



No Taxation Without Representation

In the 1770s, the American colonists were citizens of Great Britain but had their own colonial governments. They had grown tired of being taxed by the British Parliament in England for goods such as glass, paper, and tea without being represented in Parliament and having a say over how those taxes were spent. "No Taxation Without Representation" became a rallying cry for the colonists as they built support for the Revolutionary War.

1. Why were the colonists so angry with King George? What does "no taxation without representation" mean?
2. Included in the phrase "no taxation without representation" is the idea that people *do* need to pay taxes. Why do people need to pay taxes?
3. Partially because of King George's actions, the Founding Fathers made sure to include both taxes and representation in the new governments at all levels. How do you have representation at each level? What do your taxes pay for at each level?

	How am I represented?	What do my taxes pay for?
Federal government		
State government		
Local government		



No Taxation Without Representation – Answer Key

In the 1770's, the American colonists were citizens of Great Britain, but had their own colonial governments. They had grown tired of being taxed by the British Parliament in England for goods such as glass, paper, and tea, and to fund England's wars without being represented at Parliament and having a say over how those taxes were spent. "No Taxation Without Representation" became a rallying cry for the colonists as they built support for the Revolutionary War.

1. Why were the colonists so angry with King George? What does "no taxation without representation" mean?
It means that he was taking their money without listening to them about how the money should be spent. Their voices were not being heard in Parliament.
2. Included in the phrase "no taxation without representation" is the idea that people do need to pay taxes. Why do people need to pay taxes?
People need to pay taxes to pay for services the government provides that people can't provide, like police protection or roads and bridges or the military.
3. Partially because of King George's actions, the founding fathers made sure to include both taxes and representation in the United States governments at all levels. How do you have representation at each level? What do your taxes pay for at each level?

	How am I represented?	What do my taxes pay for?
Federal government	by Congress: Senate and House of Representatives	the court system printing money the military
State government	by my representatives in the legislature in Concord	state parks universities
Local government	by speaking at town meetings by my town council or select board	K – 12 schools local library police and fire protection



BAKERY

- We make delicious treats for our community to enjoy any time of day, six days a week.
- After paying for ingredients and the wages of the two baking assistants, we bring in around \$160/day.
- Even though the owner occasionally takes time off, the staff keeps the bakery running 52 weeks a year.

Our total weekly profit: _____

Our total yearly profit: _____

Our total after paying BPT:

CLOTHING STORE

- We pride ourselves on selling stylish clothes for all ages and sizes.
- We average around \$103 in sales each day, Tuesday-Saturday.
- Since this is a solo operation, the store closes two weeks each year for vacations and holidays.

Our total weekly profit: _____

Our total yearly profit: _____

Our total after paying BPT:



CRAFT STORE

- We sell craft supplies and offer classes for people to learn new skills.
- This store brings in about \$100 in sales per day and an additional \$560 in fees from workshops each week.
- The sisters who own the store try to keep it open six days a week for a full 52 weeks each year.

Our total weekly profit: _____

Our total yearly profit: _____

Our total after paying BPT:

AUTO REPAIR SHOP

- We repair cars to help citizens of our town get to work and school.
- The shop brings in around \$197 per day after paying mechanics and paying for parts.
- The shop closes for three weeks each year so employees can take vacations and have holidays off. It is also closed on Sundays.

Our total weekly profit: _____

Our total yearly profit: _____

Our total after paying BPT:



COMMUNITY DAYCARE

- We provide daycare for the children in our community to help them learn and grow while their parents work.
- After paying staff, insurance, and building costs, we net \$198/day and are open 5 days per week.
- Since our role in the community is crucial to keeping other businesses running, we are open 52 weeks/year.

Our total weekly profit: _____

Our total yearly profit: _____

Our income after paying BPT:

GROCERY STORE

- We are the primary food market for our community.
- After paying for stock, employees, and building maintenance, we net \$230 daily, 7 days a week.
- Since our staff is so large and demand is so great, we stay open all 52 weeks per year.

Our total weekly profit: _____

Our total yearly profit: _____

Our income after paying BPT:



Business Profit Tax (BPT) Contribution to the N.H. General Fund

Goal: \$50,000

- **General Government Expenses (\$4,000):**
 - Salaries, expense reimbursement, training, and benefits for employees
 - Technology expenses and upgrades
 - Building rent and maintenance
- **Administration of Justice and Public Protection (\$5,500):**
 - Salaries, expense reimbursement, training, and benefits for employees
 - New equipment and technology services
 - Interpreter and transcription services for court hearings
- **Resource Protection and Development (\$3,500):**
 - Heat, electricity, water, employee salaries for highway rest areas
 - Tourism marketing
 - Parks and Recreation staff, building, programs, and materials
- **Transportation (\$5,000):**
 - Winter Road Maintenance – technology, staff, materials, overtime pay
 - Construction Repair – materials, staff
 - Toll Collection – research, technology
- **Health and Social Services (\$21,500):**
 - Medicaid and Medicare – program expenses, administrative expenses
 - Home delivered meals and in-home care for aging and disabled citizens
 - Research and health statistics work
- **Education (\$10,500):**
 - Educational credentialing and licensing, instructional support for educators
 - Student wellness and school nutrition programs
 - Special Education and ESL programs, staff, and technology



Budget Funding Worksheet

Directions: Together with your group, decide how you will tax New Hampshire businesses to get enough money to fund a \$50,000 portion of the General Fund. This money will be used for public services and government operations.

Should each business be taxed the same amount or a percentage of their income? How much?

Should businesses that make more pay a higher percentage/amount than those that make less?

How much will your business pay in taxes? (Remember to return to your business card to fill in your income after taxes once your group has come to an agreement)

What section(s) of the state budget will your business benefit most from? How do you feel about your money funding these programs?



Excerpts from “You Asked, We Answered: Why is New Hampshire SO Against Having an Income Tax?”

New Hampshire Public Radio, Written by Justine Paradis, Published February 9, 2018

The so-called "New Hampshire Advantage" is part of our state's branding. It's about limited government. But maybe more important, it's about low taxes. The state has no sales or income tax, a point of pride for many residents and politicians. But is New Hampshire's anti-tax attitude really so unique? In a word: yes.

New Hampshire is the only state without either a sales tax or income tax except Alaska, but Alaska gets a huge amount of revenue from the oil and extraction industries. So, New Hampshire's tax structure is unique in the United States.

And there is a huge debate about all this: some people say that it's been working. Limited government is good, they say. But on the other hand, our tax structure puts a lot of pressure on local property taxes, and there are always questions around the things the state doesn't fund to the extent other states do, including the university system, corrections, and social service programs. But either way, how did we get to this point? What is it about New Hampshire that makes us so anti-tax?

The belief in limited government has deep roots. Brad Cook, a lawyer and weekly columnist for the *New Hampshire Business Review*, says it dates back all the way back to New Hampshire's colonial constitution, which was written in 1776, right at the beginning of the American Revolution. Our state's government is weak by design, diffuse by design, he said. The people who wrote our constitution made sure we had a big house, a small state senate, and a two-year term for governors, all so there wouldn't be a strong central government. It was only after the Sixteenth Amendment passed in 1913 that the federal government was even allowed to collect taxes off income. But when it was first proposed two years earlier in 1911, New Hampshire rejected it. And when the amendment did pass, New Hampshire was the last state to ratify it. After the federal government, states started implementing income taxes too, but New Hampshire wasn't among them. As the *New York Times* reported in 1929: "New Hampshire manifests small enthusiasm for an income tax."



But it's not like New Hampshire *couldn't* change. The last state to implement an income tax was Connecticut in 1991. It was the 41st state to do so. But it was a controversial move. At the time, some politicians promised property tax relief would also come along, but that didn't pan out. Now, Connecticut has both an income tax and high local property taxes, and it consistently ranks among the highest taxed states in the country. For some in New Hampshire, Connecticut is a cautionary tale. When I called Jared Walzcak at the Tax Foundation in Washington, D.C., which rates New Hampshire as No. 7 on its State Business Tax Climate index, he told me there's something to the idea of the New Hampshire Advantage. "New Hampshire generally has a reputation as a low-tax state. And that therefore makes the state fairly attractive for investments and for people to locate their activities in. And the state has done well for itself over the years, if you look regionally, especially when you look at the demographics of the state, you see a state that has been probably punching above its weight for a long time."

The fact that it feels impossible to discuss tax reform doesn't sit well with many people. Including Arnie Arnesen, who ran for governor in 1992 promising to enact a state income tax. She's not sure about the idea that the state is working just fine without any broad-based taxes. "We're not a state without taxes. We're a state with some of the highest fees, highest registration fees, highest student tuition costs, we spend the least amount of money when it comes to aid and support with opioid addictions."

Jackie Cilley, a Democrat who ran for governor in 2012, thinks it would take a serious initiative to pass a state income tax, and it would have to come from citizens. "When somebody tells them that they will not support any type of broad-based tax, we ought to be clear with citizens. What we're really telling you is that the state will continue to be run on your property taxes. Those will continue to go up." But, in the same year that Cilley lost her bid for governor, there *was* a referendum on the ballot, proposing a constitutional amendment to never implement a state income tax. The referendum won 57 percent of the vote, but that wasn't enough to pass. It needed a two-thirds majority.

Important note: This selection has been edited, or cut out, from a longer piece of writing. Some of the original punctuation, spelling, word choice, and capitalization have been changed to make it easier for you to read. Source: Paradis, Justine. "You Asked, We Answered: Why is New Hampshire SO Against Having an Income Tax?" New Hampshire Public Radio. 9 February 2018. <https://www.nhpr.org/nh-news/2018-02-09/you-asked-we-answered-why-is-new-hampshire-so-against-having-an-income-tax>.