

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

18-2440.2

**HB 1686-FN**, *relative to application for and the use of education tax credits.*

House Ways & Means

HB 1686 amends RSA 77-G, Education Tax Credit (ETC), to allow taxpayers to utilize the ETC against the RSA 77 Interest and Dividends (I&D) Tax.

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%.

The proposed legislation will decrease General Fund revenue by an indeterminable amount. The Department has no way of knowing how may I&D taxpayers will donate and utilize the ETC against their I&D Tax liability. Currently, the ETC program has a program year cap of \$5,100,000 in total donations allowed.

This act shall take effect July 1, 2018. The Department would recommend making the proposed legislation applicable to the start of a new program year versus having the proposed legislation effective part way through a program year. Currently, RSA 77-G:1, XII, defines a program year as January 1 through December 31.