

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

18-2888

**SB 563-FN**, *establishing a recovery friendly workplace initiatives tax credit against business taxes administered by the community development finance authority.*

### House Ways & Means

SB 563 as amended, establishes a recovery friendly workplace initiatives tax credit equal to 75 percent of the contributions made to the Community Development Finance Authority (CDFA) under the existing CDFFA tax credit program. Contributions to the recovery friendly workplace initiatives tax credit program may be made from July 1, 2018 through June 30, 2020.

This credit may be applied against any of the following individually or in combination: RSA 77-A, Business Profits Tax (BPT), RSA 400-A, Insurance Premium Tax (IPT), and RSA 77-E, Business Enterprise Tax (BET). This proposed bill allows this credit which is applied to liabilities imposed by RSA 400-A and RSA 77-E, to be considered taxes paid for the purpose of RSA 77-A:5, III and X, respectively.

SB 563 amends RSA 162-L:10, IV(b) by increasing the limit on contributions to the CDFFA from \$5,000,000 to \$6,000,000 in any state fiscal year. This additional \$1,000,000 shall be used by the CDFFA to invest or lend to businesses in this state which establish recovery friendly workplace initiatives. The maximum amount of contributions that can be received by the CDFFA and used to fund recovery friendly workplace initiatives is \$1,000,000 in each of the two fiscal years that the program is contemplated. Taxpayers will receive a tax credit equal to 75% of their contribution to the CDFFA under the recovery friendly workplace initiative tax credit program.

Taxpayers may carry forward unused credits for no more than 5 years, limited to \$1,000,000 in any given tax year. Therefore, the maximum fiscal impact of the proposed legislation is \$750,000 in the first year of the proposed tax credit program, and indeterminable in the years that follow.

SB 563 would take effect July 1, 2018.

The Department of Revenue Administration (DRA) would be responsible for updating all necessary tax return forms and electronic management systems related to this bill. The proposed legislation could be administered by the DRA without any additional costs that could not be absorbed in our operating budget. The DRA has not analyzed the potential cost to the CDFFA to administer the proposed program.