



# New Hampshire State Senate

## **NEWS RELEASE**

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### **Senate stays with business agenda, passes LLC, R&D and retirement reforms** *SB 203, 295 and 229 all receive bi-partisan support*

CONCORD – Less than two weeks before Cross-over Day, the Senate remained committed to its business agenda, passing three bills today reforming the state's LLC tax, R&D credit and retirement system for public employees.

**SB 203** – makes the state's Limited Liability Company (LLC) Act more user-friendly for the current and next generation of small businesses. Majority Leader Sen. Jeb Bradley, R-Wolfeboro, touted the benefits of SB 203, calling it "a real win for small business because it will make it easier for these types of companies to incorporate, grow and hire new workers."

*(Note: Floor vote: 24-0 Commerce Committee vote: 4-0 Prime sponsor: Sen. Bradley)*

**SB 295** – increases the state's Research & Development (R&D) tax credit 100% from \$1million to \$2 million annually and allows companies to apply this credit against the Business Profits Tax (BPT) they pay. SB 295 has strong support from Gov. Lynch, DRED, the BIA, NH High Tech Council, BAE Systems and Hitchiner Manufacturing. Sen. Bob Odell, R-Lempster, called the legislation "a proven tool to help businesses already here in New Hampshire succeed and to enhance efforts by the state to recruit new companies to move here and set up shop."

*(Note: Floor Vote:24-0 Finance Committee vote: 6-0 Prime sponsor: Sen. Odell)*

**SB 229** – seeks to move the state's retirement system from a defined benefit plan (DBP) to a defined contribution plan (DCP) for public employees and, as amended, creates a commission to study the issue further. Supporters like Sen. Fenton Groen, R-Rochester, maintain the legislation will create a long-term, sustainable retirement plan providing reasonable benefits and reducing risk for both employees and employers. "Under a DCP, specific contributions are made which are established by the Legislature, making this type of a plan more reliable and predictable for budget purposes. Additionally, there will never be an unfunded liability with a DCP because the money belongs to the individual employee instead of the state." Groen added current times favor DCP's saying that twenty-five years ago, 25% of the country's publicly held companies operated their retirement with DBP's, but today approximately 85% use DCP's.

*(Note: Floor vote: passed on a voice vote ED&A Committee vote: 6-0 Prime sponsor: Sen. Groen)*

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