

Bill as Introduced

HB 229-FN-A - AS INTRODUCED

2011 SESSION

11-0065

09/04

HOUSE BILL **229-FN-A**

AN ACT repealing the tax on gambling winnings.

SPONSORS: Rep. C. Christensen, Hills 19; Rep. Mirski, Graf 10; Rep. Renzullo, Hills 27;
Rep. Kappler, Rock 2; Rep. Hinch, Hills 19; Sen. White, Dist 9; Sen. Morse,
Dist 22; Sen. Carson, Dist 14

COMMITTEE: Ways and Means

ANALYSIS

This bill repeals the tax on gambling winnings.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT repealing the tax on gambling winnings.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Repeal. The following are repealed:
- 2 I. RSA 21-J:13, XIII, relative to rulemaking for collection of taxes on gambling winnings.
- 3 II. RSA 77:38 – 77:50, relative to taxation of gambling winnings.
- 4 2 New Section; Gambling Winnings Tax Exempt. Amend RSA 284 by inserting after section 21-r
- 5 the following new section:
- 6 284:21-rr Winnings Tax Exempt. Notwithstanding any other provisions of law to the contrary, a
- 7 recipient of any money or prize awarded pursuant to the provisions of RSA 284:21-i shall be exempt
- 8 from any tax imposed thereon by the state of New Hampshire.
- 9 3 Applicability. Sections 1 and 2 of this act shall apply for taxable periods ending on or after
- 10 December 31, 2010.
- 11 4 Effective Date. This act shall take effect December 31, 2010.

LBAO
11-0065
01/18/11

HB 229-FN-A - FISCAL NOTE

AN ACT repealing the tax on gambling winnings.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Racing and Charitable Gaming Commission. When completed, the fiscal note will be forwarded to the House Clerk's Office.

HB 229-FN-A - AS AMENDED BY THE HOUSE

17Mar2011... 0515h

2011 SESSION

11-0065
09/04

HOUSE BILL **229-FN-A**

AN ACT repealing the tax on gambling winnings.

SPONSORS: Rep. C. Christensen, Hills 19; Rep. Mirski, Graf 10; Rep. Renzullo, Hills 27;
Rep. Kappler, Rock 2; Rep. Hinch, Hills 19; Sen. White, Dist 9; Sen. Morse,
Dist 22; Sen. Carson, Dist 14

COMMITTEE: Ways and Means

ANALYSIS

This bill repeals the tax on gambling winnings.

Explanation: Matter added to current law appears in *bold italics*.
Matter removed from current law appears ~~in brackets and struck through~~.
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT repealing the tax on gambling winnings.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Repeal. The following are repealed:

2 I. RSA 21-J:13, XIII, relative to rulemaking for collection of taxes on gambling winnings.

3 II. RSA 77:38 - 77:50, relative to taxation of gambling winnings.

4 2 New Section; Gambling Winnings Tax Exempt. Amend RSA 284 by inserting after section 21-r
5 the following new section:

6 284:21-rr Winnings Tax Exempt. Notwithstanding any other provisions of law to the contrary, a
7 recipient of any money or prize awarded pursuant to the provisions of RSA 284:21-i shall be exempt
8 from any tax imposed thereon by the state of New Hampshire.

9 3 Applicability. This act shall apply to all gambling winnings received on or after the effective
10 date of this act.

11 4 Effective Date. This act shall take effect 14 days after its passage.

LBAO
11-0065
Revised 03/07/11

HB 229 FISCAL NOTE

AN ACT repealing the tax on gambling winnings.

FISCAL IMPACT:

The Department of Revenue Administration states this bill will decrease State general fund revenue by \$3,400,000 in FY 2012 and each year thereafter. The Lottery Commission states this bill will decrease State general fund revenue by \$1,300,000 in FY 2011, \$2,600,000 in FY 2012 and by \$2,800,000 in FY 2013 and each year thereafter. This bill will have no fiscal impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of Revenue Administration states this bill repeals the tax on gambling winnings effective upon passage. The Department is unable to determine the fiscal impact in FY 2011 since without applicability language the passage date of the bill would determine which winnings would not be subject to the tax. The Department states during FY 2011, the tax on gambling winnings is projected to generate \$3,400,000 in revenue, and this revenue would be eliminated in FY 2012 and each year thereafter. The Department states it can administer the bill without any additional costs.

The Lottery Commission states this bill would exempt all lottery winnings from the gambling tax. The Commission assumes an effective date of January 1, 2011 which would reduce FY 2011 tax receipts by approximately \$1,300,000. Based on projected lottery sales for FY 2012 and 2013, the Lottery Commission estimates tax revenue would decrease by \$2,600,000 in FY 2012, and \$2,800,000 in FY 2013. The Lottery Commission states repealing the tax would have a positive impact on lottery sales, although the exact amount cannot be determined at this time.

The Racing and Charitable Gaming Commission (RCGC) states it is required to pay claims on money received from race tracks for unredeemed pari-mutuel pool tickets, which are subject to tax withholdings for net winnings exceeding \$10. The RCGC estimates these payouts total less than \$500 per year; therefore the fiscal impact to the State is negligible.

Committee Minutes

**SENATE CALENDAR NOTICE
WAYS AND MEANS**

Senator Bob Odell Chairman
 Senator Jim Luther V Chairman
 Senator David Boutin
 Senator Lou D'Allesandro
 Senator Chuck Morse
 Senator Jim Rausch

For Use by Senate Clerk's Office ONLY	
<input type="checkbox"/>	Bill Status
<input type="checkbox"/>	Docket
<input type="checkbox"/>	Calendar
Proof: <input type="checkbox"/>	Calendar <input type="checkbox"/> Bill Status

Date: March 24, 2011

HEARINGS

Tuesday

3/29/2011

WAYS AND MEANS

SH 100

1:00 PM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

1:00 PM	HB229-FN-A	repealing the tax on gambling winnings.
1:15 PM	HB36-FN-L	reducing the fee for copies of birth certificates.
1:30 PM	HB277-FN	relative to the deposit of fees collected under the Unified Carrier Registration System into the highway fund.

Sponsors:

HB229-FN-A

Rep. D.L. Chris Christensen
 Rep. Richard Hinch

Rep. Paul Mirski
 Sen. Raymond White

Rep. Andrew Renzullo
 Sen. Chuck Morse

Rep. Lawrence Kappler
 Sen. Sharon Carson

HB36-FN-L

Rep. Steve Vaillancourt

HB277-FN

Rep. Candace Bouchard

Rep. John Graham

Ways and Means Committee

Hearing Report

To: Members of the Senate

From: Sonja Caldwell
Legislative Aide

Re: **HB229-FN-A**—*repealing the tax on gambling winnings.*

Hearing date: March 29, 2011

Members present: Sen. Odell, Sen. Luther, Sen. Morse, Sen. Boutin, Sen.
D'Allesandro, Sen. Rausch

Members absent:

Sponsor(s): Rep. C. Christensen, Hills 19; Rep. Mirski, Graf 10; Rep.
Renzullo, Hills 27; Rep. Kappler, Rock 2; Rep. Hinch, Hills 19;
Sen. White, Dist 9; Sen. Morse, Dist 22; Sen. Carson, Dist 14

What the bill does: This bill repeals the tax on gambling winnings

Who supports the bill: Sen. Ray White, Sen. Morse, Rep. Bill Ohm, Rep. Chris
Christensen, Dan Callahan (Rockingham Venture Inc., Yankee Greyhound Racing Inc.),
Curtis Barry (The Dupont Group, NH Charitable Gaming LLC)

Who opposes the bill:

Taking no position:

Summary of testimony received:

Rep. Christensen said this bill repeals the gambling winnings tax and is parallel to
SB130. He said the difference between the two bills is the effective date. The senate bill
is effective upon passage and the house bill is effective 14 days after passage.

Rep. Bill Ohm said the lottery director said he needed about a week to reprogram
computers and streamline the system for the repeal of this bill so they made the effective
date two weeks after passage.

Speakers

Testimony

Sen. Robert Odell
Chair, Senate Ways and Means Committee
SH 100
Concord, NH

March 29, 2011

Subj: Testimony in support of HB229-FN

Mr. Chairman and members of the Ways and Means Committee,

For the record, I am Representative Chris Christensen, representing Hillsboro District 19 which is the Town of Merrimack.

I am here today to urge you to pass, as quickly as possible, HB229 which would repeal the Gambling Winnings Tax. The longer this tax is in effect the more our state revenues suffer.

We have all heard that we are losing lottery ticket sales, that business is down at various tracks where betting occurs on simulcasting, and that revenues are down at poker tournaments and other games that support many non-profit organizations.

Indirectly, I can see where meals taxes and business profits tax revenues would be down at places like the simulcast locations. Combined with the increased cigarette tax, you can see that there is less incentive for people from out of state to patronize border businesses that sell lottery tickets.

We often hear about the "multiplier effect" of tourist dollars, that \$1.00 brought in by a tourist has a positive \$4.00 effect on the economy because of responding, payrolls, etc. Unfortunately, I believe there is a similar negative effect when there is a tax in place that appears to only affect one area, but in fact has a negative multiplier.

HB229 is identical to SB 130 except for the list of sponsors and the effective date. SB130 was amended by the Senate to be effective on passage. HB229 was amended by the House to be effective 14 days after passage, after receiving input from affected agencies

Repeal of the gambling winnings tax could have an immediate positive impact for businesses, non-profits, and the state. As noted in a Union Leader editorial published on February 1st, we should repeal this tax immediately. Please support HB229 with your positive vote.

Cordially


Rep. Chris Christensen
Hillsborough Dist. 19
Merrimack, NH

Voting Sheets

Senate Ways & Means Committee

EXECUTIVE SESSION

Bill # HB229

Hearing date: 3-29-11

Room: State House - Room 100

Executive session date: 3-29-11

Motion of: OTP

VOTE: 6-0

Made by Odell
Senator: D'Allesandro
 Luther
 Boutin
 Morse
 Rausch

Seconded Odell
by Senator: D'Allesandro
 Luther
 Boutin
 Morse
 Rausch

<u>Committee Member</u>	<u>Present</u>	<u>YES</u>	<u>NO</u>	<u>Reported out by</u>
Senator Odell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Senator D'Allesandro	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Senator Luther	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Senator Boutin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Boutin
Senator Morse	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Senator Rausch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

*Amendments: _____

NOTES: _____

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: March 29, 2011

THE COMMITTEE ON Ways and Means
to which was referred House Bill 229-FN-A

AN ACT repealing the tax on gambling winnings.

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS

BY A VOTE OF: 6-0

AMENDMENT # s

Senator David R. Boutin
For the Committee

Sonja Caldwell 271-2117

New Hampshire General Court - Bill Status System

Docket of HB229

Docket Abbreviations

Bill Title: repealing the tax on gambling winnings.*Official Docket of HB229:*

Date	Body	Description
1/20/2011	H	Introduced 1/6/2011 and Referred to Ways and Means; HJ 11 , PG. 178
2/1/2011	H	Public Hearing: 2/8/2011 1:00 PM LOB 202
2/23/2011	H	Executive Session: 2/24/2011 12:30 PM LOB 202
2/24/2011	H	Committee Report: Ought to Pass with Amendment #0515h for Mar 15 (Vote 19-0; RC); HC 22 , PG.571
2/24/2011	H	Proposed Committee Amendment #2011-0515h ; HC 23 , PG.593
3/17/2011	H	Amendment #0515h Adopted, VV; HJ 30 , PG.1010
3/17/2011	H	Ought to Pass with Amendment #0515h: MA VV; HJ 30 , PG.1010
3/23/2011	S	Introduced and Referred to Ways & Means; SJ 11 , Pg.191
3/24/2011	S	Hearing: 3/29/11, Room 100, State House, 1:00 p.m.; SC17
3/29/2011	S	Committee Report: Ought to Pass, 4/13/11; SC19
4/13/2011	S	Ought to Pass, MA, VV; OT3rdg; SJ 12 , Pg.254
4/13/2011	S	Passed by Third Reading Resolution; SJ 12 , Pg.254
4/27/2011	H	Enrolled; HJ 40 , PG.1386
4/27/2011	S	Enrolled; SJ 15 , Pg.293
5/11/2011	H	Signed by Governor 05/09/2011; Effective 05/23/2011; Chapter 0047

NH House

NH Senate

Other Referrals

COMMITTEE REPORT FILE INVENTORY

HB229 ORIGINAL REFERRAL

_____ RE-REFERRAL

-
-
1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
 2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
 3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
 4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

DOCKET (Submit only the latest docket found in Bill Status)

COMMITTEE REPORT

CALENDAR NOTICE

HEARING REPORT

PREPARED TESTIMONY AND OTHER SUBMISSIONS HANDED IN AT THE PUBLIC HEARING

SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

____ - AMENDMENT # _____ ____ - AMENDMENT # _____
____ - AMENDMENT # _____ ____ - AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

AS INTRODUCED AS AMENDED BY THE HOUSE
____ FINAL VERSION ____ AS AMENDED BY THE SENATE

____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes):

DATE DELIVERED TO SENATE CLERK

7-22-11

By:

SLC

COMMITTEE AIDE