

This is a printer-friendly version of an article from the Concord Monitor at <http://www.concordmonitor.com>.

Sometimes there's no substitute for print.



Subscribe today for the hard copy edition of the Concord Monitor.

(603) 224-4287

Article published on April 04, 2009

**My Turn**

## Estate tax would be a fair way to raise revenue

The rich will still move here and remain here

By MICHAEL MARSH For the Monitor

April 04, 2009

New Hampshire is known for low taxes and frugal government, but our low taxes don't extend to everyone. Working people here pay four times more of their income in state and local taxes than do the wealthiest residents of our state. In fact, according to the respected Institute on Taxation and Economic Policy, New Hampshire has the seventh most unfair and unbalanced tax system in the country.

One way to make our tax system fairer is to bring back our longstanding tax on very large estates, which was in existence in New Hampshire since the 1930s.

This tax takes a small portion from the estates of the wealthiest residents here and was at one time an important contributor to state revenue. Before 2001 the estate tax and the related legacy and succession tax brought in \$30 million to the state annually. But in that year our estate tax and that of most other states was effectively killed by Congress as part of the "anti-death tax" movement. Other states reacted to actions by the federal government by changing their laws, but in New Hampshire we allowed Congress to dictate our tax policy. As a result, an important revenue source that brought in millions in state revenue and funded badly needed social programs disappeared.

The current economy has created unprecedented challenges to our state government. Every revenue source the state depends on is below projections; at the same time the number of people who depend on the state for assistance has increased. To help solve this problem, there is a proposal in this year's state budget to restore our tax on estates that are larger than \$2 million (or \$4 million for a married couple). This affects very few of us - more than 99 percent of all estates will pay not be subject to this tax.

The size of the tax is modest: The effective tax rate is less than 2 percent for a married couple with \$5 million in assets. Charitable contributions are not taxed, and there are other important provisions in the law to protect family farms and small businesses.

Opponents claim that the tax will drive wealthy people out of New Hampshire. It will not, any more than it has made them leave New York, California, Maine, Massachusetts, Vermont or the 27 other states that have already restored their estate tax laws.

People, even wealthy people, choose to live in New Hampshire for many reasons: to be near family and lifelong friends; to participate in New Hampshire's special sense of community; to take advantage of the natural beauty of our four seasons and our wonderful outdoor recreation; and to live in the state that is regularly rated the most livable as well as the safest state in the country.

To argue that a wealthy couple will give all this up because they want to make sure their heirs inherit a percent or two more money someday far off in the future after they are gone is not believable.

Bringing back our estate tax is a modest attempt to improve tax fairness in New Hampshire. It will provide some of the money the state desperately needs to fund our police and judicial system, our public education system, our roads and bridges, and healthcare and other services for low-income children and seniors. While no one likes to pay taxes, this tax will fall on a portion of the population that currently bears the lightest tax burden relative to income.

As one of those who will pay the estate tax, I know that my family and I have benefited greatly from all that New Hampshire has given us over the years. We believe that we have an obligation to future generations to make New Hampshire as wonderful a place to live for them as it has been for us. We realize it will not be so unless everyone who can help is willing to do his or her fair share, and we accept this responsibility. That's why we ask the Legislature to also act responsibly and restore this fair tax.

*(Michael Marsh, a former state representative, lives in Greenland.)*

This article is: 2 days old.