State Budget Expenditures and Revenues

- Six broad categories of expenditures
- Health and Social Services is largest, with significant support from federal dollars (about half of the Department of Health and Human Services budget is funded with federal transfers)
- Education is next largest, with the majority of appropriations supporting State aid to local public school districts

- About 30 percent of the State Budget is funded with federal funds, which does not include other federal funds supporting operations outside the State Budget (certain transportation projects, expanded Medicaid, many capital expenditures)
- The General Fund and the Education Trust Fund share many revenue sources, and the General Fund supports the Education Trust Fund in times of a shortfall
- Turnpike toll revenues support the Turnpike Fund, and motor fuels tax revenues support the Highway Fund, which have restricted uses
- Liquor Fund supports certain Liquor Commission administrative operations; profits from the Liquor Commission go to the General Fund and the Alcohol Abuse Prevention and Treatment Fund

- Largest State tax revenue source is the Business Profits Tax, often filed and collected with the Business Enterprise Tax (fourth largest); together, these two taxes accounted for 30 percent of General and Education Trust Funds revenue in State Fiscal Year 2018
- Statewide Education Property Tax raised and retained locally; State does not collect the revenue but requires locals to levy the tax
- Lottery Commission profits support education
- General and Education Trust Funds do not receive revenue from certain key sources, such as the Medicaid Enhancement Tax
State Revenues

- Considering all State revenues, about two out of every three dollars were non-tax revenues, such as federal grants, tolls, liquor and lottery revenues, and fees
- State revenues are relatively diverse, and State tax revenues are less volatile than in other states
- New Hampshire’s level of reliance on federal grants is not atypical; most states draw significant revenue from federal programs, particularly Medicaid

State and Local Tax Revenues

- Considering all tax revenue for the State government and local governments, including municipalities, school districts, and counties, about two out of every three tax dollars collected are through property taxes, nearly all of which are local property taxes
- Local governments have no other major tax revenue option, meaning increased costs or reduced revenue from other sources (such as reduced State grants) typically must be met with funding decreases or property tax increases
- New Hampshire has the greatest percentage of state and local taxes sourced from property taxes of any state

Resources at nhfpi.org

- NH State Budget page
- Building the Budget
- Revenue in Review
- Common Cents blog