

Bill as Introduced

HB 1302-FN - AS INTRODUCED

2012 SESSION

12-2566
10/03

HOUSE BILL

1302-FN

AN ACT

relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

SPONSORS:

Rep. Stepanek, Hills 6; Rep. Bettencourt, Rock 4

COMMITTEE:

Ways and Means

ANALYSIS

This bill establishes that a penalty for underpayment of estimated taxes shall be added to the tax for the taxable period and defines "taxable period." The bill also provides that property subject to the community revitalization tax relief credit shall be included in the equalization of valuations done by the commissioner of revenue administration.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Twelve

AN ACT relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

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

1 1 Department of Revenue Administration; Penalty for Underpayment of Estimated Taxes;
2 Definition Added. Amend RSA 21-J:32, I-II to read as follows:

3 I. Except as provided in paragraph IV, in the case of any underpayment of estimated tax by
4 a taxpayer, there shall be added to the tax for the taxable ~~[year]~~ **period** an amount determined at
5 the underpayment rate as determined from time to time pursuant to RSA 21-J:28, II, on the amount
6 of the underpayment for the period of the underpayment.

7 II. For the purposes of paragraph I, the amount of the underpayment shall be the excess of:

8 (a) The amount of the installment which would be required to be paid if the estimated
9 tax were equal to 90 percent of the tax for the taxable ~~[year]~~ **period**; over

10 (b) The amount, if any, of the installment paid on or before the last date prescribed for
11 payment.

12 ***II-a. For purposes of this section, "taxable period" means the calendar year or fiscal***
13 ***year which the taxpayer uses for federal income tax purposes, or that part of a year for***
14 ***which a return is made.***

15 2 Applicability. Section 1 of this act shall apply for taxable periods beginning on or after July 1,
16 2012.

17 3 Duties of the Commission of Revenue Administration; Equalization. Amend RSA 21-J:3, XIII
18 to read as follows:

19 XIII. Equalize annually by May 1 the valuation of the property as assessed in the several
20 towns, cities, and unincorporated places in the state including the value of property exempt pursuant
21 to RSA 72:37, 72:37-b, 72:39-a, 72:62, 72:66, and 72:70, ***property which is subject to tax relief***
22 ***under RSA 79-E:4***, and property which is the subject of a payment in lieu of taxes under RSA 72:74
23 by adding to or deducting from the aggregate valuation of the property in towns, cities, and
24 unincorporated places such sums as will bring such valuations to the true and market value of the
25 property, and by making such adjustments in the value of other property from which the towns,
26 cities, and unincorporated places receive taxes or payments in lieu of taxes as may be equitable and
27 just, so that any public taxes that may be apportioned among them shall be equal and just. In
28 carrying out the duty to equalize the valuation of property, the commissioner shall follow the
29 procedures set forth in RSA 21-J:9-a.

30 4 Effective Date. This act shall take effect July 1, 2012.

LBAO
12-2566
11/03/11

HB 1302-FN - FISCAL NOTE

AN ACT relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

FISCAL IMPACT:

The Department of Revenue Administration states this bill may have an indeterminable impact on state revenue in FY 2013 and each year thereafter. There will be no fiscal impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of Revenue Administration states this bill amend RSA 21-J:32, the penalty for underpayment of estimated taxes, by changing the term "taxable year" to "taxable period" and including the definition of the term "taxable period" for that section of statute. The proposed bill also makes changes to RSA 21-J:32 applicable to taxable periods beginning on or after July 1, 2012. Although the proposed changes are to the benefit of the taxpayer, because RSA 21-J:32 is a penalty statute, the Department is unable to determine how many taxpayers would be affected by the proposed changes. The Department is unable to determine the exact fiscal impact at this time.

The proposed bill also would allow the Department to annually equalize the valuation of property which is subject to tax relief under RSA 79-E, Community Revitalization Tax Relief Incentive. The Department states without annual equalization, any shared common tax burden (county, state education, shared local school) would not be fairly apportioned at market value.

Amendments

House Ways and Means
January 30, 2012
2012-0449h
10/01

Amendment to HB 1302-FN

1 Amend the bill by replacing section 2 with the following:

2

3 2 Applicability. Section 1 of this act shall apply for taxable periods ending on or after December
4 31, 2012.

5

6 Amend the bill by replacing section 4 with the following:

7

8 4 Effective Date.

9 I. Section 1 of this act shall take effect December 31, 2012.

10 II. The remainder of this act shall take effect July 1, 2012.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 1302-FN

BILL TITLE: relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

DATE: January 17, 2012

LOB ROOM: 202 **Time Public Hearing Called to Order:** 10:03 AM

Time Adjourned: 10:14 AM

(please circle if present)

Committee Members: Reps. Stepanek, Major, Griffin, Hess, Sapareto, Ilery, Osgood, Ober, Abram, Azarian, Daugherty, McDonnell, Murphy, Ohm, Sanborn, Shuler, Almy, Hamm, Butynski, Hatch and Cooney.

Bill Sponsors: Reps. Stepanek, Hills 6; Bettencourt, Rock 4

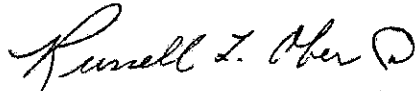
TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Representative Stepanek, prime sponsor - supports. This is a housekeeping bill.

Mindy Cyr & Steve Hamilton, New Hampshire Department of Revenue Administration - supports. Discussed the concept of "year" in the bill.

Respectfully submitted,



Representative Russell Ober, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 1302-FN

BILL TITLE: relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

DATE: 1/17/2012

LOB ROOM: 202 Time Public Hearing Called to Order: 10:03

Time Adjourned: 10:14

(please circle if present)

Committee Members: Reps. Stepanek, Major, Griffin, Hess, Sapareto, Ulery, Osgood, Ober, Abrami, Azarian, Daugherty, McDonnell, Murphy, Ohm, Sanborn, Shuler, Almy, Hamm, Butynski, Hatch and Cooney.

Bill Sponsors: Reps. Stepanek, Hills 6; Bettencourt, Rock 4

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Stepanek - sponsor - housekeeping bill

Minda Cyr } DRA - java bill - discussed concept of "year" in bill
Steve Hamilton }

Testimony

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

12-2566.0

HB 1302-FN, *relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.*

House Ways & Means Committee

Section 1 and 2

Section 1 of this bill amends RSA 21-J:32, the Penalty for Underpayment of Estimated Taxes, by changing the term "taxable year" to "taxable period" and including a definition of the term "taxable period" for that section of the statute.

The changes to RSA 21-J:32 clarify the statute with respect to the penalty for underpayment of estimated tax for tax periods that are less than a full calendar or fiscal year.

Section 2 of this bill makes the proposed changes to RSA 21-J:32 applicable to taxable periods beginning on or after July 1, 2012. As a practical matter, for tax administration purposes, the Department suggests that the applicability date be changed to reflect a full calendar year. For example, "This act shall apply for taxable periods ending on or after December 31, 2012."

Although these proposed changes are for the benefit of the taxpayer, because RSA 21-J:32 is a penalty statute, the Department is unable to determine how many taxpayers would be affected by the proposed changes.

Section 3

Section 3 of this bill would allow the Department of Revenue Administration to annually equalize the valuation of property which is subject to tax relief under RSA ch. 79-E, Community Revitalization Tax Relief Incentive. Without annual equalization, any shared common tax burden (county, state education, shared local school) would not be fairly apportioned at market value.

These laws could be administered by the Department of Revenue Administration without any additional cost.

Voting Sheets

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 1302-FN

BILL TITLE: relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

DATE: January 31, 2012

LOB ROOM: 202

Amendments:

Sponsor: Rep. House Ways & Means OLS Document #: 2012 0449h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: (OTP) OTP/A, ITL, Interim Study (Please circle one.) **AMENDMENT**

Moved by Rep. Major

Seconded by Rep. Azarian

Vote: 20-0 (Please attach record of roll call vote.) **HAND VOTE**

Motions: OTP, (OTP/A) ITL, Interim Study (Please circle one.)

Moved by Rep. Azarian

Seconded by Rep. Sapareto

Vote: 20-0 (Please attach record of roll call vote.)

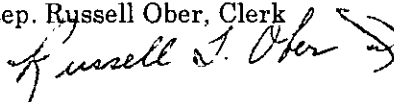
CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Russell Ober, Clerk



HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 1302-FN

BILL TITLE: relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

DATE: 1/31/2012

LOB ROOM: 202

Amendments:

Sponsor: Rep. *Nigro / AZARIAN* OLS Document #: 04492
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *Nigro*
Seconded by Rep. *Azarian*
Vote: 20-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *AZARIAN*
Seconded by Rep. *Sapareto*
Vote: 20-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: NO

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Russell Ober, Clerk

NO Ober SAYS FN NO CONSENT

WAYS AND MEANS

Bill #: HB 1302-FN Title: relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.
 PH Date: 1/17/2012 Exec Session Date: 1/31/12

Motion: OTP/A Amendment #: 2012-0449H

MEMBER	YEAS	NAYS
Stepanek, Stephen B, Chairman	✓	
Major, Norman L, V Chairman	✓	
Griffin, Mary E	✓	
Hess, David W	✓	
Sapareto, Frank V	✓	
Ulery, Jordan G		
Osgood, Joe	✓	
Ober, Russell T, Clerk	✓	
Abrami, Patrick F	✓	
Azarian, Gary S	✓	
Daugherty, Duffy	✓	
McDonnell, John J <i>Rice</i>	✓	
Murphy, Keith	✓	
Ohm, Bill	✓	
Sanborn, Laurie J	✓	
Shuler, Wyman E	✓	
Almy, Susan W	✓	
Hamm, Christine C	✓	
Butynski, William	✓	
Hatch, William A	✓	
Cooney, Mary R	✓	
20-0		

Committee Report

REGULAR CALENDAR

February 8, 2012

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on WAYS AND MEANS to which was referred HB1302-FN,

AN ACT relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Gary S Azarian

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	WAYS AND MEANS
Bill Number:	HB1302-FN
Title:	relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.
Date:	January 31, 2012
Consent Calendar:	NO
Recommendation:	OUGHT TO PASS WITH AMENDMENT

STATEMENT OF INTENT

This bill provides clarity for the DRA and the taxpayers. It defines "taxable period" over "taxable year" and corrects the language. It also provides that property subject to the community revitalization tax relief credit process be fair and equitable for surrounding properties and communities.

Vote 20-0.

Rep. Gary S Azarian
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

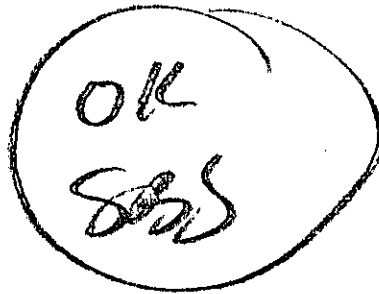
WAYS AND MEANS

HB1302-FN, relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Gary S Azarian for WAYS AND MEANS. This bill provides clarity for the DRA and the taxpayers. It defines "taxable period" over "taxable year" and corrects the language. It also provides that property subject to the community revitalization tax relief credit process be fair and equitable for surrounding properties and communities. **Vote 20-0.**

Original: House Clerk
Cc: Committee Bill File

This bill provides clarity for the DRA and the taxpayers. It defines "taxable period" over "taxable year" and corrects the language. It also provides that property subject to the community revitalization tax relief credit process be fair and equitable for surrounding properties and communities.



OK
SAS

Azarian

COMMITTEE REPORT

COMMITTEE: Ways and Means

BILL NUMBER: HB 1302-FN

TITLE: relative to underpayment of estimated taxes and equalization of valuations administered by the Department of revenue administration.

DATE: 1-31-12 CONSENT CALENDAR: YES NO

OUGHT TO PASS

OUGHT TO PASS W/ AMENDMENT

INEXPEDIENT TO LEGISLATE

INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.
2012-0449h

STATEMENT OF INTENT:

This bill provides clarity for the ORA and the taxpayers. It ~~also~~ defines "taxable period" over "taxable year" and corrects the language. It also provides that property subject to the community revitalized tax relief credit process be fair and equitable for surrounding properties and communities

OK
SBS

COMMITTEE VOTE: 20-0

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. GARY S. AZARIAN
For the Committee