

"Taxes are the price we pay for a civilized society" - attributed to U.S. Supreme Court Justice Oliver Wendell Holmes Jr.

"Taxation is theft" attributed to any given NH Republican legislator seeking Koch Brothers dark money.

Property taxes are the main revenue source for local governments, paying for services like public schools, police, fire departments, roads, and libraries. Our libertarian controlled legislature sees it differently, as it is in full embrace of what they call anarcho-capitalism, or the abolition of the state in favor of a free-market society. I can't say how market forces would provide services like law, police, and security, but I've seen how the private sector manages health care, and that is enough to convince me that I want no part of this. As of yet, we have not had a public referendum on this half-baked Free State ideology, and if they succeed in their subterfuge, we will probably never get that referendum.

I am writing this on Tax Day, and we all are fully aware of the income taxes that are collected federally. Income taxes are also collected in all but nine state governments, New Hampshire being one of the nine exclusions. Property taxes are collected by local governments in every state.

By and large, property tax dollars have the tendency to stay within the community as most states other than New Hampshire keep their hands off of these dollars. In fact, 17 states do not collect any percentage of property tax.

Property taxes are the single largest tax source in the U.S. economy, making up about 37.2% of all state and local tax revenue. New Hampshire has the greatest reliance on property tax revenue in the nation, providing 62% of state revenue, and rising. New Hampshire Republicans like to blame communities for this tax burden, but our state obviously needs to do more to ease this burden.

Property taxes are regressive, meaning they take a larger percentage of income from low-income households than from high-income households. Income tax is generally charged when you have the means to pay it. You earn less, then you pay less. Property tax is a fixed percentage of value regardless of the owner's annual income. You are taxed on the wealth tied up in your home, not on your ability to pay it in a given year. If you lose your job or retire, you still owe the same amount, which can force people out of their homes.

The NH School Funding Fairness Project, a trusted source, has crunched the numbers and they make the clear argument that property taxes in New Hampshire are highly regressive. Middle-income residents devote approximately 6.3%–6.7% of their personal income towards property taxes, while the uber-wealthy 1% of residents pay less than 2% of their income. By comparison, the 20% of residents that are our lowest earners pay approximately 6%–8.9% of their income. A progressive income tax would allow for lower rates or deductions for low-income families, ensuring that the wealthiest residents contribute a share more proportionate to their earnings.

Property taxes are fixed according to value-Ad Valorem for the Latin speakers among us. They are a wealth tax that produces no dividends, and value can only be realized when either refinanced or sold. When we were an agrarian society, property was a producer of wealth. More property meant more income producing crops and more livestock. In today's service economy, beyond having a place to hang one's hat, property often serves as a burden.

Since property no longer generates wealth as it once did, the vast majority of us rely on earned income to pay our taxes, in essence, a perpetual payment to our government in exchange for core services. Still, it is a tax on wealth. We had another tax on wealth called the interest and dividends tax. As of January 1, 2026, Republicans in Concord eliminated this revenue source. The top 1% of taxpayers with household income of \$703,000 or more received roughly 58% of the total benefits of this cut. By comparison, less than 2% of households in the bottom 20% saw a tax reduction.

This has resulted in a revenue shortfall that is being downshifted to our property tax. Basically, we are not taking this money from the top 1% but adding it instead to your property tax burden, a classic example of downshifting.

What New Hampshire desperately needs is an adult conversation to establish that perhaps income taxes are a more fair means of generating revenue in New Hampshire than over-reliance on property taxes. I would make five points as to why some argue that an income tax is more fair than a property tax.

First, we have seen how our current system regressively punishes low-income homeowners with a disproportionate tax burden. New Hampshire's reliance on property taxes means lower-income residents pay a higher percentage of their income in taxes compared to high-income residents. A high property tax bill is the same regardless of whether a homeowner (or renter, as these costs are typically passed on to rent) had a good or bad income year, whereas an income tax adjusts with earnings.

Second, a moderate income tax would distribute the tax burden more evenly across the population based on earnings, rather than concentrating it solely on property owners. A graduated income tax would allow higher income brackets, enabling significant reductions in the property tax burden that falls on middle and lower income families.

An income tax would go a long distance in solving geographic and regional inequity caused by our current property tax disparity. Because New Hampshire relies heavily on local property taxes for school funding, property-poor communities must set aggressive tax rates opposed to property-rich communities. A uniform income tax would stop pitting towns against towns by raising funds statewide, making for more equitable distribution of revenue to statewide services.

Obviously, an income tax allows the state to collect revenue from individuals who work in New Hampshire but live in neighboring states (like Massachusetts or Vermont), who currently contribute little to local services. It restores fairness.

Last is the effect of stabilizing the New Hampshire economy by reducing tax volatility. High property taxes are unsustainable, with aggregate property taxes in NH rising significantly over the last decade. An income tax allows the state to diversify its revenue, lowering the high-pressure demand on property taxes to cover nearly all local government budget shortfalls.

There is no proposed income tax legislation within the N.H. legislature at this time. A former Executive councillor with long and deep experience in school funding has suggested a "3-3 Tax Savings Plan", and has received death threats from the opposition political party for doing so. This is not the adult debate to which I previously referred. There is a solid estimate that 80% of New Hampshire residents would see an overall decrease in their total tax burden if an income tax were used to significantly lower property tax rates. The ultra-wealthy may have to pay more of their fair share, but they probably will still be able to buy politicians, as that seems to be a cheap commodity in New Hampshire.

There are some in Democratic leadership that feel that when Democrats talk about taxes, we lose at the voting booth. I've been in New Hampshire long enough to see that Republicans are willing to make up any fiction to use against Democrats, regardless of what we say.

So what am I saying? I'm not advocating for an income tax at this time, but neither do I want to see the hands of future legislators tied when it comes to fair taxation. Republicans have held the Concord legislature through most of my life here, and I don't seem to be benefiting from their economic mismanagement. I'd suggest that it is time to turn off the scare tactics about what Democrats might do with an income tax, and take a strong look at what Republicans have done to our property taxes.

Republicans have created an economic disaster and piled the costs of their mismanagement onto our property taxes. I do not envy the next person that will occupy the corner office in Concord. Neither would I want to deny any potential tool that can dig us out of this mess.