

Bill as  
Introduced

HB 354-FN-A - AS INTRODUCED

2013 SESSION

13-0498  
09/10

HOUSE BILL

**354-FN-A**

AN ACT reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

SPONSORS: Rep. Rideout, Coos 7; Rep. H. Richardson, Coos 4; Rep. Tucker, Rock 23;  
Rep. Baldasaro, Rock 5

COMMITTEE: Ways and Means

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ANALYSIS

This bill reduces the rate of the business enterprise tax over a 5-year period and repeals the tax July 1, 2018.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

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

1 1 Business Enterprise Tax; Rate Reduced; 2014. Amend RSA 77-E:2 to read as follows:

2 77-E:2 Imposition of Tax. A tax is imposed at the rate of ~~[3/4 of one]~~ .60 percent upon the  
3 taxable enterprise value tax base of every business enterprise.

4 2 Business Enterprise Tax; Rate Reduced; 2015. Amend RSA 77-E:2 to read as follows:

5 77-E:2 Imposition of Tax. A tax is imposed at the rate of ~~[-60]~~ .45 percent upon the taxable  
6 enterprise value tax base of every business enterprise.

7 3 Business Enterprise Tax; Rate Reduced; 2016. Amend RSA 77-E:2 to read as follows:

8 77-E:2 Imposition of Tax. A tax is imposed at the rate of ~~[-45]~~ .30 percent upon the taxable  
9 enterprise value tax base of every business enterprise.

10 4 Business Enterprise Tax; Rate Reduced; 2017. Amend RSA 77-E:2 to read as follows:

11 77-E:2 Imposition of Tax. A tax is imposed at the rate of ~~[-30]~~ .15 percent upon the taxable  
12 enterprise value tax base of every business enterprise.

13 5 Business Enterprise Tax; Distribution of Funds. Amend RSA 77-E:14 to read as follows:

14 77-E:14 Distribution of Funds.

15 I. The commissioner shall determine the ~~[additional]~~ amounts of revenue produced by ~~[an~~  
16 ~~increase of .50 percent in]~~ **2/3 of** the rate of tax imposed by RSA 77-E:2 for each fiscal year and shall  
17 certify such amounts to the state treasurer by October 1 of that year for deposit in the education  
18 trust fund established by RSA 198:39.

19 II. The commissioner shall make quarterly estimates of the amount of ~~[additional]~~ revenues  
20 ~~[that will be]~~ produced by ~~[the increase in]~~ **2/3 of the** tax rate for the next fiscal year and shall certify  
21 such amounts to the state treasurer for deposit in the education trust fund established by  
22 RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of  
23 each year.

24 6 Reference Deleted; Special Fund. Amend RSA 6:12, I(b)(65) to read as follows:

25 (65) Money received under RSA 77-A, ~~[RSA 77-E,]~~ RSA 78, RSA 78-A, RSA 78-B,  
26 RSA 83-F, RSA 198:46, and from the sweepstakes fund, which shall be credited to the education  
27 trust fund under RSA 198:39.

28 7 Reference Deleted; Penalty for Failure to File. Amend RSA 21-J:31 to read as follows:

29 21-J:31 Penalty for Failure to File. Any taxpayer who fails to file a return when due, unless an  
30 extension has been granted by the department, shall pay a penalty equal to 5 percent of the amount

1 of the tax due or \$10, whichever is greater, for each month or part of a month during which the  
2 return remains unfiled. The total amount of any penalty shall not, however, exceed 25 percent of the  
3 amount of the tax due or \$50, whichever is greater. This penalty shall not be applied in any case in  
4 which a return is filed within the extended filing period as provided in RSA 77:18-b, RSA 77-A:9,  
5 ~~[RSA 77-E:8, RSA 83-C:6,]~~ RSA 83-E:5, RSA 84-A:7, or RSA 84-C:7, or the failure to file was due to  
6 reasonable cause and not willful neglect of the taxpayer. The amount of the penalty is determined by  
7 applying the percentages specified to the net amount of any tax due after crediting any timely  
8 payments made through estimating or other means.

9 8 Reference Deleted; Substantial Understatement Penalty. Amend RSA 21-J:33-a, I to read as  
10 follows:

11 I. If there is a substantial understatement of tax imposed under RSA 77, RSA 77-A,  
12 ~~[RSA 77-E,]~~ RSA 78-A, RSA 78-C, RSA 82-A ~~[or RSA 83-C,]~~ or RSA 83-E, for any taxable period,  
13 there shall be added to the tax an amount equal to 25 percent of the amount of any underpayment  
14 attributable to such understatement.

15 9 Reference Removed; Extension of Tax Filing Deadlines for Members of the Armed Forces and  
16 National Guard. Amend RSA 21-J:46, III to read as follow:

17 III. This section shall apply only to tax returns and associated payments under RSA 77[  
18 ~~and RSA 77-A[, and RSA 77-E].~~

19 10 Reference Deleted; Business Profits Tax; Tax Expenditure Report. Amend RSA 77-A:5-a to  
20 read as follows:

21 77-A:5-a Tax Expenditure Report. On or before February 1 of every calendar year the  
22 commissioner shall certify to the general court and the governor an analysis of each of the past year's  
23 credits allowed under RSA 77-A[~~, RSA 77-E, RSA 83-C, RSA 83-D,~~] and RSA 400-A against the  
24 business profits tax imposed by this chapter and the apportionment factors under RSA 77-A:3, II(a).

25 11 References Deleted; Business Profits Tax; Reporting for Qualified Investment Capital  
26 Companies. Amend RSA 77-A:5-b, IV to read as follows:

27 IV. The qualified investment company shall be subject to the provisions of RSA 77-A:11 ~~[and~~  
28 ~~RSA 77-E:10]~~. The commissioner is authorized to audit and enforce such provisions with any of the  
29 powers granted under this chapter ~~[and RSA 77-E]~~.

30 12 References Deleted; New Investment Tax Credit. Amend RSA 162-L:10, I-II to read as  
31 follows:

32 I. An investment tax credit equal to 75 percent of the contribution made to the authority  
33 during the contributor's tax year shall be allowed against any of the following individually or in  
34 combination:

35 (a) Taxes imposed by RSA 77-A.

36 (b) Taxes imposed by RSA 400-A.

37 ~~[(e) Taxes imposed by RSA 77-E.]~~

1 II. Credits provided by this section applied against the liabilities imposed by RSA 400-A [and  
2 ~~RSA 77-E~~] shall be deemed to be taxes paid for the purpose of RSA 77-A:5, III [~~and X, respectively~~].

3 13 Reference Deleted; Corporations; Effect of Dissolutions. Amend RSA 293-A:14.05, (b) to read  
4 as follows:

5 (b) Prior to making any distribution of its remaining property among its shareholders  
6 according to their interests, the corporation shall first obtain a certificate of dissolution from the  
7 department of revenue administration in accordance with RSA 77-A:18 [~~and RSA 77-E:12~~].

8 14 Reference Deleted; Corporations; Reinstatement After Administrative Dissolution. Amend  
9 RSA 293-A:14.22, (a)(4) to read as follows:

10 (4) Contain a certificate from the New Hampshire department of revenue  
11 administration in accordance with RSA 77-A:18, III, [~~and RSA 77-E:12, III,~~] if such application is  
12 received by the secretary of state more than 120 days after the notice of administrative dissolution is  
13 mailed.

14 15 Reference Deleted; Corporations; Late Reinstatement Hearings. Amend RSA 293-A:14.22-a,  
15 (a)(4) to read as follows:

16 (4) Contain a certificate from the New Hampshire department of revenue  
17 administration in accordance with RSA 77-A:18, III, [~~and RSA 77-E:12, III,~~];

18 16 Reference Deleted; Corporations; Withdrawal of Foreign Corporation. Amend  
19 RSA 293-A:15.20, (b)(6) to read as follows:

20 (6) A statement of withdrawal from the New Hampshire department of revenue  
21 administration in accordance with RSA 77-A:18, II [~~and RSA 77-E:12, II~~].

22 17 Repeal. The following are repealed:

23 I. RSA 21-J:45, I(b), relative to reports on status of monthly tax returns for the business  
24 enterprise tax.

25 II. RSA 77-E, relative to the business enterprise tax.

26 III. RSA 77-A:5, X, relative to the business enterprise tax credit against the business profits  
27 tax.

28 IV. RSA 77-A:5, XII, relative to the crop zone tax credit.

29 V. RSA 77-A:5, XIV, relative to the Coos county job creation tax credit.

30 VI. RSA 162-N, relative to community reinvestment and opportunity (CROP) zones and tax  
31 credits.

32 VII. RSA 162-Q, relative to the Coos county job creation credit.

33 VIII. RSA 198:39, I(b), relative to business enterprise tax revenues deposited in the  
34 education trust fund:

35 IX. RSA 277-B:9, I(h), relative to payment of the business enterprise tax by employee leasing  
36 companies.

37 X. RSA 400-A:34-a, relative to the credit against the business enterprise tax for insurance taxes.

1 18 Applicability.

2 I. Section 1 of this act shall apply to returns and taxes due on account of taxable periods  
3 ending on or after July 1, 2014. In the case of any business organization or enterprise which has  
4 elected a 52-53 week taxable period under section 441(f) of the United States Internal Revenue Code  
5 and the fiscal year of which ends on the last day of the week nearest to June 30, 2014, the taxable  
6 period shall be deemed to have ended on June 30, 2014, for the purposes of this act.

7 II. Section 2 of this act shall apply to returns and taxes due on account of taxable periods  
8 ending on or after July 1, 2015. In the case of any business organization or enterprise which has  
9 elected a 52-53 week taxable period under section 441(f) of the United States Internal Revenue Code  
10 and the fiscal year of which ends on the last day of the week nearest to June 30, 2015, the taxable  
11 period shall be deemed to have ended on June 30, 2015, for the purposes of this act.

12 III. Section 3 of this act shall apply to returns and taxes due on account of taxable periods  
13 ending on or after July 1, 2016. In the case of any business organization or enterprise which has  
14 elected a 52-53 week taxable period under section 441(f) of the United States Internal Revenue Code  
15 and the fiscal year of which ends on the last day of the week nearest to June 30, 2016, the taxable  
16 period shall be deemed to have ended on June 30, 2016, for the purposes of this act.

17 IV. Section 4 of this act shall apply to returns and taxes due on account of taxable periods  
18 ending on or after July 1, 2017. In the case of any business organization or enterprise which has  
19 elected a 52-53 week taxable period under section 441(f) of the United States Internal Revenue Code  
20 and the fiscal year of which ends on the last day of the week nearest to June 30, 2017, the taxable  
21 period shall be deemed to have ended on June 30, 2017, for the purposes of this act.

22 V. Sections 5-17 of this act shall apply to returns and taxes due on account of taxable periods  
23 ending on or after July 1, 2018. In the case of any business organization or enterprise which has  
24 elected a 52-53 week taxable period under section 441(f) of the United States Internal Revenue Code  
25 and the fiscal year of which ends on the last day of the week nearest to June 30, 2018, the taxable  
26 period shall be deemed to have ended on June 30, 2018, for the purposes of sections 5-17 of this act.

27 20 Effective Date.

28 I. Sections 1 and 18 of this act shall take effect July 1, 2014.

29 II. Section 2 of this act shall take effect July 1, 2015.

30 III. Section 3 of this act shall take effect July 1, 2016.

31 IV. Section 4 of this act shall take effect July 1, 2017.

32 V. The remainder of this act shall take effect July 1, 2018.

**HB 354-FN-A - FISCAL NOTE**

**AN ACT** reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

**FISCAL IMPACT:**

The Department of Revenue Administration states this bill, **as introduced**, will reduce state revenue by \$39,220,000 in FY 2015, \$78,440,000 in FY 2016, and \$117,660,000 in FY 2017. This bill will have no fiscal impact on state, county, and local expenditures, or county and local revenue.

**METHODOLOGY:**

The Department of Revenue Administration (DRA) states this bill would reduce the Business Enterprise Tax (BET) rate over a five year period and repeal the BET tax effective July 1, 2018. The Department estimates the BET tax base at \$26,146,666,667 by dividing the projected FY 2013 BET revenue estimate of \$196,100,000 by the current tax rate ( $\$196,100,000 / .0075 = \$26,146,666,667$ ). The estimated revenue loss is projected as follows –

<b>Fiscal Year</b>	<b>BET Rate</b>	<b>Revenue Loss</b>
FY 2015	.60%	\$39,220,000
FY 2016	.45%	\$78,440,000
FY 2017	.30%	\$117,660,000
FY 2018	.15%	\$156,880,000
FY 2019	Repealed	\$196,000,000

The Department is unable to determine the impact related to the corresponding reduction in Business Enterprise Tax (BET) credit against BPT revenue.

The Department states the bill also repeals the Crop Zone Tax Credit, the Economic Revitalization Zone Tax Credit, and the Coos County Job Creation Tax Credit on July 1, 2018. The Department states the repeal of the three tax credits, revenue would increase by approximately \$1,000,000 annually in FY 2019 and thereafter.

The Department states it can administer this bill without any additional cost.

# Speakers





# Hearing Minutes

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 354-FN-A

**BILL TITLE:** reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

**DATE:** January 29, 2013

**LOB ROOM:** Rm. 202      **Time Public Hearing Called to Order:** 12:06 PM

**Time Adjourned:** 12:18 PM

(please circle if present)

**Committee Members:** Reps. Almy, Lovejoy, Cooney, Davis, Butynski, J. Kelley, Shattuck, Young, Ames, Karrick, Schamberg, Major, R. Ober, Ulery, Sanborn, Hess, Abrami, Griffin, Azarian and Sapareto

**Bill Sponsors:** Rep. Weyler, Rock 13; Rep. Sedensky, Rock 13; Sen. Reagan, Dist 17

TESTIMONY

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

**Rep. Leon Rideout, Prime Sponsor** - Supports the bill. BET is especially hard on small businesses, and believe it should be reduced. The BET is a tax universally despised in the business community, and it is a disincentive to hire because it is based on employee wages.

**Rep. Al Baldasaro** - Supports the bill. Because of taxes we are not a business friendly state.

\***Chairwoman Almy** distributed testimony from Gene Chandler and the Republican office which recommends a BET of .25 percent.

**Mindy Cyr, DRA** - No position on the bill, but wanted to clarify the fiscal note that up to \$196M loss is cumulative, but would be somewhat less.

Respectfully submitted,



Rep. William Butynski, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 354-FN-A

BILL TITLE: reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

DATE: 1/29/13

LOB ROOM: Rm. 202 LOBTime Public Hearing Called to Order: 12:06 PM

Time Adjourned:

(please circle if present)

Committee Members: Reps. Almy, Lovejoy, Cooney, Davis, Butynski, J. Kelley, Shattuck, Young, Ames, Karrick, Schamberg, Major, R. Ober, Ulery, Sanborn, Hess, Abram, Griffin, Azarian and Sapareto.

Bill Sponsors:

TESTIMONY

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

Rep. Leon Rideout, Prime Sponsor - Support this bill. BET is especially hard on small businesses, and believe it should be reduced. The BET is a tax universally despised in the business community, and it is a disincentive to hire because it is based on employee wages.

Rep. Al. Baldanaro - Support this bill. Because if taxes are increased a business friendly state.

Chair Almy distributed testimony from Gene Dondler and the Republican Office which recommended a BET of .25%

Mindy Cye, VRA - No position on the bill, but wanted to think the fiscal note that 196 million is cumulative, but would be correct less.

Respectfully submitted,

Rep. William Butynski, Clerk

# Testimony



# State of New Hampshire

HOUSE OF REPRESENTATIVES

Republican Office

January 29, 2013

RE: House Bill 354

Dear House Ways and Means Committee Members,

For the record, I am Rep. Gene Chandler. I represent the towns of Bartlett, Harts Location and Jackson and also serve as the House Republican Leader.

Thank you for the opportunity to voice my position on House Bill 354.

The BET is a payroll tax and reducing it provides a strong incentive for employers to create good, new jobs here.

As much as we would like to repeal the Business Enterprise Tax (BET) altogether, we need to be weary of the impact this could have on the General Fund. Therefore, we would recommend a return to the original rate of .25%.

Sincerely,

A handwritten signature in cursive script that reads "G. G. Chandler".

Gene G. Chandler  
House Republican Leader

# Voting Sheets

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 354-FN-A

**BILL TITLE:** reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

**DATE:** February 12, 2013

**LOB ROOM:** Room 202, LOB

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

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

Moved by Rep. Karrick

Seconded by Rep. Schamberg

Vote: 11-6 (Please attach record of roll call vote.)

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

Moved by Rep.

Seconded by Rep.

Vote: (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. William Butynski, Clerk



HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 354-FN-A

**BILL TITLE:** reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

**DATE:** 2/12/13

**LOB ROOM:** Room 202, LOB

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

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

Moved by Rep. *Karrick, D.*

Seconded by Rep. *Schmberg, T.*

Vote: *IT to 6* (Please attach record of roll call vote.)

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

Moved by Rep.

Seconded by Rep.

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

**CONSENT CALENDAR VOTE:** {Type VOTE} *NOT ON CONSENT*

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

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. William Butynski, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:00:11 AM  
Roll Call Committee Registers  
Report

2013 SESSION

WAYS AND MEANS

Bill #: HB 354-FN-A Title: Reducing the rate of the business enterprise tax over a 5-year period and repealing the tax.

PH Date: 1, 29, 13

Exec Session Date: 2, 12, 13

Motion: FTL by Karrick and Schamberg?

Amendment #: \_\_\_\_\_

MEMBER	YEAS	NAYS
Almy, Susan W, Chairman	✓	
Lovejoy, Patricia T, V Chairman	✓	
Butynski, William, Clerk	✓	
Davis, Frank W	✓	
Shattuck, Gilman C	✓	
Kelley, John D	✓	
Cooney, Mary R	✓	
Ames, Richard	✓	
Karrick, David B	✓	
Schamberg, Thomas C	✓	
Young, Harry L	✓	
Major, Norman L, <i>Absent</i>		
Griffin, Mary E <i>Absent</i>		
Hess, David W <i>Absent</i>		
Sapareto, Frank V		✓
Ulery, Jordan G		✓
Ober, Russell T,		✓
Abrami, Patrick F		✓
<del>Azarian, Gary</del> <i>Renzullo, A</i>		✓
Sanborn, Laurie J		✓
<b>TOTAL VOTE:</b>	<b>11</b>	<b>6</b>

*11*

*6*

# Committee Report

**REGULAR CALENDAR**

**February 14, 2013**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on WAYS AND MEANS  
to which was referred HB354-FN-A,**

**AN ACT reducing the rate of the business enterprise tax  
over a 5-year period and repealing the tax. Having  
considered the same, report the same with the following**

**Resolution: RESOLVED, That it is INEXPEDIENT TO  
LEGISLATE.**

**Rep. David B Karrick**

**FOR THE MAJORITY OF THE COMMITTEE**

**MAJORITY  
COMMITTEE REPORT**

Committee: **WAYS AND MEANS**

Bill Number: **HB354-FN-A**

Title: **reducing the rate of the business enterprise tax  
over a 5-year period and repealing the tax.**

Date: **February 14, 2013**

Consent Calendar: **NO**

Recommendation: **INEXPEDIENT TO LEGISLATE**

**STATEMENT OF INTENT**

Repealing or even phased reduction of the business enterprise tax would create a hard to fill revenue hole of between 75 million and 100 million dollars per year. The range in reduction of revenues is due to the difficulty under past data collection methods to calculate how much business profits tax former business enterprise tax payers would have to pay instead. The reduction in revenues would have a very serious effect on needed state services. Originally, the BET was created to resolve a constitutional complaint by large businesses that they were the only ones paying business taxes. The BET was also created to smooth the problem of the extreme volatility in the BPT alone. The majority believes some reduction in the BET could be in order relative to the BPT if only we had adequate revenues to fund necessary government services but repeal should only occur as part of total tax reform.

Vote 11-6

Rep. David B. Karrick  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

REGULAR CALENDAR

WAYS AND MEANS

**HB354-FN-A**, reducing the rate of the business enterprise tax over a 5-year period and repealing the tax. **INEXPEDIENT TO LEGISLATE.**

Rep. David B Karrick for the **Majority** of WAYS AND MEANS. Repealing or even phased reduction of the business enterprise tax would create a hard to fill revenue hole of between 75 million and 100 million dollars per year. The range in reduction of revenues is due to the difficulty under past data collection methods to calculate how much business profits tax former business enterprise tax payers would have to pay instead. The reduction in revenues would have a very serious effect on needed state services. Originally, the BET was created to resolve a constitutional complaint by large businesses that they were the only ones paying business taxes. The BET was also created to smooth the problem of the extreme volatility in the BPT alone. The majority believes some reduction in the BET could be in order relative to the BPT if only we had adequate revenues to fund necessary government services but repeal should only occur as part of total tax reform. **Vote 11-6.**

Original: House Clerk

Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: Ways and Means

BILL NUMBER: HB 354-77-a

TITLE: Repealing the Business Enterprise Tax

DATE: Feb. 12, 2013 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No. \_\_\_\_\_

STATEMENT OF INTENT:

~~Reducing the rate of the Business Enterprise Tax and repealing the Business Enterprise Tax~~

*attached*

COMMITTEE VOTE: 11 To 6

RESPECTFULLY SUBMITTED,

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

Rep. David Karrick  
For the Committee

*[Signature]*

## MAJORITY REPORT

HB 354-FN-A

11-6 Reg ITL

Repealing or even phased reduction of the business enterprise tax would create a hard to fill revenue hole of between 75 million and 100 million dollars per year. The range in reduction of revenues is due to the difficulty under past data collection methods to calculate how much business profits tax former business enterprise tax payers would have to pay instead. The reduction in revenues would have a very serious effect on needed state services. Originally, the BET was created to resolve a constitutional complaint by large businesses that they were the only ones paying business taxes. The BET was also created to smooth the problem of the extreme volatility in the BPT alone. The majority believes some reduction in the BET could be in order relative to the BPT if only we had adequate revenues to fund necessary government services but repeal should only occur as part of total tax reform.

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Respectfully submitted,

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Rep. David Karrick





## MAJORITY REPORT

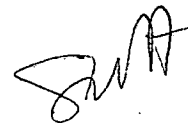
HB 354-FN-A

11-6 Reg ITL

Repealing or even phased reduction of the business enterprise tax would create a hard to fill revenue hole of between 75 million and 100 million dollars per year. The range in reduction of revenues is due to the difficulty under past data collection methods to calculate how much business profits tax former Business Enterprise tax payers would have to pay instead. The reduction in revenues would have a very serious effect on needed state services. Originally, the BET was created to resolve a constitutional complaint by large businesses that they were the only ones paying business taxes. The BET was also created to smooth the problem of the extreme volatility in the BPT alone. The majority believes some reduction in the BET could be in order relative to the BPT if only we had adequate revenues to fund necessary government services but repeal should only occur as part of total tax reform. ~~HB 354-FN-A should be voted Inexpedient to Legislate.~~

Respectfully submitted,

Rep. David Karrick



**REGULAR CALENDAR**

**February 14, 2013**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on WAYS AND MEANS  
to which was referred HB354-FN-A,**

**AN ACT reducing the rate of the business enterprise tax  
over a 5-year period and repealing the tax. Having  
considered the same, and being unable to agree with  
the Majority, report with the recommendation that the  
bill OUGHT TO PASS.**

**Rep. Laurie J Sanborn**

**FOR THE MINORITY OF THE COMMITTEE**

**MINORITY  
COMMITTEE REPORT**

**Committee: WAYS AND MEANS**

**Bill Number: HB354-FN-A**

**Title: reducing the rate of the business enterprise tax  
over a 5-year period and repealing the tax.**

**Date: February 14, 2013**

**Consent Calendar: NO**

**Recommendation: OUGHT TO PASS**

**STATEMENT OF INTENT**

The minority believes that reducing the rate of the business enterprise tax over time would substantially help employers in our state who must pay the tax on payroll and interest expenses, even if they are not profitable, and would send a clear message that we want them to succeed, grow and hire in New Hampshire.

**Rep. Laurie J Sanborn  
FOR THE MINORITY**

**Original: House Clerk  
Cc: Committee Bill File**

REGULAR CALENDAR

WAYS AND MEANS

**HB354-FN-A**, reducing the rate of the business enterprise tax over a 5-year period and repealing the tax. **OUGHT TO PASS.**

Rep. Laurie J Sanborn for the **Minority** of WAYS AND MEANS. The minority believes that reducing the rate of the business enterprise tax over time would substantially help employers in our state who must pay the tax on payroll and interest expenses, even if they are not profitable, and would send a clear message that we want them to succeed, grow and hire in New Hampshire.

MINORITY REPORT

COMMITTEE: Ways + Means

BILL NUMBER: HB 354-ITL-A

TITLE: Reducing the Rate of the Business Enterprise Tax over a 5 year period

DATE: 2/12/13 CONSENT CALENDAR: YES  NO

*Want*  OUGHT TO PASS

OUGHT TO PASS W/ AMENDMENT

INEXPEDIENT TO LEGISLATE

INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No. \_\_\_\_\_

*Minority Statement*

*Opposed to ITL*

STATEMENT OF INTENT:

*The minority believes that reducing the rate of the Business Enterprise Tax over time would substantially help employers in our state who must pay the tax on payroll and interest expenses, even if they are not profitable, and would send a clear message that we want them to succeed, grow + hire in New Hampshire.*

COMMITTEE VOTE: \_\_\_\_\_

RESPECTFULLY SUBMITTED

• Copy to Committee Bill File

Rep. *[Signature]*  
For the Minority

*Sanborn*

*[Signature]*

MINORITY REPORT

HB 354-FN-A

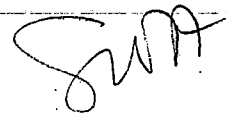
11-6 Reg OTP

The minority believes that reducing the rate of the business enterprise tax over time would substantially help employers in our state who must pay the tax on payroll and interest expenses, even if they are not profitable, and would send a clear message that we want them to succeed, grow and hire in New Hampshire.

Respectfully submitted,

Rep. Laurie Sanborn

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