

NEW HAMPSHIRE UNION LEADER

Sens. Chuck Morse & Jeb Bradley: Fighting inflation with state surplus revenues

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THANKFULLY, New Hampshire's economy is growing. But inflation is at a 40-year high, and soaring gas and energy prices are taking a big bite out of the wallets of New Hampshire families. Over the past decade, Republicans in the state Senate have safeguarded the New Hampshire economy by limiting spending growth and cutting taxes, resulting in booming revenues that we can now use to help Granite Staters fight inflation. As the Union Leader recently wrote, our plan "is more akin to the fiscal responsibility that Granite Staters expect."

Thanks to fiscal discipline and our sound conservative budgets, New Hampshire businesses have come roaring out of the pandemic. In March alone, state tax revenues were more than \$50 million ahead of our budget estimates. For Fiscal Year 2022, which ends in June, we estimate that revenues will exceed projections by at least \$250 million. We project additional surplus revenues next year.

The Senate has found a way to get this surplus back to New Hampshire taxpayers. It's your money. Rather than permanently ramp up state spending, we can distribute the surplus as one-time funds sent back for local schools and construction projects. Cities and towns can use this additional state aid to replace local spending and lower their local property tax rates.

This is the prudent, conservative approach that Senate Republicans have taken to managing our state's budget. And it has delivered tremendous results. New Hampshire has long been ranked one of the safest in the nation. In fact, recent FBI data rank us the safest. U.S. News says New Hampshire is the top state for livability, and we have among the highest levels of per capita income. We have the lowest poverty rate in the nation, and one of the lowest unemployment rates. The Cato Institute recently crowned New Hampshire as the freest state in America.

We have focused spending on our most vulnerable populations, emphasizing education, public safety, mental health, and substance abuse prevention. At the same time, we have lowered tax rates to help encourage job creation, helping New Hampshire grow. That has resulted in booming state revenues. Let's make sure New Hampshire families can share directly in those benefits.

The Senate Republican property tax relief plan includes \$24.3 million over the next two years in Extraordinary Need Grants for New Hampshire schools. These grants will be targeted to districts with the greatest economic need, supplementing the Adequate Education Aid tied to every student in the state.

The House and Senate have already approved \$12.65 million in state funding for local waste water projects, relieving some of the burden on local taxpayers. The Senate has also approved \$5 million to increase nursing homes rates, helping to lower county property taxes.

Our latest package of property tax relief includes \$36 million for the State Aid Bridge program, \$30 million for municipal road projects, and an additional \$1 million for local police departments to purchase body-worn and dashboard camera systems. In total, we're proposing \$109 million in new state aid to lower local property taxes.

That's in addition to the increases in state education funding in last year's budget, the \$31 million annual increase in Rooms and Meals revenue sharing, and the \$100 million cut to the Statewide Property Tax going to every taxpayer in the state next year.

When we began the process of lowering New Hampshire's high business tax rates in order to make our economy more competitive, opponents claimed that cutting taxes would "blow a \$90 million hole in the budget." On the contrary, the Josiah Bartlett Center for Public Policy found that over the past decade, as we were steadily lowering the rates of the Business Profits Tax and Business Enterprise Tax, New Hampshire business tax revenues exceeded projections by \$650 million. Lowering rates created jobs and helped companies grow and thrive, generating higher revenues than if we had left tax rates high. Contrary to claims of those who wanted higher taxes, the Department of Revenue Administration reports that nearly 90% of BPT taxpayers are companies headquartered in New Hampshire.

When we lower the cost of government in Concord, we can help lower the cost of living for everyone in New Hampshire. We are proud to have gained broad, bipartisan support for this property tax relief plan. It shows that good government can still happen when we do things the New Hampshire way.

By sending surplus revenues to our cities and towns, we hope to lower property taxes again for everyone in the Granite State.