

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

25-0392.1

HB 688, *authorizing municipalities to tax charitable gaming facilities based on their enterprise value.*

Ways and Means

This bill:

I. Establishes a charitable gaming facilities tax.

II. Allows cities or towns to vote to choose not to collect the charitable gaming facilities tax.

The proposed legislation would create a new local “enterprise tax” on every historic horse racing and charitable gaming facility with 100 or more machines (casinos). Under new RSA 72:1-e, casinos would be required to pay an annual tax each year on April 1 equal to 2 times the “assessed property value” of the enterprise.

The term “assessed property value” is not defined. DRA is not certain whether this refers to the enterprise’s property value as reported to the city or town by April 1 on form PA-28, Inventory of Taxable Property pursuant to RSA Chapter 74, to the enterprise’s appraised (not assessed) value, or to the tax liability for the property that would otherwise exist under RSA 72. DRA suggests that Section 1 be reworded to make the tax to be assessed clearer. DRA additionally notes that the window of time used for identifying taxpayers is inconsistent with RSA 76:2, which prescribes presence on the April inventory (compiled as of April 1) as the determiner of tax liability for the tax year. DRA suggests that Section 1 be modified to use April 1 as the relevant date.

The proposed legislation additionally would permit municipalities to elect not to assess, levy, and collect an enterprise tax.

The proposed legislation would be effective on April 1, 2026 (at the beginning of tax year 2026).

In order to implement the proposed legislation, DRA would need to develop a requirement for all charitable gaming facilities to report the number of machines they have on an annual basis, the cost of which can be absorbed in DRA’s ordinary operating budget. However, the proposed legislation would ideally provide rulemaking authority for DRA in order to allow such development.

Assuming that some towns do desire to collect the tax, and further assuming that the tax is not so costly as to cause casinos in such towns to cease operations or relocate, the proposed legislation would result in an indeterminable increase in local revenues beginning in FY 2027. Although the effective date would make enterprise tax applicable for the last three months of FY2026, it is not

expected that any significant revenue from the tax would be realized by municipalities in those months.