

Amendment to HB 1221-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to the rate of the business profits tax, and relative to payment by the state to  
4 municipalities of an amount equal to a portion of retirement system contributions of  
5 political subdivision employers.

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7 Amend the bill by replacing section 2 with the following:

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9 2 Short Title. Section 4 of this act may be known as the “Property Tax Relief Act of 2022.”

10 3 Legislative Findings.

11 I. New Hampshire’s working families and small businesses are struggling with a 40-year  
12 high inflation rate that has had a devastating impact on the price of gasoline, home heating, and  
13 food resulting from policies adopted in Washington, D.C. since January 2021.

14 II. Prior to January of 2021, the price of gasoline was approximately half of what it is today  
15 and now has steadily risen over the past 15 months.

16 III. Because of sound budget policies that controlled spending and made New Hampshire’s  
17 business tax climate more competitive, state revenues are currently \$252 million above budget  
18 projections, enabling the legislature to share the state’s projected budget surplus with cities and  
19 towns in order to lower local property taxes.

20 4 Local Property Tax Reduction. A one-time appropriation of state surplus funds is hereby  
21 granted to each municipality in the state in accordance with section 5 of this act. It is the intent of  
22 the legislature that this will result in a one-time reduction in local property taxes without increasing  
23 state or local baseline spending.

24 5 Retirement System Costs; State Funding; Appropriation. For the state fiscal year ending  
25 June 30, 2023, the state shall pay to each municipality an amount equal to 7.5 percent of both the  
26 normal and accrued liability contributions of each municipality for benefits under the retirement  
27 system on account of its group II members and group I teacher members. The board of trustees of  
28 the retirement system shall certify the amount required for each such state payment, and the total  
29 amount of the state grants, to the treasurer. The governor is authorized to draw a warrant for the  
30 total sum of these one-time grants to municipalities out of any money in the treasury not otherwise  
31 appropriated.

32 6 Repeal. RSA 100-A:16, II(c-1) relative to employer contributions for fiscal year 2012, is  
33 repealed.

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- 1       7 Effective Date.
- 2           I. Section 1 of this act shall take effect upon its passage.
- 3           II. The remainder of this act shall take effect July 1, 2022.

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AMENDED ANALYSIS

This bill reduces the rate of the business profits tax for tax years ending on or after December 31, 2023. This bill also provides for a one-time payment by the state of an amount equal to 7.5 percent of required political subdivision employer contributions made to the state retirement system for group I teachers and group II members.