

LEGISLATIVE COMMITTEE MINUTES

**SB101**

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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

SB 101-FN - AS INTRODUCED

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SENATE BILL

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COMMITTEE:

Ways and Means

*OTP S-O CONSENT*

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ANALYSIS

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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
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Expenditures	\$0	\$0	\$0	\$0
<i>Funding Source:</i>	<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

SB 101-FN - AS AMENDED BY THE HOUSE

4Jun2021... 1367h

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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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.

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## STATE OF NEW HAMPSHIRE

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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. *For tax years beginning*  
8 *January 1, 2023, the commissioner shall biennially adjust this threshold amount rounding*  
9 *to the nearest \$1,000 based on the 2-year (24-month) percentage change in the Consumer*  
10 *Price Index for All Urban Consumers, Northeast Region as published by the Bureau of*  
11 *Labor Statistics, United States Department of Labor using the amount published for the*  
12 *month of June in the year prior to the start of the tax year.* The commissioner ~~[of revenue~~  
13 ~~administration]~~ shall adopt rules, pursuant to RSA 541-A, relative to the form of such return and the  
14 data which it must contain for the correct computation of taxable business profits and gross business  
15 income attributable to this state and the tax assessed on it. All returns shall be signed by the  
16 taxpayer or by its authorized representative, subject to the pains and penalties of perjury.

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

21 2 Applicability. The provisions of this act shall apply for taxable periods ending on or after  
22 December 31, 2022.

23 3 Effective Date. This act shall take effect July 1, 2021.

**SB 101-FN- FISCAL NOTE**  
AS AMENDED BY THE HOUSE (AMENDMENT #2021-1367h)

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 \$92,000 for taxable periods ending on or after December 31, 2022. The bill also will adjust the filing threshold biennially based on the 2-year change in the Consumer Price Index.

The Department of Revenue Administration does not know how many current or possibly new taxpayers would have gross business incomes between \$50,001 and \$92,000 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 \$92,000. Of the 74,343 taxpayers that filed 2018 BPT returns, 7,204 reported gross receipts between \$50,001 and \$92,000 on their 2018 federal returns. Of the 7,204 taxpayers, 6,169 had no BPT liability. The remaining 1,035 taxpayers reported a tax liability of \$2,535,582. Therefore, if this bill had been in effect for tax year 2018, the decrease in revenue would have been approximately \$2,535,582.

Since this change would be applicable for taxable periods ending on or after December 31, 2022, 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

**SB 101-FN FISCAL NOTE  
AS AMENDED BY THE HOUSE (AMENDMENT #2021-1367h)**

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**AGENCIES CONTACTED:**

Department of Revenue Administration



SB 101-FN - VERSION ADOPTED BY BOTH BODIES

4Jun2021... 1367h  
06/24/2021 2050EBA

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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AMENDED ANALYSIS

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SB 101-FN - VERSION ADOPTED BY BOTH BODIES

4Jun2021... 1367h  
06/24/2021 2050EBA

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STATE OF NEW HAMPSHIRE

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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. *For*  
9 *tax years beginning January 1, 2023, the commissioner shall biennially adjust this*  
10 *threshold amount rounding to the nearest \$1,000 based on the 2-year (24-month)*  
11 *percentage change in the Consumer Price Index for All Urban Consumers, Northeast*  
12 *Region as published by the Bureau of Labor Statistics, United States Department of Labor*  
13 *using the amount published for the month of June in the year prior to the start of the tax*  
14 *year.* The commissioner [~~of revenue administration~~] shall adopt rules, pursuant to RSA 541-A,  
15 relative to the form of such return and the data which it must contain for the correct computation of  
16 taxable business profits and gross business income attributable to this state and the tax assessed on  
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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.

**SB 101-FN- FISCAL NOTE**  
**AS AMENDED BY THE HOUSE (AMENDMENT #2021-1367h)**

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)			
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Department of Revenue Administration

CHAPTER 199  
SB 101-FN - FINAL VERSION

4Jun2021... 1367h  
06/24/2021 2050EBA

2021 SESSION

21-1047  
10/04

SENATE BILL **101-FN**

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CHAPTER 199  
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STATE OF NEW HAMPSHIRE

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12 *Region as published by the Bureau of Labor Statistics, United States Department of Labor*  
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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.*

23 199:2 Applicability. The provisions of this act shall apply for taxable periods ending on or after  
24 December 31, 2022.

25 199:3 Effective Date. This act shall take effect July 1, 2021.

Approved: August 10, 2021  
Effective Date: July 01, 2021

# Committee Minutes

**SENATE CALENDAR NOTICE**  
**Ways and Means**

Sen Bob Giuda, Chair  
Sen Lou D'Allesandro, Vice Chair  
Sen Gary Daniels, Member  
Sen Erin Hennessey, Member  
Sen Cindy Rosenwald, Member

Date: January 27, 2021

**HEARINGS**

Monday

02/01/2021

(Day)

(Date)

Ways and Means

REMOTE 000

9:00 a.m.

(Name of Committee)

(Place)

(Time)

9:00 a.m.

**SB 13-FN**

adopting omnibus legislation on state taxes and fees.

10:00 a.m.

**SB 101-FN**

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

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. Link to Zoom Webinar: <https://www.zoom.us/j/93207021191>
2. To listen via telephone: Dial (for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: US: 13126266799,,93207021191# or 19292056099,,93207021191#
4. Webinar ID: [932 0702 1191](https://www.zoom.us/j/93207021191)
5. To view/listen to this hearing on YouTube, use this link:  
<https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:  
<http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: [remotesenate@leg.state.nh.us](mailto:remotesenate@leg.state.nh.us) or call (603-271-6931).



**EXECUTIVE SESSION MAY FOLLOW**

**Sponsors:**

**SB 13-FN**

Sen. Morse

**SB 101-FN**

Sen. Soucy

Sen. Cavanaugh

Sen. Rosenwald

Sen. D'Allesandro

Sen. Sherman

Rep. Loughman

Sen. Watters

Sen. Bradley

Rep. Almy

Sen. Prentiss

Sen. Perkins Kwoka

Sonja Caldwell 271-2117

Bob J. Giuda  
Chairman

**Senate Ways and Means Committee**  
*Sonja Caldwell 271-2117*

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

**Hearing Date:** February 1, 2021

**Members of the Committee Present:** Senators Giuda, D'Allesandro, Daniels, Hennessey and Rosenwald

**Members of the Committee Absent :** None

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

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**Sponsors:**

Sen. Soucy	Sen. D'Allesandro	Sen. Watters
Sen. Prentiss	Sen. Cavanaugh	Sen. Sherman
Sen. Bradley	Sen. Perkins Kwoka	Sen. Rosenwald
Rep. Loughman	Rep. Almy	

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**Who supports the bill:** Sen. Sherman, Sen. Soucy, Rep. Susan Almy, Sen. Perkins Kwoka, Sen. Watters, Sen. Rosenwald, Sara Persechino, Sen. Prentiss, Robert Johnson II (NH Farm Bureau Federation), David Juvet (Business & Industry Assoc.)

**Who opposes the bill:** Catharina Plomp

**Who is neutral on the bill:** Carollynn Lear and Devin Rodrique (NHDRA)

**Summary of testimony presented:**

**Sen. Soucy**

- This bill increases the minimum gross income required for filing a Business Profits Tax (BPT) return.
- It has nothing to do with the Business Enterprise Tax (BET).
- This legislation was passed unanimously last year.
- It takes a burden off a number of small businesses at a time when many are struggling.
- It is unclear how many businesses will be impacted, but we know it will at least be several hundred who will not have to make these filings, without a significant impact to revenue.

**Rep. Almy**

- She supports the bill.
- It is an efficient and effective way to relieve business taxpayers who owe small amounts of BPT of a large administrative expense.

- One group it should eliminate is independent proprietors and small partnerships.
- The floor for filing a BPT return was raised from \$12,000 to \$50,000 in 1994.
- She is worried that if an unreasonable number of businesses are exempted from the BPT by this, NH could be faced with a lawsuit.
- In 2015 we passed legislation to allow for using the CPI for adjusting the floor of the BET.
- The DRA estimates this bill would have cost \$1.5 million in 2018. It might cost a little bit more than that this year.
- Less profitable businesses have suffered worse from the pandemic.

**Sen. Daniels** said currently the BET is a credit against the BPT. He asked if the statute says that people will pay BET until \$50,000 or to the threshold of the BPT.

**Rep. Almy** said the BPT filing threshold is \$50,000 in gross profit. The statute for BET is a \$75,000 threshold to file. The BET floor is different from the BPT floor. If you do qualify to have to file for the BPT and you didn't qualify for the BET, you would not have to file paperwork for the BET. The BPT taxes the excess for what you paid for BET.

**Sen. Daniels** asked if this bill were to pass, would people pay the BET up to \$75,000.

**Rep. Almy** said the tax rate is not on the \$75,000 itself.

#### **Devin Rodrique – DRA**

- The proposed bill increases the BPT threshold from in excess of \$50,000 to in excess of \$75,000.
- This bill would have an effect on 4,664 taxpayers based on 2019 data. Of those who filed BPT returns with NH in 2019, and based on these changes, DRA compared these taxpayers with federal data and found that 4,664 will be affected by this threshold increase. When looking at those 4,664, 4,004 of those taxpayers had no BPT liability during that tax year, while 660 did report a BPT liability in total, all together, of \$1.5 million, which is the fiscal impact of the bill. Of the 660 population, their BPT tax liability ranged from \$1 to \$33,375.
- With regard to the BET filing threshold, according to HB187 from 2015, the Commissioner shall biennially adjust the BET filing threshold amounts rounding to the nearest \$1,000 based on the two-year percentage change in the Consumer Price Index. According to the latest change, which was published January 1, 2021, the filing threshold for BET taxpayers was for gross business receipts in excess of \$222,000 or an enterprise value tax base greater than \$111,000.

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Date Hearing Report completed: February 4, 2021

**SENATE CALENDAR NOTICE**  
**Finance**

Sen Gary Daniels, Chair  
Sen John Reagan, Vice Chair  
Sen Bob Giuda, Member  
Sen Erin Hennessey, Member  
Sen Chuck Morse, Member  
Sen Lou D'Allesandro, Member  
Sen Cindy Rosenwald, Member

Date: March 3, 2021

**EXECUTIVE SESSION**

Tuesday	03/16/2021
(Day)	(Date)
Finance	REMOTE 000
(Name of Committee)	(Place)
	1:00 p.m.
	(Time)

1:00 p.m.     ~~EXECUTIVE SESSION ON PENDING LEGISLATION~~

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. To join the webinar: <https://www.zoom.us/j/93064180322>
2. Or Telephone: Dial (for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799, or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: 13126266799,,93064180322# or 19292056099,,93064180322#
4. Webinar ID: 930 6418 0322
5. To view on YouTube, click here: <https://www.youtube.com/channel/UCjBZdtriRnQdmg-2MPMiWrA>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: [remotesenate@leg.state.nh.us](mailto:remotesenate@leg.state.nh.us) or call 603-271-6931.

Deb Martone 271-4980

Gary L. Daniels  
Chairman

# Speakers

<u>Name</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>
Sherman, Senator Tom	SD 24	Support	No
Soucy, Donna	SD 18	Support	Yes
Almy, Susan	Myself	Support	Yes
Lear, Carolynn	DRA	Neutral	Yes
Rodrique, Devin	DRA	Neutral	Yes
Perkins Kwoka, Senator Rebecca	Myself (SD 21)	Support	No
Watters, Senator David	Myself (SD 4)	Support	No
Rosenwald, Cindy	SD 13	Support	No
Persechino, Sara	Myself	Support	No
Prentiss, Senator Sue	Myself	Support	No
Johnson, II, Robert	NH Farm Bureau Federation	Support	No
Juvet, David	Business & Industry Association	Support	No

# Testimony

Testimony on SB101

This bill is an efficient and effective way to relieve business taxpayers who owe small amounts of BPT of a large amount of administrative expense as well as their small contribution to state revenues. One group it should eliminate is the independent proprietors and small partnerships whose net profits are dwarfed by their expenditures on equipment and supplies. Snow plowers, small auto repair shops, and manufacturing start-ups come to mind.

The floor for filing BPT was raised from \$12,000 to \$50,000 for TY94. The inflation rate since has been a little under 75%. I do not have the number of businesses an increase of the floor to \$75,000 would affect, but I suggest you ask DRA. If an "unreasonable" number of businesses are exempted by this from the BPT, we could be open to a constitutional lawsuit similar to the one that led to the creation of the BET in 1993.

In 2015, we passed a biennial CPI-U-NE adjustment to the BET floor, to avoid the shock to the revenue system of adjusting the floor all at once. This seems to be working well.

The DRA estimates that this bill would have cost \$1.5M in the banner FY18 year. It might cost a little more this year and until a full recovery. Less profitable businesses have suffered worse in general from the pandemic, and if they are still paying BPT, would fall below the floor. But that might be enough to help them survive and re-grow.

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RSA's:

77-a:1 (VI). "Gross business income" means all income for federal income tax purposes from whatever source derived in the conduct of business activity, including but not limited to gross proceeds from sales, compensation for rendering services, gross proceeds realized from trading in stocks, bonds, or other evidences of indebtedness, gross proceeds realized from sale of assets used in trade or business, interest, discount, gross rents, royalties, fees, commissions, dividends, without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense paid or accrued and without any deduction on account of losses.



**77-A:6 Returns, Declarations, and Combined Reporting. –**

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

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

# Voting Sheets

**Senate Ways & Means Committee**  
**EXECUTIVE SESSION RECORD**  
*2021-2022 Session*

Bill # SB101-FN

Hearing date: 2-1-21

Executive Session date: 3-1-21

Motion of: OTP Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. D'Allesandro, VC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Daniels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Hennessey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: consent Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. D'Allesandro VC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Daniels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Hennessey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: \_\_\_\_\_ Vote: \_\_\_\_\_

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. D'Allesandro, VC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Daniels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Hennessey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Rosenwald

Notes: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Senate Finance Committee

## EXECUTIVE SESSION

Bill # SB 101-FN

Hearing date: N/A

Executive session date: 03/16/21

Motion of: OTF

VOTE: 7-0

<u>Made by</u> Daniels <input type="checkbox"/>	<u>Seconded</u> Daniels <input type="checkbox"/>	<u>Reported</u> Daniels <input type="checkbox"/>
<u>Senator:</u> Reagan <input type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>
Giuda <input type="checkbox"/>	Giuda <input checked="" type="checkbox"/>	Giuda <input type="checkbox"/>
Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>
D'Allesandro <input checked="" type="checkbox"/>	D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>
Morse <input type="checkbox"/>	Morse <input type="checkbox"/>	Morse <input type="checkbox"/>
Hennessey <input type="checkbox"/>	Hennessey <input checked="" type="checkbox"/>	Hennessey <input type="checkbox"/>

Motion of: \_\_\_\_\_ VOTE: \_\_\_\_\_

<u>Made by</u> Daniels <input type="checkbox"/>	<u>Seconded</u> Daniels <input type="checkbox"/>	<u>Reported</u> Daniels <input type="checkbox"/>
<u>Senator:</u> Reagan <input type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>	<u>by Senator:</u> Reagan <input type="checkbox"/>
Giuda <input type="checkbox"/>	Giuda <input type="checkbox"/>	Giuda <input type="checkbox"/>
Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>	Rosenwald <input type="checkbox"/>
D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>	D'Allesandro <input type="checkbox"/>
Morse <input type="checkbox"/>	Morse <input type="checkbox"/>	Morse <input type="checkbox"/>
Hennessey <input type="checkbox"/>	Hennessey <input type="checkbox"/>	Hennessey <input type="checkbox"/>

<u>Committee Member</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Reported out by</u>
Senator Daniels, Chairman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Reagan, Vice-Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Giuda	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Hennessey	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Rosenwald	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Morse	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator D'Allesandro	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Amendments: \_\_\_\_\_

Notes: \_\_\_\_\_

# Committee Report

STATE OF NEW HAMPSHIRE  
SENATE  
REPORT OF THE COMMITTEE  
FOR THE CONSENT CALENDAR

Monday, March 1, 2021

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, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Cindy Rosenwald  
For the Committee

This bill increases the threshold for filing a business profits tax return. The current threshold is gross business income in excess of \$50,000. This bill raises that threshold to gross business income in excess of \$75,000. It applies to taxable periods beginning after December 31, 2021 and would take effect July 1, 2021. This will eliminate an administrative burden for hundreds of small businesses, the majority of which have no business profits tax liability.

Sonja Caldwell 271-2117

FOR THE CONSENT CALENDAR

**WAYS AND MEANS**

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

Ought to Pass, Vote 5-0.

Senator Cindy Rosenwald for the committee.

This bill increases the threshold for filing a business profits tax return. The current threshold is gross business income in excess of \$50,000. This bill raises that threshold to gross business income in excess of \$75,000. It applies to taxable periods beginning after December 31, 2021 and would take effect July 1, 2021. This will eliminate an administrative burden for hundreds of small businesses, the majority of which have no business profits tax liability.

STATE OF NEW HAMPSHIRE  
SENATE  
REPORT OF THE COMMITTEE

Tuesday, March 16, 2021

THE COMMITTEE ON Finance

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, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF:     7-0

Senator Bob Giuda  
For the Committee

Deb Martone 271-4980



## General Court of New Hampshire - Bill Status System

**Docket of SB101**

Docket Abbreviations

**Bill Title:** increasing the minimum gross business income required for filing a business profits tax return.*Official Docket of SB101.:*

<b>Date</b>	<b>Body</b>	<b>Description</b>
1/26/2021	S	<b>Introduced</b> 01/06/2021 and Referred to Ways and Means; <b>SJ 3</b>
1/27/2021	S	Remote <b>Hearing:</b> 02/01/2021, 10:00 am; Links to join the hearing can be found in the Senate Calendar; <b>SC 9</b>
3/1/2021	S	Committee Report: Ought to Pass, 03/11/2021; Vote 5-0; CC; <b>SC 14</b>
3/11/2021	S	Ought to Pass: <b>RC 23Y-1N, MA;</b> Refer to Finance Rule 4-5; 03/11/2021; <b>SJ 7</b>
3/16/2021	S	Committee Report: Ought to Pass, 03/25/2021; <b>SC 16</b>
3/25/2021	S	<b>Ought to Pass: RC 24Y-0N, MA;</b> OT3rdg; 03/25/2021; <b>SJ 9</b>
3/31/2021	H	Introduced (in recess of) 02/25/2021 and referred to Ways and Means <b>HJ 4 P. 51</b>
4/14/2021	H	Public Hearing: 04/27/2021 09:45 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/95145735422">https://www.zoom.us/j/95145735422</a> / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
4/28/2021	H	Full Committee Work Session: 05/04/2021 10:15 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/92340576130">https://www.zoom.us/j/92340576130</a> / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
5/5/2021	H	Executive Session: 05/11/2021 09:30 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/91063233087">https://www.zoom.us/j/91063233087</a> / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
5/20/2021	H	Committee Report: Ought to Pass with Amendment <b>#2021-1367h</b> (Vote 24-0; RC) <b>HC 26 P. 30</b>
6/4/2021	H	Amendment <b>#2021-1367h:</b> AA VV 06/04/2021 <b>HJ 9 P. 35</b>
6/4/2021	H	<b>Ought to Pass with Amendment 2021-1367h:</b> MA VV 06/04/2021 <b>HJ 9 P. 35</b>
6/10/2021	S	Sen. Giuda Moved to Concur with the House Amendment, <b>RC 24Y-0N, MA;</b> 06/10/2021; <b>SJ 19</b>
7/13/2021	S	Enrolled Bill Amendment <b>#2021-2050e</b> Adopted, VV, (In recess of 06/24/2021); <b>SJ 20</b>
7/23/2021	H	Enrolled (in recess of) 06/24/2021
7/21/2021	S	Enrolled Adopted, VV, (In recess 06/24/2021); <b>SJ 20</b>

NH House

NH Senate

**Docket of SB101****Bill Title:** increasing the minimum gross business income required for filing a business profits tax return.*Official Docket of SB101.:*

<b>Date</b>	<b>Body</b>	<b>Description</b>
1/26/2021	S	<b>Introduced</b> 01/06/2021 and Referred to Ways and Means; <b>SJ 3</b>
1/27/2021	S	Remote <b>Hearing:</b> 02/01/2021, 10:00 am; Links to join the hearing can be found in the Senate Calendar; <b>SC 9</b>
3/1/2021	S	Committee Report: Ought to Pass, 03/11/2021; Vote 5-0; CC; <b>SC 14</b>
3/11/2021	S	Ought to Pass: <b>RC 23Y-1N, MA; Refer to Finance Rule 4-5; 03/11/2021; SJ 7</b>
3/16/2021	S	Committee Report: Ought to Pass, 03/25/2021; <b>SC 16</b>
3/25/2021	S	<b>Ought to Pass: RC 24Y-0N, MA; OT3rdg; 03/25/2021; SJ 9</b>
3/31/2021	H	Introduced (in recess of) 02/25/2021 and referred to Ways and Means <b>HJ 4 P. 51</b>
4/14/2021	H	Public Hearing: 04/27/2021 09:45 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/95145735422">https://www.zoom.us/j/95145735422</a> / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
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5/5/2021	H	Executive Session: 05/11/2021 09:30 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/91063233087">https://www.zoom.us/j/91063233087</a> / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
5/20/2021	H	Committee Report: Ought to Pass with Amendment <b>#2021-1367h</b> (Vote 24-0; RC) <b>HC 26 P. 30</b>
6/4/2021	H	Amendment <b>#2021-1367h: AA VV 06/04/2021</b>
6/4/2021	H	<b>Ought to Pass with Amendment 2021-1367h: MA VV 06/04/2021</b>
6/10/2021	S	Sen. Giuda Moved to Concur with the House Amendment, <b>RC 24Y-0N, MA; 06/10/2021; SJ 19</b>
7/13/2021	S	Enrolled Bill Amendment <b>#2021-2050e</b> Adopted, VV, (In recess of 06/24/2021); <b>SJ 20</b>

# Other Referrals

June 29, 2021  
2021-2050-EBA  
05/08

Enrolled Bill Amendment to SB 101-FN

The Committee on Enrolled Bills 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 as amended ought to pass.

FOR THE COMMITTEE

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Explanation to Enrolled Bill Amendment to SB 101-FN

This enrolled bill amendment includes changes to RSA 77-A:6, I made by 2021, 24:5 (HB 324-FN), effective May 6, 2021.

Enrolled Bill Amendment to SB 101-FN

Amend RSA 77-A:6, I as inserted by section 1 of the bill by replacing it with the following:

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

**ENROLLED BILL AMENDMENT TO SB 101-FN**

**- Page 2 -**

it. All returns shall be signed by the taxpayer or by its authorized representative, subject to the pains and penalties of perjury.

# Senate Inventory Checklist for Archives

Bill Number: SB101-FN

Senate Committee: WAYS & MEANS

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

### Bill Hearing Documents: (Legislative Aides)

- Bill version as it came to the committee
- All Calendar Notices
- Hearing Sign-up sheet(s)
- Prepared testimony, presentations, & other submissions handed in at the public hearing
- Hearing Report
- Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

### Committee Action Documents: (Legislative Aides)

All amendments considered in committee (including those not adopted):

\_\_\_ - amendment # \_\_\_      \_\_\_ - amendment # \_\_\_

\_\_\_ - amendment # \_\_\_      \_\_\_ - amendment # \_\_\_

Executive Session Sheet

Committee Report

### Floor Action Documents: (Clerk's Office)

All floor amendments considered by the body during session (only if they are offered to the senate):

\_\_\_ - amendment # \_\_\_      \_\_\_ - amendment # \_\_\_

\_\_\_ - amendment # \_\_\_      \_\_\_ - amendment # \_\_\_

### Post Floor Action: (if applicable) (Clerk's Office)

\_\_\_ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

\_\_\_ Enrolled Bill Amendment(s)

\_\_\_ Governor's Veto Message

### All available versions of the bill: (Clerk's Office)

\_\_\_ as amended by the senate      \_\_\_ as amended by the house

\_\_\_ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

SLC  
\_\_\_\_\_  
Committee Aide

7-15-21  
\_\_\_\_\_  
Date

Senate Clerk's Office \_\_\_\_\_

**Senate Inventory Checklist for Archives**

Bill Number: SB101-FW

Senate Committee: FINANCE-AND  
COMMITTEE

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

**Bill Hearing Documents: {Legislative Aides}**

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

**Committee Action Documents: {Legislative Aides}**

All amendments considered in committee (including those not adopted):

- amendment # \_\_\_\_\_  - amendment # \_\_\_\_\_

- amendment # \_\_\_\_\_  - amendment # \_\_\_\_\_

Executive Session Sheet

Committee Report

**Floor Action Documents: {Clerk's Office}**

All floor amendments considered by the body during session (only if they are offered to the senate):

- amendment # \_\_\_\_\_  - amendment # \_\_\_\_\_

- amendment # \_\_\_\_\_  - amendment # \_\_\_\_\_

**Post Floor Action: (if applicable) {Clerk's Office}**

Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

Enrolled Bill Amendment(s)

Governor's Veto Message

**All available versions of the bill: {Clerk's Office}**

as amended by the senate  as amended by the house

final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Deb Martore  
Committee Aide

07/20/21  
Date

Senate Clerk's Office \_\_\_\_\_

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

21-1047

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

### Senate Ways & Means

The proposed legislation amends RSA 77-A:6, I and I-a to increase 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. It applies to taxable periods beginning after December 31, 2021 and would take effect July 1, 2021.

The Department has calculated a possible fiscal impact for one year based specifically on tax year 2018 (as if the proposed legislation had been in effect at that time).

The Department does not have a line on the BPT return where taxpayers report their gross business income, so we utilized federal information to complete this analysis. The Department compared taxpayers that filed tax year 2018 BPT returns to tax year 2018 federal data to identify taxpayers with gross receipts between \$50,001 and \$75,000. Of the 74,343 taxpayers that filed tax year 2018 BPT returns, 4,664 also reported gross receipts between \$50,001 and \$75,000 on their tax year 2018 federal returns. Of those 4,664 taxpayers, 4,004 had no BPT liability, while 660 reported a total BPT liability of \$1,512,686. The possible decrease, then, is **\$1,512,686** utilizing tax year 2018 data.

Since the change would first apply to taxable periods beginning after December 31, 2021, the fiscal impact would begin occurring when calendar year taxpayers make estimated payments in April and June of fiscal year 2022.

We would recommend that the applicability date be changed to “for taxable periods ending on or after December 31, 2022 to ensure that the proposed change impacts all taxpayers fairly for the 2022 tax year.