



PROPERTY TAXES AND PUBLIC REVENUES IN NEW HAMPSHIRE

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NEW HAMPSHIRE FISCAL POLICY INSTITUTE

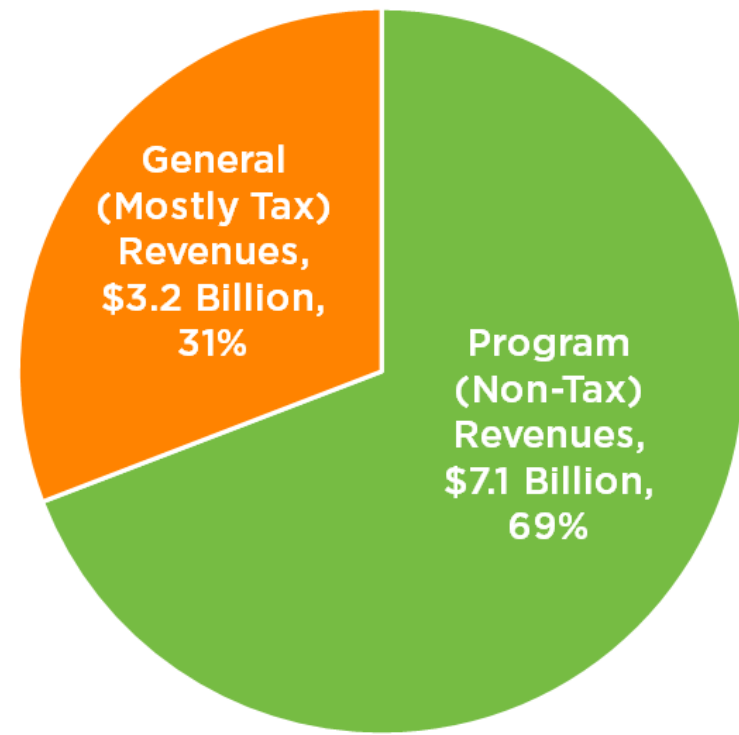
- Nonpartisan, independent research nonprofit
- Examines issues related to the State Budget, the New Hampshire economy, policies and their impacts, and the financial security of Granite Staters
- Centers on issues relevant to individuals and families with low- and moderate-incomes in New Hampshire

Mission: *New Hampshire Fiscal Policy Institute promotes opportunity and economic well-being for all New Hampshire residents by producing and disseminating independent research and analysis to inform public policy.*

WHY “REVENUE”? ISN’T IT JUST TAXES?

- Not all government revenue comes from taxes
- Revenue is also collected 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

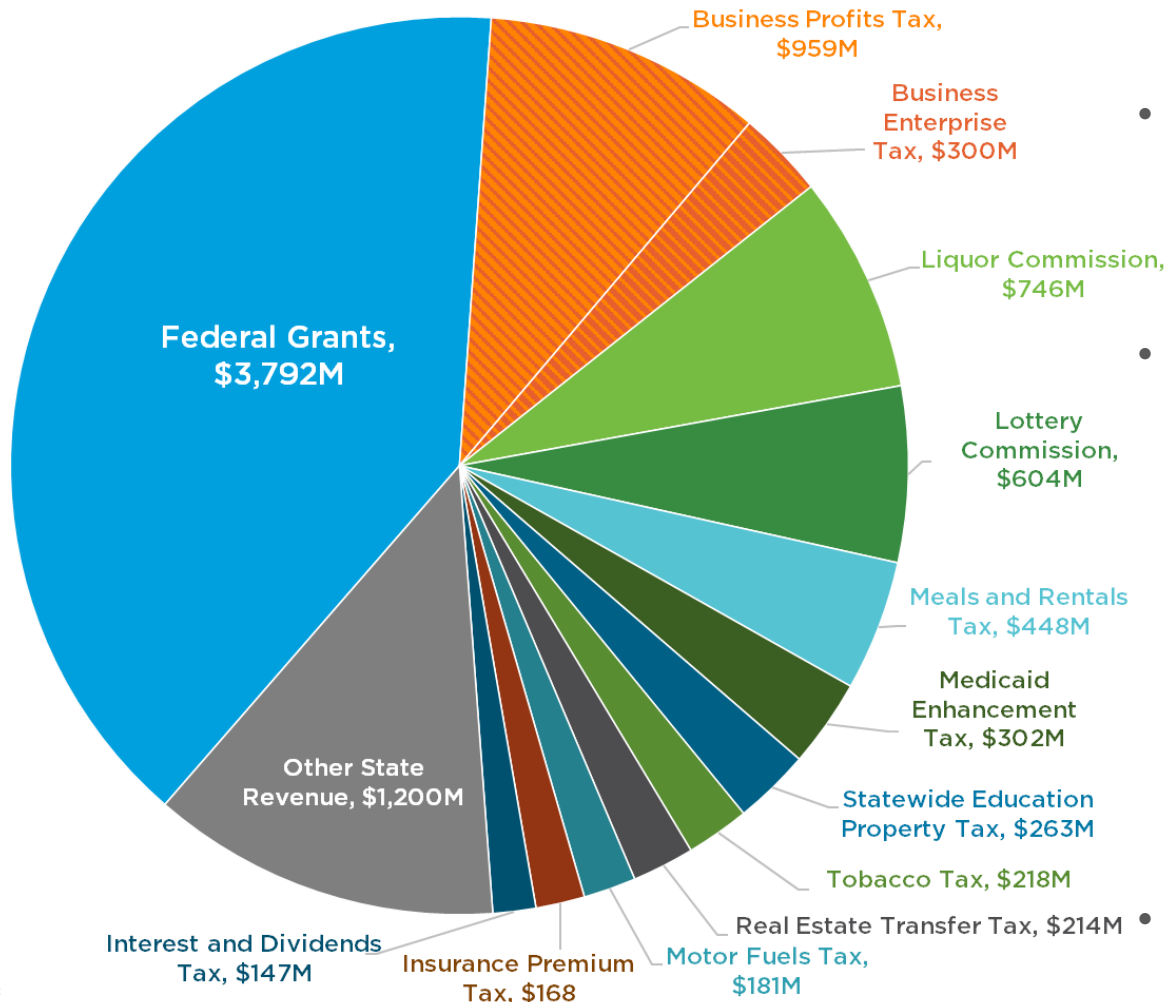
STATE GENERAL AND PROGRAM REVENUES FOR NEW HAMPSHIRE, STATE FISCAL YEAR 2023



Source: New Hampshire Annual Comprehensive Financial Report, SFY 2023

NEW HAMPSHIRE STATE REVENUES

STATE REVENUE SOURCES, GOVERNMENTAL AND ENTERPRISE FUNDS, STATE FISCAL YEAR 2023



- Federal transfers significant, typical of other states
- 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 large portion of funds go to support internal operations
- Business Profits Tax is the largest State tax revenue source

LARGEST STATE TAX REVENUE SOURCES

Amounts to All Funds (State Fiscal Year 2023)

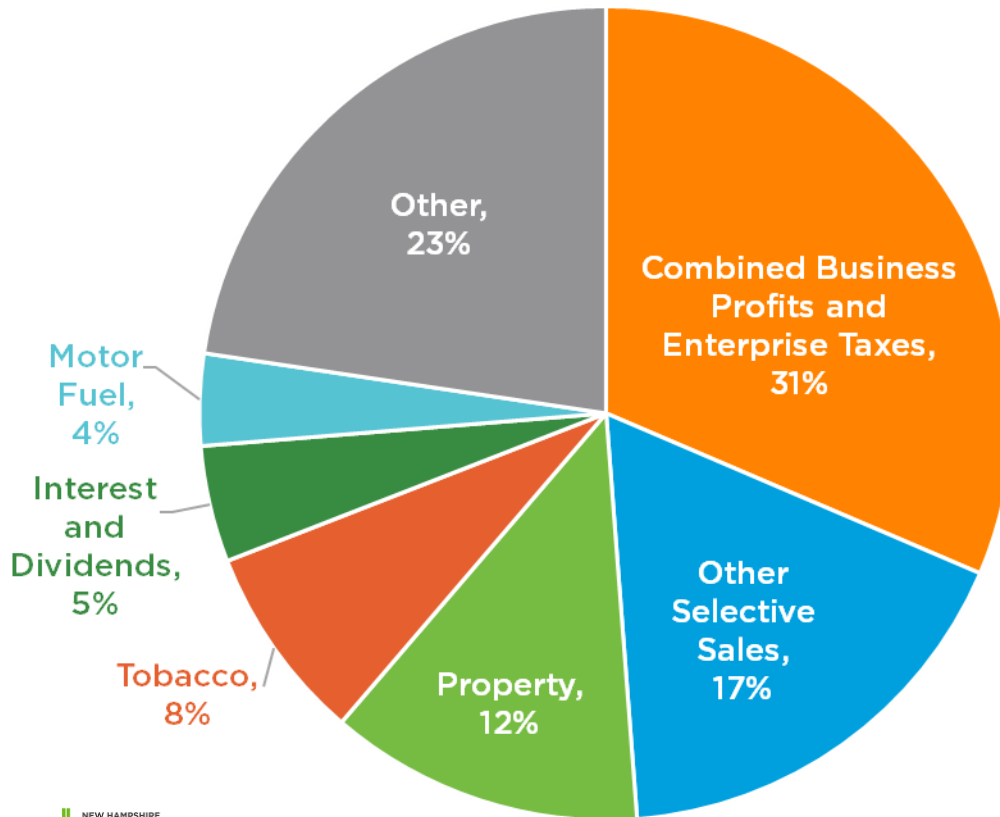
1. Business Profits Tax - \$958.8 million (estimate)
2. Meals and Rentals Tax - \$448.5 million
3. Medicaid Enhancement Tax - \$301.9 million
4. Business Enterprise Tax - \$300.1 million (estimate)
5. Statewide Education Property Tax - \$263.1 million
6. Tobacco Tax - \$217.8 million
7. Real Estate Transfer Tax - \$213.6 million
8. Motor Fuels Tax - \$180.6 million
9. Insurance Premium Tax - \$168.3 million
10. Interest and Dividends Tax - \$147.3 million

Sources: New Hampshire Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2023; New Hampshire Department of Revenue Administration; New Hampshire Treasury Department; New Hampshire Department of Health and Human Services.

FEWER LOCAL TAX REVENUE SOURCES

ALL STATE TAX REVENUE IN NEW HAMPSHIRE FISCAL YEAR 2021

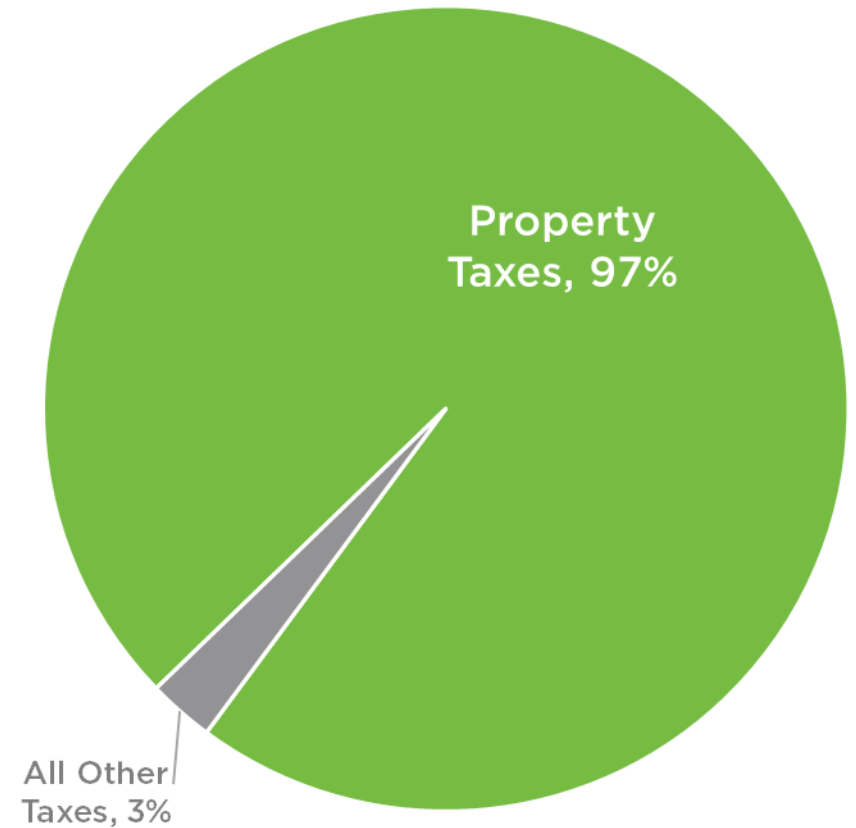
Source: U.S. Census Bureau, Survey of State and Local Government Finances



ALL LOCAL TAX REVENUE IN NEW HAMPSHIRE FISCAL YEAR 2021

Note: Apparent double-counting of the Statewide Education Property Tax removed from local revenues.

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



PROPERTY TAXES KEY TO LOCAL TAX REVENUE IN MANY STATES

PROPERTY TAX REVENUE AS A PERCENTAGE OF ALL LOCAL TAX REVENUE, FISCAL YEAR 2021

State		Estimated Percentage
Highest	Maine	99%
	New Jersey	98%
	Connecticut	98%
	New Hampshire*	97%
	Rhode Island	97%
United States		73%
Lowest	New Mexico	54%
	Maryland	53%
	Louisiana	44%
	Arkansas	41%
	Alabama	40%

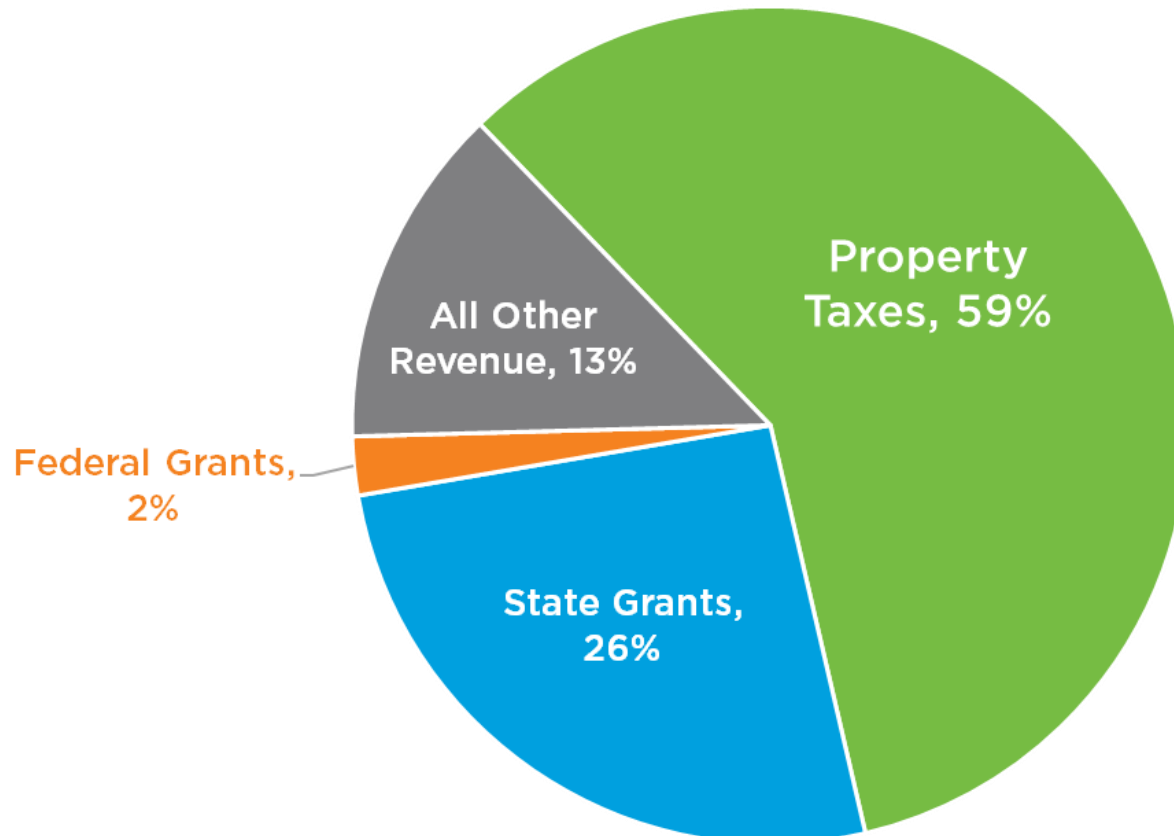
*Note: Apparent double-counting of Statewide Education Property Tax removed from local property tax revenues in New Hampshire calculations.

Source: U.S. Census Bureau, 2021 Annual Survey of State and Local Government Finances

PROPERTY TAX RECEIPTS MAJORITY OF LOCAL REVENUE IN NEW HAMPSHIRE

LOCAL GOVERNMENT REVENUE SOURCES NEW HAMPSHIRE, FISCAL YEAR 2021

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



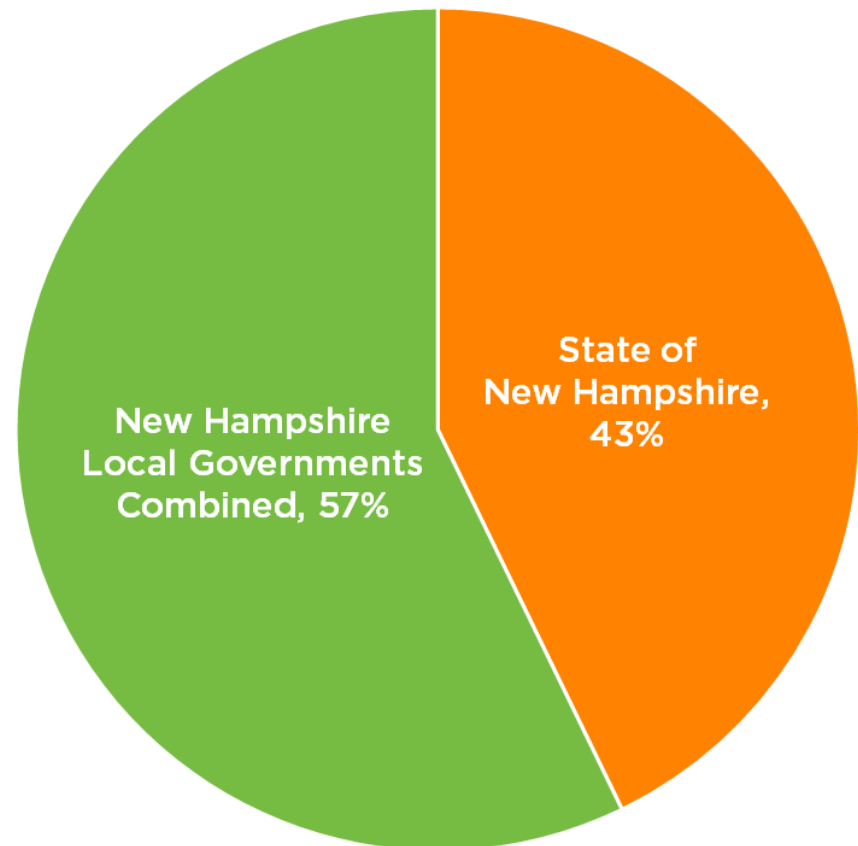
LOCAL GOVERNMENTS COLLECT MORE TAX REVENUE THAN THE STATE

NEW HAMPSHIRE TAX REVENUE BY GOVERNMENT LEVEL, FISCAL YEAR 2021

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

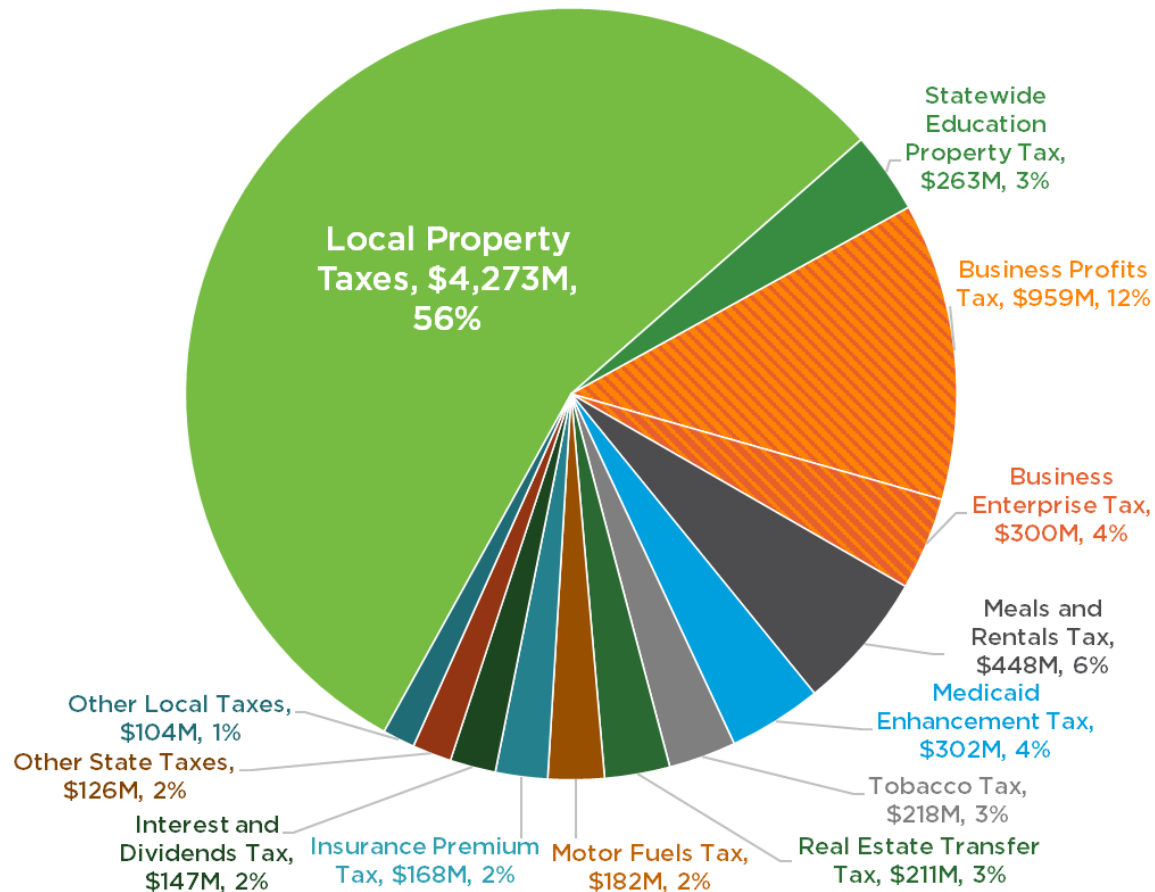
Local Governments includes:

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



NEW HAMPSHIRE STATE AND LOCAL TAXES

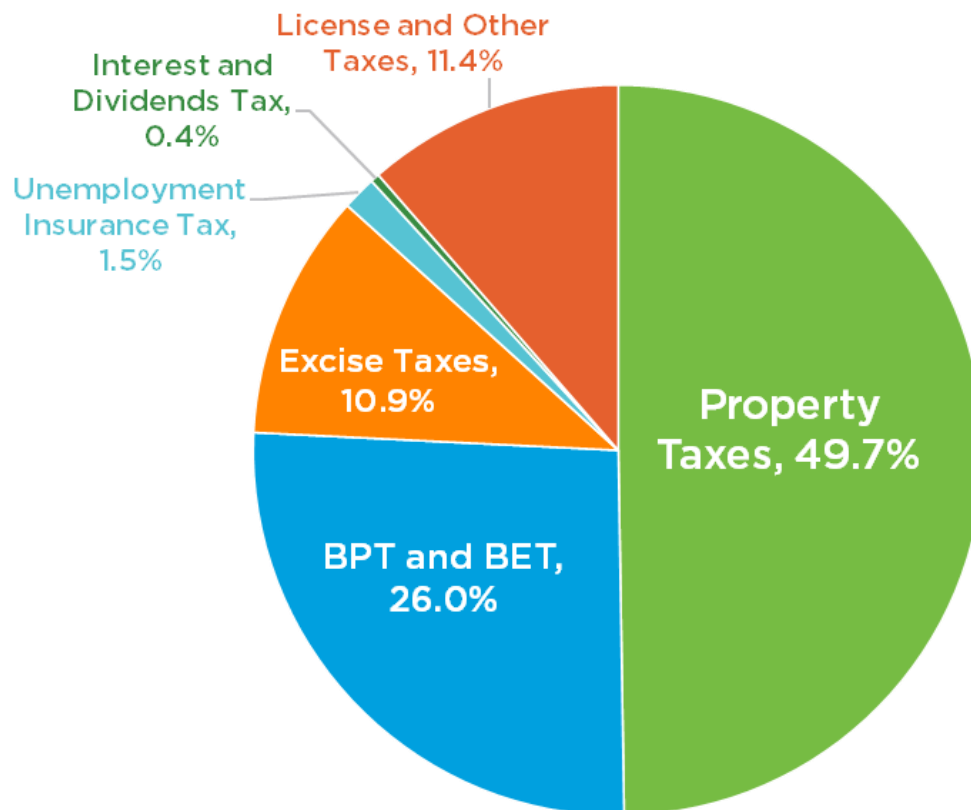
STATE AND LOCAL TAXES IN NEW HAMPSHIRE State Fiscal Year or Tax Year 2023



Sources: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2023; New Hampshire Department of Revenue Administration, 2023 Annual Report and Completed Public Tax Rates 2023; U.S. Census Bureau, Survey of State and Local Government Finances, 2021; Joint Legislative Fiscal Committee, FIS 23-311

HALF OF STATE AND LOCAL TAX DOLLARS PAID BY BUSINESSES ARE PROPERTY TAXES

TAXES PAID BY BUSINESSES, NEW HAMPSHIRE STATE AND LOCAL TAXES, FISCAL YEAR 2021



Note: Totals do not sum to 100 percent due to rounding.

Source: Council on State Taxation, *Total State and Local Business Taxes*, December 2022

STATE TAXES IN NEW HAMPSHIRE RELATIVELY LOW, INCLUDING IN NORTHEAST

STATE TAX REVENUE PER CAPITA, FISCAL YEAR 2021 REVENUES AND JULY 2021 POPULATION ESTIMATES

	State	Estimated Amount
Highest	Vermont	\$6,342
	California	\$6,341
	Connecticut	\$6,090
	Minnesota	\$5,567
	Hawaii	\$5,560
United States		\$3,802
Lowest	South Dakota	\$2,399
	New Hampshire*	\$2,316
	Florida	\$2,259
	Texas	\$2,212
	Alaska	\$1,435

*Note: Apparent double-counting of Statewide Education Property Tax removed from local property tax revenues in New Hampshire calculations.

Source: U.S. Census Bureau, 2021 Annual Survey of State and Local Government Finances, Population Estimates Program

TOTAL STATE AND LOCAL TAXES IN NEW HAMPSHIRE ARE NEAR NATIONAL MEDIAN

TOTAL STATE AND LOCAL TAX REVENUE PER CAPITA, FISCAL YEAR 2021 REVENUES AND AND JULY 2021 POPULATION ESTIMATES

State		Estimated Amount
Highest	New York	\$10,331
	Connecticut	\$9,424
	California	\$9,217
	New Jersey	\$8,305
	Massachusetts	\$8,107
United States		\$6,334
<i>New Hampshire* - Ranked 25th</i>		<i>\$5,409</i>
Lowest	South Carolina	\$4,413
	Florida	\$4,381
	Tennessee	\$4,259
	Alabama	\$4,237
	Alaska	\$4,189

*Note: Apparent double-counting of Statewide Education Property Tax removed from local property tax revenues in New Hampshire calculations.

Source: U.S. Census Bureau, 2021 Annual Survey of State and Local Government Finances, Population Estimates Program

DOLLARS PAID PER PERSON IN PROPERTY TAXES HIGH RELATIVE TO NATIONAL LEVEL

STATE AND LOCAL PROPERTY TAX REVENUE PER CAPITA, FISCAL YEAR 2021 REVENUES AND JULY 2021 POPULATION ESTIMATES

State		Estimated Amount
Highest	New Jersey	\$3,538
	New York	\$3,343
	Connecticut	\$3,276
	New Hampshire*	\$3,046
	Vermont	\$2,992
United States		\$1,898
Lowest	New Mexico	\$936
	Tennessee	\$926
	Oklahoma	\$918
	Arkansas	\$834
	Alabama	\$659

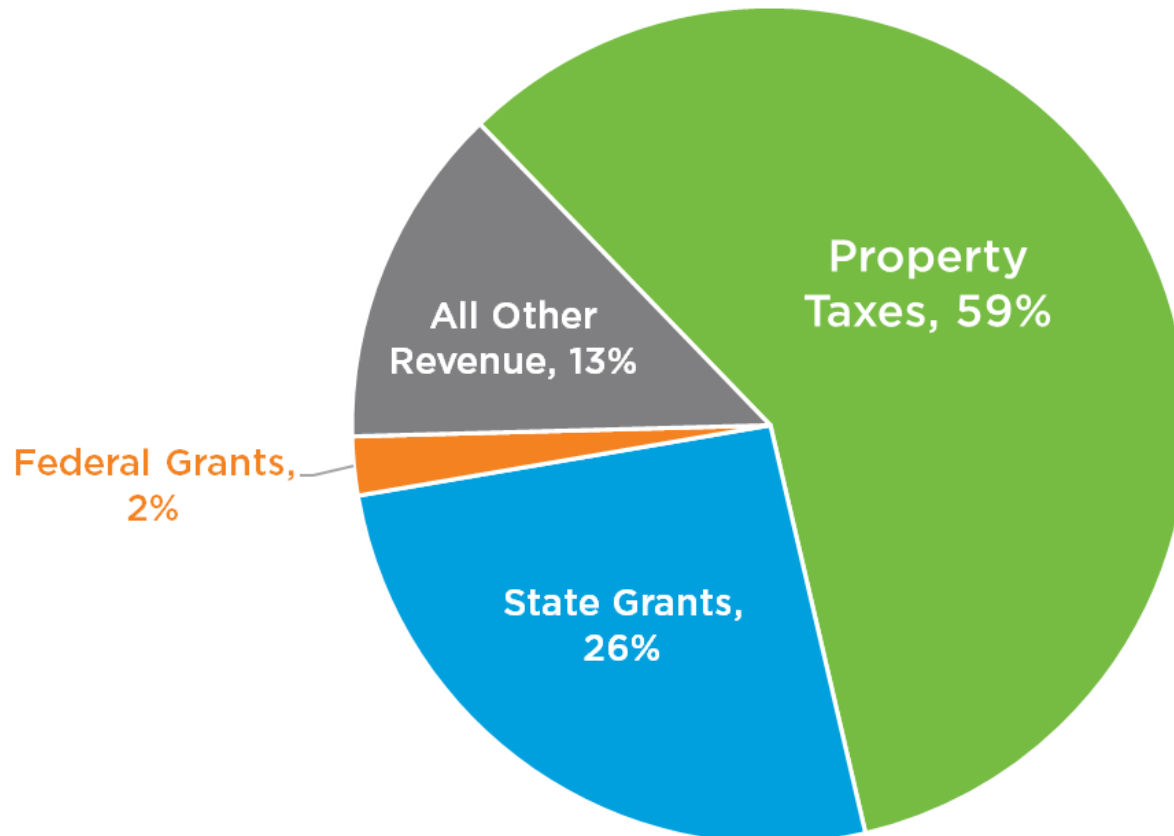
*Note: Apparent double-counting of Statewide Education Property Tax removed from local property tax revenues in New Hampshire calculations.

Source: U.S. Census Bureau, 2021 Annual Survey of State and Local Government Finances, Population Estimates Program

STATE AND FEDERAL FISCAL POLICY SHIFTS CAN IMPACT LOCAL PROPERTY TAXES

LOCAL GOVERNMENT REVENUE SOURCES NEW HAMPSHIRE, FISCAL YEAR 2021

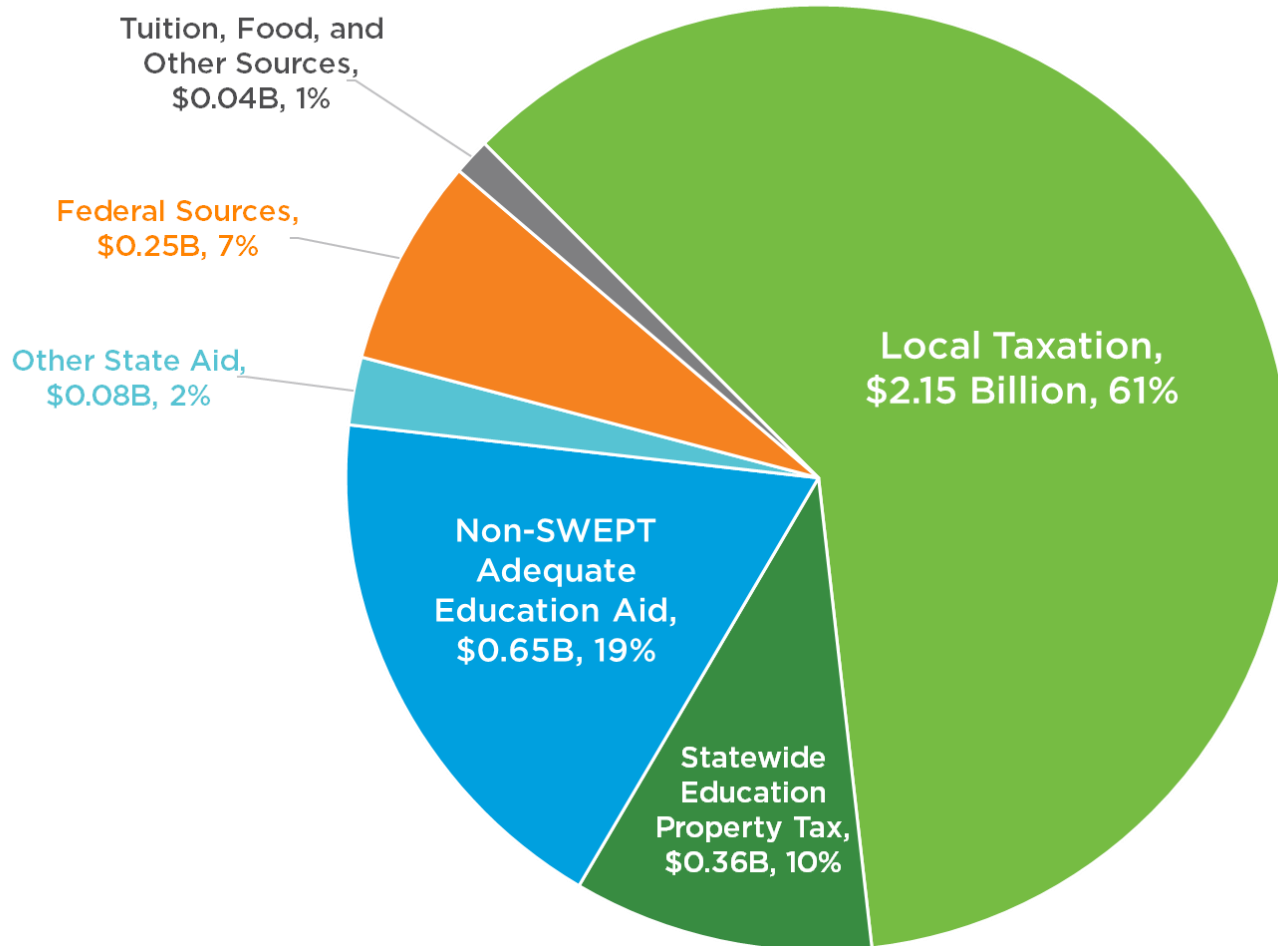
Source: U.S. Census Bureau, Survey of State and Local Government Finances



MOST LOCAL PUBLIC SCHOOL DISTRICT REVENUE PRODUCED BY PROPERTY TAXES

AGGREGATE SCHOOL DISTRICT REVENUE 2020-2021

Source: New Hampshire Department of Education, December 27, 2021



STATE EDUCATION FUNDING IN NH SMALLER PORTION THAN IN OTHER STATES

STATE FUNDING FOR ELEMENTARY AND SECONDARY LOCAL PUBLIC EDUCATION AS A PERCENTAGE OF ALL REVENUE TO THESE SCHOOLS, FISCAL YEAR 2021

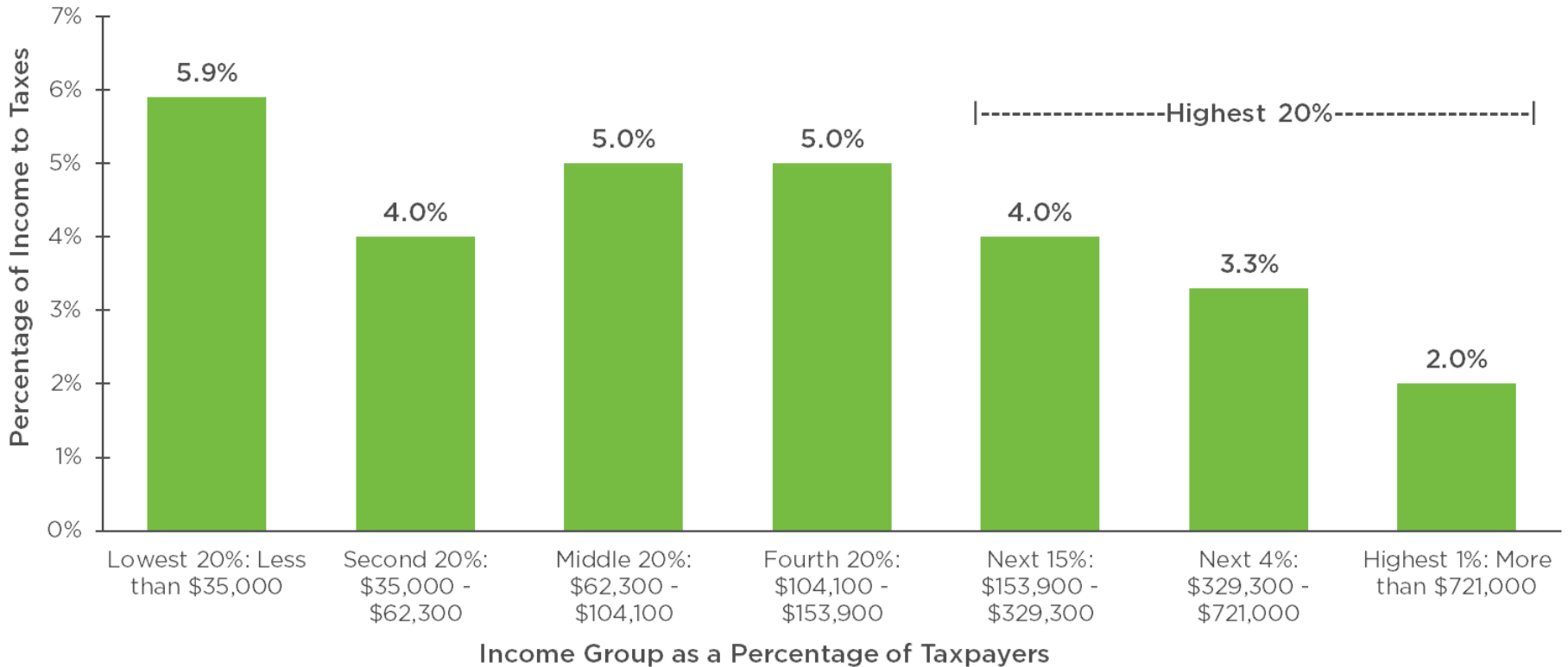
State or Nation	Percentage Funding for Local Public Education from State Sources	Estimated Rank Among 50 States
Vermont	88%	1
Hawaii	88%	2
Arkansas	71%	3
New Mexico	70%	4
Washington	68%	5
United States	45%	--
Connecticut	36%	46
Texas	34%	47
Nebraska	32%	48
South Dakota	32%	49
New Hampshire	31%	50

Source: U.S. Census Bureau, 2021 Annual Survey of School System Finances

EFFECTIVE PROPERTY TAX RATES ON LOWER-INCOME HOUSEHOLDS ARE HIGHER

NEW HAMPSHIRE STATE AND LOCAL PROPERTY TAXES AS A SHARE OF FAMILY INCOME

*Effective Tax Rate as a Share of Income by Income Group, 2024 Tax Laws Based on 2023 Income Levels**



*Note: Does not include taxpayers who are age 65 and older or tax units with negative incomes. Dependent filers are included with claiming filer.

Source: Institute on Taxation and Economic Policy, Who Pays? Seventh Edition, January 2024

TAXABLE PROPERTY VALUES PER PERSON CAN VARY SIGNIFICANTLY BY MUNICIPALITY

SELECTED EQUALIZED VALUATION PER CAPITA COMMUNITIES	
Municipality	Equalized Valuation Per Capita - 2022
Newington (State's Highest with Over 100 Residents)	\$1,562,479
Bow	\$238,116
Merrimack (Median Municipality Statewide)	\$211,375
Dunbarton	\$197,721
Hopkinton	\$194,576
Webster	\$191,363
Weare	\$167,354
Warner	\$164,977
Concord	\$152,429
Hillsborough	\$150,159
Henniker	\$120,497
Boscawen	\$111,510
Berlin (State's Lowest)	\$83,964

Source: U.S. Census Bureau; New Hampshire Department of Revenue Administration

KEY TAKEAWAYS

- New Hampshire State government has a wide array of revenue sources, with many smaller or midsized taxes
- Federal grants and other non-tax revenue sources are key to New Hampshire's finances
- Property taxes are key for local governments, constituting the majority of revenue and nearly all tax revenue, and property tax bases can vary substantially by municipality
- While New Hampshire State government taxes are relatively low, State and local taxes combined rank in the middle among U.S. states
- State aid to local governments, and federal aid to the State and to local governments, may impact local property taxes
- Property taxes typically result in higher effective tax rates for households with lower incomes

ADDITIONAL RESOURCES

- Presentation: How New Hampshire Funds Public Services at the State and Local Levels – July 19, 2023
<https://nhfpi.org/resource/how-new-hampshire-funds-public-services-at-the-state-and-local-levels/>
- 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/>
- Blog: State Property Tax Relief Available for Homeowners, Applications Open Until June 30 – May 31, 2024
<https://nhfpi.org/blog/state-property-tax-relief-available-for-homeowners-applications-open-until-june-30/>
- Resource Pages: Budget, Revenue & Tax
<https://nhfpi.org/topic/budget/> and
<https://nhfpi.org/topic/revenue-tax/>



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