

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

17-0324

HB 567-FN, *repealing the exemption for water and air pollution control facilities from local property taxation.*

House Ways & Means

The proposed bill would eliminate the requirement for municipalities to annually deduct the value of water and air pollution control equipment from the RSA 72 Property Tax. The elimination of this requirement may decrease municipal expenditure by a small but indeterminable amount. The proposed bill would reallocate the property tax burden slightly in municipalities that have property that currently receive such exemption(s), but would have no impact on municipal revenues.

The proposed bill would eliminate the requirement for the Department of Revenue to annually deduct the value of water and air pollution control equipment from the RSA 83-F Utility Property Tax. The elimination of this duty may decrease state expenditure by a small but indeterminable amount.

This proposal will increase state revenues by increasing the taxable value of RSA 83-F property. The Department estimates the increase in state revenues as follows: \$3.6 million in FY2018; \$3.636 million in FY2019; \$3.67 million in FY 2020; and \$3.7 million in FY2021.

The Department has estimated the FY 2018 increase in revenue based on the average of the value of exempt property in RSA 83-F over the last two years. This resulted in a year over year increase in the revenue impact per year for FY 2019, FY 2020, and FY 2021.