

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

19-0724

HB 632, *relative to the education tax credit*

House Ways & Means

Sections 1-12 of the proposed legislation amend the Education Tax Credit (ETC) program so it may not be used against the Interest and Dividends Tax under RSA 77. Instead, the ETC may only be used by a business organization or business enterprise against the Business Profits Tax (BPT) or Business Enterprise Tax (BET). This portion of the proposed legislation applies to the program year beginning July 1, 2019.

Section 13 of the proposed legislation repeals the ETC program effective July 1, 2020.

Lastly, the fiscal impact of the proposed legislation is indeterminable but would increase revenues to the General and Education Trust Funds. As a result of the proposed legislation, the department would no longer issue credits that could be used against the Interest and Dividends Tax (effective July 1, 2019), or against the BPT or BET (effective July 1, 2020). However, because the ETC program currently allows the credit issued to be carried forward for 5 years if used against the BPT or BET, the full impact of the repeal will not be felt until that time, when all the credits issued are finally used or expire.