

NEW HAMPSHIRE

Advantage 2.0:

Blueprint for Prosperity

Hon. Mary Murphy

Hillsborough District 27

Deering and Francestown

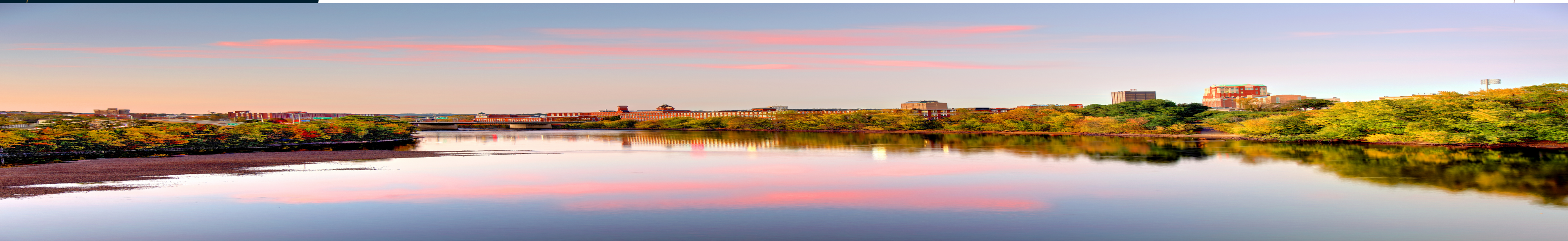
House Ways & Means Committee

House Labor, Industrials, and Rehabilitative Services



AGENDA

- Why NH Advantage 2.0? (The Problem)
- The Opportunity
- The Proposed Solution
- Next Steps
- Questions or Feedback



Why NH Advantage 2.0? (The Problem)

- **Pending Liabilities Threaten NH Credit Rating & Solvency**
 - Million-dollar DCYF and Philbrook School Settlements
 - New Hampshire Retirement System
 - NH Insurance Risk Pool Management Programs
- **Other Current Fiscal Challenges**
 - Trade Deficits with Canada & Ireland
 - Tariff War – Canadian Tourism Decline
- **Dependency on Tourism and Property Tax** revenue makes us extremely vulnerable to the next recession
- Elimination of **Interest and Dividends Tax** and **Business Tax cuts** have **reduced revenue**. Budget cuts impact state services taxpayers want.





The Opportunity: *The National Wealth Migration*

\$100B+

Annual Income Shift Since
2017



SALT Cap Impact: The 2017 TCJA capped state tax deductions at \$10k, accelerating wealth flight from CA, NY, MA, and IL.



Destination Low-Tax States: Zero income tax states like Florida (+\$20B AGI) and Texas (+\$5.5B AGI) lead net wealth inflows.



New Hampshire's Position: Ranked #3 in Tax Competitiveness, NH is primed to capture high-earning households and businesses.

Drivers of Corporate & Wealth Flight



Tax & Regulatory Burdens: High-tax states push top earners into lower-cost jurisdictions with favorable policy climates.



The Delaware Exit (DEXIT): Corporate dissatisfaction in Delaware has triggered an exodus of over \$33B in filing fees and corporate capital.



Remote Work Mobility: Post-2020 executive mobility allows firms to decouple corporate registration from legacy headquarters.



New Hampshire's Strengths

High Survey Rankings for New Hampshire

- Low Personal Tax Burden – **#1**.
- Economic and Personal Freedom – **#1**.
- Healthcare – **#1**.
- Personal Safety (*Low Crime Rates*) – **#1**.
- Highly Educated Workforce – **#8**.
- Education/Schools – **#5**.

Surveys include:

- *WalletHub*
- *US News & World Report*



NH Advantage 2.0: Blueprint

The Three-Pronged Strategy



1. Business Profitability

Reduce operating costs and broaden trading access to make existing NH firms significantly more profitable and boost BPT revenues organically.



2. Strategic Recruitment

Selectively recruit high-margin, high-wage sectors like Life Sciences and Tech to attract working-age families and retain local youth.



3. NH Chancery Court

Establish a business court to *compete with Delaware* for corporate filings, generating recurring out-of-state filing fee revenues.

Selective Industry Recruitment

Quality Over Quantity: New Hampshire will focus exclusively on recruiting **high-margin, low “footprint”** industries.

Target Sectors: Life Sciences, Health Tech, Financial Services, Advanced Manufacturing, and Infrastructure.

Youth Retention: Creating high-paying opportunities keeps our youngest graduates and working families from relocating to other states.

Property Tax Relief: Business Profits Taxes can gradually replace property taxes for primary residences if we commit to this strategy.



Proposed Targeted Industries:

- **Massachusetts / Cambridge Life Science Companies**
 - Leverage NH Right-To-Try.
- **Financial Services Companies**
 - Leverage NH Trust Laws (Dynasty & Asset Protection Trusts).
 - Target Boston-based (Fidelity) and NYC and Chicago-based Companies (CBOE).
- **Aerospace, Defense, and Advanced Manufacturing**
 - NH boasts an **above-average concentration of engineering occupations**, industrial machinery specialists, and advanced electronics fabricators.
- **Semiconductor and Hardware Technology**
 - New Hampshire features a robust cluster of workers specializing in electrical engineering, advanced adhesives, components manufacturing, and sustainable materials.
 - This is New Hampshire's **fastest-growing technology subsector**, yielding average earnings per job well above \$150,000
- **Health Tech and Healthcare**
 - **Wearables**: Smartwatches and fitness bands track your heart rate, sleep, and daily steps.



Target Industry Profitability Profile



High-margin sectors **maximize Business Profits Tax (BPT) yield per square foot** while placing minimal demands on state environmental and energy infrastructure.

Business Recruitment Benefits

- Improve New Hampshire's **prosperity**
- Improve the state's **resilience and resistance to cyclical recessions**
- Enhance **alignment of a skilled workforce** to targeted jobs growth
- Act as a **catalyst and future funding source** for education, energy, and housing strategies.
- **Rejuvenate the state** with working age residents and retain our youth
- Generate **additional revenue** to address pending liabilities

RECRUITMENT

Capitalizing on DEXIT



Establishing a Chancery Court

By creating a specialized business court, New Hampshire can compete directly with Delaware, Texas, and Nevada. **Out-of-state entities pay recurring filing fees without needing physical real estate or local natural resources.**

Legal Ecosystem Growth

A Chancery Court attracts high-value corporate law practices and financial advisory services into New Hampshire, **further expanding our Business Profits Tax (BPT) base** and creating premier professional opportunities.

Overcoming Structural Impediments



Core Challenge	Current Business Impact	Advantage 2.0 Solution
Housing Supply	High housing costs limit workforce relocation	Incentivize local zoning reform and targeted residential growth
Energy Costs	Elevated regional utility overhead	Support micro grids, nuclear, and natural gas. Break up transmission monopoly.
Workforce Readiness	Skills mismatch in technical industries	Align higher ed curricula with business needs. Promote healthcare and trades.
Childcare Supply	Limits working-age parent participation	Implement employer childcare tax credits and expand care access

Funding Property Tax Relief

\$363M

Target SWEPT Replacement



SWEPT Offset: Earmarking growth in BPT and Chancery Court fees directly replaces the \$363M Statewide Education Property Tax.



Direct Family Relief: Provides substantial, lasting property tax relief for New Hampshire homeowners.



Long-Term Investment: Surplus revenues fund infrastructure in economically disadvantaged areas, ensuring balanced growth.

Next Steps:

- Recruit a Caucus of Senators and State Representatives who support the strategy and will write bills
- Create working groups aligned with Standing Committees in House and Senate.
 - Energy, Commerce, Education Policy, Ways & Means, etc.
- Identify **deregulation opportunities** and new differentiating **tactical bill opportunities**
- Write bills and shepherd them through the “gauntlet”
- Form a working subcommittee to Judiciary to research establishing a Court of Chancery.
- Pass a bill to earmark BPT surplus to taxpayers and municipalities.





THANK YOU!



QUESTIONS
OR
FEEDBACK