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Statement of Executive Director Jeff McLynch on Legislative Briefings on New Hampshire Economy

CONCORD – The New Hampshire Fiscal Policy Institute released the following statement today:

As state lawmakers meet this week to examine the condition of the New Hampshire's economy and its ramifications for state revenue, they should remain mindful of the consequences that the current state budget has had for individuals and families across the state.

From the loss of hundreds of jobs at hospitals and medical centers across the state, to greater barriers to access to health care for thousands of Medicaid patients, to ever higher tuition at our universities and community colleges, the budget crafted by the legislature has made New Hampshire a less desirable place to live or to do business, said Executive Director Jeff McLynch.

"Should revenue collections for the fiscal year 2012-2013 biennium fall short of expectations, policymakers should not rely on further spending cuts. Rather, they should take a more balanced approach that seeks to generate additional revenue and forestall further cuts to critical services," he said.

In particular, he noted mounting evidence that the decision to lower the state's tobacco tax is likely to result in the loss of millions of dollars in revenue. To date, tobacco tax collections are 6.9 percent – or \$7 million – below their anticipated levels for the current fiscal year. Moreover, the number of packs of cigarettes sold in New Hampshire over the past six months has fallen 21 percent from the same period a year ago.

"In light of these trends, policymakers should consider ending the tobacco tax reduction as soon as possible, rather than waiting for the trigger mechanism written into law to repeal it during the summer of 2013," he said.

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The New Hampshire Fiscal Policy Institute (NHFI) is an independent, non-partisan organization dedicated to exploring, developing, and promoting public policies that foster economic opportunity and prosperity for all New Hampshire residents, with an emphasis on low- and moderate-income families and individuals.