



FUNDING THE UPCOMING STATE BUDGET AND KEY SERVICES

PRESENTED BY PHIL SLETTEN, RESEARCH DIRECTOR

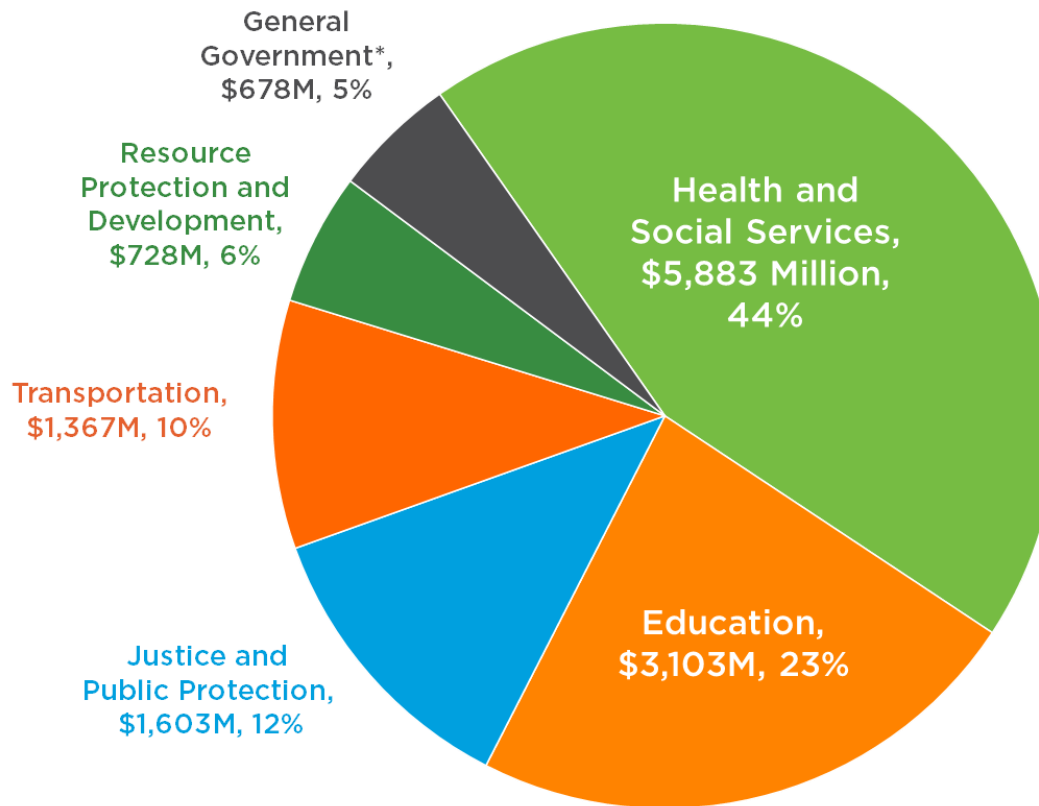
THE NEW HAMPSHIRE CAMPAIGN FOR A PEOPLE'S BUDGET

JANUARY 6, 2023

STATE REVENUE SUPPORTS THE STATE'S BUDGET AND OTHER SERVICES

STATE BUDGET LEGISLATION APPROPRIATIONS

State Fiscal Years 2022-23 and Trailer Bill SFY 2021 Appropriations



Note: General Government includes HB 2 appropriations for the Affordable Housing Fund, FRM Victim's Fund, and State employee pay raises.

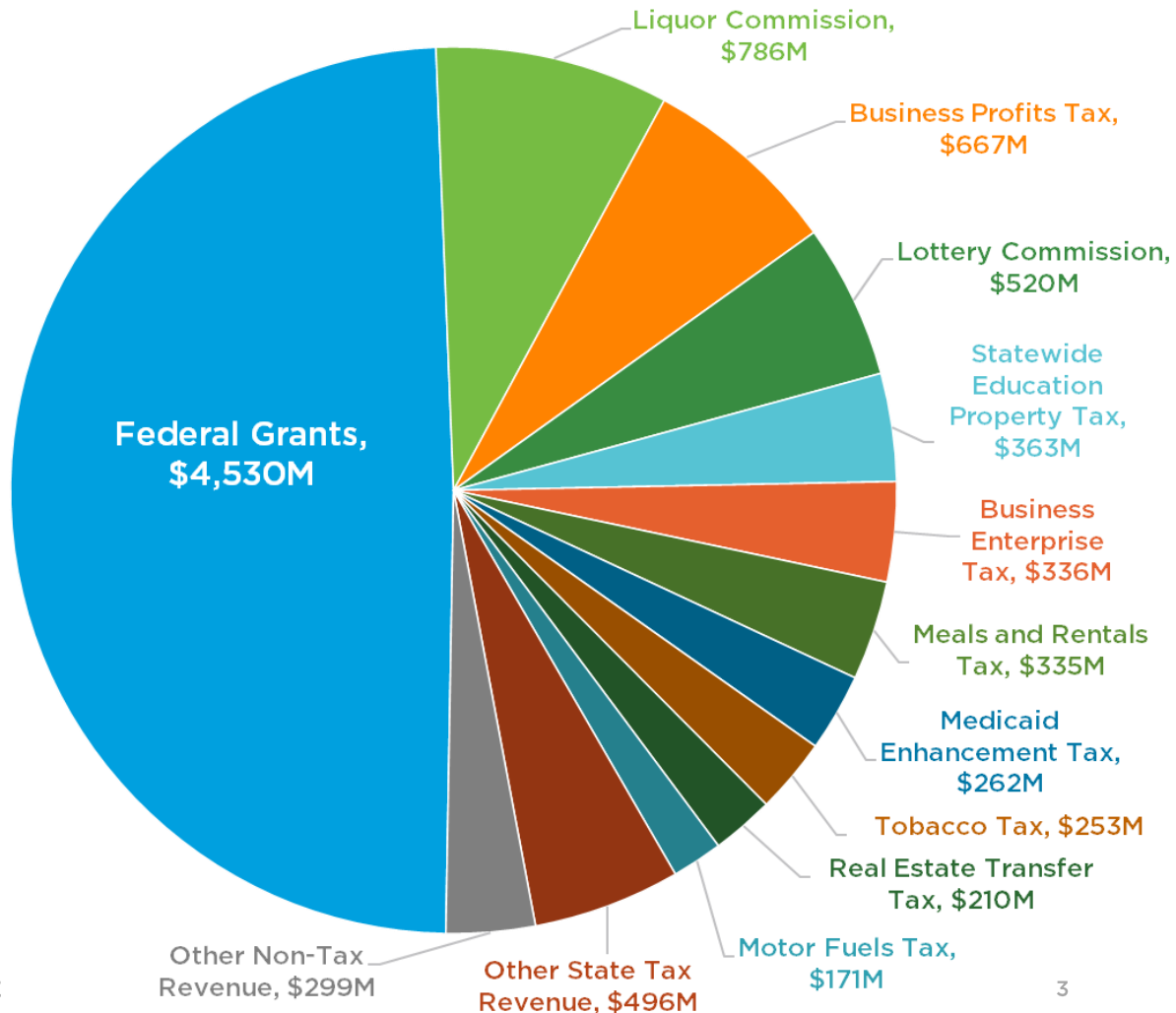
Source: HB 1 and HB 2 as Approved, 2021 Session; New Hampshire Office of Legislative Budget Assistant, Surplus Statements, June 2021

STATE TAX AND OTHER REVENUES

- Federal transfers still significant outside of pandemic-related aid, all included in this figure's calculations
- Not all federal aid, or all State spending, flows through the State Budget
- Gross revenues from the Liquor Commission and the Lottery Commission are among largest State revenue sources, but many funds go to support internal operations
- Business Profits Tax is the largest State tax revenue source

STATE REVENUE SOURCES, GOVERNMENTAL AND ENTERPRISE FUNDS, STATE FISCAL YEAR 2021

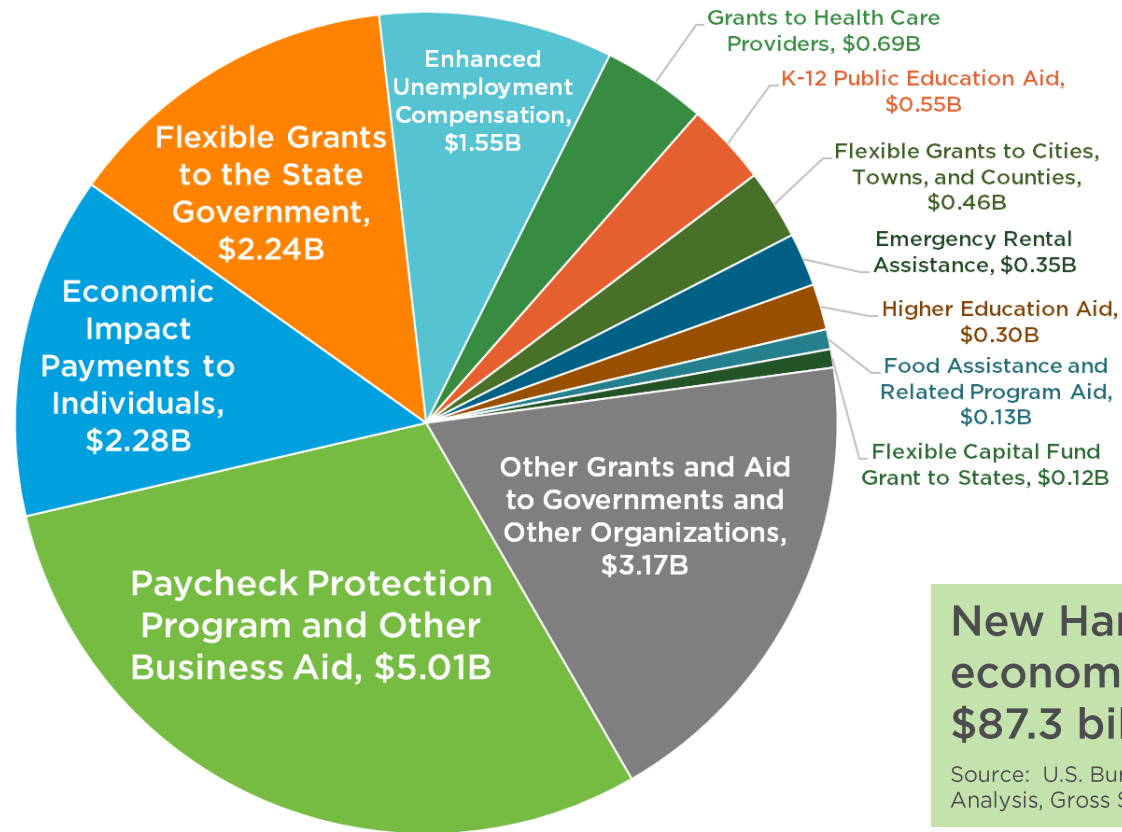
Source: New Hampshire Annual Comprehensive Financial Report, SFY 2021



ABOUT \$17 BILLION TO NEW HAMPSHIRE

FEDERAL ASSISTANCE RELATED TO COVID-19 IN NEW HAMPSHIRE

Total of Nearly \$16.9 billion Through July 7, 2022



**New Hampshire
economy in 2019:
\$87.3 billion**

Source: U.S. Bureau of Economic
Analysis, Gross State Product

Note: Sums may include small amounts of double-counting due to summation mismatches. Totals presented are derivations. Small amounts of aid to individuals are also included in the "Other Grants and Aid" section, including aid for funeral expenses.

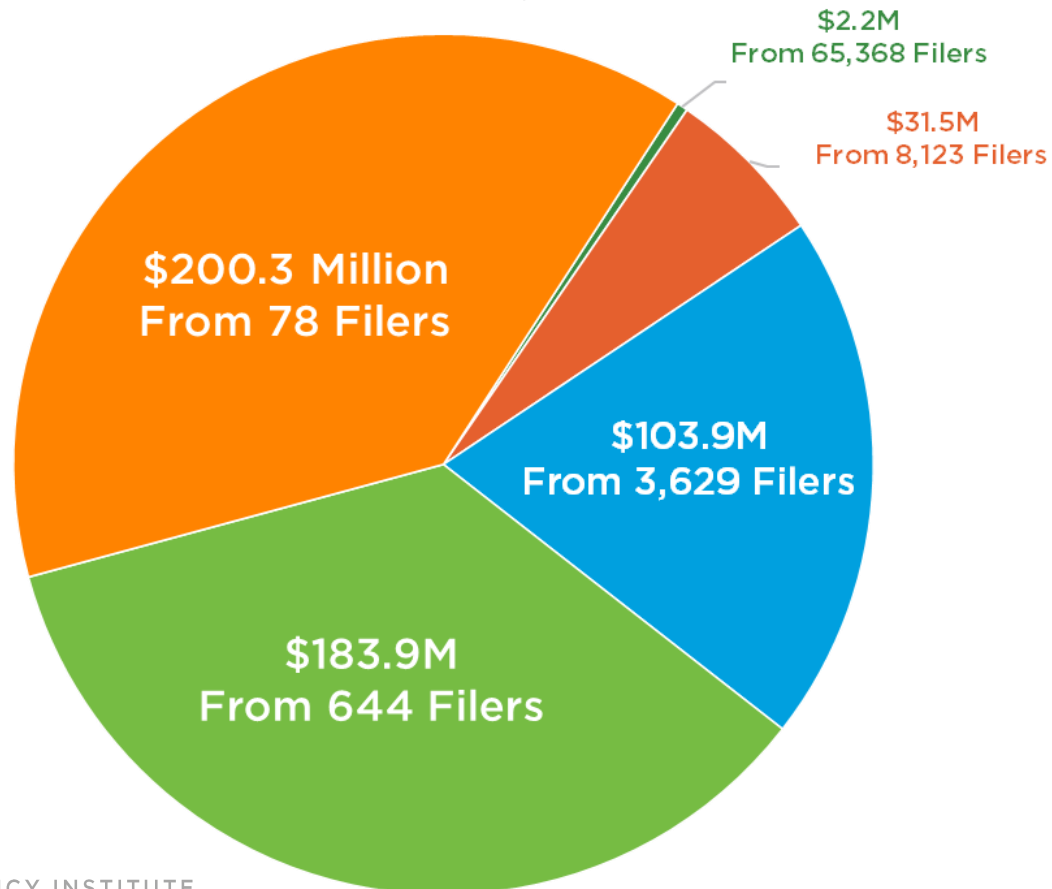
Source: New Hampshire Office of Legislative Budget Assistant, Federal COVID-19 Funds, New Hampshire Allocations, July 7, 2022.

LARGE ENTITIES KEY TO BPT BASE

NEW HAMPSHIRE BUSINESS PROFITS TAX PAID AND NUMBER OF FILERS

Tax Year 2020

Source: New Hampshire Department of Revenue Administration,
2022 Annual Report



HIGH NATIONAL CORPORATE PROFITS LIKELY BOOSTING STATE REVENUES

U.S. CORPORATE PROFITS BY QUARTER

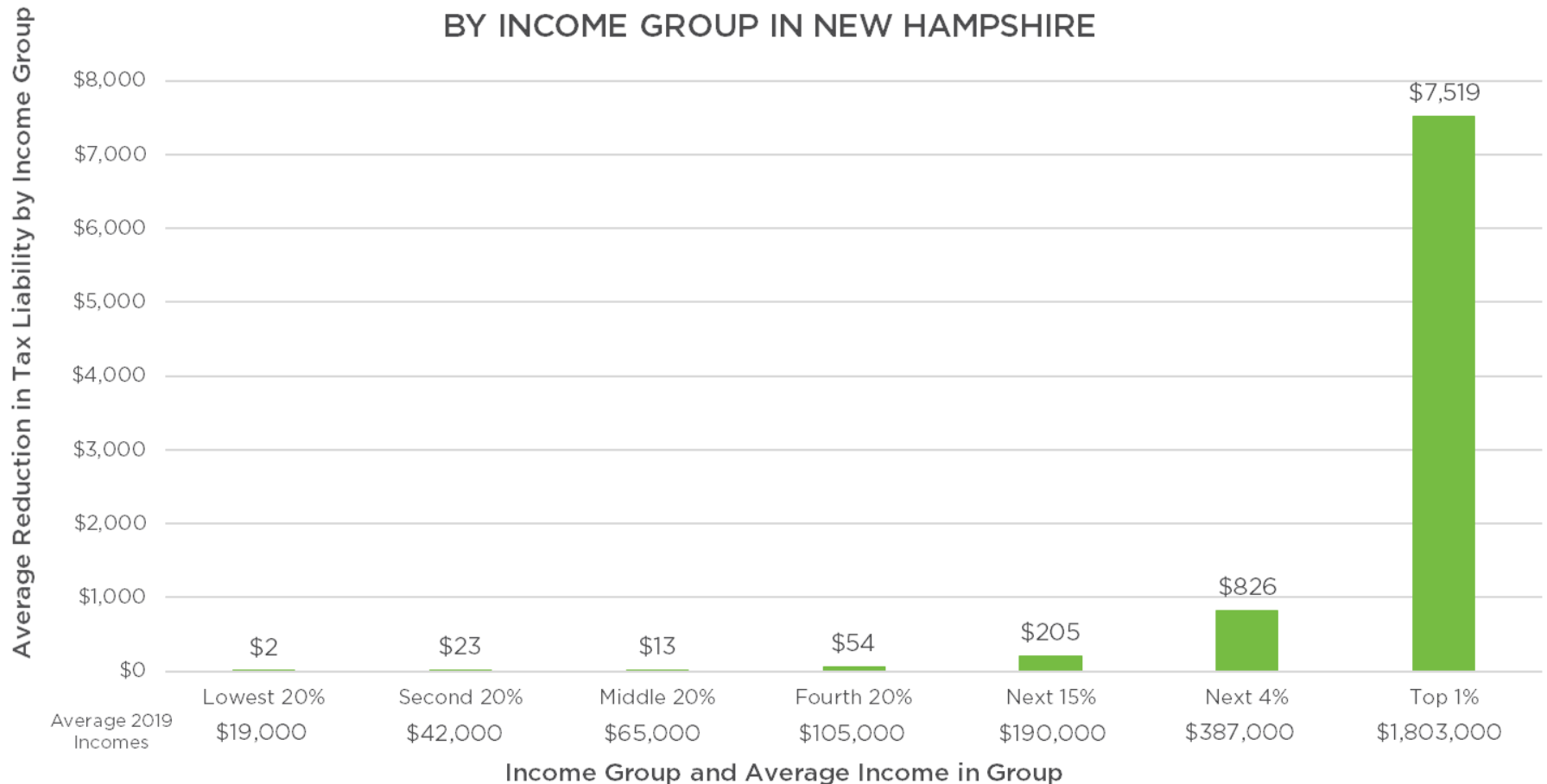
*Corporate Profits Adjusted for Inventory Valuation and Capital Consumption,
Annual Rate, Seasonally Adjusted*



Source: U.S. Federal Reserve Bank of St. Louis, accessed December 21, 2022

INTEREST AND DIVIDENDS TAX PHASEOUT BEGINS IN 2023, REDUCING STATE REVENUE

AVERAGE TAX REDUCTION FROM INTEREST AND DIVIDENDS TAX ELIMINATION BY INCOME GROUP IN NEW HAMPSHIRE

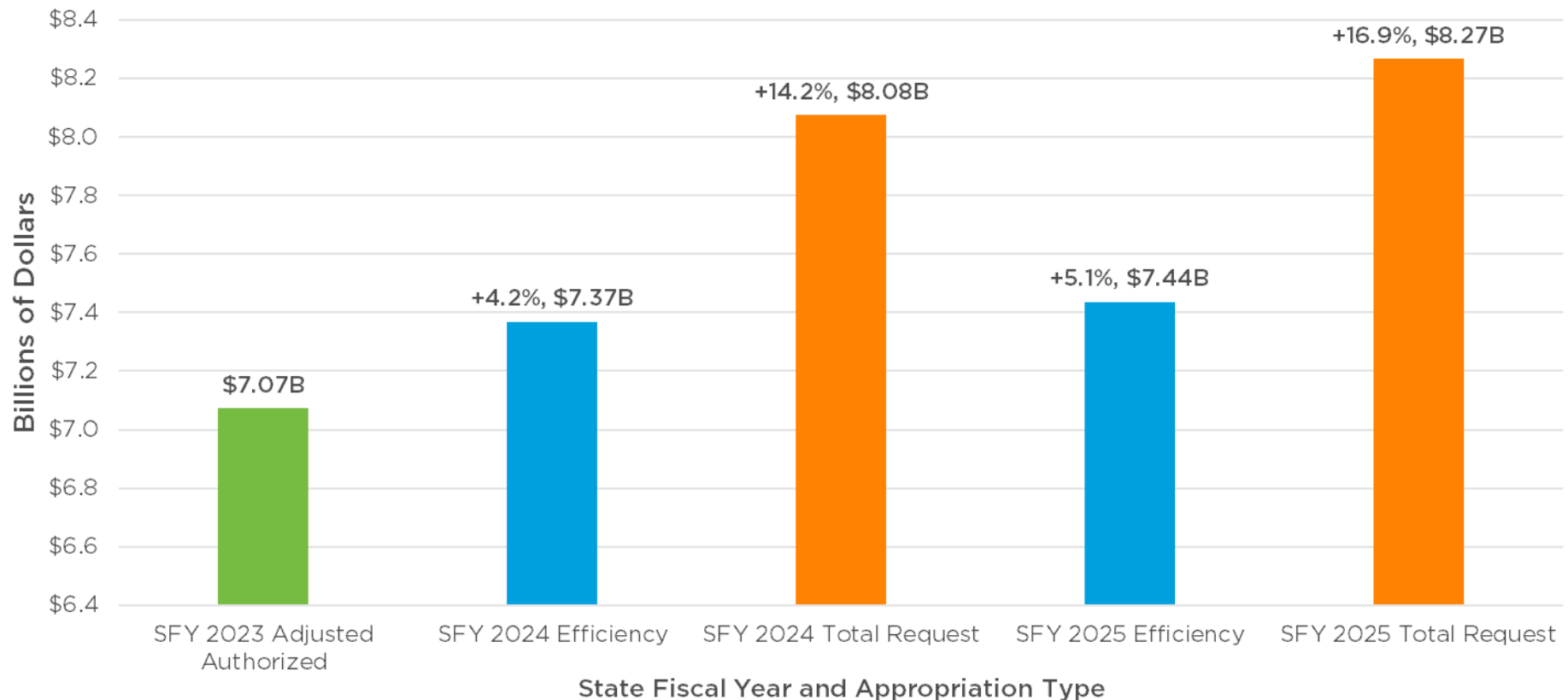


Source: Institute on Taxation and Economic Policy, May 2021

TOPLINE NUMBERS FROM THE AGENCY BUDGET REQUESTS

TOTAL STATE AGENCY BUDGET REQUESTS

State Fiscal Year 2023 Authorized and 2024 Requested



Source: New Hampshire Department of Administrative Services

ADDITIONAL RESOURCES

- Issue Brief: The State Budget for Fiscal Years 2022 and 2023 – August 17, 2021
<https://nhfpi.org/resource/the-state-budget-for-fiscal-years-2022-and-2023/>
- Presentation: How Public Services are Funded in New Hampshire at the State And Local Levels – August 10, 2022
<https://nhfpi.org/resource/how-public-services-are-funded-in-new-hampshire-at-the-state-and-local-levels-2/>
- Publication: Revenue in Review: An Overview of New Hampshire's Tax System and Major Revenue Sources – May 24, 2017
<https://nhfpi.org/resource/revenue-in-review-an-overview-of-new-hampshires-tax-system-and-major-revenue-sources/>
- Resource Pages: Budget, Revenue & Tax
<https://nhfpi.org/topic/budget/> and
<https://nhfpi.org/topic/revenue-tax/>



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