



New Hampshire Senate

News Release

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Senators disappointed in Hassan veto of tax fairness bill

Concord, NH – Senators Jeb Bradley (R-Wolfeboro) and Andy Sanborn (R-Bedford) today expressed their disappointment in Governor Hassan’s decision to veto a bill protecting New Hampshire start-ups from taxes on phantom income.

“I’m disappointed that Governor Hassan would veto a bill to protect New Hampshire companies from paying taxes on phantom income. That’s why the bipartisan Commission to Study Business Taxes recommended correcting this provision in 2011,” Bradley said. “This tax is not on profits or capital gains, but on the potential increase in shareholder value. This bill eliminates a huge disincentive for start-ups here in New Hampshire. Hundreds of good jobs are at stake, and we want a tax code that attracts start-ups to our state.”

HB 550 would clarify that a New Hampshire business would not be subject to Business Profits Tax simply because it went public, attracting investment and raising the perceived value of its stock. Under the NH Department of Revenue Administration’s current interpretation of the tax code, growing businesses could owe millions in higher taxes, even though they haven’t received any additional business income to pay those taxes.

“Whether it’s attacking out of state businesses who create good jobs in New Hampshire, or blocking repeal of this unfair tax on phantom income, Governor Hassan seems to think business owners are the enemy,” Sanborn added. “Entrepreneurs take risks, create jobs, and will help revive the New Hampshire economy, if the Governor would give them the chance.”

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