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House Ways and Means Committee
New Hampshire General Court
107 North Main Street Concord, NH 03301

Re: Opposition to HB 1068 – Relative to the Meaning of Occupants and Occupancy as it Pertains to Meals and Rooms Taxation

Dear Members of the House Ways and Means Committee,

I am Tammy Clark, a resident of New Hampshire and a property owner in both Laconia and Gilford. I am writing to strongly oppose HB 1068, which would expand the definitions under RSA 78-A:3 to apply the state's 8.5% Meals and Rooms Tax to short-term rentals of private homes, apartments, and accessory dwelling units for periods under 185 days. While I appreciate efforts to ensure tax fairness, this bill would impose undue burdens on small property owners like me, harm New Hampshire's vital tourism industry, and exacerbate housing affordability issues without addressing underlying problems.

HB 1068 amends key definitions in the tax code, including:

- Expanding "hotel" to encompass private homes and rooms advertised on online platforms.
- Broadening "occupancy" and "occupant" to include short-term use of homes and apartments.
- Redefining "short-term rental" to cover residential units rented for tourist or transient purposes.
- Including short-term rental operators under the tax collection requirements.

These changes would effectively tax everyday homeowners who occasionally rent out space to supplement income, treating them like commercial hotels. This is not a minor adjustment; it's a significant expansion that could deter property owners from participating in the short-term rental market. A market that is needed to allow families to travel together in an affordable way and spend time and resources in our great state of New Hampshire.

My primary concerns with HB 1068 are as follows:

1. **Negative Impact on Tourism and Local Economies:** New Hampshire's economy relies heavily on tourism, with visitors drawn to the state's natural beauty, outdoor activities, and affordable accommodations. Short-term rentals provide flexible, cost-effective

options that hotels often cannot match, especially in rural areas like the White Mountains or Seacoast. Imposing an additional 8.5% tax would increase costs for travelers, potentially reducing visitor numbers and harming local businesses such as restaurants, shops, and attractions that depend on tourism dollars. According to economic studies on similar taxes in other states, such measures have led to declines in short-term rental bookings by 5-10%, with ripple effects on employment and revenue.

2. **Burden on Small Property Owners and Families:** Many short-term rental hosts are not large corporations but individuals—retirees, families, or working professionals—who rent out a spare room or vacation home to cover rising property taxes, maintenance costs, or mortgages. This bill would add administrative burdens, requiring these "operators" to collect and remit taxes, file returns, and comply with new regulations. For hosts with limited rentals, the compliance costs could outweigh the benefits, pushing them out of the market and reducing housing options. This feels like double taxation, as property owners already pay local property taxes that fund community services.
3. **Exacerbating Housing Shortages:** New Hampshire faces a well-documented housing crisis, with a need for tens of thousands of new units in the coming years. Short-term rentals often utilize underused properties, providing income that allows owners to maintain and improve homes. Taxing them more heavily could discourage this, leading to fewer available units overall—whether for short-term visitors or long-term residents. Instead of punitive taxes, the state should explore incentives for affordable housing development or targeted regulations that address specific concerns like neighborhood disruptions without broad overreach.
4. **Lack of Fairness and Unintended Consequences:** While proponents may argue this levels the playing field with hotels, it ignores key differences: hotels benefit from commercial zoning, economies of scale, and dedicated infrastructure, while short-term rentals are often in residential areas with different costs and risks. This bill could drive rentals underground, reducing transparency and tax compliance rather than increasing it. Moreover, the 185-day threshold is arbitrary and fails to account for seasonal variations in NH's tourism-driven economy.

I urge the committee to reject HB 1068 and consider alternative approaches, such as voluntary compliance programs, targeted fees for high-impact rentals, or investments in tourism infrastructure funded through existing revenues. Expanding taxes in this way risks stifling economic growth at a time when New Hampshire needs to attract visitors and residents alike.

Thank you for considering my views. I am available to discuss this further and can be reached at 860-752-4936 or by email at tammyc@corecommllc.com. **Please vote NO on HB 1068.**

Sincerely,

Tammy Clark