

New Hampshire

From 2002 to 2008, New Hampshire's spending increased the most in the parks and recreation (165%), natural resources (61%), and welfare (59%) categories. The increase in parks and recreation spending was the third-largest in the nation in terms of percentage. The spending categories that saw the least growth were debt service (18%), highways (17%) and health (7%). The state's overall general spending increase of 36% placed in the middle of states, ranking 25th-highest.

New Hampshire's total overall revenue growth of 36% ranked 39th for the period, and its total tax revenue growth of 19% ranked 49th. While corporate income taxes were the fastest growing tax revenue category in most states, in New Hampshire this was outpaced by personal income tax growth, which increased 65%, ranking eighth. Corporate income tax revenue grew 63% (40th). New Hampshire did not have a general sales tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	79,500	49	112,265	50	-1	41%	15
Education	1,530,290	38	2,019,883	43	-5	32%	41
Government Administration	194,141	25	237,721	28	-3	22%	33
Health	147,828	33	158,845	41	-8	7%	39
Highways	377,200	32	440,079	33	-1	17%	27
Hospitals	45,600	46	60,361	42	+4	32%	28
Interest on Debt	321,832	6	381,127	8	-2	18%	34
Natural Resources	42,571	47	68,642	39	+8	61%	5
Parks and Recreation	6,300	49	16,713	40	+9	165%	3
Police Protection	36,800	36	52,148	31	+5	42%	18
Public Welfare	974,600	38	1,544,997	34	+4	59%	13
Salaries and Wages	715,703	39	947,324	34	+5	32%	25
Direct Expenditures	2,998,045	43	4,220,470	34	+9	41%	21
General Expenditures	4,176,687	45	5,672,446	40	+5	36%	25
Total Expenditures	4,822,727	41	6,601,654	38	+3	37%	25

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	71,433	42	117,936	42	0	65%	8
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	377,313	3	614,794	2	+1	63%	40
Total Taxes	1,897,021	44	2,257,977	49	-5	19%	49
Total Revenue	4,636,375	34	6,291,580	34	0	36%	39

¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and New Hampshire’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in New Hampshire’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

