

New Hampshire Department of Revenue Administration
Overview of New Hampshire Taxes
House Ways & Means Committee
February 6, 2019



Lindsey M. Stepp, Commissioner
Carolynn J. Lear, Assistant Commissioner
109 Pleasant Street, Concord, NH 03301
603-230-5000



MISSION

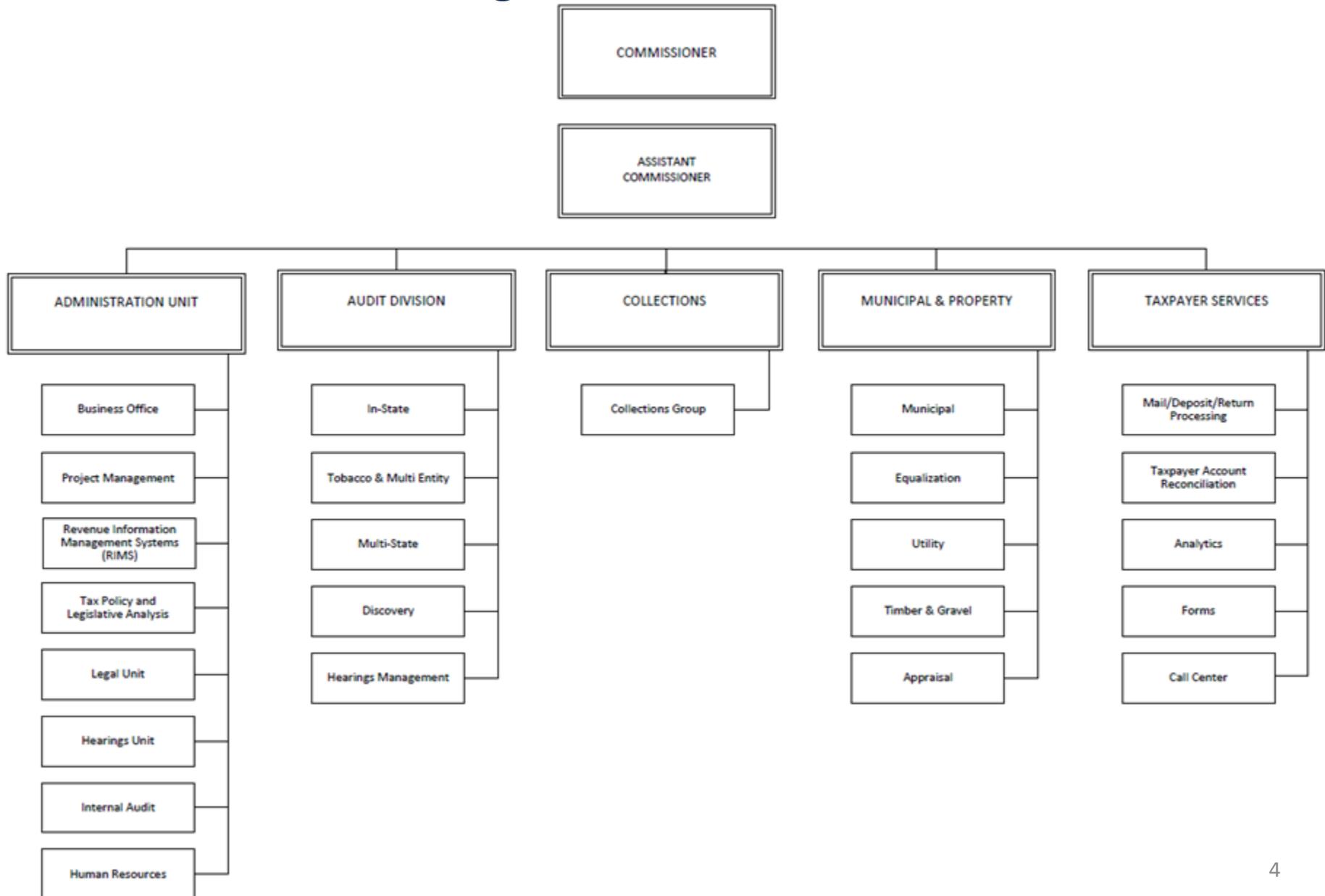
The mission of the Department of Revenue Administration is to fairly and efficiently administer the tax laws of the State of New Hampshire, collecting the proper amount of taxes due, incurring the least cost to the taxpayers, in a manner that merits the highest degree of public confidence in our integrity. Further, we will provide prompt and constructive assistance to the municipal units of government in matters of budget, finance, and the appraisal of real estate.



TAXPAYER INTERACTION

It is the policy of the Department of Revenue Administration to administer the tax laws of the State in a manner that demonstrates efficiency, fairness, and courtesy towards every taxpayer.

Department of Revenue Administration Organizational Chart



Tax Policy & Legislative Analysis Group

Shaun P. Thomas, Tax Policy Counsel

Melissa Rollins, Senior Financial Analyst

Devin Rodrique, Financial Analyst

- Prepare Fiscal Note Worksheets and Quick Guides for legislation;
- Work with legislators in analyzing tax policy and fiscal impact;
- Attend hearings to assist House and Senate committee deliberation on legislation;
- Testify before House and Senate committees regarding tax policy and fiscal impact;
- Track legislation; and
- Assist in Department rule and form changes as a result of new laws.



Taxes Administered by DRA ~ \$2.3B Revenue

<u>Tax Type</u>	<u>Tax Rate</u>	<u>Statute</u>
Business Enterprise Tax	0.6%*	RSA 77-E
Business Profits Tax	7.7%*	RSA 77-A
Communications Services Tax	7.0%	RSA 82-A
Electricity Consumption Tax (Repealed 1/1/19)	\$0.00055/kilowatt hour	RSA 83-E
Interest and Dividends Tax	5.0%	RSA 77
Meals and Rooms Tax	9.0%	RSA 78-A
Medicaid Enhancement Tax	5.4%	RSA 84-A
NFQA/ICFQA	5.5%	RSA 84-C/84-D
Tobacco Tax	\$1.78 per pack/65.03% wholesale price	RSA 78
Taxation of Railroads	Average rate of taxation of other property	RSA 82
Utility Property Tax	\$6.60 per \$1,000 of utility property value	RSA 83-F
Excavation Tax	\$.02 per cubic yard (Local revenue)	RSA 72-B
Real Estate Transfer Tax	\$0.75 per \$100	RSA 78-B
Timber Tax	10% of stumpage value (Local revenue)	RSA 79
Property Tax (Includes SWEPT)	Varies (Local revenue)	RSA 76

Taxes DRA Does Not Collect

<u>Tax Type</u>	<u>Statute</u>
Insurance Premium Tax	RSA 400-A
Beer Tax	RSA 178
Road Toll (Gas Tax)	RSA 260

*BET rate reduced to 0.60% and BPT rate reduced to 7.70% for taxable periods ending on or after 12/31/19.

Tax Revenue - Fiscal Year 2018 (Audited)

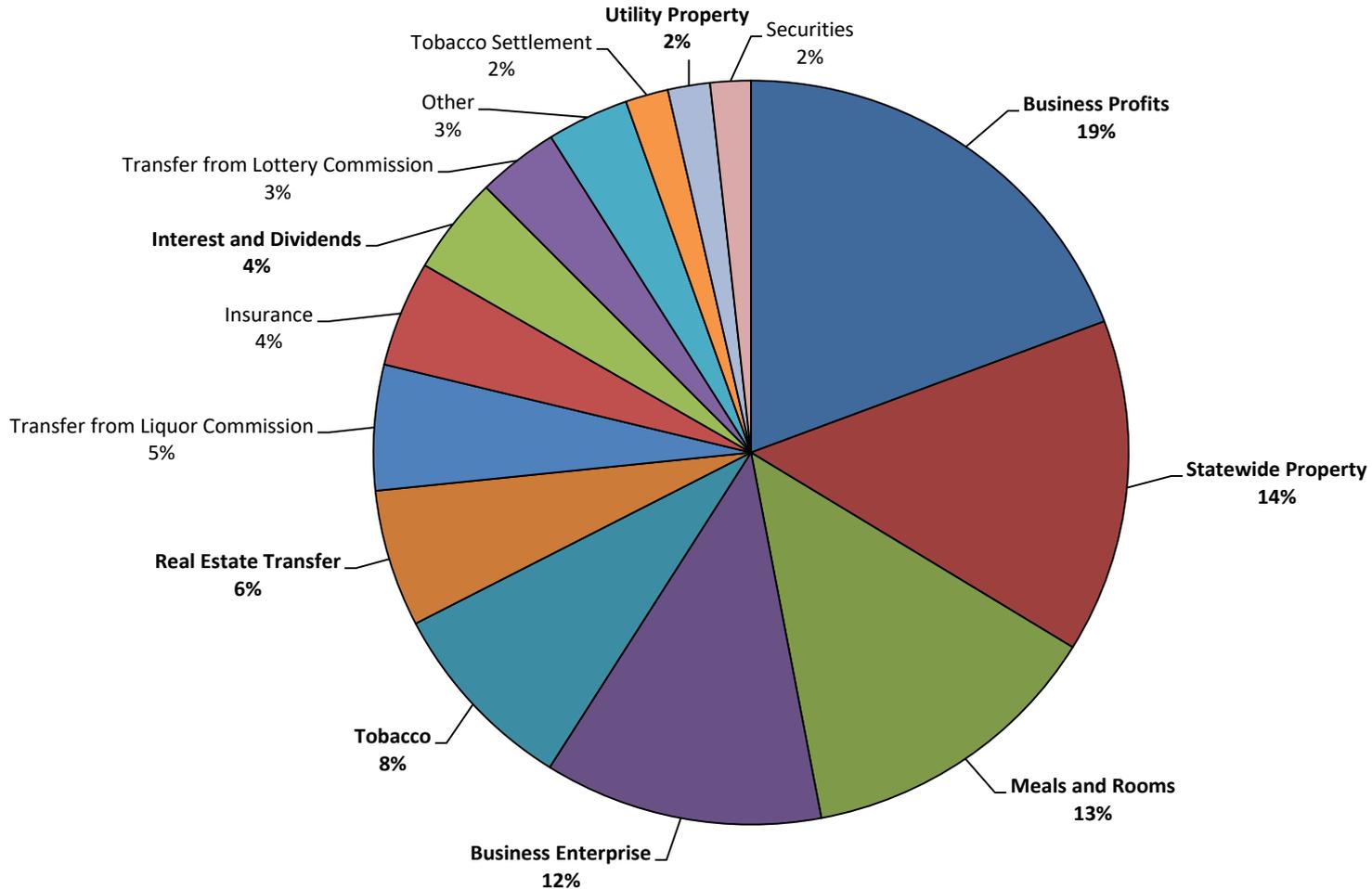
<u>Tax Type</u>	<u>Audited Revenue</u>
Business Profits Tax	\$482.3M
Business Enterprise Tax	\$298.8M
Subtotal Business Tax	<hr/> \$781.1M
Communications Services Tax	\$43.4M
Electricity Consumption Tax	\$5.9M
Interest and Dividends Tax	\$105.8M
Meals and Rooms Tax	\$331.7M
Medicaid Enhancement Tax	*\$243.0M
NFQA/ICFQA	*\$37.9M
Tobacco Tax	\$211.6M
Taxation of Railroads	*\$0.4M
Utility Property Tax	\$45.2M
Real Estate Transfer Tax	\$149.2M
State Wide Education Property Tax	\$363.1M
TOTAL	\$2.3B

* FY2018 NFQA, MET & Taxation of Railroads is Unaudited Cash

Share of Unrestricted Revenues

General and Education Funds – Source FY2018 (Audited)

Note: DRA's statutory responsibilities represent nearly 80% of NH State General and Education Trust Fund Revenue (\$2.0B out of \$2.6B)



Business Profits Tax (BPT)

RSA 77-A

Overview of Tax	When to File/Pay for Calendar Year End
<ul style="list-style-type: none">•7.7% of taxable business profits for taxable periods ending on or after 12/31/19 (7.5% for taxable periods ending on or after 12/31/21)•Every enterprise organized for gain or profit carrying on any business activity within the state•Gross business income in excess of \$50,000 from all activities	<ul style="list-style-type: none">•Partnership returns are due March 15•Corporate, proprietorship, and fiduciary returns are due April 15•7-month extensions to file, with payment, are due by the return due date•Estimates equal to 25% of estimated tax liability are due April 15, June 15, September 15 and December 15 if estimated liability exceeds \$200

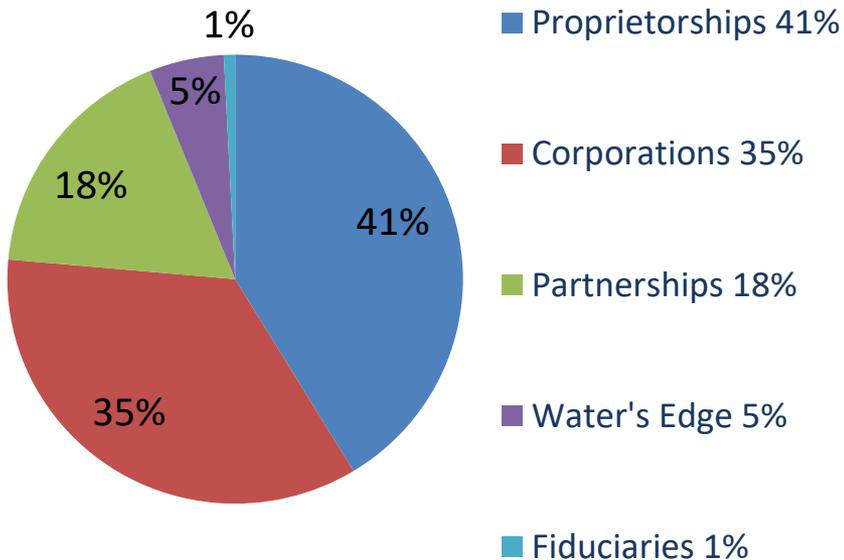
BPT Taxpayers

For Tax Year 2016

1.3% of filers pay 79% of BPT

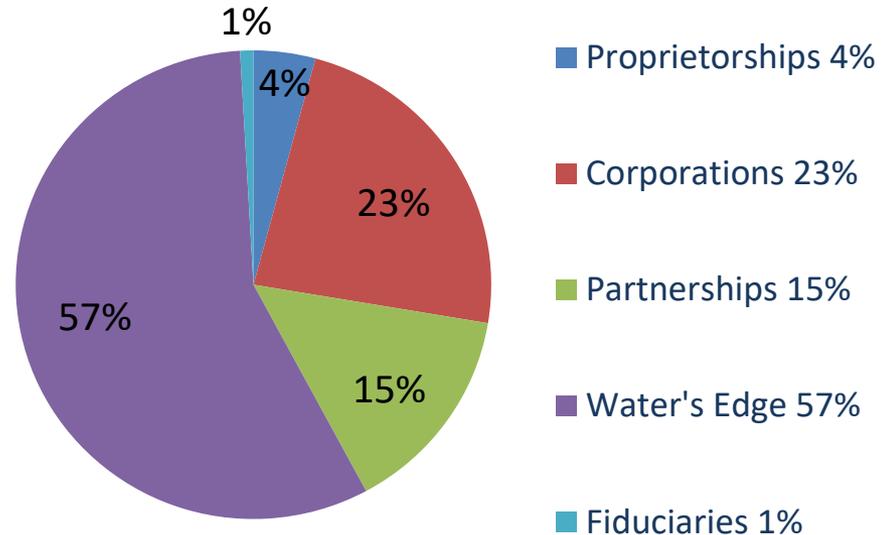
Entities Filing BPT Tax Returns

Percentage as a whole



Entities Paying BPT Tax

Percentage as a whole



Who Pays the BPT?

BPT - Tax Year 2016

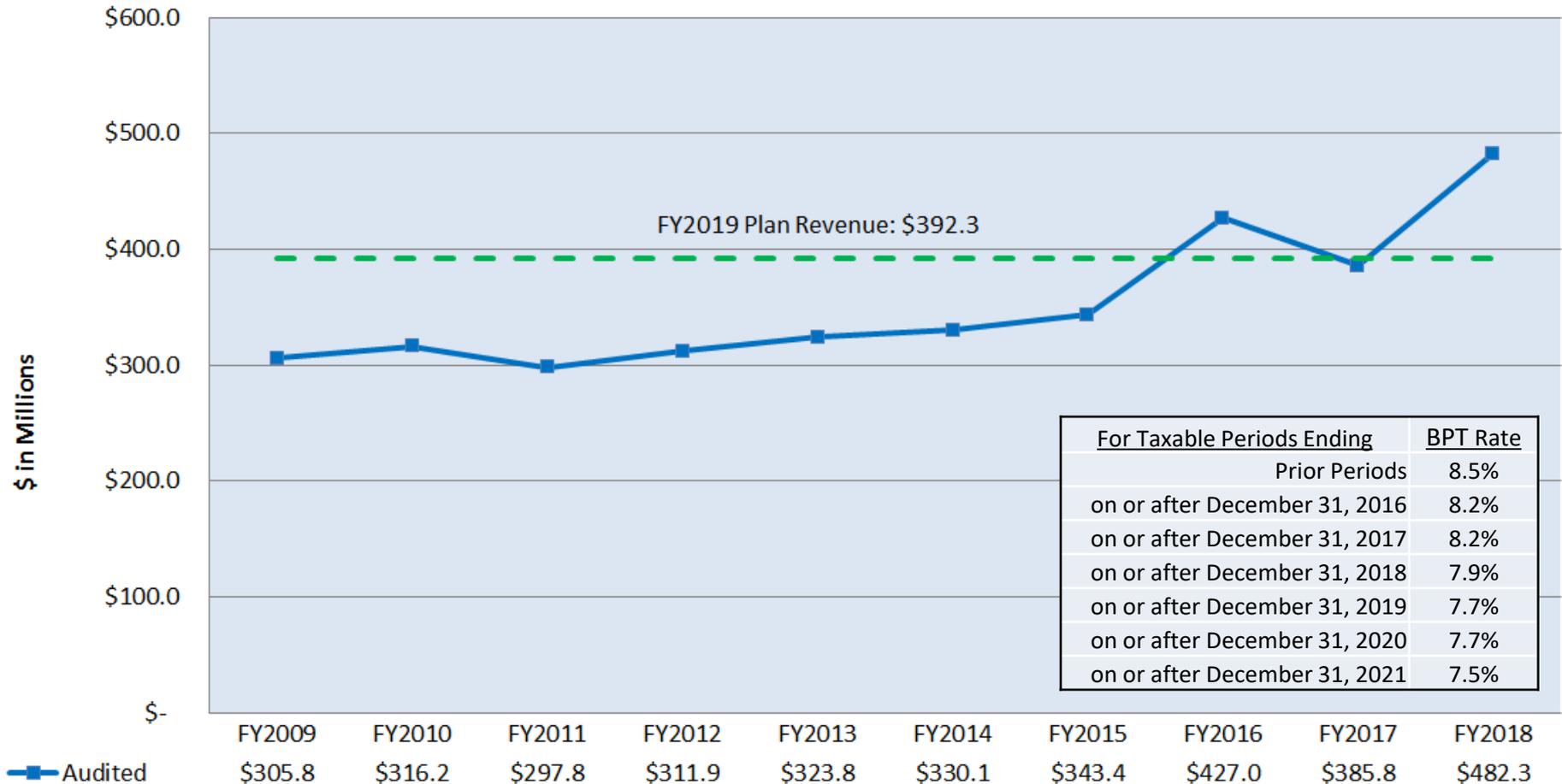
Business Profits Tax Stats by Tax Year and Amount of Tax Liability				
<i>This Population includes all Corporations, Partnerships, Proprietorships, and any other Entity that Files BPT</i>				
DRAFT as of 8/29/18				
Tax Year 2016 Range in Tax Paid	COUNT	Sum BP TAX	% of POP	% of Tax Liability by POP
\$0	55,624	\$0	76.8%	0.0%
\$1 - \$500	4,951	\$805,516	6.8%	0.2%
\$500 - \$1K	1,782	\$1,292,515	2.5%	0.4%
\$1K - \$10K	6,907	\$25,824,645	9.5%	7.3%
\$10K - \$50K	2,210	\$46,691,247	3.1%	13.1%
\$50K - \$100K	389	\$27,248,282	0.5%	7.7%
\$100K - \$MIL	490	\$139,337,740	0.7%	39.2%
>\$1MIL	47	\$113,872,244	0.1%	32.1%
Totals:	72,400	\$355,072,189	100.0%	100.0%

2016	COUNT	Sum BP TAX	% of Total POP	% of Total Tax Liability by POP
Corporations	25,403	\$83,227,734	35.1%	23.4%
Water's Edge	3,846	\$202,038,756	5.3%	56.9%
Partnerships	12,647	\$51,468,288	17.5%	14.5%
Proprietors	29,931	\$15,010,578	41.3%	4.2%
Fiduciaries	573	\$3,326,833	0.8%	0.9%
Totals:	72,400	\$355,072,189	100.0%	100.0%

NOTE: Figures are unaudited and subject to change until all final and amended returns for the Tax Year are filed.

BPT Revenue 10-Year Trend

Audited Revenue



Factors Influencing Revenue: Economic cycle, including mergers and acquisitions, federal tax reform, credits and exemptions, statutory changes (rate reductions, 100% exemption for qualified regenerative manufacturing companies, R&D Tax credit, § 179 expense deductions, etc.)

Business Enterprise Tax (BET)

RSA 77-E

Overview of Tax	When to File/Pay for Calendar Year End
<ul style="list-style-type: none">•0.6% of the Enterprise Value Tax Base for taxable periods ending on or after 12/31/19 (0.5% for taxable periods ending on or after 12/31/21)•Every profit or non-profit enterprise or organization with any business activity inside NH (except 501(c)(3) organizations)•Gross business receipts in excess of \$217,000 or Enterprise Value Tax Base greater than \$108,000 (both adjusted based on CPI every 2 years), for taxable periods ending on or after 12/31/19•Credit for BET paid against Business Profits Tax due•Carry forward unused credit for 10 years	<ul style="list-style-type: none">•Partnership returns are due March 15•Corporate, proprietorship, and fiduciary returns are due April 15•Non-profit returns are due May 15•7-month extensions to file, with payment, are due by the return due date•Estimates equal to 25% of estimated tax liability are due April 15, June 15, September 15 and December 15 if estimated liability exceeds \$260

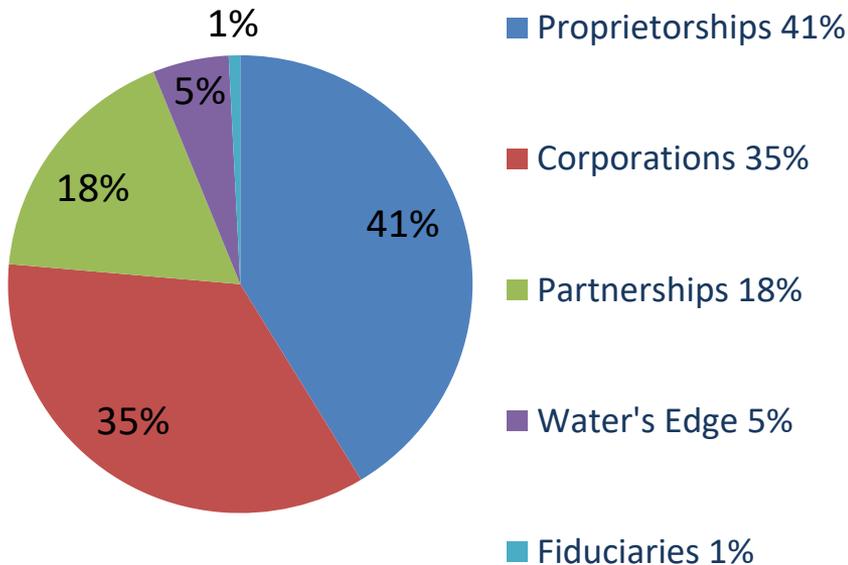
BET Taxpayers

For Tax Year 2016

4.0% of filers paid 75.2% of BET

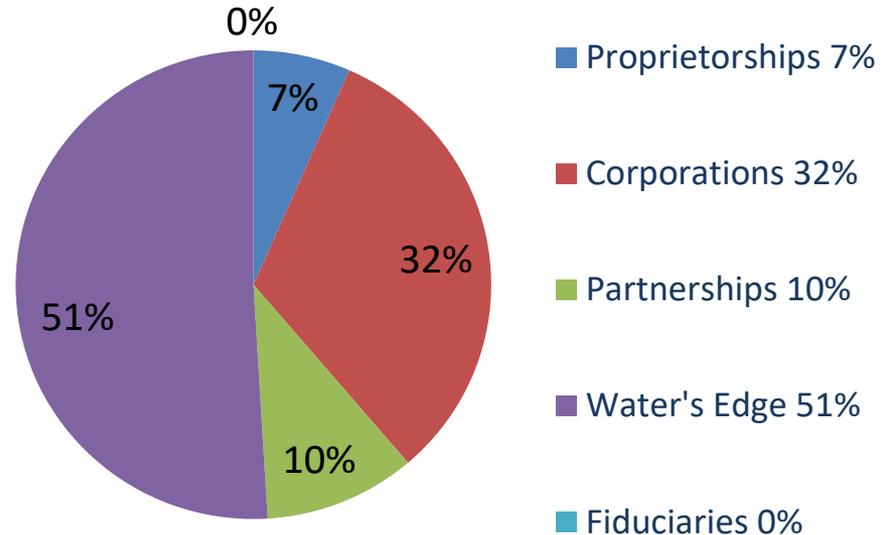
Entities Filing BET Tax Returns

Percentage as a whole



Entities Paying BET Tax

Percentage as a whole



Who Pays the BET?

BET - Tax Year 2016

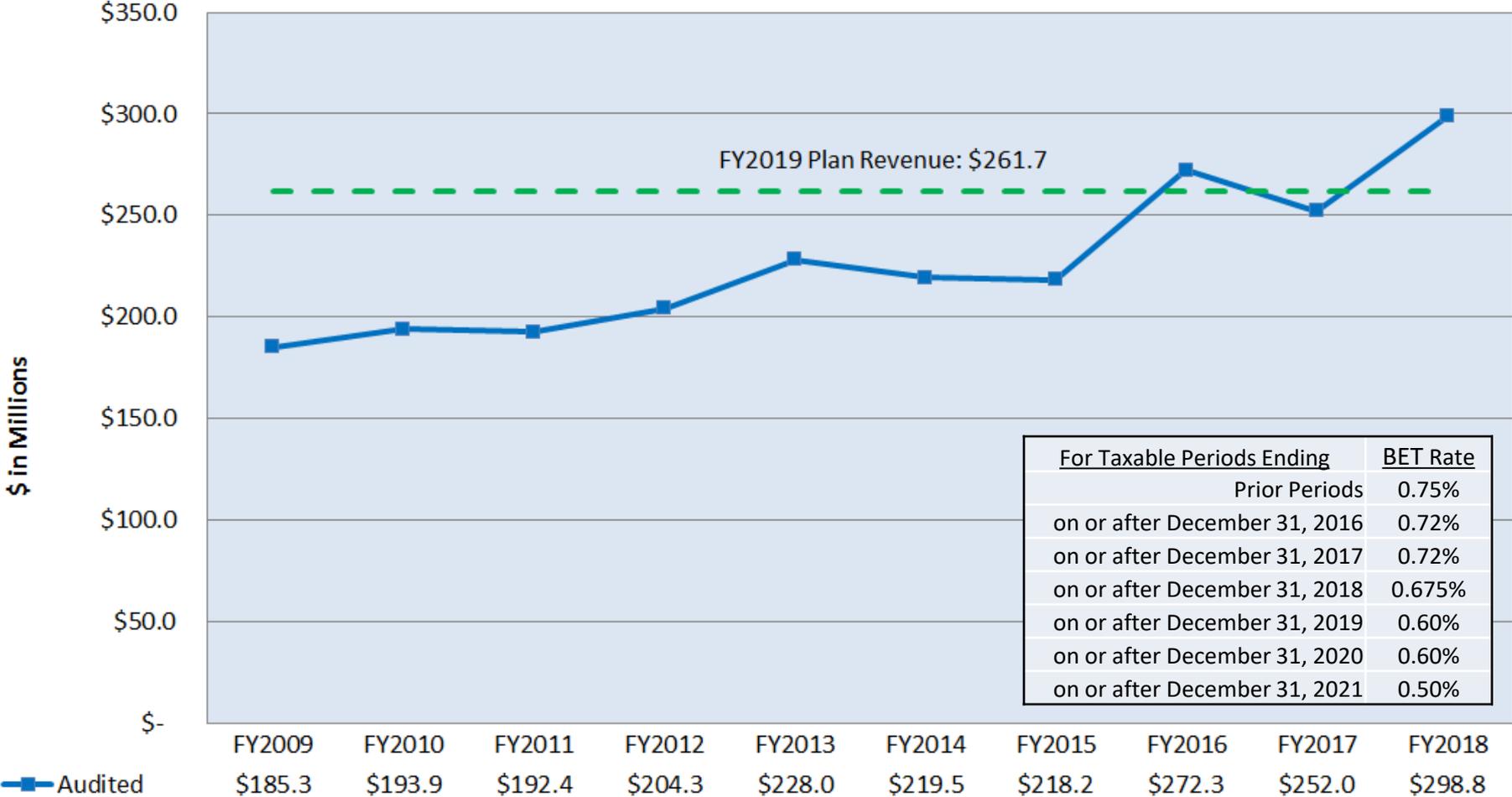
Business Enterprise Tax Stats by Tax Year and Amount of Tax Liability				
<i>This Population includes all Corporations, Partnerships, Proprietorships, and any other Entity that Files BET</i>				
DRAFT as of 8/29/18				
Tax Year 2016 Range in Tax Paid	COUNT	Sum BE TAX	% of POP	% of Tax Liability by POP
\$0	35,286	\$0	48.7%	0.0%
\$1 - \$500	9,778	\$ 1,922,073.74	13.5%	0.9%
\$500 - \$1K	7,358	\$ 5,515,881.00	10.2%	2.5%
\$1K - \$10K	17,016	\$ 50,690,443.00	23.5%	23.1%
\$10K - \$50K	2,381	\$ 48,256,263.00	3.3%	22.0%
\$50K - \$100K	320	\$ 22,320,038.00	0.4%	10.2%
\$100K - \$MIL	248	\$ 61,150,040.00	0.3%	27.9%
>\$1MIL	13	\$ 29,245,803.00	0.0%	13.3%
Totals:	72,400	\$219,100,542	100.0%	100.0%

2016	COUNT	Sum BE TAX	% of Total POP	% of Total Tax Liability by POP
Corporations	25,403	\$70,415,621	35.1%	32.1%
Water's Edge	3,846	\$111,598,815	5.3%	50.9%
Partnerships	12,647	\$22,493,000	17.5%	10.3%
Proprietors	29,931	\$14,524,593	41.3%	6.6%
Fiduciaries	573	\$68,513	0.8%	0.0%
Totals:	72,400	\$219,100,542	100.0%	100.0%

NOTE: Figures are unaudited and subject to change until all final and amended returns for the Tax Year are filed.

BET Revenue 10-Year Trend

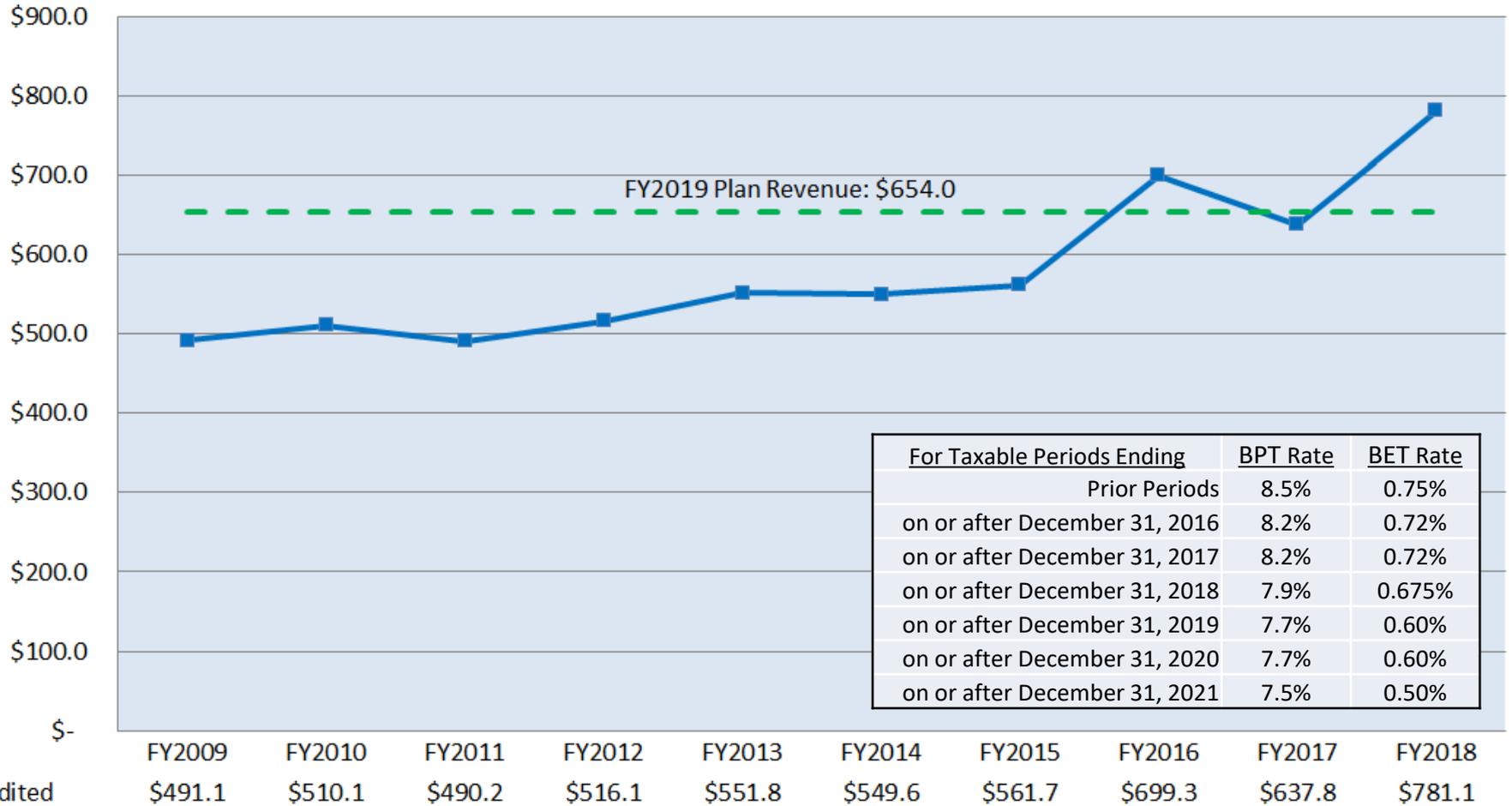
Audited Revenue



Factors Influencing Revenue: Economic cycle, including employment levels and wages, federal tax reform, credits and exemptions, statutory changes (rate reductions, 100% exemption for qualified regenerative manufacturing companies, R&D Tax credit, thresholds)

BPT & BET Revenue 10-Year Trend

Audited Revenue



For Taxable Periods Ending	BPT Rate	BET Rate
Prior Periods	8.5%	0.75%
on or after December 31, 2016	8.2%	0.72%
on or after December 31, 2017	8.2%	0.72%
on or after December 31, 2018	7.9%	0.675%
on or after December 31, 2019	7.7%	0.60%
on or after December 31, 2020	7.7%	0.60%
on or after December 31, 2021	7.5%	0.50%

Timing of Business Tax Documents Received for Calendar Year Filers Compared to State Fiscal Year 2019

Calendar Tax Year Filer (90% of filers) = January 1, 2018 to December 31, 2018

January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
		2017 Returns Due for Partnerships	2017 Returns Due for Corps, Combined Groups, Props, & Fiduciary	2017 Return Due for Non-Profits	2nd 2018 Estimate Payment			3rd 2018 Estimate Payment	2017 Returns on Extension Due for Partnerships	2017 Returns on Extension Due for Corps, Combined Group, Props, & Fiduciary	2017 Returns on Extension Due for Non-Profits
			1st 2018 Estimate Payment								4th 2018 Estimate Payment

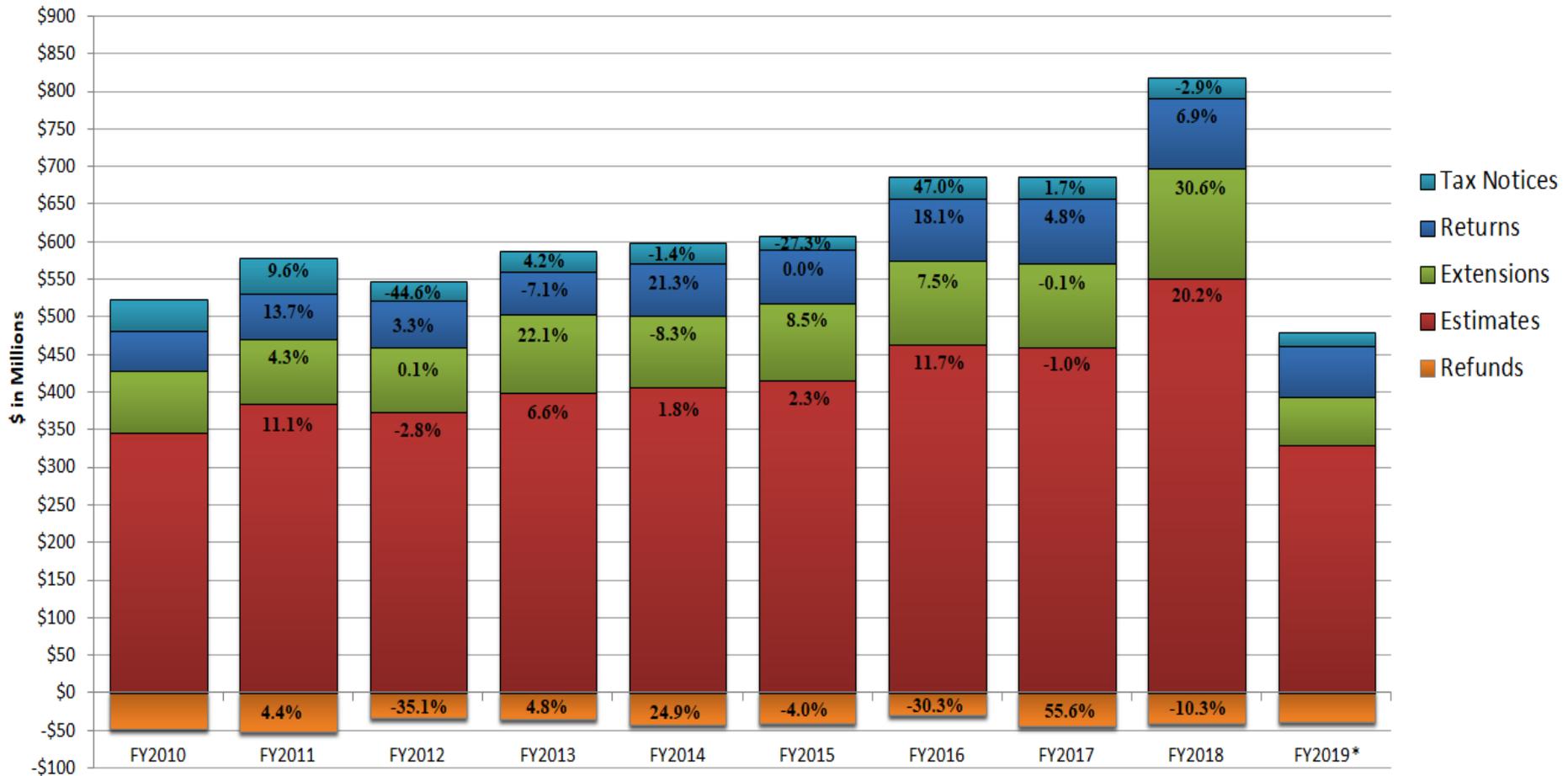
	Estimate Payment
	Return on Extension
	Returns

Example of How a Calendar Year Filer's Tax Documents Equate to State Fiscal Year 2019

July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
		3rd 2018 Estimate Payment	2017 Returns on Extension Due for Partnerships	2017 Returns on Extension Due for Corps, Combined Group, Props, & Fiduciary	2017 Returns on Extension Due for Non-Profits			2018 Returns Due for Partnerships	2018 Returns Due for Corps, Combined Group, Props, & Fiduciary	2018 Return Due for Non-Profits	2nd 2019 Estimate Payment
					4th 2018 Estimate Payment				1st 2019 Estimate Payment		

Historical Business Tax Returns, Estimates, Extensions, Tax Notice Payments and Refunds

Year-Over-Year Change
(Cash Basis)

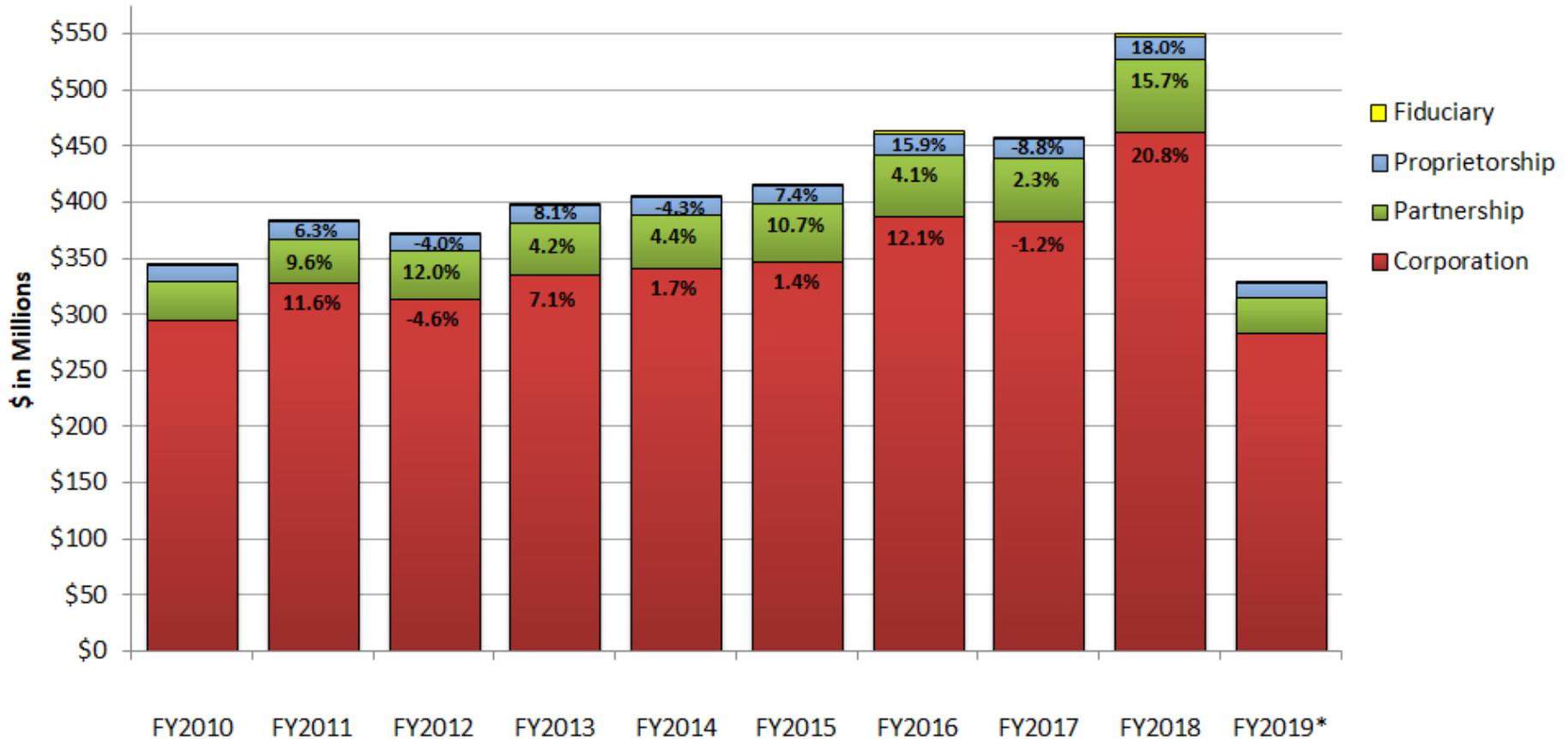


*FY2019 includes July 2018 – January 2019

Business Tax Estimate Analysis

Year-Over-Year Change
(Cash Basis)

The majority of Business Tax revenue is derived from estimates. The following chart depicts a 10-year history of NH Business Tax estimate revenue by entity type



*FY2019 includes July 2018 – January 2019

Meals and Rooms (Rentals) Tax (M&R)

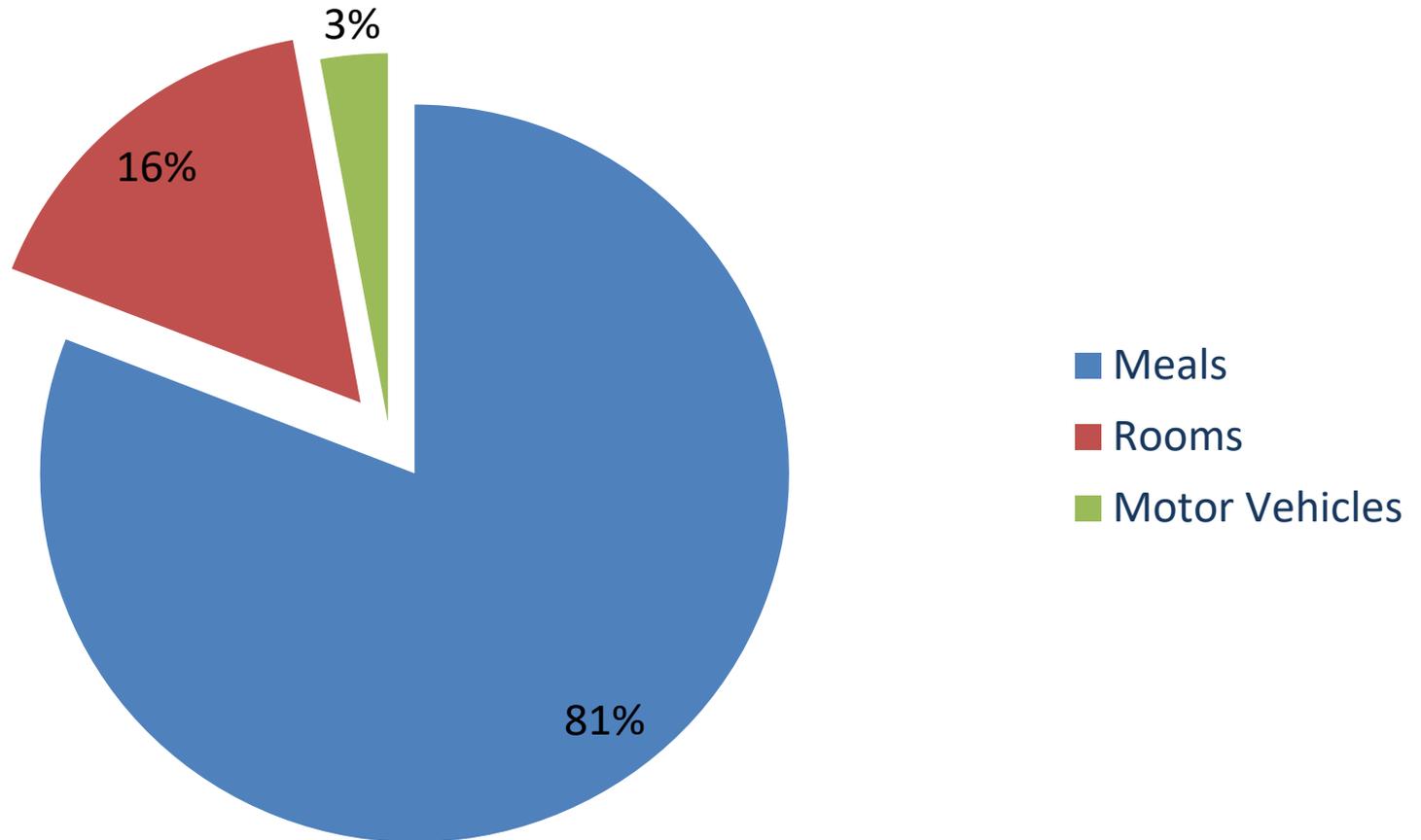
RSA 78-A

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•9% on meals, rooms and motor vehicle rentals•Tax is paid by the consumer and collected and remitted by operators of hotels, restaurants, or other businesses providing taxable meals, rooms rentals, and motor vehicle rentals•Operators may retain a commission equal to 3% of taxes due if return and payment are timely filed, they maintain appropriate records, and they file electronically if the prior year's taxable revenue was greater than \$25,000	<ul style="list-style-type: none">•Returns are filed on a monthly basis and are due by the 15th day of the month following the taxable period•Electronic filing, via touch tone telephone and personal computer, is available.•A paper return is not required if filing electronically, but operators must retain the Meals and Rooms (Rentals) worksheet

M&R Tax

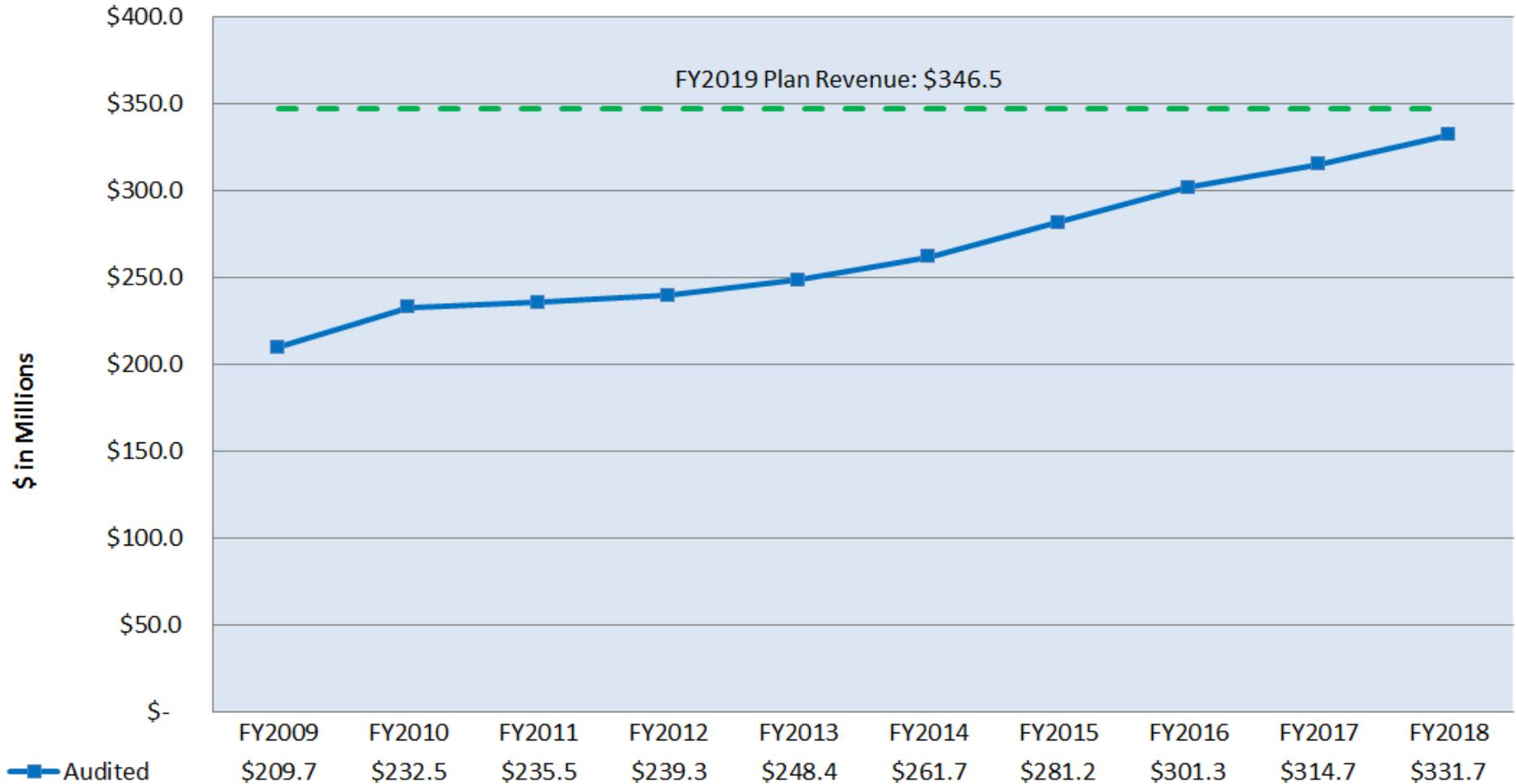
Gross Meals & Rentals (M&R) Tax Liability Reported by Activity Type

For FY2014 to FY2018, on average, M&R Tax revenues were composed of:



M&R Tax Revenue 10-Year Trend

Audited Revenue



Rate: 8% (FY2009); 9% (FY2010 – Present)

Factors Influencing Revenue: Economic cycle, including unemployment, weather, travel and tourism

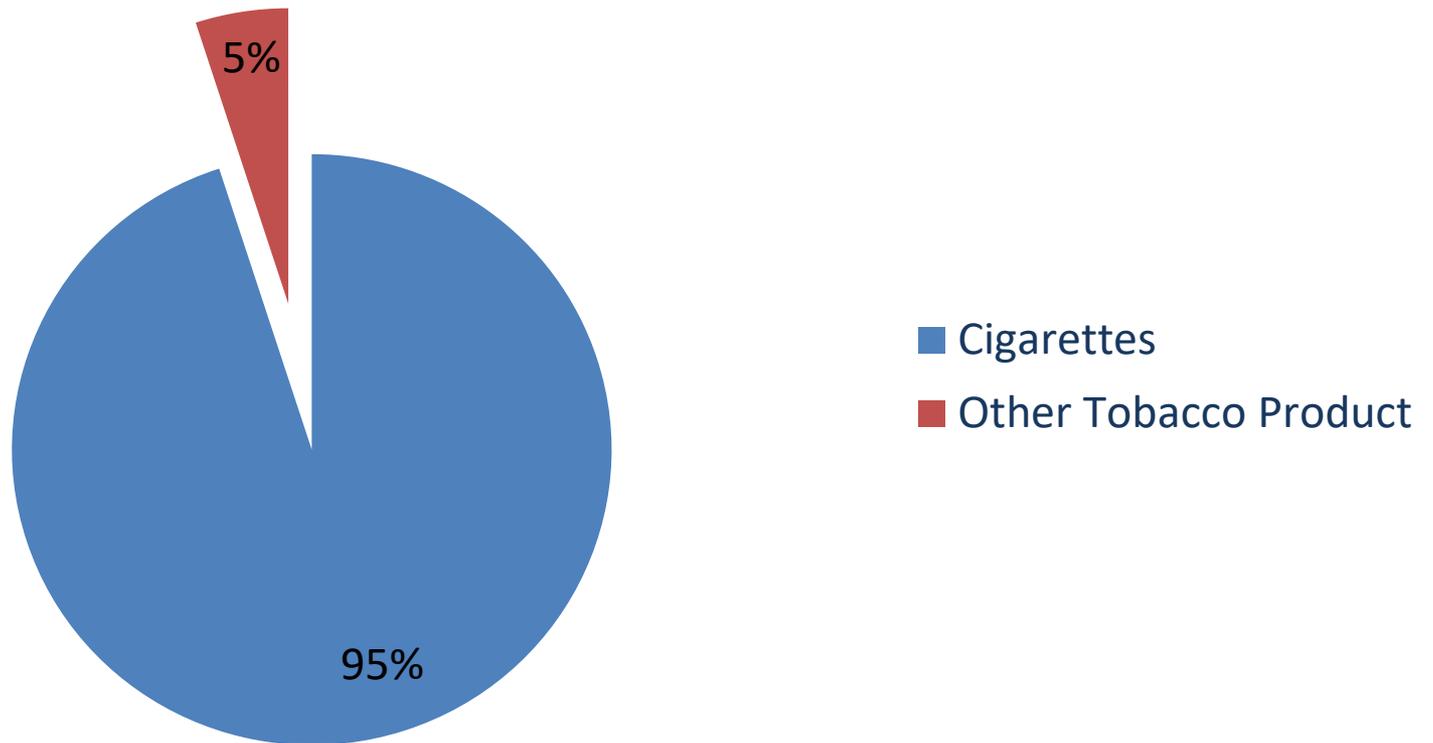
Tobacco Tax

RSA 78

Overview of Tax	When to File/Pay
<ul style="list-style-type: none"> •\$1.78 per pack of 20 cigarettes, \$2.23 per pack of 25 cigarettes and 65.03% of the wholesale sales price for all other tobacco products (OTP) •Premium cigars are exempt from taxation •Tax on tobacco products is a direct tax upon the consumer at retail, but it is pre-collected and paid by the wholesaler •For packages of 20 or 25 cigarettes, payment of tax is evidenced by the wholesaler’s purchase of Tobacco Tax stamps which are affixed to each package 	<ul style="list-style-type: none"> •For cigarettes sold in packages containing quantities other than 20 or 25 not suitable for stamping and for OTP, the wholesaler must report and pay the tax liability on a monthly basis •The return and payment of tax are due on or before the 15th day of the month following the end of the reporting period •Stamps may be purchased on a bond filed with the Department, which allows for payment to be made within 30 days after the days of purchase

Tobacco Tax

For FY 2014 to FY 2018, on average, Tobacco Tax revenues were composed of:



Tobacco Stamp Rates

FY2009

A Stamp Rate = \$1.65

B Stamp Rate = \$1.33

FY2010 – FY2011

A Stamp Rate = \$2.23

B Stamp Rate = \$1.78

FY2012 – FY2013

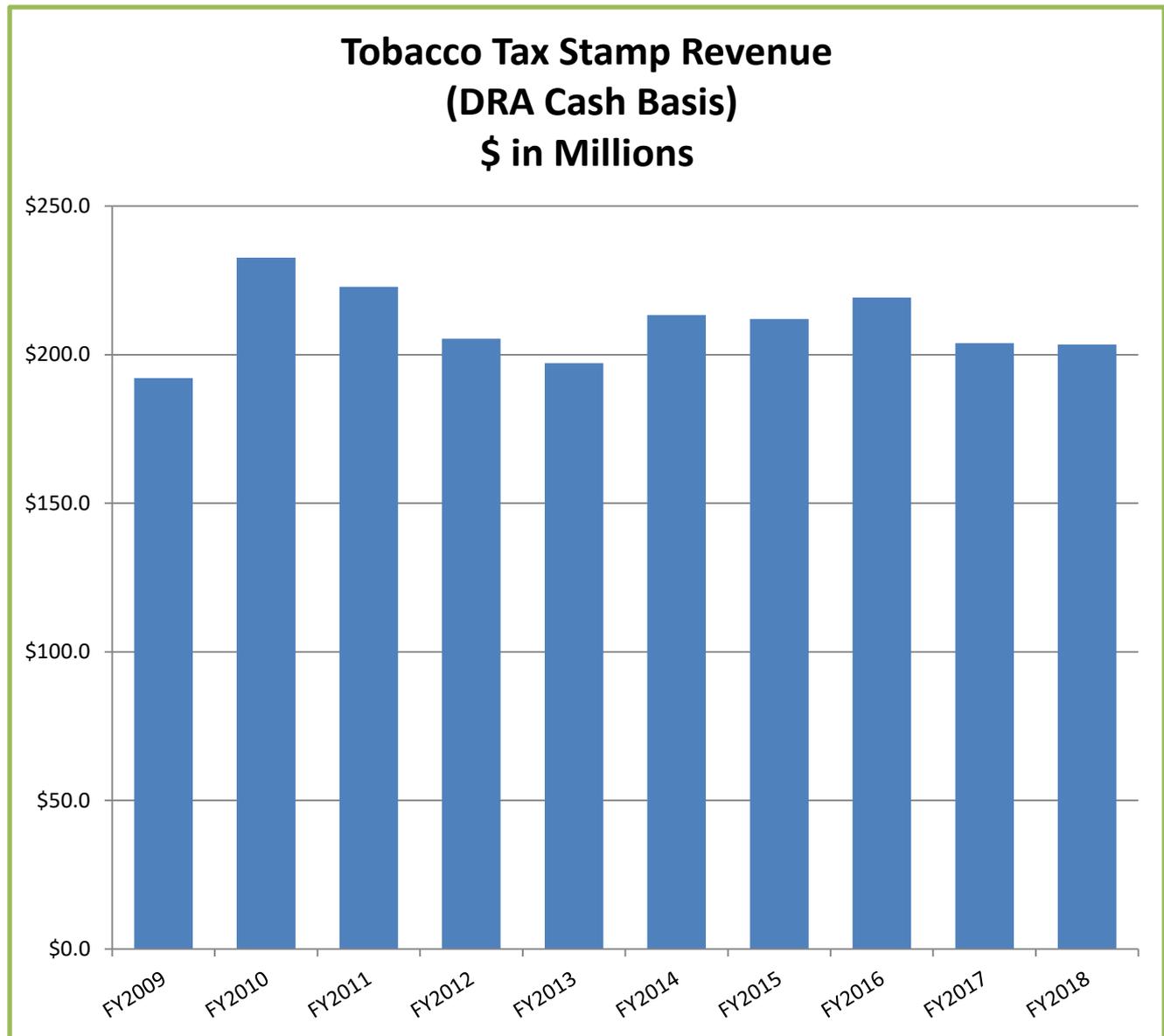
A Stamp Rate = \$2.10

B Stamp Rate = \$1.68

FY2014 – Current

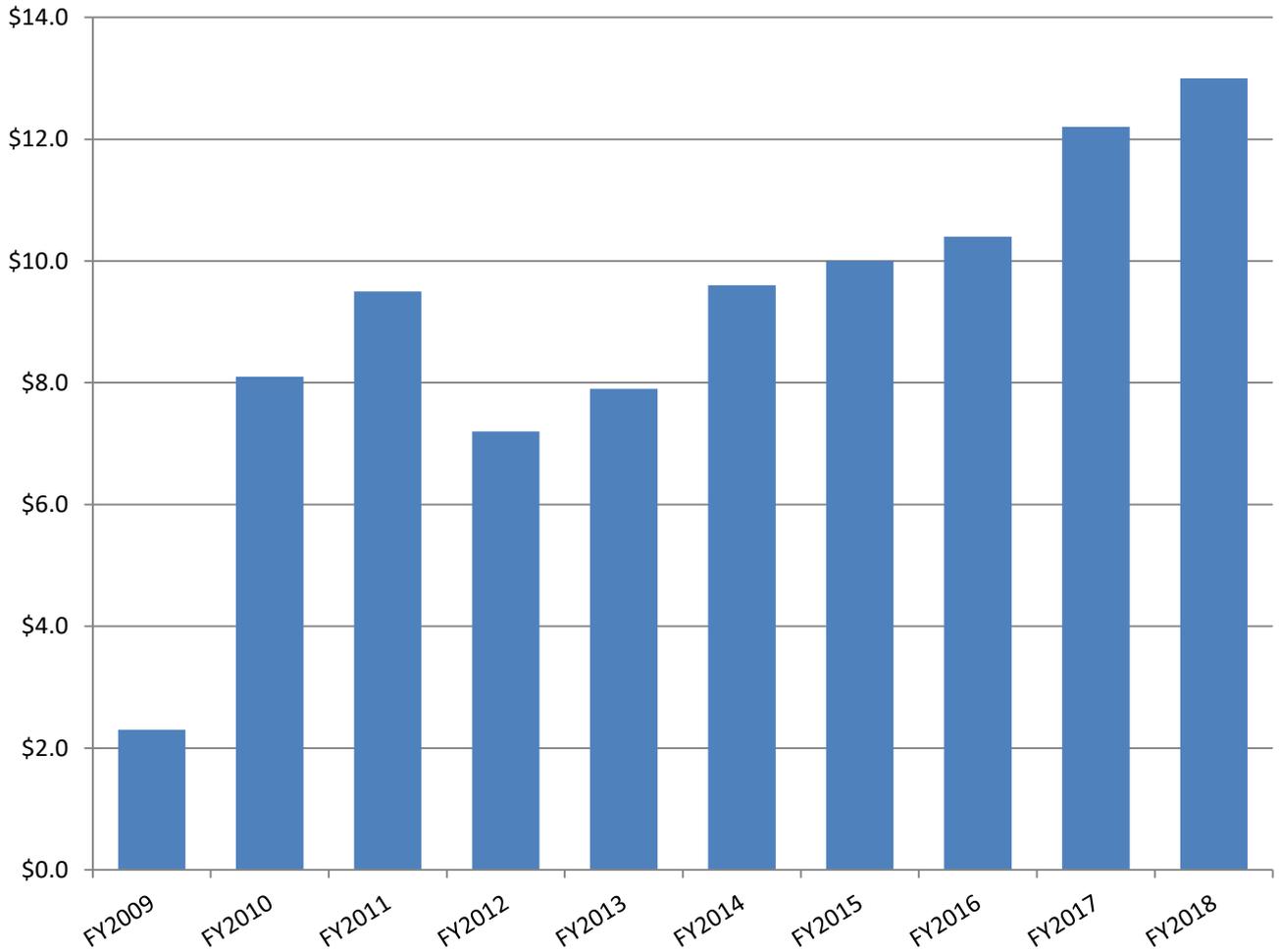
A Stamp Rate = \$2.23

B Stamp Rate = \$1.78



Note: "A" Stamps are affixed to cigarette packs containing 25 cigarettes. "B" Stamps are affixed to cigarette packs containing 20 cigarettes.

**Other Tobacco Products (OTP) Tax Revenue
(DRA Cash Basis)
\$ in Millions**

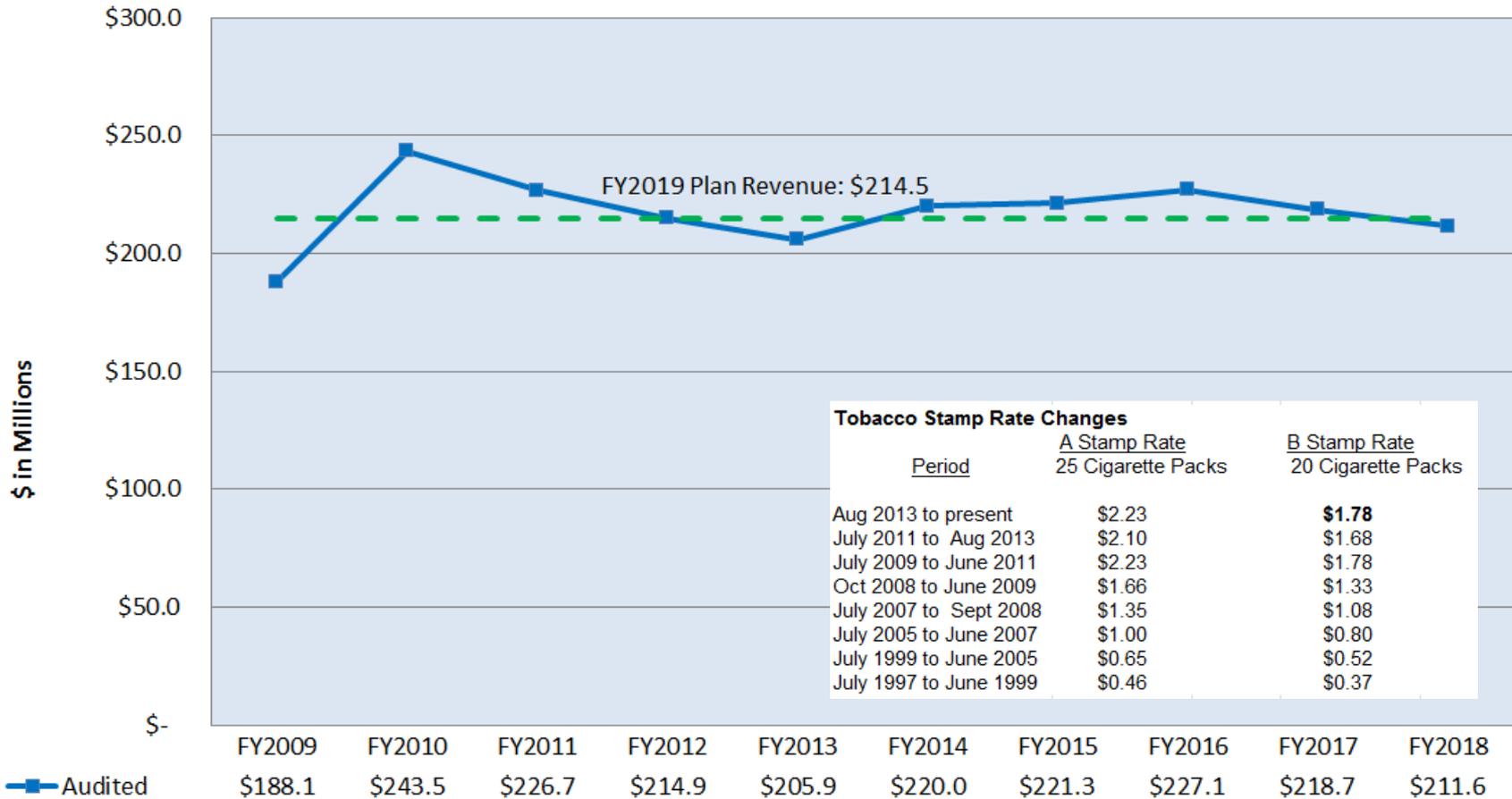


**OTP Tax Rates
(Wholesale Price)**

- FY2009**
19.00%
- FY2010**
48.59%
- FY2011**
65.03%
- FY2012**
48.00%
- FY2013**
48.00%
- FY2014 – Current**
65.03%

Tobacco Tax Revenue 10-Year Trend

Audited Revenue



Other Tobacco Products Rate: 19% (FY2009); 48.59% (FY2010); 65.03% (FY2011); 48% (FY2012 – FY2013); 65.03% (FY2014 – Present)

Factors Influencing Revenue: Cross-border elasticity, e-cigarettes, downward trend of stamps sales

Real Estate Transfer Tax (RETT)

RSA 78-B

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•Tax on the sale, granting, and transfer of real property or interest in real property•Tax is imposed on both the buyer and seller at a rate of \$0.75 per \$100 of the price or consideration for the sale granting or transfer•RETT is paid by buying stamps, which are affixed to the deed, from the Register of Deeds in the county where the property is located•Each Register of Deeds retains 4% of the face value of the stamps sold in the county	<ul style="list-style-type: none">•Each buyer and seller must file a Declaration of Consideration and an Inventory of Property Transfer within 30 days•Each Register of Deeds shall remit the taxes collected to the Department on a monthly basis•In Real Estate Holding Company transactions the tax is remitted directly to the Department

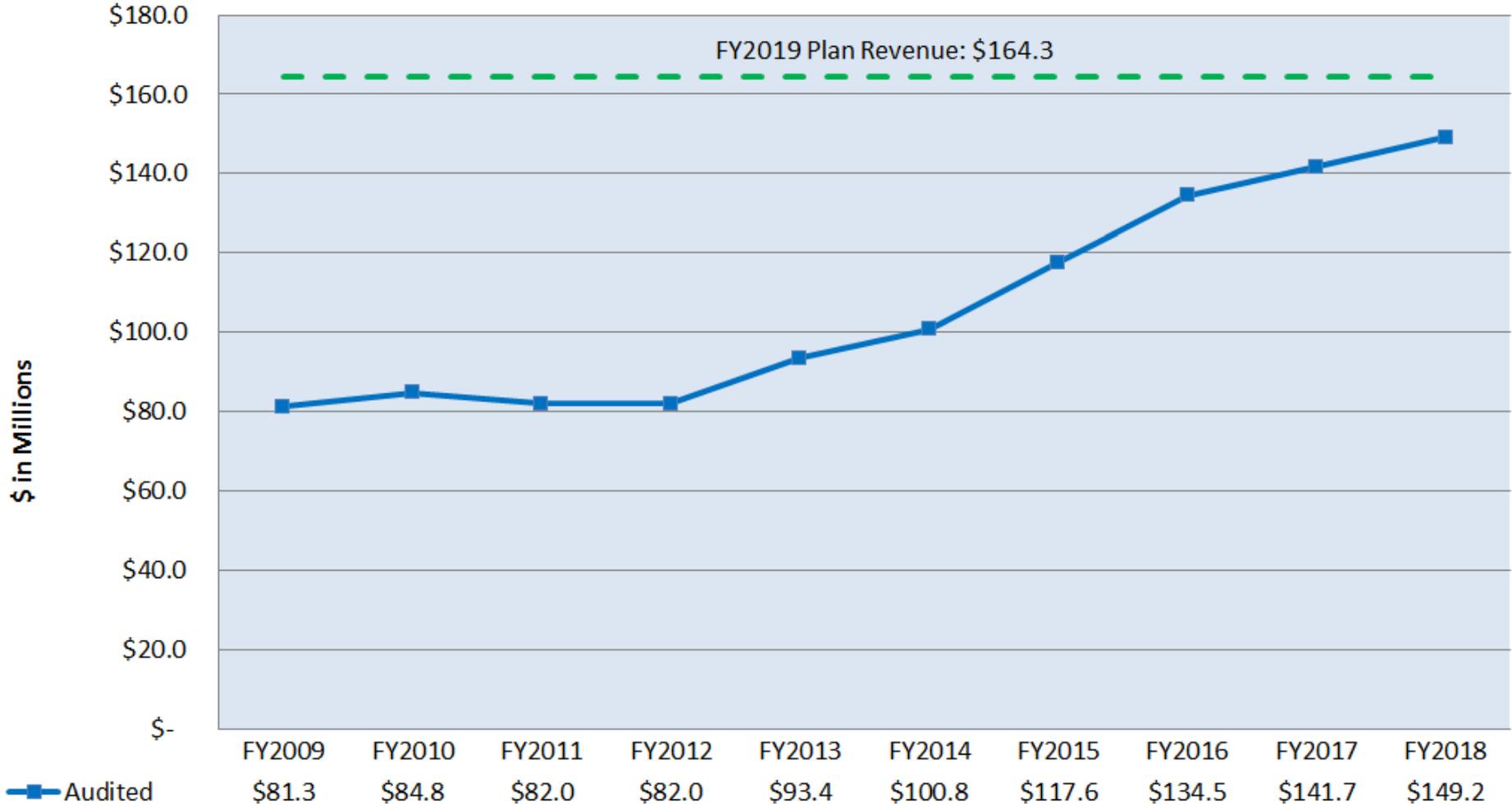
RETT Taxpayers

For FY2018, the average monthly percent of transactions and average monthly percent of total revenue received by county:

<u>County</u>	<u>Transactions</u>	<u>Tax</u>
BELKNAP	7.0%	6.1%
CARROLL	7.1%	6.6%
CHESHIRE	4.8%	3.3%
COOS	3.5%	1.4%
GRAFTON	8.4%	7.2%
HILLSBOROUGH	25.5%	26.9%
MERRIMACK	10.4%	9.3%
ROCKINGHAM	21.7%	29.6%
STRAFFORD	8.6%	7.3%
SULLIVAN	3.0%	2.2%
	100.0%	100.0%

RETT Revenue 10-Year Trend

Audited Revenue



Rate: \$1.50 per \$100 of the price or consideration for the transfer (\$0.75 is the obligation of the purchaser and \$0.75 is the obligation of the seller)

Factors Influencing Revenue: Economic cycle, interest rates, property values, available inventory

Interest and Dividends Tax (I&D)

RSA 77

Overview of Tax	When to File/Pay for Calendar Year End
<ul style="list-style-type: none">•5% on interest and dividends income•All New Hampshire residents, fiduciaries, LLCs, partnerships and associations with income from interest and dividends•Threshold of \$2,400 annually (\$4,800 for joint filers) with a \$1,200 exemptions for residents age 65 or older, blind, or disabled before their 65th birthday	<ul style="list-style-type: none">•Returns are due April 15•7-month extensions to file, with payment, are due by the return due date•Estimates equal to 25% of estimated tax liability are due April 15, June 15, September 15 and January 15 (of the subsequent year) if estimated liability exceeds \$500

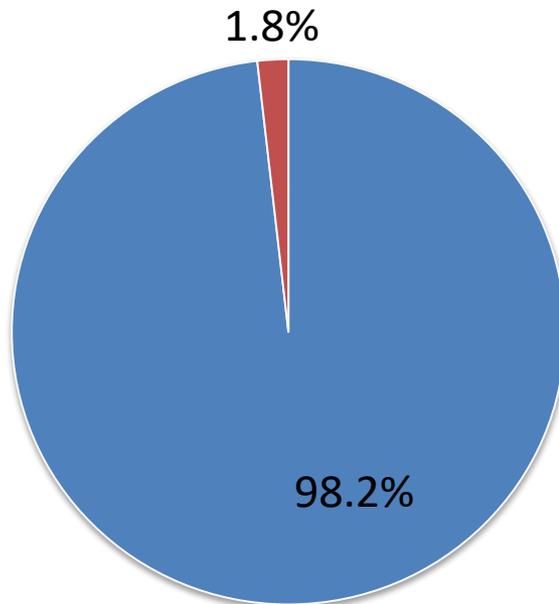
I&D Taxpayers

For Tax Year 2017

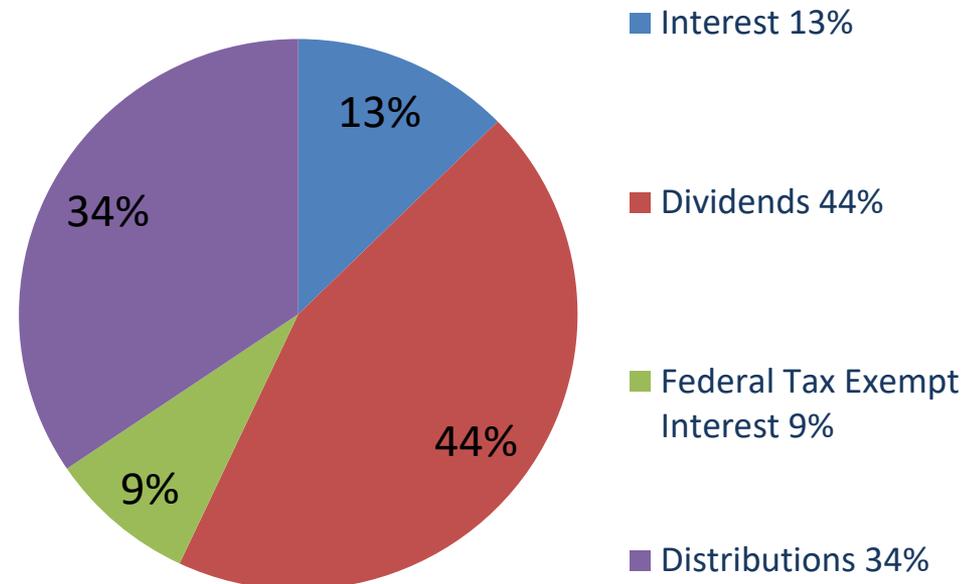
Gross I&D Income From All Data Sources as Reported by Taxpayers

Entities Paying Interest and Dividends Tax

- Individuals & Joint 98.2%
- Partnerships & Estates 1.8%

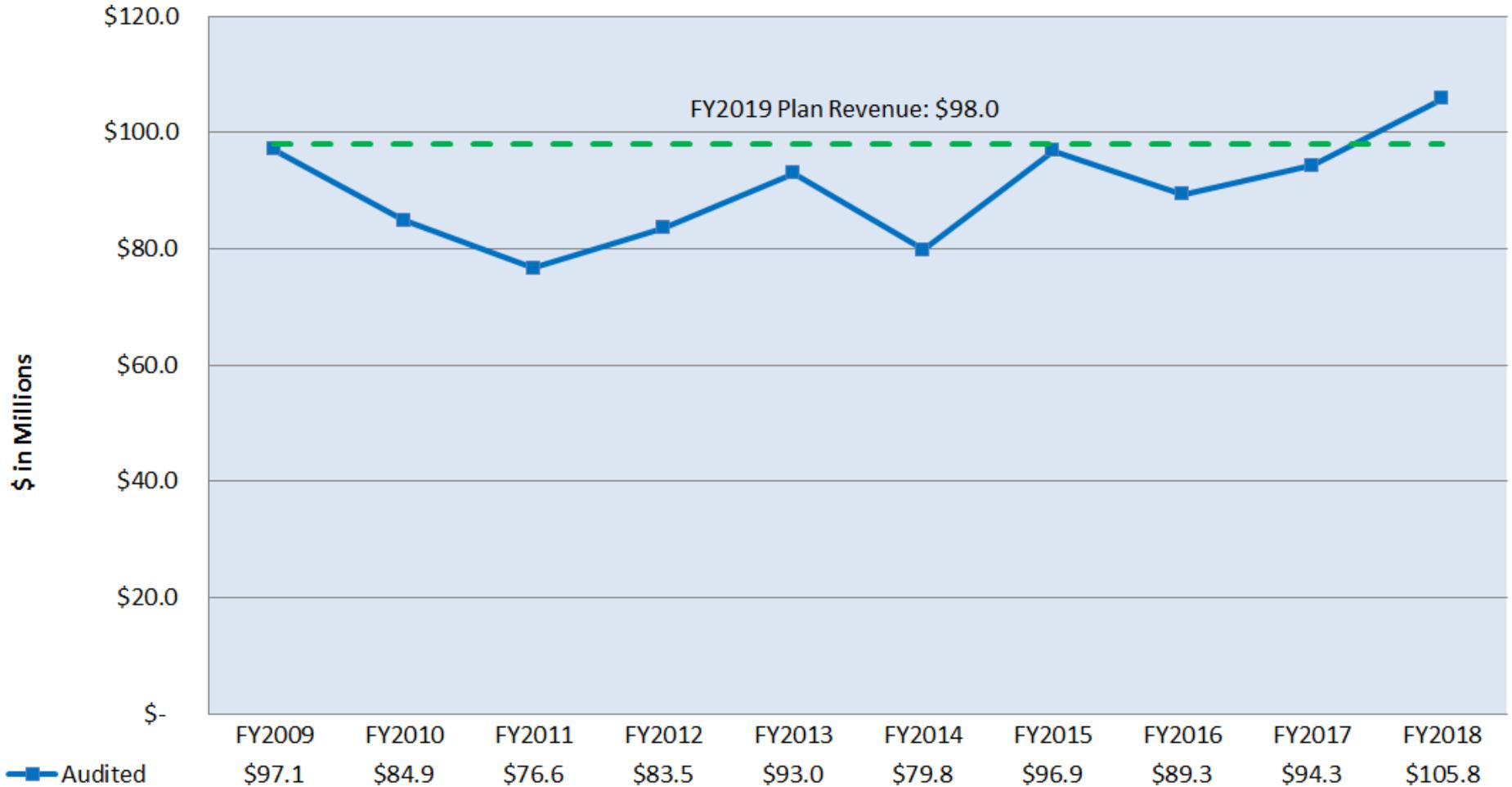


Interest and Dividends Tax Breakdown



I&D Tax Revenue 10-Year Trend

Audited Revenue



Rate: 5%

Factors Influencing Revenue: Economic cycle, interest rates, federal tax reform

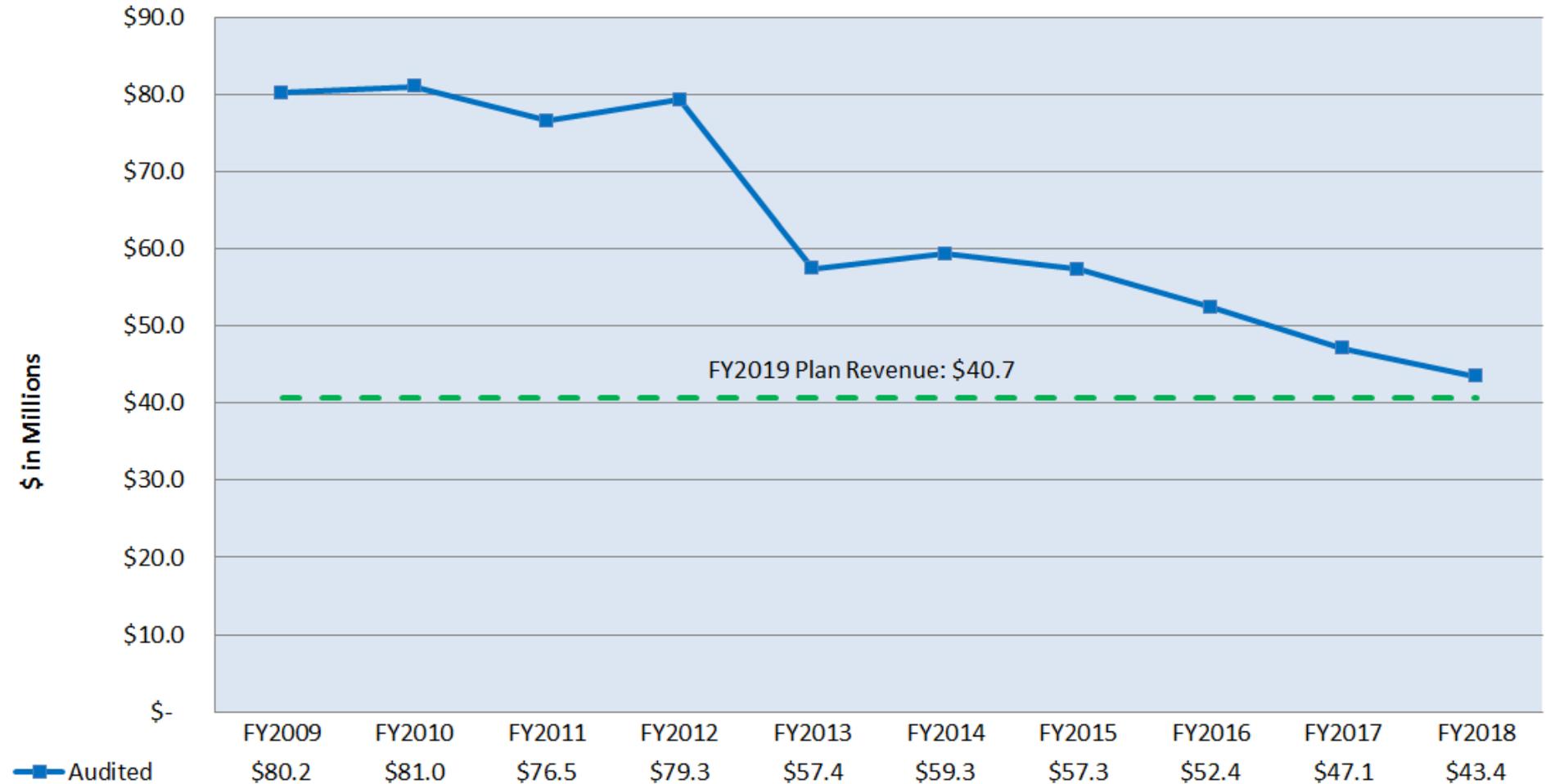
Communications Services Tax (CST)

RSA 82-A

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•7% on all two-way communications services•Tax is paid by the consumer and collected by two-way communications services providers•All two-way communications services providers are responsible for collecting and remitting the tax from the consumer and filing a return	<ul style="list-style-type: none">•Returns are filed on a monthly basis and are due by the 15th day of the following month•If the liability under \$100 per month, returns are filed quarterly and are due by the 15th day of the month following the quarter•Estimates are required if the tax liability is over \$10,000 per month and the payment equal to 90% of the actual tax collected is due by the 15th day of the month during which the liability is incurred

CST Revenue 10-Year Trend

Audited Revenue



Rate: 7%

Factors Influencing Revenue: 2012 exclusion of charges for internet access, decrease in landlines, modern pricing and purchasing trends for wireless communications

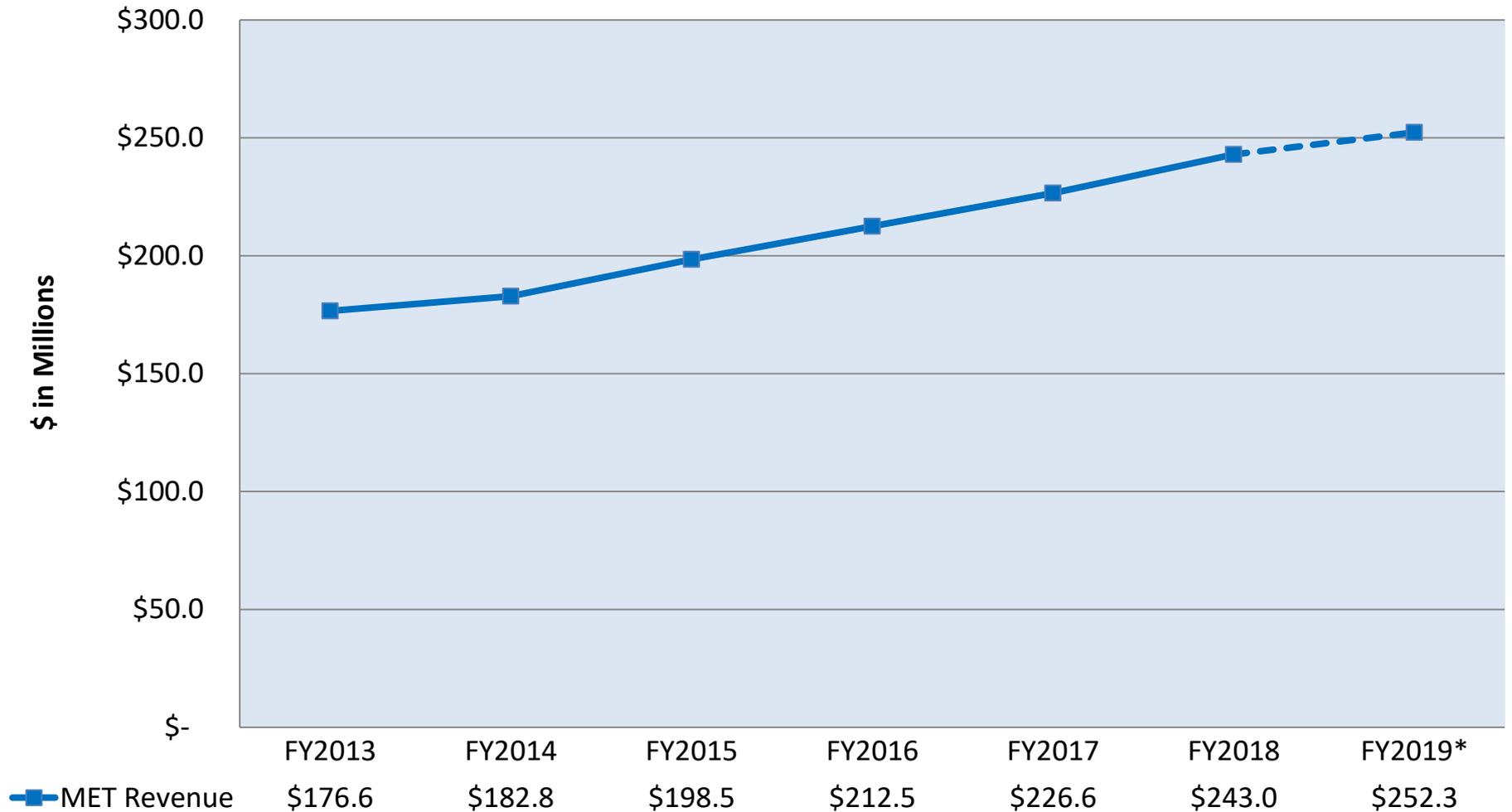
Medicaid Enhancement Tax (MET)

RSA 84-A

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•5.4% tax upon the “net patient services revenue” of hospitals•Tax is paid by general hospitals that provide inpatient and outpatient hospital services, but not including government facilities•The tax period for MET is a 12-month period beginning July 1 and ending June 30 and the tax due is based upon each hospital’s fiscal year ending during the calendar year in which the taxable period begins	<ul style="list-style-type: none">•Each hospital must file a nonbinding estimate on or before January 15th of its projected tax payment•Each hospital is required to pay 100% of its MET due and payable for the tax period no later than April 15th•Every hospital shall file a return by April 15th in the taxable period

MET Revenue Historical Trend

Cash Basis, net of Refunds



*FY 2019 is the projected revenue based on the nonbinding estimates received from hospitals.

Rate: 5.4% for the taxable period ending 6/30/17 and for every taxable period thereafter

Factors Influencing Revenue: Hospital service utilization

DRA Role In MET Administration

- Hospitals file a non-binding estimate of their projected tax payment on January 15th with DRA. DRA notifies the NH Department of Health and Human Services (DHHS) of the estimated MET payment.
- 100% of the MET owed is due to DRA on or before April 15th. MET revenue is deposited directly into the uncompensated care and Medicaid fund established by RSA 167:64.
- The Commissioner of DHHS is responsible for expending funds in accordance with RSA 167:64 (disproportionate share hospital payments and other Medicaid expenditures).
- DRA is authorized to audit MET returns and collect unpaid MET.

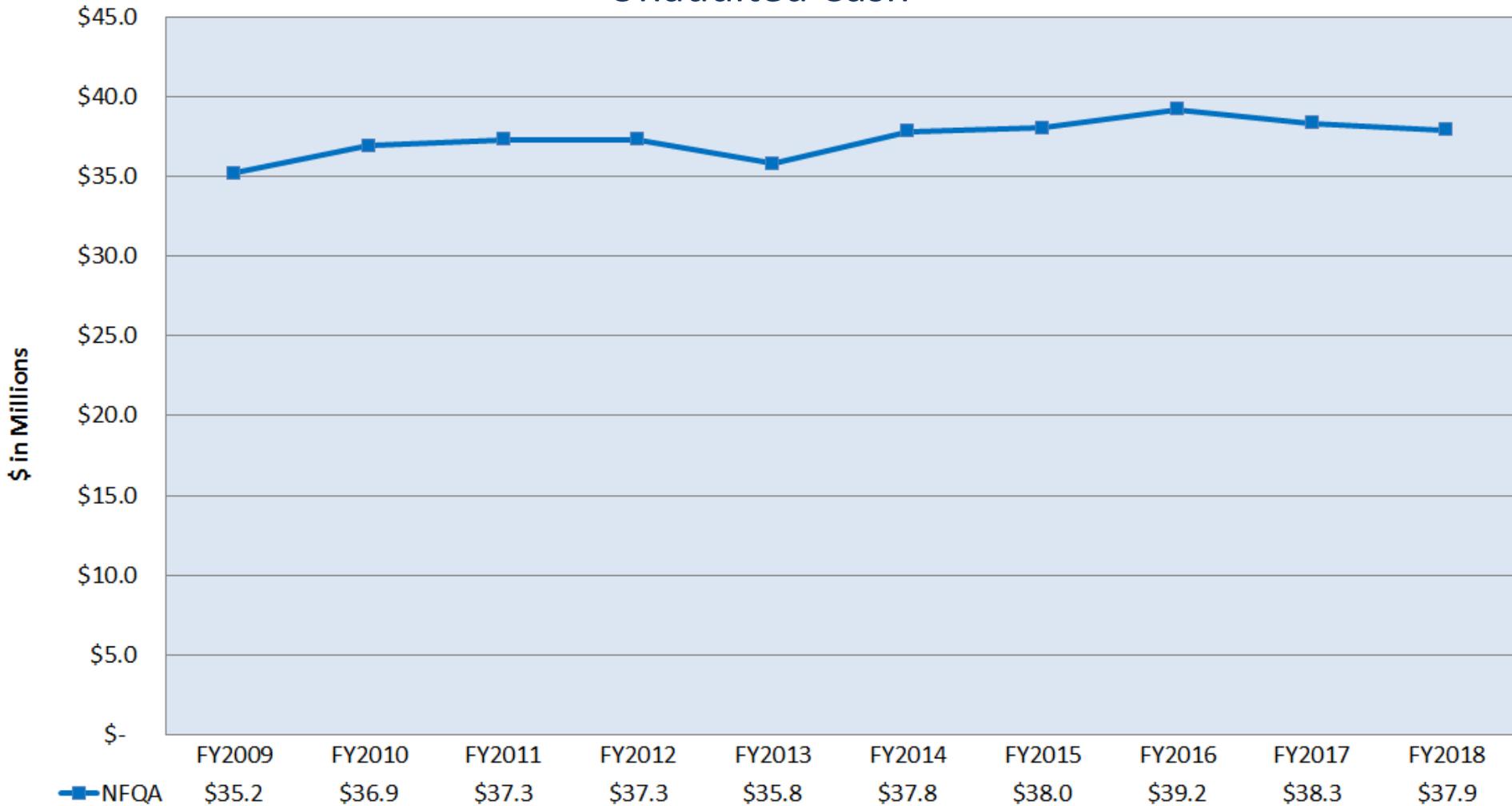
Nursing Facility Quality Assessment (NFQA) and Intermediate Care Facility Quality Assessment (ICFQA)

RSA 84-C and RSA 84-D

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•5.5% tax upon the “net patient services revenue” on all nursing and intermediate care facilities on the basis of patient days in each facility•The assessment is paid by nursing and intermediate care facilities as well as facilities licensed as a specialty hospital and certified to receive federal reimbursement as a nursing facility•The assessment period for NFQA and ICFQA is a 3-month period beginning July 1, October 1, January 1 and April 1 of each year	<ul style="list-style-type: none">•Every facility shall file a return by the 10th day of the month following the expiration of the assessment period (January 10, April 10, July 10 and October 10)•Each facility is required to pay 100% of its NFQA/ICFQA due and payable for the assessment period no later than the 15th day of the month following the assessment period (January 15, April 15, July 15 and October 15)•No penalty or interest is imposed for failure to make a payment of the assessment due if such payment is made by electronic funds transfer on or before the last day of the month in which payment is due

NFQA Revenue 10-Year Trend

Unaudited Cash



Rate: 5.5%

Factors Influencing Revenue: Nursing home utilization

DRA Role In NFQA Administration

- Nursing facilities file their NFQA return quarterly on the 10th of January, April, July, and October for the prior 3-month “assessment period” with both the DRA and DHHS.
- Nursing facilities pay the NFQA quarterly on the 15th of January, April, July, and October for the prior 3-month “assessment period” by electronic funds transfer (debited by DRA on the last day of the month).
- NFQA revenue is deposited directly in the Nursing Facility Trust Fund established by RSA 151-E:14.
- The Commissioner of DHHS is responsible for expending funds in accordance with RSA 151-E:15:
 - “The moneys in the fund shall be used to eliminate or reduce to the maximum extent possible the difference between the allowable medicaid costs, derived from the nursing facility medicaid acuity rate setting system, which nursing facilities incur in providing care to medicaid residents, and the amount which the state has budgeted in order to fund that care.”
- DRA is authorized to audit NFQA returns and collect unpaid NFQA.

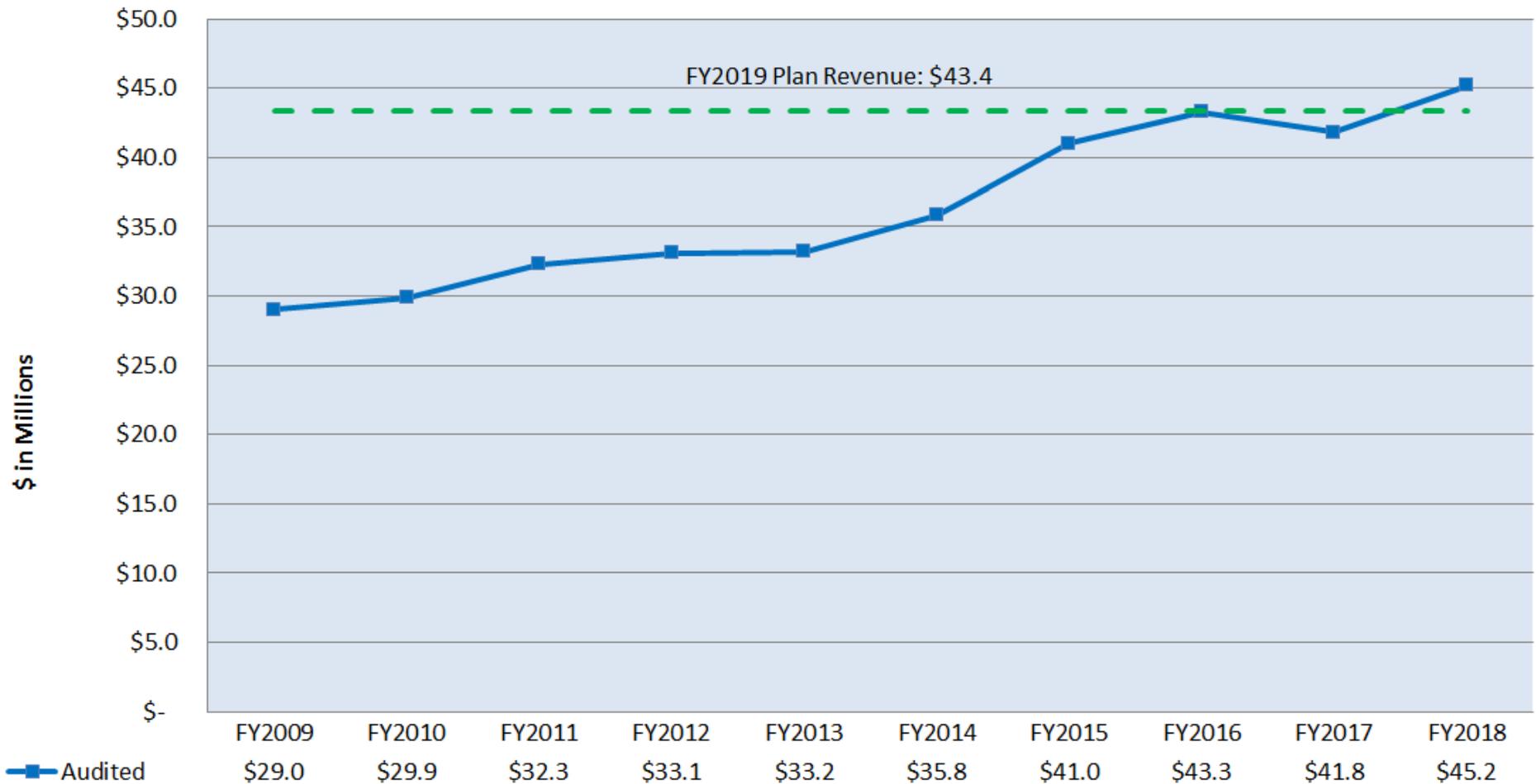
Utility Property Tax (UPT)

RSA 83-F

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•Tax rate is \$6.60 per \$1,000 of value of utility property as defined by RSA 83-F•Tax is on the value of the utility property as determined by the Department on December 1 of each year for the value as of the previous April 1	<ul style="list-style-type: none">•On or before May 1 of each year the company shall file a form detailing the company's actual financial operating performance since the prior April 1 of the preceding year•Final payment is due on or before January 15•Estimates equal to 25% of estimated tax liability are due April 15, June 15, September 15 and December 15

UPT Revenue 10-Year Trend

Audited Revenue



Rate: \$6.60 per \$1,000 of value

Factors Influencing Revenue: Development of new renewable energy facilities, valuation of utility property, energy pricing (supply and demand)

Railroad Tax

RSA 82

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•Every railroad, railway, express, and every parlor, sleeping or dining car company, or other company owning any cars operated for profit on any NH railroad•Tax is on the market value of the property's full and true value as of April 1 of each year and is imposed at the average rate of taxation at that time upon other property throughout the State•Property values and average rate of taxation are determined by the Department•Railroad "property" applies to both railroad companies and private rail cars operated for profit on any railroad in NH	<ul style="list-style-type: none">•On or before May 1 of each year the company shall file a form detailing the company's actual financial operating performance since the prior April 1 of the preceding year•Payment is due within 30 days from the date of the Notice of Value and Tax Bill (typically due December 15)•Estimates equal to 25% of estimated tax liability are due April 15, June 15, September 15 and December 15 if estimated liability exceeds \$200•\$339,176 tax revenue collected in FY2018 (unaudited), with \$84,794 distributed to municipalities

Local Property Taxes

RSA 72

Statewide Education Property Tax	Local Property Taxes
<ul style="list-style-type: none">•Tax is assessed and collected by the municipalities to be retained for use by their local school districts•Tax is everyone owning real property in the state•The Department sets the tax rate at a level sufficient to generate revenue of \$363,000,000•The rate shall be set to the nearest ½ cent necessary to generate the revenue required	<ul style="list-style-type: none">•Property taxes, based upon local assessed valuations, are administered and collected by the individual cities and towns•The majority of property taxes collected are based on the market value of the property at its highest and best use•Exemptions, credits and deferrals include the elderly and blind exemptions and deferrals, veterans tax credit, disability exemption, exemption for improvements to assist persons with disabilities and exemption for wind-powered, solar and wood heating energy systems

Excavation (Gravel) Tax

RSA 72-B

Overview of Tax	When to File/Pay
<ul style="list-style-type: none"> •Tax rate is \$0.02 per cubic yard of earth, as defined in RSA 155-E:1, I, excavated, with certain exceptions •Tax is assessed by, and payable to, the local assessing officials •The Department is responsible for administering and enforcing the tax including educating municipal officials, having the authority to check on the volumes indicated on the report of excavated material, reporting violations to local and state officials and entering any lands that may have an excavation 	<ul style="list-style-type: none"> •A Notice of Intent to Excavate, along with a \$100 administration and enforcement fee, must be filed with the Department prior to excavation and at the beginning of each tax year (April 1) for excavation in progress or not yet completed •Owner must report all earth excavated within 30 days of completion, local assessing official must assess the excavation tax within 30 days after receipt of report and owner must pay tax within 30 days after tax bill is mailed by tax collector

Timber Tax

RSA 79

Overview of Tax	When to File/Pay
<ul style="list-style-type: none">•Tax rate is 10 percent of the stumpage value at the time of cutting•Tax is assessed by, and payable to, the local assessing officials•The Department is responsible for administering and enforcing the tax including entering land for which there may be a timber operation, reviewing any records in conjunction with a timber operation, stopping any operation in violation and reporting violations to local authorities	<ul style="list-style-type: none">•A Notice of Intent to Cut must be filed with the municipal assessing officials, with a copy to the owner, logger and Department, at the beginning of each tax year (April 1) or prior to commencing each cutting operation•Owner must report all wood or timber cut within 30 days of completion, local assessing official must assess the tax within 30 days after receipt of report and owner must pay tax within 30 days after tax bill is mailed by tax collector

Timing of DRA Revenues

<u>Business</u>	<u>% of Money</u>
July	3.2%
August	1.9%
September	16.4%
October	3.6%
November	1.0%
December	16.0%
January	3.5%
February	2.5%
March	13.4%
April	19.6%
May	2.5%
June	16.5%

<u>M&R</u>	<u>% of Money</u>
July	9.1%
August	10.9%
September	11.2%
October	8.8%
November	8.7%
December	7.0%
January	7.5%
February	6.7%
March	7.0%
April	7.4%
May	7.4%
June	8.4%

<u>Tobacco</u>	<u>% of Money</u>
July	8.6%
August	9.6%
September	8.9%
October	8.9%
November	8.4%
December	8.0%
January	7.3%
February	6.4%
March	8.0%
April	7.6%
May	8.4%
June	9.7%

<u>I&D</u>	<u>% of Money</u>
July	0.8%
August	1.3%
September	15.6%
October	2.3%
November	0.1%
December	5.8%
January	14.0%
February	1.1%
March	4.3%
April	38.9%
May	0.9%
June	14.4%

<u>RETT</u>	<u>% of Money</u>
July	10.3%
August	10.7%
September	10.0%
October	9.1%
November	9.3%
December	7.8%
January	9.1%
February	6.0%
March	5.0%
April	6.2%
May	7.3%
June	9.1%

Quarterly

<u>Business</u>	<u>% of Money</u>
Quarter 1	22%
Quarter 2	21%
Quarter 3	19%
Quarter 4	39%

<u>M&R</u>	<u>% of Money</u>
Quarter 1	31%
Quarter 2	25%
Quarter 3	21%
Quarter 4	23%

<u>Tobacco</u>	<u>% of Money</u>
Quarter 1	27%
Quarter 2	25%
Quarter 3	22%
Quarter 4	26%

<u>I&D</u>	<u>% of Money</u>
Quarter 1	18%
Quarter 2	8%
Quarter 3	19%
Quarter 4	54%

<u>RETT</u>	<u>% of Money</u>
Quarter 1	31%
Quarter 2	26%
Quarter 3	20%
Quarter 4	23%

Biannually

<u>Business</u>	<u>% of Money</u>
1st Half	42%
2nd Half	58%

<u>M&R</u>	<u>% of Money</u>
1st Half	56%
2nd Half	44%

<u>Tobacco</u>	<u>% of Money</u>
1st Half	52%
2nd Half	47%

<u>I&D</u>	<u>% of Money</u>
1st Half	26%
2nd Half	74%

<u>RETT</u>	<u>% of Money</u>
1st Half	57%
2nd Half	43%

* Average based on 2013-2018 from DAS Revenue Focus. Adjustments have been made for anomalies and due date changes.

Resources

- **Annual Report** – Comprehensive information about the DRA and historical revenue data. Visit the DRA Publications and Presentations – Reports webpage at www.revenue.nh.gov/publications/reports.
- **Transparency Page** – Comprehensive revenue data for the most recent fiscal year as well as 10-year historical data presented in graphic form. Visit the DRA website at www.revenue.nh.gov/transparency.
- **Daily Revenue Updates** – Provided every business day for the second half of each month. Let us know if you would like to be added to the distribution list. Also located on the Transparency webpage above.
- **Tax Expenditure Report** – Annual analysis of tax expenditures. Located on the DRA Publications and Presentations – Reports webpage above.
- **DRA Listserv** – Receive notifications regarding important information from the DRA. Subscribe through the e-News Subscribe button on the DRA’s website at www.revenue.nh.gov.