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THE PARKER REPORT

TAG YOUR IT...The NH House gave its support to an \$11.5 billion budget (HB 1) that is now heading to the State Senate. The vote went mostly along party lines. The House voted 193-174 to adopt the two-year spending plan. House Republicans were backing a 14% across the board budget cut for most state agencies. The House budget would increase state spending by 3%. Total spending would increase by 14% and would include federal grant and stimulus money along with dedicated fees, tolls and funds from other sources. Last February Governor Lynch submitted a no growth spending plan for the next biennium that increased total spending by 11%. The House rejected Republican efforts to include in the final plan \$83 million in state assistance for local school construction projects and \$51 million in revenue sharing grants to cities and towns.

TAXING TIMES...By a vote of 182-165 the NH House gave its support to a \$200 million tax package (HB 2) that funds the already passed \$11.5 billion two-year state operating budget. Once again, along party lines, the House voted to increase existing taxes on rooms and meals and, cigarettes, and to create new taxes on gambling winnings, a 5% tax on capital gains above \$5,000 and an 8% tax on estates larger than \$2 million. In addition, the House also approved freezing the decrease in the insurance premium tax. Also adopted was a 15-cent increase in the state's gas tax spread out over three years for gas and nine years for diesel fuel. House Republicans took particular offense to the proposed capital gains tax arguing that it would discourage wealthy individuals from moving to the state. The House voted 185-175 to reject the Republican amendment to delete the proposal. Under HB 2, the so-called "trailer bill" the cigarette tax would rise 35 cents per pack to \$1.68. The tax saw a similar increase in the last budget session and Congress has just given approval to raising the federal tax to 62 cents per pack. New Hampshire would still have the lowest state cigarette tax in New England. The so-called bed and belly tax (Room and Meals Tax) would go from 8% to 8.75%. A new 10% gaming tax would be placed on winnings over \$600. The 5% capital gains tax, modeled after the federal statute, exempts \$500,000 of a home sale. The 8% inheritance tax exempts the first \$2 million and exempts spouses.

ON THE ROAD AGAIN...As expected the Senate Finance Committee will be on the road this week holding public hearings on the state operating budget. The State Senate will now get the opportunity to create its own version of a state budget. Three hearings are scheduled for this week beginning Tuesday, April 14- Laconia Middle School Cafeteria from 5-7 pm; Wednesday, April 15-Representatives Hall, State House from 5-7 pm; and Thursday, April 16-Manchester City Hall from 5:30-7:30 pm.

E-ZPASS DOES IT...The NH House gave the checkered flag to HB 391 allowing drivers to go full speed through tolls on Interstate 95. Only drivers with E-ZPass transponders would be able to take advantage of the so-called open tolling. Governor Lynch gave his support to the idea as a way to cut both congestion and pollution at the Hampton toll plaza. Bringing this to fruition would require changing ownership of a stretch of the highway and raising the toll by 50 cents. The bill now moves over to the State Senate for action.

BY THE SEA, BY THE SEA, BY THE BEAUTIFUL SEA...The NH House voted in favor of legislation establishing a recreational saltwater license for taking finfish in coastal and estuarine waters. Licenses for individuals would be \$14 starting in 2011. Charter boats would pay a \$75 fee. Party boats licensed to carry passengers would pay \$150. The effective date coincides with the start of a federal program. If the state doesn't adopt its own licensing, anglers would have to pay a fee to the federal government. Supporters of HB 481 said that the federal license for individuals could be \$10 higher than the one proposed in the bill.

STARTING TO BUCKLE UNDER PRESSURE...Adults would have to buckle up or face a \$25 fine under a mandatory seat belt bill approved by the NH House. HB 383 was passed by the NH House on a vote of 169-151. The bill would make a violation a primary offense which would allow police to stop vehicles solely to enforce the law. New Hampshire is the only state without a seat belt law for adults. Supporters of the bill said that the state would save money from reduced health costs of caring for severely injured victims that didn't use seatbelts. Opponents however said adults shouldn't be forced to wear seatbelts. The bill would fine violators \$25 for the first offense and \$50 for each subsequent offense. New Hampshire would receive \$3.7 million in federal grants if it enacts a primary seat-belt enforcement law.

THEY SAID IT...

"We have faced the devil that is out there, we have faced it head-on and in most responsible, painful way, made difficult cuts and difficult revenue decisions". Representative Marjorie Smith (D-Durham) Chair of the House Finance Committee speaking in favor of the state operating budget. (AP)

"We will have irrevocably committed this state to the course of an income tax". Representative David Hess (R-Hooksett) speaking in opposition to the capital gains tax. (AP)

"The happiest mourners at a funeral should not be the state of New Hampshire". Representative David Bettencourt (R-Salem) speaking against the estate tax. (AP)

"Let the people from New Hampshire live free and die according to their choices, not ours". Representative Joel Winters (D-Nashua) speaking in opposition to mandatory seat belt legislation. (AP)

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