

Quote of the Week

"Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen." - Winston Churchill

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House Session Review

The House had a very short session this week. The most attention grabbing bills were SB 108, relative to liability of landowners who permit use of their land for recreational activities and SB 187, relative to posthumously emancipating enslaved Africans in New Hampshire. Both bills passed the full House with amendment.

At the end of the session, the full House sang "[Sweet Caroline](#)" in tribute to the city of Boston.

Arlinghaus: Internet Sales Tax and NH Advantage

Other states have always been annoyed by states like New Hampshire that don't have a sales tax. Tax competition is distressing to the uncompetitive. But few tax grabs are as ill-considered, unfair and anti-competitive as the federal government's attempt to impose a massive new Internet sales tax.

New Hampshire in particular needs to be careful. The new tax will lead to the elimination of the sales tax competitive advantage that is the foundation of our retail economy.

Under the American tax system, states may apply taxes to entities that have a physical presence (or "nexus") in the state. It would of course be ridiculous to expect an orange grower in Florida to apply your state's sales tax on fruit you buy on vacation or to exempt you if you came from a state with no sales tax. So, in general, one state's tax collector has no authority to reach across state lines and regulate you from beyond the borders.

For decades, mail-order catalogs annoyed state tax collectors. Because they weren't located in a state, they didn't pay taxes to that state just because a local placed an order. After many skirmishes, the U.S. Supreme Court sided with the retailer and ruled that taxing a company with no state presence was a violation of the interstate commerce clause.

If mail order companies annoyed tax collectors, the Internet angered them even more. My buying a shirt or book online and not paying sales tax apparently threatens the foundations of democracy.

By the way, how much of a threat to regular stores do you think the Internet is? It's less than you think. Total retail sales in 2012 were \$4.3 trillion. The e-commerce share of sales was 5.2 percent of that total.

Nonetheless, Congress is trying to pass a law to force every Internet retailer to collect sales taxes for every jurisdiction in America. That's not 50 different tax schemes. There are 9,646 different tax schemes. For example, in Chicago you would pay sales taxes on a purchase to four different entities - five different ones on certain purchases.

If you are a giant retailer like Amazon.com, this is less of a problem for you because of your size, so you support the law. It won't put you out of business, but it will be a nightmare for your smaller competitors. If you are a small, home-based retailer that does a little business through eBay, you'll just go out of business. Thank you, Congress.

So far, Congress is only punishing the e-commerce people. For the 95 percent of sales that go to "brick-and-mortar" stores, this tax-collection scheme is considered burdensome. (I'm not sure what the pinheads in Congress think it is about using the Internet that makes a regulatory burden not a burden to business conducted online, but then logic is not Washington's strong suit).

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ICYMI (In Case Your Missed It)

House Passes SB 108

On Wednesday, the New Hampshire House passed SB 108, limiting the liability of landowners who permit the use of their land for recreational activities. This bill would prevent landowners from being unfairly persecuted if someone chooses to use their property.

This bill is a strong win for individual property rights and personal freedom, and will protect property owners from frivolous and expensive lawsuits. SB 108 now goes on to Governor Hassan's desk to be signed into law, and we are hopeful that the Governor will stand up for NH landowners rights.

Colebrook Citizen of the Year

Earlier in March, the town of Colebrook presented Rep. Larry Rappaport with the Colebrook Citizen of the Year award.

Rep. Rappaport was presented the award for his many years of service to the Town of Colebrook since moving there in 1974.

Rep. Rappaport has served 21 years as a Planning Board Member, two terms as a Selectman, and has been extremely active in securing broadband and cell service for the area.

Make sure to congratulate him when you see him!

Important Dates

- **Republican Caucus-** Wednesday, May 8th at 9:00am in LOB 305-307 (*Open to House Republican Members Only*)
- **House Session-** Wednesday, May 8th at 10:00am

Meet a New Member

Rep. Dave Murotake



David can't think of a better match for himself than the Science, Energy and Technology committee, having Bachelor and Masters degrees in Electrical Engineering and Computer Science, and a PhD from MIT in Management of Technological Innovation.

Like most of us, serving in the legislature is quite a juggling act. David combines this with serving on the Nashua School Board, owning his own software company, and serving in the Knights of Columbus.

David was a grassroots field leader for the Ron Paul for President campaign, and considers himself a Reagan Republican - someone who believes in the big tent and someone who will listen and talk with everyone.

At this point, other than enjoying time with his wife of 33 years, all of his free time is spent on politics. His family, 3 daughters and 1 son, have all left home. Please stop by and say hello at seat 4-72.

Meet a New Member (Continued)

Rep. David Milz



After a career in the airline industry, most recently as General Manager of Continental Airlines at Logan, David is happy to be in the legislature.

He requested to serve in Public Works, because friend Senator Rausch asked him to sit on the same committee he did. David is enjoying it and state governance immensely. His first election was approximately 8 years ago, when he became a local Fire Commissioner. Since then he has served as a Town Councilor in his home of Derry.

In his spare time, David designs gardens and is an avid science fiction reader. Please say stop by seat 2-86 to introduce yourself.

As a freshman at UNH, Joe is extremely concerned about the economy and the availability of jobs after graduation.

He is very interested in state policy issues, especially the budget, and decided to major in Political Science. Joe is finding the legislature an incredible learning experience, particularly in Election Law, where he serves in committee. Everyone has been very accommodating so he can balance the demands of public service with his education.

Recently, Joe made headline news because of his efforts to raise money for the Boston Red Cross to help people who were impacted by the events on Patriot's Day. Like many of us, Joe simply felt, "I just had to do something to help."

You can find Joe on Session days at 2-36.

Rep. Joe Sweeney



Rep. Brad Bailey



Brad always wanted to do public service, and still gets goosebumps walking up the State House steps. Brad's Dad and best friend was quiet, even-keeled, patriotic and a great public servant, and inspired him to do his part and follow his foot steps.

Brad ran for office focused on making it easier for businesses to operate in our state and to reduce the tax burden for all. He knows first hand how tough it is, as a State Farm agent in his town of Monroe. Before he went into the insurance business, he was co-owner of a radio station in Littleton (WLTN).

Brad is enjoying serving on the Legislative Administration committee, and representing the towns of Littleton, Bethlehem, Monroe, Lyman, Lisbon, Franconia, and Sugar Hill. He is married to Julianne, and has a son at UNH and a daughter in high school. You can find Brad in seat 2-70.

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Next Week Preview

The House will not be in session until May 8th. In the meantime, public hearings, work sessions and executive sessions will continue on various Senate Bills. The casino gaming bill (SB152) will continue to have its three subcommittee work sessions:

Community Impact Subcommittee Work Session: 5/2/2013 10:00 AM LOB 208

Regulations Subcommittee Work Session: 5/2/2013 10:00 AM LOB 210-211

Revenue Subcommittee Work Session: 5/2/2013 10:00 AM LOB 202

Arlinghaus: Internet Sales Tax and NH Advantage (cont)

Don't expect the state tax collectors to be content with leaving the physical stores alone. Massachusetts has been trying for decades to force New Hampshire retailers to collect sales and use taxes from Massachusetts residents. The Internet sales tax bill gives Massachusetts both a mechanism and a precedent.

If we can force mail-order and Internet companies to collect taxes for more than 9,000 jurisdictions, then how hard will it be for Massachusetts to force tire stores or appliance stores to collect its taxes? The day is not long off when Massachusetts brings action under the new scheme to force our state liquor stores to collect and remit Massachusetts taxes on all those cross-border sales.

Sens. Kelly Ayotte and Jeanne Shaheen are both opposed to the bill, but the New Hampshire Legislature is technically helping to fund the effort to tax us. The Legislature pays dues to the National Conference of State Legislatures (\$126,761 annually to NCSL and others in the current budget draft). The NCSL is pushing this bill as some sort of state tax relief (I'm not making that up) and promises to "continue to advocate vigorously for" the new tax. (By the way, New Hampshire House Speaker Terie Norelli is president of the NCSL.)

When the federal government interferes in state tax policy, it is never to help you pay less. Somehow "reform" always involves you paying more and the politicians having more to control.

Should every retail business in America, large or small, have to collect taxes for all 9,646 different tax jurisdictions? Garage sales, flea markets, the guy selling old records on eBay, an out-of-print book I bought by mail from England?

Congress should stick to destroying the federal government. It's good at that. But I wish it would leave state tax policy alone.

[Charles M. Arlinghaus is president of the Josiah Bartlett Center for Public Policy, a free-market think tank in Concord.](#)

Notes From the Republican Leader

This week I attended a meeting of and spoke with the Atkinson GOP.

The Atkinson GOP are a very enthusiastic group of Republicans. Attendees included: Rep. Norm Major, Rep. Jack Hayes, Sen. Chuck Morse and Area Vice-Chair Jim Coburn.

I spoke to the group regarding the state budget and answered a number of questions they had about the happenings of the State House.

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Gene

