

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

17-0361

HB 637-FN-A, *relative to the threshold for filing a business enterprise tax return.*

House Ways & Means

This proposed legislation amends RSA 77-E:5, I to state the any business enterprise that is not required in any year to filed a return under RSA 77-A for tax on its gross business profits shall not be required to file a Business Enterprise Tax (BET) return effective July 1, 2017.

The estimated fiscal impact of this bill is \$2,121,735 for FY2019 going forward.

To calculate the impact the Department used Tax Year 2014 data as of 1/19/17. The Department identified returns that reported a BET liability, but checked “Not Required to File” on the BT-Summary page of their Business Tax Return, indicating that the taxpayer was not required to file a Business Profits Tax (BPT) return. The revenue impact was based on the total BET liability reported by these taxpayers, who would no longer be required to file a BET return were this legislation enacted. This proposed legislation would impact 12% or 4,277 BET filers with a BET liability greater than zero and would reduce revenue to the General and Education Trust fund by \$2,121,735 had it been implemented in Tax Year 2014.

The proposed legislation does not have an applicability date. Having no applicability date would allow taxpayers to amend returns that were filed prior to this legislation being enacted. The Department would recommend an applicability date that impacts “taxable periods ending on or after December 31, 2017.” Approximately 90% of taxpayers use a calendar year as their tax year, so adopting the above applicability date ensures that a tax law change will impact the vast majority of taxpayers equally.