

HB 1478-FN-A - AS INTRODUCED

2022 SESSION

22-2136

05/10

HOUSE BILL ***1478-FN-A***

AN ACT relative to the business profits tax applicable to certain large, low-wage employers.

SPONSORS: Rep. Adjutant, Graf. 17; Rep. Hyland, Hills. 38; Rep. Bouchard, Hills. 11; Rep. Dontonville, Graf. 10; Rep. Cloutier, Sull. 10; Rep. Gomarlo, Ches. 12; Rep. Labranche, Hills. 22; Rep. Frost, Straf. 16; Rep. M. King, Hills. 33

COMMITTEE: Ways and Means

ANALYSIS

This bill increases the rate of the business profits tax applicable to business organizations with more than 100 employees who pay wages below a specified amount.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to the business profits tax applicable to certain large, low-wage employers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Short Title. This act shall be known as the “Stop Corporate Welfare Act of 2022.”

2 2 New Paragraph; Business Profits Tax; Imposition of Tax. Amend RSA 77-A:2 by inserting
3 after paragraph II the following new paragraph:

4 III. For taxable periods ending on or after December 31, 2023, a tax is imposed at the rate of
5 8 percent upon the taxable business profits of every business organization of 100 or more employees
6 that employs any person at an hourly rate of less than \$15 per hour. The commissioner of revenue
7 administration, in consultation with the commissioner of labor, may adopt rules under RSA 541-A, to
8 implement and enforce this paragraph, including with respect to compliance, audits, and wage claim
9 provisions under existing state law, as applicable.

10 3 Effective Date. This act shall take effect upon its passage.

**HB 1478-FN-A- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the business profits tax applicable to certain large, low-wage employers.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

METHODOLOGY:

This bill would increase the Business Profits Tax rate from 7.6% to 8.0% for taxable periods ending on or after December 31, 2023 for every business organization of 100 or more employees that employs any person at an hourly rate of less than \$15.00 per hour. The Department of Revenue Administration does not collect information from taxpayers regarding the number of employees which are employed by a business organization or the amount the employees are paid. To the extent a business organization employs 100 or more individuals and has employees earning an hourly rate less than \$15.00 per hour, any Business Profits would be taxed at the higher rate of 8.0% resulting in an indeterminable increase in General Fund and Education Trust Fund revenue. The Department anticipates any increase in revenue would partially impact FY 2023 and fully impact FY 2024 and each fiscal year thereafter. The Department would be responsible for updating all necessary tax return forms and electronic management systems related to this bill, however the Department anticipates it will be able to absorb any costs within its existing operating budget.

AGENCIES CONTACTED:

Department of Revenue Administration