



New Hampshire State Senate **NEWS RELEASE**

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Senate passes pro-business package

*Bill bans tax on Internet access; encourages capital investment
and increases threshold amount for taxation under BET*

CONCORD – In one of its final session days of the year, the Senate passed a jobs package dedicated to several pro-business provisions. Using **HB 1418** as a vehicle, the Senate attached an amendment, highlights of which include:

- ***Bans a tax on Internet access:***

Because NH's Communications Service Tax (CST) is seriously outdated, clarification was needed to prohibit taxation of Internet access. Sen. Chuck Morse, R-Salem, who successfully led the charge on the ban said, "The changes we made to the CST today were clearly overdue. They will give our Department of Revenue Administration (DRA) the direction required to clear up confusion between the DRA and service providers regarding how internet services will be taxed, or not. This legislation is a win for consumers as well as a strong show of support for continued economic development for our information technology and telecommunications industries."

- ***Reforms business expense deductions:***

New Hampshire businesses also needed relief concerning their expense deductions under Section 179 of the IRS Code. Increasing the depreciation deduction for business equipment, and aligning it with the federal statutes will encourage businesses to invest in themselves while also lowering the administrative costs of complying with two divergent revenue codes.

As amended, HB 1418 also retains its two original provisions which increase the threshold for taxation under the BET and extend a commission studying the state's business tax environment. An additional \$1.5 M will also be transferred to the Developmentally Disabled (DD) waitlist.

Commenting on HB 1418 overall, Sen. Jeanie Forrester, R- Meredith, said, "I'm thrilled to see the entire 179 deduction included in this amendment. The addition of CST rules prohibiting the taxation of Internet access, new business thresholds under the BET and a commitment to continue studying the state's business environment truly make this a jobs package."

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