

# Notes on The Budget and Economy

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Charles M. Arlinghaus

Josiah Bartlett Center for Public Policy

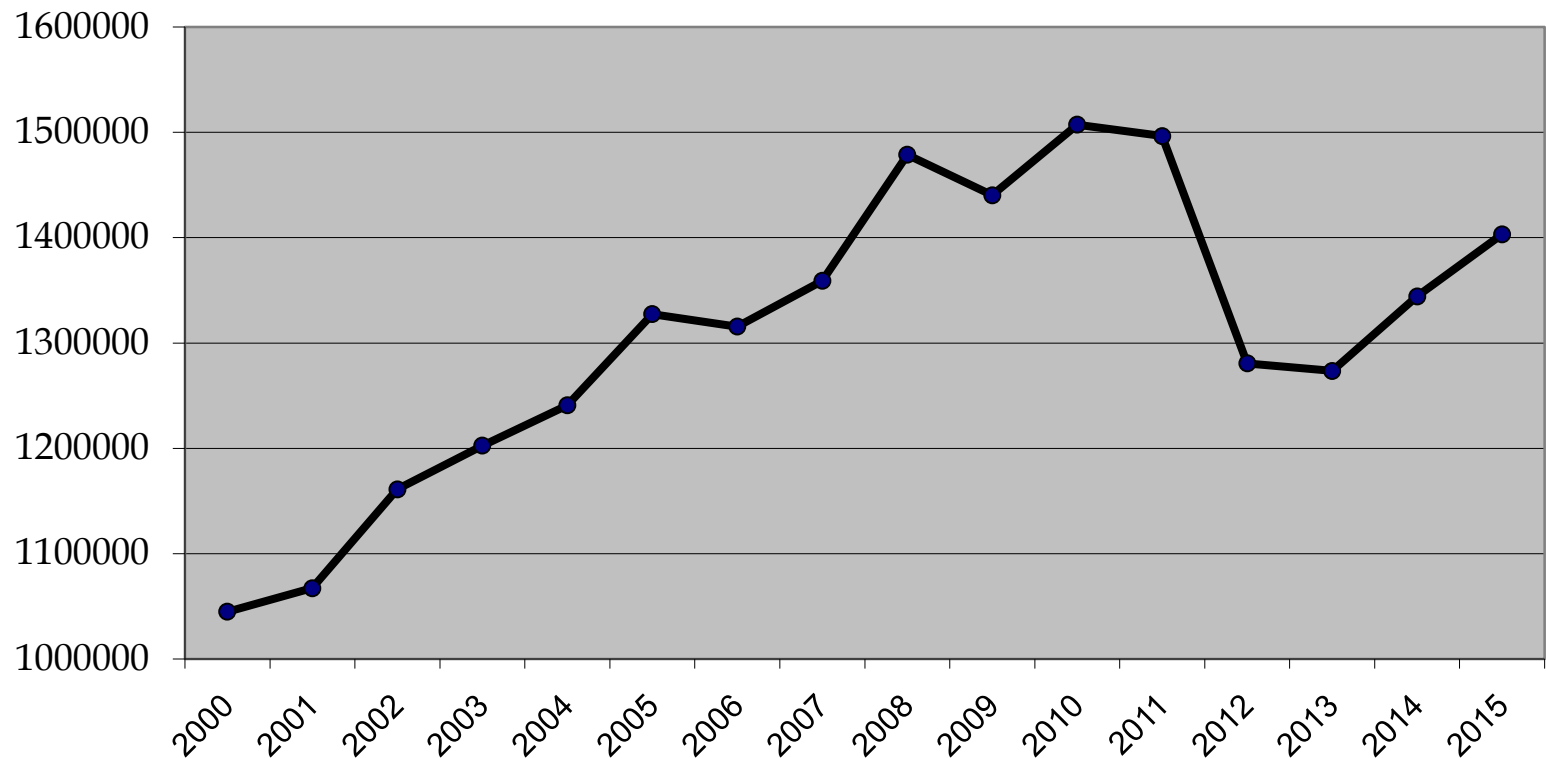
[www.jbartlett.org](http://www.jbartlett.org)

[arlinghaus@jbartlett.org](mailto:arlinghaus@jbartlett.org)

603-224-4450

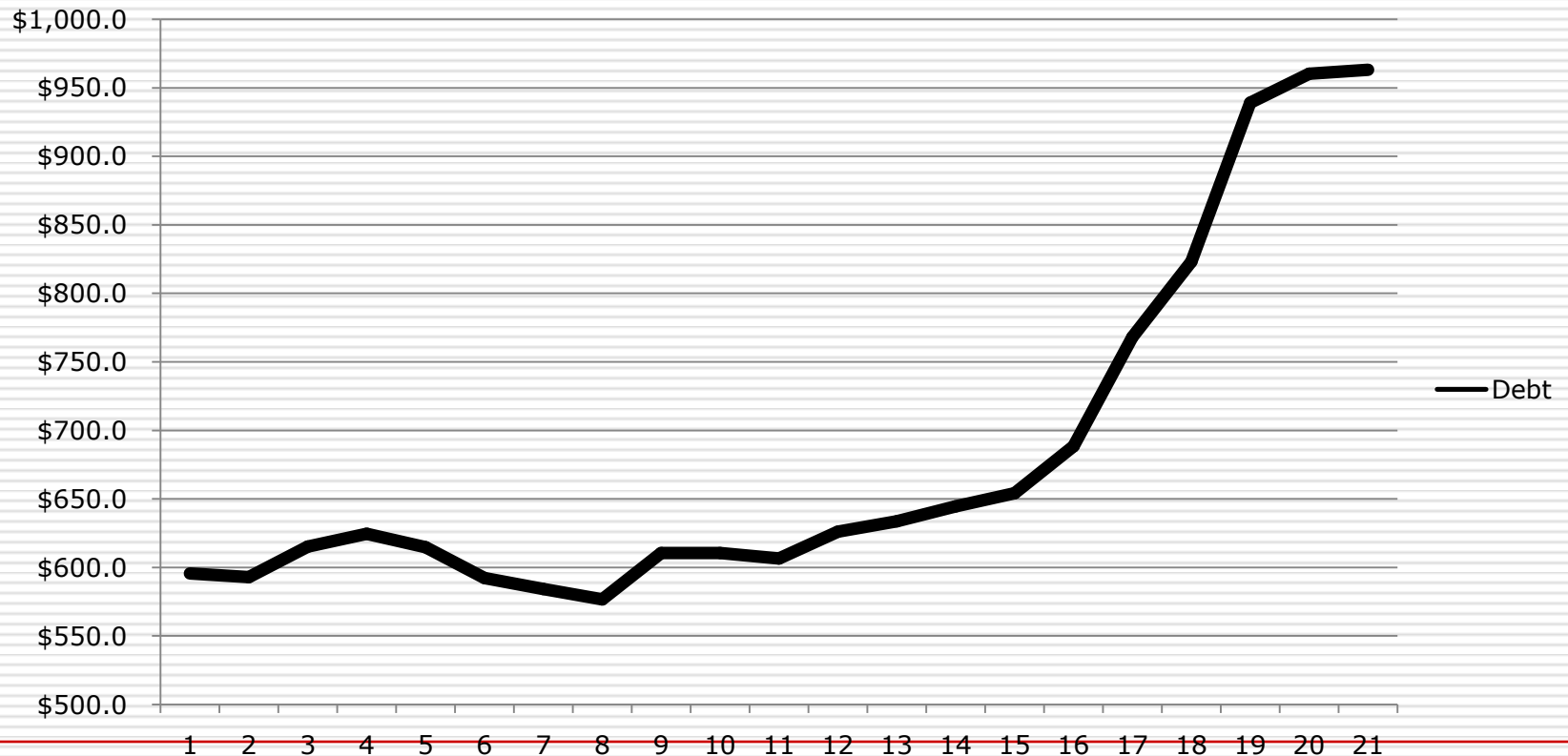
# General Fund 2000-2015

**Apples to Apples "general fund"**  
**15 year Average = 1.99%**



# Debt Balloon 1993-2013

**NH General Obligation Debt**  
**Annual Growth 93-07: 0.67% -- 07-11: 9.5%**



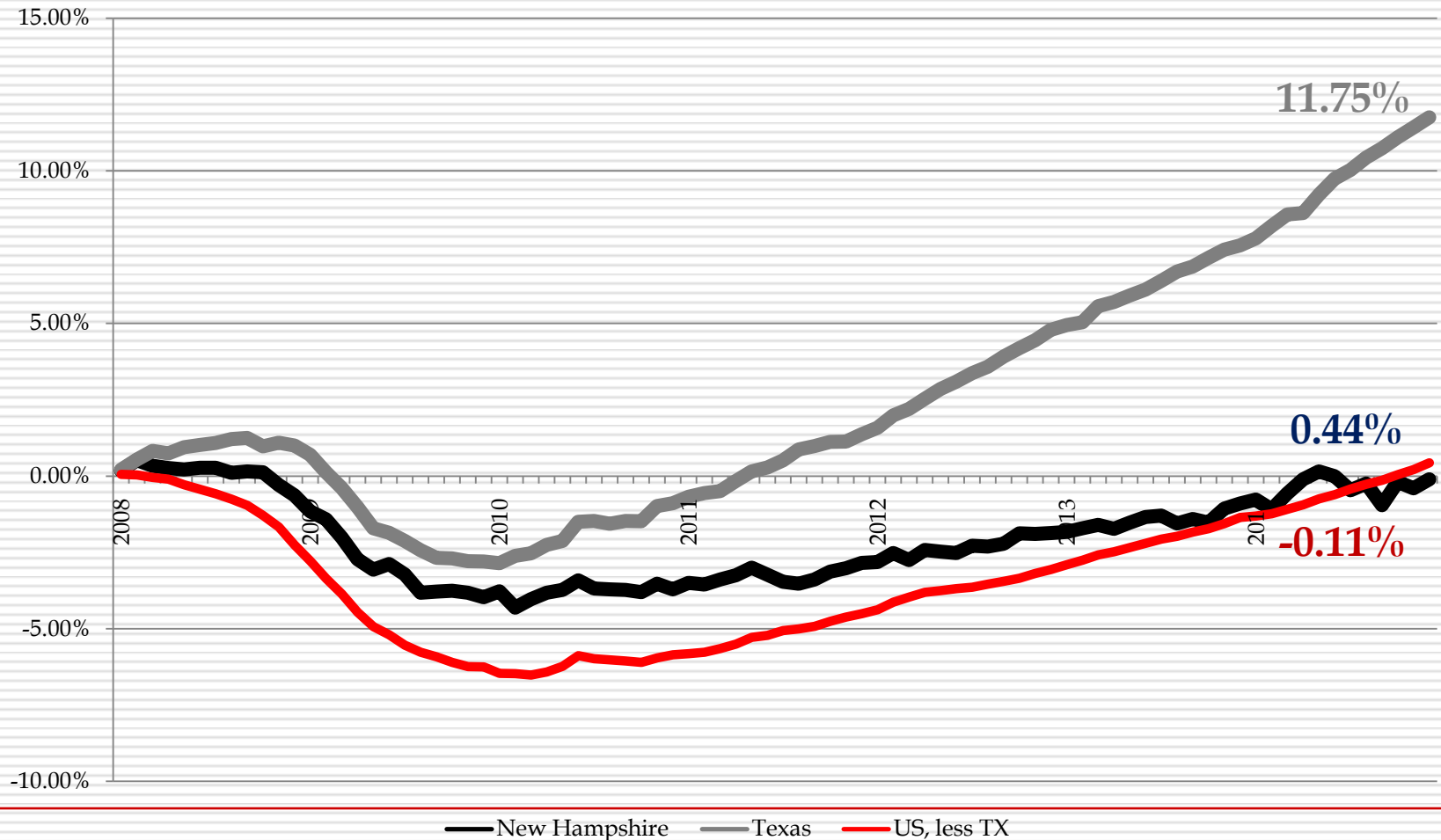
# A 14 year Lost Decade

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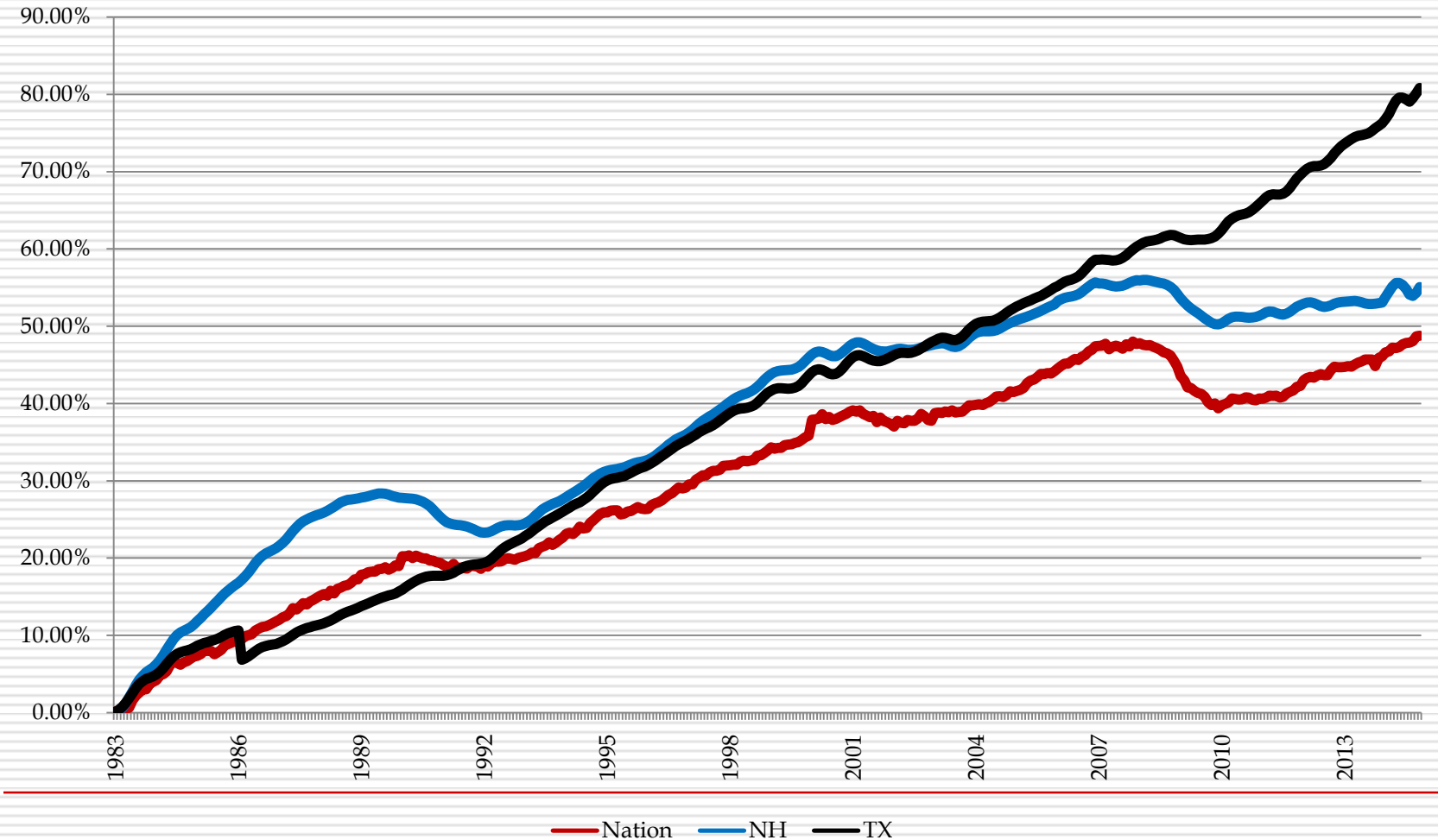
- 1981-2001: 50.8% Job Growth
  - (81-91: 27.5%; 91-01: 18.2%)
  - 2001-2011: 4.9% Job Growth
  
  - If Ifs and buts were candy and nuts:
    - 27.5% - 169,000 extra jobs.
    - 18.2% - 105,400 extra jobs
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# Everything's Better in Texas

Job Growth Since the Recession:

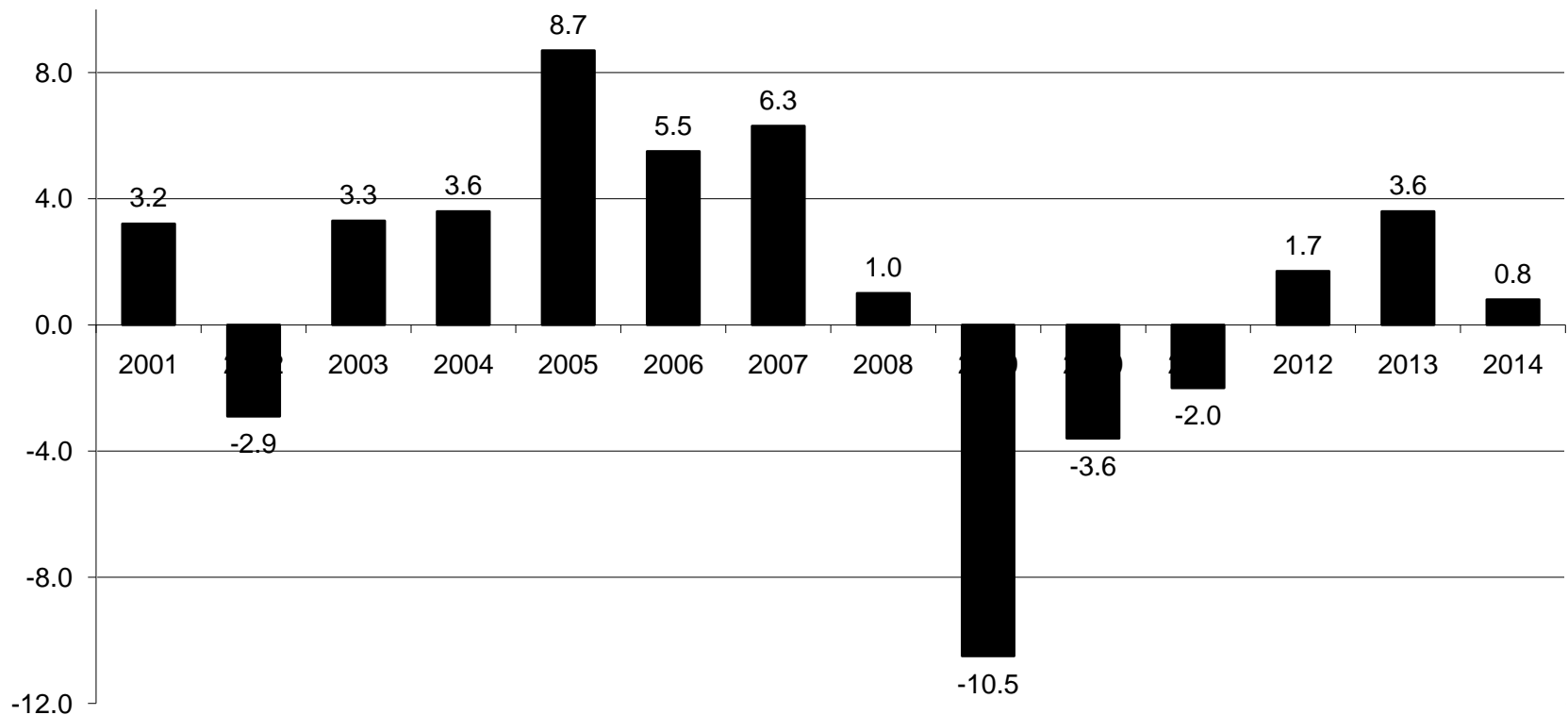


# Another Look: Since 1983



# No Such Thing As Average

**Average Tax Growth 2001-2014 = 1.3%**  
*not including rate increases or SPT, MET*



# Two Major Modern Reforms

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□ 1970: Business Profits Tax

□ 1993: Business Enterprise Tax

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# Business Profits Tax

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- ❑ 1970: Gov. Walter Peterson
  - ❑ Ring around New Hampshire
  - ❑ Taxes on Capital and Investment
  - ❑ Maine = N.H. = Vermont
  - ❑ Barrier to Investment
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# Pro-Growth Reform

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- ❑ Eliminate 13 Different Taxes
  - ❑ Taxes on capital, stock, investment
  - ❑ Business Profits tax
  - ❑ Growth incentive
  - ❑ *Tax Elimination*
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# Business Enterprise Tax

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- ❑ 1993: Gov. Steve Merrill
  - ❑ High rate of profits tax (8%)
  - ❑ <1% of business, 70% of tax
  - ❑ Numerous credits, exceptions
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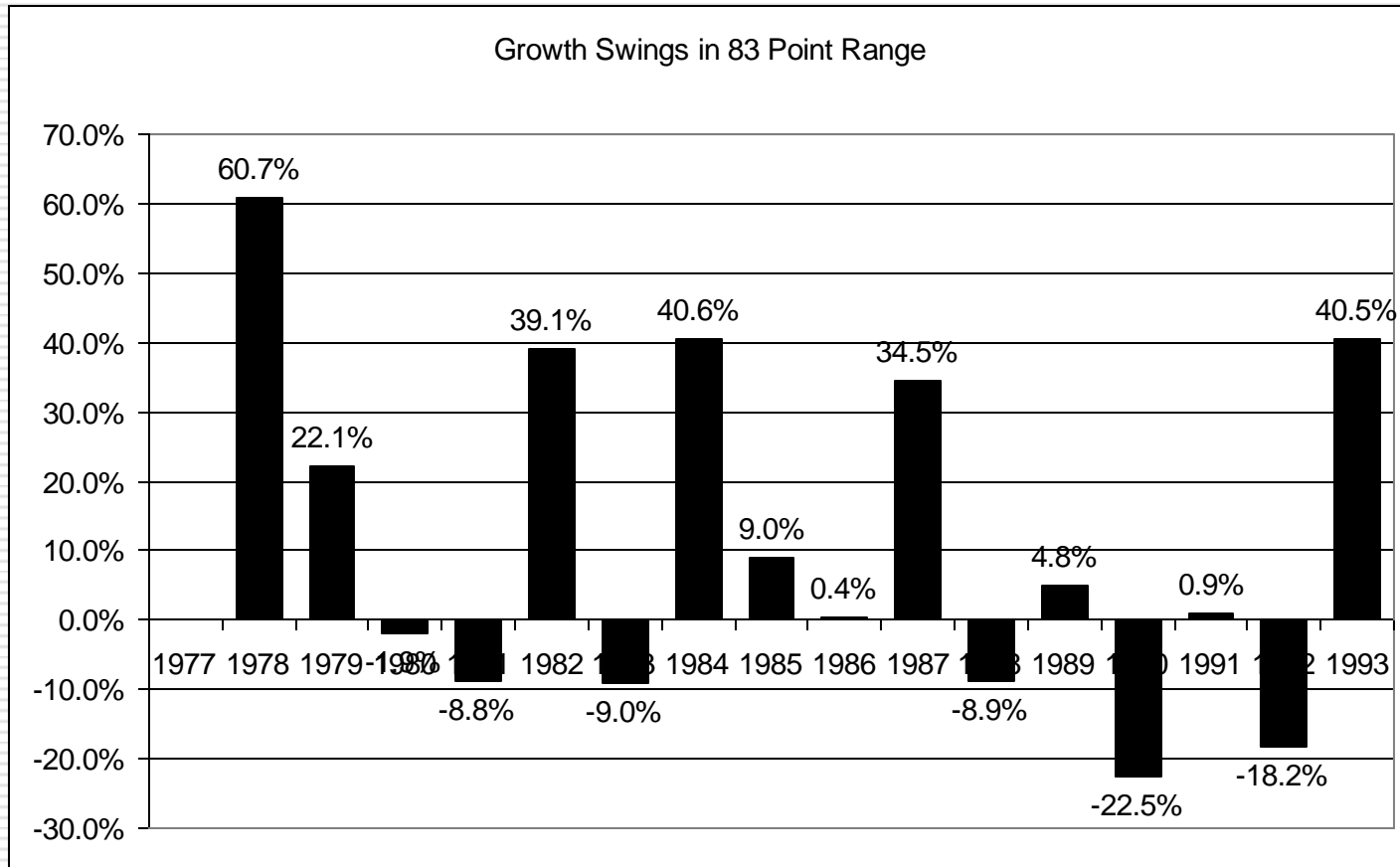
# Revenue Neutral

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- ☐ Reduce BPT 12% (from 8% to 7%)
  - ☐ Increase BPT exemption
  - ☐ Repeal special exceptions
  - ☐ Repeal Savings Bank Tax
  - ☐ Repeal Corporate Franchise Tax
  - ☐ New BET at low 0.25% rate
  - ☐ *BET credit against BPT*
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# Business Taxes Volatile 1978-1993

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# Lessened Volatility 1994-2010

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