

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

17-0902

**SB 184**, *modifying the research and development tax credit for first-time recipients of the credit.*

Senate Ways & Means

The proposed bill amends the Research and Development (R&D) Tax Credit program for first time recipients under RSA 77-A:5, XIII(a)(2) effective July 1, 2017.

Under the R&D Tax Credit program, recipients may currently receive the lesser of the following as a tax credit against Business Profits Tax (BPT): (1) 10% of qualified manufacturing R&D expenditures (wages) attributable to New Hampshire; (2) the proportional share of the maximum aggregate credit (currently \$7 million); or (3) \$50,000. The proposed legislation would increase these amounts by 150% for first time recipients of the R&D Tax Credit.

The DRA would be responsible for updating all necessary tax return forms and electronic management systems related to this bill. Appropriate policies and procedures for administering this bill will be implemented prior to the effective date of this bill. The proposed legislation could be administered by the DRA without any additional costs that could not be absorbed in our operating budget.

The proposed legislation would have no fiscal impact, as it does not amend the limit of aggregate tax credits which may be issued by DRA. The proposed legislation would increase the amount of R&D Tax Credit received by first time recipients while at the same time reducing the amount received by recipients receiving the R&D Tax Credit at least once previously. However, the total net amount of credits issued would not change.