

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

18-2384.2

HB 1819-FN, *relative to administration of the education tax credit.*

House Education

HB 1819 makes a number of amendments to RSA 77-G, the Education Tax Credit (ETC) statute.

Relevant to the Department of Revenue Administration's (Department) administration of the ETC program, the proposed legislation changes the definition of "program year" to July 1 through June 30. The existing ETC program year is January 1 through December 31.

In order to align ETC program due dates with the newly proposed program year, HB 1819 amends the following:

- The submission of the ETC application due date is changed from no later than June 15 to no later than May 31 of each program year. Applications received after May 31 shall be processed for the following program year and approved within 30 days of receipt or within 30 days of the Department's approval of the scholarship organization (SO) application, whichever comes later.
- The donation to the SO shall be made no later than 60 days after the date of approval and no later than June 30 of the program year during which the application is approved.
- Within 30 days of the end of each program year the SO shall submit a SO report to the Department for the most recently completed program year.

HB 1686 also amends RSA 77-G:4 by removing the escalating cap on the ETC program thereby permanently capping the ETC program at \$5,100,000. Under existing law, the ETC program is capped at \$5,100,000 until such time as donations exceeds 80% of the of the current program year's allowed tax credit, in which case the cap is raised by 25%.

HB 1819 also amends RSA 77-G:5, I(g) to eliminate the limit on carrying forward ETC contributions by SOs to subsequent program years. Accordingly, the proposed legislation also amends the scholarship receipt to eliminate reporting of the donation amount used or carried forward and the amount not used.

Finally, the proposed legislation amends a number of reporting requirements from the SO to the Department of Education (DOE). It also amends various definitions and requirements within RSA 77-G pertaining to the SO and the DOE. The Department has not analyzed the fiscal impact of these changes, which do not directly impact the Department's administration of the ETC program.

The Department could administer the proposed legislation without any costs that could not be absorbed within our operating budget.

The Department does not believe that modifying the ETC program year and due dates will have a meaningful fiscal impact. The proposed legislation does result in approximately two additional weeks to make donations under the ETC program. However, the Department does not believe that this extra time will result in an appreciable increase in the amount of donations received.