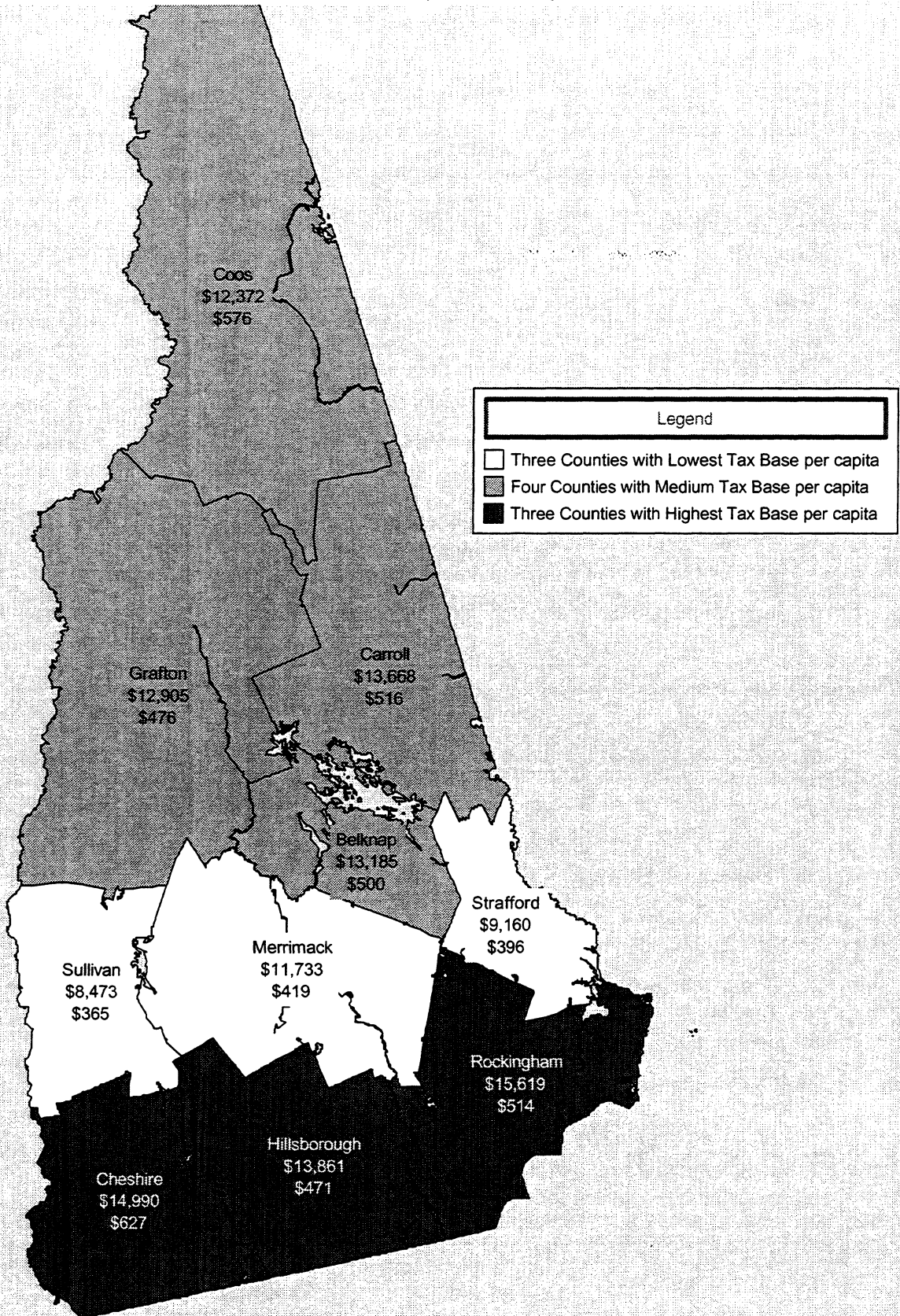


# Map 5: Broad-Based Sales Tax Base by County, 1997

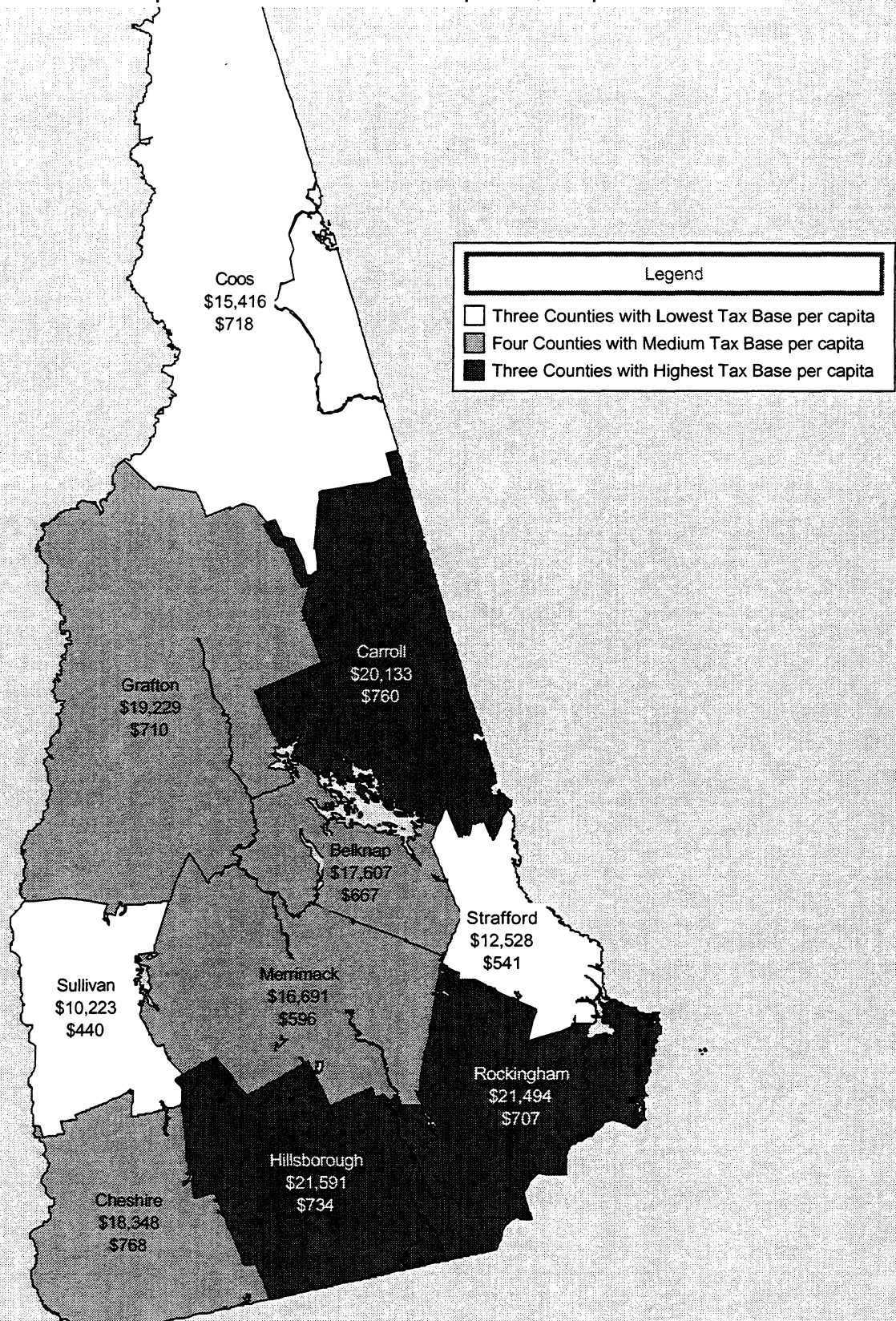
Top Line: Broad Based Sales Tax Base per capita  
Bottom Line: Broad Based Sales Tax Base per \$1,000 personal income



Source: U.S. Census Bureau and Bureau of Economic Analysis

# Map 6: Comprehensive Sales Tax Base\* by County, 1997

Top number: Comprehensive Sales Tax Base per capita  
 Bottom number: Comprehensive Sales Tax Base per \$1,000 personal income



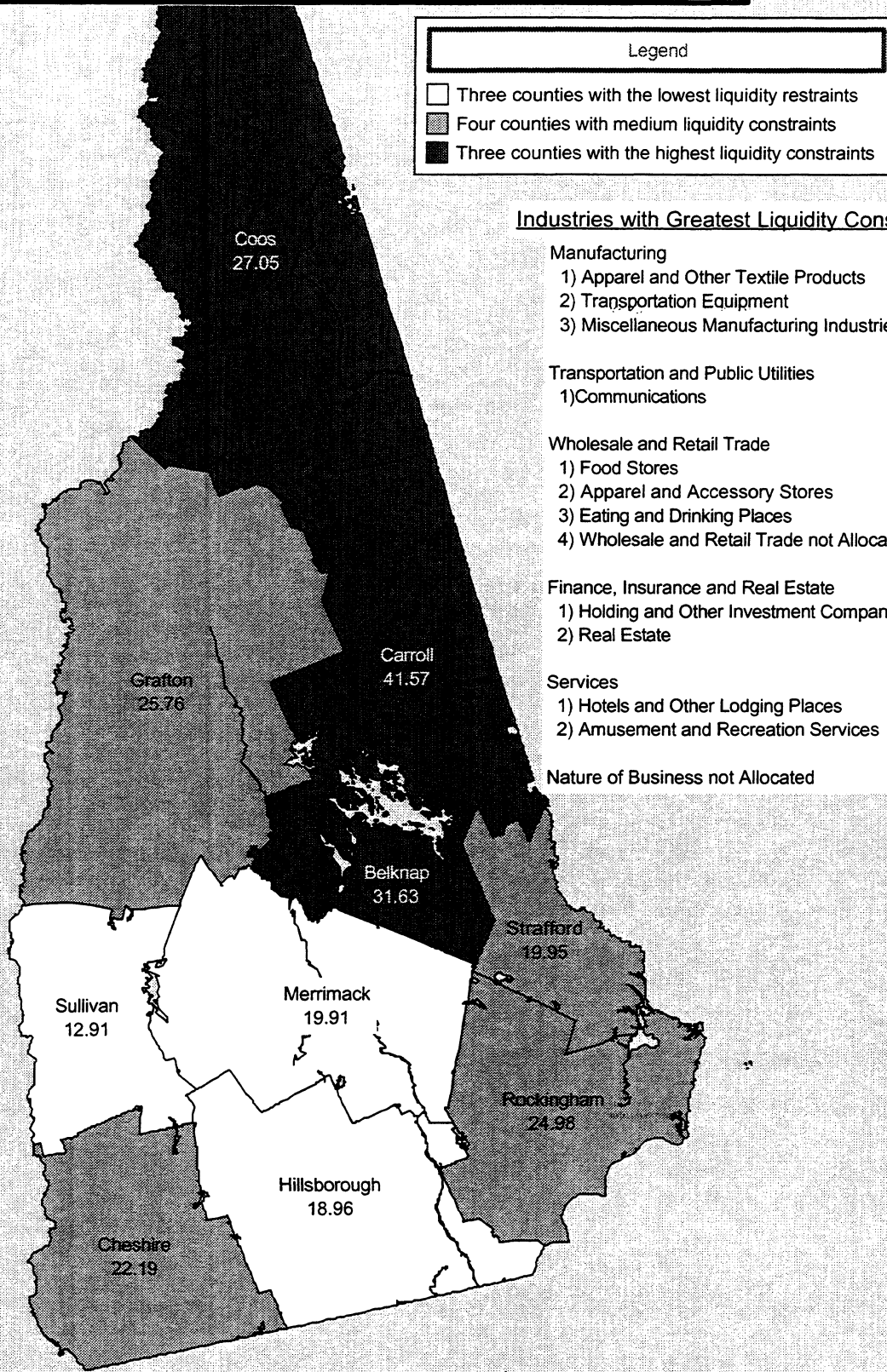
**Legend**

- Three Counties with Lowest Tax Base per capita
- Four Counties with Medium Tax Base per capita
- Three Counties with Highest Tax Base per capita

\*Comprehensive Sales Tax Base Excludes the following services: 1) Real Estate, Rental and Leasing, 2) Management of Companies and Enterprises, 3) Administrative, Support, Waste Management and Remediation Services, and 4) Finance and Insurance

Source: U.S. Census Bureau and Bureau of Economic Analysis

## Map 7: Percentage of Employment in Industries with Liquidity Constraints by County, 1997



**Legend**

- Three counties with the lowest liquidity restraints
- ▨ Four counties with medium liquidity constraints
- Three counties with the highest liquidity constraints

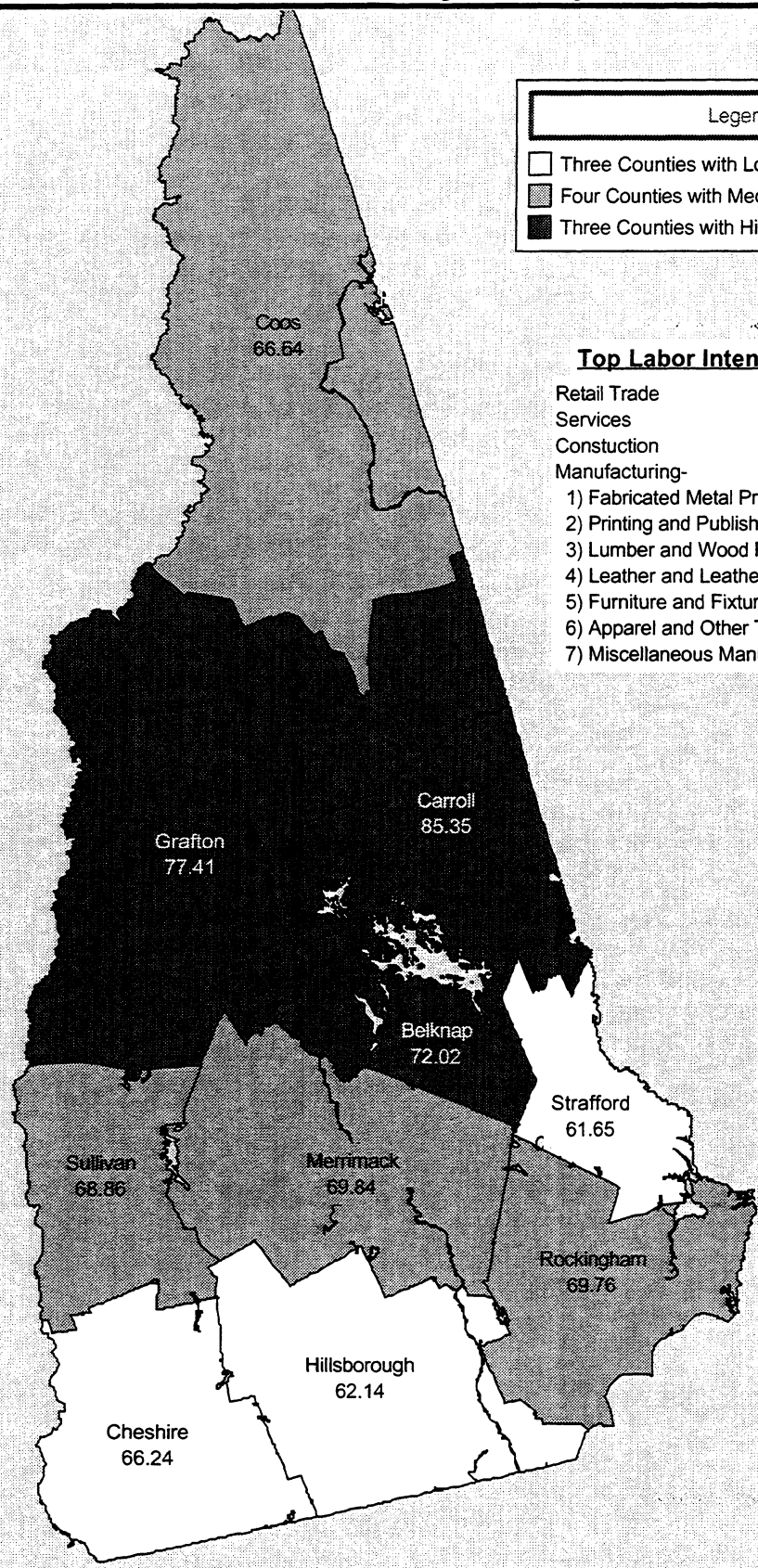
### Industries with Greatest Liquidity Constraints

- Manufacturing
  - 1) Apparel and Other Textile Products
  - 2) Transportation Equipment
  - 3) Miscellaneous Manufacturing Industries
- Transportation and Public Utilities
  - 1) Communications
- Wholesale and Retail Trade
  - 1) Food Stores
  - 2) Apparel and Accessory Stores
  - 3) Eating and Drinking Places
  - 4) Wholesale and Retail Trade not Allocated
- Finance, Insurance and Real Estate
  - 1) Holding and Other Investment Companies
  - 2) Real Estate
- Services
  - 1) Hotels and Other Lodging Places
  - 2) Amusement and Recreation Services
- Nature of Business not Allocated

Note: Industries with liquidity constraints are defined as those with a relatively low concentration of firms filing federal corporate income tax returns with net income. Specifically, an industry is considered to have liquidity constraints if, on average, it ranked in the bottom quartile according to percentage of tax returns filed with net income, over the years 1989-1996.

Sources: County Business Patterns, 1997 and Statistics of Income for Corporations

## Map 8: Percentage of Employment in Most Labor Intensive Industries by County, 1997



Legend

- Three Counties with Lowest Labor Intensity
- Four Counties with Medium Labor Intensity
- Three Counties with Highest Labor Intensity

- Top Labor Intensive Industries**
- Retail Trade
  - Services
  - Construction
  - Manufacturing-
    - 1) Fabricated Metal Products
    - 2) Printing and Publishing
    - 3) Lumber and Wood Products
    - 4) Leather and Leather Products
    - 5) Furniture and Fixtures
    - 6) Apparel and Other Textile Products
    - 7) Miscellaneous Manufacturing Industries

Source: Bureau of Labor Statistics and Survey of Current Business

Lancaster Public Forum  
June 8, 2000  
7:00 – 9:00 PM  
Lancaster Town Hall Auditorium

Host Commissioner: Stephen Barba

- Need consistent tax policy on which towns can rely and on which they can plan for the future. Presently they are in a state of limbo since most people anticipate that the system will change in several years.
- Property taxes not fair to people on fixed incomes. In the north country, the government owns so much land that there is little taxable property to carry their obligations
- Property taxes not the right way. If you're on a fixed income, it hurts. Young people can't afford it. Spread it out fairly among all residents. Income tax easier to administer. Consider a value-added tax or a sales tax.
- Need to look at spending cuts instead of new revenue sources. Business profits tax is not evenly applied – too many loopholes. Encourage a private sector study to look at spending.
- Property tax is not the way. User Fees for Schools. Elderly are impacted by capital gains tax. Feds aren't living up to their contribution commitments. Make them do so or we shouldn't abide by their mandates. Look at spending. If an income tax is introduced, capital low companies will leave. People in trades will leave (political candidate)
- 1973 – Sweepstakes proceeds were to be used for education – Didn't happen. Lack of income tax attracts people from Vermont. If you piggyback income tax on Federal tax, people will dodge. Sales tax should be considered. Property tax deters people who want to relocate. Elderly can't afford the taxes. Special Education – NH requirements are stricter than Feds.
- Government has an obligation to help the more needy. Time to get on with it. Institute an Income tax.
- Worked in Vermont when they instituted a tax. Don't make NH tax tied to Federal tax. Too many loopholes
- Under new property tax scheme, donor towns hate the tax, receiver towns are happy. Need to look at distribution of education funding. Example: Compared Bedford and Amherst (rich towns) that are getting 15-17 times more under the current system than they did before. Lancaster and Stratford (poor towns) are getting only 1-3 times more. The distribution system is inequitable, but politically impossible to change. If one could change it and do it in a way that was responsive to the educational

needs of the poor communities, the cost of the solution would be \$300-\$400 million as opposed to \$825 million. Lancaster is testing constitutionality of this proposition now. If it fails, this leaves the income tax, since sales taxes are not a viable proposition given the economic structure of the southern part of the state. With a budget deficit of some \$300-\$400 million looming, the only short-term way to cover this is with a statewide property tax. Ironically, the rich towns would get less of a subsidy under this, and the poor towns would be no worse off than today.

- Need revenue stream that works with economic cycles.
- Stated property taxes are bad. Until this issue gets resolved towns are on hold in their planning
- Legalize video gambling. Don't let them go out of state. Favors luxury taxes (toys!)  
Young parent – property taxes are putting family at risk of losing their house
- Property Tax is archaic. Has no bearing on ability to pay. Income tax has a bearing on ability to pay
- Don't believe we know what the cost is of an adequate education
- Favors gambling
- Calculate child load per couple – as it goes down, school needs may go down. Get out of liquor business – cigarette revenue is declining because price is no longer competitive
- From Connecticut, lives in Lancaster now – Don't put more Band-Aids on issues. Connecticut did and it's the only NE State that isn't prospering. Fix the system. Gambling is not an answer

Keene Public Forum

June 19, 2000

7:00 – 9:00 PM

Keene City Library

Host Commissioner: Joe Baute

- Home rule is minimal (est. 8-11%) We need to determine how much is really needed and look at cutting costs not only raising new money. Consider forming a commission to look at spending too. Gambling – don't tie it to school funding - against it on moral grounds as well. Sales tax – regular people will get hurt. If you go for an income tax, do without forms – avoid having to complete two different tax forms - send in a check noting on bottom that amount is calculated based on Federal return.  
(Winchester)
- A tax on interest and dividends is unfair to those creating their own retirement plans. Favors a statewide property tax – 6-7% with a homestead exemption. Seasonal residents would pay a greater share. Capital gains taxes are unfair – sees it as double taxation. Noted that we may not have income taxes, but we have other taxes on income (Keene resident)
- Need greater local control. 80% of budget is salaries and benefits and are negotiated with unions. Need to consider capital improvements and operations in school funding. Fairness is important. People living on fixed incomes are getting hit on property taxes *and* interest and dividends taxes. We nickel and dime people with taxes – watch that in our considerations. Consider fair, proportionate, broad based tax. Get rid of interest and dividends tax – hurting retired people. Sales tax – poor people will be disproportionately affected
- Low property taxes, good school systems, educated work force are key criteria in relocations. ‘What message are we giving our kids? That we won't pay for a good education?’ Seniors who don't have kids in school don't want to increase property taxes to fund education. Favors Mark Fernald income tax plan. Property tax is bad – people won't move here with high real estate taxes. Just about every state has an income tax. Not a big deal – we nickel and dime people. Take school tax off real estate bill. Fund with income tax.
- Fairness is an issue. Property taxes aren't fair. Do what is fair and that leads you to an income tax. Income tax would have no detrimental effect on hi tech businesses if trade-off is fairer property taxes and repeal of interest and dividends tax. Repeal inheritance tax.
- (Speaking for 11 other people) Part of the solution: spending cuts – don't pay for sports, busing, and cafeteria services. Charge user fees if you play sports

- Too many business taxes now. Trade these for a broad-based tax. Sales taxes are discriminating so go for the income tax. It will make NH competitive for teachers – a matter of fairness Look at other states re: taxes and high tech – taxes don't deter them – quality of life is a plus here...
- Favors broad base taxes – fair for all citizens – favors Mark Fernald Plan. Suggest income tax at 3-½% level with \$11K exemption, and with statewide property tax with exemption for primary residence. Income tax would NOT be discouraging to hi tech businesses. Trade off on income tax would be to reduce the property tax and eliminate the dividends and interest tax. Get Rid of Inheritance tax. Against ANY form of gambling. Any income tax should be restricted for education only. Property tax unfair. Against ANY form of gambling Increase cigarette tax
- The advantage of having a great education system outweighs the disadvantage of an income tax. Need to think about benefits versus cost (kids' future!)? A property tax is not fair. Biased against property tax (regressive)
- A consumption tax – VAT – is interesting and can be done in a way that is not regressive. “Probably not practical for our size in NE. Costly to implement and administer.” Favors Fernald plan as the best to date (Keene resident)
- System is a dinosaur- needs to be changed
- Check property values/taxes versus other states that have income tax
- Favors no tax – it's more a matter of distribution – Cap state spending – encourage competition among schools – not necessary to create income tax
- Factor in changes in how we approach education spending. More \$\$ aren't necessarily relational to \$ spent. Competition in system is good = costs go down/value goes up Quality education is tied to parental involvement no \$\$
- Strongly favors an income tax
- Local control – total myth – our work could be cut by 40% if we had a fair taxation. Favors elderly exemption. Coos County (and two towns in Cheshire) offers corporations tax (local) free status if they move in. Need a Veterans exemption Favors a fair tax system where everyone carries their fair share Redistribution doesn't work – suggest distribution on a 'per student' basis
- Fernald's plan creates bureaucracy – base it on 100% of Federal Tax – low administration cost
- NH needs to compete. Facilities are inadequate. Need more capital funding for poor districts (Winchester resident)



- Education does not necessarily improve relative to \$\$ spent. What is the cost of a 'good' education? More \$\$ means more state control.

Final Report needs to be aspirational. Must address the values and moral character of the State. Look at the distribution issue. We need to think as a 'state community' and not focus on self-interest. Need a fair system of taxation.

Meredith Public Forum  
June 28, 2000  
7:00 – 9:00 PM  
Inter-Lakes Elementary, Meredith

Host Commissioner: Lisa Shapiro

- Charge of Commission too narrow - Should include:
  - Why do we need so much money?
  - How much DO we need?
  - Look at higher education too
  - Look at unfunded mandates and rules on books that have not been implemented
  - Look at distribution system
- Local control is important
- Look at economic effect of coding kids.... Some towns got big \$\$
- Incorporate Circuit Breaker system (HB999 was inappropriate – only affected donor towns)
- Donor/receiver system has created conflicts in regional schools where some towns are donors, some receivers – not good
- Include capital (facilities) in \$\$ funding
- Get away from donor/receiver model (HB109)
- Implement ‘no sprawl’ mandates and legislation favoring expansion of existing facilities, rather than new – legislation authorizing acquisition of abutting property if needed.
- Look at Bills that have been killed for guidance
- Suggestion made that when report is presented – brief legislature – they are working on many things – Commission is focused on this – would be useful to them to understand Commission’s rationale
- Thank you for coming to the region to let us voice our concerns

Nashua Public Forum

July 12, 2000

7:00 – 9:00 PM

Southern New Hampshire Medical Center Auditorium

Host Commissioner: Michael Whitney

- Londonderry - Strongly favors an income tax. It is the fairest option because it would take the same percentage of money from all, whereas property taxes only affect homeowners. Would produce a level of revenue closest to amount needed. Only seven other states without an income tax.
- Nashua - Stated that more money needed to be devoted to higher education. UNH is an asset to New Hampshire and should be supported as well.
- Nashua - Everyone benefits from education so everyone should pay for education. The tax must be proportional to income earned. Encourage the Commission's objective analysis and thought mitigation strategies should be looked at as well.
- Amherst - Towns have the right to contract with their own teachers for service, which would allow for local control and would be better than an income tax.
- Nashua - More funds needed to go toward education, even higher education. He feels education is an economic engine and there are not enough technical resources in NH.
- Nashua - Towns should come up with a plan to pay their own share of education. State shouldn't throw money at it.
- Bedford - The government was cutting from Health & Human Services, which would only cause greater difficulty for the less fortunate.
- Nashua - A capital gains tax threatens independence. System of learning needs to be looked at. Local control is important in the funding decision.

Other: Need to improve system before we fund it; need a broad tax not the 28 we have now; sometimes, there are cases where no matter how much we spend the capacity of the student to learn does not change. Special and gifted students need to be recognized.

Manchester Public Forum

July 13, 2000

7:00 – 9:00 PM

NH Institute of Art

Host Commissioner: Kimon Zachos

- Urges Commission to consider video lottery at the four racetracks in NH. The amount needed to adequately fund education requires consideration of a large revenue source such as a statewide property tax. Expanded video lottery can not raise all the funds but will reduce the amount required from the statewide property tax.
- Statewide property tax a valid and good solution, it raises more than half of what is needed. Other monies from the increased cigarette tax, increase business taxes, other taxes help raise funds. Also, in favor of expansion of gambling at four racetracks to raise the remaining funds, may also increase tourism. If statewide property tax and gambling aren't considerations, a possible alternative is tax on goods or services you buy at a rate of 1%.
- Consider competitiveness and encourage capital labor and consumption in the state. The reason many people live in NH is because there is no income tax. If an income tax is instituted, people may move out-of-state. Shoppers will no longer shop in tax-free NH. Is strongly against property tax on goods and services at a 1% rate because before you know it the rate will be 10%. Feels that more money will not produce better students. Also feels that administration soaks up all the money so there isn't any left for the students.
- Education is resisting change. More money will not fix problem. The state is responsible for funding education so the state should be in charge of education and not local school boards in order to gain state control. Redo the supervisory unions and organizational structure. Also in favor of gambling.
- Wants Commission to broaden its scope to not only look at raising funding for K through 12 but also post-secondary institutions in NH. NH ranks 50<sup>th</sup> in the nation in support to higher education. In-state tuition is the second highest in country and NH is the fourth highest exporter of students in the nation. Lowest need based aid in the country.
- Our property tax system no longer protects us. Quality of life and workforce are threatened by current tax system. Need a diversified tax system that will be more fair and consistent and best preserve quality of life and educated people.
- Important to educate our children to the best that we can afford and also need to be concerned about their healthcare (Social Security). Unfair tax system now.
- Biased to income tax. Strongly opposed to consumption tax. Feels that a tax that is "only 1%" will not be seen and will get increased. On the issue of gambling, it would be

unfair to empower racetracks or grand hotels, etc. and allow them to have influence over the state government (sacred cash cow). Advocate of statewide property tax but modify it with income circuit breaker to protect people who lose their jobs, elderly or fixed incomes. Tax caps that assist communities are wise.

- Please look at the social impacts as well as the economic. In favor of income tax. Believes that local control is held by the people who participate in School Board meetings, volunteer and vote. Against gambling, because it has negative social ramifications.
- Need gambling, feels that is why other states have surpluses. Manchester can't even get funding for gifted kids because the budget gets cut. Lots of hidden taxes such as toll booths.
- Income tax not fair because some NH residents work in Mass. and would not be subject to this tax and would have lower property tax too. Sales tax would hurt border towns. Statewide property tax is fair because everyone pays tax whether they live in a home or pay rent. Income circuit breaker especially for senior citizens
- Income tax is the only fair way of solving educational issue.
- Commission only allowed to look at ways to raise money. Should look at how the money is being spent and look at the budget and decide what is no longer necessary to the system. You give government more money, they just find more ways to spend it.
- Please consider the public library system. It gets neglected and it is one of the most important instruments for the education of adults and children.
- Opposed to consumption taxes because it is unfair to the poor. In favor of video gambling at racetracks.
- Commission needs to look at the out-of-control spending of the governor. Need to broaden your charge or create second Commission to analyze spending.
- Money will not buy education. Family is key. Being a stay-at-home mother, being there for your children makes the difference. We don't need any new taxes. We need less taxes so that moms can stay home and raise their families and the children will do better in the wonderful schools that NH has already provided.
- Decrease government spending/expenses to fund education.
- What happened to the tobacco settlement money the state received? Will we remain funding an inadequate education with schools lacking books and desks or will we provide quality education to NH children?

- Education is being treated like a charity but it is an investment. Lack of books and classrooms in schools is a problem. Increase in student enrollments but no increased funding. In favor of income tax.
- Curriculum has been turned upside down in schools. Schools are reforming teaching to make curriculum more adaptable to 21<sup>st</sup> century and feels that is why students do not have text books. Technology changing so fast, unable to update text books fast enough. Two Claremont decisions not constitutional. Feels that the Commission's charge was predetermined by the governor and doesn't look at government spending. It only looks at revenues. Local control is very important, especially in education. Feels that if taxes are raised at a local level, should be able to go to School Board and have a say on what is or is not needed in the schools that year. Not in favor of an income tax.
- When money is given to the public school system, it is almost always spent by hiring more people or giving raises to present people. Many teachers are unable to pass proficiency tests and that is why students' grades are declining. Feels that the property poor towns should be subsidized by the property rich towns.
- A sales tax might be a partial solution. If a sales tax were a part of a larger package but look at exemptions and circuit breakers in other taxes that might be part of the package.
- Prefers an income tax. Very concerned about fairness. Feels that the inheritance tax will cause the state to lose senior citizens to nearby states. They will move to avoid the 18% tax and this also affects tourism because they will no longer be entertaining in NH.
- Income tax is the most unfair tax for education. Individuals with no kids or 2/3 kids will be supporting or paying proportionately higher taxes than the families with many kids. It will ultimately hurt the economy because it will take away people's discretionary spending.

Hanover Community Forum  
July 31, 2000  
7:00 – 9:00 PM  
Dartmouth College, Carpenter Auditorium

Host Commissioner: Penny Breed

- Urges Commission to hold all meetings publicly and not to go into executive session unless personnel issues must be discussed. (Chichester)
- Claremont issue of proportionality. A flat tax on property is, in concept, how NH public schools are funded now, but it has some flaws. Need “circuit breaker”. No citizen will pay more than 10% of their adjusted gross income in property taxes on their residence. Other suggestion is “tax effort cap” to funnel extra support from state to property poorest towns who are still seeing burdensome property taxes. (Durham)
- Please look at how much NH residents working in other states pay to those states and what people living in other states and working in NH are paying in income tax in their own states. (Hanover)
- Even in the strongest economy, NH is running a deficit and planners are projecting the trend to continue. Can’t continue to cut. Only option is finding ways to increase revenue and increase it substantially – not a one-time fix. Urges Commission to be guided by NH Municipal Association’s set of principles:
  1. Sufficient to meet state’s responsibility
  2. Stable predictable sustainable and grow with long term needs/realities of State
  3. Changes are least disruptive
  4. Efficient in administration and collection
  5. Fair to people with lower/moderate incomes (Hanover)
- Seek solution that is adequate to increase state’s bond rating  
Be sensitive to fixed income/elderly  
Only adequate source that is fair is income tax  
What will happen to property tax rates if income tax is applied?  
Remove temporary taxes that have become permanent taxes (such as real estate transfer tax)  
Urges Commission to provide equitable recommendation (Hanover)
- Commission has no authority by constitution to be formed. (Grafton)
- Issues of taxation and education, justice and our prosperity are inextricably bound together. Challenge is to determine what is each person’s just and proportionate share... in proportion to his/her income. In contrast, we raise nearly two-thirds of state and local taxes from real estate – with half being used to fund public education. Property taxes on homes are based on their appreciated value – which becomes a tax on unrealized capital gains that is paid year after year. Suggest we make our primary source of revenue for funding education a simple, flat rate income tax, simple to administer, that

asks everyone, after standard exemptions that reflect basic living costs, to pay in proportion to the primary benefit that we receive – through education – our ability to produce income. NH can no longer rely on imported “new economy” workers to fulfill NH’s labor needs... We need to improve our education for our own citizens. We need a tax base that grows with the economy and personal income. We have to be competitive in teacher salaries to attract and retain necessary quality teachers. Other states have been able to cut taxes left and right while we’re struggling to satisfy basic needs. (Lebanon)

- Tax proposal that is simple to administer  
Encourages interim report that can be a part of the political discussion this year. (Etna)
- (Quoting a former representation and senator) The B’s of NH’s unfair tax structure: Booze, Butts, Beds, Bellies and then they added the Business Profits Tax and then the Business Enterprise Tax – a very unfair tax. Gambling is a terrible message to send our people – “you don’t have to be educated – just lucky”. An income tax is fair. We have airline pilots and retired people who come here so they don’t have to pay income tax. They aren’t contributing “a damn thing” to this state. I don’t want them... (Rep from New London, Newbury, Warren & Sutton)
- Section 1, Article 6  
Local towns have right to contract with teachers – state cannot interfere  
Income taxes corrupt concept of equality among citizens supposedly receiving same services. How can we demand more from one person if benefits are supposed to be equal? A fee for service system is the most ethical but unfortunately, we are never going to get to because people presume education is a right, which it’s not. People don’t have the right to demand funds for education from one neighbor and give it to the other neighbor. Voucher system would allow for more parental choice. (Amherst)
- Higher education needs must be considered. Need to provide more funding for in-state scholarships. To have a top shelf educational system you must include a discussion of funding college. (Enfield)
- \$825 million is a random and political number. Its should not be the basis for the most significant policy change this state might face in 20 or 30 years. Not good business to commit 1/3 of annual revenues to project (education funding) without ever having determined the objectives and measured means by which objectives could be obtained. The policy inefficiency of present system is literally throwing money into the air like confetti in a windstorm. Taxing people living in mobile homes to subsidize people living in mansions in Bedford...absurd from a policy efficiency standpoint. In some cases education aid to towns is being used in wealthier towns to fund town projects. (Etna)
- People of state should get the Commission’s report; not the Governor  
People are ready for an income tax...it’s the fairest way. (Andover)
- Anyone who thinks that more money is the solution to education is not recognizing the real problem. The money is not the problem – how it is spent is. You need to look at whether we need \$825 million in the first place. The Legislature should be finding out



why we need the money instead of spending two years on how to take more money from us. (Enfield)

- Ran for Senate to participate in great debate over education...it's been frustrating because all it's been is a debate of tax revenues. We made a commitment to \$825 million without a way to fund it. We adopted a program that would supposedly fund education but the funding plan (statewide property tax) does nothing directly to improve the quality of education. Current plan perpetuates disparity between communities and pits them against each other. System takes money from (the most economically disadvantaged part of the state) 32 North Country towns and specifically from nine of them (donors) to give to southern NH towns...unacceptable. This statewide property tax is killing us. 1. I would vote for an income tax again – it needs to reflect people's ability to pay (possibly circuit breakers) 2. Just have one tax. 3. Do something to make the tax relative to education, so when people pay this tax they can see some type of improvement. I'd pick income tax over property tax – dedicate the money to education, put some type of mechanism in place to prevent Legislature from raising it arbitrarily. (District 2)
- Lebanon is drowning in property taxes. Charge ought to include whether the tax is capable of doing this job over the long term... NH suffers when a recession comes because we depend too heavily on property tax and tourism. State government is cut to the bone already – further cuts would come at the risk of not meeting Federal mandates for public assistance for poor and elderly, public safety. Can't afford to continue to subsidize education from the rest of the state government funds. It's important for both the economy and the society of this state that the tax is large, it's stable, and it's going to grow enough to meet the needs so that we can permanently cut the local property taxes and so that there will be enough money in all of the schools in this state to be able to provide at least a basic education. (Lebanon)
- The moralists will shake and the hypocrites will quake, but I'm going to talk in favor of gambling "keep the money at home". People in this town can go across the river and catch a bus twice a week to Mohegan and Foxwood. Why are we sending our people to Connecticut to gamble? We're hypocrites. We fund education from gambling now (sin taxes – smoking, drinking & lottery). We don't even know how to run a lottery. Experts suggested in 1997, have the state own them, localize them in one area...suggested we have a \$1 billion plus win situation... Casino owners are willing to invest and put them in grand hotels. (Hanover)
- No school district gets more money than they spend on their schools from the state tax, so nobody is building river walks or town halls with money that was given for education...the money is locally raised for those projects. Part of the reason we don't have affordable housing is because developers can't really figure out their costs due to the property tax going up and up. It is too expensive for young families just starting out to buy a home. Even paying rent is difficult for some because it consumes the majority of their salaries. (Claremont)

- The Commission needs to provide an interim report that is independent-minded and not whitewashed. The economy is different and the thinking is different so citizens need this report to help them decide on who to vote for in Sept. 12/Nov. 7.
- I believe income tax is a fair way to go. (Hanover)
- 2 choices – property tax/income tax or a combination. Income tax is simplest to administer. If you have a considered opinion then have an Interim Report, if it is not completely informed it shouldn't be released. Property tax encourages sprawl. (Hanover)
- Against gambling. You must consider the effects not just the money. If an income tax is instituted, also consider pensions, retirees or individuals that don't work but only manage their money/rich people. (Lyme)
- Statewide property tax is sunseted, need new decisions  
Stability, as criteria, is critical (Lebanon)
- The current revenue system is inelastic, antiquated, based on an agrarian model and does not reflect wealth or our state's economic success. \$825 million is an arbitrary, capricious and political number. What to fund is dynamic and will always change but how we raise our revenue is really the issue. You do not base tax policy on geography, you base it on the ability to pay the bill. We are sending money from poorer communities to wealthier communities based on geography and not an ability to pay the tax. We need a revenue source that is stable, equitable and elastic. Only four states are in deficit this year and all four did not have an income tax. Success has happened even with income taxes. (Concord)
- Income tax is better than the alternative – fair, equity, meets sufficient goals and fluctuates with economy. Recommends that the Commission give the State Legislature and Governor courage. (Lyme)
- University system should be included in Commission study. Really regrets that the Governor did not appoint this Commission 2 years ago so that we could have a report now. (Hanover)
- Recommends an Interim Report to be released before the election and also to announce the report publicly because it can influence people's decisions. What is the construct of econometric model?

Portsmouth Community Forum  
July 24, 2000  
7:00 – 9:00 PM  
Redhook Ale Brewery Event Center

Host Commissioner: James Morrison

- Need to ensure that the money that is raised for education is properly allocated. Does not believe we need more taxes, especially an income tax or capital gains tax. These taxes would jeopardize economy. Municipal grants would eliminate donor town problem. (Durham)
- Need to have a fair tax system, for an income tax. Four factors to consider:
  - 1) Fairness and Equity
  - 2) Stability of Revenue
  - 3) Adequacy of Projected Revenue
  - 4) Impact on economy including socialIncome tax assures we all pay our fair share (Portsmouth)
- Against all new forms of taxes. Feels that this doesn't just have economic impacts, but declining standards in education. Zone in on problem towns to target their needs. (Hampton)
- In need of state reform. Feels that pollution should be taxed and money can be used for education, environmental cleanup/preservation especially energy from fossil fuels. (Program Director-Clean Water Action and Clean Water Fund)
- Statewide property tax is wrong. Several large potential payers have been exempted: Pease Tradeport, Manchester Airport, Ski areas and deals for power company – make it fair if we're going to have it. Not an advocate for casinos but state advertises lottery – be one way or the other. Not really in favor of income tax – but maybe receiver towns that shouldn't be would pay their fair share instead of being receivers. Not necessarily for any tax, but feels that income tax would be more fair and proportionate. (Newington)
- Urges interim report from the Commission. Divulge contributors' names, and the charge of the Commission should also include cost savings. (Chichester)
- Against an income tax, it is invasive to citizens. (Durham)
- "How much is enough?" State needs to define adequate education and provide a solid \$ amount needed for education funding and provide proper documentation to citizens. Taxpayer should have more say in the matter. (Strafford)
- In order for Commission to have influence on education funding, the findings must be made before the election. Statewide property tax doesn't work, it only pits communities against one another. Hallmarks for reasonable education tax should be:
  - a) Be fair and equitable

- b) Not adversely impact poor/fixed income
  - c) Broad base
  - d) Be means tested
  - e) Not create conflict between communities
  - f) Raise funds that will grow with rising cost of education
  - g) Earmark solely for education (Rye)
- Against an income tax. (Rochester)
  - Against an income tax. Target aid to the communities that need it. Also focus on spending side. (Concord)
  - Higher education must also be funded if we are to prepare our own restraints to succeed in NH's knowledge-base economy. (Rochester)
  - If you are looking at the revenue side, you need to also look at the spending side. Against an income tax before it's necessary. (New Castle)
  - Education is very important for our children because they are the future. Favors a fair income tax with exemptions (referenced Hager-Below bill). (Hampton)
  - Against the statewide property tax. (Portsmouth)
  - Against the statewide property tax. This current system divides us. Recommends an educational flat tax or an income tax. (Rep. For Portsmouth, Rye, Newington, New Castle, Greenland, Stratham & Newmarket)
  - Supports an income tax. It has the potential to be the fairest. (Amherst)
  - Increasing spending does not improve education. Focus on correlation between student achievement, quality education and money spent. (Dover)
  - Current statewide property tax is unfair and inequitable. It increased retirees and low-income residents' taxes and lowered high-income residents' tax rates. (Seabrook)
  - It is less expensive and the children receive a better education when you put them in private schools than to put them in public schools now. (Dover)
  - Finds it cheaper to send children to private instead of public schools. There is a monopoly in our state. Need to save money by encouraging competition, and making teachers and the system more accountable. Strongly opposed to the income tax. (Franklin)
  - Need to study both the budget and revenue expenditures and examine where money is going and allocate it properly. Create education block grant for communities that need funding and make them apply to State. Feels that a capital gain income tax would hurt the State. Against an income tax also. (New Castle)

- Feels that businesses come to New Hampshire because we have no income tax, no sales tax, inventory tax or capital gains tax and features lowest tax burden. If these taxes are instituted, it will impact the State's economic growth. (District 6)
- Feels the lack of leadership from Governor. Citizens need to be represented by elected officials not this appointed Commission. (Rochester)
- Statewide property tax is unfair. If we implement a sales tax we will lose attraction from border states. Feels big businesses should give 1% of profits to education and health care. (Portsmouth)
- Willing to pay an income tax to retain quality of life in NH. Education is an investment in future and growth of this State economically. Important to invest in K-16 and beyond because these children and their knowledge are leaving this State and not returning. (Newfields)
- For an income tax with exemptions. (Rye)
- Property tax is an unfair tax. The amount of money that the schools spend should be looked at. Home schooled children are learning a lot more for a lot less money. (Rye)
- Agrees that the present statewide tax is unfair but feels that it does cost to educate children and hold high school standards. Believes it is time for a broad base tax. (Durham)
- Against the statewide property tax. (New Castle)
- Does not want an income tax or statewide property tax. The middle class will be stuck with the burden as always. Supreme Court should butt out and the towns should support their own education. (Rochester)
- If a sales tax, capital gains tax or income tax is implemented, businesses will move out of state taking their jobs with them. No incentive for others to move to NH. Border towns will no longer shop in NH. (Exeter)
- State property tax is unfair, unable to judge the value of houses. Give us back what we had before, local property tax. Fix the few towns that have problems. (Portsmouth)
- Doesn't feel this has to do with education, more of a property tax relief. Tax everyone that makes money, even businesses and make sure they pay their fair share. (Newington)
- Wants more than 38 cents of tax dollar going to teachers' salary and into classroom. Do not just focus on tax options. Instead of adopting what other states have done with income tax, lead the nation in education reform by allowing school choice, creative alternatives, and encouraging partnerships with industry and education. (Durham)

- Against broad base property tax, tax assessments are highest in the state. Middle and low income families will need to move from the town if taxes keep escalating. (Rep. Rye & New Castle)
- Not in favor of any of the tax schemes. Public education is a monopoly with no measurable results or accountability. Spending must be controlled. (Rochester)
- More emphasis needs to be placed on the spending formula. Need to find a tax solution that will create the least harm to retired and moderate income people. Consider two broad based taxes. (Rep. Rye & New Castle)
- Feels that high tech businesses will leave the State if there is an income tax. Feels that education is the parents' responsibility. The only fair tax is no tax. (Rochester)
- The problems with education aren't about money. Against an income tax, it creates a slave of the state. Sales tax would devastate the State's economy. Best handled when taxes are raised and spent locally with parents' involvement. (Fremont)
- Go back to what we originally had. Fix the individual communities that need it. Probably find that it will cost less than the proposed \$825 million. (Stratham)
- As taxes increase, may take business out of NH. Do not consider statewide property tax or income tax but a financial transaction tax. (1<sup>st</sup> District)
- Relying on property tax is having economic and environmental consequences because it is forcing towns to maximize land use because it produces revenue. (Portsmouth)
- Public school system is slipping badly. Would like to see an amendment to the Constitution. (Lee)



## **BIBLIOGRAPHY**

### **PARTIAL LIST OF EXPERTS CONSULTED**

Timothy Bartik, W.E. Upjohn Institute for Employment Research

Michael Buckley, Office of the Legislative Budget Assistant, New Hampshire Legislature, Concord, NH

Karl Case, Wellesley College, Wellesley, MA

Harley Duncan, Federation of Tax Administrators

Can Erbil, Brandeis University, Waltham, MA

Jane Malme, Lincoln Institute for Land Policy, Cambridge, MA

Therese McGuire, University of Illinois--Chicago Circle, Chicago, IL

David Sjoquist, Georgia State University, Atlanta, Georgia

Michael Wasylenko, Maxwell School, Syracuse University, Syracuse, NY

Roy Williams, Massachusetts Institute for Social and Economic Research, Amherst, MA

### **STATISTICAL SOURCES**

Ernst & Young LLP-Quantitative and Economic Statistics, Washington, D.C.

Federal Reserve Bank of Boston, New England Economic Indicators.

Institute of Taxation and Economic Policy, Washington, D.C.

Massachusetts Institute for Social and Economic Research, University of Massachusetts, Amherst, MA.

Minnesota Implan Group

National Association of State Budget Officers, *Fiscal Survey of the States*, selected years.



Nelson A. Rockefeller Institute of Government, Center for the Study of the States, Fiscal Studies Program, *State Revenue Reports*. State University of New York, Albany, NY.

New England Economic Project (NEEP)

Standard & Poor's Data Resources, Incorporated

State of Minnesota, Department of Revenue Tax Incidence Study

State of New Hampshire

Department of Employment Security

Department of Revenue Administration

Office of the Comptroller

Office of the Legislative Budget Analyst

Office of State Planning

. United States Government

Bureau of the Census

Census of Governments

Census of Housing

Census of Population

County Business Patterns

Economic Census (Manufacturing, Retail, Wholesale, Services)

Governmental Finances

State Governmental Finances

Bureau of Economic Analysis

National Income and Product Accounts

Survey of Current Business

Bureau of Labor Statistics

Congressional Budget Office

Federal Reserve Board

Internal Revenue Service

*Statistics of Income*, Individual Income Tax Returns, Corporate  
Income Tax Returns, Statistics of Income Bulletin

*Statistical Abstract of the United States*

## **EVIDENCE CONCERNING WHETHER CENTRALIZATION CAUSES GOVERNMENT TO GROW MORE RAPIDLY**

- Brennan, Geoffrey and James Buchanan. 1980. *The Power to Tax: Analytical Foundations of a Fiscal Constitution* (Cambridge U. Press).
- Davoodi, Hamid and Heng-Fu Zou. 1998. "Fiscal Decentralization and Economic Growth." The Journal of Urban Economics, Volume 43, pp. 244 – 57.
- Fisher, Ronald C. and Leslie E. Papke. 2000. "Local Government Responses to Education Grants." National Tax Journal, Vol. 53, No. 1, pp. 153-168.
- Forbes, Kevin F. and Ernest M. Zampelli. 1989. "Is Leviathan a Mythical Beast?" American Economic Review, Volume 79, pp. 568-577.
- Hoxby, Caroline. 1996. "Are Efficiency and Equity in School Finance Substitutes or Complements?" The Journal of Economic Perspectives, Volume 10, pp. 51 – 72.
- Huther, Jeff and Anwar Shah. 1996. "A Simple Measure of Good Governance and Its Application to the Debate on the Appropriate Level of Fiscal Decentralization." (Washington, D.C. World Bank).
- Josiah Bartlett Center. 2000. *The Impact of the Adequate Education Grants: First Year Estimates* (Concord, NH).
- Kim, Sang-Loh. 1995. "Fiscal Decentralization, Fiscal Structure, and Economic Performance: Three Empirical Studies." Unpublished Ph. D. Dissertation, U. Maryland.

- Nelson, Michael A.. 1987. "Searching for Leviathan: Comment and Extension." The American Economic Review, Volume 77, pp. 198 – 204.
- Oates, Wallace E.. 1985. "Searching for Leviathan: an Empirical Study." American Economic Review, Volume 75, pp. 748 – 757.
- Oates, Wallace E.. 1989. "Searching for Leviathan: a Reply and Some Further Reflections." American Economic Review, Volume 79, pp. 578 – 583.
- Oates, Wallace E.. 1999. "An Essay on Fiscal Federalism." Journal of Economic Literature, Volume 37, pp. 1120 – 1149.
- Tiebout, Charles M.. 1956. "A Pure Theory of Local Expenditures." The Journal of Political Economy, Volume 64, pp. 416 – 424.
- Tsang, Mun, and Henry M. Levin. 1983. "The Impact of Intergovernmental Grants on Education Expenditure." Review of Education Research, Vol. 53, No. 3, pp. 329-367.
- Zax, Jeffrey S.. 1989. "Is there a Leviathan in Your Neighborhood?" American Economic Review, Volume 79, pp. 560 – 567.

## **IMPACT ON ECONOMIC ACTIVITY OF TAXATION AND SPENDING POLICIES**

- Aronson, J. Richard and Eli Schwartz. 1973. "Financing Public Goods and the Distribution of Population in a System of Local Governments." National Tax Journal, Volume 24, pp. 137 – 160.
- Bartik, Timothy. 1985. "Business Location Decisions in the United States: Estimates of the Effects of Unionization, Taxes, and Other Characteristics of States." Journal of Business and Economic Statistics, Volume 3, pp. 14 – 22.
- Bartik, Timothy. 1989. "Small Business Start-Ups in the United States: Estimates of the Effects of Characteristics of States." Southern Economic Journal, Volume 55, pp. 1004 – 1018.
- Bartik, Timothy. 1991. *Who Benefits from State and Local Economic Development Policies*. (W.E. Upjohn Institute for Employment Research, Kalamazoo, MI).

- Carlton, Dennis W.. 1983. "The Location and Employment Choices of New Firms: An Econometric Model with Discrete and Continuous Endogenous Variables." The Review of Economics and Statistics, Volume 65, pp. 440 – 449.
- Carroll, Robert and Michael Wasylenko. 1994. "Do State Business Climates Still Matter? – Evidence of a Structural Change." National Tax Journal, Volume 47, pp. 19 – 37.
- Coughlin, Cletus, Joseph Terza and Vachira Arromdée. 1991 "State Characteristics and the Location of Foreign Direct Investment within the United States." The Review of Economics and Statistics, Volume 73, pp. 675 – 683.
- Dalenberg, Douglas and Mark Partridge. 1995. "The Effects of Taxes, Expenditures, and Public Infrastructure on Metropolitan Area Employment." Journal of Regional Science, Volume 35, pp. 617 – 640.
- Dye, Thomas. 1999. "The Economic Impact of the Adoption of a State Income Tax in Tennessee." (National Taxpayers Union and the Tennessee Family Institute).
- Evans, Paul and Georgios Karras. 1994. "Are Government Activities Productive? Evidence from a Panel of U.S. States." The Review of Economics and Statistics, Volume 76, pp. 1 – 11.
- Fisher, Ronald. 1997. "The Effects of State and Local Public Services on Economic Development." New England Economic Review, pp. 53 – 82. March/April.
- Fox, William F., "Tax Structure and the Location of Economic Activity Along State Borders," National Tax Journal, vol. 39, no. 4, 1980, pp. 387-401.
- Gabriel, Stuart A., Joe P. Matthey, and William L. Wascher. "Compensating Differentials and Evolution of the Quality-of-Life among U.S. States." Working Paper 96-07. Federal Reserve Bank of San Francisco. June 1996.
- Garcia-Mila, Teresa and Therese McGuire. 1992. "The Contribution of Publicly Provided Inputs to States' Economies." Regional Science and Urban Economics, Volume 22, pp. 229 – 241.

- Gyourko, Joseph and Joseph Tracey. 1989. "The Importance of Local Fiscal Conditions in Analyzing Local Labor Markets." The Journal of Political Economy, Volume 97, pp. 1208 – 1231.
- Heckman, James J., Lance Lochner and Christopher Taber. 1998. "Tax Policy and Human Capital Formation." National Bureau of Economic Research Working Paper # 6462.
- Helms, Jay. 1985. "The Effect of State and Local Taxes on Economic Growth: A Time Series Cross Section Approach." The Review of Economics and Statistics, Volume 67, pp. 574 – 582.
- Holtz-Eakin, Douglas, Whitney Newey, and Harvey S. Rosen. 1988. "Estimating Vector Autoregressions with Panel Data." Econometrica, Volume 56, pp. 1371 – 1395.
- Jones, Bryan. 1990. "Public Policies and Economic Growth in the American States." The Journal of Politics, Volume 52, pp. 219 – 233.
- Luce, Thomas. 1994. "Local Taxes, Public Services, and the Intrametropolitan Location of Firms and Households." Public Finance Quarterly, Volume 22, pp. 139 – 168.
- Mark, Stephen T, Therese McGuire, and Leslie Papke. 2000. "The Influences of Taxes on Employment and Population Growth: Evidence from the Washington, D.C. Metropolitan Area." National Tax Journal, Vol. 53, No. 1, pp. 105-124.
- Mofidi, Alaeddin and Joe Stone. 1990. "Do State and Local Taxes Affect Economic Growth?" The Review of Economics and Statistics, Volume 72, pp. 686 – 691.
- Moore, Stephen, and Richard Vedder. 1999. "The Case Against a Tennessee Income Tax." Briefing Paper No. 53 (Washington, D.C.: The Cato Institute).
- Munnell, Alicia, with the assistance of Leah M. Cook. "How Does Public Infrastructure Affect Regional Economic Performance?" New England Economic Review, September/October 1990, pp. 11-32.
- Nakosteen, Robert and Michael Zimmer. 1987. "Determinants of Regional Migration by Manufacturing Firms." Economic Inquiry, Volume 25, pp. 351 – 362.

- Papke, Leslie. 1987. "Subnational Taxation and Capital Mobility: Estimates of Tax-Price Elasticities." National Tax Journal, Vol 40, No. 2, pp. 191-203.
- Papke, Leslie. 1991. "Interstate Business Tax Differentials and New Firm Location: Evidence from Panel Data." Journal of Public Economics, Vol. 45, No. 1, pp. 47-68.
- Phillips, Joseph M. and Ernest P. Goss. 1995. "The Effect of State and Local Taxes on Economic Development: A Meta-Analysis." Southern Economic Journal, Vol. 62, No. 2, pp. 320-333.
- Plaut, Thomas and Joseph Pluta. 1983. "Business Climate, Taxes and Expenditures, and State Industrial Growth in the United States." Southern Economic Journal, Volume 50, pp. 99 – 119.
- Quan, Nguyen and John Beck. 1987. "Public Education Expenditures and State Economic Growth: Northeast and Sunbelt Regions." Southern Economic Journal, Volume 54, pp. 361 – 376.
- Shapiro, Lisa, Richard England, Daphne Kenyon, and Charles Connor. 1999. "Impacts of a Uniform Statewide Property Tax in New Hampshire," State Tax Notes, vol. 16, no. 24, pp. 1989-2019. June 24.
- Tannenwald, Robert. 1997. "State Regulatory Policy and Economic Development." New England Economic Review, pp. 83 – 107. March/April.
- Tannenwald, Robert. 1996. "State Business Tax Climate: How Should It Be Measured and How Important Is It? New England Economic Review, pp. 23-38. March/April.
- Testa, William. 1989. "Metro Area Growth from 1976 to 1985: Theory and Evidence." Federal Reserve Bank of Chicago.
- Vedder, Richard. 1995. *State and Local Taxation and Economic Growth: Lessons for Federal Tax Reform*. (Washington, D.C.: U.S. Joint Economic Committee).
- Wasylenko, Michael and Therese McGuire. 1985. "Jobs and Taxes: the Effect of Business Climate on States' Employment Growth Rates." National Tax Journal, Volume 38, pp. 497 – 511.
- Wasylenko, Michael. 1988. "Economic Development in Nebraska." *Nebraska Comprehensive Tax Study Staff Paper No. 1*.

Metropolitan Studies Program, The Maxwell School, Syracuse University, revised.

Wasylenko, Michael. 1997. "Taxation and Economic Development: The State of the Economic Literature." New England Economic Review, Federal Reserve Bank of Boston, pp. 37 – 52. March/April.

## **STUDIES CONSULTED IN CONSTRUCTION OF COMMISSION'S TAX ANALYSIS MODEL**

### **Consumer Demand Systems**

Attanasio, Orazio P.. 1998."Consumption Demand." National Bureau of Economic Research Working Paper # 6466.

Banks, James, Richard Blundell, and Arthur Lewbel. 1997. "Quadratic Engel Curves and Consumer Demand." The Review of Economics and Statistics, Volume 79, pp. 527 – 539.

Blundell, Richard. 1988. "Consumer Behaviour: Theory and Empirical Evidence – A Survey." The Economic Journal, Volume 98, pp. 16 – 65.

Blundell, Richard, Panos Pashardes, and Guglielmo Weber. 1993. "What do We Learn about Consumer Demand Patterns from Micro Data?" The American Economic Review, Volume 83, pp. 570 – 597.

Blundell, Richard, Martin Browning, and Costas Meghir. 1994. "Consumer Demand and the Life-Cycle Allocation of Household Expenditures." The Review of Economic Studies," Volume 61, pp. 57 – 80.

Browning, Martin and Costas Meghir. 1991. "The Effects of Male and Female Labor Supply on Commodity Demands." Econometrica, Volume 59, pp. 925 – 951.

Christensen, Laurits R., Dale W. Jorgenson, and Lawrence J. Lau. 1975. "Transcendental Logarithmic Utility Functions." The American Economic Review, Volume 65, pp. 367 – 383.

Deaton, Angus and John Muellbauer. 1980. "An Almost Ideal Demand System." The American Economic Review, Volume 70, pp. 312 – 326.

Howe, Howard, Robert A. Pollak, and Terence J. Wales. 1979. "Theory and Time Series Estimation of the Quadratic Expenditure System." Econometrica, Volume 47, pp. 1231 – 1248.

Pollak, Robert A. and Terence J. Wales. 1992. *Demand System Specification and Estimation*. (Oxford University Press).

Henri Theil, Ching-Fan Chung, James L. Seale, Jr. 1989. "International Evidence in Consumption Patterns." *Advances in Econometrics* (Jai Press, Inc).

### **Allen/Uzawa and Morishima Elasticities**

Berndt, Ernst R. and David O. Wood. 1975. "Technology, Prices, and the Derived Demand for Energy." The Review of Economics and Statistics, Volume 57, pp. 259 – 268.

Blackorby, Charles and R. Robert Russell. 1989. "Will the Real Elasticity of Substitution Please Stand Up? (A Comparison of the Allen/Uzawa and Morishima Elasticities.)" The American Economic Review, Volume 79, pp. 882 – 888.

Caves, Douglas W. and Laurits R. Christensen. 1980. "Global Properties of Flexible Functional Forms." The American Economic Review, Volume 70, pp. 422 – 432.

Uzawa, Hirofumi. 1962. "Production Functions with Constant Elasticities of Substitution." The Review of Economic Studies, Volume 29, pp. 291 – 299.

### **Estimation without Labor-Leisure Separability Assumption**

Abbott, Michael and Orley Ashenfelter. 1976. "Labour Supply, Commodity Demand and the Allocation of Time." The Review of Economic Studies, Volume 43, pp. 389 – 411.

Barnett, William A.. 1979. "The Joint Allocation of Leisure and Goods Expenditure." Econometrica, Volume 47, pp. 539 – 564.

Blundell, Richard and Ian Walker. 1982. "Modelling the Joint Determination of Household Labour Supplies and Commodity Demands." The Economic Journal, Volume 92, pp. 351 – 364.



## **Separability, Aggregation, and the Rank of the Demand System**

- Deaton, Angus. 1974. "A Reconsideration of the Empirical Implications of Additive Preferences." The Economic Journal, Volume 84, pp. 338 – 348.
- Gorman, W.M.. 1959. "Separable Utility and Aggregation." Econometrica, Volume 27, pp. 469 – 481.
- Lewbel, Arthur. 1996. "Aggregation without Separability: A Generalized Composite Commodity Theorem." The American Economic Review, Volume 86, pp. 524 – 543.
- Lewbel, Arthur. 1994. "Aggregation and Simple Dynamics." The American Economic Review, Volume 84, pp. 905 – 918.
- Lewbel, Arthur. 1991. "The Rank of Demand Systems: Theory and Nonparametric Estimation." Econometrica, Volume 59, pp. 711 – 730.
- Lewbel, Arthur. 1989. "Identification and Estimation of Equivalence Scales under Weak Separability." The Review of Economic Studies, Volume 56, pp. 311 – 316.
- Lewbel, Arthur. 1986. "Additive Separability and Equivalence Scales." Econometrica, Volume 54, pp. 219 – 222.

## **The Elasticity of Labor Supply**

- Bosworth, Barry and Gary Burtless. 1992. "Effects of Tax Reform on labor Supply, Investment, and Saving." The Journal of Economic Perspectives, Volume 6, pp. 3 – 25.
- Cogan, John F.. 1981. "Fixed Costs and Labor Supply." Econometrica, Volume 49, pp. 945 – 963.
- Eissa, Nada. 1995. "Taxation and Labor Supply of Married Women: the Tax Reform Act of 1986 as a Natural Experiment." National Bureau of Economic Research Working Paper # 5023.
- Eissa, Nada and Hillary Williamson Hoynes. 1998. "The Earned Income Tax Credit and the Labor Supply of Married Couples." National Bureau of Economic Research Working Paper # 6856.

- Friedberg, Leora. 1999. "The Labor Supply Effects of the Social Security Earnings Test." National Bureau of Economic Research Working Paper # 7200.
- Gruber, John and Emmanuel Saez. 2000. "The Elasticity of Taxable Income: Evidence and Implications." National Bureau of Economic Research Working Paper # 7512.
- Heckman, James J.. 1993. "What Has Been Learned about Labor Supply in the Past Twenty Years?" The American Economic Review, Volume 83, pp. 116 – 121.
- Juhn, Chinhui and Kevin M. Murphy. 1996. "Wage Inequality and Family Labor Supply." National Bureau of Economic Research Working Paper # 5459.
- Juster, F. Thomas, Frank P. Stafford. 1991. "The Allocation of Time: Empirical Findings, Behavioral Models, and Problems of Measurement." Journal of Economic Literature, Volume 29, pp. 471 – 522.
- Meyer, Bruce D. and Dan T. Rosenbaum. 1999. "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers." National Bureau of Economic Research Working Paper # 7363.
- Meyer, Bruce D. and Dan T. Rosenbaum. 2000. "Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects." National Bureau of Economic Research Working Paper # 7491.
- Mroz, Thomas A.. 1987. "The Sensitivity of an Empirical Model of Married Women's Hours of Work to Economic and Statistical Assumptions." Econometrica, Volume 55, pp. 765 – 799.
- Robinson, John P. and Ann Bostrom. 1994. "The Overestimated Workweek? What time diary measures suggest." Monthly Labor Review, pp. 11 – 23.
- Triest, Robert. K.. 1992. "The Effect of Income Taxation on Labor Supply when Deductions are Endogenous." The Review of Economics and Statistics, Volume 74, pp. 91 – 99.

## **Intertemporal Elasticity of Labor Supply**

- Alogoskoufis, George S.. 1987. "On Intertemporal Substitution and Aggregate Labor Supply." The Journal of Political Economy, Volume 95, pp. 938 – 960.
- Altonji, Joseph G.. 1986. "Intertemporal Substitution in Labor Supply: Evidence from Micro Data." The Journal of Political Economy, Volume 94, pp. S176 – S215.
- Attanasio, Orazio P. and Guglielmo Weber. 1994. "Is Consumption Growth Consistent with Intertemporal Optimisation? Evidence from the Consumer Expenditure Survey." National Bureau of Economic Research Working Paper # 4795.
- Blundell, Richard and Costas Meghir. 1993. "Labour Supply and Intertemporal Substitution." Journal of Econometrics, Volume 59, pp. 137 – 160.
- Heckman, James. 1974. "Life Cycle Consumption and Labor Supply: an Examination of the Relationship between Income and Consumption over the Life Cycle." The American Economic Review, Volume 64, pp. 188 – 194.
- Hotz, V. Joseph, Finn E Kydland, and Guilherme L. Sedlacek. 1988. "Intertemporal Preferences and Labor Supply." Econometrica, Volume 56, pp. 335 – 360.
- Kennan, John. 1988. "An Econometric Analysis of Fluctuations in Aggregate Labor Supply and Demand." Econometrica, Volume 56, pp. 317 – 333.
- MaCurdy, Thomas. 1992. "Work Disincentive Effects on Taxes: A Reexamination of Some Evidence." The American Economic Review, Volume 82, pp. 243 – 249.
- Mulligan, Casey B.. 1998. "Substitution over Time: Another Look at Life Cycle Labor Supply." National Bureau of Economic Research Working Paper # 6585.
- Ziliak, James P. and Thomas J. Kniesner. 1999. "Estimating Life Cycle Labor Supply Tax Effects." Journal of Political Economy, Volume 107, pp. 326 – 359.

## **Intertemporal Elasticity of Consumption**

- Attanasio, Orazio P. and Guglielmo Weber. 1993. "Consumption Growth, the Interest Rate and Aggregation." The Review of Economic Studies, Volume 60, pp. 631 – 649.
- Attanasio, Orazio P. and Martin Browning. 1995. "Consumption over the Life Cycle and over the Business Cycle." The American Economic Review, Volume 85, pp. 1118 – 1137.
- Attfield, C.L.F. and Martin J. Browning. 1985. "A Differential Demand System, Rational Expectations and the Life Cycle Hypothesis." Econometrica, Volume 53, pp. 31 – 48.
- Beaudry, Paul and Eric van Wincoop. 1996. "The Intertemporal Elasticity of Substitution: An Exploration using a US Panel of State Data." Econometrica, Volume 63, pp. 495 – 512.
- Blundell, Richard, Martin Browning, and Costas Meghir. 1994. "Consumer Demand and the Life Cycle Allocation of Household Expenditures." The Review of Economic Studies, Volume 61, pp. 57 – 80.
- Blundell, Richard. 1988. "Consumer Behaviour: Theory and Empirical Evidence – A Survey." The Economic Journal, Volume 98, pp. 16 – 65.
- Campbell, John Y., and N. Gregory Mankiw. 1987. "Permanent Income, Current Income, and Consumption." National Bureau of Economic Research Working Paper # 2436.
- Carroll, Christopher D.. 1994. "How Does Future Income Affect Current Consumption?" Quarterly Journal of Economics, Volume 109, pp. 111 – 147.
- Carroll, Christopher D., Jeffrey C. Fuhrer, and David W. Wilcox. 1994. "Does Consumer Sentiment Forecast Household Spending? If so, Why?" The American Economic Review, Volume 84, pp. 1397 – 1408.
- Hall, Robert E.. 1988. "Intertemporal Substitution in Consumption." The Journal of Political Economy, Volume 96, pp. 339 – 357.
- Hall, Robert E.. 1978. "Stochastic Implications of the Life Cycle – Permanent Income Hypothesis: Theory and Evidence." The Journal of Political Economy, Volume 86, pp. 971 – 987.

- Hayashi, Fumio. 1985. "The Effect of Liquidity Constraints on Consumption: A Cross – Sectional Analysis." Quarterly Journal of Economics, Volume 100, pp. 183 – 206.
- Kim, H. Joun. 1993. "Frisch Demand Functions and Intertemporal Substitution in Consumption." Journal of Money, Credit and Banking, Volume 25, pp. 445 – 454.
- Mankiw, N. Gregory, Julio Rotemberg, and Lawrence H. Summers. 1985. "Intertemporal Substitution in Macroeconomics." Quarterly Journal of Economics, Volume 100, pp. 225 – 251.
- Ogaki, Masao and Carmen M. Reinhart. 1998. "Intertemporal Substitution and Durable Goods: Long – Run Data." Economics Letters, Volume 61, pp. 85 – 90.
- Patterson, Kerry D. and Bahram Pesaran. 1992. "The Intertemporal Elasticity of Substitution in Consumption in the United States and the United Kingdom." The Review of Economics and Statistics, Volume 74, pp. 573 – 584.

## **Labor-Capital Substitution Elasticity**

- Berndt, Ernst R.. 1976. "Reconciling Alternative Estimates of the Elasticity of Substitution." The Review of Economics and Statistics, Volume 58, pp. 59 – 68.
- Bernstein, Jeffrey I. and M. Ishaq Nadiri. 1993. "Product Demand, Cost of Production, Spillovers, and the Social Rate of Return to R&D." National Bureau of Economic Research Working Paper # 4309.
- Bernstein, Jeffrey I. and M. Ishaq Nadiri. 1993. "Production, Financial Structure and Productivity Growth in U.S. Manufacturing." National Bureau of Economic Research Working Paper # 4309.
- Hansen, Lars Peter and Kenneth J. Singleton. 1982. "Generalized Instrumental Variables Estimation of Nonlinear Rational Expectations Models." Econometrica, Volume 50, pp. 1269 – 1286.
- Hassett, Kevin A. and R. Glenn Hubbard. 1996. "Tax Policy and Investment." National Bureau of Economic Research Working Paper # 5683.
- Kennan, John. 1979. "The Estimation of Partial Adjustment Models with Rational Expectations." Econometrica, Volume 47, 1441 – 1456.
- Kokkelenberg, Edward C. and Charles W. Bischoff. 1986. "Expectations and Factor Demand." The Review of Economics and Statistics, Volume 68, pp. 423 – 431.
- Nadiri, M. Ishaq and Ingmar R. Prucha. 1999. "Dynamic Factor Demand Models and Productivity Analysis." National Bureau of Economic Research Working Paper # 7079.
- Pindyck, Robert S. and Julio J. Rotemberg. 1983. "Dynamic Factor Demands and the Effects of Energy Price Shocks." The American Economic Review, Volume 73, pp.1066 – 1079.
- Shapiro, Matthew D.. 1986. "The Dynamic Demand for Capital and Labor." Quarterly Journal of Economics, Volume 101, pp. 513 – 542.
- Slaughter, Matthew J.. 1997. "International Trade and Labor-Demand Elasticities." National Bureau of Economic Research Working Paper # 6262.

## **GAMBLING**

See footnotes to report on gambling as a potential source of revenue, included in the Appendix to this Report.

## **MISCELLANEOUS**

- Aaron, Henry J. 1974. "The Property Tax: Progressive or Regressive?" American Economic Review., Vol. 64, No. 2.
- Bruce, Donald, and William F. Fox. 2000. *E-Commerce in the Context of Declining State Sales Tax Bases* (Knoxville, TN: Center for Business and Economic Research, The University of Tennessee).
- Campbell, Colin D. and Rosemary G. Campbell. 1989. *The Fiscal Systems of New Hampshire and Vermont, An Update, 1975-1987*. A Report to The Henly League, Ltd.
- Fisher, Ron C. 1988. *State and Local Public Finance*. (Glenview, Illinois: Scott, Foresman and Company).
- Goss, Laurence. 2000. Report Prepared on Promotion of Tourism for New Hampshire Division of Travel and Tourism Development. Institute for New Hampshire Studies, Plymouth State College.
- Hall, Doug. 1998. "A Retail Sales Tax for New Hampshire?" New Hampshire Business Review, November 1998.
- Kenyon, Daphne A. 1996. "A New State VAT? Lessons from New Hampshire," National Tax Journal, vol. 49, no. 3, pp. 381-399.
- McLure, Charles L. 1967. "Tax Exporting in the United States: Estimates for 1962." National Tax Journal, vol. 30, no. 1, pp. 49-77.
- Musgrave, Richard A. and Peggy B. Musgrave. 1984. *Public Finance in Theory and Practice*. Fourth Edition (New York: McGraw-Hill).
- Peterson, George E. 1973. "The Property Tax in Low-Income Housing Markets." In George E. Peterson, ed. *Property Tax Reform* (Washington, D.C.: The Urban Institute),

Phares, Donald. 1980. *Who Pays State and Local Taxes?* (Cambridge, MA: Oelgeschlager, Gunn, and Hain)

Ring, Raymond J. 1999. "Consumers' Share and Producers' Share of the General Sales Tax", National Tax Journal, Vol. 52, No. 1, pp. 81-92.

Zodrow, George R. 1999. *State Sales and Income Taxes: An Economic Analysis*. (College Station, TX: Texas A&M University Press). Texas A&M University Economic Series no. 15.

Zodrow, George R. 1989. *Rethinking Texas Taxes: Final Report*. (Austin, TX: Select Committee on Tax Equity).



