



BUSINESS & INDUSTRY ASSOCIATION
New Hampshire's Statewide
Chamber of Commerce

April 17, 2020

The Honorable Christopher Sununu
Governor of New Hampshire
107 North Main Street
Concord, NH 03301

Senate President Donna Soucy
107 North Main Street
Concord, NH 03301

House Speaker Steve Shurtleff
107 North Main Street
Concord, NH 03301

Dear Elected Leaders:

First off, thank you for your service to the people and employers of New Hampshire. Public servants have no higher calling than now, in the middle of an unforeseen attack by an unseen foe wreaking havoc on the health of our friends and families, and our economy. On behalf of BIA's board of directors and staff, we sincerely appreciate the time, energy and passion you're devoting to guiding us through this unprecedented state-of-affairs.

As your thoughts turn to reinvigorating New Hampshire's economy, BIA believes it's important to highlight several policy matters that will directly impact the ability of enterprises large and small, in all corners of the state, to return to economic health. These policy matters include employer liability concerns, business taxes, and unemployment insurance taxes.

Employer Liability Concerns

Return-to-normal plans will assuredly include social distancing measures recommended by the Centers for Disease Control and public health officials, and may also include verifying employees' COVID-19 status through temperature screenings and testing, PPE equipment requirements, contact tracing as necessary, and more. Each of these may prove essential to preventing the spread of the virus while concurrently helping enterprises and the economy return to normal. But embedded in each are liability concerns. For example, employers could risk legal action if they don't accommodate employees who insist on returning to work, even without appropriate health screenings, or because they are at high risk due to age or underlying health conditions. Or conversely, employers may risk legal action if they terminate an employee who refuses to return to work and declines to provide adequate support for such refusal. Or businesses that have been designated essential, as well as a large segment of remaining businesses that will reopen as restrictions are eased, who may be face liability action from those who claim they were exposed to COVID-19 by the employer's particular action, or failure to act. The net effect of these and related liability concerns is that they will deter some businesses from reopening, and for others, from returning to pre-pandemic operations. State policy leaders must create legal safe harbors for employers who follow CDC or state health department guidance.

PROMOTING A HEALTHY CLIMATE FOR JOB CREATION AND A STRONG NEW HAMPSHIRE ECONOMY

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Business Taxes

As you are aware, a key component of the state budget compromise between the legislature and governor in September 2019 was language regarding the Business Profits Tax (BPT) and Business Enterprise Tax (BET). The compromise retained both taxes at their 2019 rate, however the future rate of both taxes, whether they were reduced, increased, or stayed at the 2019 rate, was dependent upon the performance of the economy as reflected in total revenues to the state's General Fund. Without question, business tax receipts and other important state tax revenues are falling as a result of the shrinking economy brought on by the pandemic. Through no fault of their own, many businesses throughout the state have lost customers and revenue. Many are closing. To enact BPT and BET tax increases at this time (as current state law calls for if state revenues are 6% below budgeted expectations), would be extremely insensitive to the struggles of employers of all sizes and will adversely impact their ability to rehire employees at the very time rehiring is desperately needed. It would also be counterproductive to a quick economic recovery.

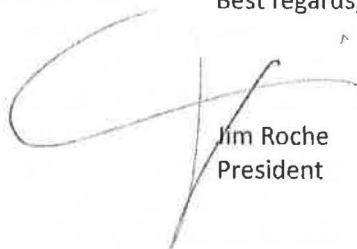
Unemployment Insurance Taxes

It's clear that massive increases in the ranks of unemployed due to COVID-19 is having a dramatic, negative effect on the state's unemployment insurance trust fund balance. Positive rated employers (those that have not caused a drawdown in the trust fund) will see their unemployment taxes automatically increase as trust fund balance thresholds that trigger tax decreases are lost. Similar to our concerns over increasing business taxes, increasing unemployment insurance taxes is highly counterproductive in the current environment. State policy makers must find ways to mitigate such increases.

We're in unprecedented times. Public sector revenues and the smooth functioning of public services rely heavily on the success of private enterprises. We urge state policy makers to be extraordinarily sensitive to the challenges facing non-government employers, some of which are outlined above, as you focus your attention on reinvigorating New Hampshire's economy.

Again, thank you for your service to the citizens and employers of New Hampshire. Please reach out to me with any questions.

Best regards,



Jim Roche
President

Cc: Commissioner Gerald Little
Senator Chuck Morse
Representative Richard Hinch
Senator Lou D'Allesandro
Senator John Reagan
Representative Mary Jane Wallner
Representative Ken Weyler
Commissioner Taylor Caswell
N.H. Legislature (via email)