

***Some Call Current System Of Taxation Inequitable***

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**CONCORD, N.H.** -- A group of lawmakers gathered at the State House on Wednesday to discuss the impact an income tax would have on the Granite State.

While not having an income or sales tax in New Hampshire has been a selling point in the state, some said it can no longer come at the expense of homeowners and businesses that are left to foot the bill.

The meeting before the House Ways and Means Committee was described as strictly information, but the crowd inside the legislative offices was countered by those outside who believe otherwise.

"I think that their spending is a tactic, and the long-term strategy is to increase the size and scope of government through taxes," said Andy Demers of Citizens for Sensible Legislation.

Fiscal analysts peppered House lawmakers with a variety of viewpoints.

"For the good of New Hampshire, I hope that you think very long and hard before ever considering an income tax," said Jonathan Williams of the Tax and Fiscal Policy Task Force.

"The bottom line here is that lower tax rates for all is better than incentives for some," said economist Scot Hodge.

The National Tax Foundation ranked New Hampshire seventh nationally when it comes to overall business tax appeal, largely because of the absence of a sales or broad income tax. But when broken down to strictly to corporate tax climate, New Hampshire is at the other end of the spectrum, ranking 50th -- last in the nation.

"The other thing that distinguishes New Hampshire's tax system is that it's inequitable," said Jeff McLynch of the Institute on Taxation and Economic Policy. "Low- and middle-income people pay much more of their income in taxes, whether it's property taxes or business taxes passed through to them."

The introduction of an income tax would likely be a tough sell, as the governor has pledged to veto any legislation containing a form of that. But since the Granite State Fair Tax Coalition estimates that 60 percent of the revenue generated by the state comes from the pockets of property owners, the group believes it's worth the discussion.

"Talking about taxes and taking away the stigma of talking about that could potentially lead to solutions that are more fair and more just," said coalition member Laurel Redden.

The tax summit will continue in Concord on Thursday. State Republicans next week will hold what they're calling a spending summit to illustrate what they say are solutions that can be found through fiscal restraint.