

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

25-1022.0

SB 63, *relative to funding for the division of travel and tourism.*

Ways and Means

This bill raises funds for the division of travel and tourism through from the meals and rooms tax.

The proposed legislation adjusts the Meals and Rooms Tax Revenue (M&R) calculation for the budget of the Division of Travel and Tourism, including the Travel and Tourism Development Fund.

Under current law, the budget of the Division of Travel and Tourism, including the Travel and Tourism Development Fund, is funded at an amount no less than 3.15 percent of the net income of M&R after the cost to administer the M&R tax, transfers to the Education Trust Fund, and the transfers to the Municipal Revenue Fund. The proposed legislation adds back the transfer to the Municipal Revenue fund to the net income for the purpose of the calculation.

The proposed legislation is effective 60 days after passage, but the calculation and subsequent funding is based on the most recently completed fiscal year. The DRA assumes the legislation is timed for the passage of the SFY2026-2027 budget and therefore recommends an effective date of July 1, 2025.

The proposed legislation is revenue neutral; however, there is an indeterminable impact in the amount deposited to the Travel and Tourism Development Fund from the General Fund and expenditures will increase in the Travel and Tourism Development Fund and decrease from the General Fund.

For reference, 3.15 percent of the net income from FY 2024 M&R Tax revenue was \$10.2M. When including the transfer to the Municipal Revenue Fund, 3.15 percent of the net income from FY 2024 M&R Tax revenue was \$14.3 million, an increase of \$4.1 million.

The proposed legislation would not result in any additional administrative costs that could not be absorbed in the DRA operating budget. The proposed legislation does not change how the DRA administers the M&R Tax.