

# Committee Report

**REGULAR CALENDAR**

**May 11, 2021**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on Ways and Means to which was referred SB 101-FN,**

**AN ACT increasing the minimum gross business income required for filing a business profits tax return. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.**

**Rep. Jordan Ulery**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	<b>Ways and Means</b>
Bill Number:	<b>SB 101-FN</b>
Title:	<b>increasing the minimum gross business income required for filing a business profits tax return.</b>
Date:	<b>May 11, 2021</b>
Consent Calendar:	<b>REGULAR</b>
Recommendation:	<b>OUGHT TO PASS WITH AMENDMENT 2021-1367h</b>

### STATEMENT OF INTENT

This bill, as amended, raises the filing threshold for the business profits tax from the current \$50,000 to \$92,000, the equivalent amount after 28 years of inflation. The amendment further enters language mirroring the existing biennial inflation adjustments to the business enterprise tax so as to protect smaller businesses from being "bumped" into a higher tax bracket without consideration for a lower dollar value. The Department of Revenue Administration (DRA) reported 6,169 filers as of tax year 2018 being forced by law to file a return but owing no tax liability. Enacting this bill at this time would lessen the impact on state revenues and soften the blow of estimated revenue losses when a decades-delayed adjustment is made to a threshold. Because of the time interval, the bill is estimated by the DRA to cost \$2.6 million based on 2018 revenues. This bipartisan bill, as amended, reduces the needless filings, raises the threshold to what it would be if this had been in place for years, and establishes an ongoing, biennial, inflation review. Thus, it helps our smaller businesses and the department by reducing unnecessary accountancy work.

Vote 24-0.

Rep. Jordan Ulery  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

Ways and Means

**SB 101-FN**, increasing the minimum gross business income required for filing a business profits tax return. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Jordan Ulery for Ways and Means. This bill, as amended, raises the filing threshold for the business profits tax from the current \$50,000 to \$92,000, the equivalent amount after 28 years of inflation. The amendment further enters language mirroring the existing biennial inflation adjustments to the business enterprise tax so as to protect smaller businesses from being "bumped" into a higher tax bracket without consideration for a lower dollar value. The Department of Revenue Administration (DRA) reported 6,169 filers as of tax year 2018 being forced by law to file a return but owing no tax liability. Enacting this bill at this time would lessen the impact on state revenues and soften the blow of estimated revenue losses when a decades-delayed adjustment is made to a threshold. Because of the time interval, the bill is estimated by the DRA to cost \$2.6 million based on 2018 revenues. This bipartisan bill, as amended, reduces the needless filings, raises the threshold to what it would be if this had been in place for years, and establishes an ongoing, biennial, inflation review. Thus, it helps our smaller businesses and the department by reducing unnecessary accountancy work. **Vote 24-0.**

Original: House Clerk

Cc: Committee Bill File

Amendment to SB 101-FN

1 Amend the bill by replacing all after the enacting clause with the following:

2

3 1 Minimum Gross Business Income for Filing Business Profits Tax Return. Amend RSA 77-A:6,  
4 I and I-a to read as follows:

5 I. Every business organization having gross business income in excess of [~~\$50,000~~] **\$92,000**  
6 as defined by RSA 77-A:1, VI, during the taxable period, shall on or before the fifteenth day of the  
7 third month in the case of organizations required to file a United States partnership tax return, and  
8 the fifteenth day of the fourth month in the case of all other business organizations, following  
9 expiration of its taxable period, make a return to the commissioner. ***For tax years beginning***  
10 ***January 1, 2023, the commissioner shall biennially adjust this threshold amount rounding***  
11 ***to the nearest \$1,000 based on the 2-year (24-month) percentage change in the Consumer***  
12 ***Price Index for All Urban Consumers, Northeast Region as published by the Bureau of***  
13 ***Labor Statistics, United States Department of Labor using the amount published for the***  
14 ***month of June in the year prior to the start of the tax year.*** The commissioner [~~of revenue~~  
15 ~~administration~~] shall adopt rules, pursuant to RSA 541-A, relative to the form of such return and the  
16 data which it must contain for the correct computation of taxable business profits and gross business  
17 income attributable to this state and the tax assessed on it. All returns shall be signed by the  
18 taxpayer or by its authorized representative, subject to the pains and penalties of perjury.

19 I-a. Every business organization realizing a gain or loss on the sale or exchange of an  
20 interest in the business organization shall file a return for the taxable period, regardless of whether  
21 or not the business organization's gross business income is in excess of [~~\$50,000 during the taxable~~  
22 ~~period~~] ***the threshold amount determined under paragraph I.***

23 2 Applicability. The provisions of this act shall apply for taxable periods ending on or after  
24 December 31, 2022.

25 3 Effective Date. This act shall take effect July 1, 2021.

**Amendment to SB 101-FN**  
**- Page 2 -**

2021-1367h

AMENDED ANALYSIS

This bill increases the minimum gross business income required for filing a business profits tax return and biennially adjusts this threshold based on the Consumer Price Index.

# Voting Sheets







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

Roll Call Committee Registers Report

increasing the minimum gross business income required for filing a business profits tax return.

Bill #	SB 101-FN
Motion	OTP/A
Amendment #	2021-1367h
Exec Session Date	5/11/21
Consent Calendar?	No

Member	Motion / Seconded	Yea	Nay	NV
Patrick Abrami		X		
Daw Johnson (for Griffin, Mary)		X		
Jordan Ulery	Motion	X		
Russell Ober(R)		X		
Fred Doucette(R)		X		
Alan Bershtein(R)		X		
Robert Elliott(R)		X		
Tony Piemonte (for John Janigian)		X		
Hershel Nunez(R)		X		
Maureen Mooney (for Tim Baxter)		X		
Walter Spilsbury(R)		X		
Paul Tudor(R)		X		
Almy, Susan	Second	X		
Richard Ames(D)		X		
Thomas Southworth(D)		X		
Dennis Malloy(D)		X		
Thomas Schamberg(D)		X		
Edith Tucker(D)		X		
Jennie Gomarlo(D)		X		
Tom Loughman		X		
Amanda Gourgue		X		
Mary Hakken-Phillips(D)		X		
James Murphy(D)		X		
Norman Major		X		
Total Vote		24		



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

Roll Call Committee Registers Report

Amendment (92,000k)

Bill #	SB 101
Motion	OTP
Amendment #	2021-1367h
Exec Session Date	5/11/21
Consent Calendar?	

Member	Motion / Seconded	Yea	Nay	NV
Patrick Abrami		X		
Dawn Johnson (for Griffin, Mary)		X		
Jordan Ulery	Motion	X		
Russell Ober(R)		X		
Fred Doucette(R)		X		
Alan Bershtein(R)		X		
Robert Elliott(R)		X		
Tony Piemonte (for John Janigian)		X		
Hershel Nunez(R)		X		
Maureen Mooney (for Tim Baxter)		X		
Walter Spilsbury(R)		X		
Paul Tudor(R)		X		
Almy, Susan	Second	X		
Richard Ames(D)		X		
Thomas Southworth(D)		X		
Dennis Malloy(D)		X		
Thomas Schamberg(D)		X		
Edith Tucker(D)		X		
Jennie Gomarlo(D)		X		
Tom Loughman		X		
Amanda Gourgue		X		
Mary Hakken-Phillips(D)		X		
James Murphy(D)		X		
Norman Major		X		
Total Vote		24		

# Public Hearing

House Committee on Ways and Means  
Public Hearing on: SB 101-FN

Bill Title: increasing the minimum gross business income required for filing a business profits tax return.

Date: April 27, 2021  
LOB Room: remote via Zoom  
Time Public Hearing Called to Order: 10:12 AM  
Time Public Hearing Adjourned: 10:34 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, Gomarolo, Loughman, Gourgue, Hakken-Phillips and Murphy

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SPONSORS: Sen. Soucy, Dist 18; Sen. D'Allesandro, Dist 20; Sen. Watters, Dist 4; Sen. Prentiss, Dist 5; Sen. Cavanaugh, Dist 16; Sen. Sherman, Dist 24; Sen. Bradley, Dist 3; Sen. Perkins Kwoka, Dist 21; Sen. Rosenwald, Dist 13; Rep. Loughman, Rock. 21; Rep. Almy, Graf. 13

## TESTIMONY

Sen. Donna Soucy, SD18 (support)

- Introduced bill
- Increased threshold for filing a business tax return from 50k to 75k
- Begins July 1, 2021
- Current limit set in 1993. It's time to adjust the threshold for inflation.
- Thousands of businesses would benefit by raising the threshold.

Greg Moore, AFP-NH - Lobbyist (support)

- Over 86% of businesses that filed had zero tax liability. That's a deadweight cost.
- The increase of the threshold to 75k does not keep up with inflation.
- Consider indexing the threshold to inflation (see HB 1418 from 2012)

Carollynn Lear (NH DRA) (neutral)

- Will prepare an analysis looking at increased thresholds.

Respectfully submitted,  
Rep. Alan Bershtein, Clerk

# House Remote Testify

## Ways and Means Committee Testify List for Bill SB101 on 2021-04-27

Support: 16 Oppose: 5 Neutral: 1 Total to Testify: 2

[Export to Excel](#)

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
soucy, donna	manchester, NH donna.soucy@leg.state.nh.us	An Elected Official	SD 18	Support	Yes (5m)	No	4/22/2021 4:33 PM
Moore, Greg	Bedford, NH gmoore@afphq.org	A Lobbyist	Americans for Prosperity-New Hampshire	Support	Yes (4m)	No	4/24/2021 9:36 PM
Thomas, Nicholas	Manchester, NH nicholas.w.thomas@uconn.edu	A Member of the Public	Myself	Support	No	No	4/26/2021 1:05 AM
Lucas, Janet	Campton, NH janluca1953@gmail.com	A Member of the Public	Myself	Support	No	No	4/26/2021 10:21 AM
Sherman, Senator Tom	SD24, NH jennifer.horgan@leg.state.nh.us	An Elected Official	SD24	Support	No	No	4/26/2021 11:35 AM
Lenahan, Carol	Campton, NH peaseporridgehot@roadrunner.com	A Member of the Public	Myself	Support	No	No	4/26/2021 11:46 AM
Juvet, David	Concord, NH djuvet@biaofnh.com	A Lobbyist	Business & Industry Association	Support	No	No	4/26/2021 11:52 AM
Johnson, Sara	Warner, NH nhchicagocubfan@gmail.com	A Member of the Public	Myself	Oppose	No	No	4/26/2021 2:55 PM
Mennella, Alexandra	Hooksett, NH am88@fastmail.com	A Member of the Public	Myself	Support	No	No	4/26/2021 10:14 PM
Binder, Patrick	Manchester, NH pdbinder@gmail.com	A Member of the Public	Myself	Support	No	No	4/27/2021 7:00 AM
Baird, Cathryn	Newport, NH freewillfarm@comcast.net	A Member of the Public	Myself	Oppose	No	No	4/27/2021 7:37 AM
Dewey, Karen	NEWPORT, NH pkdewey@comcast.net	A Member of the Public	Myself	Oppose	No	No	4/27/2021 7:55 AM
Fenner-Lukaitis, Elizabeth	Warner, NH glukaitis@mcttelecom.com	A Member of the Public	Myself	Neutral	No	No	4/24/2021 11:46 AM

Bates, David	Warner, NH dcbates70@gmail.com	A Member of the Public	Myself	Oppose	No	No	4/24/2021 11:06 AM
Casino, Joanne	Concord, NH joannecasino@comcast.net	A Member of the Public	Myself	Support	No	No	4/24/2021 11:27 AM
Taylor, Frances	Holderness, NH egg lady5@gmail.com	A Member of the Public	Myself	Oppose	No	No	4/25/2021 12:37 PM
Abbott, Gary	Bow, NH Gabbott@agcnh.org	A Lobbyist	Associated General Contractors of NH	Support	No	No	4/25/2021 7:23 PM
Axelman, Elliot	Hooksett, NH alu.axelman@gmail.com	A Member of the Public	Myself	Support	No	No	4/25/2021 4:46 PM
Bradley, Jeb	Concord, NH jeb.bradley@leg.state.nh.us	An Elected Official	SD3	Support	No	No	4/14/2021 1:11 PM
Perkins Kwoka, Senator Rebecca	Portsmouth, NH rebecca.perkinskwoka@leg.state.nh.us	An Elected Official	Myself (SD 21)	Support	No	No	4/16/2021 10:30 AM
Watters, Senator David	Dover, NH david.watters@leg.state.nh.us	An Elected Official	Myself (SD 4)	Support	No	No	4/15/2021 3:09 PM
Rosenwald, Cindy	Concord, NH cindy.rosenwald@leg.state.nh.us	An Elected Official	SD 13	Support	No	No	4/16/2021 3:53 PM

# Testimony

**Archived:** Thursday, May 6, 2021 3:36:45 PM

**From:** [Wendy Hunt](#)

**Sent:** Monday, April 26, 2021 6:58:37 AM

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

**Subject:** Greater Nashua Chamber asks your support for SB 101 and SB 3.

**Importance:** Normal

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Dear Chairman Major and Members of the House Ways and Means Committee;

The Greater Nashua Area Chamber of Commerce is a membership organization covering 11 cities and towns in Southern New Hampshire. Within those 11 communities, our members have about 59,000 employees.

GNCC asks your support for SB 101 and SB 3.

SB 101 increases the minimum gross business income required for filing a business profits tax return from \$50,000 to \$75,000. Passage of SB 101 will eliminate an administrative burden for hundreds of small businesses, the majority of which have no business profits tax liability.

SB 3 exempts income from forgivable PPP loans from the BPT. This represents tax relief for our hard-hit businesses during this difficult pandemic year.

We ask that you find SB 101 and SB 3 Ought to Pass. Thank you for your consideration.

Please reach out to me if you have any questions.

Wendy Hunt, President & CEO  
Greater Nashua Chamber of Commerce  
60 Main Street, Suite 200  
Nashua, NH 03060  
603.881.8333  
[whunt@nashuachamber.com](mailto:whunt@nashuachamber.com)



**Archived:** Thursday, June 3, 2021 11:47:42 AM  
**From:** Costikyan Jarvis  
**Sent:** Monday, May 24, 2021 4:57:57 PM  
**To:** ~House Ways & Means Committee  
**Subject:** SB 3  
**Importance:** Normal

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To Whom It May Concern:

It would be a terrible mistake to view the PPP funds as revenue. This program was intended to offset costs, primarily labor costs. We used the funds as the federal government intended, by keeping people employed.

If we had not received these funds, a significant percentage of our machinists would have been laid off. We did not use the funds for tax-deductible expenses, just to cover payroll.

Additionally, we are still operating on a cash-flow negative basis. After revenues dropped by about 50%, they have recovered, but not to 2019 levels. About 30% of our pre-COVID revenue was from the commercial aerospace industry and that has not recovered. We expect to see a recover of that sector late in Q4 of 2021.

The PPP funds were spent on helping NH small business, they were spent supporting NH residents. That is what the law allowed. To tax them as revenue would be a terrible burden on the very small business that are trying to survive the pandemic and offer employment to current and future residents.

Sincerely,



**Costikyan Jarvis**

President

Jarvis Cutting Tools

100 Jarvis Avenue | Rochester, NH 03868

TEL: 603-994-4242 | MOBILE: 603-828-6055

[cjarvis@jarviscuttingtools.com](mailto:cjarvis@jarviscuttingtools.com) | [www.jarviscuttingtools.com](http://www.jarviscuttingtools.com)

Bill as  
Introduced

SB 101-FN - AS INTRODUCED

2021 SESSION

21-1047

10/04

SENATE BILL        ***101-FN***

AN ACT            increasing the minimum gross business income required for filing a business profits tax return.

SPONSORS:        Sen. Soucy, Dist 18; Sen. D'Allesandro, Dist 20; Sen. Watters, Dist 4; Sen. Prentiss, Dist 5; Sen. Cavanaugh, Dist 16; Sen. Sherman, Dist 24; Sen. Bradley, Dist 3; Sen. Perkins Kwoka, Dist 21; Sen. Rosenwald, Dist 13; Rep. Loughman, Rock. 21; Rep. Almy, Graf. 13

COMMITTEE:      Ways and Means

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ANALYSIS

This bill increases the minimum gross business income required for filing a business profits tax return.

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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 Twenty One*

AN ACT                    increasing the minimum gross business income required for filing a business profits tax return.

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

1            1 Minimum Gross Business Income for Filing Business Profits Tax Return. Amend RSA 77-A:6,  
2 I and I-a to read as follows:

3            I. Every business organization having gross business income in excess of [~~\$50,000~~] **\$75,000**  
4 as defined by RSA 77-A:1, VI, during the taxable period, shall on or before the fifteenth day of the  
5 third month in the case of organizations required to file a United States partnership tax return, and  
6 the fifteenth day of the fourth month in the case of all other business organizations, following  
7 expiration of its taxable period, make a return to the commissioner. The commissioner of revenue  
8 administration shall adopt rules, pursuant to RSA 541-A, relative to the form of such return and the  
9 data which it must contain for the correct computation of taxable business profits and gross business  
10 income attributable to this state and the tax assessed on it. All returns shall be signed by the  
11 taxpayer or by its authorized representative, subject to the pains and penalties of perjury.

12            I-a. Every business organization realizing a gain or loss on the sale or exchange of an  
13 interest in the business organization shall file a return for the taxable period, regardless of whether  
14 or not the business organization's gross business income is in excess of [~~\$50,000~~] **\$75,000** during the  
15 taxable period.

16            2 Applicability. The provisions of this act shall apply for taxable periods beginning after  
17 December 31, 2021.

18            3 Effective Date. This act shall take effect July 1, 2021.

**SB 101-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT increasing the minimum gross business income required for filing a business profits tax return.

**FISCAL IMPACT:**     State                     County                     Local                     None

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

**METHODOLOGY:**

This bill increases the gross business income threshold for filing a Business Profits Tax (BPT) return from in excess of \$50,000 to in excess of \$75,000 for taxable periods beginning after December 31, 2021.

The Department of Revenue Administration does not know how many current or possibly new taxpayers would have gross business incomes between \$50,001 and \$75,000 in subsequent years to determine the actual decrease in General Fund and Education Trust Fund revenue. The Department is able to provide the potential fiscal impact of this bill if it had been in effect for tax year 2018. The Department needed to rely on federal information since there is not a line on the BPT return where taxpayers report their gross business income. The Department compared the 2018 BPT returns to tax year 2018 federal data to determine taxpayers that reported gross receipts between \$50,001 and \$75,000. Of the 74,343 taxpayers that filed 2018 BPT returns, 4,664 reported gross receipts between \$50,001 and \$75,000 on their 2018 federal returns. Of the 4,664 taxpayers, 4,004 had no BPT liability. The remaining 660 taxpayers reported a tax liability of \$1,512,686. Therefore, if this bill had been in effect for tax year 2018, the decrease in revenue would have been approximately \$1,512,686.

Since this change would be applicable for taxable periods beginning after December 31, 2021, any fiscal impact would begin occurring when calendar year taxpayers make estimated payments in April and June of FY 2022.

The Department would be able to administer the changes in this bill without additional expenditures.

**AGENCIES CONTACTED:**

Department of Revenue Administration