

HB 558-FN - AS INTRODUCED

2015 SESSION

15-0816
10/09

HOUSE BILL ***558-FN***

AN ACT establishing a clean water tax credit.

SPONSORS: Rep. Schroadter, Rock 17

COMMITTEE: Ways and Means

ANALYSIS

This bill establishes a clean water tax credit against the business profits tax and/or the business enterprise tax for business organizations and business enterprises that contribute to a nonprofit environmental organization which award grants to homeowners replacing septic systems.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

15-0816
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In the Year of Our Lord Two Thousand Fifteen

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

XVI. The clean water tax credit as computed in RSA 77-H.

3 New Chapter; Clean Water Tax Credit. Amend RSA by inserting after chapter 77-G the following new chapter:

CLEAN WATER TAX CREDIT

II. "Business enterprise" shall be as defined in RSA 77-E:1, III.

(c) The donation amount and date received.

VI. “Environmental organization” means a charitable organization incorporated or qualified

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1 to do business in this state that:

2 (a) Is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal
3 Revenue Code;

4 (b) Complies with applicable state and federal antidiscrimination and privacy laws;

5 (c) Is registered with the director of charitable trusts; and

6 (d) Has been approved by the department of revenue administration for the purpose of
7 making grants to homeowners as provided in this chapter.

8 VII. "Receipt" means a document developed by the department of revenue administration
9 and submitted by an environmental organization to the business organization or business enterprise
10 and that contains at a minimum:

11 (a) The business organization's or business enterprise's name, address, and federal
12 taxpayer identification number.

13 (b) The amount of the donations used or carried forward and the amount not used.

14 77-H:2 Contributions to Environmental Organizations. For each contribution made to an
15 environmental organization, a business organization or business enterprise may claim a credit equal
16 to 85 percent of the contribution against the business profits tax due pursuant to RSA 77-A, or
17 against the business enterprise tax due pursuant to RSA 77-E, or apportioned against both, provided
18 the total credit granted against both shall not exceed the maximum tax credit allowed. Credits
19 provided under this chapter shall not be deemed taxes paid for the purposes of RSA 77-A:5, X. The
20 department of revenue administration shall not grant the credit without a receipt. No business
21 organization or business enterprise shall receive more than 10 percent of the aggregate amount of
22 tax credits permitted in RSA 77-H:3.

23 77-H:3 Tax Credits. The aggregate of tax credits issued by the commissioner of the department
24 of revenue administration to all taxpayers claiming the credit shall not exceed \$1,000,000.

25 77-H:4 Environmental Organizations.

26 I. An environmental organization shall:

27 (a) Provide grants from eligible contributions to homeowners replacing or upgrading
28 septic systems for their homes.

29 (b) Not restrict or reserve grants for a specific homeowner.

30 II.(a) An organization seeking approval as an environmental organization under this chapter
31 shall submit an application to the department of revenue administration each program year no later
32 than June 15. The department of revenue administration shall approve or deny the application
33 within 30 days of receipt. The department shall deny any application that fails to meet the statutory
34 requirements and shall notify the organization of the reasons for denial.

35 (b) A business organization or business enterprise shall submit a clean water tax credit
36 application to the department of revenue administration no earlier than January 1 and no later than
37 June 15. The department shall approve these applications within 30 days on a first come-first

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served basis, up to the aggregate tax credit amount allowed under RSA 77-H:3. If multiple tax credit applications are received on the same day, they shall be processed at random. No business organization or business enterprise shall be granted a clean water tax credit for more than 10 percent of the aggregate tax credit amount permitted in RSA 77-H:3. The department of revenue administration may approve only a portion of a request if required to prevent exceeding the aggregate tax credit amount allowed under RSA 77-H:3. The approval shall include the amount allowed and the date of approval.

(c) Once a clean water tax credit application is approved, the business organization or business enterprise shall donate within 60 days of the date of approval or the request shall expire.

(d) Upon receiving a donation, the environmental organization shall send a donation receipt to the department of revenue administration and to the business organization or business enterprise within 15 days.

(e) A business organization or business enterprise may file for the tax credit after receiving the receipt, and may file a tax credit request for the subsequent program year up to the amount donated in the current program year.

77-H:5 Department of Revenue Administration; Requirements.

I. The department of revenue administration shall verify and update a list of eligible nonprofit environmental organizations that meet the requirements of this chapter. The department shall post this list on the department's Internet website.

II. The commissioner of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to:

(a) The application procedure for an environmental organization applying to accept scholarship donations under this chapter.

(b) The application procedure for a business organization or business enterprise applying for a tax credit under this chapter.

(c) Complaint procedures, including the filing of a complaint and investigations of complaints.

(d) The design and content of the forms and applications required to be filed with, or issued by, the department of revenue administration under this chapter.

4 Effective Date. This act shall take effect upon its passage.

LBAO
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HB 558-FN - FISCAL NOTE

AN ACT establishing a clean water tax credit.

FISCAL IMPACT:

The Department of Revenue Administration states this bill, **as introduced**, may decrease state general and education trust fund revenue by \$1,000,000 in FY 2016 and each year thereafter. There will be no fiscal impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of Revenue Administration (DRA) states this bill creates the Clean Water Tax Credit law, RSA 77-H, and sections relative to the credit usage under the Business Profits Tax (BPT) and Business Enterprise Tax (BET). The maximum possible tax credit that could be issued in FY 2016 and beyond would be \$1,000,000. DRA estimates that state general and education trust fund revenue would decrease by the maximum amount.