



GREATER MANCHESTER CHAMBER OF COMMERCE

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It is not often that the Legislature forgoes the recommendations of the standing committees. It does happen, though. It did this past week on a bill to establish a dedicated source of revenue for the State's **Land and Community Heritage Investment Program**. The House Municipal & County Government Committee had recommended on a 9-8 vote that the House should kill HB 868. When the House met this past Wednesday, it voted instead to pass the bill on a vote of 197-157. The bill would establish a \$40 surcharge for recording each deed, mortgage, or recording of plats with the register of deeds. It now goes to the House Ways & Means Committee for review.

The Senate Ways & Means Committee heard testimony this past week on SB 134, which would establish a **research and development tax credit** equal to 15% of qualified research and development expenditures made or incurred during the taxable period. The credit would be applied to the taxpayer's business profits tax. It would be limited to no more than 5% of the tax due. There was broad support from several business organizations, including the Manchester Chamber. The Committee will vote on the bill soon.

A quick look at some of the bills that will be heard in the legislature the next couple of weeks that are of interest to the business community yields the following:

Taxes, taxes, and more taxes: On Thursday, March 15 at 1:00 p.m. the House Ways & Means Committee will hear HB 925, which would establish several new taxes, including: 1) a 1% tax upon the business payrolls of all employers with payrolls of more than \$10,000 per week; 2) a luxury sales tax of 3% upon the sales of motor vehicles costing more than \$30,000 or more, and upon each item of tangible property costing \$10,000 or more; 3) a 5% tax on entertainment admission charges; 4) an 18% tax on estates exceeding \$3,000,000, excluding certain farm property; 5) a 5% tax on all gambling winnings; 6) expanding the tax on tobacco to include cigars and snuff; 7) a tax on property which is not primary residential real estate at twice the rate of primary residential real estate under the local property tax; 8) changing the method of calculating the beer tax to a method based upon price rather than volume. The proceeds of all these taxes would be deposited into the State's Education Trust Fund to help pay for the State's share of education funding.

Restaurant smoking ban: On Monday, March 12, the House Commerce Committee will hear HB 762, Manchester State Representative Steve Vaillancourt's bill to ban smoking in all restaurants and lounges. His bill differs from the one the Senate passed last month by including in the ban all places owned and operated by social, fraternal, or religious

organizations. SB 42 bans smoking in these places only when they are open to the general public. It will be interesting to see whether the Commerce Committee chooses to pass this bill or kill it and pass SB 42.

Work on Thanksgiving and Christmas Day: On Monday, March 12 the House Labor Committee will hear HB 366, which would declare that no one except law enforcement or emergency personnel may be required to work on Thanksgiving or Christmas Day.

Commuter Rail: On Wednesday, March 14 at 10:15 a.m. the Senate Transportation and Interstate Cooperation Committee will hear SB 75, which would establish a New Hampshire rail transit authority that would have responsibility for developing and providing commuter rail and related public transportation services in New Hampshire. This legislation is one of the pieces of the puzzle needed to get commuter rail up and running between Manchester, Nashua and Boston.

Minimum pay for employees called into work: On Tuesday, March 20 at 10:00 a.m. the House Labor Committee will have a work session on HB 81, which would increase the number of hours of pay an employer must pay an employee who is called into work. Under current law, an employer is required to pay an employee not less than 2 hours of pay, unless the employee is hired with the expectation that he/she will be working less than 2 hours and is notified in advance. The Labor Committee is currently considering an amended version of HB 81 that would increase the minimum hours of pay from 2 to 3.

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CHAMBER INSIGHT:

After a week off, the legislature is back to work holding public hearings on new legislative proposals. Below are some of the upcoming bills the Chamber will be monitoring and weighing in on:

As mentioned above, HB925 will be heard by the House Ways and Means committee next week. The question legislators will likely struggle with is HB 925 really the healthiest and most equitable way to aid the funding of education? The business community in New Hampshire already contributes the largest amount of real dollars to the Education Trust Fund. As you can see, HB925 shifts even more of the financial responsibility of funding education onto the business community. The Chamber feels HB925 will severely damage our low tax business friendly environment and hamper efforts to compete with other states in attracting and retaining businesses. The Chamber recently voted to oppose HB 925 and will work with fellow business organizations to see the bill is defeated in its entirety.

The Chamber recently endorsed HB517, which has already passed House and now travels to the Senate for consideration. HB517 establishes a commission to study the cost drivers in providing healthcare. Often times study committees and commissions prove to be benign and have little to no impact. The Chamber feels HB517 is different. Initiated in part by our friends at the BIA, HB517 calls for broad representation on the commission from nearly every business interest and organization involved in providing healthcare. HB517 also lays out specific areas of focus for the commission to study. Overall, the Chamber feels HB517 is a good piece of legislation that clearly has the consensus support of numerous stakeholders. The Chamber looks forward to supporting this legislation and seeing it completes its journey through the legislature.

Save the date: on Monday April 9th the Chamber will hold its Annual Legislative Dinner at the Bedford Village Inn from 5 pm to 8 pm. This year we are excited to welcome the new party chairs for the Democratic Party and Republican Party as our key note speakers. Each party chair will be give an opening statement followed by a moderated discussion on the evolution of party platforms, business issues, protecting the New Hampshire Primary, and shared issues of concern. Since both chairs will be newly elected by April, this event will serve as their introduction to the business community and their first chance to publicly interact with each other on the important issues facing New Hampshire.

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