

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

HB 1302-FN - AS AMENDED BY THE HOUSE

8Feb2012... 0449h

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 ending on or after December
16 31, 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.

HB 1302-FN - AS AMENDED BY THE HOUSE

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1

4 Effective Date.

2

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

3

II. The remainder of 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.

HB 1302 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, as amended by the House (Amendment #2012-0449h), 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 December 31, 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.

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 14, 2012

HEARINGS

Tuesday

3/20/2012

WAYS AND MEANS

SH 100

1:00 PM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

1:00 PM	HB242-FN-A	(New Title) relative to the net operating loss carryover under the business profits tax.
1:15 PM	HB1221	relative to the credit for the business enterprise tax against the business profits tax.
1:30 PM	HB1302-FN	relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.
1:45 PM	HB564	(New Title) relative to the adoption of forms by the department of revenue administration for the filing of taxes and removing the requirement for electronic tax payments.
2:00 PM	HB1592	(New Title) establishing a committee to study the reporting of business tax revenues collected by the state.

Sponsors:

HB242-FN-A

Rep. Carl Seidel
 Rep. Bill Ohm

Rep. Pamela Tucker
 Rep. William Smith

Rep. John Cebrowski
 Rep. Timothy Twombly

Sen. Jim Luther

HB1221

Rep. Dan McGuire

Rep. David Bettencourt

HB1302-FN

Rep. Stephen Stepanek

Rep. David Bettencourt

HB564

Rep. Jennifer Coffey
 Sen. Sharon Carson

Rep. Neal Kurk
 Sen. David Boutin

Rep. David Bettencourt
 Rep. Shawn Jasper

Rep. Stephen Stepanek

HB1592

Rep. Seth Cohn

Rep. Robert Malone

Rep. David Bates

Rep. Carol McGuire

Sonja Caldwell 271-2117

Sen. Bob Odell
 Chairman

Ways and Means Committee

Hearing Report

HB1302-FN - AN ACT relative to underpayment of estimated taxes and equalization of valuations administered by the department of revenue administration.

Hearing date: March 20, 2012

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

Members absent: Senator Luther

Sponsor(s): Rep. Stepanek, Hills 6; Rep. Bettencourt, Rock 4

What the bill does: 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.

Who supports the bill: Rep. Seidel, Mindy Cyr (DRA), Lindsey Stepp (DRA), Rep. Ohm

Who opposes the bill: No one

Summary of testimony received:

Rep. Bill Ohm - introduced the bill on behalf of Rep. Stepanek.

Mindy Cyr and Lindsey Stepp -DRA

This bill was put in on behalf of the department. The first piece, section 1, is in regards to the penalty for underpayment of tax. It changes the term "taxable year" to "taxable period". Under existing law, a business could be penalized if they stopped half way through the year, and didn't make full estimates. The 2nd part of bill is section 3, which encompasses language that was supposed to be amended onto a bill last year but due to a mistake, was left off. It will allow the department to annually equalize the valuation of property which is subject to tax relief under a bill that was passed last year providing tax relief for destruction. If they are not able to equalize, you would have town by town disparity. The department supports this bill. It's favorable for the taxpayer.

Speakers

Voting Sheets

Senate Ways & Means Committee

EXECUTIVE SESSION

Bill # HR1302

Hearing date: 3-20-12
 Executive session date: 3-20-12
 Motion of: OTR

Room: State House - Room 100

VOTE: 5-0

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 checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator D'Allesandro	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	D'Allesandro
Senator Luther	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Senator Boutin	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Morse	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Rausch	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

*Amendments: _____

NOTES: _____

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: March 20, 2012

THE COMMITTEE ON Ways and Means

to which was referred House Bill 1302-FN

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

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

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Lou D'Allesandro
For the Committee

Sonja Caldwell 271-2117

New Hampshire General Court - Bill Status System

Docket of HB1302

Docket Abbreviations

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

Official Docket of HB1302:

Date	Body	Description
11/18/2011	H	Introduced 1/4/2012 and Referred to Ways and Means; HJ 7 , PG.350
1/3/2012	H	Public Hearing: 1/17/2012 10:00 AM LOB 202
1/3/2012	H	Executive Session: 1/31/2012 2:00 PM LOB 202
1/31/2012	H	Committee Report: Ought to Pass with Amendment #0449h for Feb 8 (Vote 20-0; RC); HC 6 , PG.297
1/31/2012	H	Proposed Committee Amendment #2012-0449h ; HC 6 , PG.337
2/8/2012	H	Special Order to Next Order of Business: Without Objection; HJ 15 , PG.890
2/8/2012	H	Amendment #0449h Adopted, VV; HJ 15 , PG.891
2/8/2012	H	Ought to Pass with Amendment #0449h: MA VV; HJ 15 , PG.891
2/8/2012	S	Introduced and Referred to Ways & Means; SJ 5 , Pg.122
3/14/2012	S	Hearing: 3/20/12, Room 100, SH, 1:30 p.m.; SC11
3/22/2012	S	Committee Report: Ought to Pass, 3/28/12; SC12
3/28/2012	S	Ought to Pass: MA, VV; OT3rdg
4/11/2012	H	Enrolled
4/18/2012	S	Enrolled
4/24/2012	H	Signed By Governor 04/23/2012; Chapter 0014
4/24/2012	H	I. Section 1 Effective 12/31/2012
4/24/2012	H	II. Remainder Effective 07/01/2012

NH House

NH Senate

Other Referrals

COMMITTEE REPORT FILE INVENTORY

HB1302 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

_____ HANDOUTS FROM THE PUBLIC HEARING

_____ PREPARED TESTIMONY AND OTHER SUBMISSIONS

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 6-21-12

SC

BY COMMITTEE AIDE

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.