

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

**TECHNICAL INFORMATION RELEASE
TIR 2020-006 Date: December 29, 2020**

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 Taxpayer Services at (603) 230-5920.

Business Tax Rates

The purpose of this Technical Information Release (“TIR”) is to provide taxpayers and practitioners with information about the rate of the Business Profits Tax (“BPT”) and Business Enterprise Tax (“BET”).

RSA 77-A:2, IV and RSA 77-E:2, IV provide that if, upon completion of the audited comprehensive annual report, the combined amount of general and education trust fund revenue collected, not including sums appropriated to the education trust fund in section 386 of HB 4 (Chapter 346, Laws of 2019), for the fiscal year ending June 30, 2020 is 6 percent or more below the official estimates for said fiscal year, the tax rate shall increase to 7.9% for the BPT and 0.675% for the BET for taxable periods ending on or after December 31, 2021. If the combined amount of general and education trust fund revenue collected, not including sums appropriated to the education trust fund in section 386 of HB 4 (Chapter 346, Laws of 2019), for the fiscal year ending June 30, 2020 is 6 percent or more above the official revenue estimates for said fiscal year, the tax shall decrease to 7.5% for the BPT and 0.5% for the BET for taxable periods ending on or after December 31, 2021. If neither scenario occurs, the BPT rate shall remain at 7.7% and the BET rate shall remain at 0.6%.

The official revenue estimates for the fiscal year ending June 30, 2020, not including sums appropriated to the education trust fund in section 386 of HB 4 (Chapter 346, Laws of 2019) were \$2,626.2 million.

The total amount of combined unrestricted general and education trust fund revenue for the fiscal year ending June 30, 2020, as reported in the schedule of undesignated/unassigned fund balance was \$2,520.2 million.

The total amount of combined unrestricted general and education trust fund revenue for the fiscal year ending June 30, 2020 was \$106 million or 4.04% less than the official revenues estimates for the fiscal year ending June 30, 2020, not including sums appropriated to the education trust

fund in section 386 of HB 4 (Chapter 346, Laws of 2019). Therefore, the BPT rate will remain at 7.7% and the BET rate will remain at 0.6%.¹

The State's Comprehensive Annual Financial Report, which contain the audited financial statements of the State of New Hampshire, can be found at the following link:

<https://das.nh.gov/accounting/cafr.asp>

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) 230-5000.

¹ The BPT rate of 7.7% and the BET rate of 0.6% are effective for taxable periods ending on or after December 31, 2019. For the rate applicable to prior taxable periods, please refer to the relevant statutes.