

SB 155-FN-A – AS AMENDED BY THE HOUSE

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SENATE BILL ***155-FN-A***

AN ACT relative to section 179 expense deductions under the business profits tax, and relative to refugee resettlement.

SPONSORS: Sen. Forrester, Dist 2; Sen. Gallus, Dist 1; Sen. Forsythe, Dist 4; Sen. Sanborn, Dist 7; Rep. Worsman, Belk 3; Rep. Chandler, Carr 1

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill allows a business organization to calculate expense deductions not to exceed \$25,000 according to the federal Internal Revenue Code section 179 in effect as of January 1, 2012 in the calculation of gross business profits under the business profits tax.

This bill also allows local governing bodies to establish moratoriums on refugee resettlement in New Hampshire communities.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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1 III. “New Hampshire refugee coordinator” means the official designated by the
2 New Hampshire refugee program.

3 161:13 Duties of New Hampshire Refugee Program. The New Hampshire refugee program
4 shall:

5 I. Meet at least quarterly with representatives of local governing bodies to plan and
6 coordinate the appropriate placement of refugees in advance of the refugees’ arrival;

7 II. Ensure that representatives of local resettlement agencies, local community service
8 agencies, and other publicly-funded or tax-exempt agencies that serve refugees in New Hampshire
9 shall meet at least quarterly with representatives of local governing bodies to plan and coordinate
10 the appropriate placement of refugees in the host community in advance of the refugees’ arrival;

11 III. Execute a letter of agreement with each agency providing refugee resettlement services
12 in this state. The letter of agreement shall require the parties to mutually consult and prepare a
13 plan for the initial placement of refugees in a host community and set forth the continuing process of
14 consultation between the parties. The provisions of the letter of agreement shall be consistent with
15 federal law regulating the resettlement of refugees; and

16 IV. At least quarterly transmit copies of the letters of agreement and any initial refugee
17 placement plans prepared thereunder to the chairpersons of the house and senate committees
18 addressing state and local government issues, and to the chairperson of the budget committee of
19 local governing body regulating the host community.

20 161:14 Moratorium.

21 I. The New Hampshire refugee program shall accept an application from a local governing
22 body for a moratorium on new refugee resettlement activities in a host community where the local
23 governing body has determined that the community lacks sufficient absorptive capacity.

24 II. A host community lacks sufficient absorptive capacity where the local government, after
25 consultation with the state refugee coordinator, holds a public hearing and issues findings based on
26 the factors demonstrating that further resettlement of refugees in the host community would result
27 in an adverse impact to existing residents.

28 III. Upon notice of a determination made pursuant to paragraph II, the New Hampshire
29 refugee program shall thereafter suspend additional resettlement of refugees in that community,
30 until the state refugee coordinator and the local governing body have jointly determined that
31 sufficient absorptive capacity for refugee resettlement exists to implement the initial refugee
32 placement plan prepared for the host community.

33 IV. No moratorium granted under paragraph III or any extension thereof, shall exceed a
34 total of one year.

35 4 Effective Date.

36 I. Sections 1 and 2 of this act shall take effect July 1, 2013.

37 II. The remainder of this act shall take effect upon its passage.

SB 155 FISCAL NOTE

AN ACT relative to section 179 expense deductions under the business profits tax.

FISCAL IMPACT:

The Department of Revenue Administration states this bill would increase state general fund expenditures, and decrease state general fund revenue by an indeterminable amount in FY 2011 and each year thereafter. There would be no fiscal impact on county and local revenue or expenditures.

METHODOLOGY:

The Department of Revenue Administration states this bill allows a business organization to apply the current federal Section 179 expense deduction amount in the calculation of gross business profits before net operating loss and special deductions under the business profits tax (BPT). The Department states with respect to the BPT, New Hampshire has only adopted the Internal Revenue Code (IRC) that was in effect for December 31, 2000. As such, taxpayers must make adjustments to their New Hampshire taxable business profits based upon New Hampshire's non-recognition of certain expenses allowed by the most current IRC. It is assumed that this bill would allow some of the section 179 expenses to be recognized on the New Hampshire BPT return which are made on the New Hampshire form Schedule R. The Department states it does not capture information entered on the Schedule R on their computer system. Thus, the Department is unable to estimate the negative impact that this legislation would have on BPT revenues. The Department states there were 22,588 filers of corporate BPT returns in tax year 2009. Those 22,588 filers paid \$57,069,706 in BPT. 12,927 of the filers checked a box indicating they filed a Schedule R with their return, and 3,536 of these filers paid \$42,023,868 in BPT in Tax Year 2009. The Department does not have the same information on proprietorships, partnerships, and water's edge entities. Although these entities are required to file a Schedule R if applicable, the Bonus Depreciation Box which they must check on their BPT return is not captured on the Department's current computer system. The law would be effective upon passage and apply to taxable periods beginning on or after January 1, 2011, therefore there may be an impact in FY 2011 due to the possible reduction of estimated tax payments. The Department states this bill would also increase administrative costs to the Department to change the BPT form Schedule R and additional computer programming expenses. The exact fiscal impact cannot be determined at this time.