

**New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
TIR 2010-006 Date June 28, 2010**

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Central Taxpayer Services at (603) 271-2191.

**Repeal of Extension of Interest and Dividends Tax Law
to Distributions from Limited Liability Companies**

The Legislature passed and Governor Lynch signed Special Session House Bill 1, which repeals the changes to RSA Chapter 77, the Interest and Dividends Tax law (Chapter 144, Laws of 2009) that made distributions from limited liability companies, partnerships and associations with non-transferable shares subject to the Interest and Dividends Tax. The repeal is *effective for taxable periods ending on or after December 31, 2010*. Therefore, limited liability companies, partnerships or associations with non-transferable shares that receive income from interest and dividends during taxable periods ending on or after December 31, 2010 are required to report and pay Interest and Dividends Tax.

The Legislature's passage of Special Session House Bill 1 does not apply the repeal of Chapter 144, Laws of 2009 retroactively to the 2009 taxable period and, therefore, those taxpayers required to report and pay Interest and Dividends Tax for the 2009 taxable period are not entitled to a refund based upon the repeal. Those taxpayers who received distributions from limited liability companies, partnerships or associations with non-transferable shares during the 2009 taxable period, are liable for Interest and Dividends Tax. Additionally, those taxpayers who filed under extension for the 2009 taxable period are still required to file the return and pay Interest and Dividends Tax with respect to taxable distributions made during the 2009 taxable period.

For additional guidance, the Department is currently drafting "Frequently Asked Questions and Answers" that will be available on the Department's website at www.nh.gov/revenue/faq.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 271-2191.