

Republican Review

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RGGI Bill Modified in Committee, Will Rebate 100% to Ratepayers

On Thursday, the House Science, Technology & Energy committee approved an amendment to HB208 that would return all allowance proceeds, minus administrative costs, back to ratepayers in the form of a rebate on a per-kilowatt-hour basis.

HB208, as introduced, would have repealed New Hampshire's participation in the Regional Greenhouse Gas Initiative. Both RGGI opponents and proponents disclosed that since New Hampshire is in a regional power grid, ISO New England, New Hampshire ratepayers would still be exposed to costs associated with RGGI since our electricity supply is pooled together with other RGGI states. Revenue generated by the RGGI carbon allowance auction program is distributed back to participating states.

While it is far from the ideal free market scenario, HB208 as amended maintains NH's ability to receive allowance auction revenue, all of which will now be rebated to consumers, instead of paying in and receiving nothing back. Current law prescribes that New Hampshire will exit RGGI if other New England states withdraw, as well.

Reducing electricity costs is a House Republican agenda item. Increasing rebates will equal a net benefit to ratepayers.

There will be a Republican Caucus on Wednesday
February 11th at 9:00am in Representative's Hall.

There will be House Session on
Wednesday, February 11th at 10:00am.

The House will meet in joint Session with the Senate on
Thursday, February 12th for the Governor's Budget Address.

Bills Coming Up For Wed. Session

Here's a look at some of the bills that will be coming to the House floor Wednesday for a vote:

HB119, establishing the John G. Winant Memorial Commission.

HB194, providing that life begins at conception.

HB642, allowing gold and silver as lawful medium exchanges.

HB269, allowing a landlord to collect first and last month's rent in addition to a security deposit.

HB371, relative to assessing the consequences of the Citizens United decision.

HB147, relative to the homestead exemption amount.

STATS OF THE WEEK

State revenue for January totaled
\$114.8 million,

which was ahead of target by
\$10.6 million (+10.2%).

Business tax revenue was above plan by
\$6.1 million (+38.6%).

FYTD, total tax receipts are ahead of plan by
\$29.8 million (+3.3%).

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IMPORTANT DATES

February 12- Last day to report HB's going to a second committee

February 19- Last day to act on HB's going to a second committee

February 23-27- Break Week

March 5- Last day to report all HBs not in a second committee, except budget bills

March 12- Last day to act on all HBs not in a second committee, except budget bills

March 19- Last day to report all HBs, except budget bills & last day to report list of retrained bills

UPCOMING BILL HEARINGS

Here are some of the bill hearings coming up next week:

HB548, establishing the federally-facilitated health exchange as the health exchange for New Hampshire.

HB538, relative to the implementation of new statewide education annual assessments.

HB403, repealing the law relative to providing certain parameters for access to reproductive health care facilities.

HB496, prohibiting public employers from using criminal history in employment decisions.

HB392, relative to the hourly minimum wage.

HB574, relative to regional greenhouse gas initiative distributions to residential customers.

IN CASE YOU MISSED IT

[Union Leader: Nursing homes push back on cuts](#)

On Monday, the Union Leader published a story that provides prospective from the nursing homes, who are facing a \$7 million cut as a result of the lower reimbursement rates announced by DHHS and approved by the Governor.

"...According to Poirier, reductions could range from \$30,000 to \$40,000 for smaller nursing homes, to as much as \$500,000 for the largest ones."

[NH1: NH GOP claims to have solution to workers' comp costs problem](#)

The House heard a bill this week, sponsored by Rep. Flanagan, to deal with out of control workers' comp costs. This particular bill recommends instituting a fee schedule for medical providers.

"House Majority Leader Jack Flanagan, R-Brookline, said it's not a silver bullet but would help control the spiral of costs for surgeries and other procedures that can be double and triple the cost for the same medicine given to someone with traditional health care."

[Union Leader: Editorial: Common Core optional? So why does Raffio object?](#)

In Monday's Union Leader, you will find an editorial that argues in favor of HB 276, a Republican sponsored bill that provides that school districts shall not be required to adopt the common core standards. State Education Board Chair Tom Raffio opposes the bill.

"But let's take Chairman Raffio at his word. Let's say the state is not requiring Common Core's acceptance. In that case, he should have no problem putting into place a law that reaffirms that position. And he should be instructing state bureaucrats to help, not hinder, those local districts that wish to go their own way in teaching and testing."

Frequently Asked Questions: Meals & Rooms Tax

What is the Meals & Rooms (Rentals) Tax?

A 9% tax (effective 7/1/2009) is assessed upon patrons of hotels (or any facility with sleeping accommodations), and restaurants, on rooms and meals costing \$.36 or more. A 9% tax is also assessed on motor vehicle rentals. The tax was raised from 8% to 9% (a +12.5% increase) in 2009 by the Democrat legislative majority in 2009. One of over 100 tax and fee increases passed from 2007-2010.

Who pays the tax?

The tax is paid by the consumer and collected by operators of hotels, restaurants, or other businesses providing taxable meals, room rentals, and motor vehicle rentals.

If the tax is paid by the consumer, but the business operators do the tax collection, filing and recordkeeping, shouldn't the state compensate those operators for their time and trouble as a "middleman"?

RSA 78-A: 7 III states the following:

"To compensate operators for keeping the prescribed records and the proper account and remitting of taxes by them, operators are allowed to retain 3 percent of the taxes due and to be remitted if the return and payment are timely received by the department of revenue administration, as provided in RSA 78-A:8, III."

In other words, if you're a responsible, timely filer, you get to keep the 3% of the taxes you collect as an operator.

How much money are operators of hotels, restaurants, or other businesses able to collectively retain as a result of this commission?

The actual M&R tax revenue for FY 2014, based upon cash basis reporting, was \$282,210,063. \$7,697,197 was taken in commissions. Based on a reasonable growth estimate, the commission for FY2015 is an estimated \$8,133,466.

Are there any bills this session that would eliminate this 3% commission for operators of hotels, restaurants, or other businesses that collect the tax?

Yes. HB576 repeals the provision allowing operators to retain 3% of meals and rooms taxes collected. The bill instead appropriates 3% of meals and rooms tax revenues to school building aid.

How many schools can be built per year based on 3% of Meals & Rooms tax revenue?

Short Answer: Not many, if any.

The Department of Revenue estimates 3% would equal roughly \$8.13 million for FY2015.

Anecdotal evidence suggests that the cost of building and renovating schools is much higher.

- *Windham High School - 2009 - New Construction - \$50 million*
- *Portsmouth Middle School - 2010 - Renovation, Expansion - \$37.5 million*
- *Bedford High School - 2007 - New Construction - \$50 million*
- *Newmarket Junior & Senior High - Proposed - \$47 million*
- *Salem High School - Renovation - Proposed - \$75 million*