

SB 118-FN-A – AS INTRODUCED

2013 SESSION

13-0984

10/09

SENATE BILL ***118-FN-A***

AN ACT increasing the annual limit on the new investment tax credit.

SPONSORS: Sen. Kelly, Dist 10; Sen. Larsen, Dist 15; Sen. D'Allesandro, Dist 20; Sen. Pierce,
Dist 5; Sen. Woodburn, Dist 1; Sen. Soucy, Dist 18; Sen. Watters, Dist 4;
Sen. Fuller Clark, Dist 21

COMMITTEE: Ways and Means

ANALYSIS

This bill increases the annual limit on the amount of new investment tax credit against business taxes for contributions to the community development finance authority.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT increasing the annual limit on the new investment tax credit.

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

1 1 Community Development Finance Authority; New Investment Tax Credit; Annual Limit
2 Increased. Amend RSA 162-L:10, IV(b) to read as follows:

3 (b) Contributions received by the authority for which credit is to be taken shall not
4 exceed [~~\$5,000,000~~] **\$8,000,000** in any state fiscal year. Contributions received by the authority in
5 excess of [~~\$5,000,000~~] **\$8,000,000** in any state fiscal year shall not be eligible for credit in such fiscal
6 year but may be carried forward to the next succeeding fiscal year or years and shall be given
7 priority in determining the total contributions eligible for credit in such fiscal year.

8 2 Effective Date. This act shall take effect July 1, 2013.

SB 118-FN-A - FISCAL NOTE

AN ACT increasing the annual limit on the new investment tax credit.

FISCAL IMPACT:

The Department of Revenue Administration states this bill, **as introduced**, will decrease state revenue by \$2,250,000 in FY 2014 and each year thereafter. This bill will have no fiscal impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of Revenue Administration (DRA) states this bill would increase the amount of contributions that the Community Development Finance Authority (CDFA) may receive, and for which a 75% tax credit against business taxes is granted from \$5,000,000 to \$8,000,000. An \$8,000,000 maximum contribution level could produce \$6,000,000 in tax credits granted each year at the 75% allowance amount. Assuming the CDFa will get the \$8,000,000 in contributions, and assuming that businesses will utilize all of the \$6,000,000 tax credits they have available, there would be a decrease in state general and education trust fund revenue of approximately \$2,250,000 annually.