NEW HAMPSHIRE AND CARROLL COUNTY: AN ECONOMIC AND DEMOGRAPHIC REVIEW

Presented by Phil Sletten, Policy Analyst

Mount Washington Valley Economic Council
Conway, New Hampshire
April 5, 2018
Economic Growth in New Hampshire

Real Gross State Product in New Hampshire
Inflation-adjusted Percentage Annual Changes

Note: Inflation adjustment is 2009 chained dollars.
Source: U.S. Bureau of Economic Analysis
Economic Growth in New Hampshire

Changes in Real Gross Domestic Product

New Hampshire, the Rest of New England, and the United States, Inflation-adjusted

Note: Inflation adjustment is 2009 chained dollars
Source: U.S. Bureau of Economic Analysis
Economic Growth in New Hampshire

Increases in Gross State Product by Industry Sector

Largest Increases, Industry Contributions to the Size of the Economy, 2008-2016, Inflation-adjusted

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change in Millions, 2008 to 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Insurance</td>
<td>$3,000</td>
</tr>
<tr>
<td>Real Estate and Leasing</td>
<td>$2,500</td>
</tr>
<tr>
<td>Professional, Scientific, and</td>
<td>$1,500</td>
</tr>
<tr>
<td>Technical Services</td>
<td></td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>$1,000</td>
</tr>
<tr>
<td>Administrative and Waste</td>
<td>$500</td>
</tr>
<tr>
<td>Management Services</td>
<td></td>
</tr>
<tr>
<td>Durable Goods Manufacturing</td>
<td>$500</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>$0</td>
</tr>
</tbody>
</table>

Note: Inflation adjustment is 2009 chained dollars.
Source: U.S. Bureau of Economic Analysis
Job Growth in New Hampshire

Job Growth and Wages in Highest Growth Sectors
New Hampshire Private Employment Gains of 1,000 or More Between 2008 and 2016, 2016 Wages

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>9,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>Administrative and Waste Services</td>
<td>8,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>7,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>Professional and Technical Services</td>
<td>6,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Educational Services</td>
<td>5,000</td>
<td>$500</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>4,000</td>
<td>$0</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>3,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

Source: Covered Employment and Wages, Economic and Labor Market Information Bureau, New Hampshire Employment Security

Job Growth in New Hampshire

Unemployment Rate
New Hampshire and the United States

Source: U.S. Bureau of Labor Statistics
- New Hampshire
- United States
The Labor Force

Labor Underutilization
Unemployed, Discouraged and Marginally Attached Workers, and Part-Time Employed for Economic (Involuntary) Reasons in New Hampshire and the United States

Year
Source: U.S. Bureau of Labor Statistics
- New Hampshire
- United States

Percentage Unemployed (U6)

0% 2% 4% 6% 8% 10% 12% 14% 16% 18%
The Labor Force

New Hampshire's Labor Force
Monthly Estimates on State Level, Seasonally-adjusted

Note: Axis does not begin at zero.

Month and Year

Note: Estimates based on modeling from several different surveys, historical data, and state unemployment insurance systems. Sources: Local Area Unemployment Statistics, Economic and Labor Market Information Bureau, New Hampshire Employment Security; U.S. Bureau of Labor Statistics
Demographic Projections

Carroll County Population Projections
By Years of Age - Aged 60 Years and Older

Source: September 2016 Projections from the NH Office of Energy and Planning

New Hampshire Fiscal Policy Institute
Housing Constraints

New Hampshire Home Inventory by Price
Multiple Listing Services Home Listings by Price, Twelve-Month Rolling Average

Source: New Hampshire Housing Finance Authority, based on information from the Northern New England Real Estate Network
Household Income – Annual Statewide Data

Median Household Income in New Hampshire

American Community Survey Estimates, Inflation-adjusted

Note: Axis does not begin at zero.

Year of Data Collection

Note: Inflation adjustment is Consumer Price Index-Urban, Northeast.
Sources: U.S. Census Bureau, American Community Survey One-Year Estimates; U.S. Bureau of Labor Statistics

- Median Household Income
- Inflation-adjustment to 2016
Household Income – Five-Year Survey Data

Estimated Median Household Income
Inflation-Adjusted 2016 Dollars

<table>
<thead>
<tr>
<th>Geography</th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hampshire</td>
<td>$70,000</td>
</tr>
<tr>
<td>Carroll County</td>
<td>$55,000</td>
</tr>
<tr>
<td>Conway</td>
<td>$50,000</td>
</tr>
<tr>
<td>Wolfeboro</td>
<td>$75,000</td>
</tr>
<tr>
<td>Wakefield</td>
<td>$45,000</td>
</tr>
<tr>
<td>Ossipee</td>
<td>$40,000</td>
</tr>
<tr>
<td>Moultonborough</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates; inflation-adjustment using CPI-U-RS
Note: Margins of error based on a 90 percent confidence level

2007-2011: Blue bars
2012-2016: Green bars
### Household Income – Five-Year Survey Data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hampshire</td>
<td>$68,988</td>
<td>+/- $551</td>
<td>$68,485</td>
<td>+/- $579</td>
</tr>
<tr>
<td>Carroll County</td>
<td>$53,936</td>
<td>+/- $1,826</td>
<td>$56,289</td>
<td>+/- $2,030</td>
</tr>
<tr>
<td>Conway</td>
<td>$47,689</td>
<td>+/- $5,346</td>
<td>$56,273</td>
<td>+/- $6,072</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

Notes: Margin of error based on a 90 percent confidence level; all figures adjusted for inflation to 2016 dollars defined by the U.S. Census Bureau using CPI-U-RS
Household Income – One-Year Survey Data

Estimated Median Household Income by County
Estimates and Margins of Error for New Hampshire Counties, One-Year Data

County and State
Source: U.S. Census Bureau, American Community Survey, 1-Year Supplemental Estimates
Note: No inflation adjustments; margins of error based on 90 percent confidence levels

2014 2015 2016
<table>
<thead>
<tr>
<th>Selected Family Units</th>
<th>Poverty Thresholds (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person, under age 65</td>
<td>$12,486</td>
</tr>
<tr>
<td>Single person, aged 65 and over</td>
<td>$11,511</td>
</tr>
<tr>
<td>Couple, householder under age 65</td>
<td>$16,072</td>
</tr>
<tr>
<td>Couple, householder aged 65 and older</td>
<td>$14,507</td>
</tr>
<tr>
<td>Single person under 65 with one child</td>
<td>$16,543</td>
</tr>
<tr>
<td>Couple with one child</td>
<td>$19,318</td>
</tr>
<tr>
<td>Single person with two children</td>
<td>$19,337</td>
</tr>
<tr>
<td>Couple under 65 with two children</td>
<td>$24,339</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Poverty – Five-Year Survey Data

Estimated Poverty Rate by Geography
Percentage of All People Living in Poverty

<table>
<thead>
<tr>
<th>Geography</th>
<th>Poverty Rate</th>
<th>Margin of Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hampshire</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Carroll County</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Conway</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates
Note: Margins of error based on 90 percent confidence intervals

2007-2011 2012-2016
Poverty – One-Year Survey Data

Estimated Poverty Rate by County
Estimates and Margins of Error for New Hampshire Counties, One-Year Data

Percent in Poverty

< Margin of Error

County and State
Source: U.S. Census Bureau, American Community Survey, 1-Year Supplemental Estimates
Note: Margins of error based on 90 percent confidence levels

2014  2015  2016
Poverty – One-Year Survey Data

New Hampshire Poverty Rates
Overall, Child, and Senior Poverty Estimates Over Time

Year of Data Collection
Note: Measured as a percentage of the population for whom poverty status could be determined
Source: U.S. Census Bureau, American Community Survey

- Poverty Rate - Under Age 18
- Poverty Rate - Over Age 64
- Overall Poverty Rate
Poverty by Group – Five-Year Survey Data

Estimated Senior Poverty Rate by Geography
Percentage of Those Age 65 Years and Older Living in Poverty

Geography
Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates
Note: Margins of error based on 90 percent confidence intervals

- New Hampshire
- Carroll County
- Conway

< Margin of Error
Estimated Child Poverty Rate by Geography
Percentage of Those Under 18 Years of Age Living in Poverty

Geography
Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates
Note: Margins of error based on 90 percent confidence intervals

- New Hampshire
- Carroll County
- Conway

Margin of Error >
QUESTIONS?
HOW WE FUND PUBLIC SERVICES IN NEW HAMPSHIRE

Presented by Phil Sletten, Policy Analyst

Mount Washington Valley Economic Council
Conway, New Hampshire
April 5, 2018
Public Services Help Ensure Quality of Life
Why “Revenue”? Don’t You Mean Taxes?

- Not all government revenue comes from taxes
- Collections through fees, charges, interest, and programs that sell products or services
- Federal programs, grants, and aid supply a large amount of revenue to the State government directly, also may provide funding for local government initiatives, support for other organizations

**General and Program Revenues**

*New Hampshire, State Fiscal Year (SFY) 2017*

Source: NH Comprehensive Annual Financial Report, SFY 2017

- General (Mostly Tax) Revenues 34.3%
- Program (Non-Tax) Revenues 65.7%
What Revenue Are We Considering?

- The federal government collects revenue that ends up in State coffers, but that is not a focus here

- State Revenue: money collected through New Hampshire state taxation and other sources, including grants from the federal government
  - State tax revenue is usually the least restricted revenue, with federal grant programs and specific State fees more likely to have “strings attached”

- Local Revenue: money collected by New Hampshire counties, school districts, and municipalities (local governments), primarily through property taxes
State Budget Funds

New Hampshire, SFY 2018
Source: Chapter 155, Laws of 2017

General Fund 26.0%
Education Trust Fund 16.3%
Other Funds 19.6%
Federal Funds 29.9%
Sweepstakes Funds 0.2%
Fish and Game Funds 0.2%
Turnpike Funds 2.5%
Highway Funds 4.0%
Liquor Fund 1.2%
General and Education Trust Fund Revenue

SFY 2017 State-Generated Revenue
Source: NH Comprehensive Annual Financial Report, SFY 2017

- Business Profits Tax 16.0%
- Business Taxes Combined 26.5%
- Business Enterprise Tax 10.5%
- Statewide Education Property Tax 15.1%
- Meals and Rentals Tax 13.1%
- Tobacco Tax 9.1%
- Liquor Commission 5.9%
- Real Estate Transfer Tax 5.9%
- Insurance Premium Tax 5.1%
- Interest and Dividends Tax 3.9%
- Lottery Commission 3.0%
- Communications Services Tax 2.0%
- Utility Property Tax 1.7%
- Miscellaneous 8.8%
State Revenue – Two Primary Business Taxes

**Business Profits Tax**
- Tax based on gross business profits, adjustments (BET), and apportionment
- Tax base likely about $4.7 billion
- Funds General Fund and Education Trust Fund
  - 1.5 percentage points of the total rate to the Education Trust Fund
- Rate reductions underway:
  - 8.5% in 2015, 8.2% in 2016, 7.9% in 2018, 7.7% in 2019, 7.5% in 2021

**Business Enterprise Tax**
- Relatively unique among state business taxes, based on compensation, interest, dividends paid or accrued, adjustments, and apportionment
- Broader tax base, likely about $35 billion
  - Funds the Education Trust Fund (0.50 percentage points of total rate) and the General Fund until rate phase-down
- Rate reductions underway:
  - 0.75% in 2015, 0.72% in 2016, 0.675% in 2018, 0.60% in 2019, 0.50% in 2021
## State Revenue – Two Primary Business Taxes

### Business Profits Tax Incidence
**Tax Year 2015 - Filing Businesses**

<table>
<thead>
<tr>
<th>Tax Paid</th>
<th>Number of Businesses by Tax Paid</th>
<th>Percent of Businesses by Tax Paid</th>
<th>Cumulative Number of Businesses by Tax Paid</th>
<th>Cumulative Percent of Business Paid</th>
<th>Revenue by Amount of Tax Paid</th>
<th>Percent of Revenue by Tax Paid</th>
<th>Cumulative Percent of Revenue by Tax Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>53,515</td>
<td>76.2%</td>
<td>70,188</td>
<td>100.0%</td>
<td>$0</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>$1-$500</td>
<td>4,981</td>
<td>7.1%</td>
<td>16,673</td>
<td>23.8%</td>
<td>$839,041</td>
<td>0.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>$500-$1K</td>
<td>1,769</td>
<td>2.5%</td>
<td>11,692</td>
<td>16.7%</td>
<td>$1,292,441</td>
<td>0.3%</td>
<td>99.8%</td>
</tr>
<tr>
<td>$1K-$10K</td>
<td>6,975</td>
<td>9.9%</td>
<td>9,923</td>
<td>14.1%</td>
<td>$25,547,370</td>
<td>6.8%</td>
<td>99.4%</td>
</tr>
<tr>
<td>$10K-$50K</td>
<td>2,093</td>
<td>3.0%</td>
<td>2,948</td>
<td>4.2%</td>
<td>$45,352,344</td>
<td>12.1%</td>
<td>92.6%</td>
</tr>
<tr>
<td>$50K-$100K</td>
<td>341</td>
<td>0.5%</td>
<td>855</td>
<td>1.2%</td>
<td>$24,197,850</td>
<td>6.4%</td>
<td>80.6%</td>
</tr>
<tr>
<td>$100K-$1M</td>
<td>465</td>
<td>0.7%</td>
<td>514</td>
<td>0.7%</td>
<td>$132,834,276</td>
<td>35.4%</td>
<td>74.1%</td>
</tr>
<tr>
<td>&gt;$1M</td>
<td>49</td>
<td>0.1%</td>
<td>49</td>
<td>0.1%</td>
<td>$145,452,507</td>
<td>38.7%</td>
<td>38.7%</td>
</tr>
</tbody>
</table>

**Totals** | 70,188                           | 100.0%                            |                                            |                                   | $375,515,829                  | 100.0%                        |                                             |

*Source: NH Department of Revenue Administration 2017 Annual Report - Draft Data*
# State Revenue – Two Primary Business Taxes

## Business Enterprise Tax Incidence
**Tax Year 2015 - Filing Businesses**

<table>
<thead>
<tr>
<th>Tax Paid</th>
<th>Number of Businesses by Tax Paid</th>
<th>Percent of Businesses by Tax Paid</th>
<th>Cumulative Number of Businesses by Tax Paid</th>
<th>Cumulative Percent of Business by Tax Paid</th>
<th>Revenue by Amount of Tax Paid</th>
<th>Percent of Revenue by Tax Paid</th>
<th>Cumulative Percent of Revenue by Tax Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>34,246</td>
<td>48.8%</td>
<td>70,188</td>
<td>100.0%</td>
<td>$0</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>$1-$500</td>
<td>9,256</td>
<td>13.2%</td>
<td>35,942</td>
<td>51.2%</td>
<td>$1,852,432</td>
<td>0.8%</td>
<td>100.0%</td>
</tr>
<tr>
<td>$500-$1K</td>
<td>6,899</td>
<td>9.8%</td>
<td>26,686</td>
<td>38.0%</td>
<td>$5,176,734</td>
<td>2.4%</td>
<td>99.2%</td>
</tr>
<tr>
<td>$1K-$10K</td>
<td>16,829</td>
<td>24.0%</td>
<td>19,787</td>
<td>28.2%</td>
<td>$49,863,005</td>
<td>22.8%</td>
<td>96.8%</td>
</tr>
<tr>
<td>$10K-$50K</td>
<td>2,388</td>
<td>3.4%</td>
<td>2,958</td>
<td>4.2%</td>
<td>$48,203,176</td>
<td>22.1%</td>
<td>74.0%</td>
</tr>
<tr>
<td>$50K-$100K</td>
<td>307</td>
<td>0.4%</td>
<td>570</td>
<td>0.8%</td>
<td>$21,226,649</td>
<td>9.7%</td>
<td>51.9%</td>
</tr>
<tr>
<td>$100K-$1M</td>
<td>251</td>
<td>0.4%</td>
<td>263</td>
<td>0.4%</td>
<td>$64,080,686</td>
<td>29.3%</td>
<td>42.2%</td>
</tr>
<tr>
<td>&gt;$1M</td>
<td>12</td>
<td>0.0%</td>
<td>12</td>
<td>0.0%</td>
<td>$28,108,681</td>
<td>12.9%</td>
<td>12.9%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>70,188</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>70,188</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$218,511,363</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*Source: NH Department of Revenue Administration 2017 Annual Report - Draft Data*
State Revenue – Other Taxes

Statewide Education Property Tax

- Established in 1999 to support newly created Education Trust Fund, adequate education grants
- Set to raise $363 million in 2005; does not adjust for inflation
- Retained locally, State requires money be raised by local governments

Meals and Rentals Tax

- Tax of 9.0 percent levied on most purchases of food or beverages from restaurants, also on hotel rooms and car rentals
- Growing revenue source in recent years due to growth in tax base and a rate increase during SFY 2010 from previous rate of 8.0 percent
- Funds the General Fund, Education Trust Fund (car rentals portion), certain school building aid, State’s travel and tourism development agency, municipalities
Tobacco Tax
- $1.78 per 20-cigarette pack, adjusted-proportionally for pack size, and 65.03 percent on wholesale price of other tobacco products
- Several rate changes in last 20 years (boosted up to $0.37/pack in 1997)

Real Estate Transfer Tax
- $0.75 per $100 of sale of real estate or interest in real estate
- Levied against buyer and seller for total revenue of $1.50 per $100

Insurance Premium Tax
- 1.25 percent on premiums from insurers, 2 percent on health, accident, and certain life insurance premiums, General and NH Health Protection Program funds

Motor Fuels Tax
- $0.222 per gallon on motor fuels, aviation fuel taxed at different rate, can only be used for highway-related purposes, other restrictions on portions
State Revenue – Other Taxes

Medicaid Enhancement Tax
- 5.25 percent of charges hospitals make for services, $226.6 million in SFY 2017
- Revenues to Uncompensated Care and Medicaid Fund, leverages federal dollars

Interest and Dividends Tax
- Individuals pay 5 percent of interest earned (over at least $2,400 per individual) from interest payments or dividends from certain stock ownership
- Revenues go to General Fund, $94.3 million in SFY 2017

Communications Services Tax
- 7 percent on two-way communications services, not internet, declining revenue

Utility Property Tax
- $6.60 per $1,000 levied on machinery, real estate, structures for electricity, natural gas or petroleum distribution owned by regulated utilities
State Revenue – Enterprise Funds

**Liquor Commission**
- Operates State liquor stores that are sole source for liquor and spirits, while certain wine may be sold from licensed businesses and beer is taxed.
- Pays for its own operations, the Alcohol Abuse Prevention and Treatment Fund, and the General Fund.
- $684.8 million in SFY 2017 generated from sales and services, $4.4 million from licenses; General Fund received $137.7 million plus $12.7 million from beer tax.

**Lottery Commission**
- Sells lottery tickets and oversees taxed racing, charitable gaming, and Keno.
- $304.2 million revenue in SFY 2017, $76.1 million profit to Education Trust Fund.

**Turnpike System**
- Tolls users of three turnpikes to operate, construct, and maintain them.
- $131.4 million from tolling operations in SFY 2017.
State Budget Funds

New Hampshire, SFY 2018
Source: Chapter 155, Laws of 2017

- General Fund: 26.0%
- Other Funds: 19.6%
- Education Trust Fund: 16.3%
- Federal Funds: 29.9%
- Turnpike Funds: 2.5%
- Highway Funds: 4.0%
- Liquor Fund: 1.2%
- Fish and Game Funds: 0.2%
- Sweepstakes Funds: 0.2%
State Revenue – Federal Funds

**Medicaid**

- In all funds (State on-budget, State off-budget, federal), about $2.0 billion in SFY 2016 was Medicaid, approximately 29 percent of all State spending
- Recent proposals at the federal level would have significantly reduced federal contributions, which are a 50%-50% match or better for the State

**Other Program Areas**

- Federal transportation aid
- Education aid – special education, school lunch program, professional development
- Water pollution and infrastructure funds, clean and drinking water programs
- Temporary Assistance for Needy Families
- Food Stamps/SNAP; Women, Infants, and Children Nutrition Program
- Low Income Home Energy Assistance Program, funds State Fuel Assistance Program
- Veterans’ care aid
State Revenue – Federal Funds

Funds Supporting Selected Departments
New Hampshire State Budget, SFY 2018
Source: Chapter 155, Laws of 2017
Local Revenue System – Local Governments

Local governments includes:

■ County governments
  • Sheriff’s departments
  • County nursing homes and long-term care
  • County jails
  • County attorney
  • Register of deeds office
  • Unincorporated townships

■ School districts

■ Municipal governments (town and city)
Local Revenue System – Sources

- Grants from other levels of governments (state and federal)
- Fees, grants, or gifts
- However, only viable tax option is the property tax

The Local Property Tax

- 99 percent of all local tax revenue
- 60 percent of all local revenue, including grants from State and federal government, school lunches, etc.
- $3.1 billion dollars in tax year 2016
- About 90 percent of property taxes paid in NH are local taxes
## Local Revenue System – Reliance on the Property Tax

### Property Tax as a Percentage of All Local Tax Revenue

*Fiscal Year 2015*

<table>
<thead>
<tr>
<th>State</th>
<th>Estimated Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Highest</strong></td>
<td></td>
</tr>
<tr>
<td>New Hampshire</td>
<td>99%</td>
</tr>
<tr>
<td>Maine</td>
<td>99%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>98%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>98%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>98%</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td><strong>72%</strong></td>
</tr>
<tr>
<td><strong>Lowest</strong></td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>56%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>53%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>46%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>43%</td>
</tr>
<tr>
<td>Alabama</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2015 Annual Surveys of State and Local Government Finances
Overall New Hampshire Revenue System Leans Heavily on the Property Tax

<table>
<thead>
<tr>
<th>State</th>
<th>Estimated Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hampshire</td>
<td>66%</td>
</tr>
<tr>
<td>Alaska</td>
<td>57%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>46%</td>
</tr>
<tr>
<td>Vermont</td>
<td>44%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>43%</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td><strong>31%</strong></td>
</tr>
<tr>
<td>Arkansas</td>
<td>18%</td>
</tr>
<tr>
<td>Delaware</td>
<td>18%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>18%</td>
</tr>
<tr>
<td>Alabama</td>
<td>17%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2015 Annual Surveys of State and Local Government Finances
## New Hampshire’s Revenue System Among Higher Per Capita Tax From Property Taxes

### State and Local Property Tax Revenue Per Capita

*Fiscal Year 2015*

<table>
<thead>
<tr>
<th>State</th>
<th>Estimated Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Highest</strong></td>
<td></td>
</tr>
<tr>
<td>New Jersey</td>
<td>$3,082</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>$3,055</td>
</tr>
<tr>
<td>Connecticut</td>
<td>$2,851</td>
</tr>
<tr>
<td>New York</td>
<td>$2,704</td>
</tr>
<tr>
<td>Vermont</td>
<td>$2,542</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>$1,521</td>
</tr>
<tr>
<td><strong>Lowest</strong></td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>$781</td>
</tr>
<tr>
<td>New Mexico</td>
<td>$772</td>
</tr>
<tr>
<td>Arkansas</td>
<td>$699</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$679</td>
</tr>
<tr>
<td>Alabama</td>
<td>$540</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2015 Annual Surveys of State and Local Government Finances
Local Property Taxes in New Hampshire

New Hampshire Total Local Property Tax Commitment

Tax Year, Inflation-Adjusted Dollars

Tax Year (April 1 of Calendar Year)

Note: Inflation-adjustment based on the second half of same numbered calendar year
Sources: NH Department of Revenue Administration;
Businesses Feel The Property Tax

Taxes Paid by Businesses

*New Hampshire State and Local Taxes, Fiscal Year 2016*


- Property Taxes, 52.5%
- BPT and BET, 22.4%
- Excise Taxes, 13.9%
- Unemployment Insurance Tax, 2.3%
- License and other taxes, 8.6%
- Interest and Dividends Tax, 0.3%
State Funding For Local Governments - Education-Related Aid

Education Aid To Local Governments
New Hampshire State Budget Inflation-Adjusted Dollars
Source: Office of Legislative Budget Assistant, Budget Orientation, January 2017

 Millions of SFY 2016 Dollars

<table>
<thead>
<tr>
<th>State Fiscal Year</th>
<th>Other Education Aid</th>
<th>Adequate Education Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1,100</td>
<td>$1,100</td>
</tr>
<tr>
<td>2008</td>
<td>$1,200</td>
<td>$1,200</td>
</tr>
<tr>
<td>2009</td>
<td>$1,300</td>
<td>$1,300</td>
</tr>
<tr>
<td>2010</td>
<td>$1,300</td>
<td>$1,300</td>
</tr>
<tr>
<td>2011</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
<tr>
<td>2012</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
<tr>
<td>2013</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
<tr>
<td>2014</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
<tr>
<td>2015</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
<tr>
<td>2016</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
</tbody>
</table>
State Funding For Local Governments – Non-Education Aid

Non-Education Aid to Local Governments
New Hampshire State Budget Inflation-Adjusted Dollars
Source: Office of Legislative Budget Assistant, Budget Orientation, January 2017

Millions of SFY 2016 Dollars

State Fiscal Year

- Environmental
- Tax Revenue Sharing
- Retirement Normal Contribution, Police And Fire
- Highway

New Hampshire Fiscal Policy Institute
State Funding For Local Governments

A Connection Between Local Property Tax Increases and State Budget Decisions?

- Local property tax rates depend on many factors
- However, a logical connection exists
- Federal budget decisions could affect your local property tax bill if changes are made that influence State policymaker decisions on aid to local governments
Additional NHFPI Resources


- NHFPI Common Cents blog: [http://nhfpi.org/commoncents](http://nhfpi.org/commoncents)

- NHFPI NH State Budget page: [http://nhfpi.org/resources/nh-state-budget](http://nhfpi.org/resources/nh-state-budget)
THANK YOU FOR YOUR TIME

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