

Addendum: The Receipts Behind “The Tax Bill You Didn’t Vote For”



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A follow-up to “[The Tax Bill You Didn’t Vote For](#)”, published at a reader’s request.

After we published *The Tax Bill You Didn’t Vote For*, **Chris Salmon** — a Democrat from Acworth running for [NH House, Sullivan County District 4](#) (Acworth, Goshen, Langdon, Lempster, and Washington) — left a comment that deserved more than a reply in the thread. Chris is trying to run on policy rather than personality, and his ask was a fair one: he

wanted the receipts. Not the summary, not the round number, but the specific bills, the specific votes, and the specific dollar amounts behind the \$3 billion downshift figure — something he could hand a skeptical voter without it sounding like a talking point.

That's a fair thing to ask of any piece making a claim this size. So here it is: the bill-by-bill record behind the original piece, with one honest caveat stated up front.

The \$3 billion figure itself is a modeled estimate, from a December 2025 memo by Cheshire County Treasurer Jack Wozmak, published through the New Hampshire Municipal Association. It allocates the downshift across categories — roughly 70% schools, 20% municipal, 10% county — using estimated proportions, not a bill-by-bill ledger that sums to exactly \$3 billion. What follows is not a claim that these specific bills add up to that exact number. It's the actual, verifiable legislation behind each category of the downshift the memo describes — which is the most honest and most useful thing we can hand you instead.

The bills, in order

2009–2013 — State retirement contribution cost shift The state's share of municipal and school employer contributions to the NH Retirement System (NHRS) was cut from 35% to 30% in 2009, then further reduced under House Bill 2 (Chapter 224, Laws of 2011) — the state's comprehensive pension reform — before being eliminated entirely by 2013. The full employer-side retirement cost for teachers, police, and firefighters shifted permanently to local budgets, where it remains today.

2009 — Meals & Rooms tax “catch-up” formula suspended State law (RSA 78-A:26) promised municipalities a fixed share of meals and rooms tax revenue, with a “catch-up” provision to true up shortfalls. That catch-up provision was suspended as part of recession-era

budget balancing. The cumulative shortfall — money municipalities were statutorily owed but never received — reached **\$188.9 million** by 2021, per Department of Revenue Administration and Legislative Budget Assistant data.

2011 — Wealthy towns allowed to keep excess SWEPT Towns collecting more Statewide Education Property Tax than their own schools needed were allowed to keep the surplus rather than having it redistributed to lower-property-value towns. This was challenged in *Rand v. State*; the NH Supreme Court ruled 3-1 in June 2025 that the practice **is constitutional**, reversing a 2023 trial court decision that had found it unlawful. That specific question is now settled and final — it is not part of what remains on appeal. (The Court did separately and unanimously affirm the trial court on a narrower related question: that the state's practice of setting negative local education tax rates in certain unincorporated places is unconstitutional. That piece stands.)

2015 onward — Business tax rate cuts Starting with Chapter 274, Laws of 2015 (SB 9), and continuing through SB 2 and SB 1 (2017) and HB 10 (2021), the state cut its Business Profits Tax rate from 8.5% to 7.5% and its Business Enterprise Tax rate from 0.75% to as low as 0.5%. The nonpartisan New Hampshire Fiscal Policy Institute's 2025 analysis found these cuts cost the state an estimated **\$795 million to \$1.17 billion** in forgone revenue from 2015-2023, and found no statistical evidence the cuts generated offsetting economic growth compared to neighboring states. This is a different kind of driver than the others on this list — it reduces the state's overall revenue capacity rather than cutting a specific payment to towns — but it's a real and documented part of the same pattern.

2021 and 2023 — Interest & Dividends Tax phased out, then accelerated A tax that primarily fell on investment income held by higher-income residents was scheduled for phaseout by the Legislature in 2021 (targeting full repeal by 2027), then accelerated via House Bill 2 in June 2023 to take effect January 1, 2025 instead. Both the original

phaseout and the 2023 acceleration were signed into law by then-Governor Chris Sununu — the repeal simply *took effect* a few weeks into Governor Ayotte's term, which is a different thing from her having enacted it. Worth being precise about that distinction, since it's easy to conflate "took effect under this governor" with "signed by this governor."

2025 — Education Freedom Account income cap removed Senate Bill 295 made the state's voucher program universal, removing the income eligibility limit entirely. It passed the House **190-178**, with every single Yes vote coming from a Republican and no Democratic support. State enrollment data shows the share of lower-income participants fell from 39% to 19% in the year after the cap was removed, even as total enrollment nearly doubled.

March 2026 — State narrows its own definition of "adequate education" Following a July 2025 NH Supreme Court ruling that state education funding was unconstitutionally low, the legislature passed — on a party-line vote — a law limiting the state's funding obligation to basic instruction plus targeted subsidies, explicitly excluding buses, nurses, and administrators as state-funded costs.

July 2026 — House Bill 1300 Signed by Gov. Ayotte (Chapter 324, Laws of 2026), this requires municipalities to place school budget cap questions on the 2026 and 2028 ballots, with a 3/5 supermajority required for local voters to approve budgets above an inflation-plus-growth formula.

2026 — Hold Harmless Grant phase-down A genuinely state-funded aid stream is being phased down on a fixed statutory schedule — from \$59.4 million to \$47.6 million to \$35.7 million, reaching zero by 2034.

The number that matters most

The state's own adequacy grant is **\$4,265 per pupil**. New Hampshire's courts have ruled the constitutionally required amount is **\$7,356.01 per pupil**. That gap, multiplied across the state's roughly 160,000 public school students, is where most of the pressure on local school property taxes originates.

If you hear anyone — a candidate, an official, a neighbor repeating what they were told — cite \$4,265 as “the legal obligation” or “what the state owes,” that is the number New Hampshire's own courts have already rejected as inadequate. It is not a matter of opinion; it's a matter of which ruling you're citing.

Who was actually in the room

Republicans held complete control of the governorship, House, and Senate for **7 of the last 11 years**. In the remaining 4 years, not one was a Democratic trifecta — Republicans held at least one of the three levers of state power, and usually all three, for the entire decade covered by this analysis.

Why we're publishing this as an addendum rather than editing the original

The original piece stands as written. This addendum exists because Chris asked a fair question — not because anything above contradicts what we published, but because “here's a round number and the general pattern” and “here's the specific bill, the specific vote, the specific dollar figure” are different levels of rigor, and he was right to want the second one. If you're a candidate, a local official, or just a taxpayer who wants to check any of this yourself rather than take our word for it, every bill above has a chapter number or bill number you can look up directly at gc.nh.gov.

Sources: New Hampshire Municipal Association (Wozmak memo, Dec. 2025); NH Retirement System (RSA 100-A:16); NH General Court bill texts and fiscal notes (HB 2/2011, SB 149/2011, SB 99/2021, SB 9/2015, SB 2 & SB 1/2017, HB 10/2021, HB 1300/2026, SB 295/2025); New Hampshire Fiscal Policy Institute (2025); New Hampshire Department of Education enrollment data; New Hampshire Bulletin; InDepthNH; the Boston Globe; NHPR; and the ConVal/Rand court record.

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