



PRESS RELEASE

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Repeal of NH Interest and Dividends Tax Now in Effect

Taxpayers no longer required to pay 3% levy for tax periods beginning on or after January 1, 2025

CONCORD, NH – For tax periods beginning on or after January 1, 2025, New Hampshire taxpayers are no longer required to pay the state's Interest and Dividends Tax.

House Bill 2, passed by the New Hampshire General Court and signed into law by Governor Chris Sununu during the 2023 legislative session, repealed the Interest and Dividends Tax, effective January 1, 2025. Initially set for repeal in 2026, the repeal was accelerated during the 2023 session to become effective this year.

Under prior law, the Interest and Dividends Tax was imposed at 3% on New Hampshire residents receiving more than \$2,400 of interest and dividend income if filing as an individual or receiving more than \$4,800 of interest and dividend income if filing a joint return. Exemptions were available for residents 65 years of age or older, blind, disabled, or unable to work and had not yet reached their 65th birthday.

“The New Hampshire Department of Revenue Administration is committed to ensuring taxpayers are aware and prepared for the repeal of the Interest and Dividends Tax, as this is a significant tax change,” said Lindsey Stepp, Commissioner, New Hampshire Department of Revenue Administration. “It is critically important we work diligently to make sure our customers are informed as tax laws change and evolve. We are here to be a resource and we encourage taxpayers to reach out to us with any questions they have.”

Despite the repeal, taxpayers may still have obligations under the law. Taxable periods beginning on or before December 31, 2024, remain subject to audit and collection by

the [New Hampshire Department of Revenue Administration \(NHDRA\)](#) per applicable law and rules.

- Taxpayers who are required to file a 2024 Interest and Dividends Tax return (or a return for any earlier year) either on a fiscal or calendar year basis still need to do so by the statutory due date and will still need to include any required payment of tax, interest, and penalty that may be due. The repeal does not provide amnesty for tax years prior to the repeal.
- All tax year 2024 Interest and Dividends Tax overpayments will be refunded unless they may be applied to any prior balances due. Overpayments for tax years before 2024, for which the statute of limitations has not passed, will be refunded upon request after being applied against any unpaid balances due.
- Estimated Interest and Dividends Tax payments for tax year 2025 should not be filed. Taxpayers who have made estimated tax payments in error should request a refund of the same in writing.
- 2025 Interest and Dividends Tax forms will not be available as taxpayers are not required to file a 2025 Interest and Dividends Tax return.

The New Hampshire legislature established a phased repeal process. The Interest and Dividends Tax was assessed at 5% for tax periods ending prior to December 31, 2023, and the tax was reduced to 4% for taxable periods ending on or after December 31, 2023, and then to 3% for taxable periods ending on or after December 31, 2024.

Additional information about the Interest and Dividends Tax and its repeal can be found in RSA Chapter 77 and N.H. Code of Admin. Rules Rev 900, which is available on the NHDRA [website](#).

Taxpayers with questions should call Taxpayer Services at (603) 230-5920.

About the New Hampshire Department of Revenue Administration

The New Hampshire Department of Revenue Administration (DRA) is responsible for fairly and efficiently administering the tax laws of the State of New Hampshire. DRA collects approximately 80% of New Hampshire's general taxes. During Fiscal Year 2023, DRA collected \$2.8 billion in taxes, most of which went to the New Hampshire General Fund and Education Trust Fund. DRA also assists municipalities in budgeting, finance, and real estate appraisal. DRA administers and collects the following taxes at the state level: Business Enterprise Tax, Business Profits Tax, Communications Services Tax, Interest and Dividends Tax, Meals and Rooms Tax, Medicaid Enhancement Tax, Nursing Facility Quality Assessment, Tobacco Tax, Taxation of Railroads, Utility Property Tax, Real Estate Transfer Tax; and the following taxes at the local level: Property Tax, Excavation Tax, Timber Tax. To learn more about DRA, please visit www.revenue.nh.gov.

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