

“The Democrats have held the office of Governor for 10 of the last 12 years (1997-2009) and they are ruining the State of New Hampshire.”

1. QUALITY OF STATE SERVICES HAS DECLINED

From the 1980's through the mid-1990's, New Hampshire ranked among the best states in terms of quality of state services. As graded and ranked by *The Pew Charitable Trusts: The Government Performance Project*, since 1999, New Hampshire has gone from bad to WORST: (Source: www.pewcenteronthestates.org/uploadedFiles/Overall%20Performance.pdf)

1999: C+ 2001: C 2005: C 2008: D+ (Ranked 50th)

2. THE STATE BUDGET IS IRRESPONSIBLE

Over the past 4 years, Governor Lynch and the Democrats in control of the House and Senate have over-spent our State Budget to the point where it has become a serious crisis. The Democrats created this problem by irresponsibly expanding programs that have continued to grow and have led to today's "spending momentum." Now, taxpayers are being forced to pay for these mistakes. The current budget continues a pattern of irresponsibility, creating enormous fiscal challenges on both the spending side and the revenue side for future state budgets.

SPENDING INCREASES UNDER GOV. LYNCH AND DEMOCRAT LEGISLATURE

In his budget, Governor Lynch claimed to have controlled spending in this budget cycle. In truth, the 2010-2011 budget contains a **6-10% INCREASE** in addition to the **17.5% INCREASE** in the last budget. This is compared to all other states in the U.S., which have averaged a **5% REDUCTION** in proposed spending over their last two budgets.

REVENUE – 38 NEW TAXES AND FEES IN ADDITION TO ONE-TIME MONEY, INCLUDING:

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| ✓ New Tax on Small Businesses ("LLC Tax") | ✓ New Tax On Gambling Winnings – 10% |
| ✓ Rooms & Meals Tax Increase – from 8% to 9% | ✓ Vehicle Registration Fee – Up 250% |
| ✓ Campsite Tax – 9% Rooms and Meals Tax | ✓ Vehicle Registration Transfer Fee – Up 250% |
| ✓ Business Profits Tax Expansion | ✓ Increased Boat Registration Fee - Doubled |
| ✓ Increased Tobacco Tax – As Much as 49% | ✓ Increased Fee For Condo and Land Sales |

The Democrats are using one-time revenues like Federal bailout money to pay for state operating expenses. They are also trying to take \$110 million from the Joint Underwriters Association (JUA), a private malpractice fund owned by the doctors of the state and funded through premiums paid by them. Simply put, the Governor and Legislature are stealing private money from the doctors. The total budget deficit, not covered by real ongoing revenues, is approximately **\$500 MILLION**.

UP NEXT – MORE TAXES AND FEES

The Democrats proposed the following tax increasing this year that were not included in the budget. They will probably be reintroduced during the next budget debate and include:

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| ➤ New Tax on Mortgage Refinancing – 1.5% | ➤ New Sales Tax on Entertainment |
| ➤ New Income Tax on Capital Gains – 5% | ➤ Increase to Gas Tax – 15 cents per gallon |
| ➤ New Estate Tax – 8% | ➤ Increase to Business Enterprise Tax (repeal of BET credit) |

3. RETIREMENT SYSTEM CRISIS

Since 1996, the New Hampshire Retirement System (NHRS), which provides the retirement benefits for most of the state's teachers, firefighters, police, municipal, and state employees, has built up a huge unfunded liability leaving employees' retirement security in question. Since 1996, the retirement system and the state obligation to pay additional retirement benefits and healthcare costs have grown to a **Total Unfunded Liability of \$7 Billion**. The pension money these workers are counting on has been under-funded and mismanaged. Furthermore, the cities and towns are responsible for 30%-35% of the burden (\$2.5 billion) and will have to pay the balance of the overdrawn account from **local property taxes**. (Source: November 4, 2008 New Hampshire General Obligation Capital Improvement Bond Statement)

“Let's Make New Hampshire Great...Again!”