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NHFPI Testimony Before Senate Finance Committee Budget Hearing Calls for Rejection of Business Tax Cuts and Reauthorization of NH Health Protection Program

Concord, NH – New Hampshire Fiscal Policy Institute (NHFPI) Executive Director Jeff McLynch today presented testimony before the Senate Finance Committee's public hearing on the FY 2016-2017 state budget. McLynch focused his remarks on two key areas: the restoration of funding for vital services and the impact of proposed business tax cuts, and the reauthorization of the New Hampshire Health Protection Program.

Regarding funding for vital services and the impact of proposed business tax cuts:

"The version of the budget passed by the House of Representatives, the spending reductions it contains, and the one-time fixes it employs, demonstrate quite clearly that New Hampshire simply cannot afford costly and ineffective business tax cuts," said McLynch.

"The revenue estimates on which the Senate ultimately bases its version of the budget may prove to be more robust than those projected by the House. However, even if that does prove to be the case, it simply would not be possible to preserve dedicated funds, to restore funding for municipalities, for public colleges and universities, and for services for the elderly and other vulnerable Granite Staters, *and* to cut taxes for large and profitable corporations as part of the FY 2016-2017 budget."

"Phasing business tax reductions in over time, as SB 1 and SB 2 would do, or delaying their initial implementation until several years from now, simply puts off – for another day and onto future legislatures -- the difficult choices and tough tradeoffs that would have to be made to accommodate the revenue losses certain to result from business tax cuts."

Regarding the New Hampshire Health Protection Program:

"I urge you to reauthorize the New Hampshire Health Protection Program and to make it permanent. Doing so would provide greater certainty, not just for those Granite Staters who now have access to affordable health care, but also for the

health care providers, insurers, and other private entities that help to ensure they receive it," said McLynch.

"Integration with private markets is a central element of the Health Protection Program. As a result, the need to act now is great, since delays in reauthorizing the program could create significant difficulties for those insurance carriers that wish to offer private market plans to Health Protection Program enrollees beyond 2016. Making the program permanent would assure them that investments of time, energy, and capital will result in real dividends over the long run."

NHFPI's full testimony is available online at www.nhfpi.org.

The New Hampshire Fiscal Policy Institute is an independent, non-profit, 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. Learn more at www.nhfpi.org.

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