

LEGISLATIVE COMMITTEE MINUTES

# CACR2

Bill as  
Introduced

CACR 2 - AS INTRODUCED

2013 SESSION

13-0135  
06/04

CONSTITUTIONAL AMENDMENT  
CONCURRENT RESOLUTION **2**

RELATING TO: taxation.

PROVIDING THAT: taxes imposed by the state of New Hampshire or its subdivisions may be graduated.

SPONSORS: Rep. Weed, Ches 16; Rep. Robertson, Ches 6

COMMITTEE: Ways and Means

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ANALYSIS

This constitutional amendment concurrent resolution provides for taxes imposed by the state of New Hampshire or its subdivisions to be graduated.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struckthrough.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

CONCURRENT RESOLUTION PROPOSING CONSTITUTIONAL AMENDMENT

RELATING TO:       taxation.

PROVIDING THAT:   taxes imposed by the state of New Hampshire or its subdivisions may be graduated.

*Be it Resolved by the House of Representatives, the Senate concurring, that the Constitution of New Hampshire be amended as follows:*

1           I. That article 5 of the second part of the constitution be amended to read as follows:

2           [Art.] 5. [Power to Make Laws, Elect Officers, Define Their Powers and Duties, Impose Fines and  
3 Assess Taxes; Prohibited from Authorizing Towns to Aid Certain Corporations.] And farther, full power  
4 and authority are hereby given and granted to the said general court, from time to time, to make, ordain,  
5 and establish, all manner of wholesome and reasonable orders, laws, statutes, ordinances, directions, and  
6 instructions, either with penalties, or without, so as the same be not repugnant or contrary to this  
7 constitution, as they may judge for the benefit and welfare of this state, and for the governing and  
8 ordering thereof, and of the subjects of the same, for the necessary support and defense of the  
9 government thereof, and to name and settle biennially, or provide by fixed laws for the naming and  
10 settling, all civil officers within this state, such officers excepted, the election and appointment of whom  
11 are hereafter in this form of government otherwise provided for; and to set forth the several duties,  
12 powers, and limits, of the several civil and military officers of this state, and the forms of such oaths or  
13 affirmations as shall be respectively administered unto them, for the execution of their several offices and  
14 places, so as the same be not repugnant or contrary to this constitution; and also to impose fines, mulcts,  
15 imprisonments, and other punishments, and to impose and levy [~~proportional and~~] reasonable  
16 assessments, rates, and taxes, *which may be at a graduated rate*, upon all the inhabitants of, and  
17 residents within, the said state; and upon all estates within the same; to be issued and disposed of by  
18 warrant, under the hand of the governor of this state for the time being, with the advice and consent of  
19 the council, for the public service, in the necessary defense and support of the government of this state,  
20 and the protection and preservation of the subjects thereof, according to such acts as are, or shall be, in  
21 force within the same; provided that the general court shall not authorize any town to loan or give its  
22 money or credit directly or indirectly for the benefit of any corporation having for its object a dividend of  
23 profits or in any way aid the same by taking its stocks or bonds. For the purpose of encouraging  
24 conservation of the forest resources of the state, the general court may provide for special assessments,  
25 rates and taxes on growing wood and timber.

26           II. That the above amendment proposed to the constitution be submitted to the qualified  
27 voters of the state at the state general election to be held in November, 2014.

CACR 2 - AS INTRODUCED

- Page 2 -

1           III. That the selectmen of all towns, cities, wards and places in the state are directed to insert in  
2 their warrants for the said 2014 election an article to the following effect: To decide whether the  
3 amendments of the constitution proposed by the 2013 session of the general court shall be approved.

4           IV. That the wording of the question put to the qualified voters shall be:

5           "Are you in favor of amending Article 5 of the second part of the constitution to read as follows:

6           [Art.] 5. [Power to Make Laws, Elect Officers, Define Their Powers and Duties, Impose Fines and  
7 Assess Taxes; Prohibited from Authorizing Towns to Aid Certain Corporations.] And farther, full  
8 power and authority are hereby given and granted to the said general court, from time to time, to  
9 make, ordain, and establish, all manner of wholesome and reasonable orders, laws, statutes,  
10 ordinances, directions, and instructions, either with penalties, or without, so as the same be not  
11 repugnant or contrary to this constitution, as they may judge for the benefit and welfare of this state,  
12 and for the governing and ordering thereof, and of the subjects of the same, for the necessary support  
13 and defense of the government thereof, and to name and settle biennially, or provide by fixed laws  
14 for the naming and settling, all civil officers within this state, such officers excepted, the election and  
15 appointment of whom are hereafter in this form of government otherwise provided for; and to set  
16 forth the several duties, powers, and limits, of the several civil and military officers of this state, and  
17 the forms of such oaths or affirmations as shall be respectively administered unto them, for the  
18 execution of their several offices and places, so as the same be not repugnant or contrary to this  
19 constitution; and also to impose fines, mulcts, imprisonments, and other punishments, and to impose  
20 and levy reasonable assessments, rates, and taxes, which may be at a graduated rate, upon all the  
21 inhabitants of, and residents within, the said state; and upon all estates within the same; to be  
22 issued and disposed of by warrant, under the hand of the governor of this state for the time being,  
23 with the advice and consent of the council, for the public service, in the necessary defense and  
24 support of the government of this state, and the protection and preservation of the subjects thereof,  
25 according to such acts as are, or shall be, in force within the same; provided that the general court  
26 shall not authorize any town to loan or give its money or credit directly or indirectly for the benefit of  
27 any corporation having for its object a dividend of profits or in any way aid the same by taking its  
28 stocks or bonds. For the purpose of encouraging conservation of the forest resources of the state, the  
29 general court may provide for special assessments, rates and taxes on growing wood and timber."

30           V. That the secretary of state shall print the question to be submitted on a separate ballot or on  
31 the same ballot with other constitutional questions. The ballot containing the question shall include 2  
32 squares next to the question allowing the voter to vote "Yes" or "No." If no cross is made in either of the  
33 squares, the ballot shall not be counted on the question. The outside of the ballot shall be the same as the  
34 regular official ballot except that the words "Questions Relating to Constitutional Amendments proposed  
35 by the 2013 General Court" shall be printed in bold type at the top of the ballot.

36           VI. That if the proposed amendment is approved by 2/3 of those voting on the amendment, it  
37 becomes effective when the governor proclaims its adoption.

# Speakers



# Hearing Minutes



HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON CACR 2

**BILL TITLE:** Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated.

**DATE:** January 23, 2012

**LOB ROOM:** LOB 202    **Time Public Hearing Called to Order:** 1:32 PM

**Time Adjourned:** 2:02 PM

(please circle if present)

**Committee Members:** Reps. (Almy, Lovejoy, Cooney, Davis, Butynski, J. Kelley, Shattuck, Young, Ames, Karrick, Schamberg, Major, R. Ober, Ulery, Sanborn, Hess, Abrami, Griffin, Azarian and Sapareto.

**Bill Sponsors:** Rep. Weed, Ches 16 and Rep. Robertson, Ches 6

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Rep. Chuck Weed** – Prime Sponsor – Supports the bill. Circumstances have changed since primary tax was the property tax, and believe that a graduated tax would be fairer. Hope that concept of progressiveness of taxes can be discussed, particularly since no particular tax is being proposed. Some progressivity exists with property taxes, but believe that NH taxes should be able to be graduated to be fairer and related to ability to pay and proportionality. A person who has no ability to pay should not be taxed. I hope that graduated taxes would be tax neutral – if new graduated taxes were instituted these other taxes should be reduced to be tax neutral. I wish to substitute a progressive tax structure for the regressive tax structure we currently have.

**Rep. Tim Robertson** – Co-Sponsor – Supports the bill. Current high property taxes deter people from moving to NH because they cannot afford their taxes. ... People living in a community should pay fair taxes to support the entire community.

Respectfully submitted,



Rep. William Butynski, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON CACR 2

BILL TITLE: Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated.

DATE: 1-23-13

LOB ROOM: LOB 202 Time Public Hearing Called to Order: 1:32PM

Time Adjourned: 2:02PM

(please circle if present)

Committee Members: Reps. Almy, Lovejoy, Cooney, Davis, Butynski, J. Kelley, Shattuck, Young, Ames, Karrick, Schamberg, Major, R. Ober, Ulery, Sanborn, Hess, Abrami, Griffin, Azarian and Sapareto.

Bill Sponsors: Reps. Weed<sup>Ches. 16</sup> and Robertson, Ches. 6

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

Rep. Claude Weed, Prime Sponsor - Support the bill. Circumstances have changed since primary tax was the property tax, and believe that a graduated tax would be fairer. Hope that concept of progression of taxes can be discussed, particularly since no partial tax is being proposed. Response to Questions: Some progression exists with the property tax, but believe that MIT taxes should be able to be graduated to be fairer and related to ability to pay and proportionality. A person who has no ability to pay should not be taxed. I hope that graduated taxes would be tax neutral - if new graduated taxes were instituted these other taxes should be reduced to be tax neutral. I wish to substitute a progressive tax structure for the regressive tax structure currently here.

Respectfully submitted,

Rep. William Butynski, Clerk

Rep. Tim Robertson, Co-Sponsor - Support the bill, Current  
 high property tax deters people from moving to NH because  
 they cannot afford ~~on~~ these taxes. "I ~~see~~ People  
 living in a community should pay fair taxes to support  
 the entire community.

# Voting Sheets

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on CACR 2

**BILL TITLE:** Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated.

**DATE:** January 29, 2013

**LOB ROOM:** Room 202, LOB

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Lovejoy

Seconded by Rep. Hess

Vote: 14-2 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.


Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:**

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

  
Rep. Russell Ober, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS  
EXECUTIVE SESSION on CACR 2

*( Linda,  
The latest version  
of this looks fine. However,  
I did not sign it because I  
was not present. Either  
Russ Ober or Mars  
Corney ~~the~~ completed  
the information &  
that individual  
should sign the  
sheet.  
Bill B)*

**BILL TITLE:** Relating to taxation. Providing that taxes imposed by the State of New Hampshire or its subdivisions may be graduated.  
**DATE:** 1/29/13  
**LOB ROOM:** Room 202, LOB

**Amendments:**

Sponsor: Rep. OLS Document #:  
Sponsor: Rep. OLS Document #:  
Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Lovejoy  
Seconded by Rep. Hess  
Vote: 14-2 (Please attach record of roll call vote.)

*Regular calendar*

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.  
Seconded by Rep.  
Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** {Type VOTE}

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,  
Rep. William Butynski, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:00:11 AM  
Roll Call Committee Registers  
Report

2013 SESSION

WAYS AND MEANS

Bill #: CACR 2

Title: Relating to taxation. Providing that taxes imposed by the state of NH or its subdivisions may be graduated.

PH Date: 1 12 31 13

Exec Session Date: 1 1 29 13

Motion: JTL

Amendment #: \_\_\_\_\_

MEMBER	YEAS	NAYS
Almy, Susan W, Chairman	✓	
Lovejoy, Patricia T, V Chairman	✓	
Butynski, William, Clerk		
Davis, Frank W	✓	
Shattuck, Gilman C	✗	✓
Kelley, John D	✓	
Cooney, Mary R		✓
Ames, Richard	✓	
Karrick, David B	✓	
Schamberg, Thomas C	✓	
Young, Harry L	✓	
Major, Norman L,		
Griffin, Mary E	✓	
✓ Hess, David W	✓	
Sapareto, Frank V-		
Ulery, Jordan G	✓	
Ober, Russell T,	✓	
Abrami, Patrick F	✓	
Azarian, Gary S		
Sanborn, Laurie J	✓	
<b>TOTAL VOTE:</b>	<b>14</b>	<b>2</b>

14-2

# Committee Report



REGULAR CALENDAR

January 31, 2013

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on WAYS AND MEANS  
to which was referred CACR2,

AN ACT Relating to taxation. Providing that taxes  
imposed by the state of New Hampshire or its  
subdivisions may be graduated. Having considered the  
same, report the same with the following Resolution:  
RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Patricia T Lovejoy

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY  
COMMITTEE REPORT**

Committee: **WAYS AND MEANS**  
Bill Number: **CACR2**  
Title: **Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated.**  
Date: **January 31, 2013**  
Consent Calendar: **NO**  
Recommendation: **INEXPEDIENT TO LEGISLATE**

**STATEMENT OF INTENT**

This bill proposes that voters decide on whether to allow a graduated tax. Our constitution has always required all taxes be proportional and reasonable, though sometimes with major exemptions that serve the public good. The concept of a graduated tax could be applied to any tax of the State of NH or any subdivision thereof, including business taxes, property taxes, real estate transfer taxes, excise tax, etc. This concept would be applicable to any future taxes such as a broad-based sales or income tax. The sponsor was unclear how this concept would be explained to the voters in the absence of specific examples. The benefit was tied to reducing property taxes. The majority of the committee finds the linkage too vague for a measure that must go to the voters.

Vote 14-2

Rep. Patricia T Lovejoy  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

REGULAR CALENDAR

WAYS AND MEANS

**CACR2**, Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated. **INEXPEDIENT TO LEGISLATE.**

Rep. Patricia T Lovejoy for the **Majority** of WAYS AND MEANS. This bill proposes that voters decide on whether to allow a graduated tax. Our constitution has always required all taxes be proportional and reasonable, though sometimes with major exemptions that serve the public good. The concept of a graduated tax could be applied to any tax of the State of NH or any subdivision thereof, including business taxes, property taxes, real estate transfer taxes, excise tax, etc. This concept would be applicable to any future taxes such as a broad-based sales or income tax. The sponsor was unclear how this concept would be explained to the voters in the absence of specific examples. The benefit was tied to reducing property taxes. The majority of the committee finds the linkage too vague for a measure that must go to the voters. **Vote 14-2.**

COMMITTEE REPORT

COMMITTEE: WAYS & MEANS

BILL NUMBER: CAOR 2

TITLE: Taxes imposed by the State of NH or its Subdivisions may be graduated

DATE: 1/29/13 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No. _____
------------------------

STATEMENT OF INTENT:

This bill proposes that voters decide on whether to allow a graduated tax. Our Constitution has always required all taxes be proportional and reasonable, though sometimes with major exemptions that serve the public good. The concept of a graduated tax could be applied to any tax of the State of NH or any subdivision thereof, including business taxes, property taxes, real estate transfer taxes, excise tax, etc. This concept would be applicable to any future taxes such as a broad based sales or income tax. The sponsor was unclear how this concept would be explained to the voters in the

COMMITTEE VOTE: 14-2

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. [Signature]  
For the Committee [Signature]

## MAJORITY REPORT

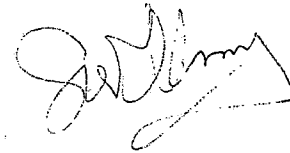
VOTE 14-2

ITL

CACR 2 – This bill proposes that voters decide on whether to allow a graduated tax. Our constitution has always required all taxes be proportional and reasonable, though sometimes with major exemptions that serve the public good. The concept of a graduated tax could be applied to any tax of the State of NH or any subdivision thereof, including business taxes, property taxes, real estate transfer taxes, excise tax, etc. This concept would be applicable to any future taxes such as a broad-based sales or income tax. The sponsor was unclear how this concept would be explained to the voters in the absence of specific examples. The benefit was tied to reducing property taxes. The majority of the committee finds the linkage too vague for a measure that must go to the voters.

Respectfully submitted,

Rep. Patricia Lovejoy

A handwritten signature in black ink, appearing to read "Patricia Lovejoy", is located to the right of the typed name. The signature is cursive and somewhat stylized.

REGULAR CALENDAR

January 31, 2013

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on WAYS AND MEANS  
to which was referred CACR2,

AN ACT Relating to taxation. Providing that taxes  
imposed by the state of New Hampshire or its  
subdivisions may be graduated. Having considered the  
same, and being unable to agree with the Majority,  
report with the recommendation that the bill OUGHT  
TO PASS.

Rep. Gilman C Shattuck

FOR THE MINORITY OF THE COMMITTEE

**MINORITY  
COMMITTEE REPORT**

Committee: **WAYS AND MEANS**  
Bill Number: **CACR2**  
Title: **Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated.**  
Date: **January 31, 2013**  
Consent Calendar: **NO**  
Recommendation: **OUGHT TO PASS**

**STATEMENT OF INTENT**

The sponsor made clear in his testimony that he had no specific changes or additions to tax law in mind with this bill. He feels strongly that future legislatures need full flexibility in order to craft legislation that might foster more equitable tax systems. Since this legislature cannot and should not predict or determine the future revenue needs of this state, this legislature should not limit the work of future legislatures. The bill in itself is simply enabling legislation it does not require any change to existing law. It might provide useful flexibility to future legislatures.

Rep. Gilman C Shattuck  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File

REGULAR CALENDAR

WAYS AND MEANS

CACR2, Relating to taxation. Providing that taxes imposed by the state of New Hampshire or its subdivisions may be graduated. **OUGHT TO PASS.**

Rep. Gilman C Shattuck for the **Minority** of WAYS AND MEANS. The sponsor made clear in his testimony that he had no specific changes or additions to tax law in mind with this bill. He feels strongly that future legislatures need full flexibility in order to craft legislation that might foster more equitable tax systems. Since this legislature cannot and should not predict or determine the future revenue needs of this state, this legislature should not limit the work of future legislatures. The bill in itself is simply enabling legislation it does not require any change to existing law. It might provide useful flexibility to future legislatures.



MINORITY REPORT

COMMITTEE: WAYS & MEANS

BILL NUMBER: CAR 2

TITLE: RELATING TO TAXATION

DATE: 1/29/13 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No.  
\_\_\_\_\_

STATEMENT OF INTENT:

ATTACHED

COMMITTEE VOTE: \_\_\_\_\_

• Copy to Committee Bill File

RESPECTFULLY SUBMITTED,

Rep. [Signature]  
For the Minority

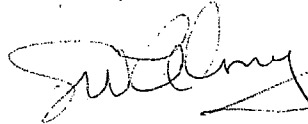
MINORITY REPORT

VOTE 14-2          OTP

CACR 2 – The sponsor made clear in his testimony that he had no specific changes or additions to tax law in mind with this bill. He feels strongly that future legislatures need full flexibility in order to craft legislation that might foster more equitable tax systems. Since this legislature cannot and should not predict or determine the future revenue needs of this state, this legislature should not limit the work of future legislatures. The bill in itself is simply enabling legislation it does not require any change to existing law. It might provide useful flexibility to future legislatures

Respectfully submitted,

Rep. Gilman Shattuck

A handwritten signature in cursive script, appearing to read "Gilman Shattuck", is written in dark ink on the right side of the page.

CACR 2, relating to taxation. Taxes imposed by the state of New Hampshire or its subdivisions may be graduated. ~~MAJORITY: OUGHT TO PASS. MINORITY: INEXPEDIENT TO LEGISLATE.~~

~~MAJORITY~~  
MINORITY

Rep. Gilman Shattuck for the ~~MAJORITY~~ of Ways and Means: The sponsor made clear in his testimony that he had no specific changes or additions to tax law in mind with this bill. He feels strongly that future legislatures need full flexibility in order to craft legislation that might foster more equitable tax systems. Since this legislature cannot and should not predict or determine the future revenue needs of this state, this legislature should not limit the work of future legislatures. The bill in itself is simply enabling legislation, it does not require any change to existing law. It might provide useful flexibility to future legislatures. ~~The majority recommends passage.~~

~~Vote~~

~~Rep~~

~~for the MINORITY of Ways and Means:~~