

HB 129-FN - AS INTRODUCED

2017 SESSION

17-0062

04/09

HOUSE BILL ***129-FN***

AN ACT repealing the education tax credit.

SPONSORS: Rep. Myler, Merr. 10; Rep. Rosenwald, Hills. 30; Rep. Porter, Hills. 1; Rep. Wallner, Merr. 10; Rep. Berch, Ches. 1; Rep. Luneau, Merr. 10; Rep. Heath, Hills. 14; Rep. Gile, Merr. 27; Rep. Burton, Straf. 6; Rep. Horrigan, Straf. 6; Sen. Feltes, Dist 15

COMMITTEE: Education

ANALYSIS

This bill repeals the education tax credit program.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT repealing the education tax credit.

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

1 1 Tax Expenditure and Potential Liability Reports; Tax Expenditures Specified. Amend
2 RSA 71-C:2 to read as follows:

3 71-C:2 Tax Expenditures Specified. Tax expenditures include, but may not be limited to, the
4 community development finance authority investment tax credit as computed in RSA 162-L:10; the
5 economic revitalization zone tax credit as computed in RSA 162-N:6; the research and development
6 tax credit under RSA 77-A:5, XIII; the Coos county job creation tax credit under RSA 77-E:3-c; ~~the~~
7 ~~education tax credit as computed in RSA 77-G:4;~~ and the weighted apportionment factors under
8 RSA 77-A:3, II(a).

9 2 Tax Expenditure and Potential Liability Reports. Amend RSA 71-C:4, I-II to read as follows:

10 I. On or before December 15 of every fiscal year the commissioner of the department of
11 revenue administration shall certify in a report to the general court and the governor an analysis of
12 each of the past fiscal year's tax expenditures as identified in RSA 71-C:2, and other credits allowed
13 under RSA 77, RSA 77-A, RSA 77-E, ~~[RSA 77-G,]~~ RSA 78, RSA 78-A, 78-B, RSA 82-A, RSA 83-E,
14 RSA 84-A, RSA 84-C, and RSA 400-A.

15 II. The report shall be divided into the following parts:

16 (a) Tax expenditures as determined by the joint committee on tax expenditure review
17 under RSA 71-C:3;

18 (b) Potential liabilities against the state's revenues, specifically:

19 (1) Other credits allowed under RSA 77, RSA 77-A, RSA 77-E, ~~[RSA 77-G,]~~ RSA 78,
20 RSA 78-A, RSA 78-B, RSA 82, RSA 82-A, RSA 83-E, RSA 84-A, RSA 84-C, and RSA 400-A against
21 the business profits tax imposed by RSA 77-A; and

22 (2) Credit carryovers from overpaid taxes.

23 3 Repeal. The following are repealed:

24 I. RSA 77-A:5, XV, relative to the education tax credit against the business profits tax.

25 II. RSA 77-E:3-d, relative to the education tax credit against the business enterprise tax.

26 III. RSA 77-G, relative to education tax credit.

27 4 Effective Date. This act shall take effect 60 days after its passage.

HB 129-FN- FISCAL NOTE
AS INTRODUCED

AN ACT repealing the education tax credit.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable Increase	Indeterminable Increase\$0	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

METHODOLOGY:

This bill repeals the Education Tax Credit Program (RSA 77-G). This program allows a tax credit to offset business profits tax, the business enterprise tax or both tax liabilities in the tax year in which an approved scholarship donation is made. The Education Tax Credit Program began January 1, 2013. Since that time the education tax credit used has been \$20,000 in FY 2014, \$115,000 in FY 2015 and \$88,819 in FY 2016. The repeal of this program would eliminate the tax credit allowed against the business profits tax and the business enterprise tax resulting in an indeterminable increase in state general fund revenue.

AGENCIES CONTACTED:

Department of Revenue Administration