

Committee Report

CONSENT CALENDAR

February 10, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred HB 528-FN,

AN ACT relative to electronic filing of state tax returns.

Having considered the same, report the same with the

following resolution: RESOLVED, that it is

INEXPEDIENT TO LEGISLATE.

Rep. Tim Baxter

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Ways and Means
Bill Number:	HB 528-FN
Title:	relative to electronic filing of state tax returns.
Date:	February 10, 2021
Consent Calendar:	CONSENT
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill requires a tax return preparer for more than 25 different taxpayers to electronically file state tax returns. This bill introduces unnecessary requirements for tax preparers in New Hampshire who are preparing New Hampshire state business taxes. If a person is compensated for preparing New Hampshire state taxes using tax software for 25 or more people, this bill requires those filings to happen electronically. The Department of Revenue Administration (DRA) does not have the infrastructure in place at this time to handle this change, which may or may not introduce more expenditures for that department. Members of the committee believe this introduces unnecessary complications to our tax code, and introduces unneeded regulation on experts who assist others with filing their taxes, while simultaneously increasing the burden on the DRA.

Vote 23-0.

Rep. Tim Baxter
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Ways and Means

HB 528-FN, relative to electronic filing of state tax returns. **INEXPEDIENT TO LEGISLATE.**

Rep. Tim Baxter for Ways and Means. This bill requires a tax return preparer for more than 25 different taxpayers to electronically file state tax returns. This bill introduces unnecessary requirements for tax preparers in New Hampshire who are preparing New Hampshire state business taxes. If a person is compensated for preparing New Hampshire state taxes using tax software for 25 or more people, this bill requires those filings to happen electronically. The Department of Revenue Administration (DRA) does not have the infrastructure in place at this time to handle this change, which may or may not introduce more expenditures for that department. Members of the committee believe this introduces unnecessary complications to our tax code, and introduces unneeded regulation on experts who assist others with filing their taxes, while simultaneously increasing the burden on the DRA. **Vote 23-0.**

Original: House Clerk

Cc: Committee Bill File

Voting Sheets



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

Roll Call Committee Registers Report

AN ACT relative to electronic filing of state tax returns.

Bill #	HB 528-FN
Motion	ITL
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)		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	Motion	X		
Spilsbury, Walter		X		
Tudor, Paul D.		X		
Almy, Susan W.		X		
Ames, Richard		X		
Southworth, Thomas L.		X		
Malloy, Dennis J.		X		
Schamberg, Thomas C.		X		
Tucker, Edith M.	Second	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: **528-FN**

Bill Title: This bill requires a tax return preparer for more than 25 different taxpayers to electronically file state tax returns.

Date: February 4, 2021
LOB Room: 206 + remote
Time Public Hearing Called to Order: 9:56 AM
Time Public Hearing Adjourned: 11:05 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. Gunski, Hills. 6; Rep. Alexander Jr., Hills. 6

TESTIMONY

Rep Michael Gunski, Hill.6

- Introduced bill
- Asked to file this bill by his CPA, Mr. Jefferson Chickering
- Other states already require this.
- This bill will save time for NH DRA
- This bill takes advantage of existing technology.
- Will submitted written testimony.

Jefferson Chickering, Member of Public and a CPA

- Active in the accountancy community
- The problem is vendors don't offer e-filing in NH.
- Levels the playing field for smaller CPA firms, who are currently at a disadvantage.
- Claims this bill will not increase fees to CPA firms using the software.

Carollynn Lear, DRA

- Neutral on bill
- DRA prefers e-filing but does not take a position on mandating e-filing.
- DRA currently has one to 1.5 employees working with vendors on e-filing and approves vendors to efile.
- Software vendors need to make changes each year to reflect changes in NH tax law.
- There is not a ton of data entry for manual returns. They scan manual returns and use OCR to automate data entry.
- Fiscal year 2020:
 - 91% of M&R returns were e-filed
 - 71% of I&D returns were e-filed
 - 50% of Business returns were e-filed.
- This bill might require other tax filings to e-file, such as the railroad tax.

Rep Almy has concerns about the effective date. Can software vendors implement the changes in time for the effective date, which is 60 days after passage. Rep. Almy suggests maybe make this bill effective one year from passage.

House Committee on Ways and Means

Public Hearing on: **528-FN**

Bill Title: This bill requires a tax return preparer for more than 25 different taxpayers to electronically file state tax returns.

Date: February 4, 2021

LOB Room: 206 + remote

Time Public Hearing Called to Order: 9:56 AM

Time Public Hearing Adjourned: 11:05 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, Gomarilo, Loughman, Gourgue, Hakken-Phillips and Murphy

Kevin Kennedy, member of public and CPA

- This bill does not impose mandates on software vendors, but only mandates tax preparers to e-file.
- This bill should be amended to allow the taxpayer to opt out of e-filing.
- The bill should offer relief to practitioners who can't comply for good reason.
- The bill should clearly specify which returns are included in the mandate.


House Remote Testify

Ways and Means Committee Testify List for Bill HB528 on 2021-02-04

Support: 3 Oppose: 1 Neutral: 1 Total to Testify: 3

<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>
Gunski, Michael	michael.gunski@leg.state.nh.us	603.497.2775	An Elected Official	Prime Sponsor - Hillsborough 6, Goffstown	Support	Yes (3m)	2/3/2021 10:16 AM
Lear, Carollynn	Carollynn.J.Lear@dra.nh.gov	603.230.5020	State Agency Staff	NH Dept. of Revenue	Neutral	Yes (2m)	2/1/2021 6:57 AM
Chickering, Jefferson	Jeffchickering@msn.com	603.620.1961	A Member of the Public	Myself	Support	Yes (10m)	2/3/2021 10:53 AM
Rathbun, Eric	ericrathbun@gmail.com	860.912.3751	A Member of the Public	Myself	Oppose	No	2/3/2021 11:26 PM
Alexander, Rep Joe	Joe.Alexander@leg.state.nh.us	603.856.5227	An Elected Official	Myself	Support	No	1/29/2021 3:28 PM

Testimony

Archived: Friday, March 5, 2021 10:50:25 AM
From: [Michael Gunski](#)
Sent: Thursday, February 4, 2021 3:43:53 PM
To: [~House Ways & Means Committee](#)
Subject: Prime Sponsor Testimony - HB 528-FN - Rep Gunski
Importance: Normal
Attachments:
[Rep Gunski Testimony HB528.pdf](#) 

Good afternoon Chairman Major and the members of the Ways & Means Committee,

In follow up to this morning's hearing, I wanted to send you a written copy of my testimony.

Having heard some of the feedback and concerns from the committee, I will work with Mr. Chickering to write up some changes to the bill for your review and consideration before your work session next week. If any individual committee member has a question that I may be able to assist with, please do not hesitate to reach out. Thank you for your time and consideration.

Best regards,

Representative Michael Gunski
Vice-Chairman – Resources, Recreation, and Development Committee
Hillsborough 6, Goffstown

Archived: Friday, March 5, 2021 10:40:37 AM

From: [Michael Gunski](#)

Sent: Monday, February 8, 2021 5:38:32 PM

To: [~House Ways & Means Committee](#)

Subject: HB 528-FN Follow-up Testimony - Jeff Chickering

Importance: Normal

Attachments:

[E-File Legislation Letter - to Representatives - 2-5-21.pdf](#) 

Good afternoon Chairman Major and the members of the Ways & Means Committee,

In follow up to last week's hearing on HB 528-FN, Jeff Chickering has forwarded me some follow up information he would like shared with the committee..

With some of the questions and feedback from the hearing, Mr. Chickering felt it best to provide some additional information that might help the committee during the work session.

Thank you for your time and consideration.

Best regards,

Representative Michael Gunski

Vice-Chairman – Resources, Recreation, and Development Committee

Hillsborough 6, Goffstown

Bill as
Introduced

HB 528-FN - AS INTRODUCED

2021 SESSION

21-0656

10/05

HOUSE BILL ***528-FN***

AN ACT relative to electronic filing of state tax returns.

SPONSORS: Rep. Gunski, Hills. 6; Rep. Alexander Jr., Hills. 6

COMMITTEE: Ways and Means

ANALYSIS

This bill requires a tax return preparer for more than 25 different taxpayers to electronically file state tax returns.

.....

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 electronic filing of state tax returns.

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

1 1 New Section; Department of Revenue Administration; Electronic Filing of Tax Returns.
2 Amend RSA 21-J by inserting after section 13-a the following new section:

3 21-J:13-b Electronic Filing of Tax Returns; When Required.

4 I. A tax return preparer shall be required to electronically file tax returns, according to rules
5 adopted under RSA 541-A by the commissioner, if the tax preparer:

6 (a) Prepared at least one authorized tax document for more than 25 different taxpayers
7 during calendar year; and

8 (b) Will use tax software to prepare one or more authorized tax documents in the
9 calendar year.

10 II. For purposes of this section, "tax return preparer" means a person who prepares any New
11 Hampshire state return or claim for refund for compensation, or who receives compensation for
12 returns or claims for refund prepared by people that the tax return preparer employs or engages.

13 III. The requirement for electronic filing applies to tax return preparers located within and
14 outside New Hampshire.

15 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 528-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to electronic filing of state tax returns.

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	Indeterminable	Indeterminable
Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

METHODOLOGY:

This bill requires a tax return preparer to electronically file tax returns, if the tax preparer:

- (1) Prepared at least one authorized tax document for more than 25 different taxpayers during calendar year; and
- (2) Will use tax software to prepare one or more authorized tax documents in the calendar year.

The Department of Revenue Administration states it is unable to determine whether the bill will impact revenues. The bill may affect the Department's workload but it is unable to determine overall impact on expenditures. Additional staff resources may be needed to approve software vendor requests to participate in the e-file program but fewer resources may be needed to process paper documents.

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

AGENCIES CONTACTED:

Department of Revenue Administration