



CENTER ON BUDGET AND POLICY PRIORITIES

820 First Street, NE, Suite 510, Washington, DC 20002
Tel: 202-408-1080 Fax: 202-408-1056 center@cbpp.org www.cbpp.org

NEW HAMPSHIRE

Most states have structural weaknesses in their tax systems that put them at risk of experiencing gaps between revenues and necessary expenditures in coming years. The Center evaluated each state's likelihood of facing a structural deficit by determining how many of ten "risk factors" applied to each state. New Hampshire is rated as having a significant risk of a structural deficit based on its score of six on the risk scale for structural deficits.



- In New Hampshire, corporate income taxes as a share of total taxes declined by 4.9 percentage points from 1989-2002, surpassing the US average decline of 4.1 percentage points.
- New Hampshire does not have a personal income tax.
- New Hampshire faces spending pressures from: a growing elderly population, the number of students with special needs, and Medicaid.
- New Hampshire remains linked to the federal phase-out of the estate tax, which eliminates a rapidly growing revenue source and costs the state an estimated \$28.6 million per year.
- Two other national studies (Hovey 1998 and Besendorf & Kottlikoff 2002) found that New Hampshire has a structural gap.