

LEGISLATIVE COMMITTEE MINUTES

**SB128**

# Bill as Introduced

SB 128-FN-A-LOCAL - AS INTRODUCED

2021 SESSION

21-0967  
10/04

SENATE BILL            ***128-FN-A-LOCAL***

AN ACT                relative to a temporary change to operator compensation under the meals and rooms tax.

SPONSORS:            Sen. Rosenwald, Dist 13; Sen. Watters, Dist 4; Sen. Cavanaugh, Dist 16; Sen. D'Allesandro, Dist 20; Sen. Soucy, Dist 18; Sen. Reagan, Dist 17; Sen. Hennessey, Dist 1; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24; Rep. Bartlett, Merr. 19; Rep. M. Griffin, Rock. 7; Rep. Leishman, Hills. 24; Rep. Loughman, Rock. 21; Rep. McMahon, Rock. 7

COMMITTEE:          Ways and Means

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ANALYSIS

This bill adjusts for the fiscal year ending June 30, 2022 the amount of meals and rooms tax revenues on taxable meals that an operator is allowed to retain as compensation.

.....

Explanation:        Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struck through]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty One*

AN ACT                   relative to a temporary change to operator compensation under the meals and rooms tax.

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

- 1           1 Short Title. This act shall be known as the restaurant relief act of 2021.
- 2           2 Meals and Rooms Tax; Temporary Adjustment of Operator Retained Percentage. For the
- 3 fiscal year ending June 30, 2022, to compensate any operator licensed under RSA 78-A:4, who sells
- 4 taxable meals, for keeping the prescribed records and the proper account and remitting of taxes by
- 5 them, operators selling a taxable meal and collecting taxes under RSA 78-A:6, II shall be allowed to
- 6 retain 5 percent of the taxes due and to be remitted if the return and payment are timely received by
- 7 the department of revenue administration, as provided in RSA 78-A:8, III.
- 8           3 Effective Date. This act shall take effect July 1, 2021.

**SB 128-FN-A-LOCAL- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to a temporary change to operator compensation under the meals and rooms tax.

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	\$0	\$0
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

**LOCAL:**

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable	\$0	\$0

**METHODOLOGY:**

This bill increases the amount retained by operators who sell taxable meals from 3 percent to 5 percent of the Meals & Rentals taxes due for the fiscal year ending June 30, 2022 if the return and payment are timely received by the Department.

The Department of Revenue Administration is not able to determine the exact impact of the proposed bill because the Department does not know how much total revenues will come from the M&R tax in future years. The Department is able to provide an estimate of the fiscal impact of this bill using M&R data reported by M&R operators in FY 2020. Of the 5,099 M&R operators, 3,936 claimed the 3 percent commission for selling taxable meals. However, some operators sell both taxable meals and taxable rooms/car rentals, and because the bill does not limit the 5 percent commission to only the meals portion for those operators, the Department has assumed the 5 percent applies to all M&R tax collected by these operators. The 3,936 M&R operators claimed a total of \$8,066,692 during FY 2020. If this same group of M&R operators had claimed 5 percent commission on the taxable meals sold in FY 2020, they would have claimed \$13,445,312 in commission, an increase of \$5,378,620.

The Department states this bill may result in an indeterminable decrease in revenue distributed back to the communities pursuant to RSA 78-A:26 in FY 2022. RSA 78-A:26, II states "Each fiscal year, the amount to be distributed shall be equal to the prior year's distribution plus an

**amount equal to 75 percent of any increase in the income received from the meals and rooms tax for the fiscal year ending on the preceding June 30, not to exceed \$5,000,000..."** (emphasis added), If the increase in the operator commission results in less of an increase in the amount of revenue that would otherwise have been distributed absent this bill, then it would result in a decrease in revenue to the municipalities. It should also be noted that the Legislature has limited the distribution of aid under RSA 78-A:26. I and II every biennium since FY 2010-2011, to a specific amount.

**AGENCIES CONTACTED:**

Department of Revenue Administration

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SB 128-FN-A-LOCAL - AS AMENDED BY THE SENATE

03/11/2021 0550s

2021 SESSION

21-0967

10/04

SENATE BILL

***128-FN-A-LOCAL***

AN ACT

relative to a temporary change to operator compensation under the meals and rooms tax.

SPONSORS:

Sen. Rosenwald, Dist 13; Sen. Watters, Dist 4; Sen. Cavanaugh, Dist 16; Sen. D'Allesandro, Dist 20; Sen. Soucy, Dist 18; Sen. Reagan, Dist 17; Sen. Hennessey, Dist 1; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24; Rep. Bartlett, Merr. 19; Rep. M. Griffin, Rock. 7; Rep. Leishman, Hills. 24; Rep. Loughman, Rock. 21; Rep. McMahon, Rock. 7

COMMITTEE:

Ways and Means

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AMENDED ANALYSIS

This bill temporarily adjusts for the fiscal year ending June 30, 2022 the amount of meals and rooms tax revenue on taxable meals and on room rentals that an operator is allowed to retain as compensation for collecting the tax.

-----  
Explanation:

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1       1 Meals and Rooms Tax; Temporary Adjustment of Operator Retained Percentage; Taxable  
2 Meals; Room Rentals. For the fiscal year ending June 30, 2022, to compensate an operator licensed  
3 under RSA 78-A:4 who sells taxable meals or who rents rooms, for keeping the prescribed records  
4 and the proper account and remitting of taxes by them, operators selling a taxable meal or charging  
5 rent for an occupancy, who collect taxes under RSA 78-A:6, I or II, shall be allowed to retain 5  
6 percent of the taxes due and to be remitted, instead of 3 percent, if the return and payment are  
7 timely received by the department of revenue administration, as provided in RSA 78-A:8, III.

8       2 Effective Date. This act shall take effect July 1, 2021.



**SB 128-FN-A-LOCAL- FISCAL NOTE**  
**AS AMENDED BY THE SENATE (AMENDMENT #2021-0550s)**

AN ACT relative to a temporary change to operator compensation under the meals and rooms tax.

**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	\$0	\$0
<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

**LOCAL:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	Indeterminable	\$0	\$0

**METHODOLOGY:**

This bill increases the amount retained by operators who sell taxable meals and rooms from 3 percent to 5 percent of the Meals & Rentals taxes due for the fiscal year ending June 30, 2022 if the return and payment are timely received by the Department.

The Department of Revenue Administration is not able to determine the exact impact of the proposed bill because the Department does not know how much total revenues will come from the M&R tax in future years. The Department is able to provide an estimate of the fiscal impact of this bill using M&R data reported by M&R operators in FY 2020. Of the 7,820 M&R operators, 5,730 claimed the 3 percent commission for selling taxable meals and rooms. In FY 2020, the 5,730 M&R operators claimed a total of \$9,067,329 in commissions at the 3 percent rate. If this same group of M&R operators had claimed 5 percent commission on the taxable meals sold in FY 2020, they would have claimed \$15,791,101 in commission, an increase of \$6,723,772.

The Department states this bill may result in an indeterminable decrease in revenue distributed back to the communities pursuant to RSA 78-A:26 in FY 2022. RSA 78-A:26, II states "Each fiscal year, the amount to be distributed shall be equal to the prior year's distribution plus an amount equal to 75 percent of any increase in the income received from the meals and

rooms tax for the fiscal year ending on the preceding June 30, not to exceed \$5,000,000..." (emphasis added), if the increase in the operator commission results in less of an increase in the amount of revenue that would otherwise have been distributed absent this bill, then it would result in a decrease in revenue to the municipalities. It should also be noted that the Legislature has limited the distribution of aid under RSA 78-A:26. I and II every biennium since FY 2010-2011, to a specific amount.

**AGENCIES CONTACTED:**

Department of Revenue Administration

**SB 128-FN-A-LOCAL FISCAL NOTE  
AS AMENDED BY THE SENATE (AMENDMENT #2021-0550s)**

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**AGENCIES CONTACTED:**

Department of Revenue Administration

# Amendments

Sen. Rosenwald, Dist 13  
Sen. Giuda, Dist 2  
February 10, 2021  
2021-0310s  
10/04

Amendment to SB 128-FN-A-LOCAL

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

2

3 1 Meals and Rooms Tax; Temporary Adjustment of Operator Retained Percentage; Taxable  
4 Meals; Room Rentals. For the fiscal year ending June 30, 2022, to compensate an operator licensed  
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UNAPPROVED

2021-0310s

AMENDED ANALYSIS

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9 timely received by the department of revenue administration, as provided in RSA 78-A:8, III.

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2021-0550s

**AMENDED ANALYSIS**

This bill temporarily adjusts for the fiscal year ending June 30, 2022 the amount of meals and rooms tax revenue on taxable meals and on room rentals that an operator is allowed to retain as compensation for collecting the tax.

# 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: February 3, 2021

**HEARINGS**

Monday

02/08/2021

(Day)

(Date)

Ways and Means

REMOTE 000

9:00 a.m.

(Name of Committee)

(Place)

(Time)

9:00 a.m.	<b>SB 3-FN</b>	clarifying the tax treatment of federal Paycheck Protection Program loans.
9:30 a.m.	<b>SB 103-FN</b>	relative to nexus provisions for certain disaster-related or emergency-related work performed in the state.
9:45 a.m.	<b>SB 99-FN-LOCAL</b>	relative to the amount of meals and rooms tax revenue that is distributed to municipalities.
10:00 a.m.	<b>SB 128-FN-A-LOCAL</b>	relative to a temporary change to operator compensation under the meals and rooms tax.

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/97386908383>
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: 19292056099,,97386908383# or 13017158592,,97386908383#

4. Webinar ID: 973 8690 8383

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 3-FN**

Sen. Bradley

**SB 103-FN**

Sen. Bradley

**SB 99-FN-LOCAL**

Sen. Ricciardi

Sen. Hennessey

**SB 128-FN-A-LOCAL**

Sen. Rosenwald

Sen. Soucy

Sen. Sherman

Rep. Loughman

Rep. Abrami

Sen. Avard

Sen. Watters

Sen. Reagan

Rep. Bartlett

Rep. McMahon

Sen. Bradley

Sen. Gannon

Sen. Cavanaugh

Sen. Hennessey

Rep. M. Griffin

Sen. Carson

Rep. Kelsey

Sen. D'Allesandro

Sen. Prentiss

Rep. Leishman

Sonja Caldwell 271-2117

Bob J. Giuda  
Chairman

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

**SB 128-FN-A-LOCAL**, relative to a temporary change to operator compensation under the meals and rooms tax.

**Hearing Date:** February 8, 2021

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

**Members of the Committee Absent :** None

**Bill Analysis:** This bill adjusts for the fiscal year ending June 30, 2022 the amount of meals and rooms tax revenues on taxable meals that an operator is allowed to retain as compensation.

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**Sponsors:**

Sen. Rosenwald	Sen. Watters	Sen. Cavanaugh
Sen. D'Allesandro	Sen. Soucy	Sen. Reagan
Sen. Hennessey	Sen. Prentiss	Sen. Sherman
Rep. Bartlett	Rep. M. Griffin	Rep. Leishman
Rep. Loughman	Rep. McMahon	

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**Who supports the bill:** Sen. Rosenwald, Henry Veilleux (NH Lodging & Restaurant Assoc.), Sen. Watters, Sen. Reagan

**Who opposes the bill:** No one

**Who is neutral on the bill:** No one

**Summary of testimony presented in support:**

Sen. Rosenwald

- Of all the businesses struggling during the pandemic, our restaurants have struggled the most.
- For the fiscal year to date, meals and rooms tax revenue is down 22% versus plan.
- SB128 will help our struggling restaurant sector.
- Currently the business gets to retain 3% of the meals and rooms tax they collect to help them file the paperwork. This bill would allow them to keep 5% of the tax they collect for FY22 only.
- The fiscal note says the impact is indeterminable, however, her discussions with LBA led her to believe the cost to the general and education trust funds would be approximately \$4 million for that one fiscal year the bill would be effective. This is because an extra 2% of collections for one year is about \$5 million. Restaurants collect about 75- 80% of the meals

and rooms tax so the cost to the state would be approximately \$4 million for the next fiscal year but it would be direct relief to restaurants and would have no impact on cities and towns.

- The lodging industry might request to be included in this bill. Hotels are hurting as well. She would not have a problem with that, but it would add about another \$1 million cost to the bill.

Henry Veilleux

- On behalf of the NH Lodging and Restaurant Assoc. he is testifying in support of the bill.
- As Sen. Rosenwald mentioned, they want to ask the committee to consider expanding the bill to include the lodging properties. They are hurting more than restaurants. It will be longer before lodging properties bounce back. There is an expectation that business travel and convention business will take longer to bounce back.
- Lodging establishments represent about 20-25% of meals and rooms tax revenue.

Sen. Giuda asked if that would include bed and breakfasts.

Mr. Veilleux said yes. All those licensed by the DRA, who remit the tax would be included.

sc

Date Hearing Report completed: February 10, 2021

# Speakers

<u>Name</u>	<b>Representing</b>	<u>Position</u>	<u>Testifying</u>
Rosenwald, Cindy	SD 13	Support	Yes
Veilleux, Henry	NH Lodging & Restaurant Assoc	Support	Yes
Watters, Senator David	Myself (SD 4)	Support	No
Reagan, Senator John	Senate District 17	Support	No



# Testimony

# Jim Donchess

Mayor • City of Nashua

February 23, 2021

Senate Ways and Means Committee  
New Hampshire Statehouse  
107 N. Main Street  
Concord, NH 03301

RE: Senate Bill 128

Mr. Chairman and Members of the Committee

As the Mayor of the City of Nashua, I am writing to you in support of SB 128. We are nearing one whole year of the most difficult time any restaurant has had to face. The pandemic forced restaurants to close at its onset, and since then they have had to rely on take-out orders to make up for their limited seating capacity, especially as we make our way through the winter months when outdoor dining is not feasible.

We are proud of what we were able to accomplish in Nashua with outdoor dining over the summer. One local restaurateur told me that many local restaurants would have shut down without it. However, it is clear that they will continue to need assistance until they can return to 100 percent indoor seating capacity. The relief that SB 128 offers to restaurants by allowing them to retain more of their room and meals tax for the next year could help many of them stay open until we can return to that "normal" we all miss.

The millions of dollars this bill would put back into our state's restaurants would help small businesses keep their doors open, and their cooks, waitpersons, and other staff employed. But the impact would be more than economic. Nashua has many popular, locally owned, restaurants that are cornerstone small businesses in the City. They are institutions and gathering places in the community, and to see any of them forced to close for good because of the pandemic would be a blow.

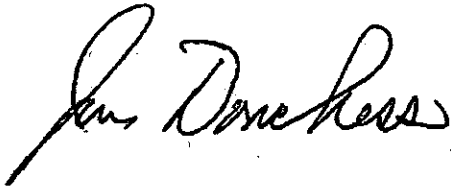
Small businesses of all stripes have suffered because of COVID-19. This bill would help some of the hardest hit make it through the coming months. While it will cost the state some revenue, the effect that a room and meals tax remittance would have on New Hampshire's service industry and local communities is profound. That is why I would ask the committee to give SB 128 a recommendation of Ought to Pass, to help the small businesses of our state get through the hardest times they have ever faced.

# Jim Donchess

Mayor • City of Nashua

Thank you for your consideration.

Sincerely,



Jim Donchess, Mayor  
City of Nashua





February 8, 2021

Honorable Bob Giuda, Chairman  
Senate Ways and Means Committee  
State House Senate Chamber  
Concord, New Hampshire 03301

Via Electronic Mail Only

*Re: SB 128, relative to a temporary change to operator compensation under the meals and rooms tax.*

Dear Chairman Giuda and Committee Members:

I write on behalf of the New Hampshire Municipal Association (NHMA) regarding SB 128. NHMA is not opposed to this bill if the bill does not negatively impact municipalities.

This bill would decrease the total amount of meals and rooms tax revenue collected by the state for fiscal year 2022 by providing a 2 percent increase in the amount that would be retained by the meals and room operators. NHMA certainly recognizes and has great respect for all that our restaurant and hospitality industry has been subjected to because of the COVID pandemic. The industry has been inspirational in exhibiting extraordinary efforts and creativity to respond to this crisis as revenues were lost.

Again, NHMA is not opposed to this bill provided the loss in total meals and rooms tax revenue would not negatively impact the municipal distribution amount.

Thank you for your time.

Sincerely,

*Becky Benvenuti*

Becky I. Benvenuti  
Government Finance Advisor

## Sonja Caldwell

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**From:** Michael Cahill  
**Sent:** Monday, February 8, 2021 9:40 PM  
**To:** ~Senate Ways & Means Committee  
**Subject:** SB 128 FN-A-LOCAL  
**Attachments:** Vendor Discounts Sales Taxes.pdf; M&R 2020.png

Dear Senators,

While I understand the restaurants have suffered losses due to the virus, I strongly oppose this legislation. This would reduce the amount of net M&R tax revenue the state will have available to share with towns and pay the debt service on "the tail" the remaining state bonds for school projects prior to the moratorium.

The estimated cost of \$4M (\$5M if as requested, the add the lodging to the restaurants) is low. Even if the restrictions continue as before, the example below suggests it would be \$6M but possibly much more if we're able to allow more seating - the pent-up demand will be very strong.

[Surprisingly, State Revenues Continue Strong Showing in December - InDepthNH.org](#)[InDepthNH.org](#)

*For December, which reflects November activity, the rooms and meals tax produced \$22.5 million which is \$5 million below what budget writers anticipated for the month, and \$4.3 million less than a year ago.*

I assume the \$22.5 is net state revenue so I added the 3% retainer yielding \$23,175,000 which with a 5% retainer is \$22,016,250.

\$22,500,000	December revenue with 3%
<u>- 22,016,250</u>	" " with 5%
\$ 483,750	Nearly half a million difference in just one month

*Another possible tax cut would come in the rate of the rooms and meals tax. No legislation has emerged yet, but most people expect Sununu — who first proposed it to help the ailing hospitality industry — will include it in his budget package. It is expected to garner support among Republicans.*

*"It would be good," said Bradley. A tax cut wouldn't affect whether people go out to eat, but "it might make a difference on big things like weddings and convention centers."*

*The reduction would slightly cut into the commission restaurants and hotels get for collecting it, but it also enables them to raise prices without customers noticing it and "that far outweighs the little bit of commission to collect it," said Henry Veilleux, who lobbies for the NH Lodging and Restaurant Association. Even better, he said, is a bill that would increase that commission, though the size and the duration of the increase has yet to be disclosed.*

I'm skeptical about the "one year only" as there will likely be pleas to extend it and ultimately make it 5% permanently. It really doesn't cost the restaurants the 3% currently allowed to remit the tax; their point-of-sale systems do the calculations in seconds. Maine has an 8% tax on meals and every penny goes to the state and yes, their customers use credit cards with swipe fees, too. Most states handle these taxes this way and we should cap the retainer at \$100 or \$200 a month if not repeal it completely.

*Regards,*

*Michael Cahill*

*State Representative*

*Labor, Industrial and Rehabilitative Services*

*Rockingham 17*

Newfields, Newmarket

8% prepared foods,  
alcohol Maine

## STATE SALES TAX RATES AND VENDOR DISCOUNTS

(January 1, 2017)

STATE	STATE SALES TAX RATE	RANK	VENDOR DISCOUNT	MAX/MIN
ALABAMA	4.0%	41	5.0%-2.0% (1)	\$400/month (max)
ALASKA		N/A		
ARIZONA	5.6%	28	1.0%	\$10,000/year (max)
ARKANSAS	6.5%	9	2.0%	\$1,000/month (max)
CALIFORNIA	7.25%	1	None	
COLORADO	2.9%	46	3.33% (4)	
CONNECTICUT	6.35%	12	None	
DELAWARE		N/A		
FLORIDA	6.0%	16	2.5%	\$30/report (max)
GEORGIA	4.0%	41	3.0%-0.5% (1)	
HAWAII	4.0%	41	None	
IDAHO	6.0%	16	None (5)	
ILLINOIS	6.25%	13	1.75%	\$5/year (min)
INDIANA (2)	7.0%	2	0.73% (2)	
IOWA	6.0%	16	None	
KANSAS	6.50%	9	None	
KENTUCKY	6.0%	16	1.75%-1.5% (1)	\$50/month (max)
LOUISIANA (8)	5.0%	32	0.748%	
MAINE	5.5%	28	None (5)	
MARYLAND	6.0%	16	1.2%-0.80% (1)	\$500/return (max)
MASSACHUSETTS	6.25%	13	None	
MICHIGAN	6.0%	16	0.5% (8)	\$6/month (min), \$15,000/month (max)
MINNESOTA	6.875%	6	None	
MISSISSIPPI	7.0%	2	2.0%	\$50/month (max)
MISSOURI	4.225%	39	2.0%	
MONTANA		N/A		
NEBRASKA	5.5%	29	2.5%	\$75/month (max)
NEVADA	6.85%	6	0.25%	
NEW HAMPSHIRE (11)		N/A		
NEW JERSEY (9)	6.875%	6	None	
NEW MEXICO	5.125%	31	None	
NEW YORK	4.0%	41	5.0%	\$200/quarter (max)
NORTH CAROLINA	4.75%	35	None	
NORTH DAKOTA	5.0%	32	1.5%	\$110/month (max)
OHIO	5.75%	26	0.75%	
OKLAHOMA	4.5%	37	1.0%	2,500/month (max)
OREGON		N/A		
PENNSYLVANIA	6.0%	16	1.0%	\$25/month (min)
RHODE ISLAND	7.0%	2	None	
SOUTH CAROLINA	6.0%	16	3.0%-2.0% (1)	\$10,000/year (max)
SOUTH DAKOTA	4.5%	37	1.5% (10)	\$70/month (max)
TENNESSEE	7.0%	2	None	
TEXAS	6.25%	13	0.5% (7)	
UTAH (3)	4.7%	35	1.31%	
VERMONT	6.0%	16	None (5)	
VIRGINIA (3)	4.3%	39	1.6%-0.8% (8)	
WASHINGTON	6.5%	9	None	
WEST VIRGINIA	6.0%	16	None	
WISCONSIN	5.0%	32	0.5%	\$10/period (min), \$1,000 (max)
WYOMING	4.0%	41	1.95%-1.0% (1)	\$500/month (max)
DIST. OF COLUMBIA	5.75%	26	None	
U. S. MEDIAN	5.75%			28 states allow vendor discounts

9% prepared food & lodging  
10% alcohol in restaurants  
Vermont

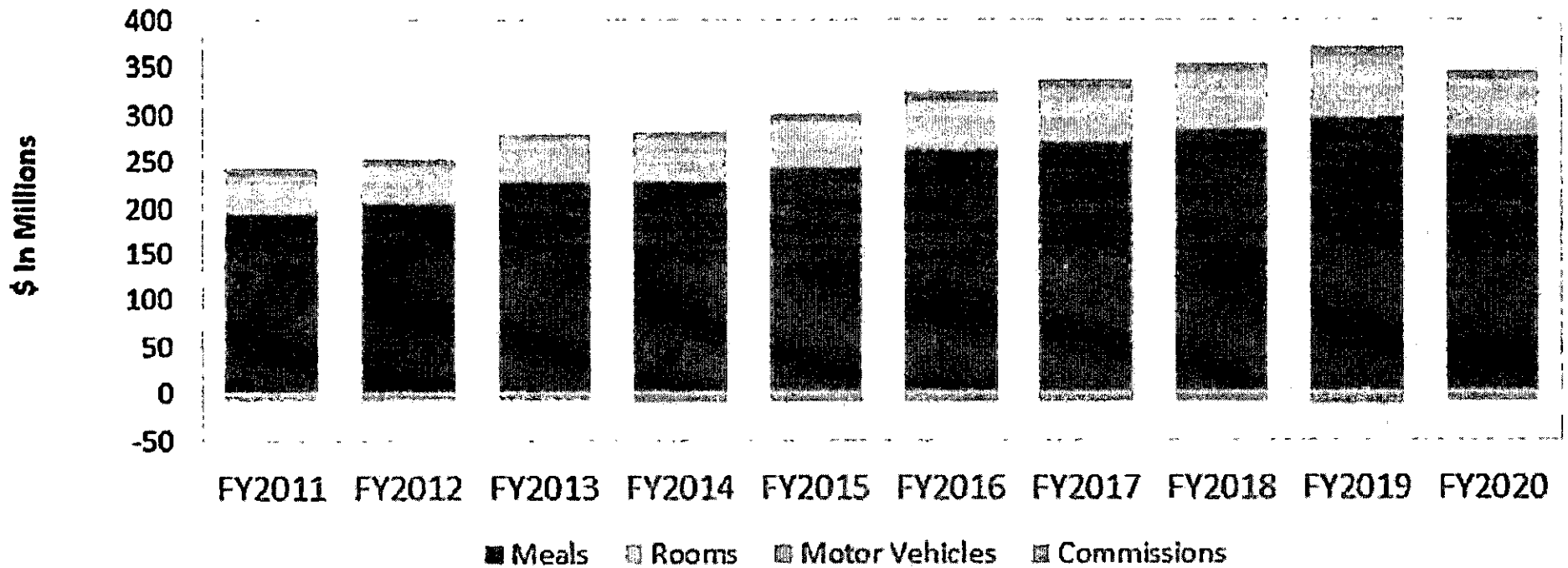
Source: Compiled by FTA from various sources.

- (1) In some states, the vendors' discount varies by \$100. In GA, the larger discount applies to the first \$3,000. In KY, the larger discounts apply to the first \$1,000, while MD applies the larger discount to annual collections of \$6,000. In WY, the larger discount applies to the first \$6,250. The lower discounts apply to the remaining collections above these amounts.
- (2) Utilities are not permitted to take discount. Collection allowances are 0.73% if total sales tax collected is less than \$60,000; 0.53% if total taxes is between \$60,000 and \$600,000; 0.26% if total sales tax collected is more than \$600,000.
- (3) Rate does not include a statewide local rate of 1.0% in VA and 1.25% in UT. In UT, a discount of 1% is applicable to local taxes.
- (4) Local option sales tax discount varies from 0% to 3.33%.
- (5) Vendors are allowed to keep any excess collections prescribed under the bracket system.
- (6) Vendor discount only applies to the first 4.0% of the tax. A 0.75% discount if paid by the 12th of the month.
- (7) An additional discount of 1.25% applies for early payment.
- (8) Discount varies; 1.1% (1.6% for food) of the first \$62,500, 0.84% (1.2%) of the amount to \$208,000, and 0.56% (0.8%) of the remainder. Applies to the state tax only. No discount allowed on electronically file returns.
- (9) New Jersey rate scheduled to decrease to 6.625% on 1/1/18, Louisiana rate will decrease to 4% on 7/1/18.
- (10) Electronic Filers only.
- (11) New Hampshire imposes a 9% tax on meals and rooms, with a vendor discount of 3%.

# M&R Tax Breakdown

**Meals & Rentals (M&R) Tax Liability Reported by Activity Type**  
(Not Net of Refunds or School Building Debt Aid)

Linds



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Tax Rate	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Meals	\$194.6	\$203.7	\$228.6	\$228.3	\$243.2	\$261.4	\$271.4	\$284.0	\$296.9	\$276.8
Rooms	\$39.6	\$41.9	\$43.4	\$45.5	\$49.8	\$53.0	\$55.8	\$59.9	\$63.2	\$58.4
Motor Vehicles	\$8.0	\$7.9	\$7.9	\$8.3	\$8.7	\$8.8	\$8.8	\$9.5	\$10.3	\$9.2
Commissions	-\$6.7	-\$7.0	-\$7.6	-\$7.7	-\$8.2	-\$8.9	-\$9.2	-\$9.7	-\$10.1	-\$9.3
<b>Total</b>	<b>\$235.5</b>	<b>\$246.6</b>	<b>\$272.3</b>	<b>\$274.5</b>	<b>\$293.5</b>	<b>\$314.4</b>	<b>\$326.8</b>	<b>\$343.7</b>	<b>\$360.3</b>	<b>\$335.1</b>

NOTE: Data shown represents tax reported and is not net of refunds or School Building Aid debt service.



# Voting Sheets

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

Bill # SB128-FN-A-L

Hearing date: 2-8-21

Executive Session date: 3-1-21

Motion of: 0310 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: OTP/A Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Committee Report

STATE OF NEW HAMPSHIRE  
SENATE  
REPORT OF THE COMMITTEE

Monday, March 1, 2021

THE COMMITTEE ON Ways and Means

to which was referred SB 128-FN-A-LOCAL

AN ACT

relative to a temporary change to operator  
compensation under the meals and rooms tax.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 0550s

Senator Cindy Rosenwald  
For the Committee

Sonja Caldwell 271-2117

**WAYS AND MEANS**

**SB 128-FN-A-LOCAL**, relative to a temporary change to operator compensation under the meals and rooms tax.

Ought to Pass with Amendment, Vote 5-0.

Senator Cindy Rosenwald for the committee.

## General Court of New Hampshire - Bill Status System

**Docket of SB128**

Docket Abbreviations

**Bill Title:** relative to a temporary change to operator compensation under the meals and rooms tax.*Official Docket of SB128.:*

<b>Date</b>	<b>Body</b>	<b>Description</b>
2/3/2021	S	<b>Introduced</b> 01/06/2021 and Referred to Ways and Means; <b>SJ 3</b>
2/3/2021	S	Remote <b>Hearing:</b> 02/08/2021, 10:00 am; Links to join the hearing can be found in the Senate Calendar; <b>SC 10</b>
3/1/2021	S	Committee Report: Ought to Pass with Amendment <b>#2021-0550s</b> , 03/11/2021; <b>SC 14</b>
3/11/2021	S	Committee Amendment <b>#2021-0550s</b> , <b>RC 24Y-0N</b> , AA; 03/11/2021; <b>SJ 7</b>
3/11/2021	S	<b>Ought to Pass with Amendment</b> 2021-0550s, <b>RC 22Y-2N</b> , MA; 03/11/2021; <b>SJ 7</b>
3/11/2021	S	Sen. Giuda Moved Laid on Table, <b>RC 24Y-0N</b> , MA; 03/11/2021; <b>SJ 7</b>
3/11/2021	S	Pending Motion Refer to Finance Rule 4-5; 03/11/2021; <b>SJ 7</b>

NH House

NH Senate

# Other Referrals

**Senate Inventory Checklist for Archives**

Bill Number: SB128-FN-A-L

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 # 0310      \_\_\_ - amendment # \_\_\_\_\_

- amendment # 0550      \_\_\_ - 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

7-16-21  
\_\_\_\_\_  
Date

Senate Clerk's Office [Signature]



# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

21-0967

**SB 128-FN-LOCAL**, *relative to a temporary change to operator compensation under the meals and rooms tax.*

Senate Ways & Means

The proposed bill creates the Restaurant Relief Act of 2021 and allows any operator who sells taxable meals to retain 5 percent of the Meals & Rentals (M&R) taxes due for the fiscal year ending June 30, 2022 if the return and payment are timely received by the Department of Revenue Administration (DRA), as provided in RSA 78-A:8, III.

The proposed legislation indicates that only M&R Operators that sell taxable meals may retain the 5 percent commission. However, the proposed legislation does not limit the additional 5 percent commission to the meals portion of the tax owed by the Operator. Some Operators sell both taxable meals and taxable rooms and/or car rentals. For purposes of this fiscal note, the DRA assumes that the 5 percent commission would apply to not only the taxable meals portion of the Operator's return, but also taxable rooms and rentals in instances where the Operator sells taxable meals and taxable rooms/car rentals.

The DRA assumes that M&R Operators retaining an additional percentage of the M&R tax collected will result in an indeterminable decrease in State revenues to the General & Education Trust Fund, as well as a subsequent indeterminable decrease in local revenues based on the current statutory distribution formula under RSA 78-A:26 for FY2022. County revenues are unaffected by this proposed bill.

The DRA is unable to estimate the exact future impact of the proposed bill because the DRA does not know exactly what the total revenues from the M&R Tax will be in future years. The DRA is also unable to predict how much of the M&R Tax that M&R Operators who sell taxable meals will retain in commissions in future years. However, relying on the most recent M&R revenue data reported by M&R Operators, the DRA can calculate the fiscal impact had the legislation been in place during FY2020, as follows

1. In FY2020, 5,099 Operators reported taxable meals. Of those, 3,936 claimed the 3% commission allowed under current statute.
2. Those 3,936 M&R Operators, who had taxable meals, claimed a total of \$8,066,692 in commissions at the 3% rate during FY2020. As stated above, these are commissions claimed by M&R Operators who had taxable meals, some of which also sold taxable rooms and motor vehicle rentals.

3. If those 3,936 M&R operators who sold taxable meals in FY2020 and claimed commissions had done so at a rate of the 5% in the proposed legislation, they would have claimed \$13,445,312 in commissions. This is an increase in commissions of \$5,378,620 had this proposed legislation been in place during FY2020 under the assumptions the DRA has stated.

The DRA believes that the proposed legislation could be interpreted in one of two ways. Either, that the increase in the Commission retained of 5 percent is in addition to the 3 percent already retained by the operators who sell taxable meals. Or that the proposed legislation is allowing 2 percent more to be retained by M&R operators, in addition to the existing 3 percent, for a total possible retained commission of 5 percent. The DRA would recommend clarifying the proposed legislation.

The DRA recommends clarifying whether the new increased rate for M&R operators who sell taxable meals should retain the higher commission rate on taxable rooms and taxable motor vehicle rentals in addition to their taxable meals. There are some M&R operators who may have taxable sales under all of the various components of the M&R tax.