

Committee Report

CONSENT CALENDAR

February 5, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred HB 324-FN,

AN ACT relative to the administration of certain state taxes by the department of revenue administration.

Having considered the same, report the same with the recommendation that the bill OUGHT TO PASS.

Rep. Patrick Abrami

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Ways and Means
Bill Number:	HB 324-FN
Title:	relative to the administration of certain state taxes by the department of revenue administration.
Date:	February 5, 2021
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This was a housekeeping bill requested by the Department of Revenue Administration (DRA). The bill does four things: clarifies electronic filing of meals and rooms tax, excludes interest for the 30-day period after notice of assessment of state taxes for amounts paid within the 30-day period, removes the consideration of weighted apportionment factor under the business profits tax from inclusion in the tax expenditure report, and provides for conformity in business tax filing dates of non-profit corporations in this state with United States Internal Revenue Code filing dates. In committee, after direct questioning and discussion with the DRA staff, it was deemed in a unanimous vote that these changes were required.

Vote 23-0.

Rep. Patrick Abrami
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Ways and Means

HB 324-FN, relative to the administration of certain state taxes by the department of revenue administration. **OUGHT TO PASS.**

Rep. Patrick Abrami for Ways and Means. This was a housekeeping bill requested by the Department of Revenue Administration (DRA). The bill does four things: clarifies electronic filing of meals and rooms tax, excludes interest for the 30-day period after notice of assessment of state taxes for amounts paid within the 30-day period, removes the consideration of weighted apportionment factor under the business profits tax from inclusion in the tax expenditure report, and provides for conformity in business tax filing dates of non-profit corporations in this state with United States Internal Revenue Code filing dates. In committee, after direct questioning and discussion with the DRA staff, it was deemed in a unanimous vote that these changes were required. **Vote 23-0.**

Original: House Clerk
Cc: Committee Bill File

Voting Sheets

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on Bill # HB 324-FN

BILL TITLE: relative to the administration of certain state taxes by the department of revenue administration.

DATE: February 10, 2021

LOB ROOM: Remote via Zoom

MOTION: (Please check one box)

- OTP, ITL, Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. Abrami Seconded by Rep. Southworth Vote 23-0

MOTION: (Please check one box)

- OTP, OTP/A, ITL, Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. Seconded by Rep. Vote:

MOTION: (Please check one box)

- OTP, OTP/A, ITL, Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. Seconded by Rep. Vote:

CONSENT CALENDAR: YES NO

Minority Report? Yes No If yes, author, Rep: Motion

Alan Bershtein

Respectfully submitted:

Rep Alan Bershtein, Clerk



**STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK
2021 Session - Ways and Means**

Roll Call Committee Registers Report

AN ACT relative to the administration of certain state taxes by the department of revenue administration.

Bill #	HB 324-FN
Motion	OTP
Amendment #	
Exec Session Date	2/10/21
Consent Calendar?	Yes

Member	Motion / Seconded	Yea	Nay	NV
Major, Norman L. (Chairman)		X		
Abrami, Patrick F. (Vice Chairman)	Motion	X		
Griffin, Mary E.				X
Ulery, Jordan G.		X		
Ober, Russell T.		X		
Bershtein, Alan (Clerk)		X		
Doucette, Fred G.		X		
Elliott, Robert J.		X		
Janigian, John C.		X		
Nunez, Hershel		X		
Baxter, Tim		X		
Spilsbury, Walter		X		
Tudor, Paul D.		X		
Almy, Susan W.		X		
Ames, Richard		X		
Southworth, Thomas L.	Second	X		
Malloy, Dennis J.		X		
Schamberg, Thomas C.		X		
Tucker, Edith M.		X		
Gomarlo, Jennie R.		X		
Loughman, Tom J.		X		
Gourgue, Amanda L.		X		
Hakken-Phillips, Mary A.		X		
Murphy, James Michael		X		
Total Vote		23		1

Respectfully submitted,
Alan Bershtein, Clerk

Public Hearing

House Committee on Ways and Means

Public Hearing on: **324-FN**

Bill Title: AN ACT relative to the administration of certain state taxes by the department of revenue administration.

Date: February 4, 2021

LOB Room:

Time Public Hearing Called to Order: 9:45 AM

Time Public Hearing Adjourned: 9:55 AM

Committee Members: Reps. Major, Abrami, Bershtein, M. Griffin, Ulery, R. Ober, Doucette, Elliott, Janigian, Nunez, Baxter, Spilsbury, Tudor, Almy, Ames, Southworth, Malloy, Schamberg, Tucker, Gomarlo, Loughman, Gourgue, Hakken-Phillips and Murphy

SPONSORS: Rep. Major, Rock. 14; Rep. Almy, Graf. 13; Rep. Ames, Ches. 9

TESTIMONY

Norman Major

- Introduced bill
- This bill is at the request of DRA

Carolyn Lear, Asst. Commissioner DAR

- Bill is a technical clean up and statutory improvements
- Section 1 of the bill is the most significant change.
- Interest would be on a 30 day basis instead of daily interest charges.
- Eases administration of interest charges.
- Bill eliminates tele-filing of M&R taxes. This is mostly unused anyway.
- Due dates for non-profits changes to May 15.
- Submitted testimony via letter. (forwarded by Jen Foor)

Kevin Kennedy, Member of Public

- CPA in NH
- Trustee for Society of CPA and they support this bill

House Remote Testify

Ways and Means Committee Testify List for Bill HB324 on 2021-02-04

Support: 3 Oppose: 0 Neutral: 0 Total to Testify: 2

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Signed Up</u>
Lear, Carollynn	Carollynn.J.Lear@dra.nh.gov	603.230.5020	State Agency Staff	NH Dept. of Revenue	Support	Yes (3m)	2/1/2021 6:56 AM
major, Norman	norman.major@leg.state.nh.us	603.382.5429	An Elected Official	Myself	Support	Yes (3m)	2/3/2021 8:12 AM
Rathbun, Eric	ericrathbun@gmail.com	860.912.3751	A Member of the Public	Myself	Support	No	2/3/2021 11:19 PM

Testimony

Bill as
Introduced

HB 324-FN - AS INTRODUCED

2021 SESSION

21-0335

10/05

HOUSE BILL **324-FN**

AN ACT relative to the administration of certain state taxes by the department of revenue administration.

SPONSORS: Rep. Major, Rock. 14; Rep. Almy, Graf. 13; Rep. Ames, Ches. 9

COMMITTEE: Ways and Means

ANALYSIS

This bill:

I. Clarifies electronic filing of meals and rooms taxes.

II. Excludes interest for the 30-day period after notice of assessment of state taxes for amounts paid within the 30-day period.

III. Removes the consideration of weighted apportionment factors under the business profits tax from inclusion in the tax expenditure report.

IV. Provides for conformity in business tax filing dates of non-profit corporations in this state with United States Internal Revenue Code filing dates.

This bill is a request of the department of revenue administration.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
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 Twenty One

AN ACT relative to the administration of certain state taxes by the department of revenue administration.

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

1 1 New Paragraph; Department of Revenue Administration; Interest. Amend RSA 21-J:28 by
2 inserting after paragraph I the following new paragraph:

3 I-a. In the case of an assessment of any tax, the department may prescribe a time not to
4 exceed 30 days after notice of the original assessment or any reissued assessment during which, if
5 any amount of the tax is paid, no interest shall be imposed on such amount for the period after notice
6 of the original or reissued assessment.

7 2 Meals and Rooms Tax; Returns and Payment; Electronic Filing. Amend RSA 78-A:8, I to read
8 as follows:

9 I. Every operator shall, on or before the fifteenth day of the calendar month following the
10 collection of taxes imposed by this chapter, file a return reporting the results of the preceding month
11 to the commissioner of revenue administration. This return shall be filed even though no tax may be
12 due. Returns may be filed by mail or ~~[through electronic data submission]~~ **electronically**. If such
13 operator has been granted permission to make other than monthly filings, as provided in RSA 78-
14 A:9, II(b), the operator shall make a return in accordance with the return schedule permitted by the
15 department of revenue administration, even though no tax may be due. The commissioner shall
16 adopt rules, pursuant to RSA 541-A, relative to the form of such return and the data which it shall
17 contain. All electronically filed returns shall contain an electronic authorization by the operator or
18 an authorized representative subject to the pains and penalties of perjury. The commissioner shall
19 adopt rules, under RSA 541-A, relative to the method of electronic authorization.

20 3 Repeal. RSA 78-A:3, III, relative to the definition of electronic data submission, is repealed.

21 4 Tax Expenditure Report; Weighted Apportionment Factors Removed. Amend RSA 71-C:2 to
22 read as follows:

23 71-C:2 Tax Expenditures Specified. Tax expenditures include, but may not be limited to, the
24 community development finance authority investment tax credit as computed in RSA 162-L:10; the
25 economic revitalization zone tax credit as computed in RSA 162-N:6; the research and development
26 tax credit under RSA 77-A:5, XIII; the Coos county job creation tax credit under RSA 77-E:3-c; the
27 education tax credit as computed in RSA 77-G:4; ~~[the weighted apportionment factors under RSA 77-~~
28 ~~A:3, II(a);]~~ and the exemption for qualified regenerative manufacturing companies allowed under
29 RSA 77-A:1, I and RSA 77-E:1, III.

HB 324-FN - AS INTRODUCED

- Page 2 -

1 5 Business Profits Tax; Exempt Organization Return; Filing. Amend RSA 77-A:6, I to read as
2 follows:

3 I. Every business organization having gross business income in excess of \$50,000 as defined
4 by RSA 77-A:1, VI, during the taxable period, shall on or before the fifteenth day of the third month
5 in the case of organizations required to file a United States partnership tax return, ***the fifteenth***
6 ***day of the fifth month in the case of organizations required to file a United States exempt***
7 ***organization tax return***, and the fifteenth day of the fourth month in the case of all other business
8 organizations, following expiration of its taxable period, make a return to the commissioner. The
9 commissioner of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the
10 form of such return and the data which it must contain for the correct computation of taxable
11 business profits and gross business income attributable to this state and the tax assessed on it. All
12 returns shall be signed by the taxpayer or by its authorized representative, subject to the pains and
13 penalties of perjury.

14 6 Business Enterprise Tax; Exempt Organization Return; Filing. Amend RSA 77-E:5, I to read
15 as follows:

16 I. Every business enterprise having gross business receipts in excess of \$200,000 as defined
17 by RSA 77-E:1, X, during the taxable period or the enterprise value tax base of which is greater than
18 \$100,000 shall, on or before the fifteenth day of the third month in the case of enterprises required to
19 file a United States partnership tax return, ***the fifteenth day of the fifth month in the case of***
20 ***enterprises required to file a United States exempt organization return***, and the fifteenth day
21 of the fourth month in the case of all other business enterprises, following expiration of its taxable
22 period, make a return to the commissioner. For tax years beginning January 1, 2015, the
23 commissioner shall biennially adjust these threshold amounts rounding to the nearest \$1,000 based
24 on the 2-year (24-month) percentage change in the Consumer Price Index for All Urban Consumers,
25 Northeast Region as published by the Bureau of Labor Statistics, United States Department of
26 Labor using the amount published for the month of June in the year prior to the start of the tax
27 year. All returns shall be signed by the business enterprise or by its authorized representative,
28 subject to the pains and penalties of perjury and the penalties provided in RSA 21-J:39.

29 7 Effective Date. This act shall take effect upon its passage.

**HB 324-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the administration of certain state taxes by the department of revenue administration.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Expenditures	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Funding Source:	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

METHODOLOGY:

This bill:

- Adds a new provision to specify that interest on any tax amount paid after the date of the original or reissued tax bill is not applicable if paid within 30 days of the tax bill.
- Removes the telefile option for filing of Meals and Rooms Tax returns.
- Removes a reference to weighted apportionment factors under RSA 77-A:3, II(a) in the annual tax expenditure report.
- Specifies the timeline for filing of Business Profits Tax and Business Enterprise Tax returns for non-profit business organizations

The Department of Revenue Administration (DRA) indicates the provision relating to the 30 day tax payment window may have an indeterminable fiscal impact due to an unknown amount of taxes that would not be paid or what would be paid within 30 days of a tax bill. If an amount is paid within 30 days, then there may be a decrease in state revenues. Administrative expenses may decrease due to a reduction in small account balances that require manual processing.

DRA indicates operators using the current telefile system may file electronically using the new online portal Granite State Connect as part of the Revenue Information System (RIMS) or they may use paper returns. This would not affect state revenues but would decrease state expenditures by approximately \$100,000 per year.

DRA states there is no fiscal impact relating to the removal of the reference to the weighted apportionment formula in the Tax Expenditure Report. The sections relating to the timeline for filing of Business Profits Tax and Business Enterprise Tax returns for non-profit business organizations conform to the U.S. Internal Revenue Code and have no fiscal impact.

It is assumed this bill will be effective July 1, 2021.

AGENCIES CONTACTED:

Department of Revenue Administration