

LEGISLATIVE COMMITTEE MINUTES

# HB591

# Bill as Introduced

HB 591-FN - AS AMENDED BY THE HOUSE

24Feb2021... 0269h

2021 SESSION

21-0840  
08/10

HOUSE BILL

***591-FN***

AN ACT relative to certain liquor license fees.

SPONSORS: Rep. Abrami, Rock. 19; Rep. Doucette, Rock. 8; Rep. Weyler, Rock. 13; Sen. Bradley, Dist 3

COMMITTEE: Executive Departments and Administration

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AMENDED ANALYSIS

This bill makes changes to liquor license fees for agency licenses and retail tobacco licenses and clarifies certain other liquor license fee provisions.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

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

AN ACT relative to certain liquor license fees.

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

1 1 New Section; State Liquor Stores; Agency Store. Amend RSA 177 by inserting after section 9  
2 the following new section:

3 177:9-a Agency Liquor Store; License Fee. The fee for an agency store license shall be as  
4 determined in RSA 178:29, II(c).

5 2 Liquor Licenses; Off-Premises Fees. Amend the introductory paragraph of RSA 178:29, II to  
6 read as follows:

7 II. Off-premises licenses shall pay *licensees* **one of** the following applicable fees annually:

8 3 New Subparagraph; Liquor Licenses; Retail Tobacco. Amend RSA 178:29, II by inserting after  
9 subparagraph (d) the following new subparagraph:

10 (e) Retail tobacco license:

11 (1) 1 register, \$216

12 (2) 2-3 registers, \$408

13 (3) 4 or more registers, \$648

14 4 Repeal; Liquor License Fee; Retail Tobacco. RSA 178:29, V-a(a), relative to the fee for a retail  
15 tobacco license, is repealed.

16 5 Retail Tobacco License. Amend RSA 178:19-a to read as follows:

17 178:19-a Retail Tobacco License.

18 I. The commission may issue a retail tobacco license to a person engaged in the business of  
19 retail sales and distribution of tobacco products *including e-cigarettes* in this state. Each retail  
20 outlet shall have a separate license regardless of the fact that one or more outlets may be owned or  
21 controlled by a single person.

22 ***I-a. The commission may issue a retail tobacco license to any business holding a***  
23 ***license to sell alcoholic beverages under RSA 178 for an additional fee of \$6 per licensed***  
24 ***location.***

25 II. A retail tobacco license shall be prominently displayed on the premises described in it.

26 III. The commission, when issuing or renewing a retail tobacco license, shall furnish a sign  
27 which shall read or be substantially similar to the following: "State Law prohibits the sale of tobacco  
28 products or e-cigarettes to persons under age 21. Warning: violators of these provisions may be  
29 subject to a fine."

30 ***IV. All sales of tobacco, including e-cigarettes, shall be recorded on cash registers.***  
31 ***No additional registers shall be added during the remainder of the year without prior***

1 *approval of the commission. No rebate shall be allowed for cash registers discontinued*  
2 *during the license year.*

3 **V. The fee for a retail tobacco license shall be as determined in RSA 178:29, II(e).**

4 6 New Paragraph; On-Premises Cigar, Beverage, and Liquor License; Fee. Amend RSA 178:20-  
5 a by inserting after paragraph IV the following new paragraph:

6 V. The fee for an on-premises cigar, beverage, and liquor license shall be as determined in  
7 RSA 178:29, I.

8 7 New Paragraph; Combination License; Fee. Amend RSA 178:18 by inserting after paragraph  
9 III the following new paragraph:

10 IV. The fee for a combination license shall be as determined in RSA 178:29, II(b).

11 8 New Paragraph; Retail Wine License; Fee. Amend RSA 178:19 by inserting after paragraph  
12 IV the following new paragraph:

13 V. The fee for a retail wine license shall be as determined in RSA 178:29, II(a).

14 9 New Paragraph; Beer Specialty License; Fee. Amend RSA 178:19-d by inserting after  
15 paragraph VI the following new paragraph:

16 VII. The fee for a beer specialty license shall be found in RSA 178:29, II(d).

17 10 Applicability. The provisions of sections 1-9 of this act shall be applicable on the first day of  
18 the month following its effective date.

19 11 Effective Date.

20 I. Sections 1-9 of this act shall take effect 60 days after its passage.

21 II. The remainder of this act shall take effect upon its passage.

**HB 591-FN- FISCAL NOTE**  
AS AMENDED BY THE HOUSE (AMENDMENT #2021-0269h)

AN ACT relative to certain liquor license fees.

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	In Excess of \$36,540	In Excess of \$36,540	In Excess of \$36,540
<b>Expenditures</b>	\$0	\$0	\$0	\$0
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General Liquor Fund <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other			

**METHODOLOGY:**

This bill makes changes to liquor license fees for agency licenses and retail tobacco licenses and clarifies certain other liquor license fee provisions.

The Liquor Commission states retail tobacco licenses are currently issued by the commission to qualified businesses for a fee of \$6 for each licensed location. This bill would separate the fees charged to businesses obtaining a retail tobacco license from the fees for businesses that hold a license to sell alcohol, but also sell tobacco. Under this bill, businesses licensed to sell alcohol beverages could purchase a retail tobacco license for \$6, and businesses not licensed to sell alcohol would pay for an annual retail tobacco license based on the number of cash registers used for retail sales as specified in proposed RSA 178:29,II (e) as follows:

- 1 register, \$216
- 2-3 registers, \$408
- 4 or more registers, \$648

The Commission reports there are 174 businesses holding a retail tobacco licenses without an alcohol license that would pay the tobacco license fees proposed above. To provide a baseline estimate the Commission assumed these businesses have one register as follows:

Proposed retail tobacco license fee for 1 register, \$216 x 174 businesses = \$37,584  
 Current tobacco license fee. \$6 x 174 businesses = (\$1,044)

Additional license fee revenue (\$37,584 minus \$1,044) =

\$36,540

If these 174 business have more than one register, the additional revenue would be greater. The Commission indicates there are 1,396 businesses holding a retail alcohol license and a retail tobacco license. These businesses would continue to pay the \$6 retail tobacco license fee. There would be no revenue impact attributable to these businesses.

It is assumed that any fiscal impact would occur after July 1, 2021.

**AGENCIES CONTACTED:**

New Hampshire Liquor Commission

**HB 591-FN FISCAL NOTE  
AS AMENDED BY THE SENATE (AMENDMENT #2022-1133s)**

AN ACT relative to certain liquor license fees.

**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	In Excess of \$36,540	In Excess of \$36,540	In Excess of \$36,540
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If these 174 business have more than one register, the additional revenue would be greater. The Commission indicates there are 1,396 businesses holding a retail alcohol license and a retail tobacco license. These businesses would continue to pay the \$6 retail tobacco license fee. There would be no revenue impact attributable to these businesses.

It is assumed that any fiscal impact would occur after June 30, 2022.

**AGENCIES CONTACTED:**

New Hampshire Liquor Commission

CHAPTER 289  
HB 591-FN - FINAL VERSION

24Feb2021... 0269h  
03/24/2022 1133s  
26May2022... 2127EBA

2022 SESSION

21-0840  
08/10

HOUSE BILL            ***591-FN***

AN ACT                relative to certain liquor license fees.

SPONSORS:            Rep. Abrami, Rock. 19; Rep. Doucette, Rock. 8; Rep. Weyler, Rock. 13; Sen.  
Bradley, Dist 3

COMMITTEE:          Executive Departments and Administration

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CHAPTER 289  
HB 591-FN - FINAL VERSION

24Feb2021... 0269h  
03/24/2022 1133s  
26May2022... 2127EBA

21-0840  
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STATE OF NEW HAMPSHIRE

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

AN ACT relative to certain liquor license fees.

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

1 289:1 New Section; State Liquor Stores; Agency Store. Amend RSA 177 by inserting after  
2 section 9 the following new section:

3 177:9-a Agency Liquor Store; License Fee. The fee for an agency store license shall be as  
4 determined in RSA 178:29, II(c).

5 289:2 Liquor Licenses; Off-Premises Fees. Amend the introductory paragraph of RSA 178:29, II  
6 to read as follows:

7 II. Off-premises[~~licenses~~] *licensees* shall pay *one of* the following applicable fees annually:

8 289:3 New Subparagraph; Liquor Licenses; Retail Tobacco. Amend RSA 178:29, II by inserting  
9 after subparagraph (d) the following new subparagraph:

10 (e) Retail tobacco license:

11 (1) 1 register, \$216

12 (2) 2-3 registers, \$408

13 (3) 4 or more registers, \$648

14 289:4 Repeal; Liquor License Fee; Retail Tobacco. RSA 178:29, V-a(a), relative to the fee for a  
15 retail tobacco license, is repealed.

16 289:5 Retail Tobacco License. Amend RSA 178:19-a to read as follows:

17 178:19-a Retail Tobacco License.

18 I. The commission may issue a retail tobacco license to a person engaged in the business of  
19 retail sales and distribution of tobacco products [~~or~~] *including* e-cigarettes in this state. Each retail  
20 outlet shall have a separate license regardless of the fact that one or more outlets may be owned or  
21 controlled by a single person.

22 *I-a. The commission may issue a retail tobacco license to any business holding a*  
23 *license to sell alcoholic beverages under RSA 178 for an additional fee of \$6 per licensed*  
24 *location.*

25 II. A retail tobacco license shall be prominently displayed on the premises described in it.

26 III. The commission, when issuing or renewing a retail tobacco license, shall furnish a sign  
27 which shall read or be substantially similar to the following: "State Law prohibits the sale of tobacco  
28 products or e-cigarettes to persons under age 21. Warning: violators of these provisions may be  
29 subject to a fine."

CHAPTER 289  
HB 591-FN - FINAL VERSION  
- Page 2 -

1           ***IV. All sales of tobacco, including e-cigarettes, shall be recorded on cash registers.***  
2 ***No additional registers shall be added during the remainder of the year without prior***  
3 ***approval of the commission. No rebate shall be allowed for cash registers discontinued***  
4 ***during the license year.***

5           ***V. The fee for a retail tobacco license shall be as determined in RSA 178:29, II(e).***

6           289:6 New Paragraph; On-Premises Cigar, Beverage, and Liquor License; Fee. Amend RSA  
7 178:20-a by inserting after paragraph IV the following new paragraph:

8           ***V. The fee for an on-premises cigar, beverage, and liquor license shall be as determined in***  
9 ***RSA 178:29, I.***

10           289:7 New Paragraph; Combination License; Fee. Amend RSA 178:18 by inserting after  
11 paragraph III the following new paragraph:

12           ***IV. The fee for a combination license shall be as determined in RSA 178:29, II(b).***

13           289:8 New Paragraph; Retail Wine License; Fee. Amend RSA 178:19 by inserting after  
14 paragraph IV the following new paragraph:

15           ***V. The fee for a retail wine license shall be as determined in RSA 178:29, II(a).***

16           289:9 New Paragraph; Beer Specialty License; Fee. Amend RSA 178:19-d by inserting after  
17 paragraph VI the following new paragraph:

18           ***VII. The fee for a beer specialty license shall be found in RSA 178:29, II(d).***

19           289:10 Applicability. The provisions of sections 1-9 of this act shall be applicable on the first  
20 day of the month following its effective date.

21           289:11 Effective Date.

22           ***I. Sections 1-9 of this act shall take effect 60 days after its passage.***

23           ***II. The remainder of this act shall take effect upon its passage.***

Approved: July 01, 2022

Effective Date:

I. Sections 1-9 effective August 30, 2022

II. Remainder effective July 1, 2022

# Amendments

Senate Ways and Means  
March 16, 2022  
2022-1133s  
08/10

Amendment to HB 591-FN

1 Amend RSA 178:29, II as inserted by section 2 of the bill by replacing it with the following:

2

3 II. Off-premises~~[licenses]~~ *licensees* shall pay *one of* the following applicable fees annually:

# 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 23, 2022

**HEARINGS**

Wednesday	03/09/2022	
(Day)	(Date)	
Ways and Means	State House 100	9:00 a.m.
(Name of Committee)	(Place)	(Time)
9:00 a.m.	<b>HB 102</b>	establishing a commission to study worldwide combined reporting method for unitary businesses under the business profits tax.
9:10 a.m.	<b>HB 355</b>	relative to Keno.
9:20 a.m.	<b>HB 364</b>	revising the definition of charitable organizations relative to games of chance.
9:30 a.m.	<b>HB 527</b>	relative to the charitable gift annuities exemption.
9:40 a.m.	<b>HB 591-FN</b>	relative to certain liquor license fees.

**EXECUTIVE SESSION MAY FOLLOW**

**Sponsors:**



**HB 102**

Rep. Schamberg

**HB 355**

Rep. Lang

Rep. Bordes

**HB 364**

Rep. Ulery

**HB 527**

Rep. Infantine

**HB 591-FN**

Rep. Abrami

Rep. Johnson

Rep. Hough

Rep. Trottier

Rep. Stapleton

Rep. Doucette

Rep. Weyler

Sen. Bradley

Sonja Caldwell 271-2117

Bob J. Giuda  
Chairman

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

**HB 591-FN**, relative to certain liquor license fees.

**Hearing Date:** March 9, 2022

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

**Members of the Committee Absent :** Senator D'Allesandro

**Bill Analysis:** This bill makes changes to liquor license fees for agency licenses and retail tobacco licenses and clarifies certain other liquor license fee provisions.

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**Sponsors:**

Rep. Abrami  
Sen. Bradley

Rep. Doucette

Rep. Weyler

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**Who supports the bill:** Rep. Abrami, Chief Mark Armaganian (NH Liquor Commission), Lt. Matt Culver (NH Liquor Commission), Rep. Weyler, Sen. Bradley

**Who opposes the bill:** No one

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

**Summary of testimony presented:**

**Rep. Abrami**

- There are 174 dollar stores that only sell cigarettes but not wine or beer. A quirk in our laws was interpreted to mean those stores only had to pay \$6 for a license. It was supposed to mean that if you had a beer and wine license but also sell cigarettes, the fee is only an additional \$6. However, the way the law is now, these stores are only paying \$6 to have a license to sell cigarettes.
- It takes more than \$6 for Liquor Commission to do their work when they go to these stores.
- The bill adds a retail tobacco license. There are three fee levels based on the number of registers.
- The bill clarifies that stores already licensed to sell wine and beer can get a license to sell cigarettes for an additional \$6.
- It also connects the licenses with the fees.

**Sen. Hennessey** asked if this bill was brought forward in a prior session.

**Rep. Abrami** said it passed the House two years ago. He was not sure what happened in Senate. He refiled the bill. Some of these are big retailers and this is a fairness issue. It equals the playing field.

**Sen. Rosenwald** said she did not understand why there was language for an additional \$6 to get a tobacco license on page 1 of the bill, line 23, if the purpose of the bill is to remove that.

**Rep. Abrami** said that is there for businesses that have a beer and wine license if they also decide to sell cigarettes. The bill creates a higher license fee for those who just sell cigarettes.

**Chief Mark Armaganian** Chief of enforcement and licensing and **Lt. Matt Culver** - Oversees licensing.

- This administration was brought in to clean up shortfalls. This is one of those items.
- This bill creates parody.
- There has historically been a \$6 upcharge on the combination license for grocery and convenience stores if they choose to carry tobacco. The unintended consequences was that it was left as a fee for the standalones for retail tobacco.
- The standalone retail tobacco stores were only paying \$6 for a license, which doesn't cover their costs.
- We have 221 standalone retail licensees.

**Sen. Giuda** asked if what this bill does is take a system in which someone is not paying for something you're doing and make them pay.

**Chief Armaganian** said that was correct.

sc

Date Hearing Report completed: March 10, 2022

# Speakers



**Senate Remote Testify**

Ways and Means Committee Testify List for Bill HB591 on 2022-03-09  
Support: 1 Oppose: 0

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Representing</u></b>	<b><u>Position</u></b>
Bradley, Sen. Jeb	An Elected Official	SD3	Support

# Testimony

# TITLE XIII

## ALCOHOLIC BEVERAGES

### CHAPTER 178

#### LIQUOR LICENSES AND FEES

##### Section 178:29

###### 178:29 Fees; Expiration Dates; Transfers. --

###### I. On-premises licensees shall pay the following applicable fees annually:

Supplemental Beverages Cocktail  
Only and Wine and Liquor Lounge

Airport \$1,200

Ballroom \$ 45 \$1,200

Bed and Breakfast \$ 480 \$ 840

Beer Festival

One-day \$ 250

Two-day \$ 300

Three-day \$ 350

Catering (all) \$1,200

Catering (off-site only) \$ 840

Catering (on-site only)

18 events \$ 5

36 events \$ 5

52 events \$ 5

Club Military \$ 100

Club Social

9 events \$ 250

18 events \$ 450

36 events \$ 750

52 events \$1,200

Club Private \$1,200

Club Veterans

9 events \$ 250

18 events \$ 450

36 events \$ 750

52 events \$1,200

College Club \$1,200

Convention Center \$2,400

Dining Car \$ 480 \$ 840

Fairs \$ 112

Hotel \$ 840 \$1,200

Liquor Festival

One-day \$250

Two-day \$300

Three-day \$350

One day License \$ 100

Performing Arts \$ 360

Racetrack/Motor Vehicle \$1,800

Racetrack/Pari-Mutuel \$3,000

Rail Cars \$1,200

Restaurant \$ 480 \$ 840 \$1,200

Special License \$ 25

Sports/Entertainment \$1,800

Complex

9 events \$ 250

18 events \$ 450



- 36 events \$ 750
- 52 events \$1,200
- Sports Recreation Facility \$1,200
- Tobacco Retailer \$ 840
- Vessel \$ 480 \$ 840 \$1,200
- Wine Festival
  - One-day \$ 250
  - Two-day \$ 300
  - Three-day \$ 350

II. Off-premises licenses shall pay the following applicable fees annually:

- (a) Retail wine:
  - (1) 1 register \$216
  - (2) 2-3 registers \$408
  - (3) 4 or more \$648
- (b) Combination license:
  - (1) 1 register \$336
  - (2) 2-3 registers \$540
  - (3) 4 or more registers \$812
- (c) Agency store license:
  - (1) 1 register \$336
  - (2) 2-3 registers \$540
  - (3) 4 or more registers \$812
- (d) Beer specialty:
  - (1) 1 register \$480
  - (2) 2-3 registers \$660
  - (3) 4 or more registers \$876

*Retail tobacco License*  
 (1) 1 register, \$216  
 (2) 2-3 registers, \$408  
 (3) 4 or more registers, \$648

*Add* →

III. Annual beverage licenses shall be as follows:

- (a) Beverage manufacturer license:
  - (1) Domestic sales of 15,000 barrels or less per year, \$1,200;
  - (2) Domestic sales of more than 15,000 barrels per year, \$1,692.
- (b) Beverage vendor license:
  - (1) Sales of 1-10 barrels per year, \$120;
  - (2) Sales of 11-100 barrels per year, \$240;
  - (3) Sales of 101-200 barrels per year, \$360;
  - (4) Sales of more than 200 barrels per year, \$1,920, for each manufacturer whose beverages are sold or offered for sale.
- (c) Wholesale distributor license, \$2,500.

IV. Carrier license, \$120.

V. Annual wine and liquor licenses shall be as follows:

- (a)(1) Domestic wine manufacturers of less than 1,000 cases of wine per year, \$100.
- (2) Domestic wine manufacturers of 1,000 or more cases of wine per year, \$1,140.
- (b) Domestic manufacturers of liquor, \$1,692.
- (c) Liquor and wine vendors:
  - (1) Sales of less than 1,000 cases per year, \$300.
  - (2) Sales of between 1,000 and 5,000 cases per year, \$1,500.
  - (3) Sales of between 5,000 and 10,000 cases per year, \$3,000.
  - (4) Sales of between 10,000 and 25,000 cases per year, \$6,000.
  - (5) Sales of between 25,000 and 50,000 cases per year, \$9,000.
  - (6) Sales of over 50,000 cases per year, \$12,000.
- (d)(1) Wine and liquor representative with 4 or fewer salespersons, \$500.
- (2) Wine and liquor representative with 5 or more salespersons, \$1,000.

(e) Liquor/wine/beverage warehouse license, \$756.

V-a. Annual tobacco licenses shall be as follows:

(a) Retail tobacco license, \$6.

(b) Tobacco vending machine license, \$35, plus \$6 for each machine.

(c) Tobacco sampling license, \$6.

V-b. (a) Annual direct shipper permit fees:

(1) Wine manufacturers, \$100.

(2) Importers, retailers, and wholesalers, \$500.

(b) If a direct shipper made less than 5 shipments during the permit year, the commission shall, upon request of the direct shipper, refund a portion of the permit fee. The amount of the refund shall be equal to 20 percent of the fee paid multiplied by the difference between 5 and the number of shipments made.

(c) The annual alcohol consultant fee shall be \$100 or, if the alcohol consultant is an agent of a direct shipper, \$25.

VI. Licensees upgrading a license type or increasing the number of registers shall pay the prorated difference between their current fee and the higher fee. Any required fee shall accompany the application.

VII. A license, other than a special, seasonal, fair, or one day license, shall expire on the last day of the month of the licensee's birthday. When the licensee is not a natural person, all licenses, other than special, seasonal, fair, or one day licenses, issued pursuant to this chapter shall expire on the last day of the month in which such licensee was incorporated or otherwise organized. Any license may be revoked prior to its expiration date by the commission for cause.

VIII. (a) Licenses shall not be transferred except with the consent of the commission. Each license shall designate the place of business for which it is issued. When transferred, a license shall, unless revoked for cause by the commission, remain valid, pursuant to paragraph VII, until the date on which such license would have expired had it not been transferred. The initial renewal of any such transferred license shall be effective until the last day of the month of the licensee's birthday. When the licensee is not a natural person, the initial renewal of any such transferred license shall be effective until the last day of the month in which such licensee was incorporated or otherwise organized. The fee for the initial renewal of any such transferred license shall be prorated. Subsequent renewals of transferred licenses shall each be effective for one year, unless revoked for cause by the commission.

(b) After one year, a licensee may select the anniversary month in which to renew a license. A licensee may change the anniversary renewal month of a license once by making a written request to the director of enforcement and licensing. A licensee who changes the anniversary renewal month of a license shall not change the anniversary renewal month for a period of 3 years from the selected month. Nothing in this paragraph shall be construed to be contrary to the provisions of RSA 178:3 or commission rules.

**Source.** 2003, 231:13. 2007, 36:4. 2008, 341:16. 2009, 313:2. 2010, 300:5. 2011, 165:2. 2012, 140:5, eff. Aug. 6, 2012. 2016, 310:2, eff. July 1, 2016. 2018, 161:1, eff. Jan. 1, 2019; 197:4, eff. Aug. 7, 2018; 292:1, eff. Aug. 24, 2018.

*eliminate*

HB 102 - AS AMENDED BY THE SENATE

5Jan2022... 2151h  
03/17/2022 1048s

2021 SESSION

21-0078  
10/05

HOUSE BILL **102**

AN ACT establishing a commission to study worldwide combined reporting method for unitary businesses under the business profits tax, and relative to the treatment of water or sewerage disposal utilities under the business profits tax.

SPONSORS: Rep. Schamberg, Merr. 4

COMMITTEE: Ways and Means

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AMENDED ANALYSIS

This bill establishes a commission to study worldwide combined reporting method for unitary businesses under the business profits tax. The bill also provides for the tax treatment of water and sewer disposal utilities under the business profits tax.

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03/17/2022 1048s

21-0078  
10/05

STATE OF NEW HAMPSHIRE

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

AN ACT                    establishing a commission to study worldwide combined reporting method for unitary businesses under the business profits tax, and relative to the treatment of water or sewerage disposal utilities under the business profits tax.

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

1            1 Findings. The general court finds that New Hampshire has a unique tax structure. With no  
2 general sales or income tax and no severance tax on natural resources, New Hampshire relies on its  
3 business profits tax more than any other state and most countries. In 1981, the business profits tax  
4 law was amended to allow the department of revenue administration or taxpayers to employ the  
5 combined reporting method of taxation under the unitary business principle.

6            2 Commission on Worldwide Combined Reporting for Unitary Businesses under the Business  
7 Profits Tax. Amend RSA 77-A by inserting after section 23-a the following new section:

8            77-A:23-b Commission on Worldwide Combined Reporting for Unitary Businesses under the  
9 Business Profits Tax. There is established a commission to study the replacement of the water's  
10 edge method by the worldwide combined reporting method for reporting and apportionment of  
11 income under the business profits tax.

12            I. The members of the commission shall be as follows:

13            (a) Three members of the house of representatives, who shall be from the ways and  
14 means committee, appointed by the speaker of the house of representatives.

15            (b) One member of the senate, appointed by the president of the senate.

16            (c) Three members of the state's business community, one representing in-state  
17 domesticated businesses with less than 100 employees, one representing in-state domesticated  
18 businesses with more than 100 employees, and one representing out-of-state or foreign domesticated  
19 businesses, appointed by the president of the New Hampshire Business and Industry Association.

20            (d) The president of the New Hampshire Society of Certified Public Accountants, or  
21 designee.

22            (e) The commissioner of the department of revenue administration, or designee.

23            (f) The commissioner of the department of business and economic affairs, or designee.

24            (g) The attorney general, or designee.

25            (h) An attorney expert in transnational and New Hampshire business profit tax  
26 accounting issues, appointed by the president of the New Hampshire Bar Association.

27            II. Legislative members of the commission shall receive mileage at the legislative rate when  
28 attending to the duties of the commission.

**HB 102 - AS AMENDED BY THE SENATE**

**- Page 2 -**

1           III. The commission shall study the advantages and disadvantages for the state's economy  
2 and revenues of replacement of the current water's edge method by the worldwide combined  
3 reporting method for reporting and apportionment of income under the business profits tax. It shall  
4 consult with national experts in both methods, including economists, business associations, and tax  
5 experts.

6           IV. The members of the commission shall elect a chairperson from among the members. The  
7 first meeting shall be called by the first-named house member. The first meeting of the commission  
8 shall be held within 45 days of the effective date of this section. Six members of the commission  
9 shall constitute a quorum.

10           V. The commission shall report its preliminary findings on or before November 1, 2022 and  
11 issue a final report of its findings and any recommendations for proposed legislation on or before  
12 November 1, 2023, to the president of the senate, the speaker of the house of representatives, the  
13 senate clerk, the house clerk, the governor, and the state library.

14           3 Repeal. RSA 77-A:23-b, relative to the commission on worldwide combined reporting for  
15 unitary businesses under the business profits tax, is repealed.

16           4 New Section; Business Profits Tax; Treatment of Water and Sewerage Disposal Utilities.  
17 Amend RSA 77-A by inserting after section 3-c the following new section:

18           77-A:3-d Treatment of Water and Sewerage Disposal Utilities. In determining gross business  
19 profits, a business organization shall apply section 118 of the United States Internal Revenue Code  
20 consistent with the following adjustments:

21           I. The term "contribution to the capital of the taxpayer" includes any amount of money or  
22 other property received from any person, whether or not a shareholder, by a regulated public utility  
23 which provides water or sewerage disposal services if:

24           (a) Such amount is:

25               (1) A contribution in aid of construction; or

26               (2) A contribution to the capital of such utility by a governmental entity providing  
27 for the protection, preservation, or enhancement of drinking water or sewerage disposal services;

28           (b) In the case of a contribution in aid of construction which is property other than water  
29 or sewerage disposal facilities, such amount meets the requirements of the expenditure rule of  
30 paragraph II; and

31           (c) Such amount, or any property acquired or constructed with such amount, is not  
32 included in the taxpayer's rate base for ratemaking purposes.

33           II. An amount meets the requirements of subparagraph I(b) if:

34           (a) An amount equal to such amount is expended for the acquisition or construction of  
35 tangible property described in United States Internal Revenue Code section 1231(b):

36               (1) Which is the property for which the contribution was made or is of the same type  
37 as such property; and

**HB 102 - AS AMENDED BY THE SENATE**

**- Page 3 -**

1           (2) Which is used predominantly in the trade or business of furnishing water or  
2 sewerage disposal services;

3           (b) The expenditure referred to in subparagraph (a) occurs before the end of the second  
4 taxable year after the year in which such amount was received; and

5           (c) Accurate records are kept of the amounts contributed and expenditures made, the  
6 expenditures to which contributions are allocated, and the year in which the contributions and  
7 expenditures are received and made.

8           III. For purposes of this section:

9           (a) "Contribution in aid of construction" shall mean as the term is defined by the United  
10 States Department of the Treasury's Treasury Regulations 1.118-2 (2001), except that such term  
11 shall not include amounts paid as service charges for starting or stopping services.

12           (b) "Predominantly" means 80 percent or more.

13           (c) "Regulated public utility" has the meaning given such term by Internal Revenue  
14 Code section 7701(a)(33), except that such term shall not include any utility which is not required to  
15 provide water or sewerage disposal services to members of the general public in its service area.

16           IV. Notwithstanding any other provisions of law, no deduction or credit shall be allowed for,  
17 or by reason of, any expenditure which constitutes a contribution in aid of construction to which this  
18 section applies. The adjusted basis of any property acquired with contributions in aid of construction  
19 to which this section applies shall be zero.

20           5 Applicability; Treatment of Water and Sewerage Disposal Utilities. The provisions of section 4  
21 of this act shall apply to contributions made on or after January 1, 2021.

22           6 Effective Date.

23           I. Section 3 of this act shall take effect November 1, 2023.

24           II. The remainder of this act shall take effect upon its passage.

25

# Voting Sheets

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

Bill # HB591-FN

Hearing date: 3-9-22

Executive Session date: 3-16-22

Motion of: Amend OTP/A 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 checked="" 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: 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: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



# Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE  
FOR THE CONSENT CALENDAR

Thursday, March 17, 2022

THE COMMITTEE ON Ways and Means

to which was referred **HB 591-FN**

AN ACT relative to certain liquor license fees.

Having considered the same, the committee recommends that the Bill

ought to pass with amendment

by a vote of: 5-0

Amendment # 1133s

Senator Cindy Rosenwald  
For the Committee

There has historically been a \$6 upcharge for a combination liquor license for grocery and convenience stores that also choose to sell tobacco. The \$6 charge was unintentionally left as a fee for standalone retail stores that only sold tobacco. This bill corrects that oversight, establishing a retail tobacco license fee based on the number of registers in the store. The bill also clarifies certain other liquor license fee provisions by connecting the licenses with the fees in statute. The committee amendment corrects a small drafting error.

Sonja Caldwell 271-2117

FOR THE CONSENT CALENDAR

**WAYS AND MEANS**

**HB 591-FN**, relative to certain liquor license fees.

Ought to Pass with Amendment, Vote 5-0.

Senator Cindy Rosenwald for the committee.

There has historically been a \$6 upcharge for a combination liquor license for grocery and convenience stores that also choose to sell tobacco. The \$6 charge was unintentionally left as a fee for standalone retail stores that only sold tobacco. This bill corrects that oversight, establishing a retail tobacco license fee based on the number of registers in the store. The bill also clarifies certain other liquor license fee provisions by connecting the licenses with the fees in statute. The committee amendment corrects a small drafting error.

## General Court of New Hampshire - Bill Status System

**Docket of HB591**

Docket Abbreviations

**Bill Title:** (New Title) relative to certain liquor license fees.*Official Docket of HB591.:*

<b>Date</b>	<b>Body</b>	<b>Description</b>
1/13/2021	H	<b>Introduced</b> (in recess of) 01/06/2021 and referred to Executive Departments and Administration <b>HJ 2 P. 55</b>
1/21/2021	H	Public Hearing: 02/01/2021 09:30 am Members of the public may attend using the following link: To join the webinar: <a href="https://zoom.us/j/94106022547">https://zoom.us/j/94106022547</a> / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
2/16/2021	H	Committee Report: Ought to Pass with Amendment <b>#2021-0269h</b> (Vote 11-8; RC) <b>HC 12 P. 20</b>
2/24/2021	H	Amendment <b>#2021-0269h</b> : AA DV 205-145 02/24/2021 <b>HJ 3 P. 60</b>
2/24/2021	H	<b>Ought to Pass with Amendment</b> 2021-0269h: MA VV 02/24/2021 <b>HJ 3 P. 60</b>
2/24/2021	H	Reconsider (Rep. Wuelper): MA <b>RC 203-137</b> 02/24/2021 <b>HJ 3 P. 61</b>
2/24/2021	H	Ought to Pass with Amendment : MA <b>RC 203-147</b> 02/24/2021 <b>HJ 3 P. 61</b>
2/24/2021	H	Referred to Finance 02/24/2021 <b>HJ 3 P. 65</b>
3/4/2021	H	Division I Work Session: 03/09/2021 09:00 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/94444579237">https://www.zoom.us/j/94444579237</a>
3/25/2021	H	Executive Session: 03/29/2021 09:00 am Members of the public may attend using the following link: To join the webinar: <a href="https://www.zoom.us/j/92166004660">https://www.zoom.us/j/92166004660</a>
3/30/2021	H	Retained in Committee
8/31/2021	H	Division I Work Session: 09/14/2021 03:45 pm LOB 212
10/6/2021	H	Executive Session: 10/26/2021 10:00 am LOB 210-211
10/29/2021	H	Committee Report: Ought to Pass 10/28/2021 (Vote ; 17-4) <b>HC 48 P. 34</b>
1/9/2022	H	<b>Ought to Pass</b> : MA DV 282-66 01/06/2022 <b>HJ 1</b>
1/18/2022	S	Introduced 01/05/2022 and Referred to Ways and Means; <b>SJ 2</b>
2/23/2022	S	==TIME CHANGE== <b>Hearing</b> : 03/09/2022, Room 100, SH, 10:40 am; <b>SC 10A</b>
3/17/2022	S	Committee Report: Ought to Pass with Amendment <b>#2022-1133s</b> , 03/24/2022; Vote 5-0; CC; <b>SC 12</b>
3/24/2022	S	Committee Amendment <b>#2022-1133s</b> , AA, VV; 03/24/2022; <b>SJ 6</b>
3/24/2022	S	<b>Ought to Pass with Amendment</b> 2022-1133s, MA, VV; OT3rdg; 03/24/2022; <b>SJ 6</b>
5/13/2022	H	House Concurs with Senate Amendment (Rep. McGuire): MA VV 05/12/2022 <b>HJ 13</b>
6/16/2022	S	Enrolled Bill Amendment <b>#2022-2127e</b> Adopted, VV, (In recess of 05/26/2022); <b>SJ 13</b>
6/17/2022	H	Enrolled Bill Amendment <b>#2022-2127e</b> : AA VV (in recess of) 05/26/2022 <b>HJ 14</b>
6/22/2022	S	Enrolled Adopted, VV, (In recess 05/26/2022); <b>SJ 13</b>
6/22/2022	H	Enrolled (in recess of) 05/26/2022 <b>HJ 14</b>

7/7/2022	H	Signed by Governor Sununu 07/01/2022; Chapter 289; I. Sec 1-9 eff. 08/30/2022 II.Rem eff. 07/01/2022 <b>HJ 14</b>
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NH House

NH Senate

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# Other Referrals

# Senate Inventory Checklist for Archives

Bill Number: HB591-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 # 1133s      \_\_\_ - 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) 2127e
- \_\_\_ 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:

SC  
Committee Aide

6-3-22  
Date

Senate Clerk's Office jm

June 15, 2022  
2022-2127-EBA  
07/05

Enrolled Bill Amendment to HB 591-FN

The Committee on Enrolled Bills to which was referred HB 591-FN

AN ACT           relative to certain liquor license fees.

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 HB 591-FN

This enrolled bill amendment makes a technical correction to incorporate a change to the law made in 2019, 346:118.

Enrolled Bill Amendment to HB 591-FN

Amend RSA 178:19-a, I as inserted by section 5 of the bill by replacing line 2 with the following:

retail sales and distribution of tobacco products [~~or~~] *including* e-cigarettes in this state. Each retail