

Crossing bright lines that harm New Hampshire NEW HAMPSHIRE VOICES

Sen. Jeb Bradley & Sen. Chuck Morse

Opinion

IN 2011 when we respectively became chair of the Senate Finance Committee and Senate majority leader, Republicans confronted an \$800 million budget shortfall, 100 taxes and fees including the infamous LLC tax and taxing business owners' salaries. We faced higher unemployment and an economy stuck in neutral. Difficult decisions had to be made and New Hampshire's national competitiveness had to improve.

Eight short years later and with Governor Sununu's able leadership, we have the third lowest unemployment rate in the nation, lowest poverty rate and among the highest per-capita income. Paychecks are growing and people are moving to New Hampshire. This fiscal year alone we have a revenue surplus of \$202 million.

US News and World Reports ranks our state second in their Best States 2019 Ranking Performance. In seven of the eight ranking categories we score high: health care 16th, economy 13th, fiscal stability 10th, education 5th, natural environment 4th, crime and corrections #1 and opportunity #1.

This didn't happen by accident. We stabilized our budget by making prudent spending decisions. We enhanced NH's competitiveness by encouraging, not penalizing job creators — starting with repeal of the LLC tax. We lowered workers compensation costs, repealed taxing electricity consumption, adopted a more reasonable regulatory structure and lowered our 48th worst in the nation rate of business taxation.

We recognize the best program is a good paying job — and jobs grew. With those jobs, revenue grew — enabling our state to dedicate significant resources to the opioid and mental health crisis, families with disabled children, and now restoring stabilization grants for education funding. A growing economy is absolutely essential to a healthy state. It's underpinning why New Hampshire enjoys the US News #2 overall ranking.

However, this legislative session our Democratic colleagues have undermined this strong economy. They adopted policies that increase workers compensation and unemployment insurance costs. They passed a \$150 million increase in longterm property taxes. They rejected repeal of a utility property tax that would lower electric rates. They made it harder for businesses to hire workers — restricting employers questioning criminal records and credit history. The House supports a tax on capital gains. A 6% income tax has been proposed as well as again taxing business owners' salaries — another income tax.

Our Senate Democrat colleagues passed a budget that increases total spending by 13.2%, and relies on higher businesses taxes — and an income tax to fund a new mandatory paid family leave insurance program. Along with the capital gains tax, these are bright lines that should not be crossed if we want future job growth and increasing paychecks.

How can New Hampshire avoid crossing these budgetary bright lines?

We proposed selective spending reductions that would still allow increased

resources for mental health and substance abuse, education funding, prevention of child abuse and neglect and ground water protection.

We supported Governor Sununu's voluntary paid family leave insurance program which doesn't rely on an income tax. Supporters of the mandatory paid leave/ income tax proposal should negotiate with Governor Sununu to find an acceptable compromise much as we worked with our Democratic colleagues several years ago to forge a bipartisan compromise that implemented Medicaid Expansion helping over 50,000 of our friends and neighbors in New Hampshire.

With the selective reductions we proposed — higher business taxes, a capital gains or an income tax are not necessary and the competitive advantage New Hampshire enjoys can be preserved.

During the long debate on the Senate Budget, we discussed the Advanced Regenerative Manufacturing Institute (ARMI) forging medical breakthroughs in Manchester. ARMI's success has come from Dean Kamen's tenacity and ingenuity. But Kamen came to us in 2018 to establish a 10-year tax incentive so that ARMI can flourish and provide excellent hi-tech jobs.

ARMI is an incredible example of why tax policy matters: it must be predictable, dependable and must enhance not undermine New Hampshire's competitive advantage.

A 13% increase in spending fueled by an income tax, higher business taxes or a capital gains tax is neither necessary or helpful to New Hampshire's hard-working men and women or New Hampshire's businesses. We look forward to working with Governor Sununu to prevent crossing these bright lines.

We cannot forget what we inherited in 2011: an \$800 million budget deficit, raiding every possible dedicated fund, 100 taxes and fees and an economy not producing jobs — essentially a budget and economy that worked for no one.

In 2019 we face the same policies that produced the 2011 crisis. Those policies didn't work then. They won't work now. An income tax, capital gains tax, higher business taxes supporting a 13% spending hike will undermine New Hampshire's enviable economy. If we undermine this economy we will not have the resources to fund substance abuse, mental health and education.

This is what is at stake in Concord right now.

Senator Jeb Bradley, a Republican from Wolfeboro, represents District 3. Senator Chuck Morse is a Republican from Salem representing District 22.

