



THE NEW HAMPSHIRE ECONOMY AND FUNDING FOR PUBLIC SERVICES

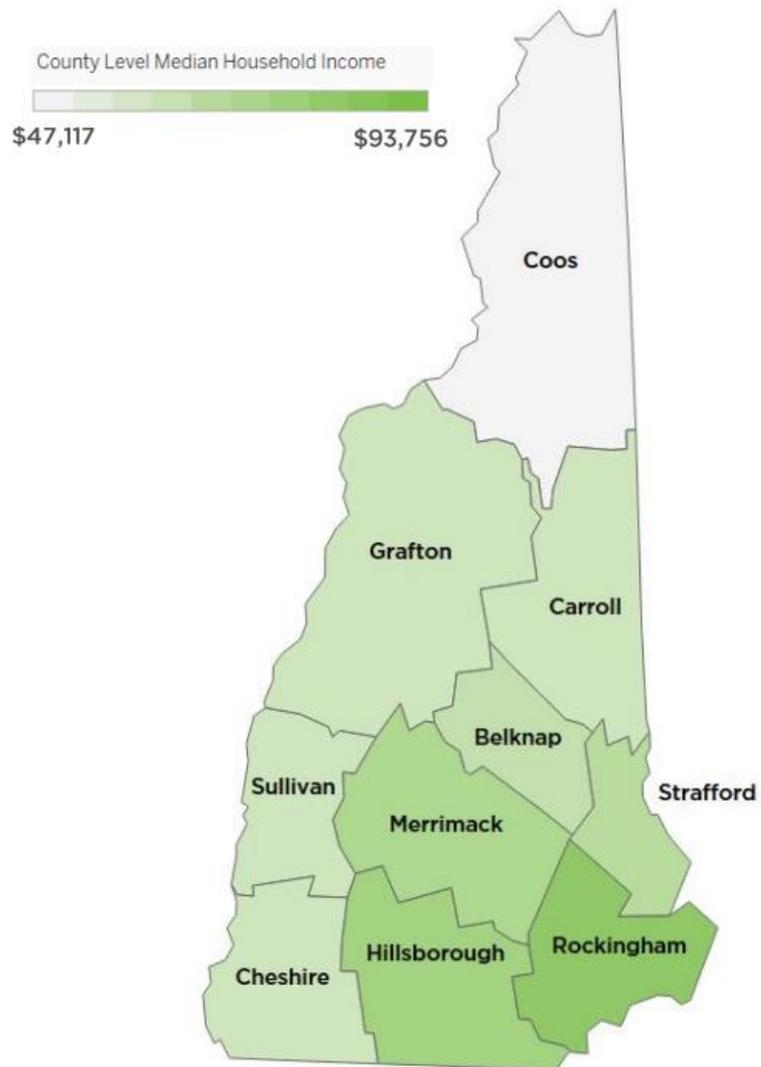
PRESENTED BY PHIL SLETTEN, SENIOR POLICY ANALYST

NEW LEADERS COUNCIL-NEW HAMPSHIRE
FEBRUARY 26, 2022

**PART ONE:
THE NEW HAMPSHIRE ECONOMY,
BEFORE AND DURING
THE COVID-19 PANDEMIC**

NEW HAMPSHIRE COUNTIES

MEDIAN HOUSEHOLD INCOME 2015-2019 ESTIMATES, NEW HAMPSHIRE COUNTIES



Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2015-2019

HIGHEST MEDIAN HOUSEHOLD INCOMES CLOSER TO BOSTON METRO AREA

ESTIMATED MEDIAN HOUSEHOLD INCOMES RELATIVE TO STATEWIDE MEDIAN BY MUNICIPALITY

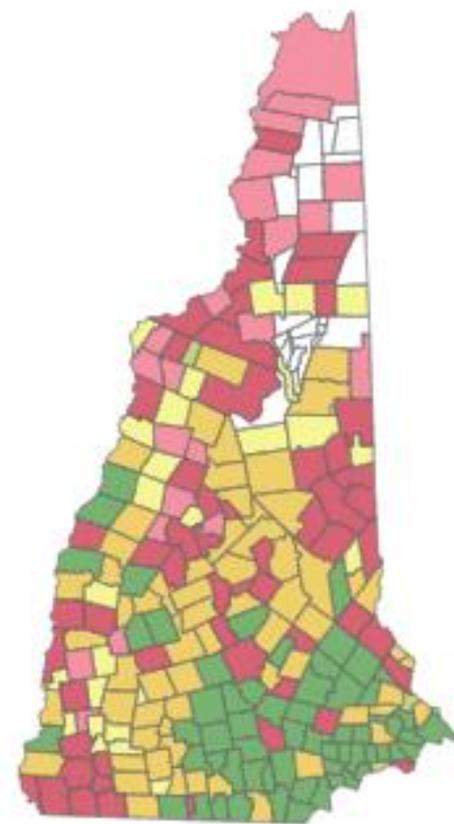
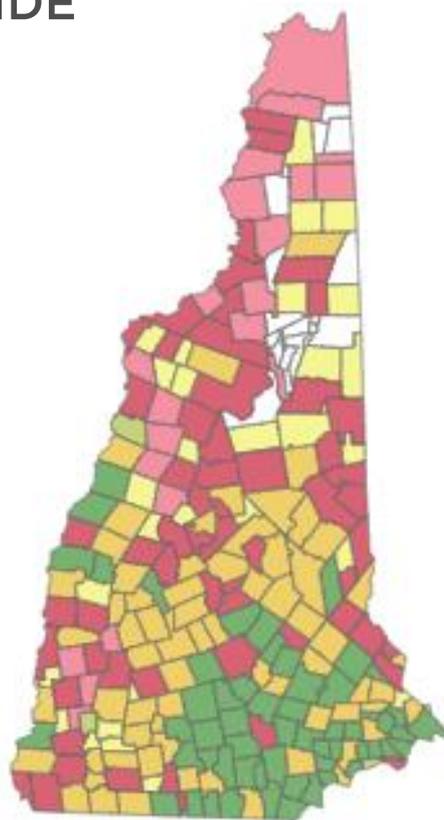
2007-2011

2012-2016

Comparison to State Estimate

Statistical Significance measured at 90% confidence level

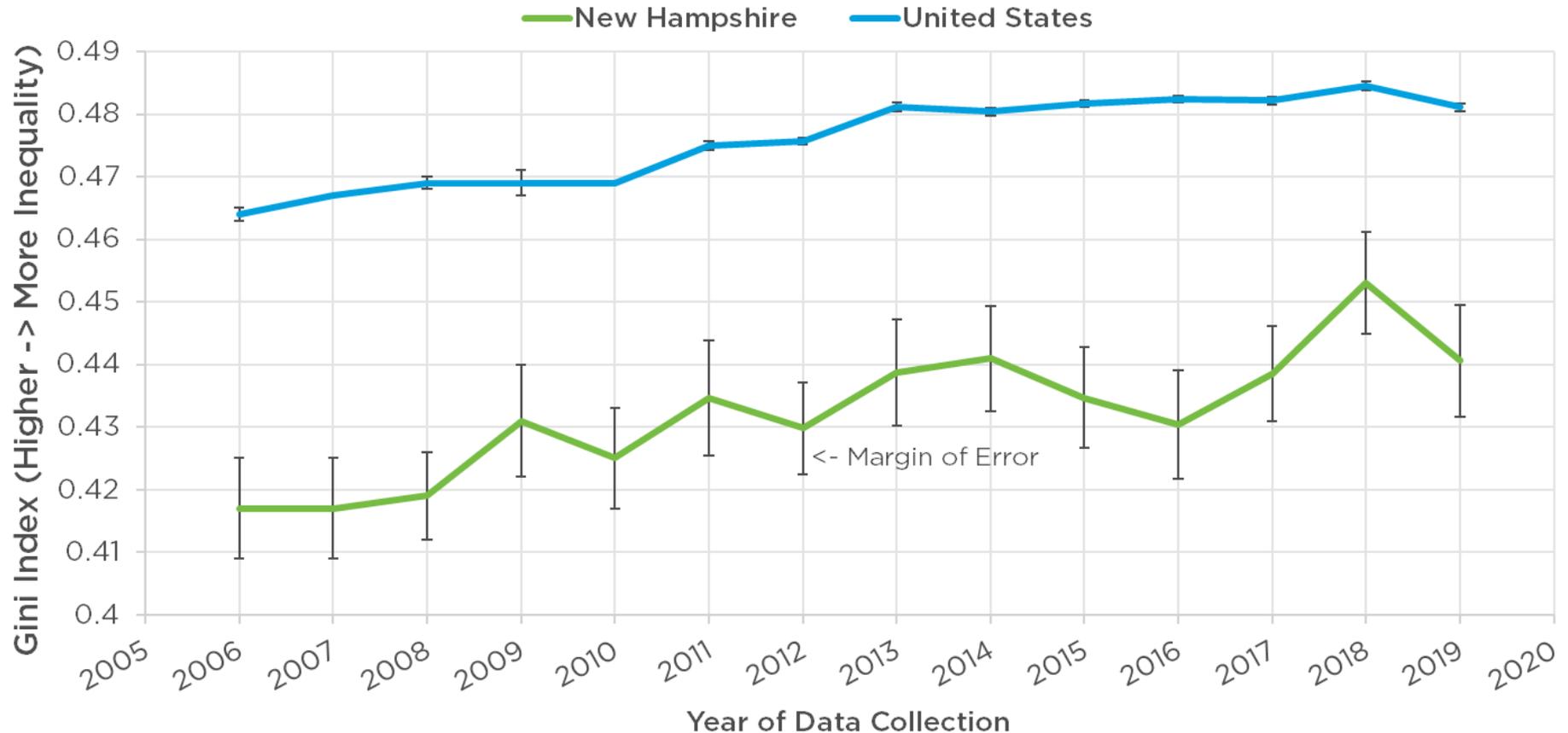
- Statistically Significantly Below, Population Below 1,000
- Statistically Significantly Below, Population Above 1,000
- Statistically Significantly Above, Population Below 1,000
- Statistically Significantly Above, Population Above 1,000
- No Statistically Significant Difference, Population Below 1,000
- No Statistically Significant Difference, Population Above 1,000



Source: U.S. Census Bureau, American Community Survey

UPWARD TREND IN INEQUALITY

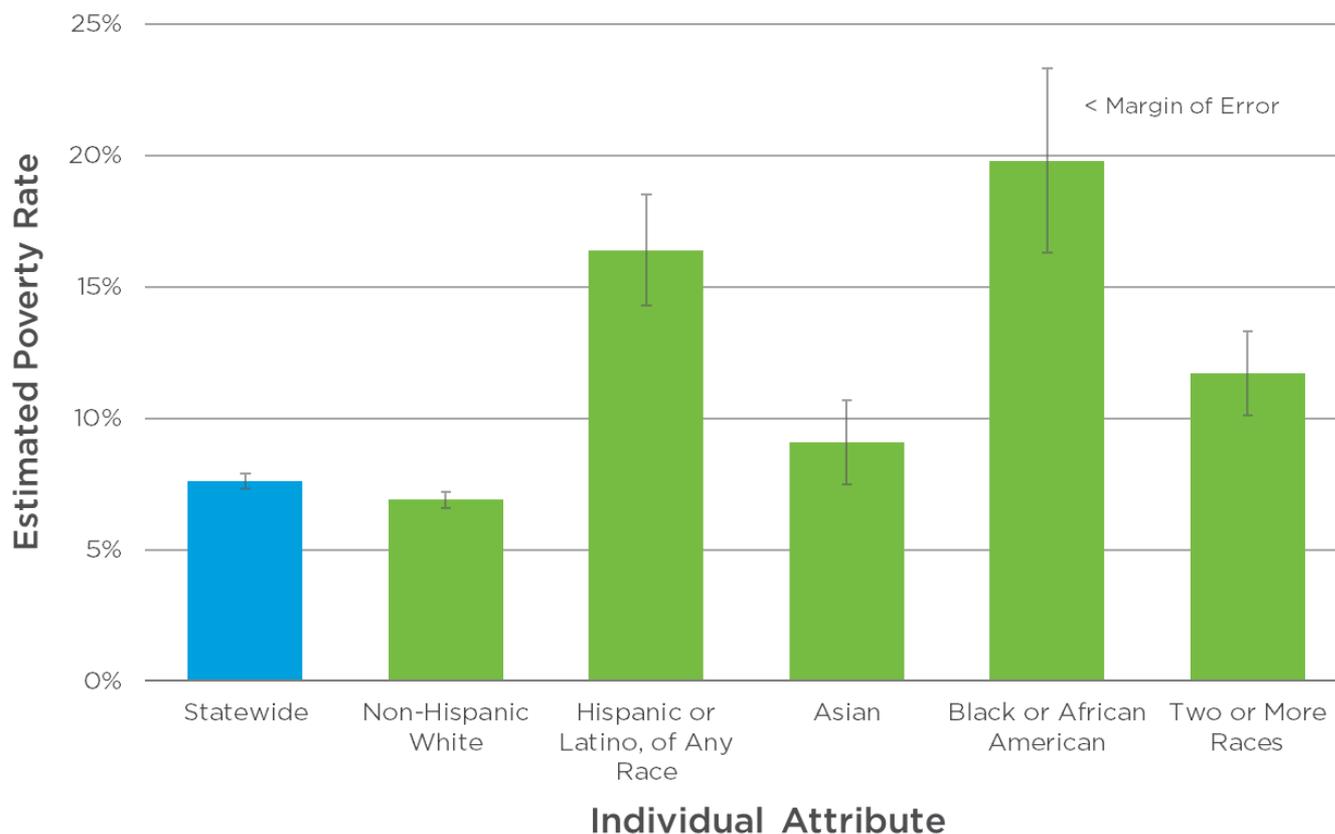
GINI INDEX OF INCOME INEQUALITY BETWEEN HOUSEHOLDS IN NEW HAMPSHIRE AND THE UNITED STATES



Note: Margins of Error represent 90 percent confidence intervals
Source: U.S. Census Bureau, American Community Survey, One-Year Estimates

CERTAIN RACIAL AND ETHNIC GROUPS HAVE MUCH HIGHER POVERTY RATES

INDIVIDUAL POVERTY RATES BY SELECTED GROUP 2015-2019 ESTIMATES, NEW HAMPSHIRE



Poverty Thresholds, 2019 Annual Income:

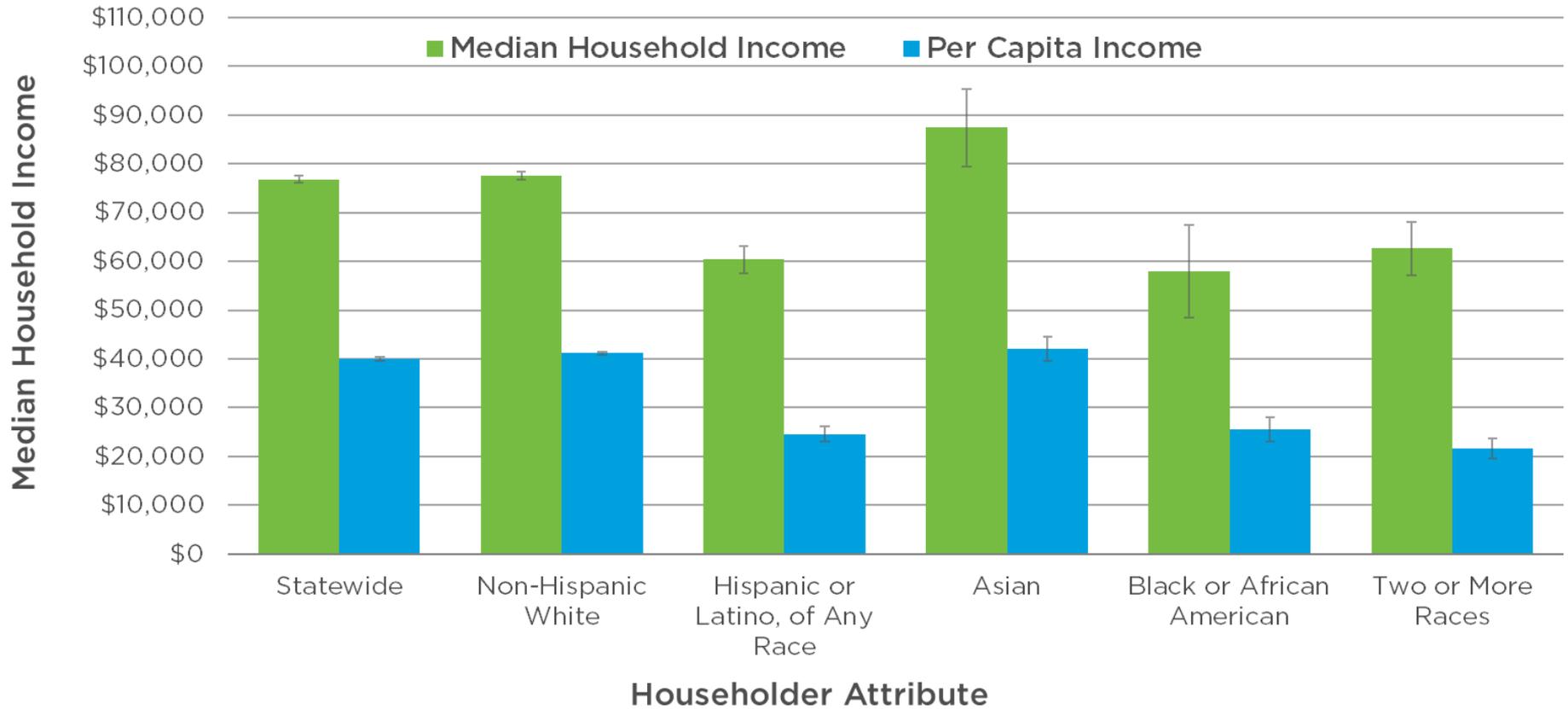
- Single Adult Under 65 Years Old: **\$13,300**
- One Adult Under 65 with One Child: **\$17,622**
- Two Adults with One Child: **\$20,578**
- Two Adults with Two Children: **\$25,926**

Notes: Margin of error bars represent 90 percent confidence intervals, Hispanic origin included in non-white races
Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2015-2019

Source: U.S. Census Bureau

INCOMES VARY BY POPULATION GROUP

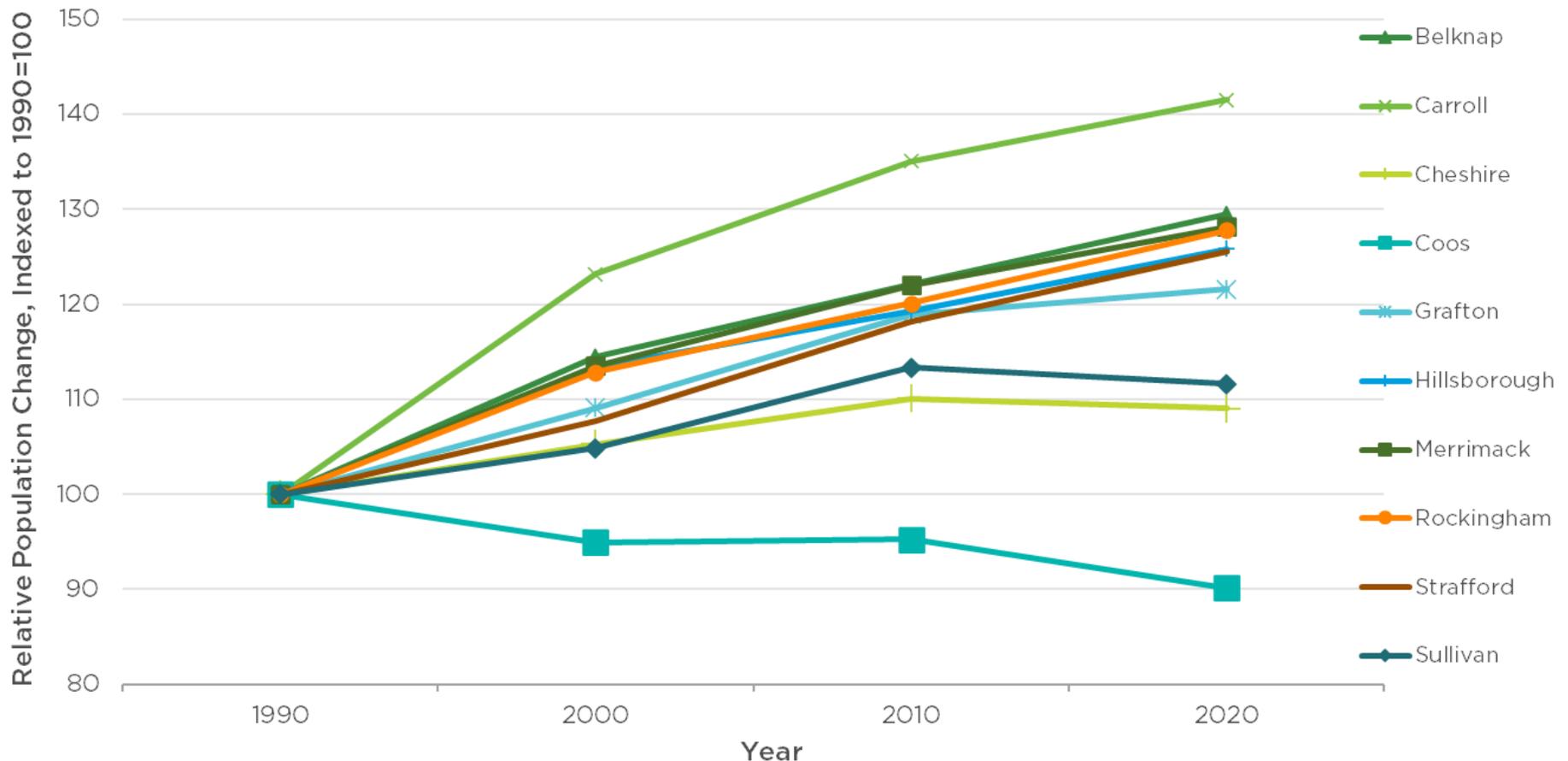
MEDIAN HOUSEHOLD AND PER CAPITA INCOME BY RACE AND ETHNICITY, 2015-2019 ESTIMATES, NEW HAMPSHIRE



Notes: Margin of error bars represent 90 percent confidence intervals, Hispanic origin included in non-white races
Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2015-2019

MOST COUNTY POPULATIONS HAVE GROWN RELATIVE TO 1990

RELATIVE POPULATION CHANGE BY NEW HAMPSHIRE COUNTY



Source: U.S. Census Bureau, Decennial Census

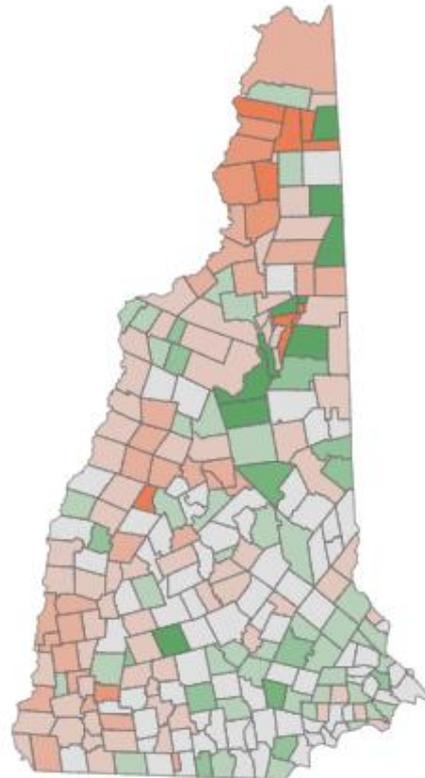
POPULATION GROWTH FASTER IN SOUTHEAST, RECREATION AREAS

PERCENT POPULATION CHANGE BY MUNICIPALITY

New Hampshire, 2010 to 2020,

Shading Relative to Statewide Growth Rate

Source: U.S. Census Bureau, Decennial Census Counts

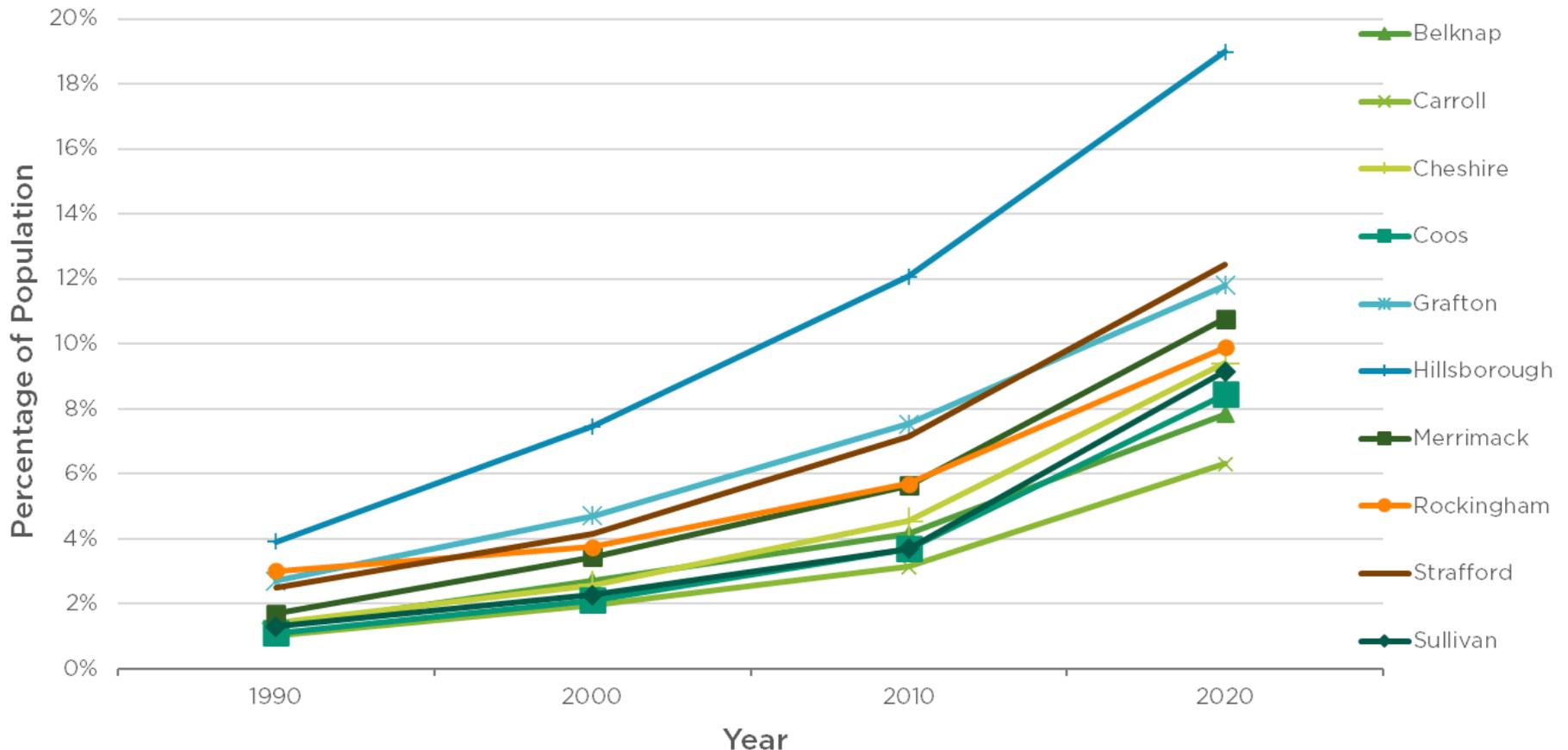


Population Change
Relative to Statewide
Growth

More Than 20% = ■
Less Than -20% = ■

INCREASING RACIAL AND ETHNIC DIVERSITY IN ALL COUNTIES

PERCENTAGE OF COUNTY POPULATION IDENTIFYING AS A MEMBER OF A RACIAL OR ETHNIC MINORITY GROUP IN NEW HAMPSHIRE



Source: U.S. Census Bureau, Decennial Census

IMPACTS OF PANDEMIC ON HOUSEHOLD SAVINGS AND ASSETS UNEVEN

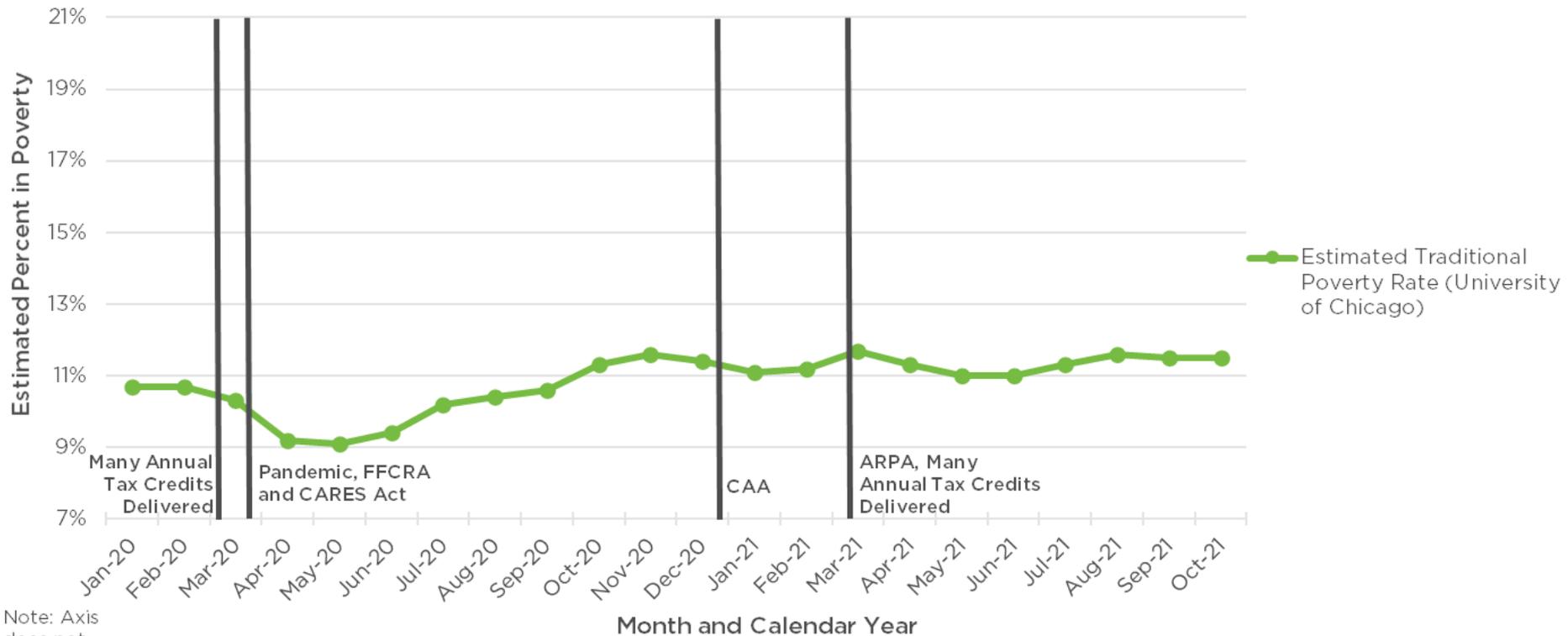
- Federal Reserve System Board of Governors: “...financial challenges in 2020 were uneven, and frequently left those who entered the year with fewer resources further behind.”¹
- In November 2020, about one in four U.S. adults said they were worse off financially than they were a year earlier¹
- Share with a bachelor’s degree at least “doing okay” financially was 89%, compared to 45% for adults with less than a high school degree; at least “doing ok” 80% for white adults, 64% for both Black and Hispanic adults¹
- 38% of households reported serious financial problems in mid-2021 (59% for those with below \$50,000 per year in income), and 19% reported losing all savings during pandemic and not having any more (30% for less than \$50,000 per year)²

1. U.S. Federal Reserve System Board of Governors, Report on the Economic Well-Being of U.S. Households in 2020, May 2021

2. Harvard T.H. Chan School of Public Health, Robert Wood Johnson Foundation, NPR, Household Experiences in American During the Delta Variant Outbreak, survey conducted in August-September 2021, published October 2021

FEDERAL POLICY RESPONSE TO PANDEMIC APPEARED TO LIMIT POVERTY

ESTIMATED MONTHLY U.S. POVERTY RATE AND SUPPLEMENTAL POVERTY MEASURE, WITH AND WITHOUT PANDEMIC LEGISLATION

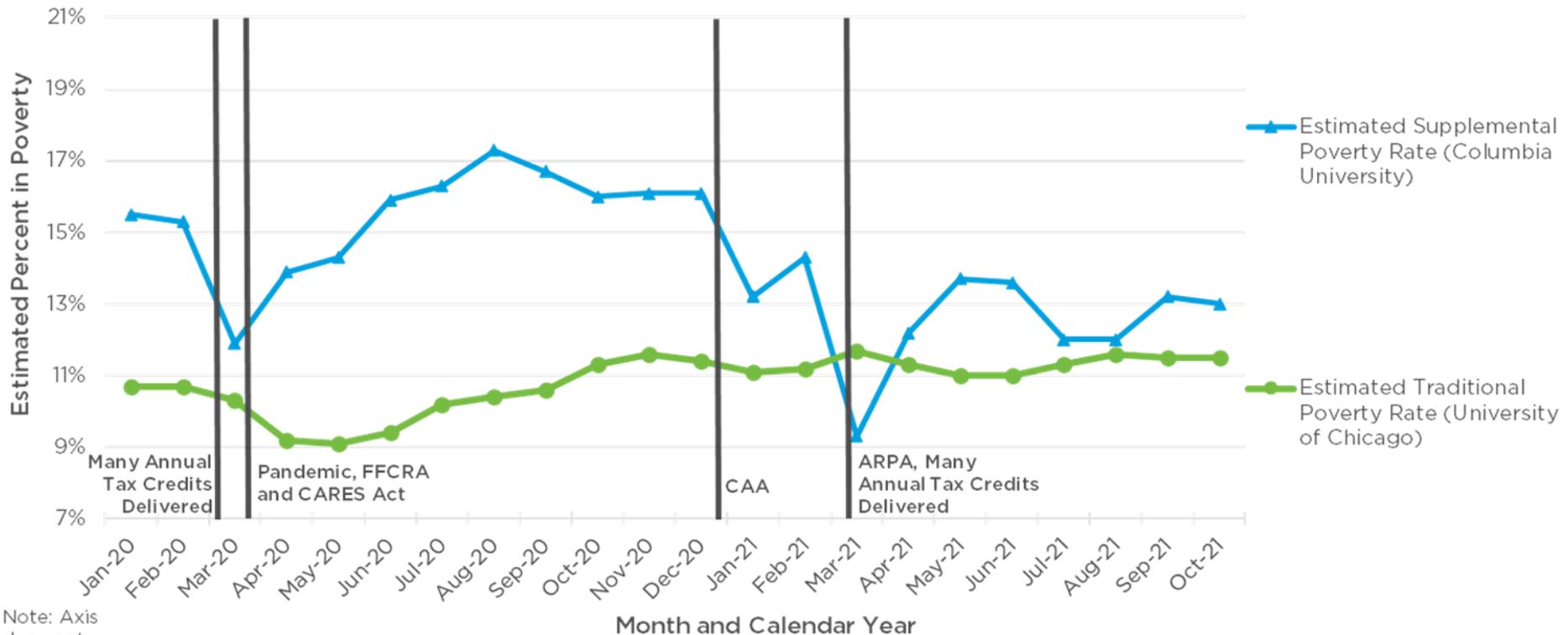


Note: Axis does not begin at zero.

Notes: FFCRA refers to the FamiliesFirst Coronavirus Response Act. CARES Act is the Coronavirus Aid, Relief, and Economic Security Act. CAA refers to the Consolidated Appropriations Act of 2021. ARPA refers to the American Rescue Plan Act.
 Sources: "Near Real Time COVID-19 Income and Poverty Dashboard," University of Chicago and Notre Dame, based on Han, Meyer, and Sullivan (2020), December 13, 2020; "Monthly Poverty," Center on Poverty and Social Policy at Columbia University, based on Parolin, Curran, Matsudaira, Waldfogel, and Wimer (2020), December 13, 2021.

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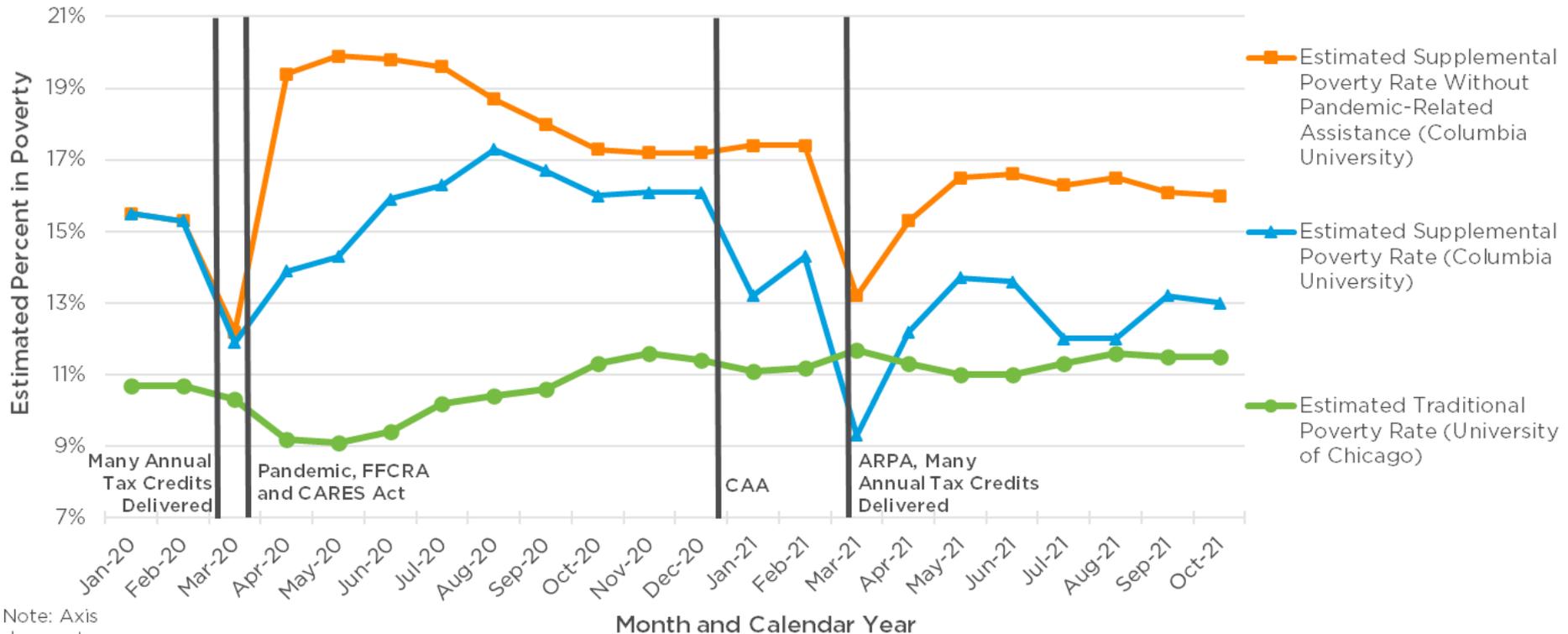


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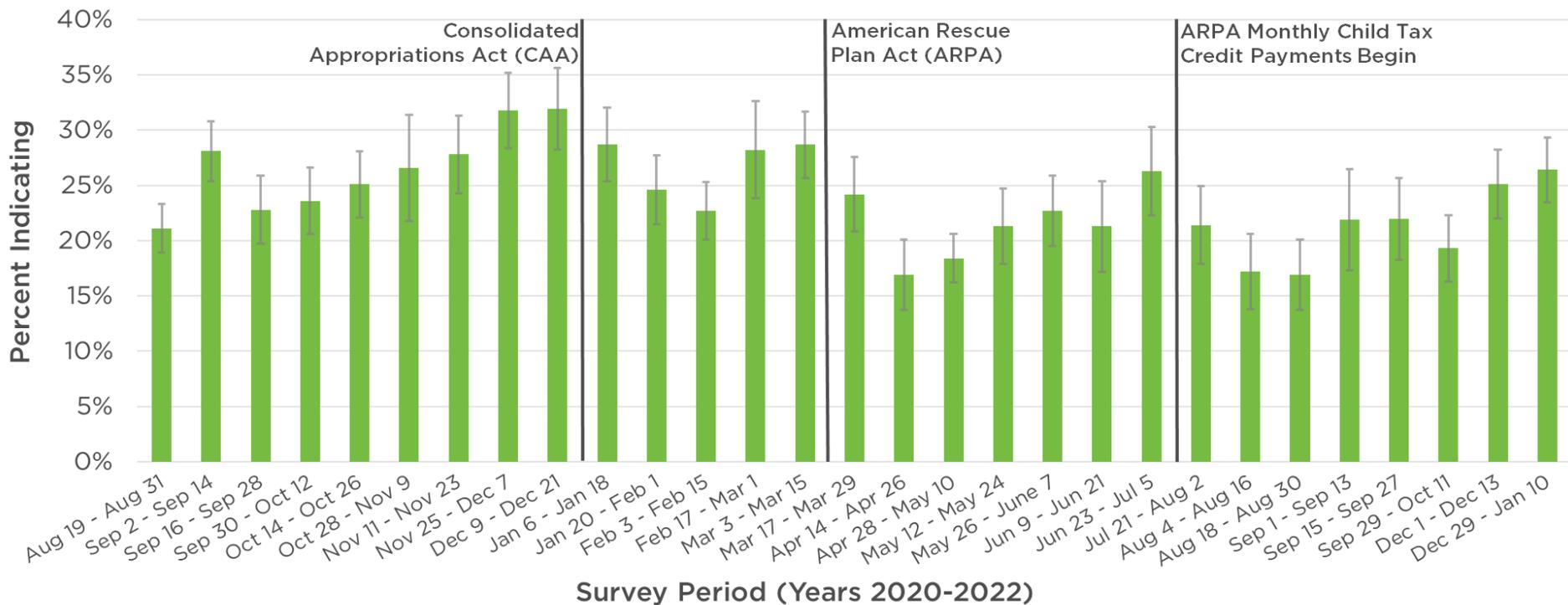
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POLICY RESPONSE APPEARED TO REDUCE HARDSHIP IN NEW HAMPSHIRE

PERCENTAGE OF ADULTS LIVING IN HOUSEHOLDS WHERE IT HAS BEEN SOMEWHAT OR VERY DIFFICULT TO PAY FOR USUAL HOUSEHOLD EXPENSES DURING THE LAST SEVEN DAYS IN NEW HAMPSHIRE



Note: Margin of error bars represent 90 percent confidence intervals
 Source: U.S. Census Bureau, 2020-2022 Household Pulse Survey, accessed January 31, 2022

FEDERAL FISCAL STIMULUS WAS EFFECTIVE

RETURNS ON INVESTMENT FROM CERTAIN POLICIES

Fiscal Stimulus Multipliers, 2021

Estimates of Change in Size of the Economy (Gross Domestic Product) in the Fourth Quarter of 2021 for Each \$1.00 Change in Selected Federal Expenditure or Tax Changes in the First Quarter of 2021

Selected Policy Change Analyzed	Economic Growth Per \$1 Invested
Supplemental Nutrition Assistance Program Benefits	\$1.61
Supplemental Unemployment Insurance	\$1.49
Work-Share Unemployment Insurance	\$1.37
Aid to State and Local Governments	\$1.34
Low Income Home Energy Assistance Program (LIHEAP)	\$1.31
Transportation Infrastructure Spending	\$1.29
Earned Income Tax Credit	\$1.27
Child Tax Credit	\$1.25
Childcare (Universal Child Care Act)	\$1.19
Universal Pre-Kindergarten	\$1.17
Care for Older Adults	\$1.15
Economic Impact Payments	\$1.09
Payroll Tax Holiday for Employees	\$1.07
Payroll Tax Holiday for Employers	\$0.95
Personal Income Tax Rate	\$0.88
Student Loan Debt Forgiveness	\$0.65
Dividend and Capital Gain Tax Rate Reduction	\$0.38
Corporate Tax Rate Reduction	\$0.32
Net Operating Losses	\$0.24

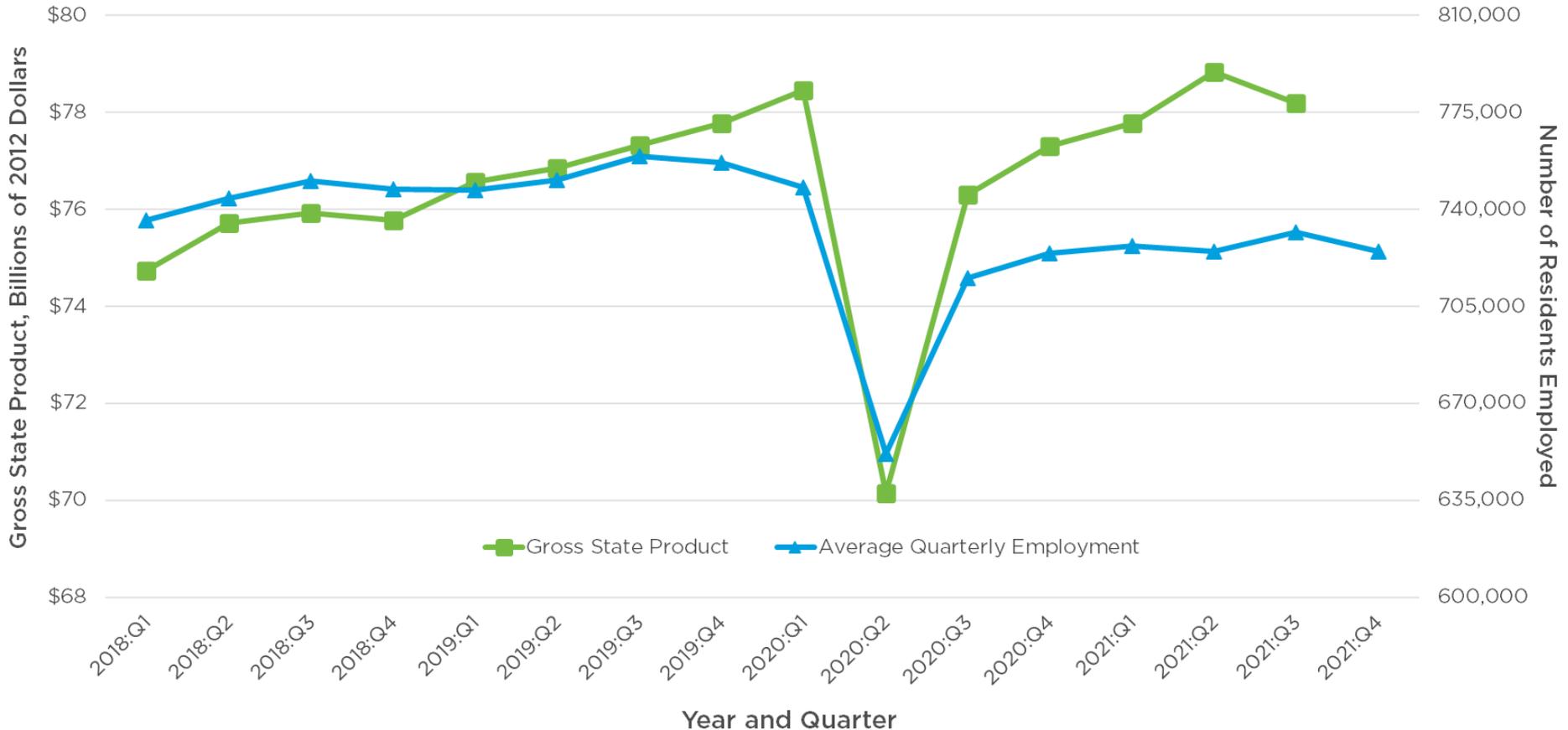
Note: Evaluated relative to the parameters of the federal 2021 American Rescue Plan Act as proposed in January 2021.

Source: Moody's Analytics, *The Biden Fiscal Rescue Package: Light on the Horizon*, January 15, 2021

STATE ECONOMY RECOVERING, BUT EMPLOYMENT REMAINS LOWER

NEW HAMPSHIRE'S ECONOMY AND EMPLOYMENT

Inflation-Adjusted Quarterly Gross State Product and Three-Month Averages of Employment

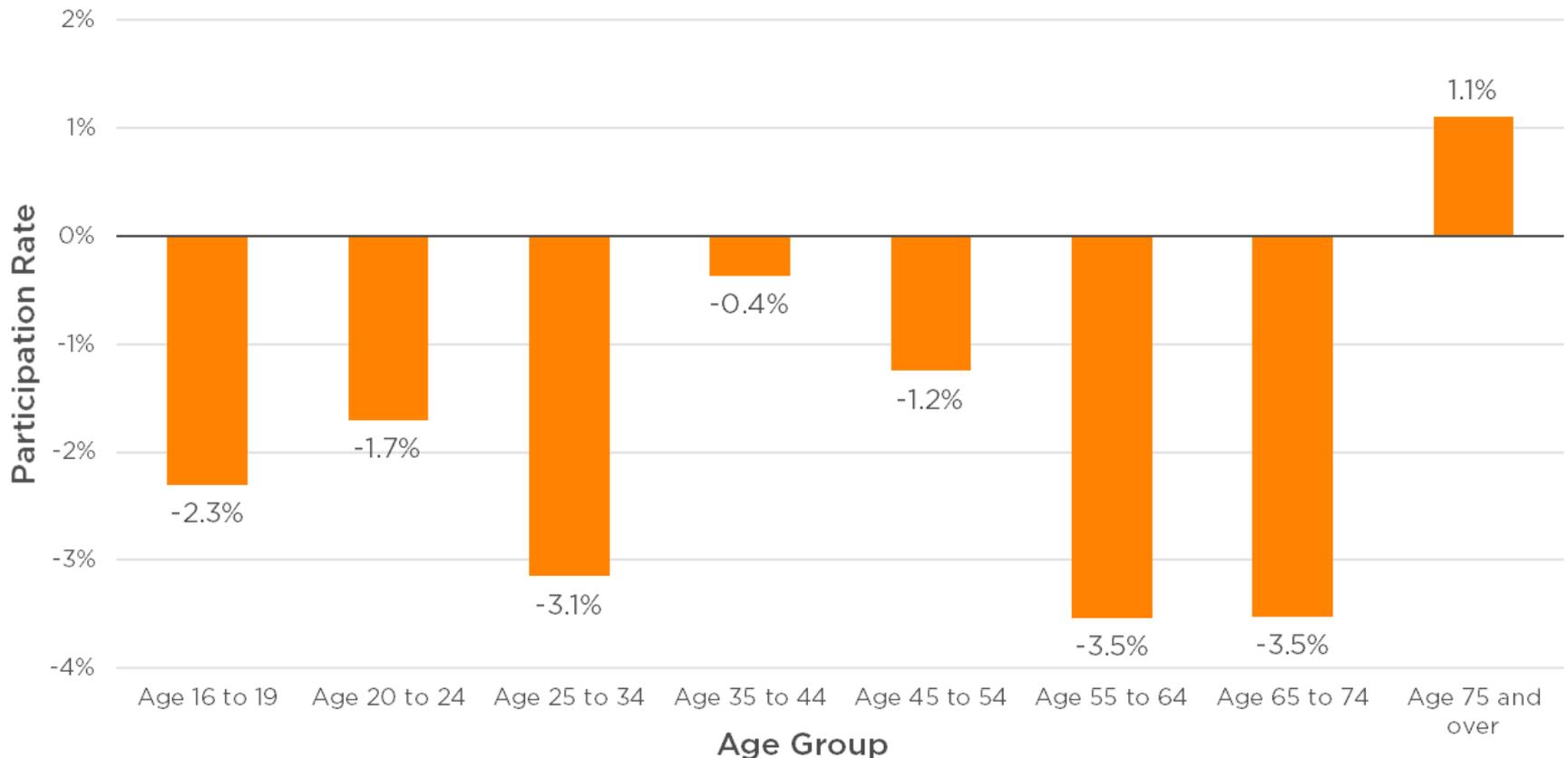


Sources: U.S. Bureau of Economic Analysis, New Hampshire Employment Security

OLDER AND YOUNGER ADULTS MORE LIKELY TO HAVE LEFT LABOR FORCE

CHANGE IN LABOR FORCE PARTICIPATION RATES BY AGE

New Hampshire, Change from 2019 to 2021

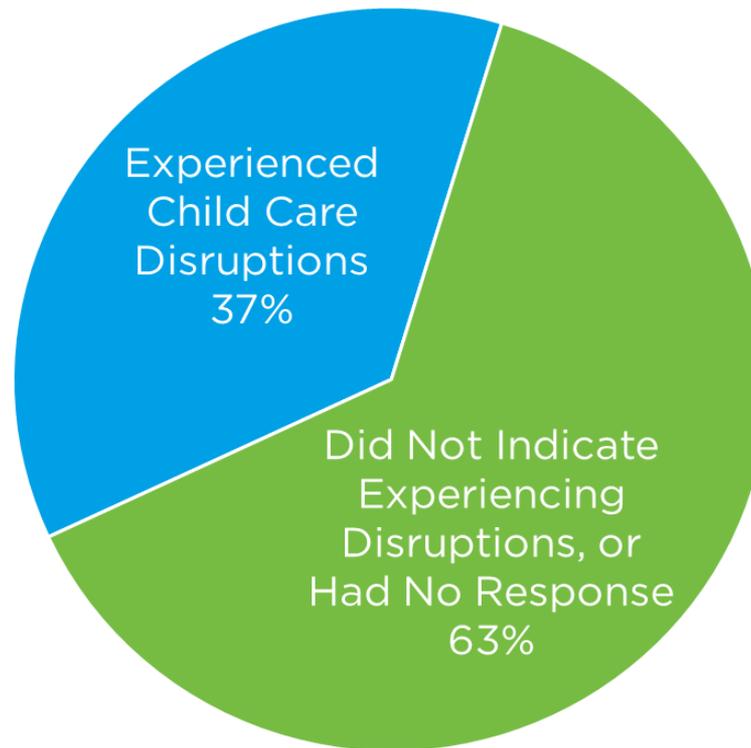


Source: New Hampshire Employment Security

LACK OF CHILD CARE ACCESS SLOWS THE RECOVERY

CHILD CARE DISRUPTIONS FOR YOUNG CHILDREN

Percentage of New Hampshire Adults in Households
Where Children Under 5 Were Unable to Attend Child
Care Arrangements in the Last 4 Weeks

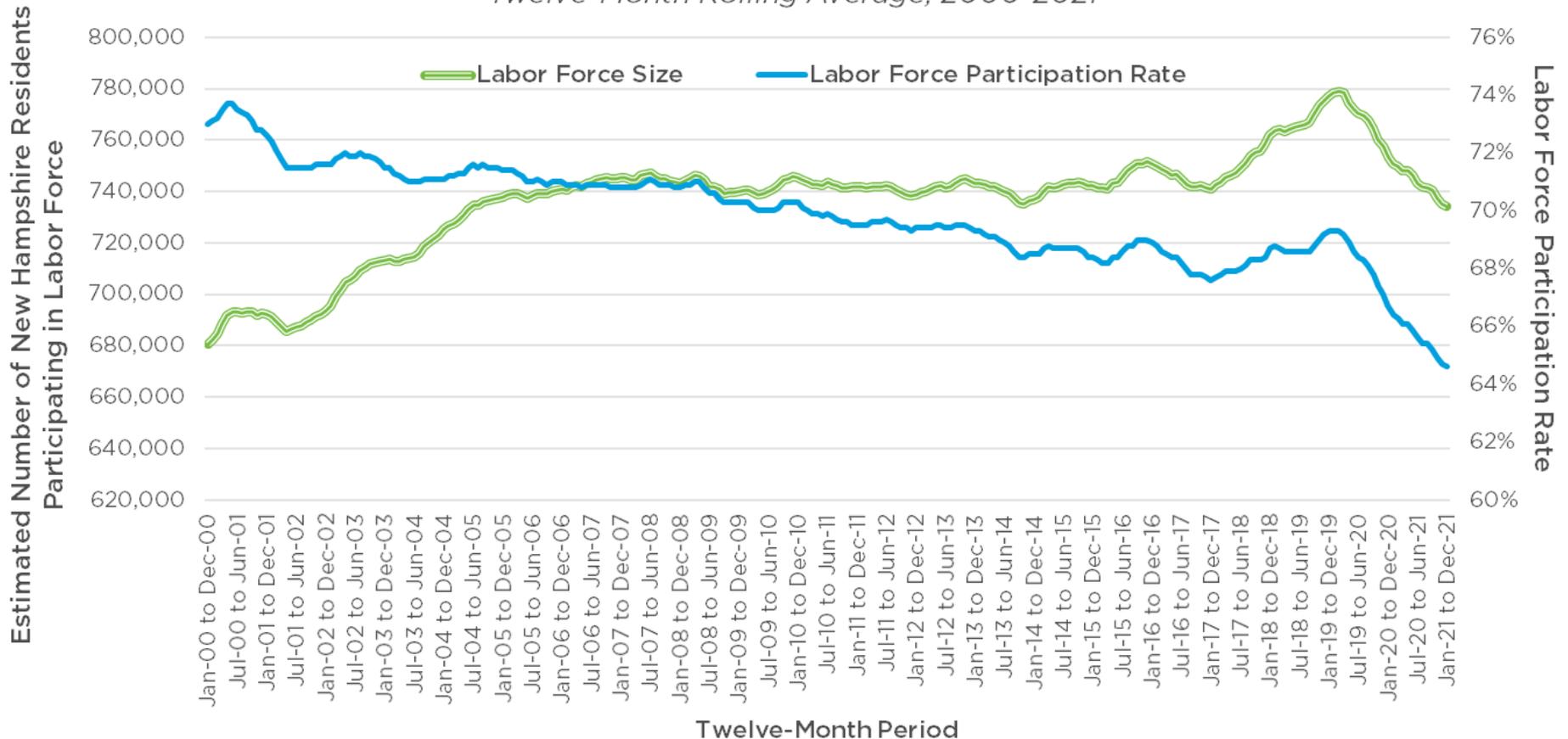


Note: Average of survey response results from September 1, 2021 to January 10, 2022.
Source: U.S. Census Bureau, Household Pulse Survey, accessed January 30, 2022

PANDEMIC MAY HAVE ACCELERATED A LONG-TERM LABOR FORCE DECLINE

NEW HAMPSHIRE'S LABOR FORCE SIZE AND PARTICIPATION RATE

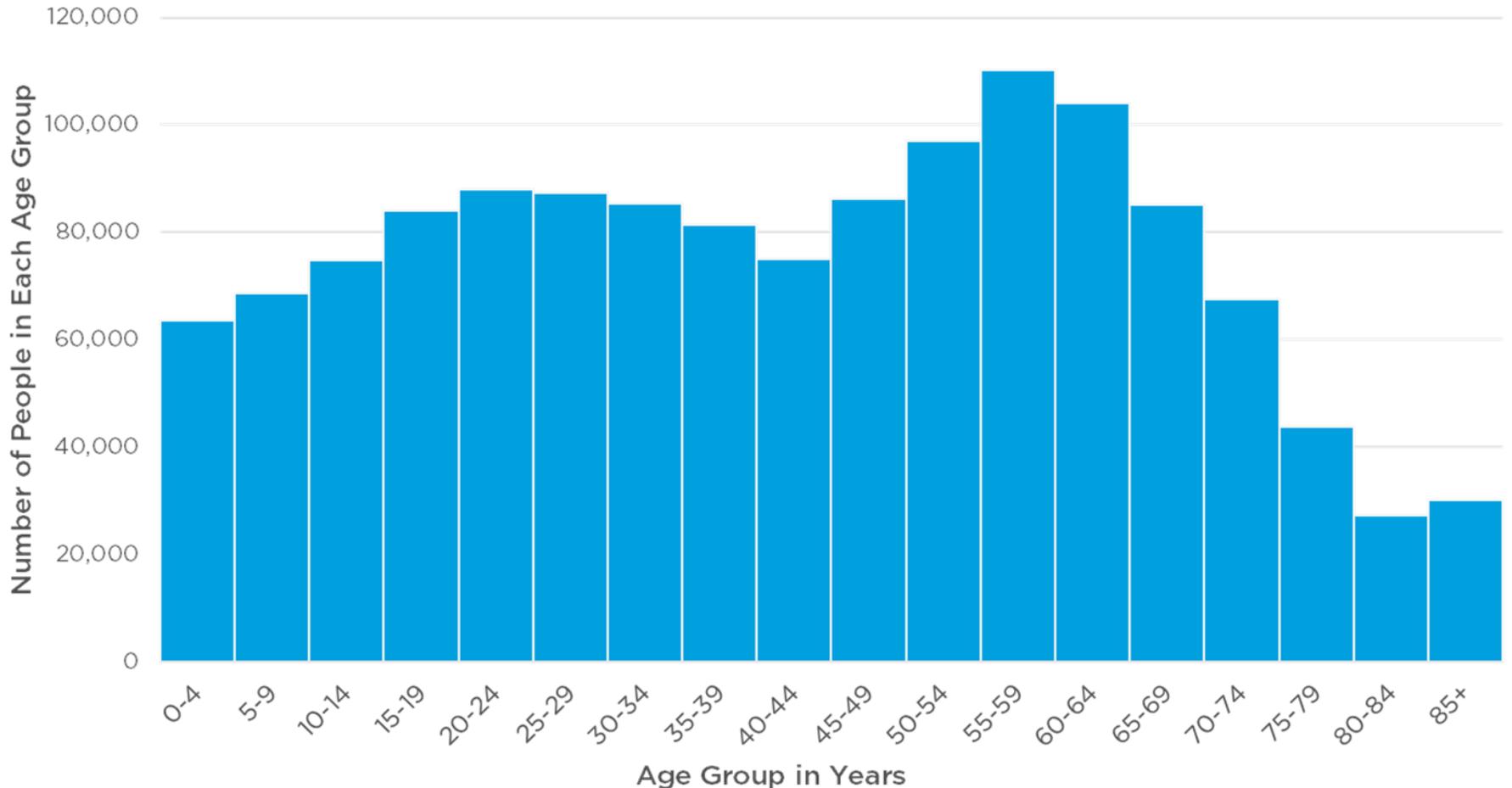
Twelve-Month Rolling Average, 2000-2021



Source: New Hampshire Employment Security, Unpublished Current Population Survey Data

LONG-TERM LABOR FORCE DECLINE FUELED BY AGE DEMOGRAPHICS

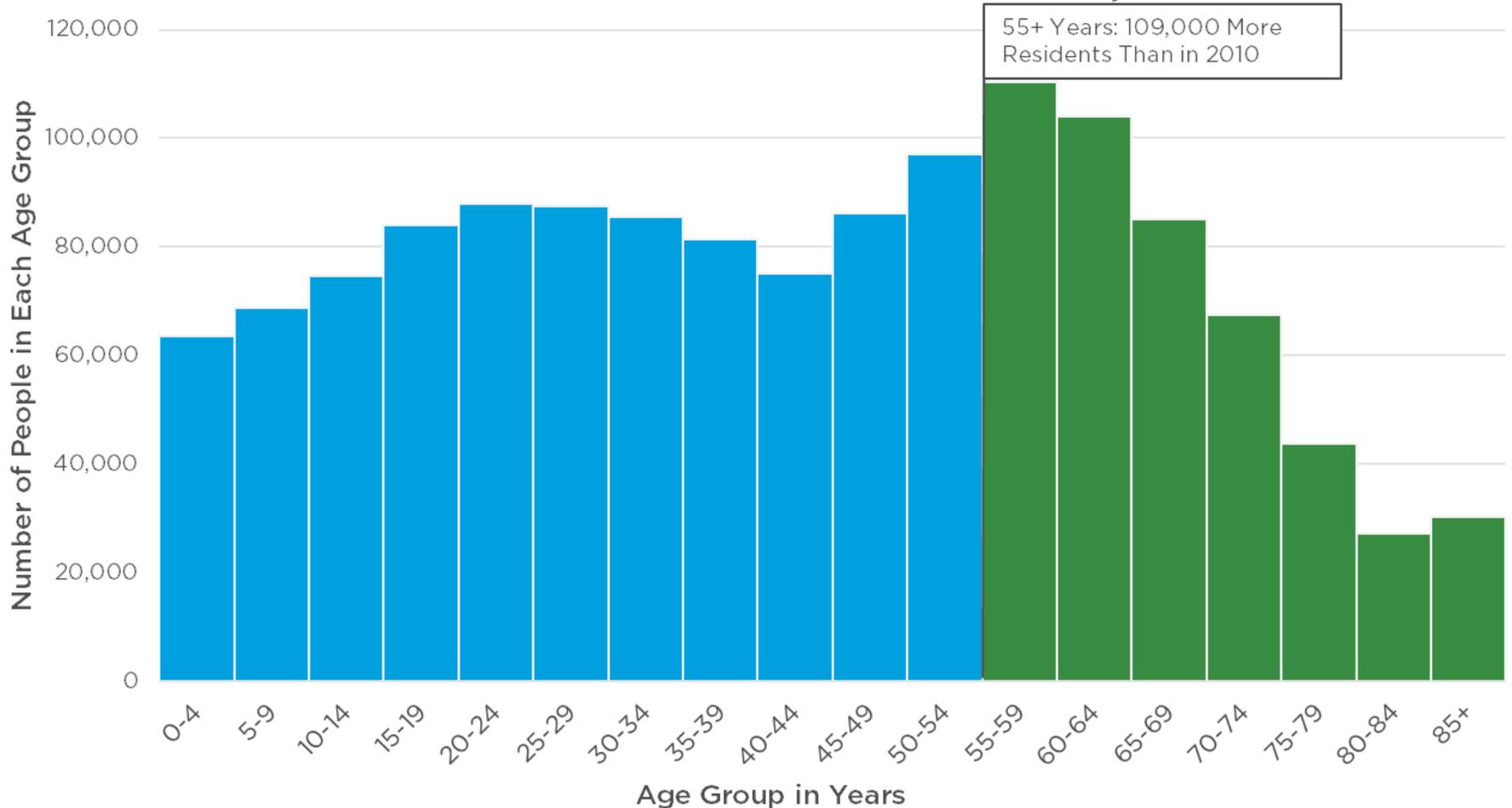
NEW HAMPSHIRE DEMOGRAPHICS BY AGE, 2019



Source: U.S. Census Bureau Population Estimates Program, July 1 Estimates

LONG-TERM LABOR FORCE DECLINE FUELED BY AGE DEMOGRAPHICS

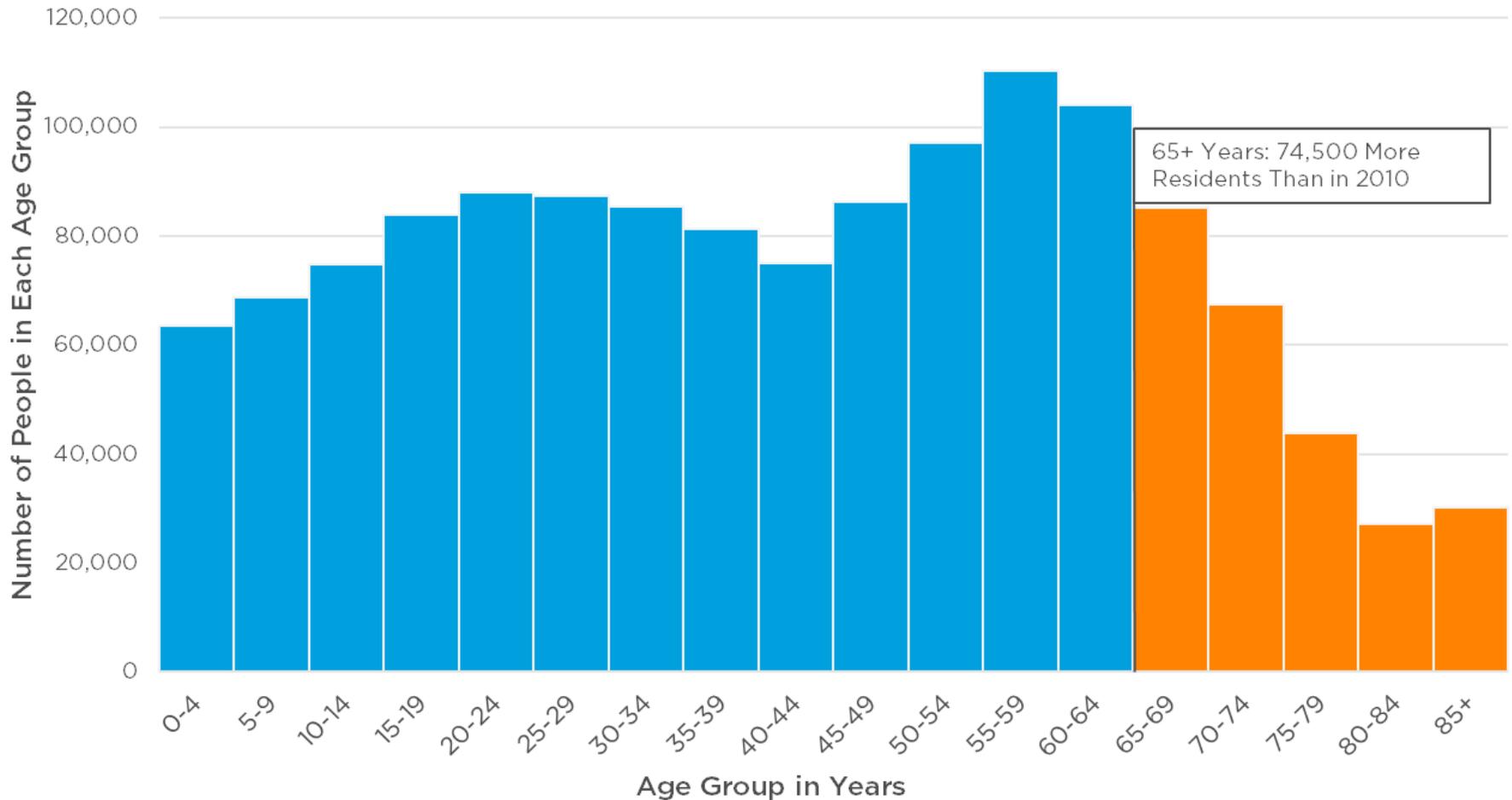
NEW HAMPSHIRE DEMOGRAPHICS BY AGE, 2019



Source: U.S. Census Bureau Population Estimates Program, July 1 Estimates

LONG-TERM LABOR FORCE DECLINE FUELED BY AGE DEMOGRAPHICS

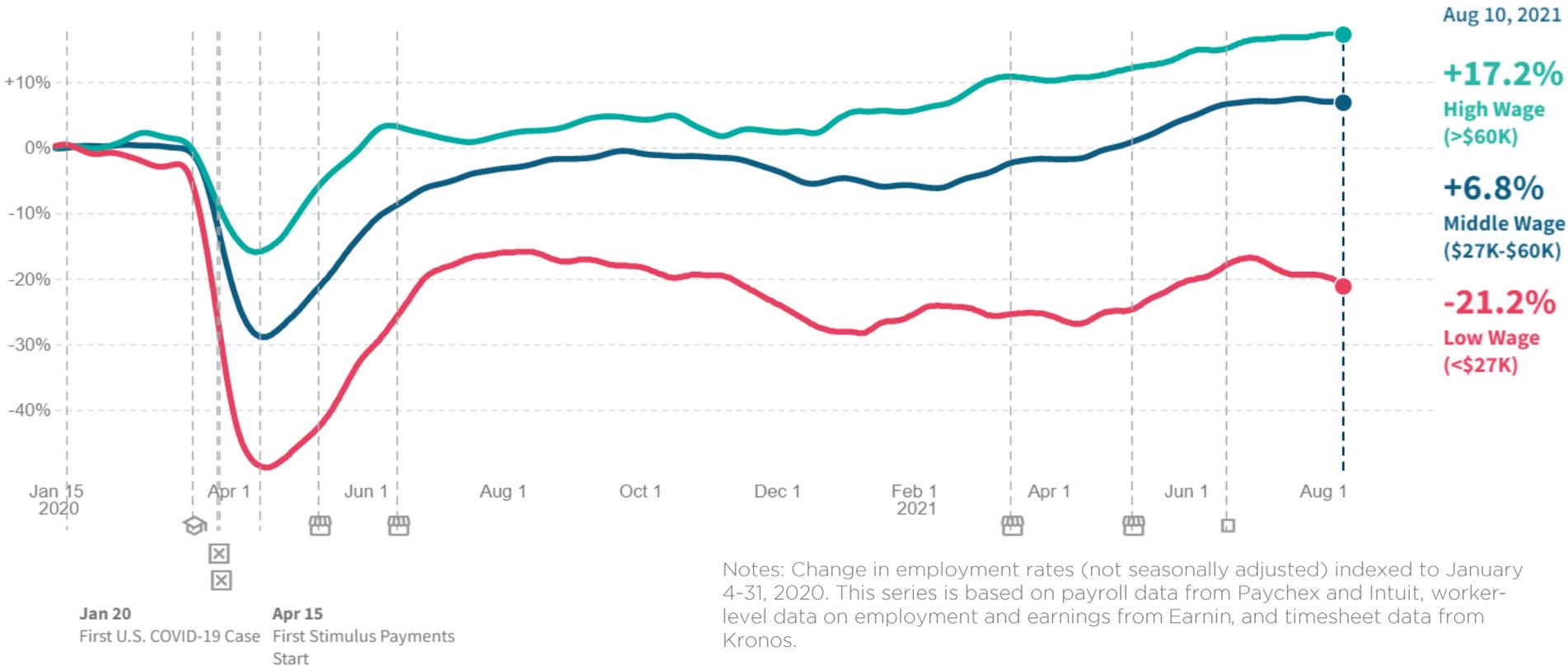
NEW HAMPSHIRE DEMOGRAPHICS BY AGE, 2019



Source: U.S. Census Bureau Population Estimates Program, July 1 Estimates

WORKERS WITH LOW WAGES HIT THE HARDEST IN PANDEMIC'S FIRST YEAR

PERCENT CHANGE IN EMPLOYMENT IN NEW HAMPSHIRE



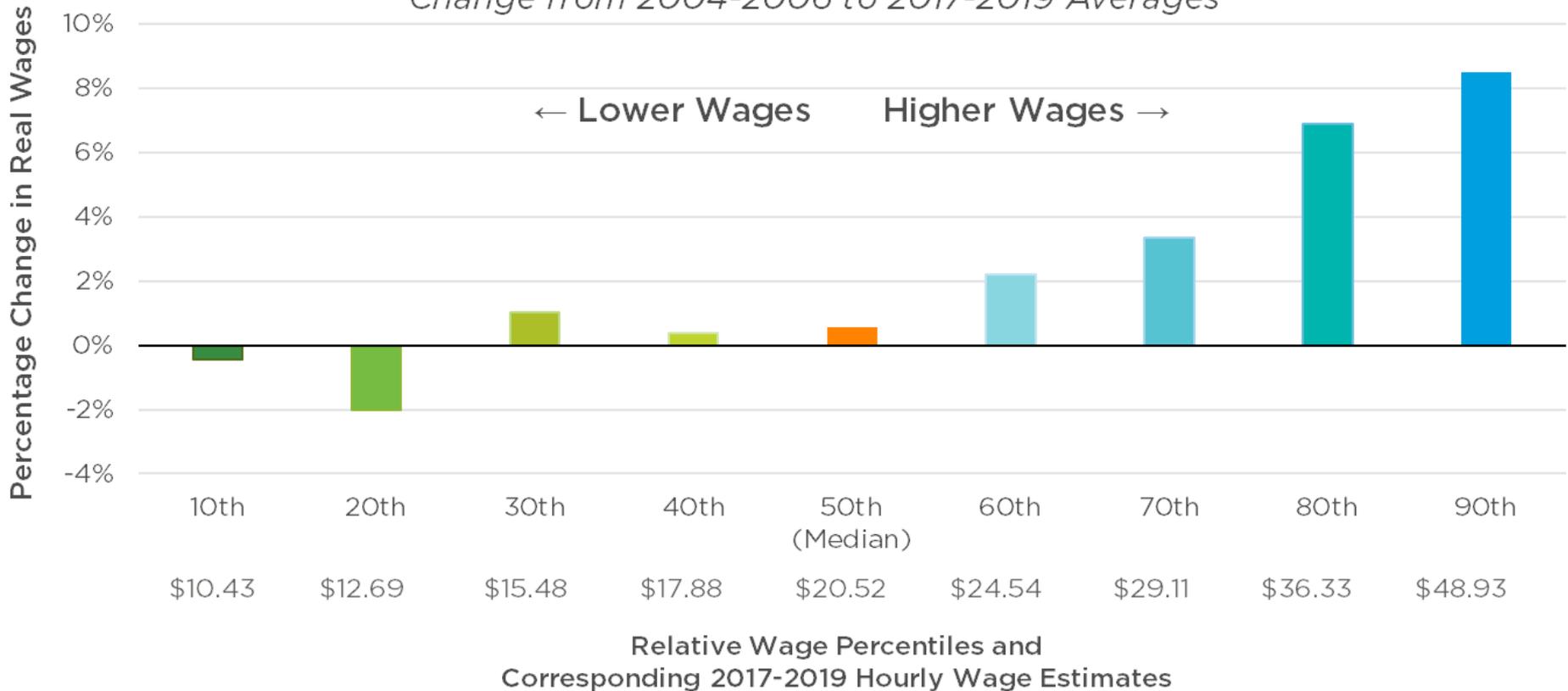
Notes: Change in employment rates (not seasonally adjusted) indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos.

Source: Opportunity Insights Economic Tracker; Chetty, Friedman, Hendren, Stepner, and the Opportunity Insights Team, November 2020, accessed at tracktherecovery.org, a project of Harvard University, Brown University, and The Bill and Melinda Gates Foundation. Last updated September 24, 2021.

IN THE LAST RECOVERY, REAL WAGES DID NOT GROW FOR MANY WORKERS

NEW HAMPSHIRE WAGE CHANGES BY DECILE

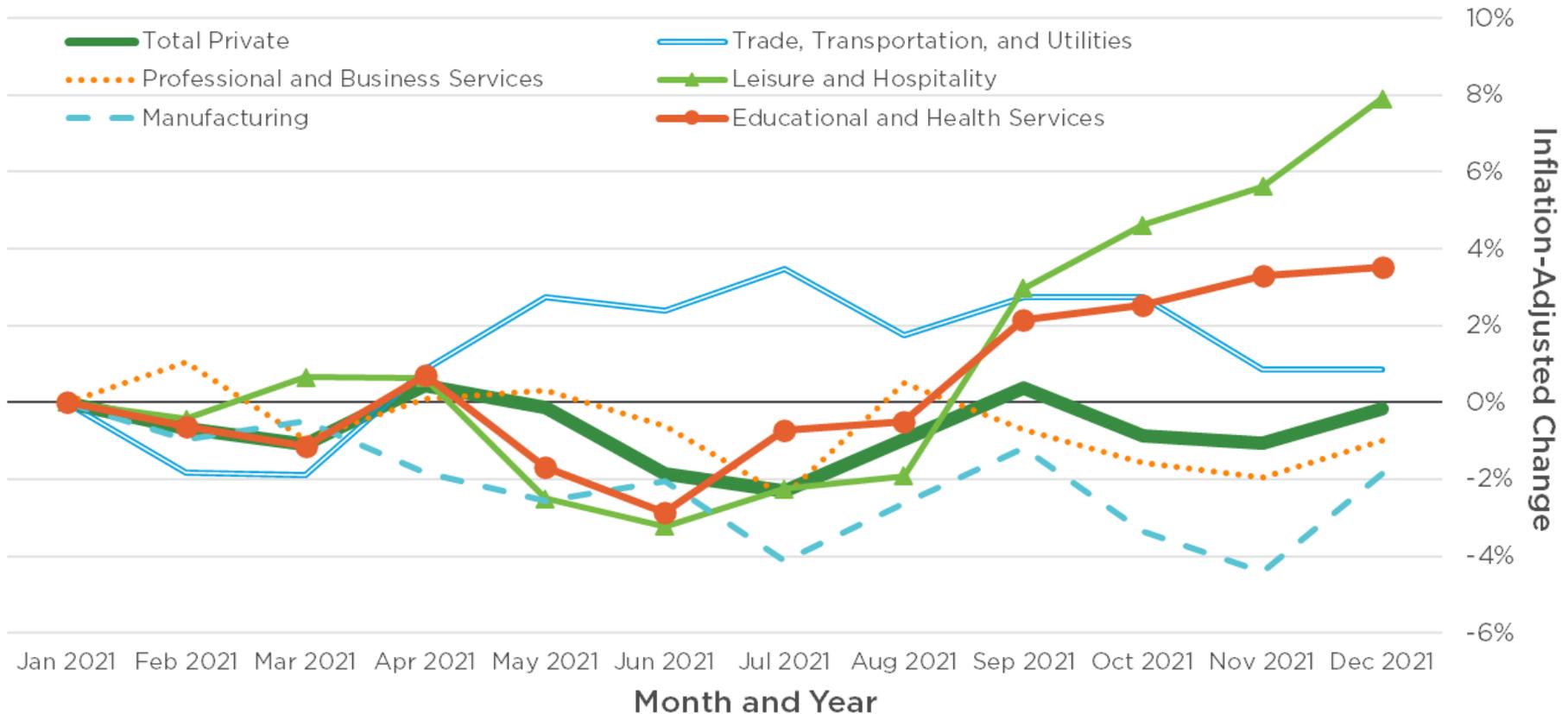
Change from 2004-2006 to 2017-2019 Averages



Note: Inflation adjustment using Consumer Price Index-Urban-Research Series (current methods). Includes workers aged 16 years and older, all income from work.
 Source: Economic Policy Institute analysis of Current Population Survey Outgoing Rotation Group data

RECENT ESTIMATES SUGGEST REAL MEDIAN WAGES DID NOT GROW IN 2021

INFLATION-ADJUSTED CHANGES IN MEDIAN WAGES, 2021 MONTHLY ESTIMATES FOR NEW HAMPSHIRE



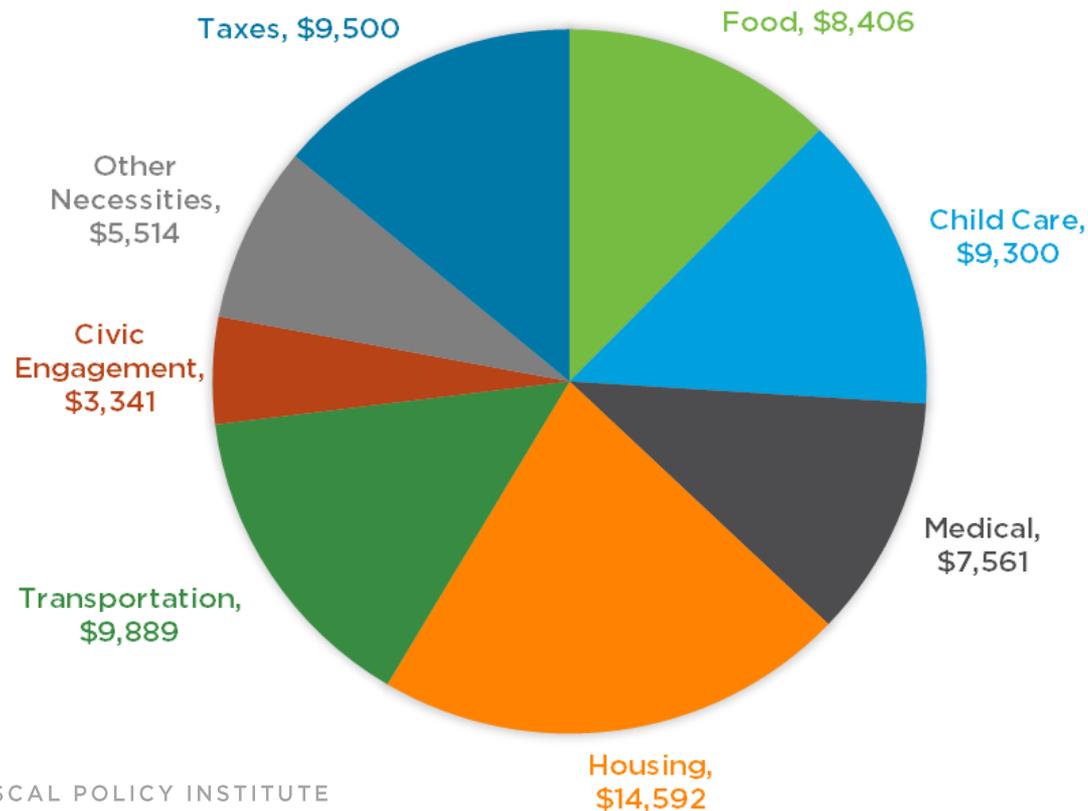
Notes: Consumer Price Index-Urban, Northeast used as basis for inflation-adjustment. Only private sector employment included.
Sources: New Hampshire Employment Security, U.S. Bureau of Labor Statistics

COST GROWTH OUTPACING INCOMES FOR MANY NEW HAMPSHIRE HOUSEHOLDS

MASSACHUSETTS INSTITUTE OF TECHNOLOGY LIVING WAGE CALCULATOR

New Hampshire, 2020-2021

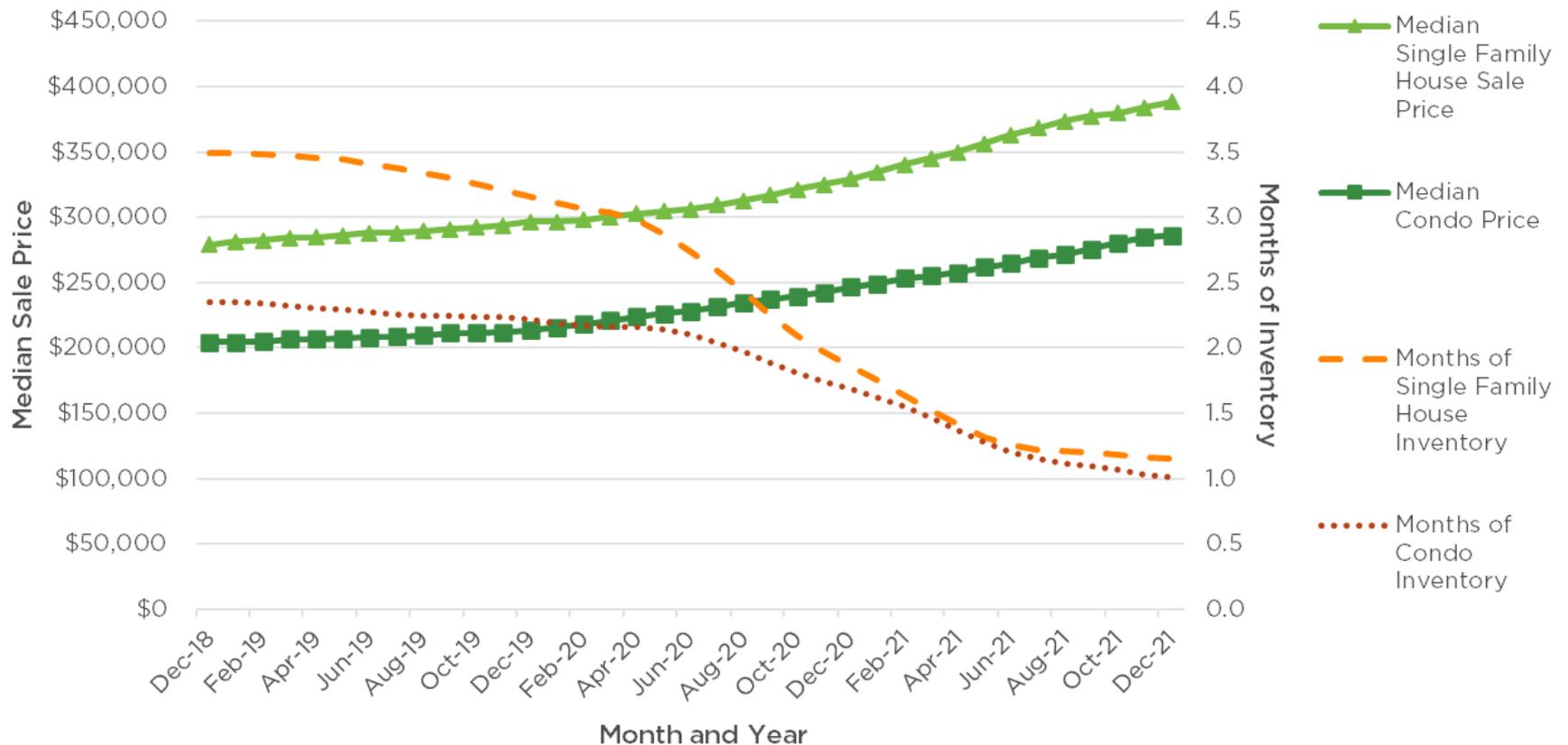
TWO WORKING ADULTS, ONE CHILD: \$68,104



HOUSING SUPPLY AND COSTS A CRITICAL CONSTRAINT IN NEW HAMPSHIRE

HOUSE AND CONDO PRICES AND SUPPLY

New Hampshire Single Family Home and Condo Median Sale Prices and Months of Inventory, Twelve Month Rolling Averages

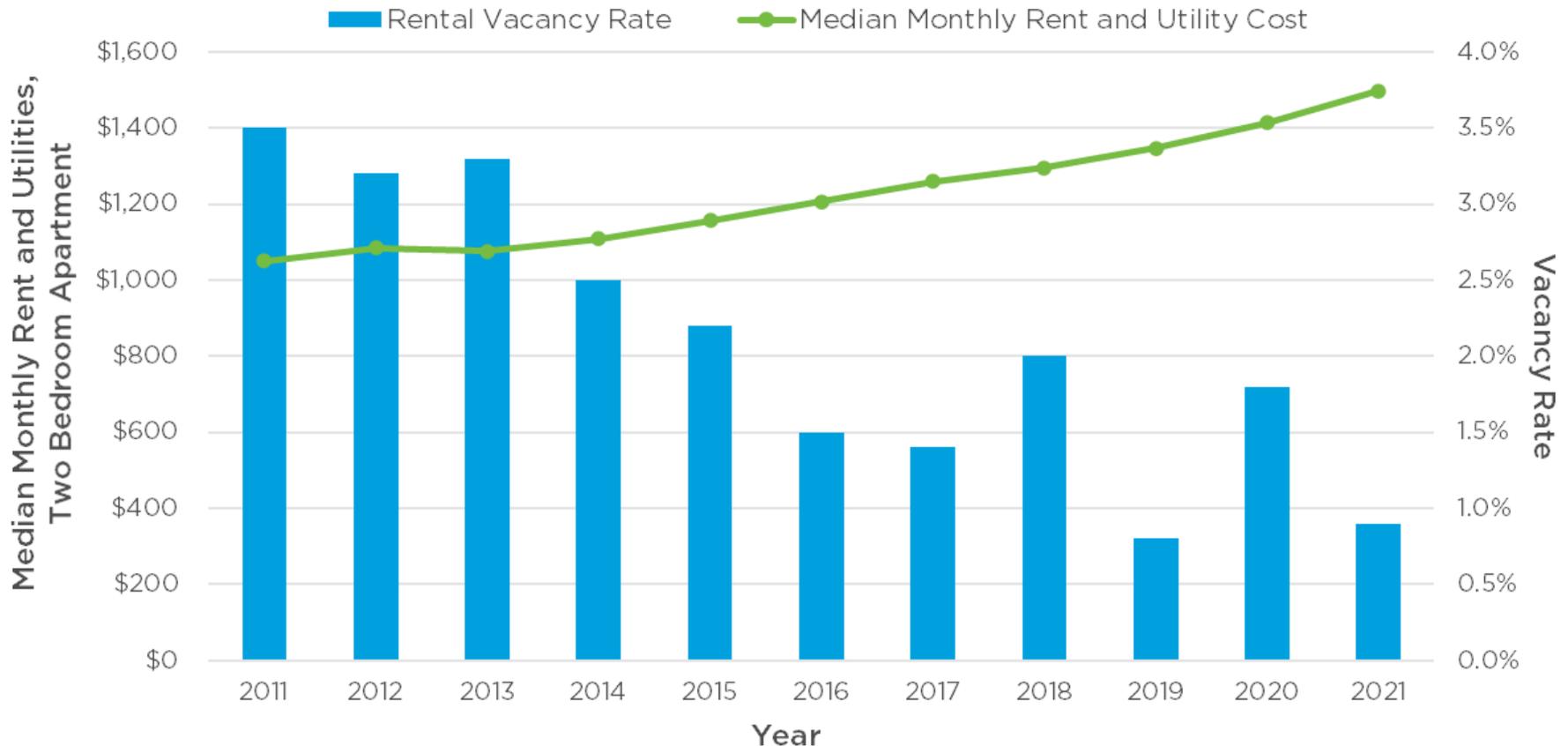


Source: New Hampshire Association of Realtors

RENTAL COSTS REMAIN ON LONG-TERM UPWARD TREND, LIMITED SUPPLY

MEDIAN MONTHLY RENTAL COSTS AND VACANCY RATES

New Hampshire Statewide Data, Two Bedroom Apartments



Source: New Hampshire Housing Finance Authority

COST BURDEN OF RENT HIGHER FOR LOWER-INCOME RENTERS

New Hampshire Median Household Income Estimates, 2019:

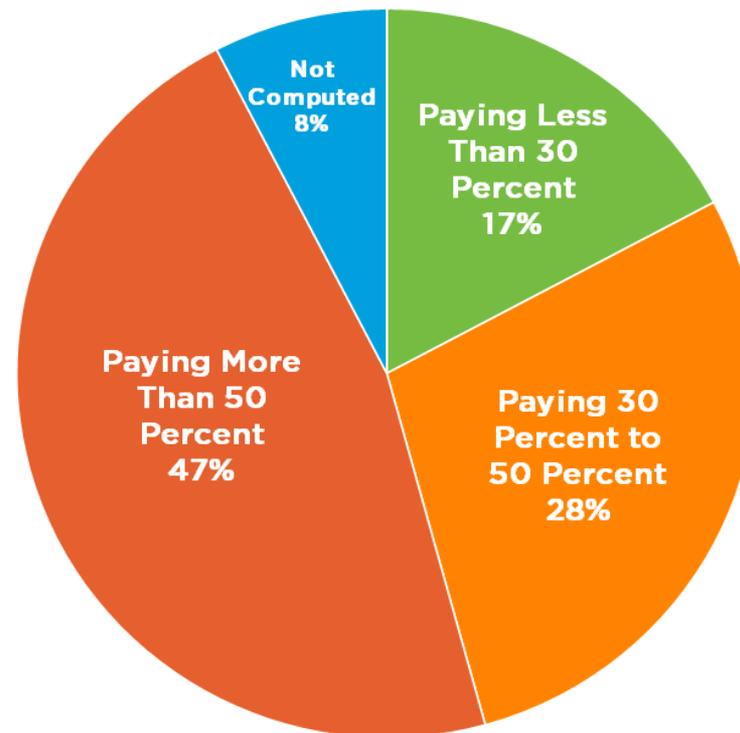
- Overall:
\$77,933
- Owner-Occupied
Units:
\$95,271
- Renter-Occupied
Units:
\$45,095

About 41 percent of all renter households during 2015-2019 had less than \$35,000 in annual income.

Source: U.S. Census Bureau

RENT AND UTILITIES PAYMENTS AS A PERCENTAGE OF INCOME FOR LOWER-INCOME NEW HAMPSHIRE RENTERS, 2015-2019

PERCENTAGE OF INCOME PAID BY RENTERS WITH LESS THAN \$35,000 PER YEAR OF INCOME (APPROXIMATELY 41 PERCENT OF ALL NEW HAMPSHIRE RENTERS)



Source: U.S. Census Bureau, American Community Survey, 2015-2019

KEY TAKEAWAYS ON THE ECONOMY

- New Hampshire's economy greatly benefits from the proximity to metropolitan Boston, benefits decrease as distance grows
- Recovery from the COVID-19 pandemic has been uneven
- Federal assistance provided significant economic stimulus, mitigated poverty and boosted incomes in 2021
- Workforce constraints on New Hampshire's economy stem from health and child care limitations, long-term trends
- Impacts on household budgets, inflation outpaced median wage growth in 2021
- Housing and long-term demographic trends will continue to generate economic headwinds
- An inclusive, equitable recovery could help boost well-being for all Granite Staters

QUESTIONS ABOUT THE NEW HAMPSHIRE ECONOMY?

PART TWO: FUNDING PUBLIC SERVICES IN NEW HAMPSHIRE

WHY REVENUE IS IMPORTANT

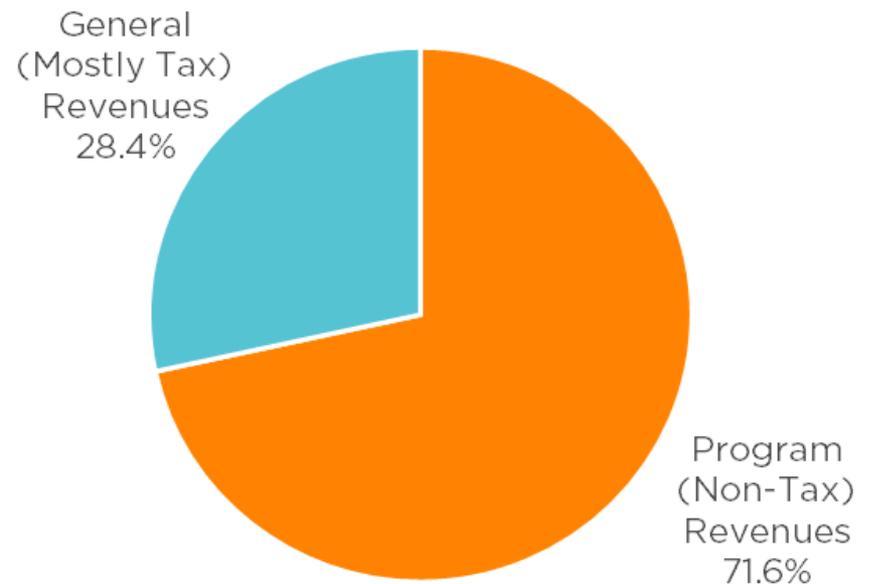
- Pays for services that help make our communities stronger
- Tangible and direct
 - Roads and bridges
 - Police, fire, and emergency medical services
 - Education (including primary, secondary, and public higher education)
 - Public health services and health coverage for those in need
 - Cleaning trash, clearing roads
 - Parks and preserves, including federal, state, and local protected areas
- Less tangible effects of services
 - Benefitting from an educated public and workforce
 - Protecting citizens from harm, environmental degradation
 - Long-term investments, with positive returns, made collectively

WHY “REVENUE”? ISN'T IT JUST 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 and support for other organizations

GENERAL AND PROGRAM REVENUES NEW HAMPSHIRE, STATE FISCAL YEAR (SFY) 2020

Source: New Hampshire Comprehensive Annual Financial Report, SFY 2020

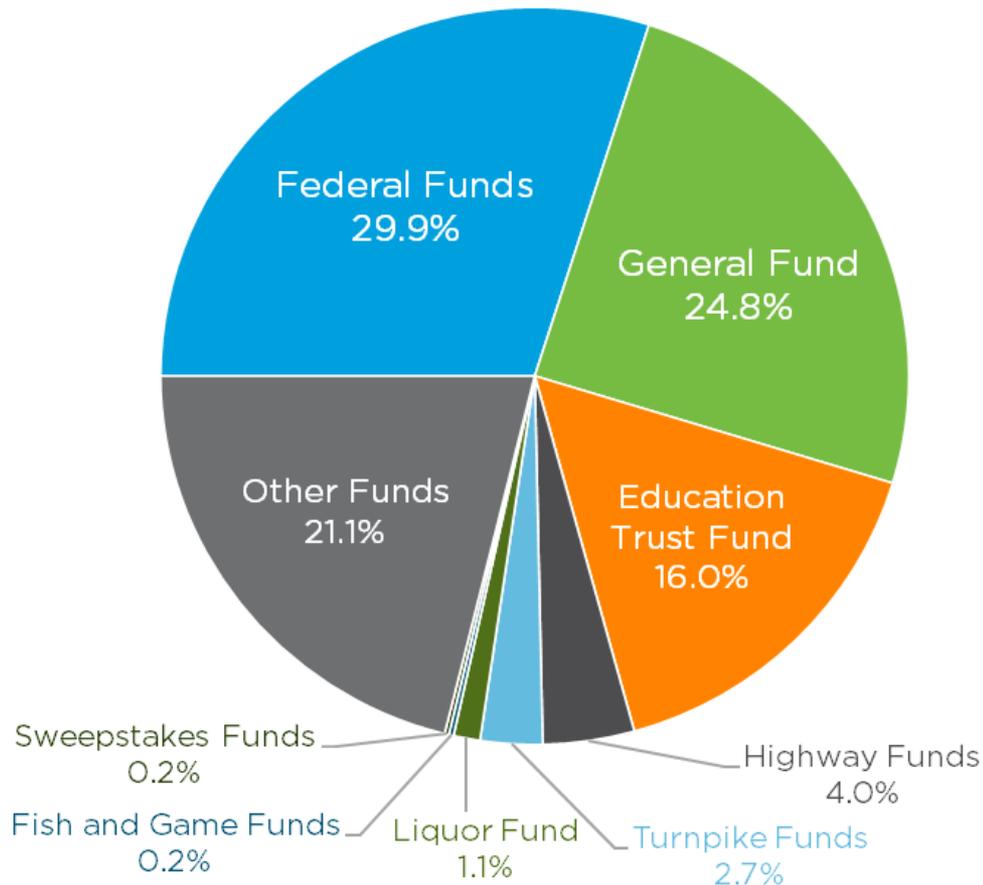


NEW HAMPSHIRE'S STATE REVENUE SYSTEM

NEW HAMPSHIRE'S STATE BUDGET FUNDS

NEW HAMPSHIRE, STATE FISCAL YEAR 2021

Source: Chapter 345, Laws of 2019



- Funds act like accounts
- Interact with one another
- General Fund most flexible
- General Fund fills any Education Trust Fund shortfall
- Lottery revenues dedicated to state education aid to school districts by constitution
- Gasoline, motor vehicle tax and fee revenues constitutionally-protected
- Others protected by statute

Sources: New Hampshire State Constitution, Part 2, Articles 6-a and 6-b; NHFPI, *Building the Budget*, February 2017.

FEDERAL FUNDING IN THE STATE BUDGET

Medicaid

- Approximately \$2.1 billion expenditure in SFY 2020, more than half of that total is federal funds
- About 236,800 Granite Staters have access to health care through the program at the end of January 2022, significant increase during the pandemic

Other Program Areas

- Federal transportation aid
- Education aid – special education, school meals, professional development
- Water pollution and infrastructure funds, clean and drinking water programs
- Food Stamps/Supplemental Nutrition Assistance Program (SNAP)
- Women, Infants, and Children Nutrition Program
- Temporary Assistance for Needy Families
- Veterans' care aid
- Low Income Home Energy Assistance Program (State Fuel Assistance Program)
- Many other areas

Sources: New Hampshire Office of Legislative Budget Assistant; Chapter 155, Laws of 2017; New Hampshire Department of Health and Human Services.

**WHERE DOES NON-FEDERAL
STATE REVENUE COME FROM?**

**WHAT ARE THE FIVE LARGEST
TAX REVENUE SOURCES?**

LARGEST TAX REVENUE SOURCES

To All Funds (State Fiscal Year 2021)

- Business Profits Tax - \$667.2 million (estimate)
- Statewide Education Property Tax - \$363.1 million
- Business Enterprise Tax - \$336.0 million (estimate)
- Meals and Rentals Tax - \$334.7 million
- Medicaid Enhancement Tax - \$262.3 million
- Tobacco Tax - \$252.6 million
- Real Estate Transfer Tax - \$209.8 million
- Motor Fuels Tax - \$171.0 million
- Insurance Premium Tax - \$138.9 million
- Interest and Dividends Tax - \$120.7 million

Sources: New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2021; New Hampshire Dept. of Revenue Administration.

LARGEST NON-TAX REVENUE SOURCES

To All Funds (State Fiscal Year 2021)

- Federal Grants - \$3,581.7 million
(includes pandemic-related aid)
- Liquor Commission Sales - \$786.4 million
(\$150.2 million in operating profits for other State use)
- Lottery Commission Sales - \$519.0 million
(\$144.2 million in profits for Education Trust Fund)
- Turnpike Tolling - \$122.1 million

Sources: New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2021; New Hampshire Liquor Commission 2021 Annual Comprehensive Financial Report; New Hampshire Lottery Commission Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2020.

THE TWO PRIMARY BUSINESS TAXES

Business Profits Tax

- Tax based on gross business profits, adjustments (BET), and apportionment
- Tax base likely about \$6.6 billion in Tax Year 2018
- Supports the General Fund and the Education Trust Fund
- Recent rate reductions
 - 8.5% in 2001-2015, 8.2% in 2016-2017, 7.9% in 2018, 7.7% in 2019-2021, 7.6% in 2022

Business Enterprise Tax

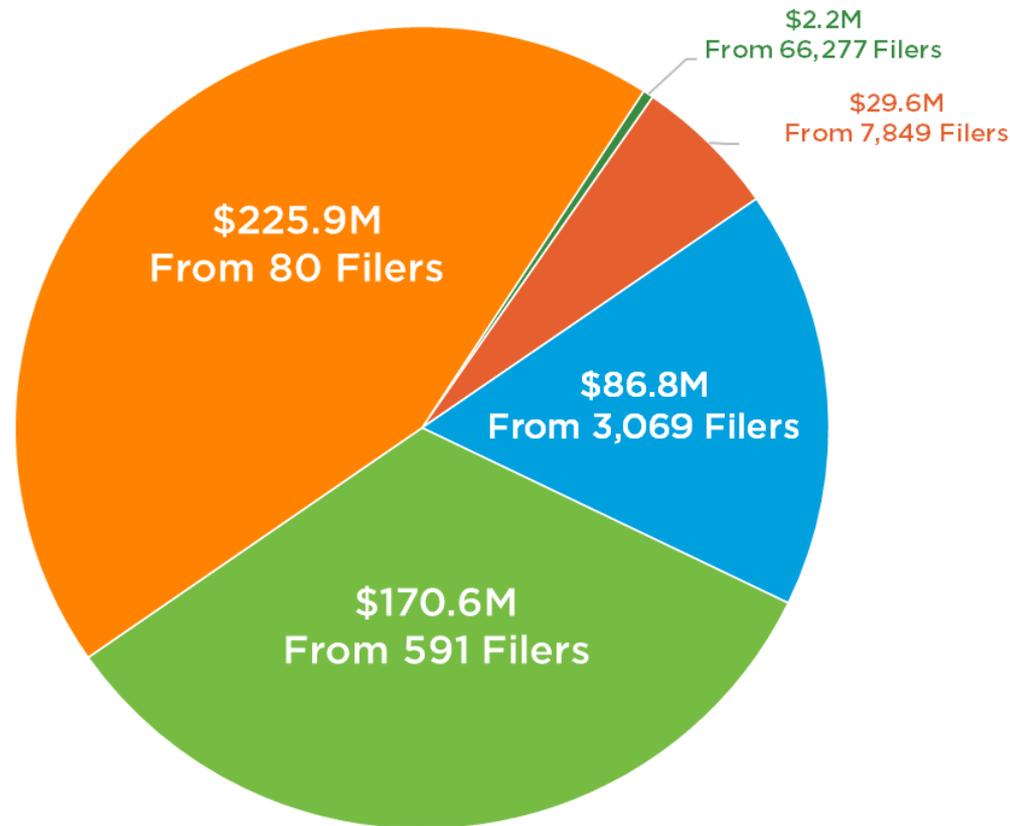
- Relatively unique among state business taxes, based on compensation and interest paid or accrued and dividends paid, adjustments, and apportionment
- Broader tax base, likely about \$34.2 billion in Tax Year 2018
- Supports the General Fund and the Education Trust Fund
- Recent rate reductions
 - 0.75% in 2001-2015, 0.72% in 2016-2017, 0.675% in 2018, 0.60% in 2019-2021, 0.55% in 2022

Sources: New Hampshire Fiscal Policy Institute, *Revenue in Review*, May 2017; New Hampshire Department of Revenue Administration

SMALL NUMBER OF FILERS FUND LARGE PORTION OF BUSINESS PROFITS TAX

NEW HAMPSHIRE BUSINESS PROFITS TAX PAID AND NUMBER OF FILERS

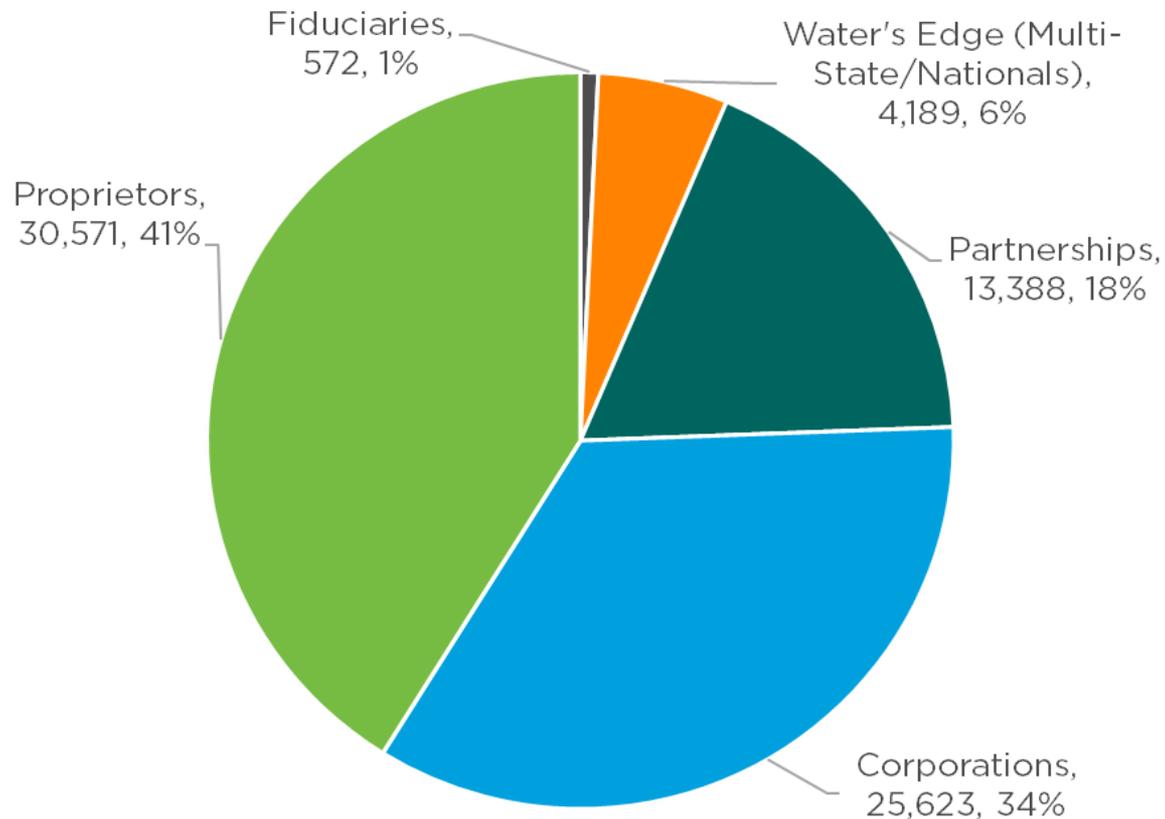
Tax Year 2019



Source: New Hampshire Department of Revenue Administration

BUSINESS TYPES IN THE BPT BASE

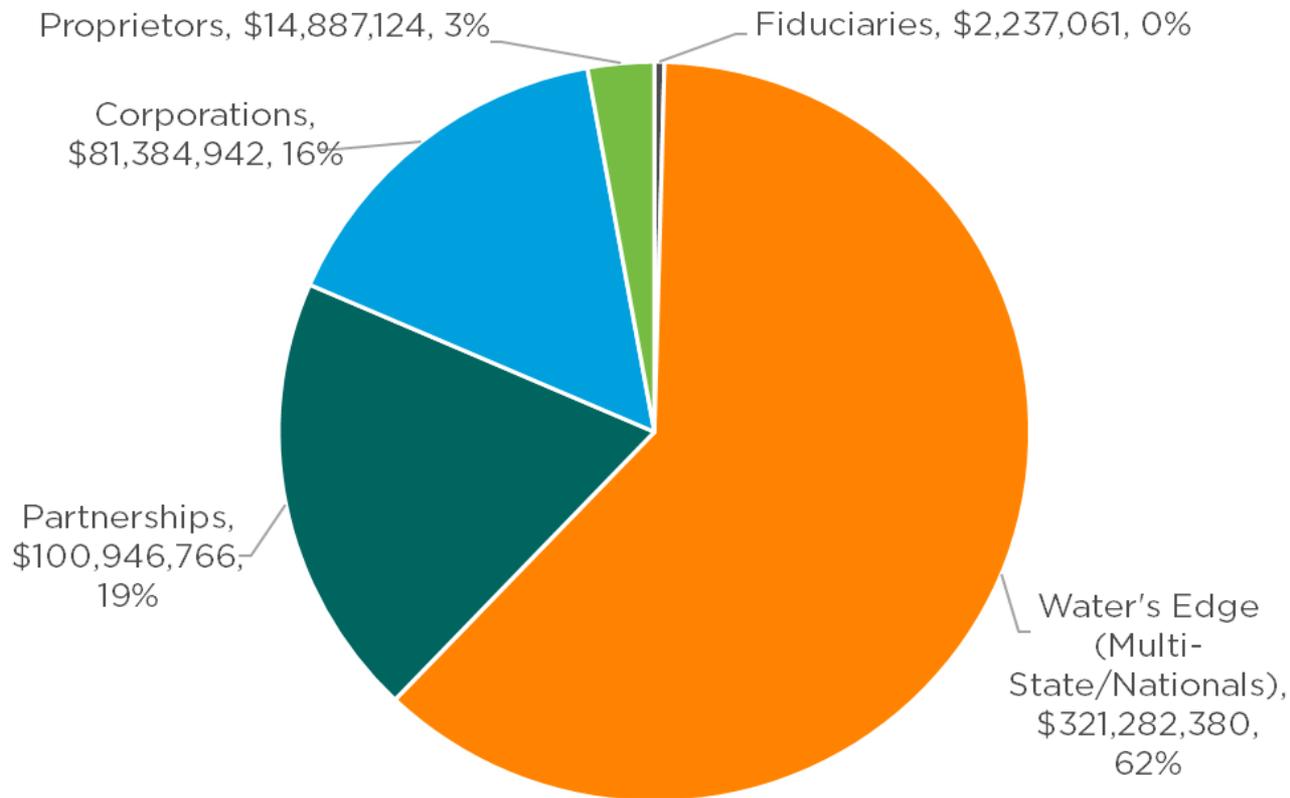
BUSINESS PROFITS TAX FILERS BY TYPE
DRAFT DATA, TAX YEAR 2018



Source: New Hampshire Department of Revenue Administration, 2018 Annual Report

WATER'S EDGE FILERS PAY MAJORITY OF TAX REVENUE

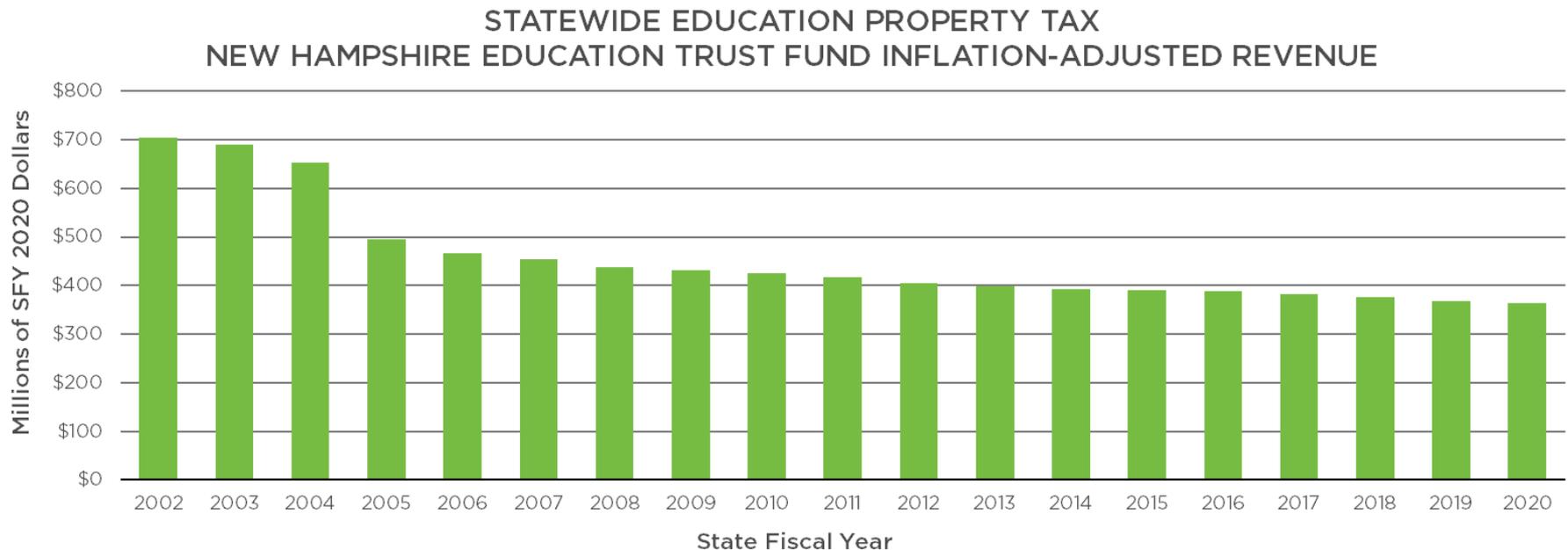
BUSINESS PROFITS TAX FILERS BY LIABILITY
DRAFT DATA, TAX YEAR 2018



Source: New Hampshire Department of Revenue Administration, 2018 Annual Report

STATEWIDE EDUCATION PROPERTY TAX

- Established in 1999 to support newly created Education Trust Fund for Adequate Education Grants funding education on a per pupil basis
- Set to raise \$363 million in 2005, does not adjust for inflation
- State requires local governments to raise this revenue
- Retained locally; revenue went to state previously, but not after 2011

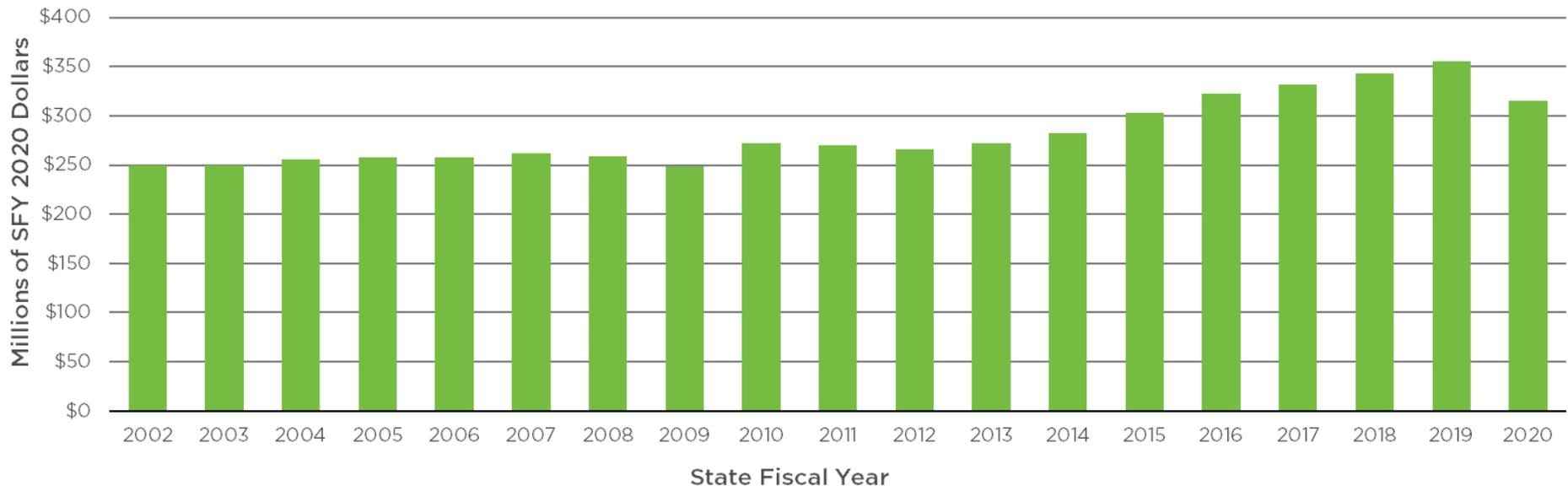


Sources: New Hampshire Comprehensive Annual Financial Reports; U.S. Bureau of Labor Statistics, CPI-U, Northeast

MEALS AND RENTALS TAX

- Tax of 8.5 percent levied on most purchases of food or beverages from restaurants, also on hotel rooms and car rentals; 9 percent before SFY 2022
- Funds the General Fund, Education Trust Fund (car rentals portion), certain school building aid, State’s travel and tourism development agency, municipalities (30 percent of revenue collected back to municipalities on a per capita basis)

NEW HAMPSHIRE MEALS AND RENTALS TAX
GENERAL AND EDUCATION TRUST FUNDS INFLATION-ADJUSTED REVENUE

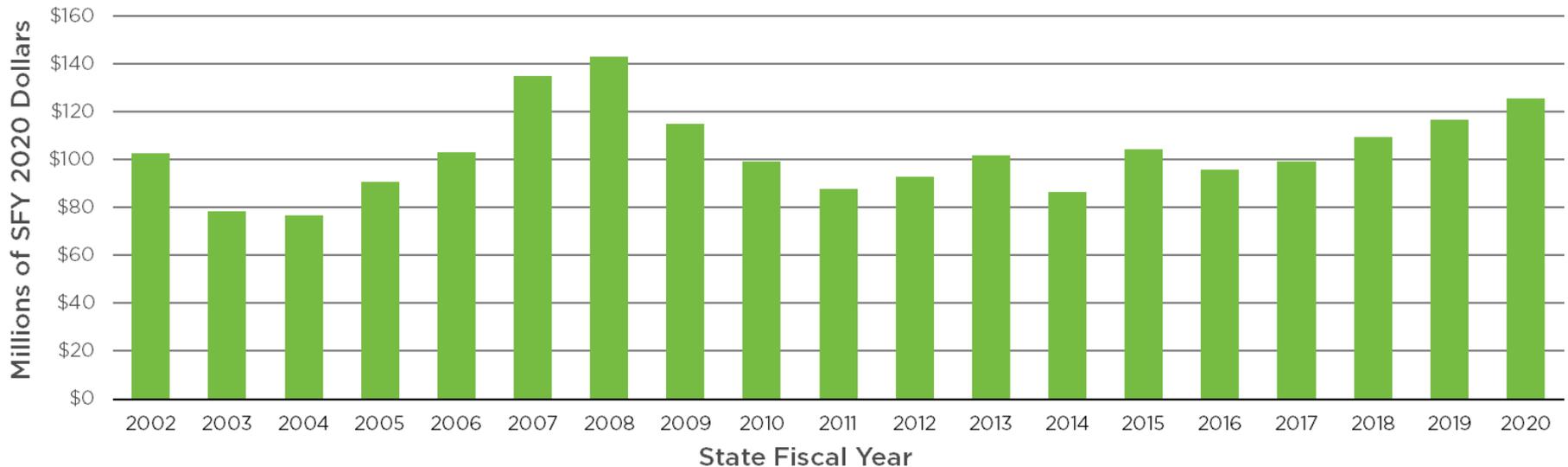


Sources: New Hampshire Comprehensive Annual Financial Reports; U.S. Bureau of Labor Statistics, CPI-U, Northeast

INTEREST AND DIVIDENDS TAX

- 5 percent tax on interest, dividend, and distribution income from assets
- Individuals, joint filers, certain companies and partnerships
- Filing threshold of \$2,400, and \$4,800 for joint filers; additional \$1,200 exemptions for older adults, blind individuals, or certain disabilities
- To be phased out in current law, starting next year

NEW HAMPSHIRE INTEREST AND DIVIDENDS TAX
GENERAL FUND INFLATION-ADJUSTED REVENUE



Sources: New Hampshire Comprehensive Annual Financial Reports; U.S. Bureau of Labor Statistics, CPI-U, Northeast

HIGH-INCOME INDIVIDUALS KEY PART OF INTEREST AND DIVIDENDS TAX BASE

NEW HAMPSHIRE INTEREST AND DIVIDENDS TAX FILERS BY INCOME AND TAX PAID, TAX YEAR 2018

Taxable Interest and Dividend Income of At Least:	Percentage of Filers	Percentage of Total Tax Revenue Paid
\$5,000,000	0.02%	6.69%
\$2,000,000	0.12%	15.93%
\$1,000,000	0.32%	24.10%
\$200,000	2.40%	48.99%
\$20,000	25.07%	89.04%
\$10,000	38.54%	95.09%
\$20	79.69%	100.00%
\$0	100.00%	100.00%
Total Filers/Revenue	66,284	\$105,888,793

Source: New Hampshire Department of Revenue Administration, 2020 Annual Report

HOW DO STATE AND LOCAL REVENUES COMPARE?

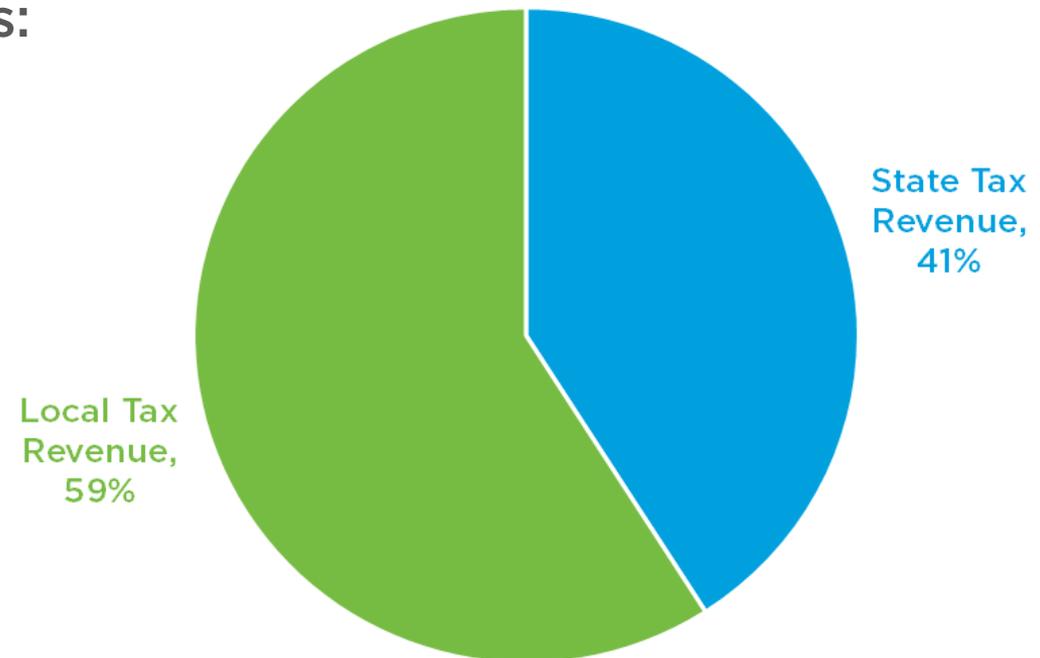
LOCAL GOVERNMENTS AND REVENUES

NEW HAMPSHIRE TAX REVENUE BY GOVERNMENT LEVEL, FISCAL YEAR 2018

Source: U.S. Census Bureau, 2018 Survey of State and Local Government Finances

Local Governments includes:

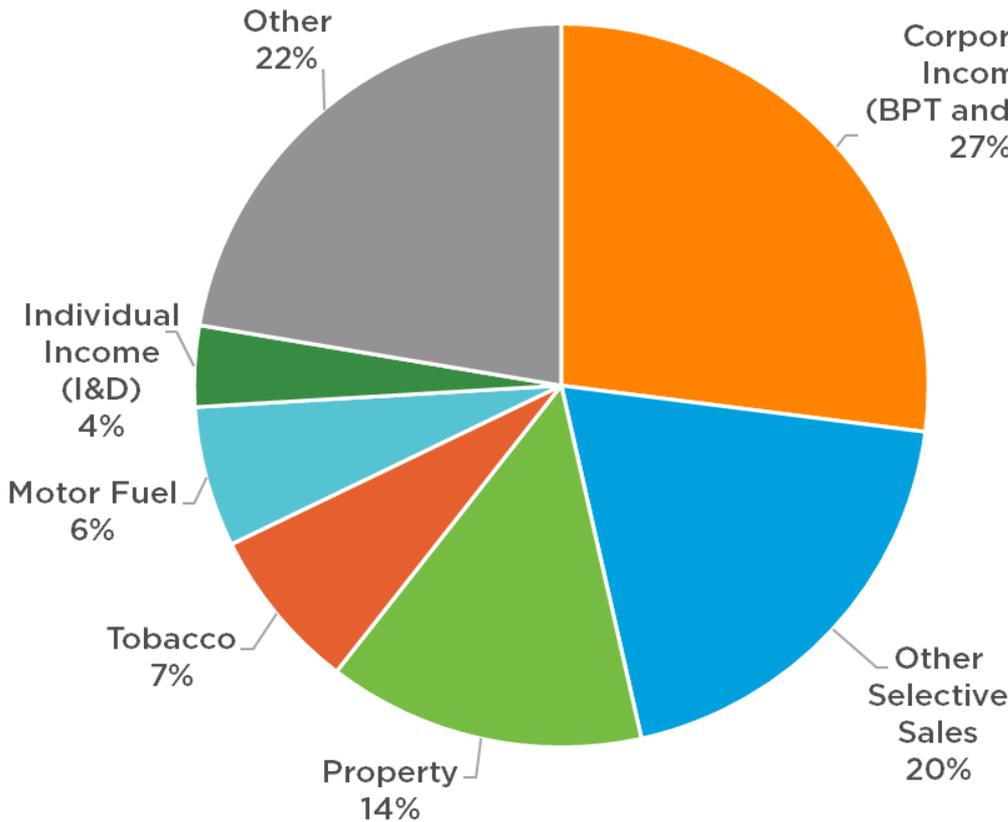
- Municipal governments (town and city)
- School districts
- County governments



FEWER LOCAL TAX REVENUE SOURCES

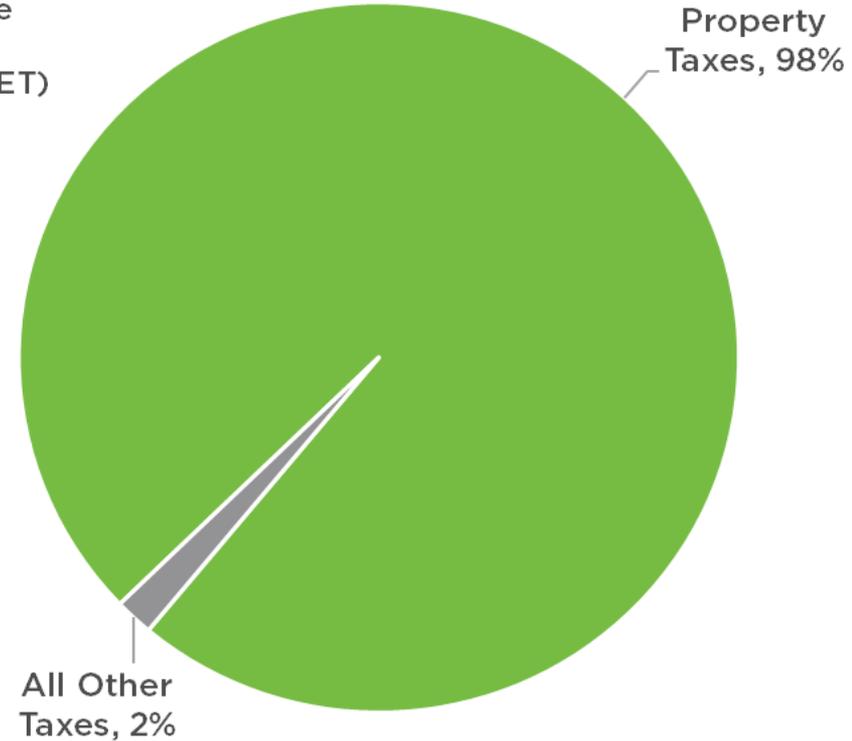
ALL STATE TAX REVENUE
IN NEW HAMPSHIRE
FISCAL YEAR 2018

Source: U.S. Census Bureau, Survey of State and Local Government Finances



ALL LOCAL TAX REVENUE
IN NEW HAMPSHIRE
FISCAL YEAR 2018

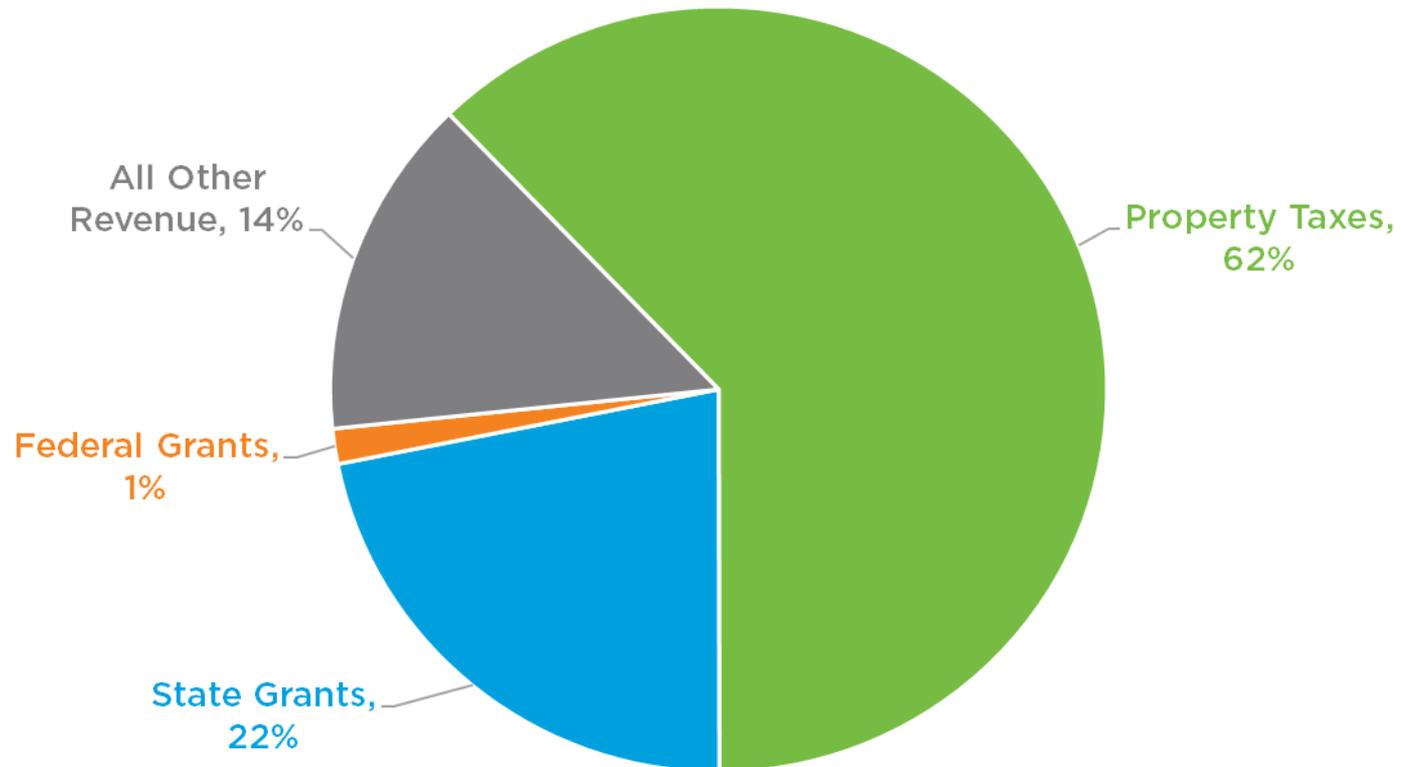
Source: U.S. Census Bureau, Survey of State and Local Government Finances



PROPERTY TAX RECEIPTS A MAJORITY OF LOCAL REVENUE IN NEW HAMPSHIRE

LOCAL GOVERNMENT REVENUE SOURCES NEW HAMPSHIRE, FISCAL YEAR 2018

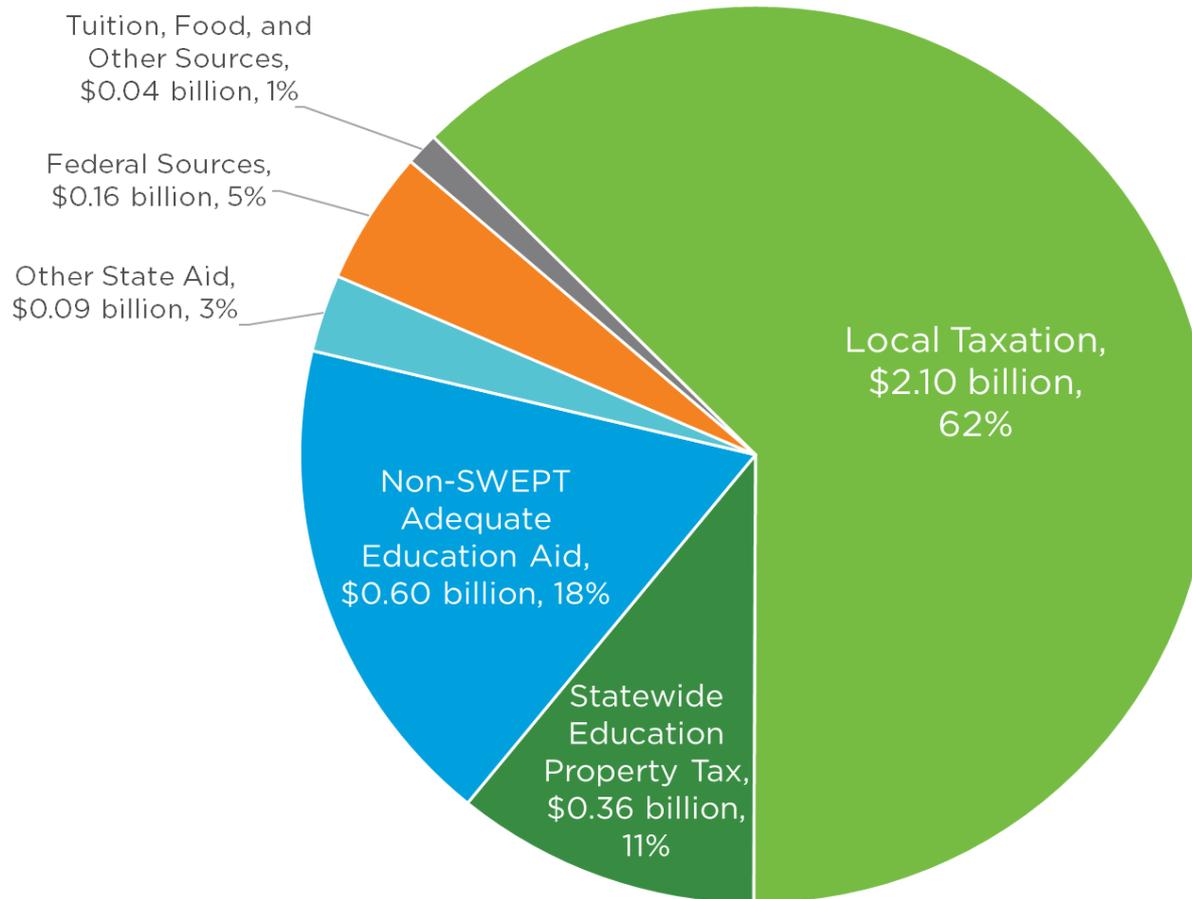
Source: U.S. Census Bureau, Survey of State and Local Government Finances



MOST LOCAL PUBLIC SCHOOL DISTRICT REVENUE PRODUCED BY PROPERTY TAXES

SCHOOL DISTRICT REVENUE 2019-2020

Source: New Hampshire Department of Education, December 21, 2020



PROPERTY TAXES IN NEW HAMPSHIRE A LARGE SHARE OF TAX REVENUE

Property Tax as a Percentage of All State and Local Tax Revenue Fiscal Year 2015

	State	Estimated Percentage
Highest	New Hampshire	66%
	Alaska	57%
	New Jersey	46%
	Vermont	44%
	Rhode Island	43%
	<i>United States</i>	31%
Lowest	Arkansas	18%
	Delaware	18%
	Hawaii	18%
	Alabama	17%
	North Dakota	13%

Source: U.S. Census Bureau, 2015 Annual Surveys of State and Local Government Finances

KEY TAKEAWAYS FOR REVENUE

- New Hampshire State government has wide array of revenue sources, including key federal resources
- Two primary business taxes are critical State revenue sources, and the Business Profit Tax disproportionately collects revenues from high-profit, multi-national entities
- Several key State taxes, including the Business Profits Tax, Business Enterprise Tax, Meals and Rentals Tax, and Interest and Dividends Tax all permanently lowered recently
- Property taxes are key for local governments, majority of revenue and nearly all tax revenue
- Federal policy decisions impact State finances, and State policy decisions impact local finances
- Available resources impact the ability of public sector to help build an equitable, inclusive recovery from the pandemic



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