

New Hampshire Department of Revenue Administration
House Finance – Division I
February 26, 2025



Lindsey M. Stepp, Commissioner
Ora M. LeMere, Assistant Commissioner
109 Pleasant Street, Concord, NH 03301
603-230-5000

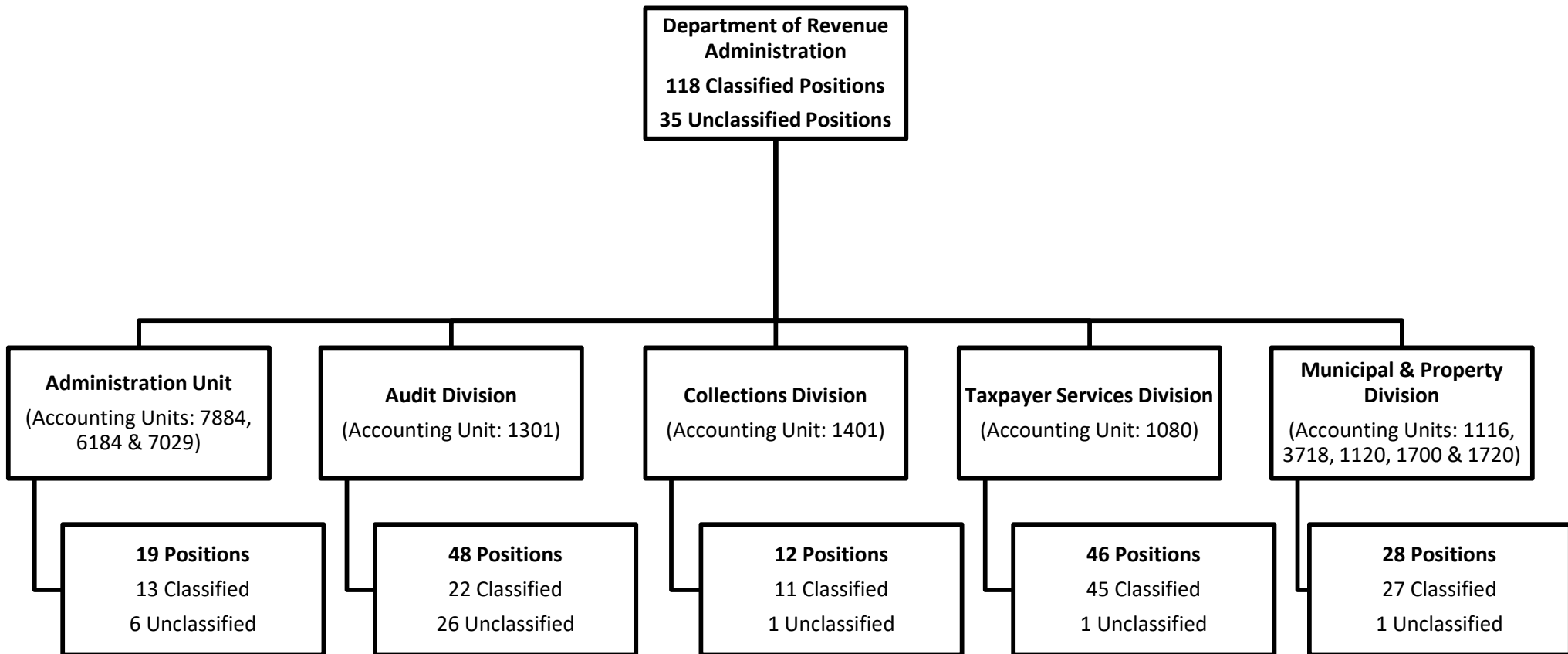


MISSION STATEMENT

The mission of the **Department of Revenue Administration** is to fairly and efficiently administer the tax laws of the State of New Hampshire, collecting the proper amount of taxes due, incurring the least cost to the taxpayers, in a manner that merits the highest degree of public confidence in our integrity. Further, we will provide prompt and constructive assistance to the municipal units of government in matters of budget, finance, and the appraisal of real estate.

Department of Revenue Administration FY 2024/FY 2025 Organizational Chart

153 Authorized Full Time Positions



FY 2026 / FY 2027 Agency Budget – The Big Picture

	FY2024	FY2025	FY2026	FY2027
	Actual Expense	Adjusted Authorized	Governor	Governor
General Fund	\$ 19,688,545	\$ 25,636,058	\$ 24,354,523	\$ 24,835,112
Education Trust Fund	\$ 1,128,479	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Agency Income	\$ 1,907,417	\$ 2,184,205	\$ 2,981,000	\$ 2,911,000
Total All Funds	\$ 22,724,441	\$ 29,320,263	\$ 28,835,523	\$ 29,246,112
Permanent Classified Postitions	118	118	118	118
Unclassified Positions	35	35	35	35
Total Number of Positions	153	153	153	153

- Our general fund operating budget is 70% salary and benefits; we're a department of people, not things or programs.
- Much of the difference between FY 2024 Actual Expense and FY 2025 Adjusted Authorized is due to a vacancy rate of 16.5% at the end of FY 2024. Much of the increase from FY 2024 to FY 2026/FY 2027 is due to the operationalizing of Revenue Information Management System (RIMS) support and maintenance expenses.
- Current funded position count for full time classified and unclassified positions in FY 2025 is 153.
 - Efficiency request for FY 2026 and FY 2027 funds 135 positions.
 - Governor's Budget for FY 2026 and FY 2027 funds 129 positions.

FY 2026 / FY 2027 Agency Budget – The Big Picture (continued)

- Agency budget changes impacting multiple accounting units include:
 - 020 Current Expenses – reduced to reflect fewer employees and reduced postage due to repeal of Interest and Dividends Tax.
 - 030 Equipment – reduced from FY 2024/FY 2025 as most of aging fleet has been replaced with new all-wheel drive hybrid vehicles to help ensure our appraisers and collectors can perform their work and to cut down on gas and repair costs going forward.
 - 066 Training – right sized FY 2025 to FY 2024 amount or reduced from FY 2024 to account for current staffing levels.
 - 070 In-State Travel and 080 Out-of State Travel – right sized FY 2025 to FY 2024 amount or reduced from FY 2024 in order to account for current staffing levels.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit

- Administration – 7884 (page 126)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 8,543,024	\$ 11,155,029	\$ 12,550,605	\$ 12,625,788
Permanent Classified Positions	13	13	13	13
Unclassified Positions	6	6	6	6
Total Number of Positions	19	19	19	19

- 022 – Rents-Leases Other Than State – moved the costs of our core multi-function printer from Taxpayer Services to Administration.
- 026 Organizational Dues – anticipated increase in membership dues to national tax administration organizations and cooperative audit programs.
- 027 Transfers to DoIT – operationalize capital expense of Revenue Information Management System (RIMS) support services and migration to cloud-based environment.
 - Total of \$2,825,000 FY 2026 and \$2,911,000 for FY 2027.
- 028 Transfers to Plant and Property – rent amounts from Department of Administrative Services.
- 043 Debt Service – principal and interest payments on bonds issued to fund RIMS. Offsetting amount in 009 Agency Income from RIMS Revenue Uplift dedicated fund.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit

- Administration – 7884 (continued):
 - 046 Consultants – operationalize capital expense of RIMS support in FY 2025, eliminated in FY 2026 and FY 2027.
 - 050 Personal Service-Temp – two part-time positions for Audit and Legal support. One was vacant for all of FY 2024, one was vacant for part of FY 2024. Both are filled in FY 2025.
 - 089 Transfer to DAS Maintenance – new amounts in FY 2026 and FY 2027.
 - 211 Property and Casualty Insurance – amounts provided by Department of Administrative Services. Registry of Deeds Bond amounts updated after being out of date.
- The Governor’s budget unfunds three positions: two Administrator IVs and one Paralegal I.
 - Two additional vacant positions remain funded:
 - Paralegal II is the only paralegal in the DRA Legal Bureau and supports two attorneys.
 - Business Systems Analyst III is a DoIT position.

Source	POS#	POS Title	AU	Class	FY2026	FY2027	Vacancy Date
GF	18966	Paralegal II	7884	010	\$ 53,722.50	\$ 55,239.75	9/20/2024
				060	\$ 50,465.60	\$ 53,666.87	
GF	18971	DoIT - Business Systems Analyst II	7884	027	\$ 131,869.00	\$ 133,379.00	8/29/2024

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Workers Compensation – 7029 (page 128)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 105,558	\$ 50,499	\$ 102,520	\$ 109,425
Permanent Classified Positions	-	-	-	-
Unclassified Positions	-	-	-	-
Total Number of Positions	-	-	-	-

- Unemployment Compensation – 6184 (page 128)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ -	\$ 2,500	\$ 2,500	\$ 2,500
Permanent Classified Positions	-	-	-	-
Unclassified Positions	-	-	-	-
Total Number of Positions	-	-	-	-

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Taxpayer Services – 1080 (page 129)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 3,305,103	\$ 4,265,710	\$ 3,666,713	\$ 3,772,272
Permanent Classified Positions	45	45	44	44
Unclassified Positions	1	1	1	1
Total Number of Positions	46	46	45	45

- 018 Overtime – right sized FY 2025 to FY 2024 amount and then reduced.
- 022 Rents-Leases Other Than State – moved the costs of our core multi-function printer from Taxpayer Services to Administration.
- 050 Personal Service-Temp – part-time mail clerk position was vacant for much of FY 2024. It is filled in FY 2025.
- 103 Contracts for Op Services – Governor’s budget includes funding for the potential to enter into a contract for temporary document processing services due to the unfunding of all vacant positions in this Division. This was not necessary in FY 2024 due to sufficient staffing levels.
- Governor’s Budget unfunds eight Tax Examiner II positions and one Tax Examiner III position.
 - There are no additional vacant positions.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Audit Division – 1301 (page 130)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 4,515,177	\$ 6,561,540	\$ 5,338,671	\$ 5,484,505
Permanent Classified Positions	22	22	22	22
Unclassified Positions	26	26	26	26
Total Number of Positions	48	48	48	48

- 070 In-State Travel and 080 Out-Of State Travel – current travel costs and availability for in-person audits.
- Governor’s budget unfunds nine positions: two Tax Field Auditor Is, two Multi-Entity Tax Auditors and five Multi-State Tax Auditors.
 - Four additional vacant positions remain funded:

Source	POS#	POS Title	AU	Class	FY2026	FY2027	Vacancy Date
GF	18234	Tax Auditor I	1301	010	\$ 38,922.00	\$ 40,497.00	2/20/2025
				060	\$ 32,480.97	\$ 34,608.48	
GF	41266	Tax Field Auditor I	1301	010	\$ 49,530.00	\$ 51,423.75	7/28/2023
				060	\$ 34,679.99	\$ 36,873.61	
GF	41268	Tax Field Auditor I	1301	010	\$ 60,700.50	\$ 63,403.50	5/30/2024
				060	\$ 12,610.52	\$ 13,171.09	
GF	9U642	Multi State Tax Auditor	1301	011	\$ 69,264.00	\$ 73,614.00	11/5/2021
				060	\$ 38,760.46	\$ 41,462.98	

FY 2026 / FY 2027 Budget Highlights by Accounting Unit

- Audit Division - 1301 (continued)
 - Governor's Budget reflects a filled position as being vacant – correction requested:

POS#	NAME	Longevity Pay		-----2026-----			-----2027-----		
		2026	2027	Salary	Benefits	Total	Salary	Benefits	Total
44594	FILLED	0	0	60,700.50	12,610.52	73,311.02	63,403.50	13,171.09	76,574.59
41268	VACANT	0	0	49,530.00	34,679.99	84,209.99	51,423.75	36,873.62	88,297.37

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Collection Division – 1401 (page 131)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 1,178,591	\$ 1,219,284	\$ 1,359,758	\$ 1,410,030
Permanent Classified Positions	11	11	12	12
Unclassified Positions	1	1	1	1
Total Number of Positions	12	12	13	13

- 018 Overtime – increase in number of events where compliance activity occurs outside of normal working hours.
- 020 Current Expenses – potential reduction:

Source	Description	AU	Class	FY2026	FY2027
GF	Current Expense	1401	020	\$ 3,000.00	\$ 2,000.00

- 033 Land Acquisitions and Easement – anticipate an increase in lien filings due to full staff. Potential reduction:

Source	Description	AU	Class	FY2026	FY2027
GF	Land Acquisitions and Easement	1401	033	\$ 10,000.00	\$ 10,000.00

- No vacant positions.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Municipal and Property Division – 1116 (page 133)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 3,124,748	\$ 3,629,220	\$ 3,383,206	\$ 3,410,041
Permanent Classified Positions	27	27	27	27
Unclassified Positions	1	1	1	1
Total Number of Positions	28	285	28	28

- 038 Technology Software – FY 2024 actual does not include ~\$75,000 in expenses that were incurred in FY 2024 but paid in FY 2025 due to a billing issue with the vendor. FY 2026 and FY 2027 reflect amounts based on the most recently executed contract amendment.
- 080 Out-of-State Travel – potential reduction:

Source	Description	AU	Class	FY2026	FY2027
GF	Out-of State Travel	1116	080	\$ 1,999.00	\$ 999.00

- Governor’s Budget unfunds three positions: Public Utility Appraiser, Real Estate Appraiser and Statistician II.
 - No additional vacant positions.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Flood Control – 3718 (page 133)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Agency Income	\$ 4,676	\$ 581,000	\$ 581,000	\$ 581,000
General Funds	\$ 744,271	\$ 249,000	\$ 249,000	\$ 249,000
Total Funds	\$ 748,947	\$ 830,000	\$ 830,000	\$ 830,000

- The FY 2026 and FY 2027 budget assumes Massachusetts will reimburse their share of 70% of Merrimack River Valley compact as well as 50% of the Connecticut River Valley compact, and Connecticut will reimburse their share of 40% of the Connecticut River Valley compact.
- There is a long history of Massachusetts not paying its obligation timely or sufficiently for the Merrimack River Valley compact.
 - Payment of \$3,477,195.30 for FY 2015 through FY 2021 settlement was received.
 - Payment of \$997,279 for FY 2022-2023 was received.
 - Total due for FY 2024 and FY 2025 is \$928,203 – no payments have been received.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Land Taxes Lost – 1120 (page 134)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 69,905	\$ 98,000	\$ 95,000	\$ 95,000
Permanent Classified Positions	-	-	-	-
Unclassified Positions	-	-	-	-
Total Number of Positions	-	-	-	-

- 033 Land Acquisitions & Easement – current use acreage values and tax rates impact this amount which has been as high as \$90,000 in the past five years. Potential reduction:

Source	Description	AU	Class	FY2026	FY2027
GF	Land Acquisitions and Easement	1120	033	\$ 5,000.00	\$ 5,000.00

- Current Use Board – 1700 (page 135)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 1,965	\$ 4,132	\$ 2,774	\$ 2,775
Permanent Classified Positions	-	-	-	-
Unclassified Positions	-	-	-	-
Total Number of Positions	-	-	-	-

- Appropriations for Administratively Attached Boards reflect amounts for per diem rates and in-state travel reimbursement for attending board meetings.

FY 2026 / FY 2027 Budget Highlights by Accounting Unit (continued)

- Assessing Standards Board – 1720 (page 136)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 2,944	\$ 4,349	\$ 3,776	\$ 3,776
Permanent Classified Positions	-	-	-	-
Unclassified Positions	-	-	-	-
Total Number of Positions	-	-	-	-

- Appropriations for Administratively Attached Boards reflect amounts for per diem rates and in-state travel reimbursement for attending board meetings.

- Low and Moderate Income Hardship Grants – 1857 (page 137)

	FY2024 Actual Expense	FY2025 Adjusted Authorized	FY2026 Governor	FY2027 Governor
Total All Funds	\$ 1,128,479	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Permanent Classified Positions	-	-	-	-
Unclassified Positions	-	-	-	-
Total Number of Positions	-	-	-	-

- 083 Hardship Grants – Chapter 95, Laws of 2021 increased the income limitations and the maximum amount of tax relief available.
 - Claim year 2023, corresponding with property tax period beginning April 1st issued 5,811 claims totaling \$1,146,860.

Governor's Trailer Bill – Select Sections

- Section 26 – Department of Administrative Services
 - Executive agencies may fill unfunded positions if the total expenditures do not exceed the appropriation for personnel and benefits.
- Section 28 – Distribution of Funds
 - 34% of revenue produced by the following taxes are to be deposited into the Education Trust Fund:
 - Business Profits Tax
 - Business Enterprise Tax
 - Tobacco Tax
 - Real Estate Transfer Tax
 - DRA can effectuate these changes with no additional costs.