



MAJORITY REPORT

Volume 1 Issue 13

May 20, 2005

From the desk of the Majority Leader



This has been a good week for Republicans in the House as we continue to move forward, collectively, not only completing our important work on current legislation, but in laying the groundwork for electing Republicans in the November 2006 elections.

The Majority Office wholeheartedly supports the efforts of the recently formed *House Republican Victory PAC* and I look forward to personally working with its chairman, Representative Mike Whalley, to ensure that the values of “less government spending and lower taxes” will prevail at election time.

The *House Republican Victory PAC* will kick off its campaign to elect House Republicans in 2006 with a Celebratory Reception on Wednesday, June 1, 2005 from 5pm to 7 pm at the Grappone Conference Center in Concord. Former Congressman JC Watts of Oklahoma will be the featured guest and I urge all Republicans to attend. Tickets will be available through the Majority Office or by contacting Rep. Mike Whalley.

There is still much work to be done in the House this session, to be sure, but I believe that it is critical that we lay a solid foundation of support for Republican candidates who will be running for office in the next election. Our goal is to elect more Republicans to the House in 2006 to ensure that the Republican majority party, continues to set the agenda at the State House and throughout NH.

This strong showing of unity within the party can only help us in finishing up our work this session. There are several key issues re-



Come Join Us

for Wings.....

and Suds!



Wednesday, May 25th

Upham-Walker House

Following the House session

maining that will be the focus of our attention over the next few weeks.

In the upcoming session the Majority Office has taken a strong position on SB 11, relative to extending the local property exemption for wooden poles and conduits. The Ways & Means committee has sent this to the floor of the House, OTP, 12-9. I urge you to support the committee report for several reasons.

Prior to 1990, telephone poles and conduits, owned by the regulated wireline telephone companies, were taxed only at the state level and never at the local level. Due to the potential growth in cellular services, the tax on poles and conduits was repealed in 1990 and replaced with the Communications Services Tax (CST). This CST would tax all two way communications regardless of the type of technology used to deliver telephone service. Following the repeal of the state pole tax, the regulated wireline telephone companies experienced lower tax expenses and the PUC immediately ordered them to lower their rates for service.

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SB 11

This legislation would extend the local property tax exemption for wooden poles and conduits. It came out of **Ways & Means, OTP, 12-9**. The Majority Office supports the committee report because:

- In 1990 the NH Legislature repealed a statewide tax on poles and conduits and replaced it with the Communications Service Tax (CST). This was done in order to treat all telecommunications companies equally without regard to service delivery technologies.
- The fairness of the CST and the pole and conduit exemption has been studied and voted upon no fewer than six times, and each study reached the same conclusion: the CST treats all telecommunications companies equally.
- If the exemption were dropped, each phone line entering a private residence or business would be taxed.
- Those with wireless option would have the ability to avoid the new tax. This would be a regressive tax policy.
- This would have a negative impact on economic development in NH at a time when we are trying to attract new business.
- This has never been a local property tax.

—**Desk** (continue from Page One)

The property tax exemption was created in 1998 to settle electric company tax abatement efforts. Every two years since, the legislature has voted to continue the exemption. Current law calls for the exemption to expire in June of 2006, but SB11 extends the exemption until 2010.

If we, as Republicans, fail to extend this exemption, customers of only traditional telephone services would be subject to both the CST and a new local tax, leaving those with a wireless option with the ability to avoid the new tax. This is a regressive tax. Verizon would also seek PUC approval to add a phone bill surcharge to recover tax charges, plus system updates and inventories. In the end, the surcharge would appear on telephone bills as a line item titled, "Municipal Pole Tax." Each phone line entering a residence or business would then be taxed.

There is no question that a healthy telecommunications infrastructure is a key to the continued economic development of our state. It is an industry that employs more than 2,000 citizens. If we are to remain as watchdogs for the "*New Hampshire Advantage*," and continue to work to provide an economic climate and infrastructure that will attract business to our State, then it is important that we hit the **green** button and **pass** SB 11 on May 25.

We will also be asked to vote on SB 30, establishing the Collaborative Practice for Emergency Contraception Act, also known as the "Morning After Pill." You need to know that the Majority Office has taken no position on this legislation and we suggest that you, "vote your conscience."

Finally, we would like to welcome the new members of our leadership team, Deputy Majority Leader Fran Wendelboe, and caucus whips D.J. Bettencourt, Deborah Hogancamp, Shawn Jasper, Phyllis Katsakiores, Pamela Manney, Bill O'Brien, Beverly Rodeschin, and Nancy Stiles. In addition, Mary Griffin will continue to work closely with the Republican committee liaisons as our Deputy Majority Whip. Please feel free to call upon any of the members of our team. We still have much work to be done over the next few weeks and I am excited with the prospect of what we can accomplish together as a team.