior year. During the month, the Commissioner of the Department of Revenue certified that the \$50 million threshold as stipulated in Chapter 296:17, Laws of 2008 was not met for the period July 1, 2008 through September 30, 2008, therefore, effective October 15th, the tax on a package of cigarettes increased 25 cents to \$1.33 per pack. See table on page 2 for the revised Tobacco Tax plan numbers.

Liquor Sales for October came in at \$12.7 million, slightly under plan and bringing year to date revenue to \$2.5 million under plan but \$2.0 million above prior year. During the month, the Liquor Commission implemented discounts for certain liquor licensees pursuant to Chapter 296:12, Laws of 2008. The Liquor Commission is currently analyzing the impact of these discounts and will adjust its 2009 gross profit estimate on liquor sales in November. See table on page 2 for the revised Liquor Sales plan numbers.

The Real Estate Transfer Tax (RET) continues to significantly lag. Collections for October totaled \$8.1 million, \$4.8 million below plan and \$1.5 million below prior year. Year to date, RET is tracking \$18.5 million (32%) behind plan and \$10.3 million (21%) behind prior year. See chart on page 2 for more information.

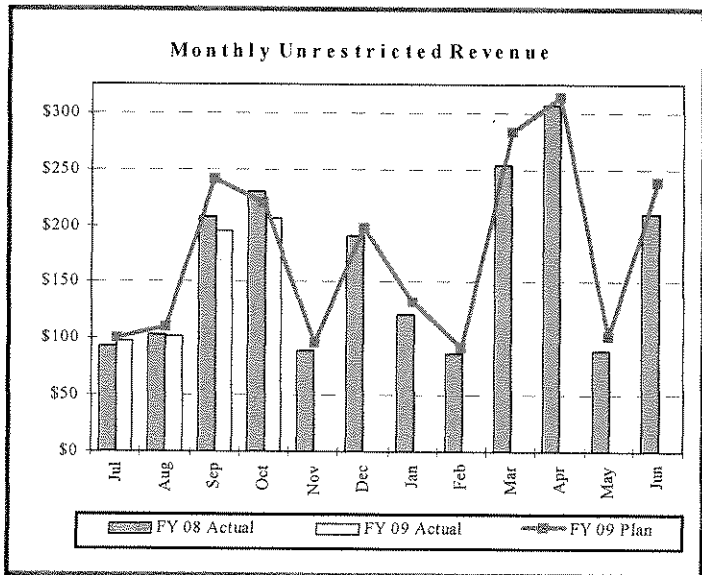
Proceeds from Lottery continued to track below estimates. Year to date transfers of \$17.7 million were \$4.2 million below plan and \$4.3 below prior year. The fiscal 2009 plan was developed assuming two large Powerball jackpots during the year. Through October, no large jackpots have occurred.

Net Medicaid Enhancement Revenues, from the six percent hospital tax, generated net revenue of \$87.8 million for the month, which was \$2.8 million below plan. Currently, one hospital remains outstanding with payment expected later this year.

Fiscal 2008 amounts are UNAUDITED
All funds reported in Millions and on a Cash Basis

Year-to-Date Analysis

General & Education Funds	General			Education			Total		
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 68.3	\$ 88.4	\$ (20.1)	\$ 12.2	\$ 17.0	\$ (4.8)	\$ 80.5	\$ 105.4	\$ (24.9)
Business Enterprise Tax	29.8	33.0	(3.2)	28.0	47.5	(19.5)	57.8	80.5	(22.7)
Subtotal	98.1	121.4	(23.3)	40.2	64.5	(24.3)	138.3	185.9	(47.6)
Meals & Rooms Tax	83.6	88.6	(5.0)	2.8	3.3	(0.5)	86.4	91.9	(5.5)
Tobacco Tax	27.6	23.8	3.8	40.5	42.8	(2.3)	68.1	66.6	1.5
Liquor Sales and Distribution	49.6	52.1	(2.5)	-	-	-	49.6	52.1	(2.5)
Interest & Dividends Tax	26.1	23.4	2.7	-	-	-	26.1	23.4	2.7
Insurance Tax	4.3	3.6	0.7	-	-	-	4.3	3.6	0.7
Communications Tax	27.7	27.6	0.1	-	-	-	27.7	27.6	0.1
Real Estate Transfer Tax	25.9	38.3	(12.4)	13.0	19.1	(6.1)	38.9	57.4	(18.5)
Estate & Legacy Tax	-	-	-	-	-	-	-	-	-
Court Fines & Fees	10.1	11.3	(1.2)	-	-	-	10.1	11.3	(1.2)
Securities Revenue	2.1	1.9	0.2	-	-	-	2.1	1.9	0.2
Utility Tax	2.1	2.2	(0.1)	-	-	-	2.1	2.2	(0.1)
Board & Care Revenue	7.0	5.2	1.8	-	-	-	7.0	5.2	1.8
Beer Tax	4.9	4.9	-	-	-	-	4.9	4.9	-
Racing Revenue	0.9	1.1	(0.2)	-	-	-	0.9	1.1	(0.2)
Other	14.0	15.2	(1.2)	-	-	-	14.0	15.2	(1.2)
Transfers from Lottery	-	-	-	17.7	21.9	(4.2)	17.7	21.9	(4.2)
Transfers from Pari-Mutuel	-	-	-	0.3	0.3	-	0.3	0.3	-
Tobacco Settlement	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	7.5	5.1	2.4	7.5	5.1	2.4
State Property Tax	-	-	-	-	-	-	-	-	-
Subtotal	384.0	420.6	(36.6)	122.0	157.0	(35.0)	506.0	577.6	(71.6)
Net Medicaid Enhancement Rev	89.7	90.9	(1.2)	-	-	-	89.7	90.9	(1.2)
Recoveries	6.1	4.8	1.3	-	-	-	6.1	4.8	1.3
Total	\$ 479.8	\$ 516.3	\$ (36.5)	\$ 122.0	\$ 157.0	\$ (35.0)	\$ 601.8	\$ 673.3	\$ (71.5)



Excluding State Property Tax

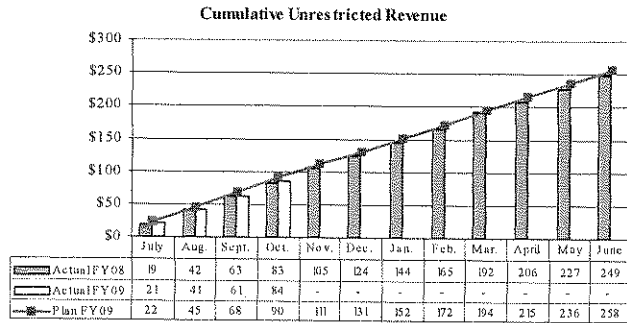
Education Trust Fund Statement of Activity - FY 2009 July 1, 2008 to October 31, 2008	
Description	In Millions
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	122.0
Expenditures	
Education Grants & Adm Costs	(214.5)
Ending Surplus (Deficit)	\$ (92.5)

Fiscal 2009 Adequate Education Grant payments of \$527.4 million are paid 20% September 1, 20% November 1, 30% January 1 and 30% April 1. An additional \$363.0 million of grants are retained locally through the Statewide Property Tax.

Year-to-Date Analysis

Highway Fund

Revenue Category	FY 09 Actuals	FY 09 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 44.9	\$ 48.2	\$ (3.3)
Miscellaneous	4.6	5.6	(1.0)
Motor Vehicle Fees			
MV Registrations	25.6	27.3	(1.7)
MV Operators	4.5	4.6	(0.1)
Inspection Station Fees	1.3	1.3	-
MV Miscellaneous Fees	1.4	1.5	(0.1)
Certificate of Title	1.7	1.9	(0.2)
Total Fees	34.5	36.6	(2.1)
Total	\$ 84.0	\$ 90.4	\$ (6.4)

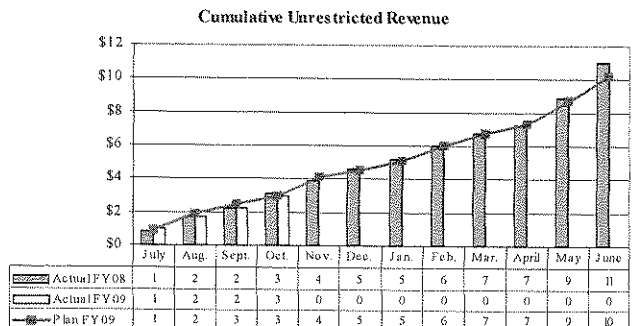


Gasoline Road Toll is tracking \$3.3 million below plan year to date. According to Road Toll Operations, fuel consumption is below estimates and is tracking 4.7% below the same period last fiscal year.

According to the Department of Transportation effective October 1, 2008, the Department increased the federal indirect cost reimbursement rate from 3% to 10%. In October, the Department received \$1.5M in indirect cost reimbursements in the miscellaneous category.

Fish & Game Fund

Revenue Category	FY 09 Actuals	FY 09 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 2.4	\$ 2.6	\$ (0.2)
Fines and Penalties	-	-	-
Miscellaneous Sales	0.4	0.1	0.3
Federal Recoveries Indirect Costs	0.2	0.3	(0.1)
Total	\$ 3.0	\$ 3.0	\$ 0.0



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	Racing Revenue	Current month
17	Other	Current month
18	Utility Property Tax	Current month
19	State Property 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	Utility Property Tax	Current month
27	Highway Fund	
28	Gasoline Road Toll	Prior month
29	Miscellaneous	Current month
30	Motor Vehicle Fees	Current month
31	Fish and Game Fund	
32	Fish and Game Licenses	Prior month
33	Fines and Penalties	Current month
34	Miscellaneous Sales	Current month
35	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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Beer Tax..... 1	\$ 2,720	\$ 2,728	\$ 2,805	\$ 2,413	\$ 2,445	\$ 2,281	\$ 2,157	\$ 11,656	\$ 12,090	\$ 11,783
Board and Care Revenue..... 2	19,937	18,354	13,261	5,583	12,384	11,197	10,692	13,333	11,953	11,196
Business Profits Tax..... 3	317,439	287,423	264,027	196,647	131,585	137,757	128,574	179,615	146,443	164,833
Business Enterprise Tax..... 4	77,710	79,291	75,190	114,110	118,538	96,574	121,016	122,165	94,354	93,021
Estate and Legacy Tax..... 5	214	617	3,224	11,659	26,971	59,074	56,958	59,348	56,368	54,744
Insurance Tax..... 6	95,876	97,909	90,462	88,706	86,246	82,161	76,094	66,441	59,336	62,914
Securities Revenue..... 7	34,700	32,964	30,064	27,904	26,344	25,778	26,060	28,023	25,513	22,465
Interest and Dividends Tax..... 8	18,693	108,086	80,543	67,896	55,630	55,129	70,334	76,651	65,522	63,134
Liquor..... 9	133,052	124,742	120,644	12,555	106,676	98,996	96,237	89,344	86,015	77,444
Meals and Rooms Tax..... 10	206,726	202,595	193,788	186,486	178,480	168,722	164,045	157,202	149,777	137,258
Dog Racing..... 11	525	703	559	1,112	1,515	1,572	1,487	1,262	1,058	1,026
Horse Racing..... 12	2,440	2,398	2,313	2,401	2,474	2,459	2,701	2,592	2,429	2,427
Real Estate Transfer Tax..... 13	77,690	91,704	106,161	107,821	95,162	78,859	66,393	59,488	56,779	52,925
Telephone/Communications Tax..... 14	80,932	72,986	70,496	70,039	65,781	62,522	64,663	49,045	47,794	46,219
Tobacco Tax..... 15	57,060	65,337	69,892	73,159	71,471	67,066	60,294	61,007	68,381	73,784
Tobacco Settlement..... 16	8,404			2,441	1,816	5,862	5,725		442	
Utilities Tax..... 17	6,285	5,757	6,385	6,265	5,121	7,078	5,565	9,656	9,974	10,402
Courts Fines and Fees..... 18	31,300	30,452	29,500	25,517	24,673	22,114	23,234	23,218	22,845	21,917
Flexible Grant..... 19					25,000	25,000				
Other:										
Corporate Returns.....	682	678	744	733	748	750	711	681	676	659
Interstate Vehicle Registrations.....	1,362	167	2,411	2,334	2,253	2,310	2,377	2,602	2,860	2,858
Motor Boat Registrations.....										1,779
Corporate Filing Fees.....	3,346	3,414	3,716	3,231	2,947	3,346	3,341	3,427	3,436	3,229
Interest on Surplus Funds.....	5,352	7,776	4,868	1,712	174	75	1,250	3,754	3,201	5,978
Reimbursement of Indirect Costs.....	6,858	6,822	6,265	6,724	6,671	5,675	5,511	4,255	4,094	4,903
Miscellaneous.....	71,412	69,612	44,092	44,878	44,258	40,409	32,403	32,917	27,877	26,192
Subtotal..... 20	1,370,715	1,322,515	1,231,410	1,182,326	1,105,363	1,072,766	1,037,822	1,057,682	959,217	953,090
Net Medicaid Enhancement										
Revenues (MER)..... 21	93,111	83,257	73,617	147,209	149,831	116,979	98,208	85,217	74,230	70,411
Recoveries..... 22	20,108	15,875	24,462	22,989	20,374					
Subtotal..... 23	1,483,934	1,421,647	1,329,489	1,352,524	1,275,568	1,189,745	1,136,030	1,142,899	1,033,447	1,023,501
Other MER Transferred to/(from)										
Uncompensated Care Pool..... 24				39,062	35,143	16,594	16,263	12,966	12,915	15,839
Total Unrestricted Revenue..... 25	\$ 1,483,934	\$ 1,421,647	\$ 1,329,489	\$ 1,391,586	\$ 1,310,711	\$ 1,206,339	\$ 1,152,293	\$ 1,155,865	\$ 1,046,362	\$ 1,039,340

**STATE OF NEW HAMPSHIRE
SCHEDULE OF UNDESIGNATED FUND BALANCE
EDUCATION FUND
FOR FISCAL YEARS 1999 TO 2008
(Expressed in Thousands)**

	Fiscal Year Ended June 30										Description
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
Balance July 1..... 1	\$	\$ 8,357	\$	\$	\$	\$	\$	\$66,348	\$24,783		
Additions											
Unrestricted Revenue											
Statewide Property Tax..... 2	363,066	363,335	363,392	350,368	443,350	452,997	454,135	417,964	417,975		\$2.515/1,000, retained locally
Statewide Property Tax..... 3	58	-	-	20,934	29,844	32,666	28,987	24,194	24,150		\$2.515/1,000, not retained locally
Utility Property Tax..... 4	24,196	21,847	20,881	20,102	20,160	18,834	18,170	15,621	31,167		\$6.60/1,000
BPT Increase..... 5	67,961	57,755	56,578	50,748	41,000	37,100	32,645	15,800	22,400		15% increase from 7% to 8.5%
BET Increase..... 6	154,990	174,208	150,380	130,600	116,900	121,400	101,215	36,700	54,100		.50% increase from .25% to .75%
Meals & Rooms..... 7	7,632	7,218	7,138	7,153	6,875	6,701	6,604	6,859	6,350		Extension of 8% tax to motor vehicle rentals
Real Estate Tax Increase..... 8	38,616	45,663	52,545	51,960	47,515	39,426	33,073	29,735	28,231		\$2.50 increase from \$5.00/1000 to \$7.50
Tobacco Tax Increase..... 9	109,260	78,283	80,902	28,214	28,582	26,977	23,968	25,356	26,649		\$0.43/pack increase from \$0.37 to \$0.80
Tobacco Settlement..... 10	40,000	40,781	38,961	40,000	40,000	40,000	40,000	38,745	37,750		Annual payment
Initial Tobacco											
Settlement Payment..... 11									16,000		One-time payment
Lottery Proceeds..... 12	77,010	80,548	81,987	70,263	73,745	66,569	66,125	59,348	61,517		Net Profit
Other..... 13								175	2,924		Interest
Total Revenue..... 14	882,789	869,638	852,764	770,342	847,971	842,670	804,922	670,497	729,213		
General Fund											
Budgeted Appropriations..... 15				61,378	62,590	83,420	65,690	40,559	39,584		Formerly Revenue Sharing, Foundation Aid & Kindergarten Aid
Total Additions..... 16	882,789	869,638	852,764	831,720	910,561	926,090	870,612	711,056	768,797		
Deductions											
Appropriations											
Adequate Education Grant..... 17	529,075	472,783	473,534	441,610	451,640	443,873	426,523	406,817	406,817		State Education Grant Disbursed by State
Adequate Education Grant..... 18	363,066	363,335	363,392	350,368	443,350	452,997	454,135	417,964	417,975		State Education Grant Retained Locally
Total Grants..... 19	892,141	836,118	836,926	791,978	894,990	896,870	880,658	824,781	824,792		
DOE-Hardship Grants..... 20	5,000	5,000	5,000	1,000		5,000	5,000	769	1,162		
DRA-Property Tax Relief..... 21	700	(1,200)	(2,100)	(2,800)	7,700						GAAP Adj. for Low & Moderate Income Relief
DRA-Tax Relief Admin..... 22									200		
DOE-Kindergarten Aid..... 23		2,004				2,625	1,972		950		
DOE-Admin. & Computers..... 24									169		
Total Appropriations..... 25	897,841	841,922	839,826	790,178	902,690	904,495	887,630	825,550	827,273		
Less Lapses..... 26	270	(4,508)	4,581	19,042			(438)	(25)	(41)		
Net Appropriations..... 27	898,111	837,414	844,407	809,220	902,690	904,495	887,192	825,525	827,232		
Current Year Balance..... 28	(15,322)	32,224	8,357	22,500	7,871	21,595	(16,580)	(114,469)	(58,435)		
End of Year											
Transfers From (To)											
General Fund..... 29											
FY 2000..... 30									\$24,783		Beginning Balance from Education Betterment
FY 2001..... 31								48,121			Chapter 158 : 42 Laws of 2001
FY 2002..... 32							16,580				Eliminate Negative Cash
FY 2003..... 33						(16,580)					Reimburse Prior Year Transfer
FY 2003..... 34						(5,015)					Eliminate Current Year Surplus
FY 2004..... 35					(7,871)						Eliminate Current Year Surplus
FY 2005..... 36				(22,500)							Eliminate Current Year Surplus
FY 2007..... 37		(40,581)									Eliminate Current Year Surplus
FY 2008..... 38	15,322										Eliminate Current Year Deficit
Balance June 30..... 39	\$	\$ 8,357	\$	\$	\$	\$	\$	\$ 66,348	\$24,783		

New Hampshire
General & Education Trust Funds
Unrestricted Revenue Tax Rates

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Description	RSA	General	Education Trust	Total
Business Profits Tax	A-1 77-A:2	7.00%	1.50%	8.50%
Business Enterprise Tax	A-3 77-E:2	0.25%	0.50%	0.75%
Meals & Rooms Tax	A-5 78-A:6	8%-M & R	8%-Rental Cars	8.00%
Tobacco Tax	A-7 78:7	\$.37 / pack	\$.96 / pack	\$1.33 / pack
Liquor Sales & Distribution	A-9 178:28	28% G. Profit		
Interest & Dividends Tax	A-10 77:1	5.00%		
Insurance Tax	A-12 400-A:32	*1.5%		
Communications Tax	A-15 82-A:3	7.00%		
Real Estate Transfer Tax	A-17 78-B:1	\$5.00 / \$1,000	\$2.50 / \$1,000	\$7.50 / \$1,000
Estate & Legacy Tax	A-19 86/87/89	1		
Court Fines & Fees		2		
Securities Revenue	A-21 421-B:11	3		
Utility Consumption Tax	A-24 83-E:2	\$.00055 / kw		
Board & Care Revenue		4		
Beer Tax	A-26 178:26	\$.30 / gallon		
Dog & Horse Racing		5		
Other		Various		
Transfers from Lottery/Pari-Mutuel			6	
Tobacco Settlement			7	
Utility Property Tax	A-20 83-F:2		\$6.60 / \$1,000	
State Property Tax	A-29 76:3		\$363,000,000	
Net Medicaid Enhancement Revenue	84-A	8		
Recoveries	A-31	9		

1 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.

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

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

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

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

6 Transfers from Lottery/Pari-Mutuel: Lottery/Bingo sales net of expenses.

7 Tobacco Settlement: Revenue from master settlement agreement with tobacco companies.

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

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

* Insurance tax rate to decline by 0.25% (1/1/10) to 1% (1/1/11).

**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. 1979, 5:1. 1971, 515:14. 1977, 593:1. 1993, 350:8; 350:9. 1999, 17:19. 2001, 158:19, eff. July 1, 2001.

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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 BIENNIIUM	L 1973, CH 579:1	7%	\$6,000 GBI	None
07-01-77	78-79 BIENNIIUM	L 1977, CH 593:1	8%		None
08-24-79	80-81 BIENNIIUM	L 1979, CH 446:4	8%		25%; 25%; 25%; 25%
07-01-81	82-83 BIENNIIUM	L 1981, CH 461:1	9.08%	\$12,000 GBI	25%; 25%; 25%; 25%
07-01-81	82-83 BIENNIIUM	L 1981, CH 568:65, II	\$250 min tax		
07-01-81	82-83 BIENNIIUM	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 BIENNIIUM	L 1985, CH 408:1	8.25%-blend		
06-30-88	88-89 BIENNIIUM	L 1985, CH 408:1	8%-no blend		
04-01-90	FY 1990	L 1990, CH 3:71	8%		
03-28-91	FY 1991	L 1991, CH 5:1	8%		30%; 30%; 20%; 20%
05-27-91	92-93 BIENNIIUM	L 1991, CH 163:17	8%		35%; 35%; 15%; 15%
07-01-93	FY 1994	L 1993, CH 350:8	7.5%	\$50,000 GBI	30%; 30%; 20%; 20%
07-01-93	FY 1995	L 1993, CH 350:9	7.0%		25%; 25%; 25%; 25%
07-01-99	07-01-99	L 1999, CH 17:19	8.00%		
07-01-99	07-01-99	L 1999, CH 346:2			
07-01-01	07-01-01	L 2001, CH 158:19	8.50%	Changed from 1.5 to 2.0 wgt sale for apport.	
07-01-01	07/01/01	L 2001, CH 158:72		Use IRS code in effect 12/31/00	1.5% to ETF
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,		Allows for exclusion of organizations based on	
05-24-04	05/24/04	CH143:2,3,8,III		election of qualified investment company status	
05-24-04	05/24/04	L, 2004, 143:4, 8:IV		Altered language regarding additions and	
06-29-07	07/01/07	L 2007, 263:127		deductions relative to holdings in a qualified	
06-29-07	07/01/07	L, 2007, 263:121		investment company.	
07-02-07	07/01/07	L, 2007, 271:1		Altered definition of "business activity".	
06-18-07	08/17/07	L, 2007, 146:1, I - III		Repealed Crop Zone tax credit and replaced	
02-22-08	04/22/08	L 2008, 2:1, 2		with Economic Revitalization Zone tax credit.	
06-09-08	06/09/08	L, 2008, 172:2		Allows for Research and Development tax credit	
06-29-07	07/01/11	L, 2007, 263:123, II		Repealed: 77-A:4, IV; V; and VI; relative to	
07-02-07	07/01/13	L, 2007, 271:6, I		various deductions.	
				Altered definition of "water's edge combined	
				group.	
				Allows application of unused portion of Coos	
				County Job Creation tax credit to BPT.	
				Repeals Revitalization Zone tax credit (eff. 07-	
				01-11)	
				Repeals Research and Development tax credit	
				(eff. 07-01-13)	

GBI = Gross business income

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**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; prop & part 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.

6/29/2007	7/1/2007	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)
7/2/2007	7/1/2007	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 (repeated as of 07/01/2013)
6/9/2008	6/9/2008	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)

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**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 8 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) Three cents for a charge between \$.36 and \$.37 inclusive;
 - (b) Four cents for a charge between \$.38 and \$.50 inclusive;
 - (c) Five cents for a charge between \$.51 and \$.62 inclusive;
 - (d) Six cents for a charge between \$.63 and \$.75 inclusive;
 - (e) Seven cents for a charge between \$.76 and \$.87 inclusive;
 - (f) Eight cents for a charge between \$.88 and \$1.00 inclusive;
 - (g) Eight 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 8 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, eff. July 1, 1999.

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	OP. 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	
07-01-99	07/01/99	L 1999, CH 17:24-31		Adds rental cars to tax	
05-01-02	05/01/02	L 2002, CH 232:17		Gratuity status clarified	

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**TITLE V
TAXATION**

**CHAPTER 78
TOBACCO TAX**

Section 78:7

78:7 Tax Imposed. – A tax upon the retail consumer is hereby imposed at the rate of \$1.33 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, eff. July 1, 2003. 2005, 177:56, eff. July 1, 2005. 2007, 263:6, eff. July 1, 2007. 2008, 296:15, eff. Oct. 15, 2008.

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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
06-02-67	07-01-67	L 1965, CH 132	21%	Val of usual sell. Price of all Tob products
07-01-70	07-01-70	L 1967, CH 159:1	30%	Val of usual sell. Price of all Tob products
07-01-71	07-07-71	L 1970, CH 5:10	34%	Val of usual sell. Price of all Tob products
06-23-75	07-01-75	L 1971, CH 475:1	42%	Val of usual sell. Price of all Tob products
06-30-83	07-01-83	L 1975, CH 466:3	\$.12	Per pack 20 cigarettes only
06-26-85	08-25-85	L 1983, CH 469:103	\$.17	Per pack 20 cigarettes only
05-12-86	07-11-86	L 1985, CH 396:1	\$.17	Contingent plan if VT increases their tax
06-02-89	07-01-89	L 1986, CH 75:1	\$.17	\$.21 per pack of 25 cigarettes
02-20-90	02-20-90	L 1989, CH 336:1	\$.21	\$.265 per pack of 25 cigarettes
06-20-91	07-01-91	L 1990, CH 5:1	\$.25	\$.3125 per pack of 25 cigarettes
05-17-93	01-01-94	L 1991, CH 292:3	\$.25	Added smokeless tobacco tax
07-01-97	07-01-97	L 1993, CH 114:1	\$.25	Restricted licenses valid for 2 yrs.
07-01-99	07-01-99	L 1997, CH 351:57	\$.37	Per pack 20 cigarettes
07-06-99	07-06-99	L 1999, CH 17:23		Excess of \$.37 to Ed Trust Fund
07-01-03	07-01-03	L 1999, CH 183:1	\$.52	Per pack 20 cigarettes
07-01-05	07-01-05	L 2003, CH 319:43		Eliminate tax stamp discount
07-01-07	07-01-07	L 2005, CH 177:56	\$.80	Per pack 20 cigarettes
06-27-08	10-15-08	L 2007, CH 263:6	\$1.08	Per pack 20 cigarettes
		L 2008, CH 296:15	\$1.33	Per pack 20 cigarettes

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TITLE XIII ALCOHOLIC BEVERAGES

CHAPTER 176 THE LIQUOR COMMISSION

Section 176:16

176:16 Funds. –

I. Except as provided in paragraph II, all gross revenue derived by the commission from the sale of liquor, or from license fees, shall be deposited into the general funds of the state. The expenses of administration and all other expenditures provided for in this title shall be paid by the state treasurer on warrants of the governor with the advice and consent of council.

II. 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.

Source. 1990, 255:1. 1996, 275:11. 2000, 328:2, eff. July 1, 2001.

HB-2, L2007

→ 263:11 Liquor Commission; Revenue. Notwithstanding RSA 176:16, II. for the biennium ending June 30, 2009, all gross revenue derived by the liquor commission from the sale of liquor, or from license fees, shall be deposited into the general funds of the state.

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TITLE V
TAXATION

CHAPTER 77
TAXATION OF INCOMES

Section 77:1

77:1 Rate. – The annual tax upon incomes shall be levied at the rate of 5 percent.

Source. 1923, 65:1. PL 65:1. RL 78:1. RSA 77:1. 1955, 309:1. 1977, 561:1, eff. July 1, 1977.

TITLE V
TAXATION

CHAPTER 77
TAXATION OF INCOMES

INTEREST &
DIVIDENDS
TAX

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, associations, and trusts, 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) Fiduciaries 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, eff. June 12, 1995. 2004, 143:1, eff. May 24, 2004.

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, & disabili
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

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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, 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, 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, and RSA 401:1-a, I and II; and

(4) Effective January 1, 2011, a tax of one percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, and RSA 401:1-a, I and II.

(5) 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

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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.

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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

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**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, eff. July 1, 2001. 2003, 319:39, eff. July 1, 2003.

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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 service address
07-01-03	07-01-03	L 2003, CH 319:39	7.0%	0%	7.0%	+ \$10K of sales	Rate made permanent
07-01-03	07-01-07	L 2007, CH 263:79					Removed \$12 exemption

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**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; 17:33, 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 BIENNIIUM	L 1981, CH 568:152,1	\$0.25/\$100	Buyer & Seller	\$10 if \$4,000 or less
07-01-83	84-85 BIENNIIUM	L 1983, CH 469:97	\$0.50/\$100	Buyer & Seller	\$20 if \$2,000 or less
07-01-85	86-87 BIENNIIUM	L 1985, CH 407:1	\$0.375/\$100	Buyer & Seller	\$15 if \$4,000 or less
07-01-87	88-89 BIENNIIUM	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 BIENNIIUM	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 BIENNIIUM	L 1991, CH 354:11	\$0.525/\$100	Buyer & Seller	\$21 if \$4,000 or less
07-01-93	94-95 BIENNIIUM	L 1993, CH 350:38	\$0.50/\$100	Buyer & Seller	\$20 if \$4,000 or less
07-01-95	96-97 BIENNIIUM	L 1995, CH 96:3	\$0.50/\$100	Buyer & Seller	\$20 if \$4,000 or less
07-01-97	98-99 BIENNIIUM	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

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**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

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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:

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- (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

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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.

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**TITLE V
TAXATION**

**CHAPTER 83-E
ELECTRICITY CONSUMPTION TAX**

Section 83-E:2

[RSA 83-E:2 effective pursuant to 1997, 347:6; see contingent enactment note set out preceding RSA 83-E:1.]

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

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**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.

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**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.

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**TITLE V
TAXATION**

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

Assessment

Section 76:3

[RSA 76:3 effective until July 1, 2009; see also RSA 76:3 set out below.]

76:3 Statewide Enhanced Education Tax. –

Beginning July 1, 2005, and every fiscal year thereafter, the commissioner of the department of revenue administration shall set the statewide enhanced 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, eff. July 1, 2003. 2004, 195:2, eff. July 1, 2004 at 12:01 a.m.; 195:3, eff. July 1, 2005 at 12:01 a.m. 2005, 257:2, eff. July 1, 2005 at 12:02 a.m.

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

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**TITLE V
TAXATION**

**CHAPTER 84-A
MEDICAID ENHANCEMENT TAX**

Section 84-A:1

84-A:1 Definitions. – In this chapter:

I. "Commissioner" means the commissioner of revenue administration.

II. [Repealed.]

III. "Hospital" means general hospitals and special hospitals for rehabilitation required to be licensed under RSA 151 and receiving medicaid diagnosis related group (DRG) payments, but not including government facilities.

IV. "Medicaid enhancement tax" means the tax imposed upon net patient services revenue pursuant to this chapter.

IV-a. "Net patient services revenue" means the gross charges of the hospital less any deducted amounts for bad debts, charity care, and payor discounts.

V. "Taxable period" means a 12-month period beginning July 1 and ending June 30.

VI. "Uncompensated care fund" means the fund established in RSA 167:64 to reimburse hospitals for costs associated with uncompensated care and shortfalls in publicly funded programs.

Source. 1991, 299:2. 1993, 4:4, eff. July 1, 1993. 2004, 260:3, 4, 10, eff. July 1, 2005.

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**TITLE V
TAXATION**

**CHAPTER 84-A
MEDICAID ENHANCEMENT TAX**

Section 84-A:2

84-A:2 Imposition of Tax. – A tax is imposed at a rate of 5.5 percent upon the net patient services revenue of every hospital for the hospital's fiscal year ending during the first full calendar year preceding the taxable period.

Source. 1991, 299:2. 1993, 4:5. 1998, 352:1, eff. Aug. 25, 1998. 2003, 319:36, eff. July 1, 2003. 2004, 260:2, eff. July 1, 2005. 2007, 263:50, eff. Jan. 1, 2008.

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TITLE XV EDUCATION

CHAPTER 198 SCHOOL MONEY

State Aid for Educational Equality; 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:

- B-1** (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-2** (b) Funds certified to the state treasurer by the commissioner of revenue administration pursuant to RSA 77-E:14, relative to business enterprise tax.
- B-3** (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.
- B-4** (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.
- B-5** (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.
- B-6** (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.
- B-7** (g) The full amount of excess statewide enhanced education tax payments from the department of revenue administration pursuant to RSA 198:46.
- B-8** (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.
- B-9** (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.

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**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.

<u>TOTAL</u>	<u>GF</u>	<u>ETF</u>
8.5%	7.0%	1.5%

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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.

<u>TOTAL</u>	<u>GF</u>	<u>ETF</u>
.75%	.25%	.50%

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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.

(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, eff. July 1, 1999. 2003, 319:9, eff. July 1, 2003. 2004, 257:44, eff. July 1, 2004.

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B4

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 37 cents 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, eff. April 29, 1999.

<u>TOTAL</u>	<u>GF</u>	<u>ETF</u>
\$1.33	\$0.37	\$0.96

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B5

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.

per \$1,000

<u>TOTAL</u>	<u>GF</u>	<u>ETF</u>
\$7.50	\$5.00	\$2.50

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B-6

**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.

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B-7

TITLE XV EDUCATION

CHAPTER 198 SCHOOL MONEY

Excess Education Property Tax Payment

Section 198:46

198:46 Excess Statewide Enhanced Education Tax Payment. –

[Section catchline as amended by 2008, 173:15, effective July 1, 2009 see below.]

198:46 Excess Education Tax Payment.

[Paragraph I effective until July 1, 2009 at 12:01 a.m.; see also paragraph I set out below.]

I. Any excess statewide enhanced education tax shall be remitted to the department of revenue administration on or before March 15 of the tax year in which the excess occurs.

[Paragraph I effective July 1, 2009 at 12:01 a.m.; see also paragraph I set out above.]

I. A municipality in which education property tax revenue collected exceeds the amount necessary to fund the cost of an adequate education in a fiscal year, as determined in RSA 198:40-a, shall collect and remit such excess to the department of revenue administration on or before March 15 of the tax year in which the excess occurs. For fiscal years 2010 and 2011, the version of RSA 198:41, II effective for the fiscal year ending June 30, 2009 shall be used to determine excess.

II. The commissioner of the department of revenue administration shall collect from the municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the education trust fund established by RSA 198:39.

III. The amount of such excess to be remitted shall not include any income derived from the investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds remaining after full payment of the excess tax required in paragraph I shall become available for unrestricted use by the municipality.

Source. 1999, 17:41; 162:2; 338:11. 2000, 239:8. 2001, 71:8. 2005, 257:10. 2006, 6:3, eff. Feb. 10, 2006. 2008, 173:15, eff. July 1, 2009; 384:5, eff. July 1, 2009 at 12:01 a.m.

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BB

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 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 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, eff. July 1, 1989. 1997, 137:1, eff. Aug. 8, 1997. 1999, 17:45, eff. April 29, 1999. 2002, 224:1, eff. July 1, 2002. 2004, 97:6, eff. July 10, 2004; 257:8, eff. Jan. 1, 2005. 2006, 311:4, eff. July 19, 2006. 2008, 25:1, eff. July 11, 2008.

W

B9

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

CHAPTER 31-A
RETURN OF REVENUE TO CITIES AND TOWNS

Section 31-A:4

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 Ratings: AA
Moody's: Aa2
Standard & Poor's: AA
(See "RATINGS")**

In the opinion of Edwards Angell Palmer & Dodge 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, although 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.)



**\$75,000,000
STATE OF NEW HAMPSHIRE
GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
2008 SERIES A**

Dated: Date of Delivery

Due: as shown below

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 March 1 and September 1 of each year, commencing September 1, 2008 until maturity or redemption prior to maturity. The Bonds are subject to redemption prior to maturity as provided herein.

<u>Due</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP†</u> <u>644682</u>	<u>Due</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP†</u> <u>644682</u>
2009	\$4,500,000	3.50%	2.68%	XH4	2019*	\$4,500,000	5.00%	3.58%	XT8
2010	4,500,000	3.50	2.72	XJ0	2020*	4,500,000	5.00	3.64	XU5
2011	4,500,000	3.375	2.80	XK7	2021*	3,000,000	4.00	3.80	XV3
2012	4,500,000	3.375	2.88	XL5	2022*	3,000,000	4.00	3.88	XW1
2013	4,500,000	3.375	2.96	XM3	2023*	3,000,000	4.00	3.94	XX9
2014	4,500,000	3.375	3.05	XN1	2024	3,000,000	4.00	100	XY7
2015	4,500,000	5.00	3.15	XP6	2025	3,000,000	4.00	4.06	XZ4
2016	4,500,000	3.50	3.25	XQ4	2026	3,000,000	4.00	4.11	YA8
2017	4,500,000	3.50	3.35	XR2	2027	3,000,000	4.00	4.15	YB6
2018	4,500,000	3.50	3.44	XS0					

The Bonds are offered subject to the final approving opinion of Edwards Angell Palmer & Dodge 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 January 17, 2008.

January 10, 2008

† Copyright 2008, American Bankers Association.

* Priced at the stated yield to the March 1, 2018 optional redemption date at a redemption price of 100%. See "THE BONDS – Redemption Provisions" herein.

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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 not be deposited in the Revenue Stabilization Account but shall remain in the General Fund. Therefore, at the end of fiscal year 2007, \$20.0 million was transferred to the Revenue Stabilization Account, bringing the balance to \$89.0 million at June 30, 2007. The remainder of the fiscal year 2007 surplus, \$27.3 million, remained in the General Fund.

Health Care Fund

Chapter 122 of the Laws of 1994 established the State Health Care Transition Fund. The fund has since been renamed the Health Care Fund ("HCF"). The purpose of the fund is to provide financial resources for future changes in the State's health care system in order to increase the access to quality health care for the citizens of New Hampshire. The HCF was initially funded with \$99 million of the \$129 million one-time receipt by the State that resulted from the amendment to the State's Medicaid Plan relative to the New Hampshire Hospital disproportionate share revenues. Only the interest earnings on the principal assets held in the fund shall be expended for the purposes of the HCF and such interest shall be continually appropriated.

Over the years, legislation has allowed for the use of the HCF to offset General Fund deficits that resulted from increased Medicaid costs and Health and Human Services revenue initiatives that fell short of expectations. Chapter 351 of the Laws of 1997 budgeted \$14.8 million of Health Care Funds for fiscal years 1998 and 1999 for computer system initiatives at the Department of Health and Human Services. Finally, as of June 30, 2003, in accordance with Chapter 319 of the Laws of 2003, the balance of \$33.9 million of the HCF lapsed to 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 credited to the General Fund or, where noted, the Education Fund:

Meals and Rooms Tax. A tax is imposed equal to 8% of hotel, motel and other public accommodation charges and 8% of charges for meals served in restaurants, cafés and other eating establishments. Effective July 1, 1999, this tax was extended to cover rental cars, the receipts from which have been earmarked for the Education Fund.

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 \$5,000,000. The fiscal year 2006 distribution to cities and towns was equal to 25.6% of the meals and rooms tax collections for fiscal year 2005. The fiscal year 2007 distribution to cities and towns was equal to 26.3% of the meals and rooms tax collections for fiscal year 2006.

Business Profits Tax. The business profits tax rate has been 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 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. Effective July 1, 1993, the State established a business enterprise tax. The rate is currently .75% for tax years ending on or before July 1, 2001 and previously had been .50% for tax years ending on or before July 1, 1999 and .25% prior to that time. The increases (.50%) have been dedicated to the Education 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 (\$100,000 prior to July 1, 2001) in gross receipts and an enterprise value base of less than \$75,000 (\$50,000 prior to July 1, 2001) are exempt from the business enterprise tax. Effective for returns of taxable periods ending on and after January 1, 1997, every business enterprise shall make quarterly estimated tax payments due on the fifteenth day of the fourth, sixth, ninth and twelfth months of its taxable year.

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

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, and Chapter 177 of 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 20, 2009, 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 funds of the State.

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 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.

Medicaid Enhancement Revenues. Effective July 1, 1993, the State lowered the Medicaid enhancement tax 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" is 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. The revenue collected pursuant to the tax is placed in the Uncompensated Care Fund.

Also, under the State's federally approved Medicaid Plan, disproportionate share revenues are received by the State's institutions on a quarterly basis. Beginning in fiscal year 2006 and thereafter, these revenues are recorded as restricted revenue rather than as unrestricted revenue. The Commissioner of Health and Human Services continuously reviews and revises the State Medicaid plan to maximize the receipt of additional federal matching funds.

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). Pursuant to Chapter 277 of the Laws of 2006, such tax was reduced to 1.75% effective July 1, 2007, 1.5% effective January 1, 2009, 1.25% effective January 1, 2010, and 1% effective January 1, 2011 for all lines of insurance except health insurance which remains at 2%. The purpose of the legislation is 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 changes the collection of the tax from quarterly to annually on or before March 15 of each year. Under a retaliatory statute, the State also collects a tax in excess of such 2% on insurance companies in approximately 28 states. There is also a tax of 4% of gross premiums written in the State by insurance companies not licensed to do business in New Hampshire.

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 188 of the Laws of 1995 made several changes to the interest and dividends tax which became effective June 12, 1995. The minimum amount of interest and dividend income requiring a taxpayer to file a return was raised from \$1,200 to \$2,400 for individuals and from \$2,400 to \$4,800 for joint filers. The minimum exemption was also increased from \$1,200 to \$2,400 for individuals, partnerships, limited liability companies, associations, and certain trusts and fiduciaries. Interest and dividend income derived from New Hampshire and Vermont banks is no longer exempt from the tax. 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.

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.

Real Estate Transfer Tax. The real estate transfer tax was increased by \$2.50 to a rate of \$7.50 per \$1,000 of the selling price or consideration is assessed by the State upon each party involved in the transfer of real property with the exception of transfers made upon death. The increase has been dedicated to the Education Fund. Chapter 158 of the Laws of 2001 extended the tax to cover transfers of business properties.

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.

Statewide Enhanced Education 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. A 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.

Statewide 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 State 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 Fund.

Utility 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 Revenue. The operation of greyhound, harness and thoroughbred racing in the State is conducted under the supervision of the New Hampshire Pari-Mutuel Commission. 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 ranges from 1.25% to 1.5% of contributions plus one-quarter of the breakage.

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 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 and 4 cents per gallon for aviation fuel. 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. A portion of the motor vehicle fuel tax, 2.64 cents, is 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.

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.

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.

**STATE OF NEW HAMPSHIRE
HOUSE WAYS & MEANS COMMITTEE
REVENUE ESTIMATES**

WORKSHEETS

**General, Education Trust, Highway and Fish & Game Funds
May 8, 2008**

(\$ in Millions)

STATE OF NEW HAMPSHIRE
REVENUE ESTIMATE WORKSHEET
May 8, 2008

	(A)		(B)		(C)		(D)		(E)		(F)		(G)		(H)	
	Gen'l Fd	ETF Fd	Gen'l Fd	ETF Fd	Gen&ETF	Gen'l Fd	ETF Fd	Gen&ETF	Gen'l Fd	ETF Fd	Gen&ETF	Gen'l Fd	ETF Fd	Gen&ETF	Gen'l Fd	ETF Fd
(1) General Funds & Ed Trust Funds																
FY 2007:																
(2) Official Estimate	\$245.900	\$ 52.700	\$298.600	\$ 75.100	\$ 150.200	\$ 225.300	\$ 523.900									
(3) Actual-Audited	\$287.423	\$ 57.755	\$345.178	\$ 79.291	\$ 174.208	\$ 253.499	\$ 598.677									
(4) Difference	\$ 41.523	\$ 5.055	\$ 46.578	\$ 4.191	\$ 24.008	\$ 28.199	\$ 74.777									
FY 2008:																
(5) Official Estimate	\$301.100	\$ 64.500	\$365.600	\$ 90.800	\$ 181.600	\$ 272.400	\$ 638.000									
(6) Agency Estimate 10/03/07	\$301.100	\$ 64.500	\$365.600	\$ 90.800	\$ 181.600	\$ 272.400	\$ 638.000									
(7) Agency Estimate 01/15/08 & 2/12/08																
(8) Committee Estimate 02/20/08																
(9) Agency Estimate 04/09/08																
(10) Agency Estimate 05/08/08																
(11) Committee Estimate 05/08/08																
FY 2009:																
(12) Official Estimate	\$320.000	\$ 68.600	\$388.600	\$ 95.100	\$ 190.300	\$ 285.400	\$ 674.000									
(13) Agency Estimate 10/03/07	\$320.000	\$ 68.600	\$388.600	\$ 95.100	\$ 190.300	\$ 285.400	\$ 674.000									
(14) Agency Estimate 01/15/08 & 2/12/08																
(15) Committee Estimate 02/20/08																
(16) Agency Estimate 04/09/08																
(17) Agency Estimate 05/08/08																
(18) Committee Estimate 05/08/08																