

CHAPTER 71
HB 598 – FINAL VERSION

2013 SESSION

13-0615
09/05

HOUSE BILL **598**

AN ACT relative to the reasonable compensation deduction under the business profits tax.

SPONSORS: Rep. Hess, Merr 24

COMMITTEE: Ways and Means

ANALYSIS

This bill increases the amount of the record-keeping safe harbor deduction under the business profits tax, which may be taken in lieu of a deduction for substantiated value of compensation.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the reasonable compensation deduction under the business profits tax.

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

1 71:1 Business Profits Tax; Reasonable Compensation; Record-Keeping Safe Harbor Deduction.

2 Amend RSA 77-A:4, III(c) to read as follows:

3 (c) In lieu of substantiating the value of the personal services of proprietors, partners, or
4 members, a business organization or group of related business organizations may elect, as a record-
5 keeping safe harbor, to deduct up to [~~\$50,000~~] **\$75,000** as total compensation for the tax year;

6 71:2 Effective Date. This act shall take effect July 1, 2013.

7 Approved: June 6, 2013

8 Effective Date: July 1, 2013