

Committee Report

REGULAR CALENDAR

May 25, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred SB 3-FN,

AN ACT clarifying the tax treatment of federal

Paycheck Protection Program loans. 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:	SB 3-FN
Title:	clarifying the tax treatment of federal Paycheck Protection Program loans.
Date:	May 25, 2021
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill changes the tax treatment, under the New Hampshire business profits tax (BPT) statutes, of income created by the forgiveness of loans issued as a result of the federal Paycheck Protection Program (PPP). New Hampshire is not a conforming state to federal law changes, meaning that New Hampshire tax laws do not automatically change to reflect federal law without action by the NH legislature. This bill, if passed, will place NH in conformity with federal law, thus treating all income from the forgiven PPP loans as not taxable under the NH BPT statutes. If this bill does not pass, all PPP loans that the Small Business Administration (SBA) forgives, based upon the authority given it by the federal PPP statute, will be considered taxable income under current NH BPT law, even though at the federal level that same income would not be taxable. Whether or not this bill passes, all tax liabilities under the NH Business Enterprise Tax (BET) remain unchanged. Also, in either case, all salaries and other expenses paid for by the PPP program, may be deducted as business expenses. The committee heard much testimony from the business community indicating that the PPP program was a relief program designed to aid businesses to survive the ravages of an economy being temporarily slowed in NH, and the country, to allow time to fight the spread of the COVID-19 virus. As of this report writing, the PPP program helped 41,173 NH businesses by loaning them \$3.7 billion, most of which is estimated to be forgiven. The argument was simple; why would NH tax revenues from a relief program? The committee took time to understand the ramifications on NH business tax revenues. Working with the Department of Revenue Administration (DRA), it was estimated that passing this bill would reduce BPT revenues by \$99.4 million. As of the writing of this report, NH business tax revenues have exceeded budget estimates by \$173.7 million, with approximately one month to go in the fiscal year. The revenue surplus this 2021 fiscal year more than covers the lost revenue caused by the passage of this bill. After much fact finding and discussion, the committee concluded that it was in the best interest of NH businesses, and thus the NH economy, to recommend passage of this bill. This action will help strengthen many NH businesses as they struggle to fully recover from an economy that was intentionally slowed by government to allow the needed time to eradicate the negative health effects of the COVID-19 pandemic. Not taxing relief funds is a way in which the NH government can help its businesses fully recover from a downturn in business levels not caused by business, but by the necessary action of government to ensure the health of all its citizens.

Vote 23-0.

Original: House Clerk
Cc: Committee Bill File

Rep. Patrick Abrami
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Ways and Means

SB 3-FN, clarifying the tax treatment of federal Paycheck Protection Program loans. **OUGHT TO PASS.**

Rep. Patrick Abrami for Ways and Means. This bill changes the tax treatment, under the New Hampshire business profits tax (BPT) statutes, of income created by the forgiveness of loans issued as a result of the federal Paycheck Protection Program (PPP). New Hampshire is not a conforming state to federal law changes, meaning that New Hampshire tax laws do not automatically change to reflect federal law without action by the NH legislature. This bill, if passed, will place NH in conformity with federal law, thus treating all income from the forgiven PPP loans as not taxable under the NH BPT statutes. If this bill does not pass, all PPP loans that the Small Business Administration (SBA) forgives, based upon the authority given it by the federal PPP statute, will be considered taxable income under current NH BPT law, even though at the federal level that same income would not be taxable. Whether or not this bill passes, all tax liabilities under the NH Business Enterprise Tax (BET) remain unchanged. Also, in either case, all salaries and other expenses paid for by the PPP program, may be deducted as business expenses. The committee heard much testimony from the business community indicating that the PPP program was a relief program designed to aid businesses to survive the ravages of an economy being temporarily slowed in NH, and the country, to allow time to fight the spread of the COVID-19 virus. As of this report writing, the PPP program helped 41,173 NH businesses by loaning them \$3.7 billion, most of which is estimated to be forgiven. The argument was simple; why would NH tax revenues from a relief program? The committee took time to understand the ramifications on NH business tax revenues. Working with the Department of Revenue Administration (DRA), it was estimated that passing this bill would reduce BPT revenues by \$99.4 million. As of the writing of this report, NH business tax revenues have exceeded budget estimates by \$173.7 million, with approximately one month to go in the fiscal year. The revenue surplus this 2021 fiscal year more than covers the lost revenue caused by the passage of this bill. After much fact finding and discussion, the committee concluded that it was in the best interest of NH businesses, and thus the NH economy, to recommend passage of this bill. This action will help strengthen many NH businesses as they struggle to fully recover from an economy that was intentionally slowed by government to allow the needed time to eradicate the negative health effects of the COVID-19 pandemic. Not taxing relief funds is a way in which the NH government can help its businesses fully recover from a downturn in business levels not caused by business, but by the necessary action of government to ensure the health of all its citizens. **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

clarifying the tax treatment of federal Paycheck Protection Program loans.

Bill #	SB 03-FN
Motion	OTP
Amendment #	none
Exec Session Date	5/18/21
Consent Calendar?	No

Member	Motion / Seconded	Yea	Nay	NV
Patrick Abrami	Motion	X		
Greg Hill (for Mary Griffin)		X		
Jordan Ulery		X		
Russell Ober(R)		X		
Fred Doucette(R)		X		
Alan Bershtein(R)		X		
Robert Elliott(R)		X		
John Janigian		X		
Hershel Nunez(R)		X		
Tim Baxter		X		
Walter Spilsbury(R)		X		
Paul Tudor(R)		X		
Almy, Susan		X		
Richard Ames(D)	Second	X		
Thomas Southworth(D)		X		
Marjorie Smith (for Dennis Malloy)		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		23		1

Completed by: Alan Bershtein, Clerk

Public Hearing

House Committee on Ways and Means
Public Hearing on: SB 3-FN

Bill Title: clarifying the tax treatment of federal Paycheck Protection Program loans.

Date: April 27, 2021
LOB Room: remote via Zoom
Time Public Hearing Called to Order: 10:41 AM
Time Public Hearing Adjourned: 1:07 PM

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

SPONSORS: Sen. Bradley, Dist 3

TESTIMONY

Sen. Jeb Bradley, SD3 (support)

- Introduced the bill
- Objective of the Federal bill is that PPP loans were not intended to be a taxable event.
- NH should conform with the Federal government's policy regarding taxability of forgiveness of loan.
- Large taxpayers were not eligible for PPP loans. PPP loans were eligible for firms with 500 or fewer 500 employees.
- NH conforms to the 2018 Internal Revenue Code, which under current law, would tax PPP loan forgiveness.
- This bill sends a message to businesses that NH is an attractive place to do business.
 - Schamberg: Q - If loans are forgiven for taxable revenue purposes, why should the expenses paid with PPP funds be deductible?
 - Bradley: A - PPP loans were not intended to be a taxable event.
 - Ames: Q - Can federal grants monies legally pay for this bill?
 - Bradley: A - NH would be the 40th state to make loan forgiveness a non-taxable event. "I can't imagine the Fed government would not allow for states to make up for the deficit."
 - Abrami: Q - Can NH afford this? A - Yes
 - Spilsbury: Q - Isn't this double dipping? A - Now is not the time to tax NH businesses.
 - Almy: If this bill passes, would it be accounted for in the Senate's budget? A - Yes.

House Committee on Ways and Means
Public Hearing on: SB 3-FN

Bill Title: clarifying the tax treatment of federal Paycheck Protection Program loans.

Date: April 27, 2021
LOB Room: remote via Zoom
Time Public Hearing Called to Order: 10:41 AM
Time Public Hearing Adjourned: 1:07 PM

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

David Juvet, BIA-NH - Lobbyist (support) and Stephen Lawlor, CPA - Member of public (support)

- Per BIA's analysis, NH can use federal funds from the American Rescue Plan Act of 2021 to offset lost revenue.
- Spilsbury: Double dipping? A - If all funds were used on qualified expenses, there is no money left to pay the BPT.

Mike Somers, CEO - NH Lodging and Restaurant Assn - Lobbyist (support)

- Small businesses are struggling. Passage of SB3 would help these businesses

Kristy Merrill, President of NH Bankers Assn (neutral)

- The forgiveness process has started, but it has been delayed.

Michael Benton, Business Owner (employs 250 people in NH) (support)

- PPP loans not only replaced lost revenue, but also lost profits.

Jerry Stringham, Member of the Public (Ways and Means Alumnus) (oppose)

- The PPP program worked well. It does not need to be tax free to meet its purpose.

Carollynn Lear, Melissa Rollins, Devin Rodrique, Lindsey Stepp, (DRA Staff) (neutral)

- This bill is about the taxability of PPP loans that are forgiven.
- A forgiven loan should be treated the same as a grant.
- Review of Fiscal Note

Respectfully submitted,
Rep. Alan Bershtein, Clerk

House Remote Testify

Ways and Means Committee Testify List for Bill SB3 on 2021-04-27

Support: 45 Oppose: 1 Neutral: 1 Total to Testify: 4

[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>
Bradley, Jeb	Concord, NH jeb.bradley@leg.state.nh.us	An Elected Official	SD3 (Prime)	Support	Yes (5m)	No	4/14/2021 1:10 PM
Juvet, David	Concord, NH djuvet@biaofnh.com	A Lobbyist	Business & Industry Association	Support	Yes (3m)	No	4/15/2021 3:17 PM
Lawlor, Stephen	BEDFORD, NH slawlor@nathanwechsler.com	A Member of the Public	Myself	Support	Yes (3m)	No	4/22/2021 11:46 AM
Somers, Mike	Concord, NH Msomers@nhlra.com	A Lobbyist	NH Lodging & Restaurant	Support	Yes (2m)	No	4/25/2021 7:33 PM
Cruise, Marie	Hudson, NH marie.cruise@verani.com	A Member of the Public	Myself	Support	No	No	4/25/2021 7:50 PM
Grimbilas, Jodi	STRAFFORD, NH jodi@jgstrategies.com	A Lobbyist	NH Marine Trades Association	Support	No	No	4/25/2021 11:49 AM
Lannan, Richard	Pelham, NH rlannan@lannancompany.com	A Member of the Public	Myself	Support	No	No	4/26/2021 9:34 AM
Dumont, Harry	Pelham, NH hdumont@lannancompany.com	A Member of the Public	Myself	Support	No	No	4/26/2021 9:35 AM
Boucher, Tom	Bedford, NH tb@tomboucher.com	A Member of the Public	Myself & Great NH Restaurants (T-BONES, Copper Door, CJ's Great West Grill)	Support	No	No	4/26/2021 11:46 AM
Kostis, Dennis	Dover, NH dennis.kostis@gmail.com	A Member of the Public	Myself	Support	No	Yes	4/26/2021 12:20 PM
Wood, Stephen	Exeter, NH sawood@workopportunities.net	A Member of the Public	Myself	Support	No	No	4/26/2021 3:57 PM
Walker, Leslie	Chichester, NH lwalker@masonrich.com	A Member of the Public	Myself	Support	No	No	4/26/2021 5:05 PM
Denis, Laura	North Conway, NH laura@frontsidecoffee.com	A Member of the Public	Myself	Support	No	Yes	4/26/2021 6:00 PM

Le Blanc, Sharon	Salem, NH pickofthelitternh@gmail.com	A Member of the Public	Myself	Support	No	No	4/26/2021 6:49 PM
Smith, Diane	SPOFFORD, NH dsmith@powerssmithappraisal.com	A Member of the Public	Myself	Support	No	No	4/27/2021 8:56 AM
Sanborn, Laurie	Bedford, NH RepSanborn@gmail.com	An Elected Official	Myself	Support	No	No	4/27/2021 8:04 AM
Stepp, Lindsey	N/A, NH Lindsey.Stepp@dra.nh.gov	State Agency Staff	NH DRA	Neutral	No	No	4/27/2021 8:34 AM
Osborne, Jason	Auburn, NH houserepoffice@leg.state.nh.us	An Elected Official	House Majority Office	Support	No	No	4/27/2021 10:58 AM
Lachance, Peter	Auburn, NH pete@altaircpa.com	A Member of the Public	Myself	Support	No	No	4/27/2021 11:07 AM
Turcotte, Len	Barrington, NH lenturcotte@metrocast.net	An Elected Official	House Majority Office	Support	No	No	4/27/2021 12:48 PM
Renzullo, Andrew	Hudson, NH houserepoffice@leg.state.nh.us	An Elected Official	House Majority Office	Support	No	No	4/27/2021 1:01 PM
Boyarsky, Kevin	Bedford, NH kboyarsky@comcast.net	A Member of the Public	Myself	Support	No	No	4/19/2021 4:06 PM
Murphy, Linda	Stratham, NH lmurphy@hondabarn.com	A Member of the Public	Myself	Support	No	No	4/19/2021 4:23 PM
Dumont, Shayla	Pelham, NH sdumont@lannancompany.com	A Member of the Public	Myself	Support	No	No	4/20/2021 10:38 AM
Shaikh, Samir	Hampton, NH samirshaikh@gmail.com	A Member of the Public	Myself	Support	No	No	4/19/2021 7:47 PM
Rizzo, Michael	Londonderry, NH michaeltrizzo@yahoo.com	A Member of the Public	Myself	Support	No	No	4/20/2021 7:40 AM
Carlson Cunningham, Carol	Bethlehem, NH carlsonslodge@gmail.com	A Member of the Public	Myself	Support	No	No	4/20/2021 11:40 AM
Anastasia, Patricia	LONDONDERRY, NH patti@pattianastasia.com	A Member of the Public	Myself	Support	No	No	4/20/2021 12:11 PM
Craumer, Betsy	Milford, NH Creativeventures@comcast.net	A Member of the Public	Myself	Support	No	No	4/20/2021 2:08 PM
DiBenedetto, Maryann	Londonderry, NH mdibenedetto@feltoninc.com	A Member of the Public	Felton Incorporated	Support	No	No	4/21/2021 12:26 PM
Gilbert, John	Greenland, NH john@synchronyadvisors.com	A Member of the Public	Myself	Support	No	No	4/21/2021 5:48 PM

Noronha, Marian	Madbury, NH Marian.Noronha@turbocam.com	A Member of the Public	Myself	Oppose	No	No	4/21/2021 10:21 PM
Robison, Lauren	Bedford, NH lrobison@homecareassistance.com	A Member of the Public	Myself	Support	No	No	4/22/2021 9:11 AM
Gruning, Maria	Londonderry, NH Maria@rightathome-snh.com	A Member of the Public	Myself	Support	No	No	4/22/2021 10:54 AM
Balkus, Gina	Concord, NH gbalkus@homecarenh.org	A Lobbyist	Granite State Home Health & Hospice Association	Support	No	No	4/21/2021 4:03 PM
O'Hara, Kimberly	Merrimack, NH kim@eagleeyetravel.net	A Member of the Public	Myself	Support	No	No	4/21/2021 4:05 PM
Law, Jack	Hollis, NH jlaw@lawwarehouses.com	A Member of the Public	Myself	Support	No	No	4/21/2021 6:48 PM
Hoying, Deanna	Manchester, NH dhoying19@gmail.com	A Member of the Public	Myself	Support	No	No	4/23/2021 11:14 AM
Rochon, Valerie	Portsmouth, NH valerie@portsmouthcollaborative.org	A Member of the Public	Chamber Collaborative of Gr. Portsmouth	Support	No	No	4/22/2021 8:07 AM
Hallett-Pope, Rhonda	Dover, NH rhallettpope@gmail.com	A Member of the Public	Myself	Support	No	No	4/23/2021 9:11 AM
Carnevale, Andrea	Bedford, NH andreac@bedfordvillageinn.com	A Member of the Public	Myself	Support	No	No	4/23/2021 2:15 PM
MASERA, DANIEL	PLYMOUTH, NH MASERA@MYFAIRPOINT.NET	A Member of the Public	Myself	Support	No	No	4/23/2021 3:04 PM
Iannuzzi, Marc	North Conway, NH Marc@wmcupcakery.com	A Member of the Public	Myself	Support	No	No	4/23/2021 3:12 PM
Souter, David	Windham, NH david@baronsmajorbrands.com	A Member of the Public	Myself	Support	No	No	4/23/2021 4:13 PM
Bart, Jeffrey	Hopkinton, NH jeffb@nhchocolates.com	A Member of the Public	Myself	Support	No	No	4/23/2021 2:08 PM
Barry, Curtis	Concord, NH Curtis@BarryGR.com	A Lobbyist	NH Retail Association	Support	No	No	4/23/2021 12:22 PM
Shean, Joe	Rochester, NH joe@rpabrasives.com	A Member of the Public	Myself	Support	No	No	4/23/2021 12:23 PM

Testimony

Archived: Thursday, June 3, 2021 11:47:43 AM

From: tsink@concordnhchamber.com

Sent: Friday, May 14, 2021 10:38:55 AM

To: ~House Ways & Means Committee

Subject: SB 3

Importance: Normal

Attachments: [DOC051421.pdf](#) ;

Dear Representatives:

I write this letter on behalf of the Greater Concord Chamber of Commerce regarding SB 3 relative to the tax treatment of the PPP loans.

As the pandemic wreaked havoc on the New Hampshire economy, we at the Chamber shifted all of our efforts to provide guidance to businesses to find the necessary resources available to stay in operation. These efforts included guidance on applying for PPP funds as well as maximizing loan forgiveness, acquiring PPE, setting up remote work environments, how to use the latest remote technologies and many other issues. The PPP program kept many businesses afloat that otherwise would not have survived the economic shutdown.

Paying State taxes on these programs was not factored in when many businesses initially made application. Therefore, provisions were not made by businesses relative to this unexpected tax burden. By requiring the payment of BET/BPT on PPP funds received, you are creating a heavy burden on businesses that, for the most part, are not yet out of the woods. Even businesses that were profitable during the pandemic incurred significant additional costs in terms of acquiring remote work technologies, purchasing of PPE, COVID compliance protocols and more.

I urge members of the House Ways and Means committee to support SB 3 on behalf of New Hampshire businesses. Thank you in advance for your consideration.

Sincerely,

Tim Sink

Timothy G. Sink, CCE, President

Greater Concord Chamber of Commerce

49 South Main Street, Suite 104, Concord, NH 03301

(603) 224-2508 | tsink@concordnhchamber.com

[https://us-east-2.protection.sophos.com?](https://us-east-2.protection.sophos.com?d=concordnhchamber.com&u=d3d3LkNvbmNvcnROSENoYW1iZXluY29t&i=NWViOWEzNmVkMDA3MzIxNzcxMzJhMTM5)

[d=concordnhchamber.com&u=d3d3LkNvbmNvcnROSENoYW1iZXluY29t&i=NWViOWEzNmVkMDA3MzIxNzcxMzJhMTM5](https://us-east-2.protection.sophos.com?d=concordnhchamber.com&u=d3d3LkNvbmNvcnROSENoYW1iZXluY29t&i=NWViOWEzNmVkMDA3MzIxNzcxMzJhMTM5)

[&t=VW5vdG5iWStHQkhuWENCeGxGWnFQOUxPQnF5c00wSW9lQU51R0pxWFhxWT0=&h=e768a96a5093415d8b3df449dc6c5b57](https://us-east-2.protection.sophos.com?d=concordnhchamber.com&u=d3d3LkNvbmNvcnROSENoYW1iZXluY29t&i=NWViOWEzNmVkMDA3MzIxNzcxMzJhMTM5&t=VW5vdG5iWStHQkhuWENCeGxGWnFQOUxPQnF5c00wSW9lQU51R0pxWFhxWT0=&h=e768a96a5093415d8b3df449dc6c5b57)

-----Original Message-----

From: info@concordnhchamber.com <info@concordnhchamber.com>

Sent: Friday, May 14, 2021 10:35 AM

To: Tim Sink <tsink@concordnhchamber.com>

Subject: Send data from MFP13817742 05/14/2021 10:35

Scanned from MFP13817742
Date:05/14/2021 10:35
Pages:1
Resolution:200x200 DPI

Archived: Thursday, May 6, 2021 3:36:45 PM
From: [Leslie Walker](#)
Sent: Wednesday, May 5, 2021 9:06:44 AM
To: ~House Ways & Means Committee
Subject: SB 3
Importance: Normal
Attachments:
Letter to Ways and Means.pdf ;

Please see attached letter re SB 3

Leslie Walker, CPA
Managing Director

Mason + Rich, P.A.
Certified Public Accountants
Six Bicentennial Square
Concord, NH 03301
Phone: 603.224.2000
Fax: 603.224.2613
Email: lwalker@masonrich.com
Web: www.masonrich.com



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Disclaimer: Any accounting, business or tax advice contained in this communication, including attachments and enclosures is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, Mason + Rich, PA would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.

Archived: Thursday, June 3, 2021 11:41:12 AM
From: J A Graham
Sent: Tuesday, May 11, 2021 4:18:20 PM
To: ~House Public Works and Highways
Cc: scoopnewt@yahoo.com; cnewton@metrocast.net
Subject: FW: HB26 and court filings
Importance: Normal

Attachments:
2020.07.23 Towns Answer & Counterclaims.PDF
2020.04.22 Complaint Woodsville Fire v. Town of Haverhill.pdf

Sent from [Mail](#) for Windows 10

From: Bradley Greenland
Sent: Thursday, May 6, 2021 10:42 AM
To: John Graham
Subject: RE: HB26 and court filings

Representative Graham,

Please see the attached court fillings that I received from the Haverhill Town Manager regarding the lawsuit filed by the Woodsville Fire District along with counterclaims by the town of Haverhill.

Please let me know if you would like me to find any more information.

Best,

Brad

From: J A Graham <graham4rep@hotmail.com>
Sent: Thursday, May 6, 2021 9:04 AM
To: Bradley Greenland <Bradley.Greenland@leg.state.nh.us>
Subject: RE: HB26 and court filings

Brad, thank you

To give you a starting point.

The lawsuit by the Woodsville Fire Precinct against Haverhill was filed in Grafton Superior Court. I dug around on their website and I couldn't find the filings. Its looks like it was done in September-ish 2020 from the Haverhill minutes

John

Sent from [Mail](#) for Windows 10

From: Bradley Greenland
Sent: Thursday, May 6, 2021 9:01 AM
To: John Graham
Subject: RE: HB26 and court filings

Good Morning Representative Graham,

I will look into finding these lawsuits for you and will let you know as soon as I can if I find them.

Best,

Brad

From: J A Graham <graham4rep@hotmail.com>
Sent: Thursday, May 6, 2021 8:54 AM
To: Bradley Greenland <Bradley.Greenland@leg.state.nh.us>
Subject: HB26 and court filings

Brad

Hopefully you can help with this. During the hearing yesterday it was stated that lawsuits had been filed over the issue of taxes (?) in Haverhill and Woodsville. I tried to find mention of this suits on line, but was unsuccessful.

Can you do some research on the issue, perhaps the town administrator can give you the information?

John

Sent from [Mail](#) for Windows 10

Archived: Thursday, June 3, 2021 11:47:42 AM

From: Bert Freedman

Sent: Monday, May 24, 2021 5:20:24 PM

To: ~House Ways & Means Committee

Subject: Please support SB 3

Importance: Normal

I'm asking you to support SB 3 - exempting PPP loans from the Business Profits tax.

As the owner of a business that celebrated its 100th anniversary during the pandemic, I would not be here today without those loans.

The PPP loans helped me survive but I am just barely hanging on today as we still await the economy to fully return. I am in the retail business and so many people are still shopping on line rather than entering stores. Having to pay tax on these loans would make it hard for my business as we are still trying to make it thru this ordeal.

Thank you.

Bert Freedman
owner, of George & Phillips Inc
173 Water St
Exeter, NH 03833

Archived: Thursday, June 3, 2021 11:47:43 AM

From: [Mark](#)

Sent: Monday, May 24, 2021 2:39:52 PM

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

Subject: Please support SB 3

Importance: Normal

I urge members of Ways and Means to support NH SB 3.

Thank You
Mark Hourihane
Hourihane, Cormier & Associates

Sent from my iPhone

Archived: Thursday, June 3, 2021 11:47:42 AM
From: [Derek Pollitt](#)
Sent: Monday, May 24, 2021 11:01:21 PM
To: [~House Ways & Means Committee](#)
Subject: Please Support SB 3
Importance: Normal

Thanks,
Derek

Archived: Thursday, June 3, 2021 11:47:43 AM

From: RON POULIN

Sent: Monday, May 24, 2021 2:39:45 PM

To: ~House Ways & Means Committee

Subject: PPP Taxation SB3

Importance: Normal

Dear Sir or Madam,

I strongly urge you to vote YES on SB3. While my business was eligible for the first round of PPP, it was ineligible for either the second or third rounds of PPP because my revenue was "not down enough;" even though we experienced a loss for the year. Taxing the PPP would only "rub salt in the wound" and become more of a hardship for a small business that was deemed essential throughout the Covid Emergency.

Please feel free to contact me in the event that you have any questions or concerns.

--

Ron

Ron Poulin
Country Tire & Service Center
47 Farmington Rd. Suite 1
Rochester, NH 03867
603-948-1112



Archived: Thursday, June 3, 2021 11:49:42 AM

From: [Chuck](#)

Sent: Monday, May 24, 2021 2:43:34 PM


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

Subject: Ppp

Importance: Normal

No tax on PPP!!!!

Sent from my iPhone

Archived: Thursday, May 6, 2021 3:36:45 PM
From: Northern Gateway Regional Chamber of Commerce
Sent: Friday, April 23, 2021 12:44:56 PM
To: ~House Ways & Means Committee
Subject: Fwd: Letter for signature
Importance: Normal
Attachments:
[LetterinSupportSB3.pdf](#) 

Dear Chairman Mr. Norm Major and Members of the House Ways & Means Committee,

Please find attached a letter of support from the, Northern Gateway Regional Chamber of Commerce in Lancaster, for the SB3 bill clarifying the tax treatment of the Federal PPP.

Have a great weekend.

Beth Cape
Administrative Assistant
Northern Gateway Regional Chamber of Commerce
PO Box 537
Lancaster, NH 03584
northerngatewaychamber@gmail.com

Chamber Line (603) 788-2530

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

From: Denis Gleeson

Sent: Tuesday, May 4, 2021 2:40:30 PM

To: ~House Ways & Means Committee

Cc: Denis & Debbie Gleeson

Subject: SB 3

Importance: Normal


Digitally Signed: Yes

Dear House Ways and Means Committee,

We made the business decision to take all of the PPP monies and use them solely for our employees, even the dollars that were meant for the owner. We offered every employee the opportunity to remain on the payroll and continue to be compensated. In addition, we offered everyone their position back. We would greatly appreciate it if the State of New Hampshire would follow the same guidelines that the Federal Government followed and keep our small businesses viable. Thank you for your consideration.

All the Best,

Denis & Deborah Gleeson
2nd Nature Academy, Nashua, NH

Archived: Thursday, June 3, 2021 11:47:43 AM
From: Jennifer Foor
Sent: Tuesday, May 18, 2021 6:57:03 PM
To: ~House Ways & Means Committee
Subject: Fwd: SB 3 Fiscal Impact Timing Analysis
Importance: Normal
Attachments:
[SB 3 Fiscal Impact Timing 5.18.21.pdf](#) 

Ways and Means Members,
Please see the message below and attachment from Carollynn Lear of DRA.

Thank you,
Jenn foor

Get [Outlook for iOS](#)

From: Lear, Carollynn <Carollynn.J.Lear@dra.nh.gov>
Sent: Tuesday, May 18, 2021 4:33 PM
To: Norman Major; Norman Major; abrami.nhrep@gmail.com; 'abraminhrep@gmail.com' (abraminhrep@gmail.com)
Cc: Rollins, Melissa; Rodrique, Devin; Jennifer Foor; Christopher Shea
Subject: SB 3 Fiscal Impact Timing Analysis

Good Afternoon – Attached to this e-mail is the document we plan to go over tomorrow analyzing the timing of the SB 3 fiscal impact.

Carollynn

Carollynn J. Lear, Assistant Commissioner
NH Department of Revenue Administration
109 Pleasant Street, P.O. Box 457
Concord, NH 03302-0457
Tel (603) 230-5020
Carollynn.J.Lear@dra.nh.gov

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

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 | www.jarviscuttingtools.com

Archived: Thursday, May 6, 2021 3:36:45 PM
From: [Maryann DiBenedetto](#)
Sent: Wednesday, April 21, 2021 12:35:52 PM
To: ~House Ways & Means Committee
Subject: NH House Remote Testify: 10:00 am - SB3 in House Ways and Means
Importance: Normal

Dear Committee Members,

I respectfully submit our firm's support for SB3. Funds received via the PPP loan were vital in assisting our firm, along with a great many others in New Hampshire, to continue to operate and keep employees working and earning wages. To now tax the very funds that were provided through that program to help during this pandemic will only serve to make it that much more difficult to come out of this pandemic with the ability to continue to operate and keep our workforce active.

Please consider voting in favor of SB3.

Thank you.

Maryann DiBenedetto
Director, HR & Administrative Services
Felton Incorporated

www.feltoninc.com

7 Burton Drive
Londonderry, NH 03053

[\(603\) 425-0257](tel:(603)425-0257) (office)

mdibenedetto@feltoninc.com

[Click here to send me files](#)

Archived: Thursday, June 3, 2021 11:47:42 AM
From: [Susan Daniel](#)
Sent: Monday, May 24, 2021 3:59:10 PM
To: ~House Ways & Means Committee
Subject: SB 3
Importance: Normal

Hello,

I was able to get a PPP loan via Citizens Bank and because of federal funding due to the pandemic. As a small business owner in Henniker, NH I am still struggling to support people in the community with alternative wellness services. I used the money to pay other small/medium businesses, Granite Quill Publishers and Keene Sentinel's Fiddlehead magazine by purchasing Ads, as well as to be able to stay open and pay Eversource for added heat/cooling and small monthly paycheck of \$200 so the \$2800 did not go far. If I new I would have to pay taxes on top of it, I would not have even tried to get the loan money. It only helped me bridge the gap until Fall. I know a lot of other small business owners and am on the board of Kearsarge Area Chamber of Commerce.

PLEASE VOTE YES on SB 3 to support small businesses in NH!!!!

Sincerely,
Susan D. Daniel
603-324-2394
Seaglassyoga.com

--

Susan Daniel, RH, E-RYT 200, CEYT
SeaGlassYoga.com
Like FB page @SeaGlassYogaWellness
617-320-3394
Nature Lover
And Lover of all things plant based.
Yoga Therapist
Kirtan Wallah!
Secretary/Treasurer of NH Herbal Network
Organic Gardener
Community Drum Circles
& More

Contact: coachsue@seaglassyoga.com for more information about calming your mind.

Sent from Gmail Mobile

Archived: Thursday, June 3, 2021 11:47:42 AM

From: [Debra Makos](#)

Sent: Monday, May 24, 2021 4:18:29 PM

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

Subject: Sb3

Importance: Normal

I would encourage you to vote against taxing the ppp forgiveness loans.

Thank you

Debbie Makos

Sent from my iPhone

Archived: Thursday, June 3, 2021 11:47:43 AM
From: john@synchronyadvisors.com
Sent: Monday, May 24, 2021 3:22:21 PM
To: ~House Ways & Means Committee
Subject: Senate Bill 3
Importance: Normal

Dear Representatives,

I urge you to support the proposal to exempt from the Business Profits Tax (BPT) funds received by NH businesses through federal Paycheck Protection Program (PPP) loans that are forgiven. It was clearly the intent of the U.S. Congress that these funds not be taxed, so that they would have maximum value to the businesses that received them. Indeed, forgiven PPP loan funds are exempt from federal taxes. Receipts from the BPT on such funds essentially represents a windfall to the state from federally-supplied funds that were not intended for that purpose. The businesses that received these funds needed them to survive the economic dislocation of the pandemic, the consequences of which continue to be felt. Taxing those funds reduces their effectiveness in supporting businesses as viable entities that employ NH residents.

Taxation of the modest forgiven PPP loan for my business cost me approximately \$1,400 in BPT. I expect that the second loan that I received will similarly cost me \$1,400 in PPP. The costs for these taxes are a direct economic burden for my business.

For the reasons articulated in this message, I respectfully request that you support and vote to approve SB 3.

Please let me know if I can provide any additional perspective or answer questions that you have on this topic. Thank you for considering my input.

Sincerely,

John



John A. Gilbert
President
Synchrony Advisors, LLC
P.O. Box 4
Exeter, NH 03833
Tel. 603-219-6538
Email john@synchronyadvisors.com
www.synchronyadvisors.com

Archived: Thursday, June 3, 2021 11:47:43 AM

From: Pat Soucy

Sent: Monday, May 24, 2021 3:08:33 PM

To: ~House Ways & Means Committee

Subject: Senate Bill 3

Importance: Normal

We hope you will support Senate Bill 3. Many businesses have struggled since the start of the pandemic. Being taxed on a PPP loan that was forgiven just creates another hardship. My business was down 60% in 2020 and the PPP loan helped to ease the burden. We still need to live and pay our bills. The pandemic and shutdowns were not the fault of businesses. We would have preferred to be out there working. Thank you for your consideration.

Pat Soucy

Archived: Thursday, June 3, 2021 11:47:42 AM
From: tbwautomotiveinc@myfairpoint.net
Sent: Monday, May 24, 2021 8:21:44 PM
To: ~House Ways & Means Committee
Subject: Senate Bill 3
Importance: Normal

Dear House Ways and Mean Committee:

We are looking for your support for Senate Bill 3, which exempts the PPP loan proceeds from taxation. The Federal Government is not taxing the PPP loans proceeds so why should the State of NH? We don't understand why stimulus proceeds should be taxed. The stimulus was meant to help businesses to survive the pandemic not to tax them more.. How do you expect the NH businesses to afford to pay the tax? Would you rather see these businesses close because they can't afford to pay taxes? Hopefully, you can look at look at this issue as a business owner not just as a political decision. NH is among a couple of states that are still taxing the PPP loan proceeds. The pandemic put a lot of stress on employers and employees. Something that no one had ever endured before. The mental health of many NH Business Owners and Citizens have already been pushed to the limit!

Please vote to support Senate Bill 3!

Tim and Beth White
TBW Automotive Inc.

Lebanon, NH

Archived: Thursday, June 3, 2021 11:47:42 AM

From: [Chef Martin Murphy](#)

Sent: Monday, May 24, 2021 6:08:40 PM

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

Subject: Vote on Senate Bill 3

Importance: Normal

Dear Committee Members,

I am the chef owner of a small restaurant located in Lyme, NH. I first opened in Orford in 2011 and then moved to Lyme in 2018. All my employees live locally. In order to stay open this year, we applied for and received funds through the PPP Program. Using those funds, we employed 15 - 20 people, many NH residents for much of 2020 and paid our rent. Without those funds, I would have had to close my restaurant permanently.

We continue to struggle, our sales for the first quarter of 2021 were far below those of the first quarter of 2020 and hiring the employees necessary to run our business at full capacity has been very difficult. The staffing shortage has meant that we have had to reduce our reservations and, therefore, sales.

My understanding is that the PPP Program was designed to provide assistance to keep businesses from closing, and that it was deliberately structured as forgivable (and not as a loan) to give businesses incentive to remain open, to keep people employed, and to maintain services for the community. If those funds are taxed as if they were income, the long-term benefit of the program is completely lost, and you have totally defeated spirit of the program.

We are currently operating on a shoestring, and I do not anticipate that, given our current sales, and inability to run at full capacity due to staffing shortages, I would be able to remain open were I required by the State of NH to pay taxes on the funds received through the PPP Program. In short, I would have been better off closing my doors a year ago and collecting unemployment. That runs contrary to good economics.

Thank you for your time and I urge you to vote in favor of Senate Bill 3.

Chef Martin

*Chef Martin Murphy
Ariana's Restaurant
1 Market Street
Lyme, NH 03768*

Archived: Thursday, June 3, 2021 11:47:42 AM
From: [Carlson's Lodge](#)
Sent: Monday, May 24, 2021 6:26:07 PM
To: [~House Ways & Means Committee](#)
Subject: SB3
Importance: Normal

I believe that SB3 should be passed eliminating PPP money from business profits tax in line with the federal intent of the grant.

Carol Carlson Cunningham
Bethlehem, NH

Archived: Thursday, June 3, 2021 11:47:42 AM

From: Rhonda Hallett Pope

Sent: Monday, May 24, 2021 6:07:48 PM

To: ~House Ways & Means Committee

Subject: SB3

Importance: Normal

Greetings:

I am a small business owner who received a PPP loan of \$16,000, almost all of which was applied to payroll with about 17% going toward heat and electricity. I did not close my doors, I did not let anyone go. This money was crucial at a time when each day was uncertain. My business and I personally pay our fair share in taxes and never expect anything in return, however this loan was important to me at the time that it was received. In comparison to all of the money given out to keep employees home, these loans are small money. It helped us to stay open to anticipate better times ahead. I ask that small business owners be forgiven of the taxes that could potentially be due from these business-saving loans. Please support SB3. Thank you for listening to me (and all of us).

Sincerely,
Rhonda Hallett Pope

Bill as
Introduced

SB 3-FN - AS INTRODUCED

2021 SESSION

21-1081

10/05

SENATE BILL **3-FN**

AN ACT clarifying the tax treatment of federal Paycheck Protection Program loans.

SPONSORS: Sen. Bradley, Dist 3

COMMITTEE: Ways and Means

ANALYSIS

This bill excludes under the business profits tax the business income of a taxpayer received by reason of forgiveness of indebtedness issued or created under the federal Paycheck Protection Program (PPP).

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 clarifying the tax treatment of federal Paycheck Protection Program loans.

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

1 1 New Section; Business Profits Tax; Clarification of PPP Loans. Amend RSA 77-A by inserting
2 after section 3-b the following new section:

3 77-A:3-c Clarification of Tax Treatment of Paycheck Protection Program (PPP) Loans. In
4 determining gross business profits for any period, before net operating loss and special deductions,
5 notwithstanding any other provision of law, a business organization shall apply the provisions of the
6 United States Internal Revenue Code consistent with the following adjustments:

7 I. No amount shall be included in the gross business income of the eligible recipient by
8 reason of forgiveness of indebtedness issued or created under the federal Paycheck Protection
9 Program (PPP) which was first established under the federal Coronavirus Aid, Relief, and Economic
10 Security Act (P.L. 116-136, enacted March 3, 2020) or issued or created under the federal PPP
11 Second Draw Loan Program established under the federal Consolidated Appropriations Act, 2021
12 (P.L. 116-260, enacted December 27, 2020).

13 II. No deduction shall be denied, no tax attribute shall be reduced, and no basis increase
14 shall be denied, by reason of the exclusion from gross business income provided by paragraph I.

15 III. This section shall apply to taxable years ending after March 3, 2020, corresponding with
16 the date of the enactment of the federal Coronavirus Aid, Relief, and Economic Security Act.

17 2 Effective Date. This act shall take effect upon its passage.

SB 3-FN- FISCAL NOTE
AS INTRODUCED

AN ACT clarifying the tax treatment of federal Paycheck Protection Program loans.

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

METHODOLOGY:

The New Hampshire Business Profits Tax (BPT) uses federally reported income as a starting point for purposes of calculating a taxpayer’s BPT liability. RSA 77-A:1, XX provides which version of the Internal Revenue Code (IRC) a taxpayer should reference to properly determine federally reported income for BPT purposes in each tax year. For taxable periods beginning on or after January 1, 2020 taxpayers should utilize the IRC in effect on December 31, 2018. Because the BPT references the IRC in effect on December 31, 2018, the New Hampshire tax treatment of certain COVID-19 financial relief programs will vary from the federal treatment of those same programs.

Specifically, federal law allows for loan amounts received by taxpayers from the Paycheck Protection Program (PPP) that are forgiven to not be included in taxable income federally and business expenses paid for with forgiven PPP loans can be deducted. Under the current BPT statute, loan amounts received by NH taxpayers from the PPP that are forgiven will be included in taxable income for BPT purposes and business expenses paid for with forgiven PPP loans can be deducted. The NH treatment under **current** law mirrors the **normal** treatment of forgiven loans for federal tax purposes; the federal government has, however made a policy decision to modify this treatment for forgiven PPP loans. This bill amends the BPT statute so that New Hampshire's treatment of forgiven PPP loan amounts mirror the federal treatment effective upon passage for the taxable periods ending after March 3, 2020.

The Department of Revenue Administration (DRA) is unable to calculate the exact fiscal impact of this bill. Though the list of PPP loan recipients is public, the list cannot be used to reliably calculate the fiscal impact of this bill due to the following limitations:

- The list of PPP loan recipients does not include recipient federal employer identification numbers (FEINs) and therefore there is no reliable way to match the loan recipients on the list to DRA filers. The names on the list may vary significantly with how the taxpayer files with the DRA due to the use of trade names, abbreviations, etc. as well as because many of our largest filers file combined returns reporting the activity of numerous related entities who may have received PPP loans.
- Under current law, only forgiven PPP loans will be included in the BPT tax base. To be forgiven, certain PPP criteria must be met. As of the date of this fiscal note, the US Small Business Administration (SBA) has not published data related to amounts of PPP loans forgiven.
- Under current law, the taxpayer will include forgiven PPP loans in the tax base, but will deduct any business expenses paid for with forgiven PPP loans. Therefore, in order to calculate the revenue attributable to forgiven PPP loans currently, the DRA would need data on the amount of expenses each taxpayer will first deduct. The DRA does not have this data.
- Under the proposed law, forgiven PPP loans will not be included in the BPT tax base, however business expenses paid for with forgiven PPP loan amounts will remain deductible. Because these deductions for business expenses will not be offset by the forgiven PPP loan proceeds, these business deductions will offset other taxable income from the taxpayer. Therefore, in order to calculate the revenue loss attributable to allowing these business deductions, the DRA would need data on the amount of expenses each taxpayer will deduct that were paid for with forgiven PPP loan proceeds. The DRA does not have this data.

Though the DRA is not able to determine an exact fiscal impact, the DRA believes eliminating forgiven PPP loans from the BPT tax base by making them not taxable and continuing to allow the deduction of business expenses paid for with forgiven PPP loan proceeds would reduce revenue beginning in FY 2022. This revenue reduction would take the form of reduced estimate payments, reduced return and extension payments, and increased refund requests for taxpayers who will have already filed their tax returns reporting forgiven PPP loan amounts and taxpayers who made estimated tax payments in accordance with the law at that time.

The DRA is able to provide the potential impact of this bill based upon publicly available data and making a number of assumptions about the available data that include:

- On May 4, 2021, the Small Business Administration reported the total PPP loan appropriation of \$814 billion was exhausted ahead of the May 31, 2021 application deadline. This analysis is on the entire \$814 billion.

- Of the \$814 billion in PPP loans issued, it is assumed 20.0% or \$163 billion should be removed to reflect for PPP loan recipients that are non-profits or that fall below the \$50,000 BPT filing threshold. This brings the total to \$651 billion.
- Of the remaining \$651 billion in PPP loans, it is assumed 0.4% or \$2.6 billion being apportioned to New Hampshire. The 0.4% apportionment percentage represents the typical amount of taxable business income to NH compared to total national taxable business income.
- The \$2.6 billion in PPP loans apportioned to NH is multiplied by the BPT rate of 7.7 percent to determine the maximum potential impact on BPT revenue to be a decrease of \$200.2 million.
- The potential decrease of \$200.2 million is further adjusted to account for the assumption that 80 percent of PPP was spent on wages, which generates business enterprise tax (BET) revenue of \$12.6 million ($(\$2.6 \text{ billion} * 80\%) * 0.6\% \text{ BET rate}$).
- The BPT revenue decrease of \$187.6 million after adjusting for the BET revenue (\$200.2 million - \$12.6 million), is further reduced by 47 percent or \$88.2 million ($47\% * \187.6 million) to account for those taxpayers that have a carry-forward of excess BET credit. These taxpayers would not see their tax liability reduced because they already have BET credits that are in excess of their BPT liability, therefore do not pay BPT.

Based on the assumptions above, it is estimated BPT revenue may decrease by \$99.4 million (\$187.6 million - \$88.2 million).

AGENCIES CONTACTED:

Department of Revenue Administration

Fiscal Notes

**SB 3-FN FISCAL NOTE
 AS INTRODUCED**

AN ACT clarifying the tax treatment of federal Paycheck Protection Program loans.

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

METHODOLOGY:

The New Hampshire Business Profits Tax (BPT) uses federally reported income as a starting point for purposes of calculating a taxpayer’s BPT liability. RSA 77-A:1, XX provides which version of the Internal Revenue Code (IRC) a taxpayer should reference to properly determine federally reported income for BPT purposes in each tax year. For taxable periods beginning on or after January 1, 2020 taxpayers should utilize the IRC in effect on December 31, 2018. Because the BPT references the IRC in effect on December 31, 2018, the New Hampshire tax treatment of certain COVID-19 financial relief programs will vary from the federal treatment of those same programs.

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AGENCIES CONTACTED:

Department of Revenue Administration