

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

17-0527

HB 580-FN-A, *regulating online fantasy contests*.

House Ways & Means

The proposed bill establishes a regulatory and consumer protection framework for fantasy contest operators who facilitate the participation of New Hampshire residents in online fantasy contests for money.

The proposed bill requires fantasy contest operators to register with the lottery commission for a fee and also levies a 5% tax on the gross fantasy contest revenues of online fantasy contest operators, payable to the NH Lottery Commission, and allows the amount of the tax to be credited against the Business Profits Tax (BPT) and Business Enterprise Tax (BET).

The DRA would be responsible for updating all necessary tax return forms and electronic management systems related to this bill. These updates would include making adjustments to forms showing the new proposed tax credit to be allowed against the BPT and BET. Appropriate updates to policies and procedures will be implemented prior to the effective date of this bill.

The creation of a new BPT and BET tax credit which is equal to a new 5% tax on online fantasy contests, payable to the NH Lottery Commission, will result in an indeterminable decrease in State BPT and BET revenues. The DRA does not have adequate data on the revenues of online fantasy operators, attributable to entry fees collected from fantasy contest players located in New Hampshire, and thus cannot estimate the fiscal impact of this bill.

The DRA has not analyzed the revenue impact of the registration fee or the 5% tax levied on gross fantasy contest revenues and payable to the NH Lottery Commission. The Department has only analyzed the impact of the associated tax credit against the BPT and BET.

The proposed legislation could be administered by the DRA without any additional costs.

This bill would take effect 60 days after its passage.